

BRAZOS COUNTY, TEXAS

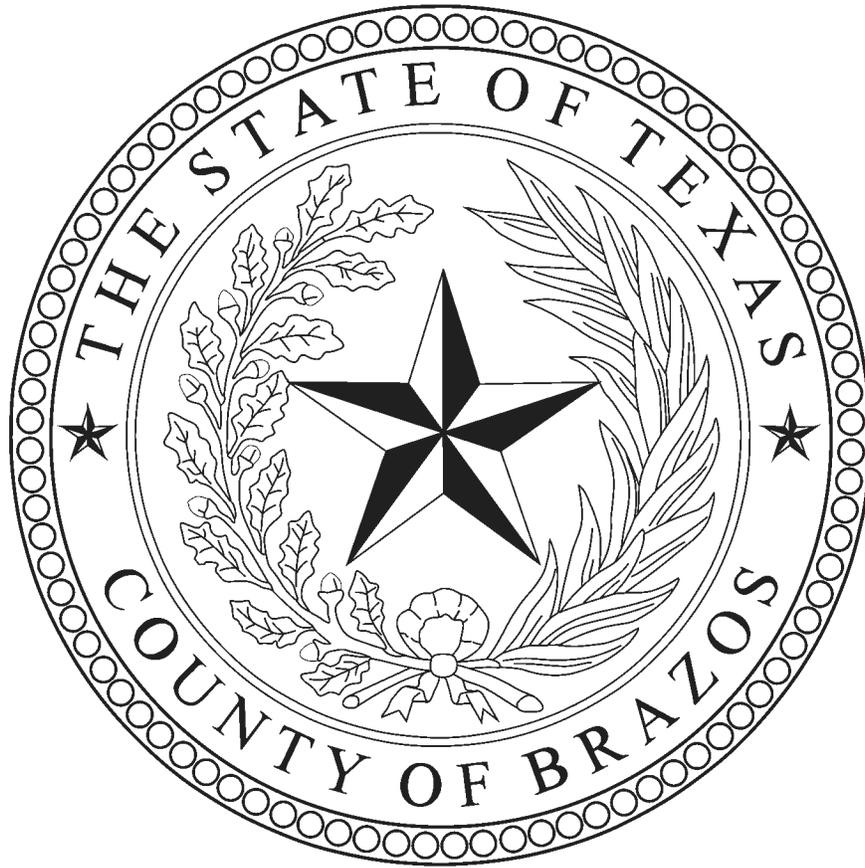
Comprehensive Annual Financial Report

For The Year Ended September 30, 2017



Prepared by:

**Katie Conner, C. P. A.
County Auditor**



BRAZOS COUNTY, TEXAS

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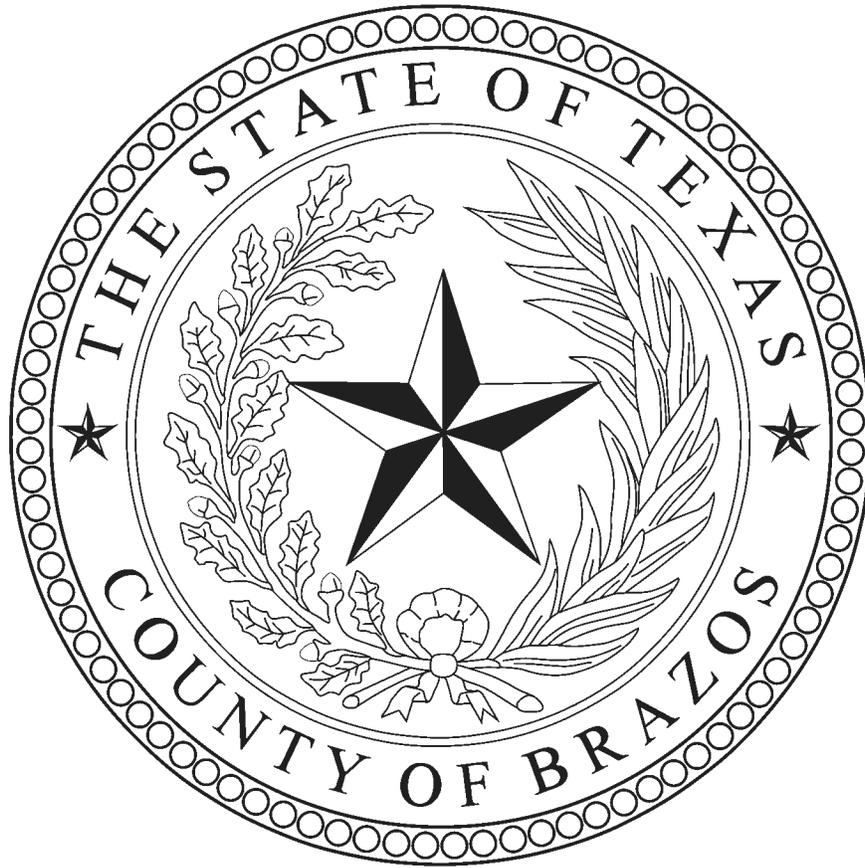
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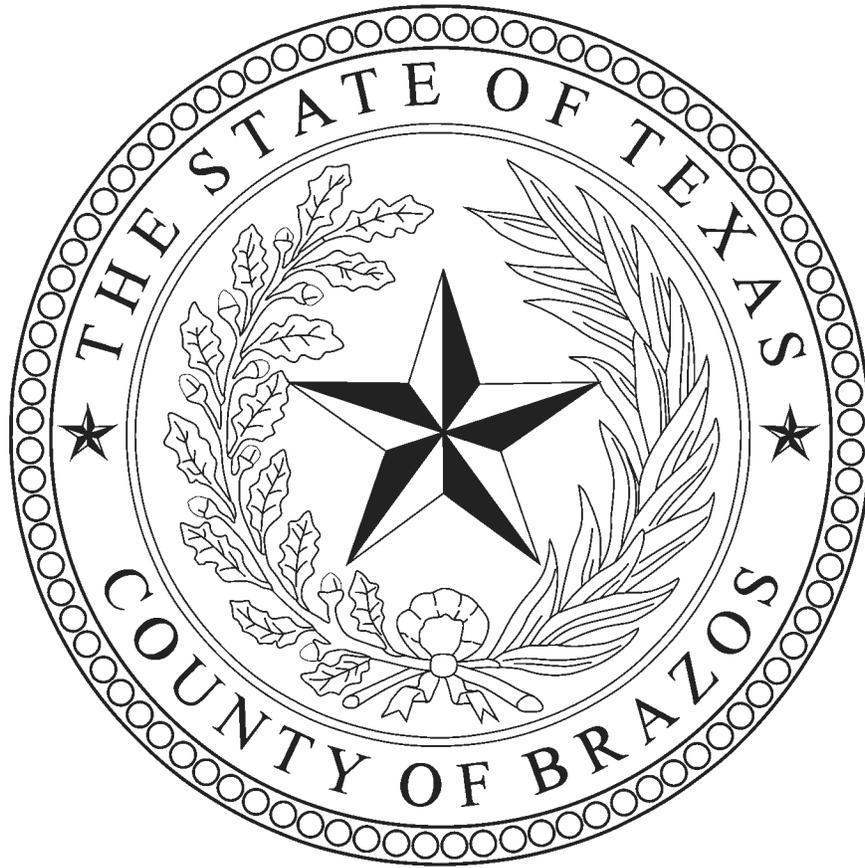
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**Office of the Brazos County Auditor
Brazos County Administration Building**

200 East S. Texas Avenue – Suite 218

Bryan, Texas 77803

(979) 361-4350

Email: kconner@brazoscountytexas.gov

March 9, 2018

The Honorable Board of District Judges

The Honorable Commissioners' Court

Honorable Judges and Commissioners of Brazos County, Texas:

In compliance with Section 114.025 of the Texas Local Government Code, the Comprehensive Annual Financial Report of Brazos County, Texas (the "County") for the fiscal year ended September 30, 2017, is hereby submitted.

This report consists of management's representation concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the basic financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the basic financial statements will be free from material misstatement. The responsibility for internal controls is shared by the Commissioners' Court, which is the governing body, the County Auditor, who is appointed by the District Judges, and the County Treasurer. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's basic financial statements have been audited by Ingram, Wallis & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for the fiscal year ended September 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the basic financial statements of Brazos County was part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent

auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are contained in the section titled "Independent Auditors' Reports on Compliance and on Internal Control over Financial Reporting".

Generally accepted accounting principles require a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The introduction includes this transmittal letter, the County's organizational chart and a list of principal officials. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Brazos County's MD&A can be found immediately following the report of the independent auditors. The financial section includes government-wide financial statements, fund financial statements, notes to the basic financial statements, required supplementary information and the combining and individual fund financial statements and schedules in addition to the report of the independent auditors. The statistical section of this report includes selected financial and demographic information, which is generally presented on a multi-year basis.

PROFILE OF BRAZOS COUNTY

Geographic Information

Brazos County is located in East Central Texas, in an area bounded on all sides by large metropolitan areas. Dallas-Ft. Worth is 180 miles to the north, Houston 95 miles to the southeast, Austin 104 miles to the west, and San Antonio 166 miles to the southwest. There are two major cities in the County that make up the business and cultural center, Bryan and College Station. They have a combined population of approximately 175,000.

The County lies in what is often referred to as the "Post Oak Belt," where fields, valleys and rolling green hills have an abundance of trees including post oak, live oak, red oak, elm and hickory. It comprises 588 square miles of rolling prairie and woodland with elevations that range from 200 to 350 feet above sea level.

County Structure and Services

The County is a public corporation and a political subdivision of the State of Texas. The general governing body of the County is the elected five-member Commissioners' Court in accordance with Article 5 Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four-year term.

The Commissioners' Court sets the tax rates, establishes policies for County operations, approves contracts for the County and develops and adopts the County budget within the resources as estimated by the County Auditor. The Commissioners' Court is also responsible for development of policies and procedures, approving financial commitments and appointment of various department heads. The management and leadership provided by members of the Commissioners' Court and the elected and appointed officials of other key County offices is crucial to the success of the County in financial management and growth.

The County Auditor has responsibility for prescribing the systems and procedures for handling the finances of the County and “examining, auditing and approving” all disbursements from County funds prior to their submission to the Commissioners’ Court for approval.

The County provides a full range of services as authorized by the Constitution and Statutes of the State of Texas. The primary functions include general government, justice system, law enforcement, juvenile services, public transportation, public health, human services, and debt service.

Budget Process

The annual budget serves as the foundation of the County’s planning and control. Budget hearings are posted annually in July with the final budget approved by the Commissioners’ Court in August or September. After adoption of the budget by the Commissioners’ Court, the County Auditor is responsible for ensuring expenditures are made in compliance with budgeted appropriations. The final budget includes contingency and emergency reserves line items. Most appropriated budgets are prepared by fund, function, department and classification. Capital expenditures are approved on a line item basis. All budget transfers between departments must follow special approval processes. Budget to actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. Encumbrances are utilized to ensure effective budgetary control and accountability, and all outstanding encumbrances lapse at fiscal year-end.

Primary Government and Related Organizations

The Governmental Accounting Standards Board defines the reporting entity as the primary government and its component units. Brazos County is a primary governmental unit, and the financial statements include all funds, agencies, boards, commissions and authorities for which the elected officials of the County are financially accountable. The statements include all items that, by the nature and significance of the relationship between the entity and the County, are such that their exclusion from the financial reporting format would render the financial statements misleading or incomplete.

The Brazos County Juvenile Services functions under the umbrella and control of the Commissioners’ Court, for which the Commissioners’ Court has fiscal responsibility. It has an independent board that provides operational control. This entity is not legally separate from the County and is included in the operations and activities of the County’s General Fund. The Commissioners’ Court approves the operating budgets and the expenditures of this entity. Operational funding is derived from state, federal, and local funds.

The Brazos County Health Facilities Development Corporation, the Brazos County Industrial Development Corporation and the Brazos County Housing Finance Corporation are related organizations to the County. These corporations were created by resolutions of the Commissioners’ Court to enable the various third party organizations the ability to issue tax-exempt bonds to provide low cost funding to promote and improve the health and welfare of the public. The tax-exempt bonds issued by these corporations do not constitute a debt or a pledge of faith or credit of the corporation or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Each corporation is governed by a Board of Directors made up of members of the Commissioners’ Court. None of the corporations are reported in the County’s financial statements.

The Brazos Valley Fair & Exposition is another related organization to the County. This 501(c)3 organization was established for educational, scientific and charitable purposes in 2010 and is currently governed by a nine member Executive Committee of which seven members were appointed by the Brazos County Commissioners' Court.

FACTORS AFFECTING FINANCIAL CONDITION

The official census for 2010 established the population of the County at 194,851, which is up from 152,415 in 2000. The 28% increase is larger than the overall growth of Texas (21%) in the past decade.

In September 2017, Brazos County had an unemployment rate of 2.8% compared to a Texas statewide unemployment rate of 4.0% for the same month. The unemployment rate at September 2016 was 3.6 %. As of September 2017, the labor force figures for the County, as established by the Texas Workforce Commission, are 114,786 of which 111,614 are currently employed. The following schedule is an estimate of the number of employees and the corresponding percentage per industry as of September 2017.

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

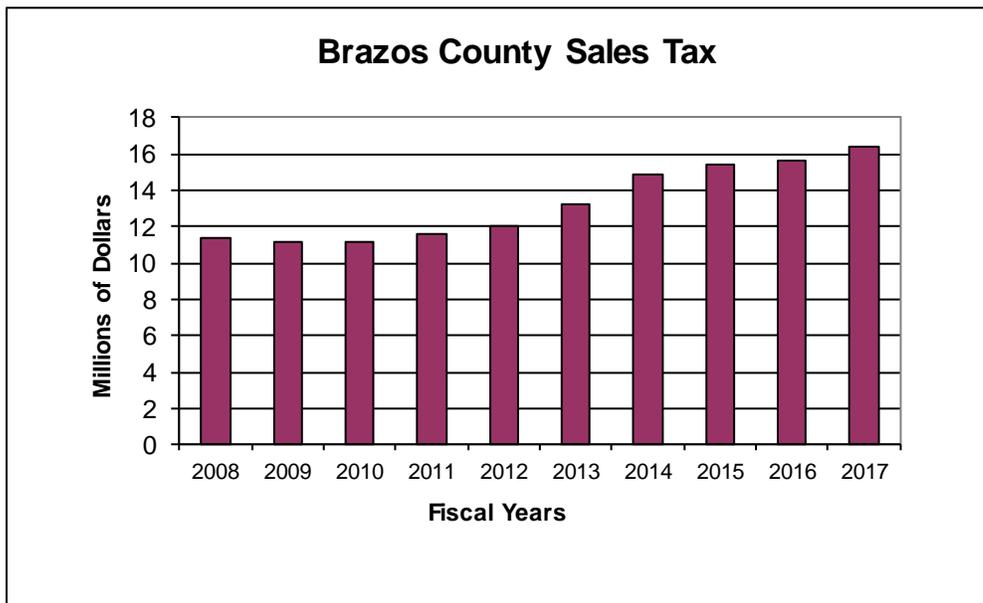
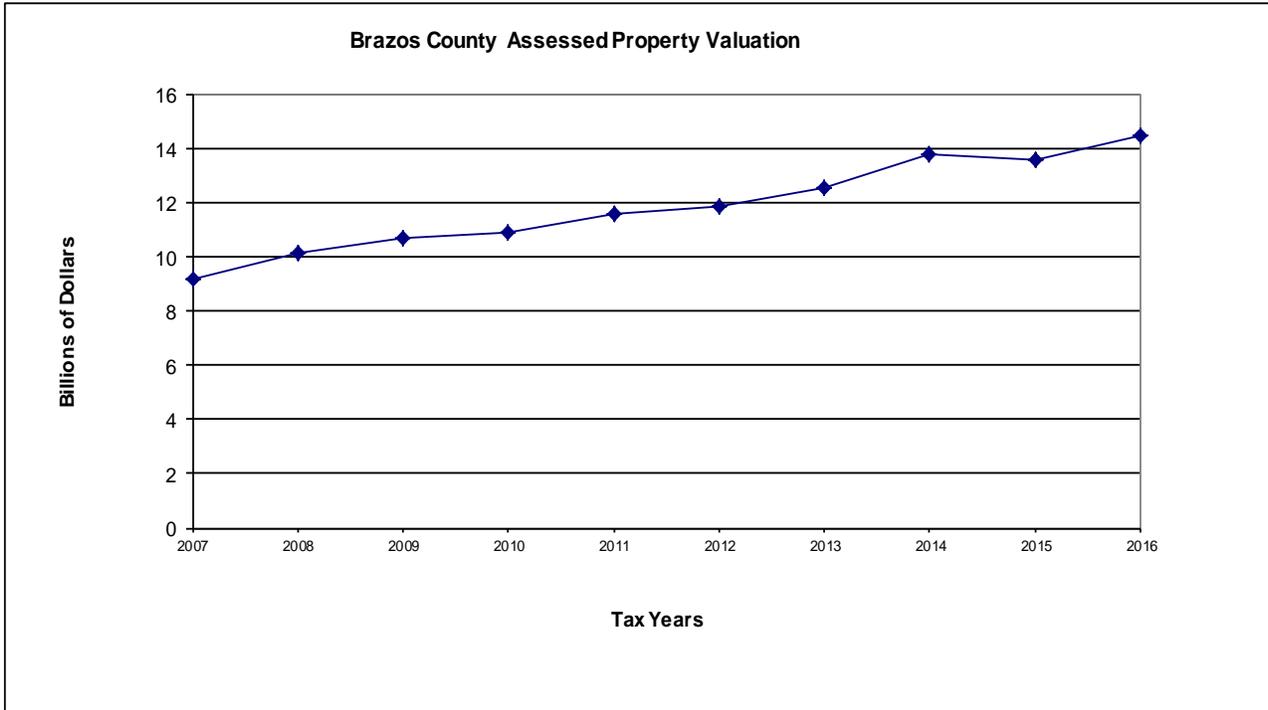
<u>Employer Group</u>	<u>Number Of Employees</u>	<u>Percentage</u>
State, Local, Federal Government	43,700	37%
Trade, Transportation and Utilities	16,800	14%
Education and Health Services	11,500	10%
Leisure and Hospitality	15,900	13%
Professional and Business Services	9,500	8%
Mining, Logging and Construction	7,500	6%
Manufacturing	5,300	5%
Financial Activities	3,800	3%
Other Services	3,700	3%
Information	1,300	1%
TOTAL	<u>119,000</u>	<u>100%</u>

Source: Texas Workforce Commission

According to the recent Employment Statistics Highlights released by the Bureau of Labor Statistics of the United States Department of Labor, US labor market conditions keep improving. From October 2016 to September 2017 the area has added approximately 4,100 non-farm jobs, and 400 private sector jobs, reflecting the trend.

According to the Real Estate Center at Texas A&M University, the real estate market in the Bryan-College Station area remained strong in 2017. The number of home sales increased by 3%, the average sales price increased by 8%, and the average month's inventory increased by 15% in 2017 compared to 2016.

The County's assessed property valuation for tax year 2016 increased 6.7% compared to tax year 2015. Sales tax receipts for fiscal year 2017 increased 4.9% compared to fiscal year 2016. The following charts show the changes in the two categories:



Brazos County is the home of Texas A&M University, the second largest university in enrollment in the United States for 2016-2017. Opened in 1876 as Texas' first public institution of higher learning, Texas A&M University is a research-intensive flagship university with about 50,000 undergraduates and 11,000 graduate students studying in over 130 undergraduate and 270 graduate degree programs in 19 colleges and schools. The faculty and graduate students of Texas A&M University conduct about \$900 million in research and development expenditures. The University has an endowment valued at more than \$9 billion, which ranks the largest among U.S. public universities and 7th overall in 2016. More than 1,200 public events are hosted through the University each year. The presence of Texas A&M has consistently provided incentive for residential development and growth and offered the area some insulation from adverse economic effects.

The University's main campus is one of the largest in America, spanning 5,200 acres and has the distinction of providing space for the George Bush Presidential Library Center and the George Bush School of International Study. The Library provides a tremendous research center, and hosted in excess of 170,000 visitors in 2017. This facility, along with the 324-acre University Research Park, provides an attraction for both national and international visitors.

Founded in 2016, the 2,000-acre RELLIS Campus is one of the Texas A&M University System's private-public partnerships. Located in Bryan, the RELLIS Campus serves as an ecosystem that fosters cutting-edge research, technology development, higher education and workforce training. The Texas A&M Transportation Institute (TTI) and the Texas A&M Engineering Experiment Station (TEES), along with academic, corporate and private partners, conduct valuable research for world-changing technologies, processes and products with state-of-the-art research laboratories, testing and proving grounds. At the RELLIS campus, post-secondary degree education and training are offered with programs through Blinn College, multiple universities within the Texas A&M System and the Texas A&M Engineering Extension Service (TEEX). Academic courses are expected to begin fall 2018.

In addition to the four-year program Texas A&M offers, Blinn College offers a two-year program at four campuses: the main campus in Brenham, Bryan Campus, Schulenburg Campus, and Sealy Campus. All campuses offer various technical certificates and associates degrees in arts and sciences. The Bryan Campus offers the same programs and degrees as the main campus, but also takes part in a joint collaborative effort with Texas A&M University. About 12,000 students enrolled in Blinn's Bryan campus for the fall semester of 2017.

A comprehensive community college committed to educational excellence and to individual and community enhancement, Blinn College has served its 13-county Central Texas region since 1883. Blinn ranks among the nation's leaders in transferring students to leading four-year universities and has received national recognition for affordable educational excellence. Blinn's Bryan campus adds \$247.4 million into the Brazos County economy according to a study conducted by Economic Modeling Specialists, Inc.

Brazos County is a member of the Research Valley Partnership (the RVP, www.researchvalley.org), a private, non-profit economic development corporation dedicated to promoting the seven county area surrounding Brazos County and the cities of Bryan and College Station. The RVP focuses its efforts on creating jobs and new investments primarily in the industry sectors of technology transfer/research development, information technology, life sciences and biotechnology, corporate and regional headquarters operation, value-added agricultural processing, customer support, manufacturing and logistics.

One of the key factors in the progress of the RVP has been its ability to utilize and market the large skilled workforce in the areas surrounding Texas A&M University which includes students, faculty, researchers and technological innovators and entrepreneurs. The development of the BioCorridor area has been a focus under the leadership of the Research Valley Partnership. A unique vision has emerged for biotechnology, encompassing research, preclinical studies, clinical studies and manufacturing all in one corridor. The momentum and vision for the BioCorridor continues to grow.

Brazos County partnered with the City of Bryan to create the City of Bryan and Brazos County Economic Development Foundation, Inc. The County is looking forward to drawing quality businesses, encouraging and maintaining employment, and expanding both entities' tax base through Foundation activities. The industrial site, formed by the 1,000-acre tract of land and outfitted with infrastructure and utilities, is marketed as the Texas Triangle Park, named for its excellent geographic location. Currently, two companies, Axis Pipe and Tube and Kristen Distributing Company, are in full operation in the park.

CAPITAL IMPROVEMENT PROGRAM

In 2017, the Commissioners' Court of Brazos County continued the strategic planning program concerning capital improvements and expansion that began in 1996. This program focuses on meeting current and future needs of the County.

During 2017, the County continued the construction of County roads to connect major thoroughfares and continues to provide adequate funding to enable the road and bridge improvement program to upgrade and widen rural County roads. The program has been in place since 1996 and the Commissioners' Court appropriated a public transportation budget for fiscal year 2017 that included \$12.1 million (includes personnel services, supplies and other charges, contingencies, repairs and maintenance, minor acquisitions, contract services, and professional services) for routine maintenance and \$6.1 million for improvements and upgrades. The County expended approximately \$9.5 million dollars in maintaining the roads, and upgraded and reconstructed roads at a cost of over \$2.4 million dollars during the year.

The County allotted funding, along with a bond issuance, to fund the County courthouse renovation project. The total cost of the courthouse renovation to date was \$19.3 million as of the end of fiscal year 2017. The estimated cost of the courthouse renovation project in 2018 is about \$1.9 million. The project has at least six phases and is expected to be completed in 2018. Once the renovation is finished, the courthouse building will provide more courtroom spaces and house three district courts, two county courts, the County Attorney's Office, the District Attorney's Office, the County Clerk's Office and the District Clerk's Office.

The third expansion of the Exposition Center funded by the bond issuance will complete the east side of the South Arena and make it a full stall barn, install 125 additional parking spaces, replace the existing outdoor warmup arena and include sound system upgrades in the North Arena and East/West Pavilions. Additionally, there are smaller projects within this expansion that will increase the marketability of the facility to bigger out of county shows and events. The total cost of the expansion was \$4.2 million at the end of fiscal year 2017. The project is scheduled for completion in fiscal year 2018.

FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

The County has adopted an investment policy as required by state law and in conformity with state investment statutes. The investment policy as adopted by the County employs the prudent person concept, in that priorities were established as to the investment vehicles the County would use. Safety was established as the first priority, followed by liquidity, low risk and diversification. The County Treasurer is responsible for administering the investment of idle funds in the County. At September 30, 2017, the County had cash and cash equivalents of \$94.9 million in governmental and business-type activities, the majority of which was invested in the County's depository. For the last several years, the County's depository has provided better interest rates than comparable liquid investments. At September 30, 2017, the County also had \$6.4 million invested in a state wide investment pool. During the fiscal year, the County earned approximately \$350,000 interest.

Debt administration is monitored through the Debt Service Fund. The County has never defaulted on the payment of principal or interest on its bonds or certificates of obligation. At September 30, 2017, the County had been assigned a bond rating of AA by Standard & Poor's Rating Service. In compliance with the requirements of the bond order and certificates of obligation agreements, the County maintains separate accountability. The tax rate set each year is calculated to provide sufficient funding to meet current year obligations. At September 30, 2017, the County has \$6.2 million reserved in the Debt Service Fund to meet future obligations.

The County is responsible for establishing its tax rate. For the fiscal year ended September 30, 2017, the tax rate to finance general governmental services was \$0.4258 per \$100 valuation and the tax rate for the payment of principal and interest on long-term debt was \$0.0592 per \$100 of valuation. For the fiscal year ended September 30, 2018, the tax rate to finance general government services is \$0.4290 per \$100 valuation and the tax rate for the payment of principal and interest on long-term debt is \$0.0560 per \$100 of valuation.

In addition, the County also has the following financial policies:

- The Commissioners' Court of the County shall review and formally adopt the annual budget prepared by the Budget Officer.
- Expenditures are controlled to not exceed available resources. All elected officials and department heads are required to keep expenditures within allocated budgets.
- Balanced financial operations will be maintained. Adequate internal accounting controls are developed and maintained to safeguard assets and provide reasonable assurance of proper recording of financial transactions.
- Technological solutions are used to improve operations.
- Delivery of service to the constituents.
- Take advantage of the low market price on construction work to satisfy the County's needs on capital improvements and expansion.
- Restrain the debt issuance to keep the tax rate low.
- Maintain full disclosure and open lines of communication with the rating agencies and seek to maintain a high debt rating with a stable outlook.

Significant budget initiatives in fiscal year 2017 included:

- The County added 22 full-time positions, and approved a 3% cost-of-living adjustment and a 1% merit.
- The County continued the County courthouse renovation and the Exposition Center expansion during 2017. Both projects are expected to be completed in 2018.

CERTIFICATE OF ACHIEVEMENT

This report has been prepared following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. The GFOA awards a certificate of achievement to those governments whose annual financial reports are judged to conform substantially to high standards of public financial reporting, including generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. The County has been awarded the Certificate of Achievement for its annual financial report since 1988. The report has historically presented the financial information of the County in an easily readable and efficient manner. A Certificate of Achievement is valid for one year. This office believes that the current year report continues to meet the program standards, and it will be submitted to the GFOA to determine County eligibility for another certificate.

We wish to express our thanks to the Commissioners' Court and the District Judges for their support and interest in planning and conducting the financial affairs of the County in a responsible and professional manner. This report could not have been completed in a timely manner without the dedicated efforts of all County elected officials, the Commissioners' Court, the County Auditor's staff, and the independent auditors, Ingram, Wallis & Company, P. C.

Respectfully submitted,



Katie Conner
County Auditor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Brazos County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO

BRAZOS COUNTY, TEXAS
PRINCIPAL OFFICIALS
September 30, 2017

Commissioners' Court:

Duane Peters	County Judge
Steven Aldrich	Commissioner, Precinct 1
Sammy Catalena	Commissioner, Precinct 2
Nancy Berry	Commissioner, Precinct 3
Irma Cauley	Commissioner, Precinct 4

District Court:

Kyle Hawthorne	Judge, 85th Judicial District
Travis Bryan, III	Judge, 272nd Judicial District
Steve Smith	Judge, 361st Judicial District

County Court-at-Law:

Amanda Matzke	Judge, County Court-at-Law No. 1
James Locke	Judge, County Court-at-Law No. 2

Law Enforcement and Correction:

Christopher C. Kirk	Sheriff
Rodney Anderson	County Attorney
Jarvis Parsons	District Attorney
Doug Vance *	Chief Juvenile Probation Officer
Jennifer Goerig *	Chief Adult Probation Officer

Financial Administration:

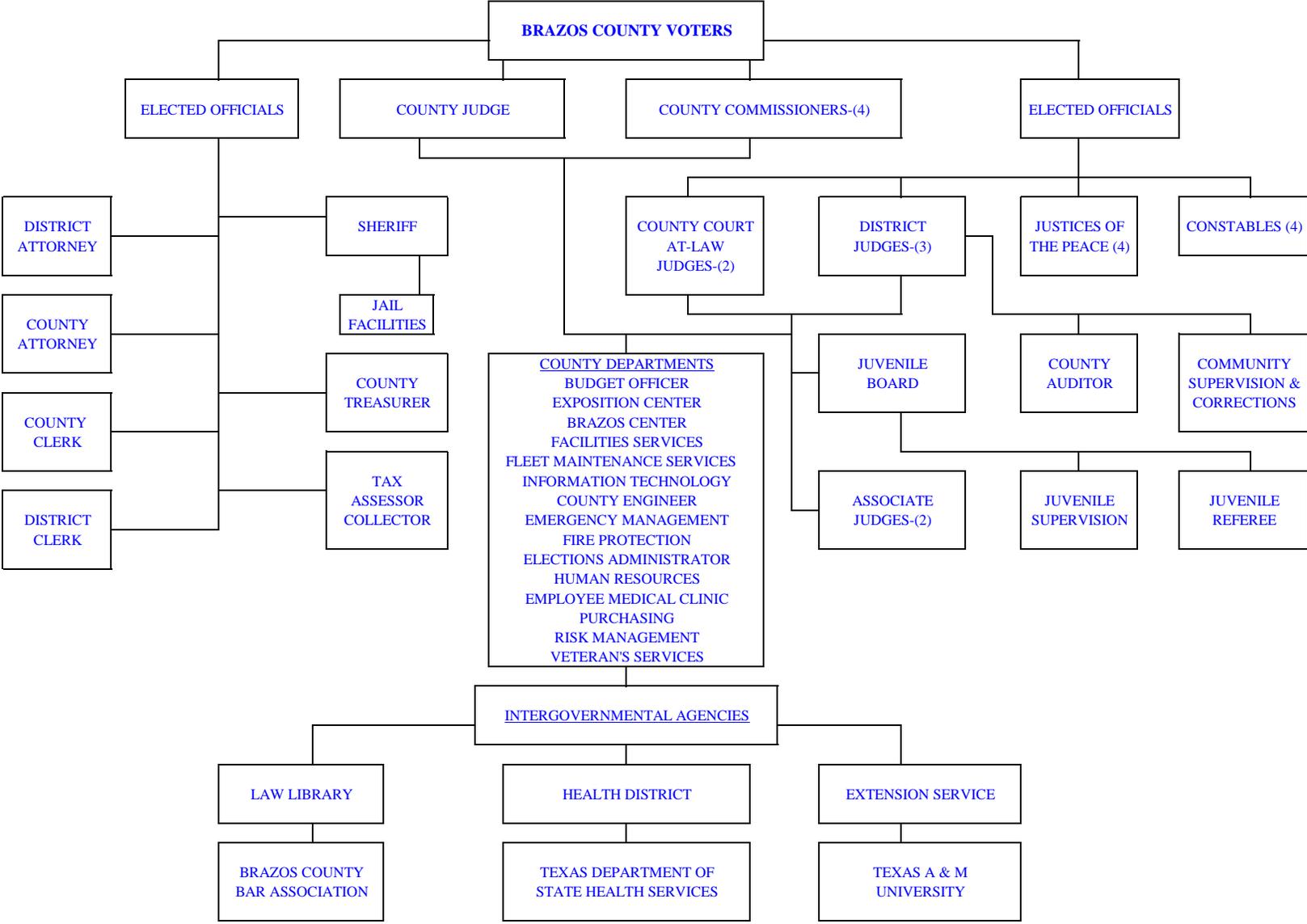
Laura Davis	Treasurer
Kristeen Roe	Tax Assessor-Collector
Katie Conner*	Auditor

Recording Offices:

Karen McQueen	County Clerk
Marc Hamlin	District Clerk

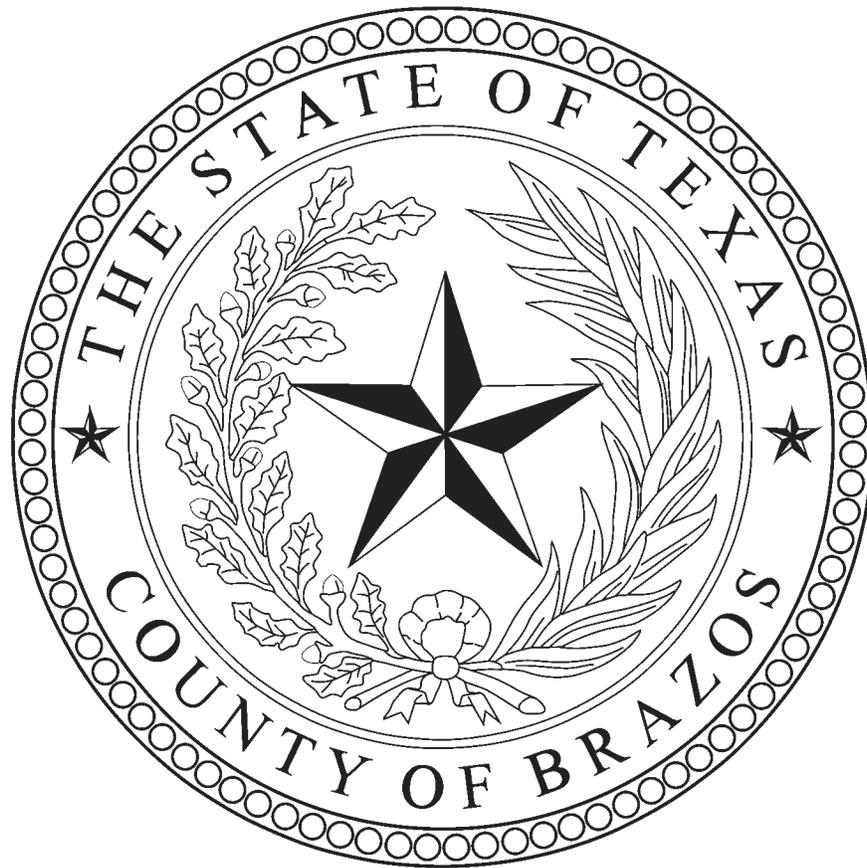
* Designates appointed officials. All others listed are elected officials.

BRAZOS COUNTY ORGANIZATIONAL CHART



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Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Duane Peters, County Judge
and the Honorable County Commissioners
of Brazos County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brazos 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.

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, each major fund, and the aggregate remaining fund information of the County, 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, pension plan information, other post-employment benefits information, infrastructure condition data, and budgetary comparison information on pages 16 through 27 and 79 through 98 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 statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State of Texas Single Audit Circular*, issued by the Office of the Governor of the State, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, 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, budgetary comparison schedules, and the schedule of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 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.

Bryan, Texas
March 9, 2018

A handwritten signature in blue ink that reads "Jagan, Wellis, Company". The signature is written in a cursive style and is positioned on a light-colored rectangular background.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

For the Year Ending September 30, 2017

This section of the Brazos County comprehensive annual financial report presents management’s discussion and analysis (“MD&A”) of the financial performance of the primary government during the fiscal year ended September 30, 2017. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the County’s basic financial statements following this section.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

- The total government-wide assets (and deferred outflows of resources) of the County exceeded the liabilities (and deferred inflows of resources) by \$208,278,976 at September 30, 2017, and are reported as the total net position of the primary government. This is comparable to the total net position of \$185,388,697 at September 30, 2016.
- The government-wide total net position increased \$22,890,279 during the fiscal year ending September 30, 2017. The net position from the governmental activities increased \$22,694,740 while the net position from business-type activities increased \$195,539.
- Total net position of the primary government is comprised of the following:

<u>Net Position by Category</u>	<u>September 30, 2017</u>	<u>% to Total</u>	<u>September 30, 2016</u>	<u>% to Total</u>
Net Investment in Capital Assets	\$ 177,679,124	85%	\$ 165,706,029	89%
Restricted	27,162,985	13%	18,520,831	10%
Unrestricted	3,436,867	2%	1,161,837	1%
Total Net Position	<u>\$ 208,278,976</u>	<u>100%</u>	<u>\$ 185,388,697</u>	<u>100%</u>

Fund Financial Statements

- As of September 30, 2017, the County governmental funds reported combined fund balances of \$90,549,243. This reflects an increase of \$11,317,998 from the previous fiscal year, primarily related to the decrease in the payout of the local health care provider assessments. \$43,410,257 or 48% of the combined fund balances at September 30, 2017, are available to meet the County’s current and future needs (unassigned fund balances).
- At the end of the fiscal year, the unassigned fund balance of the County’s General Fund was \$43,410,257 or 51% of the General Fund’s total expenditures and 45% of the revenues.
- The total fund balance for the nonmajor governmental funds was \$5,460,857 at September 30, 2017. Of this amount, \$5,439,503 is restricted by the legislature and \$21,354 is nonspendable.

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 basic financial statements. Required supplementary information is included in addition to the basic financial statements. The report also contains other supplementary information and statistical data.

Government-Wide Financial Statements – These are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business. They include a Statement of Net Position and a Statement of Activities. Both of these statements are presented using the accrual method of accounting; therefore, revenues and expenses are taken into account regardless of when cash is received or paid.

The statement of net position presents information on all County assets, liabilities, and deferred inflows/outflows of resources, with the difference 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. However, other non-financial factors, such as changes in the County's property tax base and the condition of the County's roads, should be considered to assess the overall health of the County.

The statement of activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement may result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, justice system, law enforcement, juvenile services, public transportation, public health and human services. The business-type activities of the County include the business-type operations of the County Attorney and the Jail Commissary.

Fund Financial Statements – Funds are groupings of related accounts that are 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 finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 near-term inflows and outflows 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 the County's near-term financing requirements.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Because the focus of governmental funds is narrower than 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 funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 29 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Debt Service, Capital Improvement, Local Provider Participation, and Certificates of Obligation 2015 funds, which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining schedules elsewhere in this report.

Proprietary Funds are maintained two ways. An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for the county attorney administration of the returned check activities and the jail commissary activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its administration of the County's self-insurance programs for health services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. One Other Post-Employment Obligation trust fund and four agency funds are presented under this category. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. 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 own programs.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 43-78 of this report.

Required Supplementary Information is presented concerning the County's General Fund and Local Provider Participation Fund budgetary schedules. The schedules, which include the original and final amended budget and actual figures, have been provided to demonstrate compliance with these budgets. Also presented in this section are the OPEB Schedule of Funding Progress and the pension related schedules required by GASB 68. The condition assessment information for county roads and bridges can also be found in this section. Required supplementary information can be found on pages 79-98 of this report.

Combining and Individual Fund Schedules provide information for nonmajor governmental funds, internal service funds and agency funds and are presented immediately following the required supplementary information. The combining/individual fund statements and schedules including budgetary comparisons can be found on pages 99-145 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. The total net position of the County was \$208,278,976 for fiscal year 2017 and \$185,388,697 for fiscal year 2016.

Condensed Statement of Net Position September 30, 2017

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Current and other assets	\$ 114,698,343	\$ 1,074,350	\$ 115,772,693
Capital assets, net	258,522,579	10,417	258,532,996
Total assets	373,220,922	1,084,767	374,305,689
Deferred outflows of resources	16,428,948	25,332	16,454,280
Total deferred outflows of resources	16,428,948	25,332	16,454,280
Current and other liabilities	13,001,674	135,452	13,137,126
Long-term liabilities	168,028,875	127,537	168,156,412
Total liabilities	181,030,549	262,989	181,293,538
Deferred inflows of resources	1,185,396	2,059	1,187,455
Total deferred inflows of resources	1,185,396	2,059	1,187,455
Net position:			
Net investment in capital assets	177,668,707	10,417	177,679,124
Restricted	27,162,985	-	27,162,985
Unrestricted	2,602,233	834,634	3,436,867
Total net position	\$ 207,433,925	\$ 845,051	\$ 208,278,976

Condensed Statement of Net Position September 30, 2016

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Current and other assets	\$ 102,733,570	\$ 881,852	\$ 103,615,422
Capital assets, net	247,138,395	17,535	247,155,930
Total assets	349,871,965	899,387	350,771,352
Deferred outflows of resources	18,499,833	28,956	18,528,789
Total deferred outflows of resources	18,499,833	28,956	18,528,789
Current and other liabilities	13,378,644	156,601	13,535,245
Long-term liabilities	168,642,830	119,573	168,762,403
Total liabilities	182,021,474	276,174	182,297,648
Deferred inflows of resources	1,611,139	2,657	1,613,796
Total deferred inflows of resources	1,611,139	2,657	1,613,796
Net position:			
Net investment in capital assets	165,688,494	17,535	165,706,029
Restricted	18,520,831	-	18,520,831
Unrestricted	529,860	631,977	1,161,837
Total net position	\$ 184,739,185	\$ 649,512	\$ 185,388,697

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The largest portion of the County's current fiscal year net position (85%) reflects its investment of \$177,679,124 in capital assets (e.g., land, buildings, equipment, and infrastructure, net of accumulated depreciation), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services 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 liquidated for these liabilities.

The restricted net position of \$27,162,985 (13%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position, \$3,436,867 (2%) may be used to meet the County's ongoing obligations to citizens and creditors. The County's net position increased by \$22,890,279 as a result of fiscal year 2017 operations. It is primarily attributable to the increase in various tax collections, the increased investment in the joint venture, the contribution of the capital roads by developers, and the excess in the collection of local health care provider assessments.

The following table indicates changes in net position for governmental and business-type activities:

Condensed Statement of Activities			
For the Year Ended September 30, 2017			
	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 16,534,305	\$ 1,076,702	\$ 17,611,007
Operating grants and contributions	3,562,904	-	3,562,904
Capital grants and contributions	3,011,592	-	3,011,592
General revenues:			
Property taxes	74,085,095	-	74,085,095
Local health care provider assessments	26,168,492	-	26,168,492
Sales taxes	16,375,071	-	16,375,071
Motor vehicle taxes	1,660,706	-	1,660,706
Mixed drink taxes	809,516	-	809,516
Hotel occupancy taxes	2,681,077	-	2,681,077
Unrestricted investment earnings	347,258	2,554	349,812
Gain on sale of capital assets	133,517	-	133,517
Total revenues	<u>145,369,533</u>	<u>1,079,256</u>	<u>146,448,789</u>
Expenses:			
General Government	31,100,282	-	31,100,282
Justice System	21,535,081	4,796	21,539,877
Law Enforcement	25,749,013	878,921	26,627,934
Juvenile Services	7,514,809	-	7,514,809
Public Transportation	9,639,763	-	9,639,763
Public Health	17,085,298	-	17,085,298
Human Services	6,751,237	-	6,751,237
Interest and Other Fees	3,299,310	-	3,299,310
Total expenses	<u>122,674,793</u>	<u>883,717</u>	<u>123,558,510</u>
Change in net position	22,694,740	195,539	22,890,279
Net position - beginning	<u>184,739,185</u>	<u>649,512</u>	<u>185,388,697</u>
Net position - ending	<u>\$ 207,433,925</u>	<u>\$ 845,051</u>	<u>\$ 208,278,976</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Condensed Statement of Activities For the Year Ended September 30, 2016

	Governmental Activities	Business-Type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 15,889,994	\$ 876,140	\$ 16,766,134
Operating grants and contributions	2,993,530	-	2,993,530
Capital grants and contributions	9,718,573	-	9,718,573
General revenues:			
Property taxes	68,183,460	-	68,183,460
Local health care provider assessments	33,156,574	-	33,156,574
Sales taxes	15,615,643	-	15,615,643
Motor vehicle taxes	1,660,890	-	1,660,890
Mixed drink taxes	812,216	-	812,216
Hotel occupancy taxes	2,505,617	-	2,505,617
Unrestricted investment earnings	243,769	1,450	245,219
Gain on sale of capital assets	155,925	-	155,925
Total revenues	<u>150,936,191</u>	<u>877,590</u>	<u>151,813,781</u>
Expenses:			
General Government	25,910,488	-	25,910,488
Justice System	21,043,405	5,216	21,048,621
Law Enforcement	24,660,534	767,630	25,428,164
Juvenile Services	7,085,119	-	7,085,119
Public Transportation	10,296,317	-	10,296,317
Public Health	30,955,550	-	30,955,550
Human Services	6,387,498	-	6,387,498
Interest and Other Fees	3,583,015	-	3,583,015
Total expenses	<u>129,921,926</u>	<u>772,846</u>	<u>130,694,772</u>
Change in net position	21,014,265	104,744	21,119,009
Net position - beginning	<u>163,724,920</u>	<u>544,768</u>	<u>164,269,688</u>
Net position - ending	<u>\$ 184,739,185</u>	<u>\$ 649,512</u>	<u>\$ 185,388,697</u>

Revenue Analysis

For fiscal year ended September 30, 2017, revenues for the primary government totaled \$146,448,789. The revenues are categorized by activity type: governmental activities totaled \$145,369,533 and business-type activities totaled \$1,079,256.

Program revenues are derived from the program itself and thereby reduce the cost of the function to the County. Total program revenues were \$24,185,503 and 17% of total revenues. Of that \$23,108,801 is from governmental activities, which represents the fees collected by the tax collector, the clerks of the courts and other departments. The business-type charges for services were \$1,076,702, which represents primarily commissary sales to the inmates held in County jails. The largest portion of program revenues is charges for service of \$17,611,007 (12% of the total revenues). The other portions of program revenues are operating grants and contributions of \$3,562,904 and \$3,011,592 capital contributions from various federal, state and local agencies, which in total are 5% of the total revenues.

General revenues are revenues that do not qualify as program revenue. Property taxes of \$74,085,095 were the largest revenue source for governmental activities and 51% of total revenues. Besides property taxes, the general revenues also consist of local health care provider assessments, sales taxes, motor vehicle taxes, mixed drink taxes, hotel occupancy taxes, gain on sale of capital assets, and investment earnings, which in total are \$48,178,191 or 33% of the total revenues.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Revenue Analysis (Continued)

	<u>Year Ended</u> <u>September 30, 2017</u>		<u>Year Ended</u> <u>September 30, 2016</u>	
<u>Program Revenues</u>				
Charges for services - governmental	\$ 16,534,305	11.3%	\$ 15,889,994	10.4%
Charges for services - business-type	1,076,702	0.7%	876,140	0.6%
Operating grants and contributions	3,562,904	2.4%	2,993,530	2.0%
Capital grants and contributions	3,011,592	2.1%	9,718,573	6.4%
<u>General Revenues</u>				
Property taxes	74,085,095	50.6%	68,183,460	44.9%
Local health care provider assessments	26,168,492	17.9%	33,156,574	21.8%
Sales taxes	16,375,071	11.2%	15,615,643	10.3%
Motor vehicle taxes	1,660,706	1.1%	1,660,890	1.1%
Mixed drink taxes	809,516	0.6%	812,216	0.5%
Hotel occupancy taxes	2,681,077	1.8%	2,505,617	1.7%
Unrestricted investment earnings	349,812	0.2%	245,219	0.2%
Gain on sale of capital assets	133,517	0.1%	155,925	0.1%
Total Revenues	\$ 146,448,789	100.0%	\$ 151,813,781	100.0%

In fiscal year 2017, the County's revenues decreased by \$5.4 million, or 4 percent as a net result of the changes in tax collections, the local health care provider fee collections and the capital grants and contributions. The County collected about \$26.2 million in local health care provider fees in 2017. Capital grants and contributions of \$3.0 million were made to the County during 2017. The property tax revenue for fiscal year 2017 increased \$5.9 million from fiscal year 2016.

Expense Analysis

For the year ended September 30, 2017, the function and program expenses for the primary government were \$122,674,793 for the governmental activities and \$883,717 for the business-type activities. A comparative overview of expenses for the County's primary government for the current and previous year is as follows:

	<u>Year Ended</u> <u>September 30, 2017</u>		<u>Year Ended</u> <u>September 30, 2016</u>	
<u>Function</u>				
General Government	\$ 31,100,282	25.3%	\$ 25,910,488	19.9%
Justice System	21,535,081	17.6%	21,043,405	16.2%
Law Enforcement	25,749,013	21.0%	24,660,534	19.0%
Juvenile Services	7,514,809	6.1%	7,085,119	5.5%
Public Transportation	9,639,763	7.9%	10,296,317	7.9%
Public Health	17,085,298	13.9%	30,955,550	23.8%
Human Services	6,751,237	5.5%	6,387,498	4.9%
Interest and Other Fees	3,299,310	2.7%	3,583,015	2.8%
Total Governmental Activities	\$ 122,674,793	100.0%	\$ 129,921,926	100.0%
<u>Business-Type Activities</u>				
County Attorney Operating Fund	\$ 4,796	0.5%	\$ 5,216	0.7%
Jail Commissary Fund	878,921	99.5%	767,630	99.3%
Total Business-Type Activities	\$ 883,717	100.0%	\$ 772,846	100.0%

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Expense Analysis (Continued)

In fiscal year 2017, the County's expenses decreased \$7.1 million or 5.5 percent from the prior year. The key elements of the change are as follows:

- The local health care provider fees remitted to the State for Medicaid programs in fiscal year 2017 decreased \$13.9 million from fiscal year 2016.
- Employee salaries and wages increased \$1.4 million due to more positions added, a 3% cost-of-living adjustment, and a 1% merit adjustment made to the employees during 2017.
- Employee benefits increased \$5.9 million due to the salary base increase, contribution rate hike of the County's health insurance, and pension expense during 2017.
- The operating expenses, including supplies and other charges, repairs and maintenance, minor acquisition, contract services, professional services, and community support, decreased \$1.0 million during the year.
- The depreciation expense of capital assets increased \$0.7 million during fiscal year 2017.
- The debt service expense decreased \$0.3 million during fiscal year 2017.
- The expense for the County's business-type activities increased \$0.1 million during fiscal year 2017.

FINANCIAL ANALYSIS OF MAJOR FUNDS

The County's major general governmental functions are contained in the General, Special Revenue, Debt Service, and Capital Project Funds. At September 30, 2017, the County's governmental funds reported combined fund balances of \$90,549,243, an increase of \$11,317,998 or 14% in comparison with the prior year. The change represents the net result of the moderate increase in tax collections and the sharp decrease in the collection and remittance of local health care provider assessments. Of the combined fund balance, \$1,452,689 (1%) were nonspendable for prepaids and inventory, \$27,141,631 (30%) were restricted to various purposes by external restrictions imposed, \$586,470 (1%) were committed to the Health Endowment Fund, \$17,958,196 (20%) were assigned to the County's capital improvement plans and other programs as directed by the Commissioners' Court, and \$43,410,527 (48%) constitutes unassigned fund balance, which is available to meet the County's current and future needs without any restrictions.

General Fund

The General Fund is the chief operating fund of the County. At September 30, 2017, the General Fund reported a net fund balance of \$46,906,987, an increase of \$1,645,670 from fiscal year 2016. The fund experienced an excess of revenues over expenditures of \$11,513,112 and the majority of the excess funds were transferred to the Capital Improvement Fund to support the County's various capital improvement projects.

FINANCIAL ANALYSIS OF MAJOR FUNDS (Continued)

Debt Service Fund

The Debt Service Fund is used to account for receipts and disbursements of funds relating to the County's long-term bonded debt obligations. At the end of fiscal year 2017, the fund balance increased \$456,536, or 8% from fiscal year 2016 primarily due to the fact that more funds were transferred from the County's Hotel Occupancy Tax Fund to meet the debt service requirements for the Certificates of Obligation, Series 2009 and Certificates of Obligation, Series 2015 (partial) in 2017.

For fiscal year 2018, the County's debt service requirements for the governmental activities are \$6,750,000 in principal and \$3,190,316 in interest. Additional information is available to the readers in Note 9 (Long-Term Debt) to the Financial Statements.

Capital Improvement Fund

The Capital Improvement Fund was established to provide accountability for the construction and acquisition of specific capital assets to support departmental needs, and to replace existing capital assets as needed. The resources of the Fund have mainly been provided by transfers from the General Fund. The fund received more transfers but incurred less expenditure in fiscal year 2017. As a result, the fund balance increased \$4,743,896 in fiscal year 2017.

Local Provider Participation Fund

The Local Provider Participation Fund has been established to account for the mandatory assessments to local institutional health care providers in support of the State Medicaid program. By taking part in paying the State share of Medicaid expansion through the new provider assessments, the local health care providers will be able to benefit from the federal financial match. The fund reported a fund balance of \$14,221,232 at September 30, 2017.

Certificates of Obligation 2015 Fund

The Certificates of Obligation 2015 Fund was established to provide accountability for the remaining phases of the County courthouse renovation project and the Exposition Center expansion. The expenditures are financed through the issuance of \$9,100,000 of Certificates of Obligation, Series 2015. The fund received about \$2 million in a transfer from the County's Hotel Occupancy Tax Fund and spent about \$7 million on the projects during 2017. The fund reported a fund balance of \$790,172 at September 30, 2017.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County adopts an annual budget for the General Fund. Budget amounts represent the original budget for 2017 as subsequently amended by the Commissioners' Court. Budgets are adopted on a basis consistent with GAAP (modified accrual basis). Budget variances are not expected to impact future services or liquidity.

The following table summarizes General Fund budgeted and actual amounts for fiscal year 2017:

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Brazos County, Texas FY 2017 General Fund Budget Vs. Actual Amounts - GAAP Basis

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>Revenues and Other Financing Sources</u>			
Taxes	\$ 80,020,000	\$ 80,020,000	\$ 82,026,272
Charges for Services	11,001,133	11,180,634	11,417,196
Intergovernmental	1,084,650	1,088,075	1,633,540
Interest	151,000	151,000	243,056
Other	355,500	663,456	1,016,813
Transfers In	-	906,624	906,624
Sale of Capital Assets	50,000	50,000	348,170
Total	<u>92,662,283</u>	<u>94,059,789</u>	<u>97,591,671</u>
<u>Expenditures and Other Financing Uses</u>			
Expenditures	101,204,294	102,537,982	84,823,765
Transfers Out	11,343,924	11,407,742	11,122,236
Total	<u>112,548,218</u>	<u>113,945,724</u>	<u>95,946,001</u>
Net Change in Fund Balance	<u>\$ (19,885,935)</u>	<u>\$ (19,885,935)</u>	<u>\$ 1,645,670</u>

Differences between the original budget and the final amended budget reflected an increase of \$1,397,506 in available resources and the same amount of increase in appropriations.

Actual revenues and transfers increased by \$3,531,882 (3.8%) over the final budget mainly due to an improved collection rate in all revenue categories. Actual expenditures and transfers out were \$17,999,723 (15.8%) under the final budget as a result of the restrained spending of the County.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the County are those assets (land, right-of-way, buildings, improvements, roads, bridges, machinery, and equipment) which are used by the County in performance of the County's functions. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2017, amounted to \$258,532,996 (net of accumulated depreciation) and at September 30, 2016, it was \$247,155,930. Depreciation on capital assets is recognized in the government-wide financial statements. Depreciation provided for the current fiscal period was \$6,305,296 as compared to \$5,659,959 for the year ended September 30, 2016.

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

- The County continued the courthouse renovation project during fiscal year 2017. The total amount spent on the project in 2017 was \$2.9 million.
- The County continued the Exposition Center expansion project during fiscal year 2017. The total amount spent on the project in 2017 was \$4.1 million.
- The County completed the building renovation project for the Election Administration Department and the Medical Clinic during fiscal year 2017. The total amount spent on the project in 2017 was \$1.8 million.
- The County completed the judicial software system development and installation during 2017. The total cost of the software was \$4.1 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

- The County's infrastructure and land (right-of-way) increased by about \$5.8 million during the current fiscal year. \$2.3 million of the increase is related to the acceptance of subdivision roads for maintenance.
- The County acquired approximately \$1.9 million and disposed of approximately \$0.6 million in intangible assets and machinery and equipment in fiscal year 2017.
- The County had several minor capital improvement projects in progress or completed with costs of \$0.1 million during the year. The projects include the initial stage of the construction of the new office building for Justice of the Peace, Precinct 1 and Constable Precinct 1 and the County Clerk storage building.
- The County started the major construction project of the Juvenile expansion. The total amount spent on the project in 2017 was \$0.9 million. The expected cost of the project is over \$20.0 million. The project is to be funded primarily by the new debt issuance of Certificates of Obligation, Series 2017, at the beginning of fiscal year 2018.

The County has elected to use the "Modified Approach" as defined by GASB 34 for reporting infrastructure assets, which include 481 miles of roads and 69 bridges. The County has adopted a minimum condition level of 80% for all County roads. In fiscal year 2017 approximately 93% of the County roads meet the targeted condition level. For the year ended September 30, 2017, the actual amounts of expense incurred for the annual maintenance and preservation of the roads and bridges at the targeted condition level was \$9.5 million and the amount estimated to be necessary for the purpose was \$12.1 million. The \$2.6 million variance was mainly due to the Department's contingency budget, employee turnover, and the delays in road preparation and weather conditions.

The following table provides a comparative overview of the County's capital assets for the current and previous year. For further information regarding capital assets, see Note 6 to the financial statements.

	Balance	Balance
	September 30, 2017	September 30, 2016
<u>Governmental Activities:</u>		
Land	\$ 28,791,943	\$ 27,100,338
Construction in progress	15,839,800	11,124,886
Infrastructure	89,379,781	85,452,399
Buildings	131,555,834	131,555,834
Improvements other than buildings	24,388,918	22,815,332
Machinery and equipment	23,029,670	22,395,031
Intangible assets - computer software	7,361,467	3,233,374
	<u>320,347,413</u>	<u>303,677,194</u>
Less: Accumulated depreciation	(61,824,834)	(56,538,799)
Governmental activities capital assets, net	<u>\$ 258,522,579</u>	<u>\$ 247,138,395</u>
<u>Business-type activities:</u>		
Machinery and equipment	\$ 93,836	\$ 93,836
	<u>93,836</u>	<u>93,836</u>
Less: Accumulated depreciation	(83,419)	(76,301)
Business-type activities capital assets, net	<u>\$ 10,417</u>	<u>\$ 17,535</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Debt Administration

At September 30, 2017, the County had total long-term debt outstanding of \$79,465,000 as compared to \$85,975,000 in the prior year. The decrease of \$6,510,000 (8%) relates to the debt principal paid during 2017.

Refer to Note 9 in the Notes to the Basic Financial Statements for a detailed breakdown of long-term debt owed by the County. County officials, citizens and investors will find the ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita as useful indicators of the County's debt position. These are shown in the statistical section of this report.

ECONOMIC FACTORS

The Commissioners' Court adopted the fiscal year 2018 budget on September 5, 2017. Like most governmental agencies across the country, Brazos County continues to feel the effects of the national economic downturn. Economic forecasts continue to indicate a fragile recovery. While the local economy shows signs of stabilization, the fiscal year 2018 budget was prepared in a conservative manner with an emphasis on maintaining current service levels and building reserves. The budget was adopted based on anticipated resources and estimated uses in fiscal year 2018. The total resources of the County's General Fund are estimated to be \$121,200,000 including the appropriated fund balance of \$19,700,000.

The property tax rate for fiscal year 2018 is \$0.4850 per \$100 valuation, which remains the same as that of fiscal year 2017. For the past three years, the County has been using an estimated collection rate of 98% on property taxes for budgeting purposes.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in 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 County Auditor's Office, 200 S. Texas Avenue, Suite 218, Bryan, Texas, 77803.



BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Business-Type Activities	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 87,701,677	\$ 954,307	\$ 88,655,984
Investments	6,394,653	-	6,394,653
Prepaid Expenses	790,064	-	790,064
Receivables, net of allowance for uncollectible amounts of \$14,173,298			
Taxes	4,056,735	-	4,056,735
Accounts and Other	3,916,256	519	3,916,775
Inventories	662,941	26,086	689,027
Internal Balances	(93,438)	93,438	-
Restricted Assets			
Cash and Cash Equivalents	6,216,096	-	6,216,096
Receivables, net of allowance for uncollectible amounts of \$39,610			
Taxes	328,502	-	328,502
Accounts and Other	4,970	-	4,970
Joint Venture	4,719,887	-	4,719,887
Capital Assets (net of accumulated depreciation)			
Land	28,791,943	-	28,791,943
Buildings	92,325,082	-	92,325,082
Improvements Other than Buildings	18,248,749	-	18,248,749
Intangible Assets - Computer Software	3,834,077	-	3,834,077
Machinery and Equipment	10,103,147	10,417	10,113,564
Infrastructure	89,379,781	-	89,379,781
Construction in Progress	15,839,800	-	15,839,800
TOTAL ASSETS	373,220,922	1,084,767	374,305,689
DEFERRED OUTFLOWS OF RESOURCES			
Difference Between Projected and Actual Earnings on Pension Plan	10,048,996	16,998	10,065,994
Change in Assumptions or Inputs	1,067,268	1,815	1,069,083
Change in Pension Allocated Share	155,600	244	155,844
Difference Between Expected and Actual Pension Experience	348,171	489	348,660
Pension Contributions After the Measurement Date	4,124,082	5,786	4,129,868
Deferred Charges - Refunding	684,831	-	684,831
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 16,428,948	\$ 25,332	\$ 16,454,280

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

BRAZOS COUNTY, TEXAS
STATEMENT OF NET POSITION - Continued
September 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>TOTAL</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 10,358,882	\$ 129,530	\$ 10,488,412
Accrued Salaries and Wages	930,707	2,838	933,545
Accrued Interest Payable	273,105	-	273,105
Unclaimed Funds	143,652	-	143,652
Unearned Revenue	25,918	-	25,918
Liabilities for Compensated Absences	1,269,410	3,084	1,272,494
Noncurrent Liabilities			
Due within one year	7,047,027	-	7,047,027
Due in more than one year	160,981,848	127,537	161,109,385
	<u>181,030,549</u>	<u>262,989</u>	<u>181,293,538</u>
TOTAL LIABILITIES			
DEFERRED INFLOWS OF RESOURCES			
Differences Between Expected and Actual Pension Experience	1,185,224	2,059	1,187,283
Change in Assumptions or Inputs	172	-	172
	<u>1,185,396</u>	<u>2,059</u>	<u>1,187,455</u>
TOTAL DEFERRED INFLOWS OF RESOURCES			
NET POSITION			
Net Investment in Capital Assets	177,668,707	10,417	177,679,124
Restricted for:			
Debt Service	6,234,940	-	6,234,940
Capital Projects	790,172	-	790,172
Legislative	20,137,873	-	20,137,873
Unrestricted	2,602,233	834,634	3,436,867
	<u>\$ 207,433,925</u>	<u>\$ 845,051</u>	<u>\$ 208,278,976</u>
TOTAL NET POSITION			

BRAZOS 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>
Governmental Activities:			
General Government	\$ 31,100,282	\$ 6,332,205	\$ 33,514
Justice System	21,535,081	6,406,160	897,496
Law Enforcement	25,749,013	945,191	70,552
Juvenile Services	7,514,809	72,876	1,583,410
Public Transportation	9,639,763	1,541,481	542,273
Public Health	17,085,298	32,629	62,087
Human Services	6,751,237	1,203,763	373,572
Interest and Other Fees	3,299,310	-	-
Total Governmental Activities	<u>122,674,793</u>	<u>16,534,305</u>	<u>3,562,904</u>
Business-Type Activities:			
County Attorney Operating Fund	4,796	8,484	-
Jail Commissary Fund	878,921	1,068,218	-
Total Business-Type Activities	<u>883,717</u>	<u>1,076,702</u>	<u>-</u>
Total Government	<u>\$ 123,558,510</u>	<u>\$ 17,611,007</u>	<u>\$ 3,562,904</u>

General revenues:

Taxes:
 Property taxes
 Local health care provider assessments
 Sales taxes
 Motor vehicle taxes
 Mixed drink taxes
 Hotel occupancy taxes
Unrestricted investment earnings
Gain on sale of capital assets
Total general revenues

Change in net position

Net position - beginning

Net position - ending

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

<u>Program Revenues</u> <u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Net (Expense) Revenue and</u> <u>Changes in Net Position</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business - Type</u> <u>Activities</u>	<u>Total</u>
\$ -	\$ (24,734,563)	\$ -	\$ (24,734,563)
-	(14,231,425)	-	(14,231,425)
-	(24,733,270)	-	(24,733,270)
-	(5,858,523)	-	(5,858,523)
3,011,592	(4,544,417)	-	(4,544,417)
-	(16,990,582)	-	(16,990,582)
-	(5,173,902)	-	(5,173,902)
-	(3,299,310)	-	(3,299,310)
<u>3,011,592</u>	<u>(99,565,992)</u>	<u>-</u>	<u>(99,565,992)</u>
-	-	3,688	3,688
-	-	189,297	189,297
<u>-</u>	<u>-</u>	<u>192,985</u>	<u>192,985</u>
<u>\$ 3,011,592</u>	<u>(99,565,992)</u>	<u>192,985</u>	<u>(99,373,007)</u>
	74,085,095	-	74,085,095
	26,168,492	-	26,168,492
	16,375,071	-	16,375,071
	1,660,706	-	1,660,706
	809,516	-	809,516
	2,681,077	-	2,681,077
	347,258	2,554	349,812
	133,517	-	133,517
	<u>122,260,732</u>	<u>2,554</u>	<u>122,263,286</u>
	22,694,740	195,539	22,890,279
	<u>184,739,185</u>	<u>649,512</u>	<u>185,388,697</u>
	<u>\$ 207,433,925</u>	<u>\$ 845,051</u>	<u>\$ 208,278,976</u>

**BRAZOS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2017**

	Major Funds	
	General	Debt Service
ASSETS		
Cash and Cash Equivalents	\$ 43,468,979	\$ 6,216,096
Investments	6,394,653	-
Prepaid Expenditures	768,394	-
Receivables		
Taxes, net	3,734,699	328,502
Officials	172,769	1,655
Interest	31,554	3,315
Accounts, net	1,383,374	-
State	460,748	-
Due from Other Funds	-	7,375
Inventories	662,941	-
TOTAL ASSETS	\$ 57,078,111	\$ 6,556,943
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 6,428,710	\$ -
Accrued Salaries and Wages	885,910	-
Unclaimed Funds	-	-
Due To Other Funds	100,924	-
Unearned Revenues	10,255	-
Total Liabilities	7,425,799	-
Deferred Inflows of Resources		
Unavailable Revenues	2,745,325	322,003
Total Deferred Inflows of Resources	2,745,325	322,003
Fund Balances		
Nonspendable	1,431,335	-
Restricted	455,784	6,234,940
Committed	586,470	-
Assigned	1,023,141	-
Unassigned	43,410,257	-
Total Fund Balances	46,906,987	6,234,940
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 57,078,111	\$ 6,556,943

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

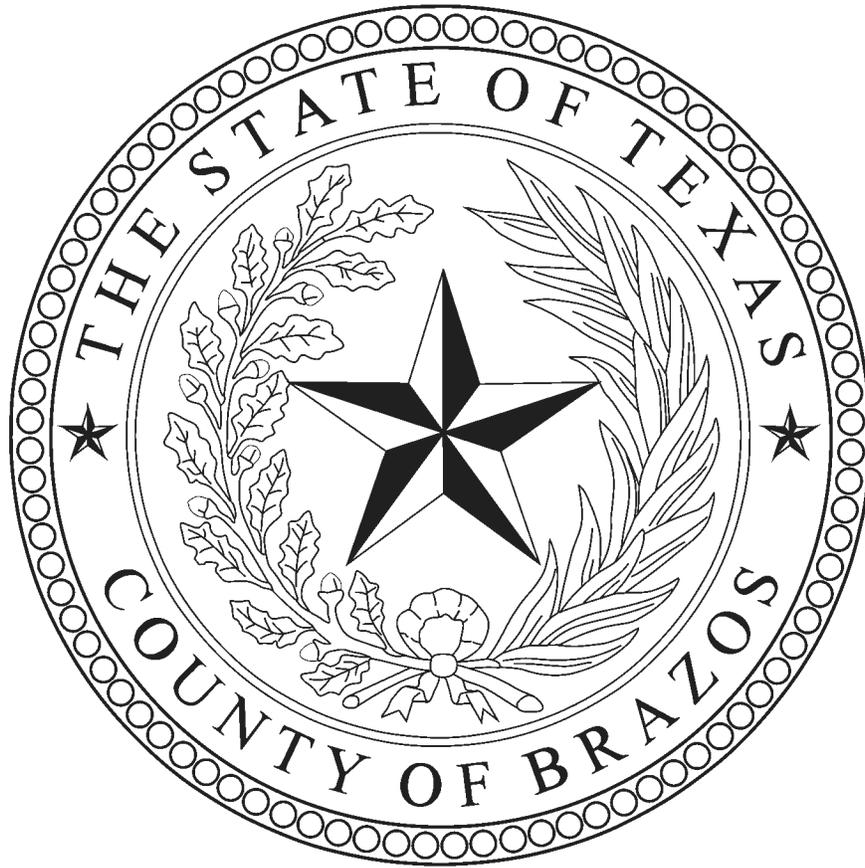
Capital Improvement	Certificates of Obligation 2015	Local Provider Participation	Other Governmental Funds	Total Governmental Funds
\$ 17,305,509	\$ 2,340,838	\$ 14,020,271	\$ 5,522,509	\$ 88,874,202
-	-	-	-	6,394,653
-	-	-	21,354	789,748
-	-	-	322,036	4,385,237
-	-	-	-	174,424
-	1,282	7,681	3,384	47,216
-	-	-	280,452	1,663,826
-	-	193,280	-	654,028
-	-	-	111	7,486
-	-	-	-	662,941
<u>\$ 17,305,509</u>	<u>\$ 2,342,120</u>	<u>\$ 14,221,232</u>	<u>\$ 6,149,846</u>	<u>\$ 103,653,761</u>
\$ 370,454	\$ 1,551,948	\$ -	\$ 502,848	\$ 8,853,960
-	-	-	38,221	924,131
-	-	-	143,652	143,652
-	-	-	-	100,924
-	-	-	4,268	14,523
<u>370,454</u>	<u>1,551,948</u>	<u>-</u>	<u>688,989</u>	<u>10,037,190</u>
-	-	-	-	3,067,328
-	-	-	-	3,067,328
-	-	-	21,354	1,452,689
-	790,172	14,221,232	5,439,503	27,141,631
-	-	-	-	586,470
16,935,055	-	-	-	17,958,196
-	-	-	-	43,410,257
<u>16,935,055</u>	<u>790,172</u>	<u>14,221,232</u>	<u>5,460,857</u>	<u>90,549,243</u>
<u>\$ 17,305,509</u>	<u>\$ 2,342,120</u>	<u>\$ 14,221,232</u>	<u>\$ 6,149,846</u>	<u>\$ 103,653,761</u>

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

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$	90,549,243
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		258,522,579
Deferred outflows of resources represent a consumption of net position that applies to future periods and therefore will not be recognized as an outflow of resources until then. Deferred outflows of resources are not reported in the governmental funds:		
Difference Between Projected and Actual Earnings on Pension Plan	10,048,827	
Change in Assumptions or Inputs	1,067,268	
Change in Pension Allocated Share	155,390	
Difference Between Expected and Actual Pension Experience	346,920	
Pension Contributions After the Measurement Date	4,113,440	
Deferred Charges - Refunding	684,831	
		16,416,676
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		3,067,328
Internal service funds are used by the County's management for self insurance. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the funds are included in governmental activities in the Statement of Net Position but are not included at the fund level.		4,869,406
The County's equity interest in a joint venture is included in the Statement of Net Position but is not included at the fund level.		4,719,887
Liabilities for compensated absences are considered current but are not reported as liabilities in the funds.		(1,264,131)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds:		
Bonds Payable	(81,538,703)	
Accrued Interest Payable	(273,105)	
Capital Leases	(297,027)	
OPEB Obligation	(58,589,878)	
Net Pension Liability	(27,563,126)	
		(168,261,839)
Deferred inflows of resources represent an acquisition of net position that applies to future periods and therefore will not be recognized as an inflow of resources until then. Deferred inflows of resources are not reported in the governmental funds:		
Differences Between Expected and Actual Pension Experience		(1,185,224)
Total net position - governmental activities	\$	207,433,925

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



BRAZOS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended September 30, 2017

	Major Funds	
	General	Debt Service
REVENUES		
Taxes	\$ 82,026,272	\$ 9,156,064
Charges for Services	11,417,196	-
Intergovernmental	1,633,540	-
Interest	243,056	31,710
Other Revenue	1,016,813	-
TOTAL REVENUES	96,336,877	9,187,774
EXPENDITURES		
Current		
General Government	22,944,374	-
Justice System	18,098,411	-
Law Enforcement	20,932,014	-
Juvenile Services	5,109,221	-
Public Transportation	9,542,395	-
Public Health	1,441,916	-
Human Services	4,163,861	-
Capital Outlay	2,431,185	-
Debt Service		
Principal Retirement	148,957	6,510,000
Interest and Other Fees	11,431	3,426,418
TOTAL EXPENDITURES	84,823,765	9,936,418
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,513,112	(748,644)
OTHER FINANCING SOURCES (USES)		
Transfers In	906,623	1,205,180
Transfers Out	(11,122,236)	-
Sale of Capital Assets	348,171	-
TOTAL OTHER FINANCING SOURCES (USES)	(9,867,442)	1,205,180
Net Change in Fund Balances	1,645,670	456,536
FUND BALANCES, OCTOBER 1, AS RESTATED	45,261,317	5,778,404
FUND BALANCES, SEPTEMBER 30	\$ 46,906,987	\$ 6,234,940

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

Capital Improvement	Certificates of Obligation 2015	Local Provider Participation	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 26,168,492	\$ 2,682,783	\$ 120,033,611
-	-	-	1,129,846	12,547,042
-	-	-	2,296,445	3,929,985
-	13,168	27,153	20,368	335,455
-	-	-	46,316	1,063,129
-	13,168	26,195,645	6,175,758	137,909,222
-	-	-	213,660	23,158,034
-	-	-	861,174	18,959,585
-	-	-	443,973	21,375,987
-	-	-	1,518,046	6,627,267
-	-	-	542,272	10,084,667
-	-	15,636,640	-	17,078,556
-	-	-	1,252,816	5,416,677
4,631,025	6,938,710	-	123,701	14,124,621
-	-	-	-	6,658,957
-	-	-	-	3,437,849
4,631,025	6,938,710	15,636,640	4,955,642	126,922,200
(4,631,025)	(6,925,542)	10,559,005	1,220,116	10,987,022
11,264,739	1,727,288	-	823,497	15,927,327
(1,889,818)	-	-	(2,932,468)	(15,944,522)
-	-	-	-	348,171
9,374,921	1,727,288	-	(2,108,971)	330,976
4,743,896	(5,198,254)	10,559,005	(888,855)	11,317,998
12,191,159	5,988,426	3,662,227	6,349,712	79,231,245
<u>\$ 16,935,055</u>	<u>\$ 790,172</u>	<u>\$ 14,221,232</u>	<u>\$ 5,460,857</u>	<u>\$ 90,549,243</u>

BRAZOS COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	11,317,998
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount that expenditures for capital outlay exceeded depreciation expense.</p>		
Capital outlay	14,124,621	
Depreciation expense	(6,298,178)	7,826,443
Revenues and contributed assets in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(308,783)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, road annexations, and donations) is to affect net position.		3,557,743
The County's investment in a joint venture is reported at the government-wide level but not at the fund level. This amount represents the current year change.		637,375
The liabilities for compensated absences are accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities.		(49,576)
The OPEB obligation per GASB 45 is accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities.		(5,874,614)
The net pension liability per GASB 68 is accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities.		(1,910,668)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premium, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		6,797,496
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		701,326
Change in net position of governmental activities	\$	22,694,740

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

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

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney Operating	Jail Commissary	Totals	Internal Service Fund
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 55,196	\$ 899,111	\$ 954,307	\$ 5,043,571
Prepaid Expenses	-	-	-	316
Accounts Receivable	-	519	519	1,381,732
Inventories	-	26,086	26,086	-
Due from Other Funds	371	93,067	93,438	-
Total Current Assets	55,567	1,018,783	1,074,350	6,425,619
Noncurrent Assets				
Property, Plant and Equipment	-	93,836	93,836	-
Less: Accumulated Depreciation	-	(83,419)	(83,419)	-
Total Noncurrent Assets	-	10,417	10,417	-
TOTAL ASSETS	55,567	1,029,200	1,084,767	6,425,619
DEFERRED OUTFLOWS OF RESOURCES				
Difference Between Projected and Actual Earnings on Pension Plan	1,296	15,702	16,998	169
Change in Assumptions or Inputs	131	1,684	1,815	-
Change in Pension Allocated Share	20	224	244	210
Differences Between Expected and Actual Pension Experience	29	460	489	1,251
Pension Contributions After the Measurement Date	337	5,449	5,786	10,642
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,813	23,519	25,332	12,272
LIABILITIES				
Current Liabilities				
Accounts Payable	-	129,530	129,530	1,504,922
Accrued Salaries and Wages	88	2,750	2,838	6,576
Compensated Absences	-	3,084	3,084	5,279
Unearned Revenues	-	-	-	11,395
Total Current Liabilities	88	135,364	135,452	1,528,172
Noncurrent Liabilities				
Due in more than one year	3,998	123,539	127,537	40,141
Total Noncurrent Liabilities	3,998	123,539	127,537	40,141
TOTAL LIABILITIES	4,086	258,903	262,989	1,568,313
DEFERRED INFLOWS OF RESOURCES				
Change in Assumptions or Inputs	-	-	-	172
Differences Between Expected and Actual Pension Experience	170	1,889	2,059	-
TOTAL DEFERRED INFLOWS OF RESOURCES	170	1,889	2,059	172
NET POSITION				
Net Investment in Capital Assets	-	10,417	10,417	-
Unrestricted	53,124	781,510	834,634	4,869,406
TOTAL NET POSITION	\$ 53,124	\$ 791,927	\$ 845,051	\$ 4,869,406

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

BRAZOS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended September 30, 2017

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney Operating	Jail Commissary	Totals	Internal Service Fund
OPERATING REVENUES				
Charges for Services	\$ 8,484	\$ -	\$ 8,484	\$ -
Commissary Sales	-	1,065,327	1,065,327	-
Employee Dependents	-	-	-	2,327,668
Self Pays	-	-	-	5,009
Excess Risk Benefits	-	-	-	3,750,427
Participant Payments	-	-	-	637,330
Brazos County	-	-	-	10,626,928
Retirees	-	-	-	441,060
Other Revenue	-	2,891	2,891	-
TOTAL OPERATING REVENUES	8,484	1,068,218	1,076,702	17,788,422
OPERATING EXPENSES				
Personnel Services	4,796	121,109	125,905	63,988
Supplies and Other Charges	-	48,613	48,613	16,065
Cost of Goods Sold	-	589,393	589,393	-
Repairs and Maintenance	-	2,750	2,750	-
Life Insurance	-	-	-	36,720
Stop Loss Premiums	-	-	-	3,284,059
Benefit Claims	-	-	-	12,955,310
Administrative Fees	-	-	-	675,617
Minor Acquisitions	-	50,660	50,660	50,454
Professional Services	-	59,278	59,278	33,881
Depreciation	-	7,118	7,118	-
TOTAL OPERATING EXPENSES	4,796	878,921	883,717	17,116,094
OPERATING INCOME	3,688	189,297	192,985	672,328
NONOPERATING REVENUES				
Interest	-	2,554	2,554	11,803
TOTAL NONOPERATING REVENUES	-	2,554	2,554	11,803
INCOME BEFORE TRANSFERS	3,688	191,851	195,539	684,131
Transfers In	-	-	-	2,077,378
Transfers Out	-	-	-	(2,060,183)
CHANGE IN NET POSITION	3,688	191,851	195,539	701,326
TOTAL NET POSITION - OCTOBER 1	49,436	600,076	649,512	4,168,080
TOTAL NET POSITION - SEPTEMBER 30	\$ 53,124	\$ 791,927	\$ 845,051	\$ 4,869,406

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

BRAZOS COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended September 30, 2017

	Business - Type Activities - Enterprise Funds			Governmental Activities
	County Attorney Operating	Jail Commissary	Totals	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 8,489	\$ 1,053,957	\$ 1,062,446	\$ 3,407,565
Receipts from interfund services provided	-	-	-	10,626,928
Payments to contractors and vendors	-	(771,817)	(771,817)	(4,007,669)
Claims paid	-	-	-	(10,090,660)
Payments to employees for services	(4,536)	(106,780)	(111,316)	(37,360)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>3,953</u>	<u>175,360</u>	<u>179,313</u>	<u>(101,196)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer from General Fund	-	-	-	2,077,378
Transfer to General Fund and Capital Improvement Fund	-	-	-	(2,060,183)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,195</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer of capital assets	-	-	-	71,131
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,131</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	2,226	2,226	9,884
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>-</u>	<u>2,226</u>	<u>2,226</u>	<u>9,884</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,953	177,586	181,539	(2,986)
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>51,243</u>	<u>721,525</u>	<u>772,768</u>	<u>5,046,557</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u>\$ 55,196</u>	<u>\$ 899,111</u>	<u>\$ 954,307</u>	<u>\$ 5,043,571</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 3,688	\$ 189,297	\$ 192,985	\$ 672,328
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	-	7,118	7,118	-
Change in accounts receivable	-	4,542	4,542	(867,375)
Change in prepaid expenses	-	-	-	(316)
Change in due from other funds	5	(14,260)	(14,255)	-
Change in inventory	-	(917)	(917)	-
Change in pension related deferred outflows of resources	280	3,344	3,624	(3,448)
Change in accounts payable	-	(24,749)	(24,749)	71,635
Change in accrued salaries and compensated absences	(15)	3,614	3,599	5,869
Change in unearned revenues	-	-	-	(4,098)
Change in noncurrent liabilities	30	7,934	7,964	24,782
Change in pension related deferred inflows of resources	(35)	(563)	(598)	(573)
Total adjustments	<u>265</u>	<u>(13,937)</u>	<u>(13,672)</u>	<u>(773,524)</u>
Net cash provided (used) by operating activities	<u>\$ 3,953</u>	<u>\$ 175,360</u>	<u>\$ 179,313</u>	<u>\$ (101,196)</u>

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

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

	OPEB Trust Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 21,089	\$ 5,103,395
Investments	1,572,055	1,184,740
Receivables	17	2,862
TOTAL ASSETS	\$ 1,593,161	\$ 6,290,997
LIABILITIES		
Funds Held for Others	\$ -	\$ 6,290,997
TOTAL LIABILITIES	\$ -	\$ 6,290,997
NET POSITION		
Assets held in trust for OPEB benefits	\$ 1,593,161	

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

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

	OPEB Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 1,000,000
Investment Earnings:	
Interest and Dividends	17,898
Net Appreciation in the Fair Value of Investments	79,651
Total Additions	1,097,549
DEDUCTIONS	
Administrative Expenses	4,388
Total Deductions	4,388
CHANGE IN NET POSITION	1,093,161
NET POSITION - OCTOBER 1	500,000
NET POSITION - SEPTEMBER 30	\$ 1,593,161

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

BRAZOS COUNTY, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Brazos County, Texas (“County”) have been developed to be in conformity with accounting principles generally accepted in the United States of America (“GAAP”) for local government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

A. Reporting Entity

The Brazos County Government (the “County”) was created in 1841. The County is a public corporation and a political subdivision of the State of Texas. It performs governmental functions as required or authorized by the Texas Constitution and the Laws of the State. A Commissioners’ Court composed of an elected County Judge and four elected Commissioners governs the County. The combined financial statements include all departments, funds or accounts for the County, the primary government.

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The financial statements should allow users to distinguish between the primary government (the County) and its component units. GASB Statement 14, as amended by GASB Statement 61, defines the reporting entity as the primary government and its component units. Brazos County is the primary governmental unit. The financial statements include all funds, agencies, boards, commissions, and authorities for which the elected officials of the County are financially accountable. The financial statements include those entities for which the nature and significance of the relationship between the entity and the County are such that to exclude the entity from the financial reporting entity would render the financial statements misleading or incomplete.

B. Related Organizations

Related organizations provide services within the County that are administered by separate boards or commissions, but the County is not financially accountable, and such organizations are therefore not component units of the County, even though the Commissioners’ Court may appoint a voting majority of an organization’s board. Consequently, financial information for the following entities is not included within the scope of these financial statements.

Brazos County Health Facilities Development Corporation

The Brazos County Health Facilities Development Corporation (“BCHFDC”) is a Texas public, non-profit corporation created in accordance with the Texas Health Facilities Development Act of 1981. The BCHFDC’s purpose is to acquire, construct, provide, improve, finance and refinance health facilities to assist in the maintenance of the public health. The tax-exempt bonds issued by the BCHFDC do not constitute a debt or a pledge of faith or credit of the BCHFDC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under Section 103 of the Internal Revenue Code.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Related Organizations (Continued)

The BCHFDC is governed by a five member Board of Directors which is comprised of the members of the Brazos County Commissioners' Court.

Brazos County Industrial Development Corporation

The Brazos County Industrial Development Corporation ("BCIDC") is a Texas public, non-profit corporation created in accordance with the Texas Development Corporation Act of 1979. The BCIDC's purpose is to issue bonds on behalf of the Corporation, to promote and develop industrial and manufacturing enterprises, to promote and encourage employment and the public welfare, and to finance projects as defined by the Act. The tax-exempt bonds issued by the BCIDC do not constitute a debt or a pledge of faith or credit of the BCIDC or the County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under Section 103 of the Internal Revenue Code. The BCIDC is governed by a three member Board of Directors which is comprised of three members of the Brazos County Commissioners' Court.

Brazos County Housing Finance Corporation

The Brazos County Housing Finance Corporation ("BCHFC") is a Texas public, non-profit corporation created in accordance with the Texas Housing Finance Corporations Act in 1980. This Act authorizes the BCHFC to finance residential housing by issuing tax-exempt revenue bonds to acquire mortgage loans made to low or moderate income persons, and to pledge such mortgage loans as security for the payment of the principal and interest of such revenue bonds. The tax-exempt bonds issued by the BCHFC do not constitute a debt or a pledge of faith or credit of the BCHFC or Brazos County, but are payable by the user pursuant to terms defined in the loan agreement underlying each issue. Interest received on the bonds is generally exempt from federal income tax under Section 103 of the Internal Revenue Code. The BCHFC is governed by a five member Board of Directors, three of which are members of the Brazos County Commissioners' Court.

Brazos Valley Fair & Exposition

The Brazos Valley Fair & Exposition (the "Fair") is a non-profit, 501(c)3 corporation that was organized in 2010 for educational, scientific and charitable purposes to encourage, promote and maintain agricultural science, research, and education. It is a mid-major or regional fair whose reach or scope encompasses the entire state of Texas and surrounding states. Initially, the Executive Committee of the Fair consisted of seven members, all of which were appointed by the Brazos County Commissioners' Court. Currently, the Executive Committee consists of nine members, the last two added by the Committee in 2015. Future additions and replacements to the Board of Directors will be determined by the Executive Committee at the time the changes are made.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Related Organizations (Continued)

The start-up funding for the Fair came from the Hotel Occupancy Tax (“HOT”) Fund, a special revenue fund of the County. The amount of the funding is approved first by the HOT Committee and subsequently by the Brazos County Commissioners’ Court. The HOT Fund has funded the Fair \$590,000 from fiscal year 2011 to fiscal year 2017. In addition, the County pays the salaries and wages of the three primary employees of the Fair and provides various resources to the Fair at no charge, such as office space, utilities, telephone services, internet services, periodic use of a County vehicle, etc. The future funding from the HOT Fund is expected to decrease until the Fair becomes a standalone entity.

The annual fair generated enough revenue to pay all of its direct expenses and the facility rental fees for the Exposition Complex. It is the general policy of the Fair that the majority of the excess of its revenue over expenses will be used for the furtherance of its exempt purpose, including the granting of scholarships and the funding of related capital additions and improvements at the Brazos County Exposition Center.

C. Government-Wide Financial Statements

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities are supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of 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.

The statement of activities demonstrates the degree to which the expenses of a given function are offset by program revenues. 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 by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Level Financial Statements

All governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. If accrued revenue is not yet available, the related receivable is matched by a deferred inflow of resources for unavailable revenue and revenue recognition occurs only when the revenue eventually does become available. Debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property tax revenues, the County's primary revenue source, are susceptible to accrual and are considered available to the extent of delinquent taxes collected within sixty (60) days of the fiscal year end. Grant and entitlement revenues are also susceptible to accrual. Encumbrances are used during the year and all outstanding encumbrances lapse at the end of each fiscal year.

The fund level financial statements are reported using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

For proprietary funds, all revenues and expenses are classified as operating revenues and expenses except for taxes, investment income and interest expense, which are classified as non-operating revenues and expenses.

All proprietary funds, including the enterprise fund and internal service fund, are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses when they are incurred. Claims incurred but not reported are included in payables and expenses. These funds are accounted for using the economic resources measurement focus. This means that all assets and liabilities (whether current or non-current) associated with their activity are included in the funds' statement of net position.

The fiduciary funds are used to account for assets held by a governmental entity for other parties (either as a trustee or as an agent) and cannot be used to finance the governmental entity's own operating programs. They are accounted for using the accrual basis of accounting. These funds are not included in the government-wide financial statements.

The County's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of each fund's assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Level Financial Statements (Continued)

Funds are classified into three categories: Governmental, Proprietary and Fiduciary. The major funds of the County are noted within each category.

Governmental Funds

Governmental funds are used to account for all or most of a government's general activity. The County has reported five major funds under this category for the year ended September 30, 2017:

General Fund - The General Fund is the principal operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. 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 fund accumulates reserves for future capital improvements and unforeseen catastrophic events.

Debt Service Fund – The Debt Service Fund accounts for the financial resources that are restricted, committed, or assigned to expenditure for the payment of principal and interest on long-term debt paid primarily from taxes levied by the County. Financial resources that are being accumulated for principal and interest in future years are also reported in the Debt Service Fund.

Capital Improvement Fund – The Capital Improvement Fund is used to account for expenditures for new construction and acquisition of capital assets to support the County's various functions.

Certificates of Obligation 2015 Fund – The Certificates of Obligation 2015 Fund is used to account for the additional phases of the County courthouse renovation project and the Exposition Center expansion. The expenditures are financed through the issuance of \$9,100,000 of Certificates of Obligation, Series 2015.

Local Provider Participation Fund – The Local Provider Participation Fund was established to account for the mandatory assessments collected from institutional health care providers located in the County that may be used to fund intergovernmental transfers, indigent programs, or other activities as allowed by State statute.

The County reports the following nonmajor governmental funds:

Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The phrase “proceeds of specific revenue sources”, establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Level Financial Statements (Continued)

Proprietary Funds

Proprietary funds are used to account for operations that are financed in a manner similar to those in the private sector, where the determination of net income is appropriate for sound financial administration. The County reports one internal service fund and two enterprise funds. The internal service fund is used to account for the provision of health, dental and life insurance to the departments of the County as well as to outside entities that have contracted with the County for this service. Both enterprise funds are classified as major funds. They are used to account for the business-type operations of the County Attorney and Jail Commissary.

Fiduciary Funds

The County reports one Other Postemployment Benefit (OPEB) trust fund and four agency funds as nonmajor fiduciary funds. The OPEB trust fund is used to account for resources held in trust for employees and their beneficiaries based on the other postemployment benefit arrangements. Agency funds are used to account for situations where the government's role is purely custodial, such as the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Assets have been held in these funds on behalf of individuals involving certain legal processes, bail bondsmen, and other governmental units.

E. Implementation of New Standards

In fiscal year 2017, the County evaluated and/or implemented the following new standards:

GASB Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans", amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through certain multiple-employer defined benefit pension plans. It was determined that GASB 78 did not have an impact on the County's financial statements for the year ended September 30, 2017.

GASB Statement No. 80, "Blending Requirements for Certain Component Units", establishes an additional blending requirement for the financial statement presentation of component units. It was determined that GASB 80 did not have an impact on the County's financial statements for the year ended September 30, 2017.

GASB Statement No. 82, "Pension Issues", improves consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to Statements No. 67, No. 68, and No. 73. Implementation of GASB 82 did not have a significant impact on the County's financial statements for the year ended September 30, 2017.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash, Cash Equivalents and Investments

The County defines all cash, money market accounts, and certificates of deposit that have an original maturity date of ninety days or less as cash or cash equivalents. Cash and cash equivalents related to restricted assets are also included. Cash and cash equivalents are short term, highly liquid investments, which may be converted to cash (see Note 3). The County maintains a cash and investment pool that is available for use by all funds. Equity in cash and cash equivalents and interest income from the cash pool is allocated to the participating funds on a monthly basis. The amount of the allocation is determined by calculating a ratio of each fund's equity in the pool to the total pool.

All County funds must be on deposit with the County depository unless the Commissioners' Court directs the County Treasurer to invest funds as otherwise provided by law. State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements. Investments are stated at fair value or amortized cost (see Note 3B).

G. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 of a given year. Taxes levied on October 1 are payable by January 31 of the following year, and by statute become delinquent on February 1, at which time they begin accruing penalty and interest. The enforceable legal claim date for property taxes is the assessment date and therefore the County did not record a receivable for taxes assessed after September 30. Accordingly, there are no current taxes receivable reported. On July 1, unpaid taxes are subject to additional penalties and collection expenses.

Taxes have been reported in the government-wide financial statements net of the allowance for uncollectible taxes. At the governmental fund level, taxes are recognized as revenue when they become available and the amount not yet available (not collectible within sixty days) has been reported as unavailable revenue. For the year ended September 30, 2017, the tax rate to finance general governmental services was \$0.4258 per \$100.00 valuation. The tax rate for the payment of principal and interest on long-term debt was \$0.0592 per \$100.00 valuation. Under provisions adopted by the State, the maximum rate that can be set to service governmental services is \$0.80 per \$100 of assessed value.

The Brazos County Appraisal District is responsible for the recording and appraisal of property for all taxing units in the County. The Appraisal District is required to assess property at 100% of its appraised value. Real property is subject to reappraisal on a four-year cycle.

The County's Tax Assessor-Collector acts as agent in the billing and collecting of taxes for the Brazos County Water Control Improvement District - Big Creek, the City of Bryan, the City of College Station, the City of Kurten, the City of Navasota, the Bryan Independent School District, the College Station Independent School District, the Navasota Independent School District, Brazos County Education District, and Brazos County Emergency Services Districts 1, 2, 3, and 4. These transactions are recorded in the general property checking account of the Tax Assessor-Collector and transferred to the appropriate entity.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Interfund Transactions

The County has many transactions between funds during its normal course of operations. The accompanying fund level financial statements reflect such transactions as transfers, interfund receivables and payables. The effect of interfund activity has been eliminated in the government-wide financial statements, except for transactions between governmental and business-type activities.

I. Inventory

Inventory is valued at cost using the first-in, first-out method and is accounted for under the consumption method. Inventories of paper, copier supplies and road maintenance materials are maintained within the General Fund. Inventories of consumable food and personal items are maintained within the Jail Commissary Enterprise Fund.

J. Prepays

Certain payments to vendors for services that will benefit future accounting periods are reported as prepaid items in both the government-wide and fund level financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

K. Restricted Assets

The Debt Service Fund's current assets are classified as restricted assets because their use is completely restricted for debt service on bonds issued by applicable bond covenants.

L. Investment in Joint Venture

The County's investment in a joint venture, the City of Bryan and Brazos County Economic Development Foundation, Inc., is reported in the government-wide financial statements using the equity method of accounting. Required disclosures concerning the joint venture are presented in Note 10.

M. Capital Assets

Capital assets include land, land improvements, right-of-way land, infrastructure, buildings, building improvements, site improvements, leasehold improvements, vehicles, machinery, furniture, equipment, other systems, works of art and intangible assets that are used in operations and benefit more than a single fiscal period. Infrastructure assets are long-lived assets that normally are stationary in nature and typically can be preserved for a significantly greater number of years than most capital assets, such as roads, bridges, and sewer systems.

The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Buildings and building improvements with an estimated cost to exceed \$25,000 are capitalized while infrastructure assets with an estimated cost to exceed \$50,000 are capitalized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Capital Assets (Continued)

When capital assets are purchased, they are recorded as expenditures of the current period in the governmental fund financial statements. Capital assets are valued at cost where historical records are available and at an estimated historical cost where no records exist. Donated capital assets are reported at their acquisition value. Capital assets are capitalized and depreciated in the government-wide financial statements and the proprietary fund statements.

Improvements to capital assets that materially extend the life of the asset or add to the value are capitalized. Other repairs and normal maintenance are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized in the governmental activities on the government-wide financial statements.

Capital assets, except for land and infrastructure, are depreciated over the useful lives of the assets or classes of assets on a straight-line basis as follows:

Buildings and improvements	20 - 40 years
Machinery and equipment	3 - 10 years
Intangible assets – computer software	8 years

The County uses the modified approach to report its infrastructure assets in the government-wide statement of net position. Infrastructure assets are listed at historical costs but they are not depreciated. Rather, under the modified approach allowed by GASB Statement No. 34, the County reports annual expenses for maintaining roads and bridges and the estimated costs for preserving them at 80% condition level out of a 100% scale.

N. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has the following items that qualify for reporting in this category.

- Difference between projected and actual earnings on pension plan – This difference is deferred and amortized over a closed five year period.
- Change in assumptions about future economic or demographic factors or of other inputs – This difference is deferred and amortized over a closed five year period.
- Change in pension allocated share – This change results from the disaggregation of the aggregated County results. It is deferred and recognized over a closed five year period.
- Pension contributions after the measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference between expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Deferred Inflows/Outflows of Resources (Continued)

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has the following items that qualify for reporting in this category.

- Unavailable revenues – The unavailable revenues which arise only under the modified accrual basis of accounting qualify for reporting in this category in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and court-assessed fines and costs.
- Difference between expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Change in assumptions about future economic or demographic factors or of other inputs – This difference is deferred and amortized over a closed five year period.

O. Compensated Absences

All non-exempt employees except temporary employees may earn compensatory time based on FLSA regulations. Compensatory time earned during the fiscal year must be used by the last pay period in September of each fiscal year so that no liability is accrued at year-end. At termination, all compensatory time is paid at the wage rate in place at termination.

All employees except temporary employees of the County are granted vacation benefits in varying annual amounts up to a maximum allowable accumulation of 240 hours per year. Sick leave benefits are earned by all employees except temporary employees at a rate up to twelve days per year and may be accumulated without limit. Sick leave benefits are recognized as they are used by the employees. In the event of termination, an employee is entitled to receive accumulated vacation pay but not the accumulated sick leave pay.

The County's policy provides that only half of the vacation hours accumulated from the previous year can be carried over but must be used first in the current year. The liability of the County's vacation pay is calculated at the end of each fiscal year and reported as "Liabilities for Compensated Absences", a current liability item in the County's government-wide statements due to the fact that the accumulated vacation pay has an average maturity of less than one year.

P. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities. Bonds payable are reported net of the applicable bond premium or discount. On new bond issues, bond premiums and discounts are amortized on a straight-line basis over the life of the bonds. On refunding bond issues, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense on a straight-line basis over the remaining life of the old debt or the life of the new debt, whichever is shorter.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Pensions

For purposes of measuring 1) the net pension liability, 2) pension related deferred inflows/outflows of resources, and 3) pension expense, County specific information about its fiduciary net position in the Texas County and District Retirement System (“TCDRS”) and additions to/deductions from the County’s fiduciary net position have been determined on the same basis as they are reported by TCERS, administrator of the statewide agent multiple-employer pension plan system. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. 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. Information regarding the County’s total pension liability can be obtained from TCERS through a report prepared for the County by TCERS consulting actuary, Milliman, Inc., in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

R. Fund Balances and Net Position

Fund Balance Classifications

The County’s Commissioners’ Court meets on a regular basis to manage and review cash financial activities and to ensure compliance with established policies. It is the County’s policy to fund current expenditures with current revenues and the County’s mission is to strive to maintain a diversified and stable revenue stream to protect the government from problematic fluctuations in any single revenue source and provide stability to ongoing services.

Under GASB 54, fund balances are required to be reported according to the following classifications in descending order, from most constraining to least constraining:

Nonspendable Fund Balance – Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, long-term receivables, the principal of an endowment or a revolving loan fund, etc.

Restricted Fund Balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed Fund Balance – Amounts that can only be used for specific purposes imposed by a formal action of the government’s highest level of decision-making authority. The County’s highest level of decision-making authority resides with the Commissioners’ Court. The constraints imposed by the resolution of the Commissioners’ Court remain binding unless removed or changed in the same manner employed to previously commit those resources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fund Balances and Net Position (Continued)

Assigned Fund Balance – Amounts that are constrained by the County’s intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. According to the County’s policy, the Commissioners’ Court, which is the governing body of the County, authorizes the County Judge, who is the County’s budget officer by Texas Statute, to assign amounts for particular purposes during the budget process or throughout the year in the normal course of business.

Unassigned Fund Balance – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification as a result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

For the classification of fund balance in the governmental funds, the County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The County’s unassigned fund balances will be maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing.

Net Position Classifications

The government-wide and business-type activities financial statements utilize a net position presentation. Net position represents the difference between all other elements in a statement of financial position and should be displayed by its components: net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, adjusted by the capital-related deferred outflows of resources and deferred inflows of resources, and reduced by outstanding balances for bonds and other debt that is attributed to the acquisition, construction, or improvement of those assets.

Restricted - The restricted net position represents the difference between (1) non-capital assets whose use is restricted and (2) related liabilities and deferred inflows of resources. The use of noncapital assets is considered to be restricted only if the limitation is externally enforceable. Externally enforceable limitations result from constraints imposed by:

- Parties outside the government (grantors, donors, other governments);
- Constitutional provisions; or
- Enabling legislation (legislation that raises resources from external parties subject to a legally enforceable requirement that those resources “be used only for the specific purpose stipulated in the legislation”).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fund Balances and Net Position (Continued)

The amount that represents the County’s net position restricted by enabling legislation was \$20,137,873 as reported in the Statement of Net Position.

Unrestricted - Any portion of net position not already classified as either net investment in capital assets or restricted is automatically classified as unrestricted.

S. Restatement of Beginning Fund Balance

The costs of the building renovation for the county employee clinic in the prior years were reclassified from the County’s Internal Service Fund to the Capital Improvement Fund during fiscal year 2017. As a result, the beginning fund balance of the County’s Capital Improvement Fund has been restated as follows:

	Fund Level
	Schedule of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
	<u>Capital Improvement Fund</u>
Fund Balance at September 30, 2016, as previously reported	12,262,289
Recording of the Cost Reclassification	(71,130)
Fund Balance at September 30, 2016, as restated	12,191,159

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Policy and Procedures

Annual budgets are legally adopted for general, special revenue, debt service, and capital project funds. Budgets are adopted on a basis consistent with GAAP (modified accrual basis). The County employs an encumbrance accounting system as a method of accomplishing budgetary control. At year-end, open encumbrances are closed. The department is required to re-appropriate the funds within the following year’s budget.

The County Judge is recognized by State statutes as the budget officer for the County and responsible for the preparation of the proposed budget. The proposed expenditures may not exceed the revenue estimates prepared by the County Auditor. The County, in the preparation of the budget, adheres to the following procedures:

- Departmental annual budget requests are submitted by the department head to the budget officer during the third quarter of the current fiscal year for the fiscal year beginning October 1.
- The County Auditor prepares an estimate of available resources for the coming fiscal year and presents the estimates to the budget officer by July 25 each year.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Policy and Procedures (Continued)

- Informal departmental hearings are held with the budget officer.
- The budget officer prepares the proposed annual operating budget to be presented to the Commissioners’ Court for consideration. The budget represents the financial plan for the new fiscal year.
- Formal public hearings are held on the proposed budget.
- The adopted budget must be balanced; i.e., available resources must be sufficient to support annual appropriations. The adopted budget must be approved by a majority of the Commissioners’ Court on or before November 1 each year.
- The budget is adopted using classifications within each department.
- The budget may not be increased through the use of supplemental appropriations each year unless the County Auditor certifies to the Commissioners’ Court that supplemental receipts have been realized and are available to support disbursements that were not included in the budget for the fiscal year.
- Transfer of appropriations between departments requires the expressed permission of the Commissioners’ Court, and all appropriations lapse at year-end.

Appropriations for total budget cannot exceed total resources that will be available for the year as forecasted by the County Auditor. This is a legal level of control for the County budget. Expenditures may not exceed budgeted appropriations at the fund level except for the General Fund, which is appropriated at the classification level. Administrative control is maintained through the establishment of more detailed line-item budgets.

Amendments increasing budget appropriations are restricted to those for “emergency expenditures, in case of grave public necessity, to meet unusual and unforeseen conditions that could not, by reasonably diligent thought and attention, have been included in the original budget.” The Commissioners’ Court must approve the original budget appropriations and subsequent amendments. The County Auditor is required to monitor the expenditures of all the funds in comparison to that which has been appropriated. The following schedule of changes in the original budget appropriations includes those funds for which the Commissioners’ Court has legally adopted a budget, as well as funds with managerial budgets:

	Original Budgeted Expenditures and Other Financing Uses	Supplemental Appropriations	Original As Amended
General Fund	\$ 112,548,218	\$ 1,397,506	\$ 113,945,724
Special Revenue	37,248,276	451,394	37,699,670
Debt Service	11,014,180	-	11,014,180
Capital Projects	27,162,921	3,757,106	30,920,027
Totals	<u>\$ 187,973,595</u>	<u>\$ 5,606,006</u>	<u>\$ 193,579,601</u>

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

A. Cash and Cash Equivalents

Chapter 2257 of the Texas Government Code, also known as the Public Funds Collateral Act, provides guidelines for the amount of collateral that is required to secure the deposit of public funds. It requires that the deposit of public funds be collateralized in an amount not less than the total deposit, reduced by the amount of Federal Depository insurance (FDIC) available. At September 30, 2017, the carrying amounts of the County's deposits were \$94,872,080, reported as "Cash and Cash Equivalents" on the balance sheet of the governmental funds and the statement of net position of the proprietary funds. The County had \$98,656,256 on deposit with Branch Banking & Trust Company at September 30, 2017. In August 2017, the County opened new accounts with Branch Banking & Trust Company that would sweep its deposits to an Insured Savings Cash Sweep (ISCS) and an Insured Demand Cash Sweep (IDCS) to earn more interest. Funds are swept into numerous other financial institutions so as to remain below the FDIC coverage of \$250,000. For the deposits that are not in the sweep accounts, the County's depository agreement with Branch Banking & Trust Company requires collateralization with a fair value at 110 percent of County funds in excess of the FDIC coverage of \$250,000. The collateralized fair value of the County's deposits at September 30, 2017, was \$29,904,137.

B. Investments

The County is authorized to invest its funds in accordance with the Texas Public Funds Act, Government Code Chapter 2256 and its subsequent amendments. The County's investment policy is strictly based on the State law. During the year ended September 30, 2017, County investments consisted of participation in TexPool totaling \$6,394,653, which are recorded at amortized cost.

Interest-Rate Risk. TexPool is a local government investment pool under the oversight of the State Comptroller of Public Accounts of Texas. TexPool's portfolio has low interest rate risk due to restrictions on weighted average maturity and maximum maturity of any one investment. It maintains the weighted average maturity at sixty (60) days or less and no security will exceed thirteen (13) months in maturity.

Credit Risk. State law limits investment in the investment pool to at least an AAA or AAAM rating or an equivalent rating by at least one nationally recognized rating service. TexPool is rated AAAM by Standard & Poor's, the highest rating a local government investment pool can achieve. The pools seek to maintain a \$1.00 value per share as required by the Texas Public Funds Investment Act.

C. Investments of Other Postemployment Benefits Trust Fund

At the end of fiscal year 2016, the County Commissioners' Court approved the establishment of its Other Postemployment Benefits Trust Fund to partially fund the County's OPEB plan. A board of trustees comprised of the current members of the Brazos County Commissioners' Court was created. The County also appointed an OPEB Investment Plan Committee to oversee certain policies and procedures related to the operation and administration of the Trust. All Other Postemployment Benefits Trust investments are held by its trustee, US Bank. The trustee is contracted to manage the portfolio in accordance with the trust documents as approved by the Commissioners' Court. The investment policy mandates a diversified portfolio in growth assets and income assets.

NOTE 4 – TAXES AND OTHER RECEIVABLES

Below is the detail of receivables for the major and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible amounts:

	General	Debt Service	Capital Improvement	Certificates	Local Provider Participation	Nonmajor	Total
				of Obligation 2015			
Property Taxes	\$ 1,637,543	\$ 247,074	\$ -	\$ -	\$ -	\$ -	\$ 1,884,617
Property Tax Penalties & Interest	944,528	121,038	-	-	-	-	1,065,566
Hotel & Motel Taxes	-	-	-	-	-	322,036	322,036
Sales Taxes	1,442,395	-	-	-	-	-	1,442,395
Officials	172,769	1,655	-	-	-	-	174,424
Interest	31,554	3,315	-	1,282	7,681	3,384	47,216
Court Fines	14,775,827	-	-	-	-	-	14,775,827
Accounts	491,078	-	-	-	-	280,452	771,530
State	460,748	-	-	-	193,280	-	654,028
Gross Receivables	19,956,442	373,082	-	1,282	200,961	605,872	21,137,639
Less: Allowance for Uncollectibles	(14,173,298)	(39,610)	-	-	-	-	(14,212,908)
Net Receivables	<u>\$ 5,783,144</u>	<u>\$ 333,472</u>	<u>\$ -</u>	<u>\$ 1,282</u>	<u>\$ 200,961</u>	<u>\$ 605,872</u>	<u>\$ 6,924,731</u>

NOTE 5 – INTERFUND BALANCES AND TRANSFERS

In the fund financial statements, interfund balances are the result of normal transactions between funds and will be liquidated in the subsequent fiscal year. The following is a summary of amounts due from and due to other funds as of September 30, 2017:

	Due From	Due To
General Fund	\$ 100,924	\$ -
Debt Service Fund	-	7,375
Nonmajor Governmental Funds	-	111
County Attorney Enterprise Fund	-	371
Jail Commissary Enterprise Fund	-	93,067
Total	<u>\$ 100,924</u>	<u>\$ 100,924</u>

The summary of the County's transfers for the year ended September 30, 2017, is as follows:

	General Fund	Debt Service Fund	Capital Improvement Fund	Certificates of Obligation 2015	Nonmajor Governmental Funds	Internal Service Fund	Total
Transfer Out:							
General Fund	\$ -	\$ -	\$ 9,264,739	\$ -	\$ 823,497	\$ 1,034,000	\$ 11,122,236
Capital Improvement Fund	846,440	-	-	-	-	1,043,378	1,889,818
Nonmajor Governmental Funds	-	1,205,180	-	1,727,288	-	-	2,932,468
Internal Service Fund	60,183	-	2,000,000	-	-	-	2,060,183
	<u>\$ 906,623</u>	<u>\$ 1,205,180</u>	<u>\$ 11,264,739</u>	<u>\$ 1,727,288</u>	<u>\$ 823,497</u>	<u>\$ 2,077,378</u>	<u>\$ 18,004,705</u>

The General Fund transferred out \$9,264,739 to the Capital Improvement Fund, \$823,497 to other nonmajor governmental funds, and \$1,034,000 to the Internal Service Fund for anticipated expenditures in various capital improvements, grant matching, healthcare costs and other requirements. In addition, the Hotel & Occupancy Tax Fund transferred out \$1,205,180 to the Debt Service Fund for the anticipated debt principal and interest payments for the Exposition Center expansion project, and \$1,727,288 to the Certificates of Obligation 2015 Fund for the Expo Expansion project. The Capital Improvement Fund transferred \$846,440 back to the General Fund and \$1,043,378 to the Internal Service Fund as corrections to the original budget. The Internal Service Fund transferred \$60,183 to the General Fund for the payroll expenditure of the clinic staff and \$2,000,000 to Capital Improvement Fund for the reclassification of the building renovation of the clinic.

NOTE 6 – CAPITAL ASSETS

Depreciation expense for fiscal year 2017 was charged to functions as follows:

Governmental Activities:	
General Government	\$ 655,560
Justice System	1,415,397
Law Enforcement	2,467,756
Juvenile Services	206,986
Public Transportation	499,239
Public Health	6,742
Human Services	<u>1,046,498</u>
Total depreciation expense - governmental activities	<u>\$ 6,298,178</u>

Capital Asset activity for the year ended September 30, 2017, was as follows:

	Balance at September 30, 2016	Additions	Deletions & Adjustments	Balance at September 30, 2017
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 27,100,338	\$ 1,762,082	\$ (70,477)	\$ 28,791,943
Construction in progress	11,124,886	13,734,457	(9,019,543)	15,839,800
Infrastructure	85,452,399	4,013,879	(86,497)	89,379,781
Total capital assets, not being depreciated	<u>123,677,623</u>	<u>19,510,418</u>	<u>(9,176,517)</u>	<u>134,011,524</u>
Capital assets, being depreciated:				
Buildings	131,555,834	-	-	131,555,834
Improvements other than buildings	22,815,332	2,029,272	(455,686)	24,388,918
Machinery and equipment	22,395,031	1,242,867	(608,228)	23,029,670
Intangible assets - computer software	3,233,374	4,134,000	(5,907)	7,361,467
Total capital assets, being depreciated	<u>179,999,571</u>	<u>7,406,139</u>	<u>(1,069,821)</u>	<u>186,335,889</u>
<u>Less accumulated depreciation for:</u>				
Buildings	(35,940,365)	(3,290,387)	-	(39,230,752)
Improvements other than buildings	(5,603,719)	(992,136)	455,686	(6,140,169)
Machinery and equipment	(12,037,048)	(1,440,025)	550,550	(12,926,523)
Intangible assets - computer software	(2,957,667)	(575,630)	5,907	(3,527,390)
Total accumulated depreciation	<u>(56,538,799)</u>	<u>(6,298,178)</u>	<u>1,012,143</u>	<u>(61,824,834)</u>
Total capital assets, being depreciated, net	<u>123,460,772</u>	<u>1,107,961</u>	<u>(57,678)</u>	<u>124,511,055</u>
Governmental activities capital assets, net	<u>\$ 247,138,395</u>	<u>\$ 20,618,379</u>	<u>\$ (9,234,195)</u>	<u>\$ 258,522,579</u>
<u>Business-type activities:</u>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 93,836	\$ -	\$ -	\$ 93,836
Total capital assets, being depreciated	<u>93,836</u>	<u>-</u>	<u>-</u>	<u>93,836</u>
<u>Less accumulated depreciation for:</u>				
Machinery and equipment	(76,301)	(7,118)	-	(83,419)
Total accumulated depreciation	<u>(76,301)</u>	<u>(7,118)</u>	<u>-</u>	<u>(83,419)</u>
Total capital assets, being depreciated, net	<u>17,535</u>	<u>(7,118)</u>	<u>-</u>	<u>10,417</u>
Business-type activities capital assets, net	<u>\$ 17,535</u>	<u>\$ (7,118)</u>	<u>\$ -</u>	<u>\$ 10,417</u>

NOTE 7 – LEASES

A. Operating Leases

The County has entered into operating leases as both lessee and lessor. The County currently has facility leases in force that provide for cancellation at various terms. These leases are for office space and ground storage having minimum annual lease payments of \$81,484. At September 30, 2017, the County had entered into two lease arrangements with outside non-profit entities to provide space within the Brazos Center, a public facility owned by the County. The County's lease arrangement with the Brazos Valley Museum provides the Museum with space at \$1,248 annually. The lease is a 50-year lease expiring in 2040. The County also provides the office space for Junior League of Bryan/College Station at \$12,000 per year with a lease agreement renewable biennially. The current lease was renewed on June 1, 2017. The County has also purchased property with an existing lease renewable yearly, allowing Lamar Companies to maintain a billboard on the County's property at \$1,200 per year.

The County has seven non-cancelable operating leases remaining for the use of photocopying equipment. The leases are each for a 60 month period. Expenditures for these operating leases were \$16,684 in 2017. The future minimum lease payments for these leases are as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2018	\$ 2,412
Total	<u>\$ 2,412</u>

B. Capital Leases

The County has entered into seven capital lease agreements for the acquisition of heavy equipment. The amounts capitalized total \$1,141,750. Principal payments during the fiscal year 2017 totaled \$148,957. Depreciation expense of \$22,717 was recorded for the year on the equipment. The following is a summary of capital lease activity and outstanding balances at September 30, 2017:

<u>Governmental Activities:</u>	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding</u>	<u>Due Within</u>
	<u>Balance</u>			<u>September 30, 2017</u>	<u>One Year</u>
Capital Leases	\$ 445,984	\$ -	\$ 148,957	\$ 297,027	\$ 297,027

Payments, including interest at an average rate of 2.6% per annum are due as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2018	<u>\$ 304,640</u>
Total future lease payments	304,640
Less: Interest	(7,613)
	<u>\$ 297,027</u>

NOTE 8 – COMPENSATED ABSENCES

The cost of the County’s liability for compensated absences is calculated at the end of the fiscal year based on the employee’s pay rate and the accumulated vacation hours earned but not taken. It is reported as a current liability in the County’s government-wide financial statements due to the fact that the average maturity of the liability is less than one year. The general fund and some special revenue funds have been used in prior years to liquidate the liability for compensated absences in governmental funds.

The amount of compensated absences due within one year of the date of the Statement of Net Position of fiscal year 2017 is \$1,272,494. Changes in compensated absences for the year were as follows:

	Balance Outstanding October 1, 2016	Earned	Taken/ Paid	Balance Outstanding September 30, 2017
Governmental Activities	\$ 1,217,765	\$ 3,376,372	\$ (3,324,727)	\$ 1,269,410
Business-type Activities	224	3,846	(986)	3,084
Total	<u>\$ 1,217,989</u>	<u>\$ 3,380,218</u>	<u>\$ (3,325,713)</u>	<u>\$ 1,272,494</u>

NOTE 9 – LONG-TERM DEBT

A. Bonded Debt

Bonded debt of the County consists of various issues of General Obligation Bonds and Certificates of Obligation. General Obligation Bonds and Certificates of Obligation are direct obligations of the County with the County’s full faith and credit pledged towards the payment of this obligation. General Obligation Bonds are issued upon approval by the public at an election. Certifications of Obligation are issued by the vote of the Commissioners’ Court as allowed under the Certificates of Obligation Act. Debt service is primarily paid from ad valorem taxes. The following are debt issues with activity or outstanding balances at September 30, 2017:

Description	Original Amount	Interest Rates (%)	Year of Issue	Year of Maturity	Outstanding at 9/30/17
<u>Certificates of Obligation</u>					
Series 2009 - Expo Expansion	\$12,000,000	3.0 - 4.5	2009	2034	\$ 8,870,000
Series 2012 - Various	9,700,000	2.0 - 5.0	2012	2032	8,360,000
Series 2015 - Courthouse Renovation & Expo Expansion	9,100,000	1.92	2015	2025	8,165,000
<u>Limited Tax Refunding Bonds</u>					
Series 2009 - Debt Refunding	7,365,000	3.0 - 4.0	2009	2021	2,425,000
Series 2012 - Debt Refunding	14,640,000	2.0 - 5.0	2012	2025	12,020,000
<u>Limited Tax Bond</u>					
Series 2008 - Jail Expansion	55,000,000	3.25 - 5.0	2008	2028	39,625,000
<u>General Obligation Bonds</u>					
Series 2005 - Exposition Center	\$10,500,000	4.0 - 6.0	2005	2025	-
Total Certificates of Obligation and Bonds Payable					<u>\$ 79,465,000</u>

NOTE 9 – LONG-TERM DEBT (Continued)

A. Bonded Debt (Continued)

Activity for long-term debt of the County for the year ended September 30, 2017, was as follows:

Description	Balance Outstanding 10/1/2016	Additions	Reductions	Balance Outstanding 9/30/2017	Amount Due Within One Year
<u>Certificates of Obligation</u>					
Series 2009 - Expo Expansion	\$ 9,315,000	\$ -	\$ 445,000	\$ 8,870,000	\$ 445,000
Series 2012 - Various	8,775,000	-	415,000	8,360,000	430,000
Series 2015 - Courthouse Renovation & Expo Expansion	9,100,000	-	935,000	8,165,000	955,000
<u>Limited Tax Refunding Bonds</u>					
Series 2009 - Debt Refunding	2,965,000	-	540,000	2,425,000	565,000
Series 2012 - Debt Refunding	12,870,000	-	850,000	12,020,000	1,490,000
<u>Limited Tax Bond</u>					
Series 2008 - Jail Expansion	42,365,000	-	2,740,000	39,625,000	2,865,000
<u>General Obligation Bonds</u>					
Series 2005 - Exposition Center	585,000	-	585,000	-	-
Premium	2,295,477	-	221,774	2,073,703	-
Total Bonds Payable	<u>\$88,270,477</u>	<u>\$ -</u>	<u>\$ 6,731,774</u>	<u>\$81,538,703</u>	<u>\$ 6,750,000</u>

Annual debt service requirements as of September 30, 2017, are as follows:

Fiscal Year	Principal	Interest	Total
2018	\$ 6,750,000	\$ 3,190,316	\$ 9,940,316
2019	7,010,000	2,943,980	9,953,980
2020	7,285,000	2,683,156	9,968,156
2021	7,575,000	2,395,598	9,970,598
2022	7,200,000	2,100,776	9,300,776
2023-2027	31,800,000	6,132,532	37,932,532
2028-2032	10,605,000	1,200,658	11,805,658
2033-2034	1,240,000	83,700	1,323,700
Totals	<u>\$ 79,465,000</u>	<u>\$ 20,730,716</u>	<u>\$ 100,195,716</u>

B. Arbitrage Rebate Liability

The Tax Recovery Act of 1986 established regulations for the rebate to the federal government of arbitrage earnings on certain local governmental bonds issued after December 31, 1985, and all local governmental bonds issued after August 31, 1986. Issuing governments must calculate any rebate due on an annual basis and remit the amount due at least every five years. The County has not incurred such a liability in the fiscal year 2017.

NOTE 10 – INVESTMENT IN JOINT VENTURE

The City of Bryan and Brazos County Economic Development Foundation, Inc. (the “Foundation”) is a Texas Transportation Code local government corporation formed by the City of Bryan, Texas (the “City”), and Brazos County, Texas (the “County”), to promote, develop, encourage and maintain employment, commerce, and economic development in the City and the County.

The Foundation was formed pursuant to the provisions of Subchapter D, Chapter 431 of the Texas Transportation Code, as amended. The funding sources of the Foundation have come from contributions from Brazos County and the City of Bryan, a grant from the Twin Cities Endowment, Inc., cash contributions from Research Valley Partnership (RVP) and cash from the sale of land acquired by the Foundation. The affairs of the Foundation are managed by a Board of Directors which is composed of nine persons including the County Judge of Brazos County and three other persons appointed by the Commissioners’ Court of Brazos County, the Mayor of the City of Bryan and three other persons appointed by the City Council of the City of Bryan, and one individual appointed by the Board of Directors of Twin Cities Endowment, Inc. However, the director appointed by the Board of Directors of Twin Cities Endowment, Inc. has no voting rights except in the case of a deadlock in votes by the other directors.

The Foundation is reported as a joint venture in the County’s government-wide financial statements, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39 and GASB Statement No. 61.

The Foundation’s statement of net position and statement of activities for fiscal year 2017 are presented as follows:

**CITY OF BRYAN AND BRAZOS COUNTY
ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

Assets	
Cash and cash equivalents	\$ 406,349
Prepaid expenses	18,403
Capital assets	
Land	8,050,624
Other capital assets, net of depreciation	3,450,316
Total Assets	<u>11,925,692</u>
Liabilities	
Accounts payable and accrued expenses	61,050
Unearned revenue	1,539
Noncurrent Liabilities	
Due within one year	293,438
Due in more than one year	3,271,562
Total Liabilities	<u>3,627,589</u>
Net Position	
Net investment in capital assets	7,935,940
Unrestricted	362,163
Total Net Position	<u>\$ 8,298,103</u>

NOTE 10 – INVESTMENT IN JOINT VENTURE (Continued)

**CITY OF BRYAN AND BRAZOS COUNTY
ECONOMIC DEVELOPMENT FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2017**

Program Activities	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position
Program Activities	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
General government and administration	\$ 105,251	\$ -	\$ 1,327,822	\$ -	\$ 1,222,571
Total primary government	\$ 105,251	\$ -	\$ 1,327,822	\$ -	1,222,571
General Revenues					
Investment earnings					187
Lease revenue					51,993
Total general revenues					52,180
Change in net position					1,274,751
Net position - beginning of year					7,023,352
Net position - end of year					\$ 8,298,103

Besides the entity’s investment in the Foundation, each entity also reports a 50% ownership in the residual net position of the Foundation. The County reports \$4,719,887 as its share of the Foundation’s net position for fiscal year 2017. A copy of the Foundation’s financial statements may be obtained from the Foundation at 200 S. Texas Avenue, Suite 332, Bryan, TX 77803.

NOTE 11 – RISK MANAGEMENT

The County participates in a workers’ compensation pool administered by the Texas Association of Counties. The Texas Association of Counties handles claims adjusting and related administrative services for the program. Premiums are evaluated annually by position class code at actuarially determined rates. The County workers’ compensation program provides medical and indemnity payments as required by law for on-the-job related injuries and is accounted for by the use of departmental expenditures based on a percentage of payroll.

The pool that the County participates in has provided for reinsurance coverage for excess workers’ compensation and employer’s liability. The County does not recognize any liability for outstanding losses for incurred but not reported claims. The Texas Association of Counties assumes this responsibility.

The County currently provides medical insurance for its employees with basic prescription and life benefits attached. The group insurance plan is self-insured. The plan pays the full cost of the claims for its members.

NOTE 11 – RISK MANAGEMENT (Continued)

The County has established a Health and Life Insurance Internal Service Fund to account for the costs associated with various health-related insurance programs. The Internal Service Fund collects the premium payments from the County, the employees, and the retirees. All funds are available to pay claims and administrative fees and have been reserved for such purposes. The County has purchased reinsurance that provides a \$100,000 per individual specific stop loss deductible and an additional aggregating specific annual deductible of \$60,000. After the \$100,000 per individual deductible and the annual \$60,000 aggregating specific deductible have been met, the County is reimbursed by the reinsurer for claims over the deductibles. There is also aggregate protection included in the policy which means if the County exceeds the aggregate attachment point, the County will be reimbursed up to a maximum of \$1,000,000. The minimum aggregate attachment point is \$14,448,335. The County experienced claims of \$10,072,853 and \$8,629,048 for fiscal year 2017 and 2016 respectively. At September 30, 2017, the County had accrued \$1,149,726 for anticipated claims that had not been filed at year-end. This amount is classified as a current liability in the Statement of Net Position of the Internal Service Fund and is due within one year of September 30, 2017.

Change in the balance of unpaid liability during fiscal years 2016 and 2017 were as follows:

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimated</u>	Claims <u>Paid</u>	Balance at Fiscal <u>Year End</u>	Amount Due Within <u>One Year</u>
2016	\$ 1,051,552	\$ 8,629,048	\$ (8,513,067)	\$ 1,167,533	\$ 1,167,533
2017	1,167,533	10,072,853	(10,090,660)	1,149,726	1,149,726

The Commissioners’ Court of Brazos County is aware that the County has risk of loss exposure to liability and accidental loss of real and personal property as well as human resources. County operations involve a variety of high-risk activities including, but not limited to, cash collections, road and bridge maintenance, law enforcement, and construction.

The Commissioners’ Court has created the office of Risk Management, whose responsibility is to identify, evaluate, and manage risk in an effort to reduce the liability and accidental loss of property and human services. In the management process, the Risk Manager is assigned the responsibility of ensuring that all County employees are properly trained in safety. Brazos County employs risk-financing activities to include the purchase of insurance for general liability, vehicle liability, and liability from property damage claims. In addition, the County purchases property insurance, errors and omission coverage, professional liability insurance, as well as crime and fidelity coverage. Any liability that arises from the operation of motorized equipment will be considered to fall within the confines of the Texas Tort Claims Act, and thereby limit the County’s exposure. At September 30, 2017, all claims against the County had been paid or accrued for payment, or the County’s underwriter had accepted responsibility for the claim.

The County has not made any significant reductions in insurance coverage from coverage in the previous fiscal year. No settlements exceeded insurance coverage for the past three fiscal years.

NOTE 12 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the Texas County and District Retirement System (“TCDRS” or “System”). The Board of Trustees of the System is responsible for the administration of the statewide agent multiple-employer system consisting of over 500 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. To obtain a copy send a written request for the CAFR to the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

Benefits Provided

The Commissioners’ Court of Brazos County adopts the plan provisions within the options available in the Texas State statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years of service regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but accumulated contributions must be left in the plan. Retirement benefits are based on the members’ final account balance and employer matching. Current employer matching is 225%. Members who withdraw their personal contributions in a lump sum are not entitled to any employer matching. Disability retirement benefits are determined in the same manner as retirement benefits. Death benefits are available to the beneficiaries of the members with four or more years of service. Cost-of-living adjustments to each employee’s retirement allowance subsequent to the employee’s retirement date are at the discretion of the County Commissioners’ Court.

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

Employees Covered by Benefit Terms

At September 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	347
Inactive employees entitled to but not yet receiving benefits	539
Active employees	808
	<hr/>
	1,694
	<hr/>

NOTE 12 - PENSION PLAN (Continued)

A. General Information about the Pension Plan (Continued)

Contributions

Brazos County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Brazos County's contribution rate was 14% for fiscal year 2017 and is 14.25% for fiscal year 2018. The employee's member contribution rate remained at 7% for 2017. Contributions to the pension plan from the County were \$6,378,368 for the year ended September 30, 2017.

B. Net Pension Liability

The County's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability 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, applied to all periods included in the measurement:

Inflation	3.0 percent
Payroll growth	3.5 percent, including inflation
Investment rate of return	8.1 percent

In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used.

All other actuarial assumptions used in the December 31, 2016, valuation were based on the results of an actuarial experience study for the period January 1, 2009 – December 31, 2012, except where required to be different by GASB 68.

NOTE 12 - PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

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 building-block method allows the development of the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimate of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Geometric Real Rate of Return (Expected - Inflation) (2)</u>
US Equities	13.50%	4.70%
Private Equity	16.00%	7.70%
Global Equities	1.50%	5.00%
International Equities - Developed Markets	10.00%	4.70%
International Equities - Emerging Markets	7.00%	5.70%
Investment-Grade Bonds	3.00%	0.60%
High-Yield Bonds	3.00%	3.70%
Opportunistic Credit	2.00%	3.83%
Direct Lending	10.00%	8.15%
Distressed Debt	3.00%	6.70%
REIT Equities	2.00%	3.85%
Master Limited Partnerships (MLPs)	3.00%	5.60%
Private Real Estate Partnerships	6.00%	7.20%
Hedge Funds	20.00%	3.85%
	<u>100.00%</u>	

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

(2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.0%, per Cliffwater's 2017 capital market assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 8.10 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 12 – PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

	Changes in Net Pension Liability / (Asset)		
		Increase (Decrease)	
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) – (b)
Balances as of December 31, 2015	\$171,607,927	\$144,355,875	\$27,252,052
Changes for the year:			
Service cost	5,458,140	-	5,458,140
Interest on total pension liability	13,990,940	-	13,990,940
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	435,824	-	435,824
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(376,759)	(376,759)	-
Benefit payments	(6,392,495)	(6,392,495)	-
Change in pension allocated share	-	(60,030)	60,030
Administrative expenses	-	(117,506)	117,506
Member contributions	-	2,582,026	(2,582,026)
Net investment income	-	10,801,592	(10,801,592)
Employer contributions	-	6,048,390	(6,048,390)
Other	-	261,584	(261,584)
Net Changes	13,115,650	12,746,802	368,848
Balances as of December 31, 2016	\$184,723,577	\$157,102,677	\$27,620,900

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 8.10 percent, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower (7.10 percent) or 1-percent-point higher (9.10 percent) than the current rate:

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
County's net pension liability / (asset)	\$ 53,184,493	\$ 27,620,900	\$ 6,488,922

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2017, the County recognized pension expense of \$8,289,507. At September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual pension experience	\$ 348,660	\$ 1,187,283
Difference between projected and actual earnings on pension plan	10,065,994	-
Change in assumptions or inputs	1,069,083	172
Change in pension allocated share	155,844	-
Pension contributions made after the measurement date	4,129,868	-
Total	\$ 15,769,449	\$ 1,187,455

NOTE 12 – PENSION PLAN (Continued)

C. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred outflows of resources related to pensions resulting from pension contributions made after the measurement date of \$4,129,868 will be recognized as a reduction of the net pension liability in the County’s financial statements for the fiscal year ending September 30, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding pension contributions made after the measurement date, will be recognized in pension expense as follows:

Year ended September 30,	
2018	\$ 3,480,633
2019	3,480,633
2020	3,157,288
2021	333,572
Thereafter	-

D. Payable to the Pension Plan

As of September 30, 2017, the County reported a short-term payable of \$1,046,564 for the outstanding pension contributions to TCDRS. The amount represents the legally required contributions from both employee member and the employer based on the covered payroll of employee members for the month of September 2017, which was due by October 15, 2017.

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. COBRA

The County provides health care benefits as required by the Federal government under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”). COBRA requires employers that sponsor group health plans to provide continuation of group coverage to terminated employees and their dependents in circumstances where coverage would normally end. The election to be covered is at the request of the employee. The employee is then required to pay the premium costs for themselves and their dependents. Expenditures are recognized as claims are submitted. The benefit levels of the COBRA participants are the same as those afforded to active employees. The County uses the Health and Life Insurance Internal Service fund to liquidate the benefit obligation for COBRA participants. At September 30, 2017, the County had been fully reimbursed for costs related to COBRA participants.

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

B. Post-Retirement Benefits

Plan Description

Texas Local Government Code Section 157.101 assigns the authority to establish and amend group health benefit provisions to the Commissioners' Court. Brazos County has elected to offer post-retirement healthcare benefits to certain retirees. County policy allows full-time employees to become eligible for post-retirement healthcare benefits after meeting the service and retirement age requirements of the TCDRS retirement plan. The County's post-retirement benefit plan is a single-employer defined benefit plan. It includes medical, dental and drug care benefits, all of which are provided through the County's self-insured healthcare plan. The benefit levels are the same as those afforded to active employees.

As of January 1, 2016, the membership of the County's self-insured plan consists of:

Retirees and Beneficiaries Receiving Benefits	147
Active Employees	731
Total	<u>878</u>
Participating Employers	<u>1</u>

Funding Policy

The County uses the Health and Life Insurance Internal Service fund to liquidate the post-retirement benefit obligation. The County evaluates and establishes the plan premium amounts, which includes the employee portion and the County's subsidy, under Texas Local Government Code Section 157.102 on an annual basis. The eligible retirees who retired prior to January 1, 2000 may pay a fixed premium amount to maintain coverage through the County's healthcare plan. Eligible retirees who were hired before August 30, 2011, and with eight or more years of cumulative services with Brazos County upon retirement are entitled to the County's subsidy and may pay the employee portion of the premium only to maintain coverage. Eligible retirees who were hired before August 30, 2011, but have less than eight years of cumulative service with Brazos County at retirement must pay the full premium to maintain coverage. Employees hired on or after August 30, 2011, must pay the full premiums to maintain coverage regardless of the years of service. Upon a retiree reaching 65 years of age, the County's healthcare plan becomes secondary to Medicare automatically.

The County established an OPEB Trust Fund to partially fund its OPEB Plan in 2016. The County contributed \$2,793,536 in total toward its OPEB obligation for the year ended September 30, 2017, including \$1,000,000 to the OPEB Trust.

Annual OPEB Costs 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 the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The County's annual OPEB cost, the County's contribution, and the net OPEB obligation for the fiscal year ended September 30, 2017, were as follows:

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

B. Post-Retirement Benefits (Continued)

Annual Required Contribution	\$ 8,608,285
Add interest on Net OPEB Obligation	2,190,946
Less adjustment to Annual Required Contribution	<u>(2,099,801)</u>
Annual OPEB Cost	8,699,430
Less Contributions made	<u>(2,793,536)</u>
Change in Net OPEB Obligation	5,905,894
Net OPEB Obligation beginning of the year	<u>52,793,890</u>
Net OPEB Obligation end of the year	<u><u>\$ 58,699,784</u></u>

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2017, and the preceding two fiscal years were as follows:

Fiscal Year Ended	Trend Information			
	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net Ending OPEB Obligation
9/30/2015	\$ 7,082,068	\$ 1,419,123	20.0%	\$ 46,813,420
9/30/2016	\$ 8,438,417	\$ 2,457,947	29.1%	\$ 52,793,890
9/30/2017	\$ 8,699,430	\$ 2,793,536	32.1%	\$ 58,699,784

Investment Policy

It is the policy of the County’s OPEB Trust to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB Trust investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the asset allocation illustrated in the adopted policy as of September 27, 2016:

<u>Asset Classes</u>	<u>Target Allocation</u>
Growth Assets	
Domestic Equity	39%
International Equity	21%
Income Assets	
Fixed Income	<u>40%</u>
Total	<u><u>100%</u></u>

Funded Status and Funding Progress

The funded status of the County’s post-retirement healthcare plan, under GASB Statement No. 45 as of January 1, 2016 (the most recent valuation) was as follows:

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

B. Post-Retirement Benefits (Continued)

Actuarial value of assets	\$	-
Actuarial accrued liability (AAL)	\$	89,554,709
Unfunded actuarial accrued liability (UAAL)	\$	89,554,709
Funded ratio (actuarial value of plan assets /AAL)		0%
Covered payroll (active plan members)	\$	34,353,879
UAAL as percentage of covered payroll		260.7%

Under the reporting parameters, the County’s post-retirement healthcare plan is 0.0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$89,554,709 at January 1, 2016. The ratio of the unfunded actuarial accrued liability to annual covered payroll is 260.7%.

Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the annual required contribution of the employer (ARC) for the County’s post-retirement healthcare plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The annual ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Inflation Rate	2.50% per annum
Investment Rate of Return	4.15%, net of expenses
Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	Level as a percentage of employee payroll
Amortization Period	30-year, open amortization
Payroll Growth	3.00% per annum
Healthcare Cost Trend Rate	7.50% initial rate; 5.25% ultimate rate
Dental Cost Trend Rate	4.00% per year

Additional Disclosure

Texas Local Government Code, Chapter 175 requires counties to make available continued health benefits coverage under certain circumstances to retirees and their dependents beyond the end of an individual’s employment with the County (“Continuation Coverage”) by permitting covered employees to purchase continued health benefits coverage in retirement. Texas law does not require counties to fund all or any portion of such coverage.

NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

B. Post-Retirement Benefits (Continued)

Because the County is given the authority to pay OPEB for its retired employees, it may incur a debt obligation to pay for OPEB as long as the County follows the constitutional requirement that it has sufficient taxing authority available at the time such debt is incurred to provide for the payment of the debt and has in fact levied a tax for such purpose concurrently with the incurrence of the debt. Any debt incurred in contravention of this constitutional requirement is considered void and payment will not be due. Brazos County has not incurred a legal debt obligation for OPEB and has not levied a tax for the same.

GAAP requires governmental organizations to recognize an actuarially calculated accrued liability for OPEB, even though it may not have a legally enforceable obligation to pay OPEB benefits. Information and amounts presented in the County's Comprehensive Annual Financial Report relative to OPEB expenses, related liabilities (assets), note disclosures, and supplementary information are only intended to achieve compliance with the requirements of generally accepted accounting principles (GASB 45) and does not constitute or imply that the County is legally obligated to provide OPEB benefits.

The County established an irrevocable trust and adopted a funding policy so that the amounts contributed to the trust are less than the County's funding ARC (Annual Required Contribution). GASB Statement 45 requires the use of a discount rate based on a blend of the plan and employer assets under the partial funding policy. As a result, the blended discount rate of 4.15% is based on a 6% of weighing of the trust's expected return (6.75%) and a 94% weighting of the unfunded discount rate (4.00%).

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the ARC of the County's post-retirement healthcare plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. Deferred Compensation

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, as amended, is available to all employees, and permits them to defer a portion of their salary until future years. The plan funds are not available to employees until termination, retirement, death, or emergency. Brazos County is not the plan administrator nor the trustee, therefore the assets of the plan are not a reportable fund within the County's financial statements.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

A. Construction Contracts

The County has budgeted \$39.9 million for various contracts in connection with the construction and renovation of County facilities, buildings and the rehabilitation of County roads for fiscal year 2018. They are allocated as follows:

- \$0.4 million for the construction of a new storage building to store the files of the County Clerk's Office.
- \$1.9 million for the continued renovation of the County's courthouse building.
- \$14.5 million for the rehabilitation of County roads.
- \$1.8 million for the construction of the new building for the Justice of the Peace and Constable of precinct 1.
- \$0.6 million for the Exposition Center improvement and expansion.
- \$20.3 million for the expansion of the Department of Juvenile Services.
- \$0.4 million for smaller improvement projects to various departments such as parking lots, bathrooms, kitchen expansions, etc.

The County also has budgeted \$3.6 million for the acquisition of the new financial software in fiscal year 2018.

B. Tax Increment Financing Zones (TIFZ's)

As of September 30, 2017, the County had entered into several inter-local agreements with the City of Bryan for the creation of Tax Increment Financing Zones as allowed by Chapter 311 of the Texas Tax Code.

Tax Increment Financing Zones (TIFZ) are statutory tools available to municipalities in Texas to promote development or redevelopment in an area that would not occur in the foreseeable future solely through private investment. TIFZ are also means to allow a community, both city and county, to enhance their ability to attract economic development or to allow businesses currently located within their area to expand.

Once a city has designated a TIFZ, the Commissioners' Court must decide whether the County will participate in the TIFZ and to what extent. After the County has elected to participate, a base value for the property located within the TIFZ is established. At the date of creation the appraised value is normally accepted as the base value. As the property within the TIFZ develops, the County collects taxes based on the appreciated appraised values at the rate established annually by the Commissioners' Court. Once the taxes have been paid each year the County remits the amount of taxes attributable to the increase in the appraised values (captured value) to the TIFZ to be used to fund the project plan. Project plans normally include the creation of infrastructure such as roads, street improvements, light systems, sewer systems, landscaping, parks, etc. A TIFZ can be terminated either on the date designated in the ordinance creating the zone, or the date on which all project costs, tax increment bonds, and interest on the bonds have been paid.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

B. Tax Increment Financing Zones (TIFZ's) (Continued)

Brazos County has entered into two inter-local agreements with the City of Bryan to create Reinvestment Zone Number Ten – “Traditions” and Reinvestment Zone Number Twenty-Two – “Bryan Towne Center”. The Traditions zone is approximately 790 acres on the west side of the City of Bryan and was originally scheduled for 15 years of County participation. It was extended to 24 years during fiscal year 2015. The Bryan Towne Center on the east side of the City is scheduled for 20 years of County participation. During fiscal year 2017 (for the tax year ended 12/31/16), the County reimbursed \$969,660 to the City of Bryan on the TIFZ's.

C. Tax Abatements

Chapter 312 of the Texas Tax Code authorizes the County to provide property tax abatements for limited time periods to encourage development or expansion of property. The terms of each agreement are limited by the guidelines and criteria established by the Commissioners' Court. The County may recapture the abated taxes in case the property owner is in default of the agreement.

For the fiscal year ended September 30, 2017, the County abated property taxes totaling \$1,333,289. The County entered into the following tax abatement agreements that each exceeded 10% of the total amount abated:

- A 100 percent property tax abatement on increased value of the facility of Axis Pipe and Tube Inc. for expanding their facility, increasing investment valuation, and increasing employment. The abatement amounted to \$1,331,151.
- A 20 percent property tax abatement on the increased value of Kent Moore Cabinets, Ltd. for expanding their facility. The abatement amounted to \$2,138. The tax abatement agreement expired on December 31, 2016.

D. Contingent Liabilities

The County is a defendant in various lawsuits. All are matters that are pending and have arisen in the normal course of the County's operations. Although the outcome of these lawsuits is not presently determinable, the County's various legal counsels are of the opinion that the settlement of these claims and pending litigation will not have a material effect on the County's financial statements. Consequently, there has been no current provision to reserve funds for such claims.

The County receives various grant monies that are subject to audit and adjustment by the grantor agencies. Any disallowed expenditure will become a liability of the County. The amount cannot be determined at this time, but the County expects such amounts, if any, to be immaterial.

NOTE 15 – FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned as described in Note 1-R. The following is a detail of fund balances for all the major and nonmajor governmental funds at September 30, 2017:

	General Fund	Debt Service Fund	Capital Improvement Fund	Certificates of Obligation 2015 Fund	Local Provider Participation Fund	Nonmajor Funds	Total
Fund Balances:							
Nonspendable:							
Prepays	\$ 768,394	\$ -	\$ -	\$ -	\$ -	\$ 21,354	\$ 789,748
Inventories	662,941	-	-	-	-	-	662,941
Total Nonspendable	1,431,335	-	-	-	-	21,354	1,452,689
Restricted for:							
Debt Service	-	6,234,940	-	-	-	-	6,234,940
Juvenile Services	37,325	-	-	-	-	-	37,325
Election Services	-	-	-	-	-	55,805	55,805
Human Services	-	-	-	-	-	1,573,715	1,573,715
State Lateral Road Fund	-	-	-	-	-	30,229	30,229
Unclaimed Property	-	-	-	-	-	57,230	57,230
Administration of Justice	417,442	-	-	-	-	306,369	723,811
Health Care Provider Part.	-	-	-	-	14,221,232	-	14,221,232
Records Management	-	-	-	-	-	2,609,934	2,609,934
Special Forfeitures	-	-	-	-	-	18,918	18,918
Law Enforcement	1,017	-	-	-	-	171,399	172,416
DA Hot Check Collection	-	-	-	-	-	2,924	2,924
Bail Bond Board Fees	-	-	-	-	-	91,801	91,801
Admin. of Tax Office	-	-	-	-	-	197,010	197,010
SO Crime Fund	-	-	-	-	-	197,293	197,293
DA Crime Fund	-	-	-	-	-	126,876	126,876
Capital Projects	-	-	-	790,172	-	-	790,172
Total Restricted	455,784	6,234,940	-	790,172	14,221,232	5,439,503	27,141,631
Committed to:							
Health Endowment Fund	586,470	-	-	-	-	-	586,470
Total Committed	586,470	-	-	-	-	-	586,470
Assigned to:							
Capital Improvements	-	-	16,935,055	-	-	-	16,935,055
Research Valley	119,000	-	-	-	-	-	119,000
Indigent Health Care	904,141	-	-	-	-	-	904,141
Total Assigned	1,023,141	-	16,935,055	-	-	-	17,958,196
Unassigned	43,410,257	-	-	-	-	-	43,410,257
Total Fund Balances	\$46,906,987	\$6,234,940	\$16,935,055	\$ 790,172	\$14,221,232	\$5,460,857	\$90,549,243

NOTE 16 – SUBSEQUENT EVENTS

In November 2017, the County issued \$11,650,000 Certificates of Obligation, Series 2017 to fund the County juvenile services building expansion. The annual interest rates range from 2.00% to 4.00%. The issuance had a premium of \$493,018. Interest accrues semiannually and the bonds mature in fiscal year 2037.

The County also issued \$39,895,000 Limited Tax Refunding Bonds, Series 2017 to refund and defease a portion of the County's outstanding bonded debt. The refunded bonds include Certificates of Obligation, Series 2009 (\$7,960,000) and the Limited Tax Bonds, Series 2008 (\$36,760,000). The annual interest rates range from 2.25% to 5.00%. The issuance had a premium of \$6,896,881. Interest accrues semiannually and the bonds mature in fiscal year 2034. The refunding resulted in a decrease in cash flow requirements of \$6,453,059 and had an economic gain of \$5,637,355.

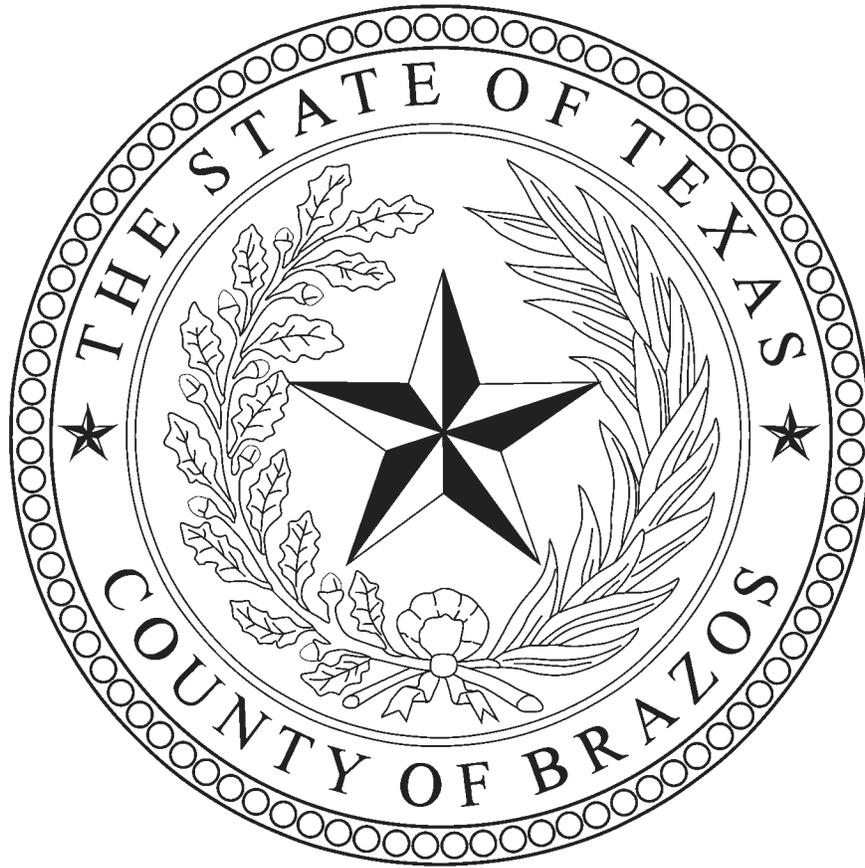
NOTE 17 – NEW ACCOUNTING PRONOUNCEMENTS

The following new GASB pronouncements will be effective for the County in subsequent fiscal years:

- The Governmental Accounting Standards Board has issued Statement No. 74 (“GASB 74”), “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans” which will be effective for the County in the fiscal year ending September 30, 2018. This statement replaces Statement No. 43, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”. It improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. GASB 74 is not expected to have a significant impact on the County’s financial statements.
- The Governmental Accounting Standards Board has issued Statement No. 75 (“GASB 75”), “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” which will be effective for the County in the fiscal year ending September 30, 2018. This Statement replaces the requirements of Statements No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”, as amended, and No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, for OPEB. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. GASB 75 is expected to have a significant impact on the County, however the full effect is not known at this time.



REQUIRED SUPPLEMENTARY INFORMATION



BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Current Ad Valorem Taxes	\$ 63,400,000	\$ 63,400,000	\$ 63,964,840	\$ 564,840
Delinquent Ad Valorem Taxes	550,000	550,000	524,895	(25,105)
Penalties & Interest - Taxes	350,000	350,000	351,950	1,950
Mixed Drink Taxes	750,000	750,000	809,516	59,516
County Sales Taxes	14,970,000	14,970,000	16,375,071	1,405,071
Total Taxes	80,020,000	80,020,000	82,026,272	2,006,272
Charges For Services				
Contracted Detention Services	-	-	13,010	13,010
JJAEP Service Fee	50,000	50,000	53,839	3,839
Contracted Jail Services	113,000	113,000	320,534	207,534
Arrest/Warrant Fees	174,000	174,000	182,686	8,686
Brazos Center	175,000	175,000	226,605	51,605
Exposition Center	975,000	975,000	975,649	649
Bond Service/Forfeitures	200,000	200,000	193,186	(6,814)
County Clerk	1,100,000	1,100,000	1,061,569	(38,431)
Vital Statistics Preservation	7,000	7,000	7,977	977
County Attorney	48,000	48,000	49,121	1,121
General Administration Fees	11,000	11,000	39,733	28,733
Constables	224,000	224,000	223,014	(986)
Court Reporter	38,333	38,333	40,156	1,823
Magistrate	8,000	8,000	4,920	(3,080)
County Drug Court Fees	32,000	32,000	39,365	7,365
District Clerk	370,500	370,500	386,747	16,247
District Attorney	13,000	13,000	17,609	4,609
Family Protection	8,500	8,500	9,368	868
Election Services	60,000	60,000	49,056	(10,944)
Motor Carrier Weight	45,000	45,000	56,136	11,136
Inmate Medical Fees	15,000	15,000	28,863	13,863
Justice of the Peace	1,490,600	1,490,600	1,810,078	319,478
Juvenile Probation Fees	3,000	3,000	6,027	3,027
License and Weights	10,000	10,000	1,870	(8,130)
Omnibus Crime Control Fees	95,000	95,000	108,621	13,621
Judicial Support Fees	2,200	2,200	2,319	119
Optional License Fees	1,500,000	1,500,000	1,510,716	10,716
Probate Fees	30,000	30,000	3,370	(26,630)
Road & Bridge Fees	13,000	13,000	29,115	16,115
School Crossing Fees	25,000	25,000	28,359	3,359
Sheriff	65,000	244,501	219,466	(25,035)
Solid Waste Fees	35,000	35,000	32,605	(2,395)
Tax Assessor-Collector	645,000	645,000	646,496	1,496
Vehicle Registration Fees	300,000	300,000	345,046	45,046
Motor Vehicle Sales Taxes	1,300,000	1,300,000	1,315,660	15,660
Licenses and Permits	50,000	50,000	59,478	9,478
Pretrial Bond Supervision	75,000	75,000	84,494	9,494
Court Fines	1,695,000	1,695,000	1,234,333	(460,667)
Total Charges For Services	\$ 11,001,133	\$ 11,180,634	\$ 11,417,196	\$ 236,562

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES (continued)				
Intergovernmental - Federal				
Department of Justice	\$ 40,000	\$ 40,000	\$ -	\$ (40,000)
Department of Agriculture	44,200	47,625	60,969	13,344
Department of Health & Human Services	51,000	51,000	29,001	(21,999)
Emergency Management Agency	50,000	50,000	70,657	20,657
Total Intergovernmental - Federal	185,200	188,625	160,627	(27,998)
Intergovernmental - State & Local				
Attorney General	133,000	133,000	155,129	22,129
Department of Justice	303,000	303,000	308,948	5,948
Department of Transportation	-	-	344,816	344,816
D. A. Salary Supplement	26,950	26,950	26,943	(7)
Office of the Court Administrator	200,000	200,000	282,824	82,824
Texas Juvenile Justice Department	119,500	119,500	227,736	108,236
Juror Reimbursement	65,000	65,000	64,430	(570)
Tobacco Settlement	52,000	52,000	62,087	10,087
Total Intergovernmental - State	899,450	899,450	1,472,913	573,463
Total Intergovernmental	1,084,650	1,088,075	1,633,540	545,465
Interest	151,000	151,000	243,056	92,056
Other Revenue				
Donations	20,000	327,956	334,888	6,932
Road Crossing	3,000	3,000	2,874	(126)
State Traffic Fee	10,000	10,000	12,384	2,384
Reimbursements	281,000	281,000	389,462	108,462
Leases and Rentals	12,500	12,500	12,852	352
Other	21,500	21,500	66,581	45,081
Jail Workcrew	-	-	35,840	35,840
Inmate Phone/Video Visitation System	-	-	155,637	155,637
Oil and Gas Lease	500	500	205	(295)
Informal Adjudication Probation	7,000	7,000	6,090	(910)
Total Other Revenue	355,500	663,456	1,016,813	353,357
TOTAL REVENUES	\$ 92,612,283	\$ 93,103,165	\$ 96,336,877	\$ 3,233,712

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
General Government				
County Judge				
Personnel Services	\$ 338,101	\$ 338,101	\$ 271,889	\$ 66,212
Supplies and Other Charges	12,900	13,692	5,572	8,120
Repairs and Maintenance	320	320	270	50
	<u>351,321</u>	<u>352,113</u>	<u>277,731</u>	<u>74,382</u>
Budget Office				
Personnel Services	221,772	221,772	219,777	1,995
Supplies and Other Charges	5,350	6,819	6,452	367
	<u>227,122</u>	<u>228,591</u>	<u>226,229</u>	<u>2,362</u>
Commissioners' Court				
Personnel Services	2,505,029	2,634,029	2,630,249	3,780
Supplies and Other Charges	33,025	33,025	23,468	9,557
Repairs and Maintenance	796	796	564	232
Minor Acquisitions	-	1,011	1,011	-
	<u>2,538,850</u>	<u>2,668,861</u>	<u>2,655,292</u>	<u>13,569</u>
Non-Departmental				
Personnel Services	2,000,000	2,000,000	2,000,000	-
Supplies and Other Charges	1,712,289	1,656,476	1,046,554	609,922
Repairs and Maintenance	1,099,583	205,719	1,610	204,109
Minor Acquisitions	1,490,068	412,971	35,043	377,928
Contract Services	302,525	329,409	314,228	15,181
Professional Services	767,000	738,266	81,620	656,646
	<u>7,371,465</u>	<u>5,342,841</u>	<u>3,479,055</u>	<u>1,863,786</u>
Community Support				
Community Support	3,395,166	3,827,666	3,642,311	185,355
	<u>3,395,166</u>	<u>3,827,666</u>	<u>3,642,311</u>	<u>185,355</u>
Fleet Maintenance				
Personnel Services	433,387	433,387	416,717	16,670
Supplies and Other Charges	35,750	37,218	13,258	23,960
Repairs and Maintenance	193,120	191,441	138,791	52,650
Minor Acquisitions	-	3,645	3,170	475
Contract Services	2,520	3,320	1,943	1,377
	<u>664,777</u>	<u>669,011</u>	<u>573,879</u>	<u>95,132</u>
Elections				
Personnel Services	469,241	469,241	427,845	41,396
Outside Labor Costs	125,000	125,000	76,276	48,724
Supplies and Other Charges	36,601	36,801	23,790	13,011
Repairs and Maintenance	7,590	26,590	6,192	20,398
Minor Acquisitions	-	28,514	28,462	52
Contract Services	55,300	108,900	93,266	15,634
Professional Services	55,000	16,400	300	16,100
	<u>\$ 748,732</u>	<u>\$ 811,446</u>	<u>\$ 656,131</u>	<u>\$ 155,315</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued)				
County Treasurer				
Personnel Services	\$ 505,696	\$ 505,696	\$ 467,918	\$ 37,778
Discretionary Funding	-	1,078	-	1,078
Supplies and Other Charges	14,650	14,850	13,128	1,722
Repairs and Maintenance	730	530	216	314
Minor Acquisitions	-	715	715	-
Contract Services	50	50	-	50
	<u>521,126</u>	<u>522,919</u>	<u>481,977</u>	<u>40,942</u>
Risk Management				
Personnel Services	169,679	169,679	168,063	1,616
Discretionary Funding	-	538	-	538
Supplies and Other Charges	23,125	23,125	14,137	8,988
Repairs and Maintenance	1,000	1,000	54	946
Minor Acquisitions	-	1,654	1,654	-
Contract Services	800	800	-	800
Professional Services	4,000	4,000	1,915	2,085
	<u>198,604</u>	<u>200,796</u>	<u>185,823</u>	<u>14,973</u>
Tax Assessor-Collector				
Personnel Services	1,893,333	1,893,333	1,717,922	175,411
Supplies and Other Charges	70,615	85,142	72,751	12,391
Repairs and Maintenance	4,164	11,915	9,648	2,267
Minor Acquisitions	-	3,658	3,658	-
Contract Services	7,220	41,728	7,581	34,147
Professional Services	420	-	-	-
	<u>1,975,752</u>	<u>2,035,776</u>	<u>1,811,560</u>	<u>224,216</u>
Information Technology				
Personnel Services	2,172,258	2,203,182	2,085,507	117,675
Supplies and Other Charges	135,098	226,831	179,760	47,071
Repairs and Maintenance	38,650	95,374	70,276	25,098
Minor Acquisitions	-	217,172	204,508	12,664
Contract Services	923,350	956,782	938,627	18,155
Professional Services	300	3,720	3,720	-
	<u>3,269,656</u>	<u>3,703,061</u>	<u>3,482,398</u>	<u>220,663</u>
Human Resources				
Personnel Services	344,460	344,460	335,566	8,894
Discretionary Funding	-	848	-	848
Supplies and Other Charges	36,000	36,700	15,120	21,580
Repairs and Maintenance	1,620	1,620	720	900
Contract Services	30,000	55,000	11,236	43,764
Professional Services	25,000	-	-	-
	<u>437,080</u>	<u>438,628</u>	<u>362,642</u>	<u>75,986</u>
County Auditor				
Personnel Services	843,785	843,785	826,154	17,631
Supplies and Other Charges	15,395	15,645	12,690	2,955
Repairs and Maintenance	410	576	576	-
Contract Services	540	540	-	540
	<u>\$ 860,130</u>	<u>\$ 860,546</u>	<u>\$ 839,420</u>	<u>\$ 21,126</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued)				
Purchasing				
Personnel Services	\$ 468,255	\$ 509,464	\$ 479,168	\$ 30,296
Discretionary Funding	-	283	-	283
Supplies and Other Charges	12,750	13,688	12,261	1,427
Repairs and Maintenance	2,700	6,375	4,650	1,725
Minor Acquisitions	-	662	662	-
Contract Services	900	725	14	711
Community Support	10,250	10,250	10,000	250
	<u>494,855</u>	<u>541,447</u>	<u>506,755</u>	<u>34,692</u>
Facilities Services				
Personnel Services	1,927,140	1,927,140	1,874,364	52,776
Discretionary Funding	-	11,156	-	11,156
Supplies and Other Charges	105,850	111,850	99,128	12,722
Repairs and Maintenance	443,200	461,351	392,111	69,240
Minor Acquisitions	-	10,268	10,268	-
Contract Services	211,800	1,001,903	908,974	92,929
Professional Services	3,500	-	-	-
	<u>2,691,490</u>	<u>3,523,668</u>	<u>3,284,845</u>	<u>238,823</u>
Landscaping				
Personnel Services	380,829	380,829	356,443	24,386
Supplies and Other Charges	2,475	5,975	4,317	1,658
Repairs and Maintenance	80,100	76,600	58,218	18,382
Contract Services	65,500	65,500	59,348	6,152
	<u>528,904</u>	<u>528,904</u>	<u>478,326</u>	<u>50,578</u>
Total General Government	<u>26,275,030</u>	<u>26,256,274</u>	<u>22,944,374</u>	<u>3,311,900</u>
Justice System				
Pre-Trial Bond Supervision				
Personnel Services	53,587	54,287	52,749	1,538
Supplies and Other Charges	2,000	1,300	-	1,300
	<u>55,587</u>	<u>55,587</u>	<u>52,749</u>	<u>2,838</u>
County Attorney				
Personnel Services	3,038,460	3,038,460	2,860,526	177,934
Discretionary Funding	-	41	-	41
Supplies and Other Charges	128,950	133,541	98,939	34,602
Repairs and Maintenance	10,746	10,746	8,238	2,508
Minor Acquisitions	-	8,921	8,921	-
Contract Services	1,719	1,719	-	1,719
	<u>3,179,875</u>	<u>3,193,428</u>	<u>2,976,624</u>	<u>216,804</u>
District Attorney				
Personnel Services	3,232,922	3,316,657	3,030,489	286,168
Supplies and Other Charges	148,000	147,650	115,389	32,261
Repairs and Maintenance	11,360	11,360	10,027	1,333
Minor Acquisitions	-	85,347	85,347	-
	<u>\$ 3,392,282</u>	<u>\$ 3,561,014</u>	<u>\$ 3,241,252</u>	<u>\$ 319,762</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice System (continued)				
D.A. - Child Protective Services				
Personnel Services	\$ 211,153	\$ 211,153	\$ 153,311	\$ 57,842
Supplies and Other Charges	8,900	8,900	-	8,900
	<u>220,053</u>	<u>220,053</u>	<u>153,311</u>	<u>66,742</u>
District Clerk				
Personnel Services	992,261	992,261	932,283	59,978
Discretionary Funding	-	1,613	-	1,613
Supplies and Other Charges	50,225	50,225	28,553	21,672
Repairs and Maintenance	7,500	7,500	6,930	570
	<u>1,049,986</u>	<u>1,051,599</u>	<u>967,766</u>	<u>83,833</u>
Court and Jury Services				
Personnel Services	128,399	128,399	118,667	9,732
Discretionary Funding	-	9,190	-	9,190
Supplies and Other Charges	184,800	184,800	144,113	40,687
Repairs and Maintenance	266	266	60	206
Contract Services	12,700	12,700	11,122	1,578
	<u>326,165</u>	<u>335,355</u>	<u>273,962</u>	<u>61,393</u>
Collections				
Personnel Services	382,446	382,446	373,100	9,346
Discretionary Funding	-	2,083	-	2,083
Supplies and Other Charges	13,979	13,979	7,778	6,201
Repairs and Maintenance	375	375	216	159
Contract Services	2,430	2,430	-	2,430
	<u>399,230</u>	<u>401,313</u>	<u>381,094</u>	<u>20,219</u>
County Clerk				
Personnel Services	786,290	786,290	748,342	37,948
Discretionary Funding	-	18,989	-	18,989
Supplies and Other Charges	29,725	29,725	23,975	5,750
Repairs and Maintenance	842	842	792	50
Minor Acquisitions	-	2,580	2,580	-
Contract Services	89,716	89,716	69,266	20,450
	<u>906,573</u>	<u>928,142</u>	<u>844,955</u>	<u>83,187</u>
Vital Statistics Preservation				
Supplies and Other Charges	9,250	9,250	6,965	2,285
	<u>9,250</u>	<u>9,250</u>	<u>6,965</u>	<u>2,285</u>
85th District Court				
Personnel Services	351,173	352,196	347,172	5,024
Discretionary Funding	-	679	-	679
Supplies and Other Charges	26,825	25,802	11,707	14,095
Repairs and Maintenance	1,400	1,400	780	620
Contract Services	1,420	1,420	-	1,420
	<u>\$ 380,818</u>	<u>\$ 381,497</u>	<u>\$ 359,659</u>	<u>\$ 21,838</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice System (continued)				
272nd District Court				
Personnel Services	\$ 339,016	\$ 340,516	\$ 336,723	\$ 3,793
Discretionary Funding	-	467	-	467
Supplies and Other Charges	17,917	16,417	7,640	8,777
Repairs and Maintenance	1,114	1,114	264	850
	<u>358,047</u>	<u>358,514</u>	<u>344,627</u>	<u>13,887</u>
361st District Court				
Personnel Services	343,544	345,490	340,739	4,751
Discretionary Funding	-	6,763	-	6,763
Supplies and Other Charges	29,600	29,901	21,985	7,916
Repairs and Maintenance	600	600	144	456
Minor Acquisitions	-	595	595	-
	<u>373,744</u>	<u>383,349</u>	<u>363,463</u>	<u>19,886</u>
Juvenile Court Referee				
Personnel Services	164,070	164,070	149,371	14,699
Discretionary Funding	-	1,195	-	1,195
Supplies and Other Charges	4,670	4,157	3,634	523
Minor Acquisitions	-	513	513	-
	<u>168,740</u>	<u>169,935</u>	<u>153,518</u>	<u>16,417</u>
Associate Judge #1				
Personnel Services	295,980	295,980	292,531	3,449
Supplies and Other Charges	7,582	7,582	5,656	1,926
Repairs and Maintenance	366	366	66	300
Contract Services	1,924	1,924	1,824	100
	<u>305,852</u>	<u>305,852</u>	<u>300,077</u>	<u>5,775</u>
County Drug Court Program				
Personnel Services	14,680	21,880	20,291	1,589
Supplies and Other Charges	36,230	29,030	3,494	25,536
	<u>50,910</u>	<u>50,910</u>	<u>23,785</u>	<u>27,125</u>
Associate Judge #2				
Personnel Services	301,801	301,801	273,559	28,242
Supplies and Other Charges	7,700	10,915	8,021	2,894
Repairs and Maintenance	314	314	264	50
Minor Acquisitions	-	35,198	35,184	14
	<u>309,815</u>	<u>348,228</u>	<u>317,028</u>	<u>31,200</u>
County Court At Law #1				
Personnel Services	577,230	577,230	557,795	19,435
Discretionary Funding	-	4,471	-	4,471
Supplies and Other Charges	12,610	17,310	10,166	7,144
Repairs and Maintenance	447	447	144	303
Minor Acquisitions	-	41,781	29,687	12,094
	<u>\$ 590,287</u>	<u>\$ 641,239</u>	<u>\$ 597,792</u>	<u>\$ 43,447</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice System (continued)				
County Court At Law #2				
Personnel Services	\$ 573,179	\$ 573,319	\$ 555,552	\$ 17,767
Discretionary Funding	-	1,196	-	1,196
Supplies and Other Charges	22,050	22,685	15,567	7,118
Minor Acquisitions	-	36,867	26,341	10,526
Contract Services	1,528	1,528	1,428	100
	<u>596,757</u>	<u>635,595</u>	<u>598,888</u>	<u>36,707</u>
Justice of the Peace Precinct 1				
Personnel Services	330,047	330,047	326,955	3,092
Discretionary Funding	-	20,356	-	20,356
Supplies and Other Charges	28,100	28,100	20,521	7,579
Repairs and Maintenance	819	819	321	498
Contract Services	30,246	32,022	30,875	1,147
	<u>389,212</u>	<u>411,344</u>	<u>378,672</u>	<u>32,672</u>
Justice of the Peace Precinct 2				
Personnel Services	305,328	305,328	301,244	4,084
Supplies and Other Charges	12,989	12,212	11,081	1,131
Repairs and Maintenance	465	465	306	159
Minor Acquisitions	-	777	777	-
Contract Services	421	421	321	100
Professional Services	150	150	-	150
	<u>319,353</u>	<u>319,353</u>	<u>313,729</u>	<u>5,624</u>
Justice of the Peace Precinct 3				
Personnel Services	375,156	375,156	359,512	15,644
Discretionary Funding	-	9,144	-	9,144
Supplies and Other Charges	17,600	23,105	17,243	5,862
Repairs and Maintenance	338	338	252	86
Minor Acquisitions	-	670	670	-
Contract Services	4,244	7,244	4,577	2,667
	<u>397,338</u>	<u>415,657</u>	<u>382,254</u>	<u>33,403</u>
Justice of the Peace Precinct 4				
Personnel Services	261,379	261,379	256,032	5,347
Supplies and Other Charges	9,030	9,030	4,531	4,499
Repairs and Maintenance	182	182	132	50
	<u>270,591</u>	<u>270,591</u>	<u>260,695</u>	<u>9,896</u>
Community Supervision Support				
Supplies and Other Charges	76,050	74,450	61,313	13,137
Repairs and Maintenance	3,600	3,600	2,706	894
Minor Acquisitions	4,550	6,150	6,070	80
	<u>\$ 84,200</u>	<u>\$ 84,200</u>	<u>\$ 70,089</u>	<u>\$ 14,111</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice System (continued)				
Judicial Court Support				
Personnel Services	\$ 4,655	\$ 5,185	\$ 4,810	\$ 375
Supplies and Other Charges	577,000	577,000	523,949	53,051
Contract Services	600,000	1,300,000	1,297,981	2,019
Professional Services	3,879,000	3,878,470	2,908,717	969,753
	<u>5,060,655</u>	<u>5,760,655</u>	<u>4,735,457</u>	<u>1,025,198</u>
Total Justice System	<u>19,195,320</u>	<u>20,292,660</u>	<u>18,098,411</u>	<u>2,194,249</u>
Law Enforcement				
Sheriff Administration				
Personnel Services	5,460,302	5,460,302	5,309,320	150,982
Supplies and Other Charges	195,829	230,982	204,543	26,439
Repairs and Maintenance	125,970	129,137	128,271	866
Minor Acquisitions	-	198,709	198,501	208
Contract Services	6,400	13,282	12,120	1,162
Professional Services	4,000	3,000	2,900	100
	<u>5,792,501</u>	<u>6,035,412</u>	<u>5,855,655</u>	<u>179,757</u>
Sheriff Jail Administration				
Personnel Services	10,343,575	10,343,575	10,120,278	223,297
Supplies and Other Charges	1,468,210	1,468,207	1,323,148	145,059
Repairs and Maintenance	71,412	70,012	64,289	5,723
Minor Acquisitions	-	48,846	33,883	14,963
Contract Services	12,680	18,180	16,921	1,259
Professional Services	16,350	12,250	7,900	4,350
	<u>11,912,227</u>	<u>11,961,070</u>	<u>11,566,419</u>	<u>394,651</u>
Jail Medical Services				
Personnel Services	836,586	896,769	860,464	36,305
Supplies and Other Charges	48,840	51,585	18,854	32,731
Minor Acquisitions	-	9,343	9,342	1
Contract Services	4,060	4,060	3,739	321
Professional Services	30,375	30,375	26,190	4,185
	<u>919,861</u>	<u>992,132</u>	<u>918,589</u>	<u>73,543</u>
SO-CSISD School Security				
Personnel Services	-	122,924	120,070	2,854
Supplies and Other Charges	-	26,230	13,875	12,355
Repairs and Maintenance	-	1,000	369	631
Minor Acquisitions	-	28,307	26,367	1,940
Professional Services	-	1,040	-	1,040
	<u>-</u>	<u>179,501</u>	<u>160,681</u>	<u>18,820</u>
Constable Precinct 1				
Personnel Services	405,952	405,952	402,201	3,751
Supplies and Other Charges	27,719	27,552	24,332	3,220
Repairs and Maintenance	8,200	8,933	8,152	781
Minor Acquisitions	-	21,862	21,857	5
Contract Services	24,814	24,814	24,814	-
	<u>\$ 466,685</u>	<u>\$ 489,113</u>	<u>\$ 481,356</u>	<u>\$ 7,757</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Law Enforcement (continued)				
Constable Precinct 2				
Personnel Services	\$ 640,345	\$ 640,345	\$ 624,181	\$ 16,164
Supplies and Other Charges	26,454	26,454	18,666	7,788
Repairs and Maintenance	21,520	23,170	21,089	2,081
Minor Acquisitions	-	62,055	62,022	33
	<u>688,319</u>	<u>752,024</u>	<u>725,958</u>	<u>26,066</u>
Constable Precinct 3				
Personnel Services	404,899	404,899	399,137	5,762
Discretionary Funding	-	49	-	49
Supplies and Other Charges	22,575	30,090	21,714	8,376
Repairs and Maintenance	6,182	7,939	7,878	61
Minor Acquisitions	-	40,947	40,914	33
Contract Services	3,410	2,570	1,577	993
	<u>437,066</u>	<u>486,494</u>	<u>471,220</u>	<u>15,274</u>
Constable Precinct 4				
Personnel Services	681,338	687,137	685,206	1,931
Supplies and Other Charges	18,865	18,475	13,776	4,699
Repairs and Maintenance	15,182	17,870	17,510	360
Minor Acquisitions	-	35,644	35,644	-
Contract Services	1,750	-	-	-
	<u>717,135</u>	<u>759,126</u>	<u>752,136</u>	<u>6,990</u>
Total Law Enforcement	<u>20,933,794</u>	<u>21,654,872</u>	<u>20,932,014</u>	<u>722,858</u>
Juvenile Services				
Juvenile Services				
Personnel Services	4,478,319	4,478,319	4,258,233	220,086
Discretionary Funding	-	11,135	-	11,135
Supplies and Other Charges	458,193	444,014	322,357	121,657
Repairs and Maintenance	17,200	16,585	11,650	4,935
Minor Acquisitions	-	25,250	25,206	44
Contract Services	4,600	6,410	5,700	710
Professional Services	34,700	43,950	40,603	3,347
	<u>4,993,012</u>	<u>5,025,663</u>	<u>4,663,749</u>	<u>361,914</u>
TYC - Parole				
Personnel Services	173,683	173,683	160,632	13,051
Supplies and Other Charges	2,802	2,537	2,524	13
Repairs and Maintenance	1,850	78	78	-
Minor Acquisitions	-	1,185	1,185	-
Contract Services	60,380	59,179	47,896	11,283
	<u>238,715</u>	<u>236,662</u>	<u>212,315</u>	<u>24,347</u>
Juvenile Justice Alternative Education				
Personnel Services	232,397	232,397	227,044	5,353
Supplies and Other Charges	1,100	1,100	488	612
	<u>\$ 233,497</u>	<u>\$ 233,497</u>	<u>\$ 227,532</u>	<u>\$ 5,965</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Juvenile Services (continued)				
TDHS - Commodities				
Supplies and Other Charges	\$ 4,000	\$ 5,625	\$ 5,625	\$ -
	<u>4,000</u>	<u>5,625</u>	<u>5,625</u>	<u>-</u>
Total Juvenile Services	<u>5,469,224</u>	<u>5,501,447</u>	<u>5,109,221</u>	<u>392,226</u>
Public Transportation				
Road and Bridge Administration				
Personnel Services	4,826,318	4,826,318	4,423,659	402,659
Supplies and Other Charges	1,355,398	1,357,599	79,185	1,278,414
Repairs and Maintenance	5,552,690	5,547,461	4,713,156	834,305
Minor Acquisitions	-	17,593	17,573	20
Contract Services	260,100	263,230	248,550	14,680
Professional Services	90,000	90,000	60,272	29,728
	<u>12,084,506</u>	<u>12,102,201</u>	<u>9,542,395</u>	<u>2,559,806</u>
Total Public Transportation	<u>12,084,506</u>	<u>12,102,201</u>	<u>9,542,395</u>	<u>2,559,806</u>
Public Health				
Environmental Protection				
Supplies and Other Charges	9,066	10,304	9,266	1,038
Repairs and Maintenance	3,000	242	241	1
Contract Services	287,500	291,020	282,032	8,988
	<u>299,566</u>	<u>301,566</u>	<u>291,539</u>	<u>10,027</u>
Indigent Health Care				
Supplies and Other Charges	850,000	850,000	482,713	367,287
Professional Services	2,493,159	2,493,159	443,987	2,049,172
Community Support	896,700	896,700	164,516	732,184
	<u>4,239,859</u>	<u>4,239,859</u>	<u>1,091,216</u>	<u>3,148,643</u>
Community Public Health				
Community Support	53,000	53,000	-	53,000
	<u>53,000</u>	<u>53,000</u>	<u>-</u>	<u>53,000</u>
Health Department Support				
Supplies and Other Charges	52,125	52,125	46,660	5,465
Professional Services	13,000	13,000	12,501	499
	<u>65,125</u>	<u>65,125</u>	<u>59,161</u>	<u>5,964</u>
Total Public Health	<u>\$ 4,657,550</u>	<u>\$ 4,659,550</u>	<u>\$ 1,441,916</u>	<u>\$ 3,217,634</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Human Services				
Veteran Services				
Personnel Services	\$ 70,699	\$ 70,699	\$ 58,644	\$ 12,055
Supplies and Other Charges	1,500	1,500	170	1,330
Repairs and Maintenance	326	326	54	272
	<u>72,525</u>	<u>72,525</u>	<u>58,868</u>	<u>13,657</u>
County Fire Protection				
Community Support	649,656	649,656	649,656	-
	<u>649,656</u>	<u>649,656</u>	<u>649,656</u>	<u>-</u>
County Welfare				
Supplies and Other Charges	5,000	5,000	3,750	1,250
	<u>5,000</u>	<u>5,000</u>	<u>3,750</u>	<u>1,250</u>
Emergency Management				
Personnel Services	185,632	185,632	179,250	6,382
Discretionary Funding	-	1,552	-	1,552
Supplies and Other Charges	17,900	17,900	10,514	7,386
Repairs and Maintenance	4,550	20,245	16,350	3,895
Minor Acquisitions	-	379,622	371,062	8,560
Contract Services	102,350	101,650	97,348	4,302
	<u>310,432</u>	<u>706,601</u>	<u>674,524</u>	<u>32,077</u>
Brazos Center				
Personnel Services	460,620	460,620	424,716	35,904
Supplies and Other Charges	146,775	165,564	156,543	9,021
Repairs and Maintenance	16,680	14,489	4,625	9,864
Minor Acquisitions	-	54,869	54,425	444
Contract Services	1,775	453,966	2,376	451,590
	<u>625,850</u>	<u>1,149,508</u>	<u>642,685</u>	<u>506,823</u>
Exposition Center				
Personnel Services	1,360,972	1,360,972	1,253,079	107,893
Supplies and Other Charges	437,950	437,950	363,985	73,965
Repairs and Maintenance	63,700	63,700	35,991	27,709
Minor Acquisitions	-	6,019	5,998	21
Contract Services	56,500	56,500	30,667	25,833
	<u>1,919,122</u>	<u>1,925,141</u>	<u>1,689,720</u>	<u>235,421</u>
Agricultural Extension				
Personnel Services	364,771	364,771	316,733	48,038
Discretionary Funding	-	75	-	75
Supplies and Other Charges	43,600	46,596	41,700	4,896
Repairs and Maintenance	8,500	8,500	4,637	3,863
Minor Acquisitions	-	204	-	204
Contract Services	37,760	34,560	34,228	332
	<u>\$ 454,631</u>	<u>\$ 454,706</u>	<u>\$ 397,298</u>	<u>\$ 57,408</u>

BRAZOS COUNTY, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL (Continued)
For The Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Human Services (continued)				
Boonville Cemetery				
Repairs and Maintenance	\$ 300	\$ 300	\$ -	\$ 300
	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>
Child Protective Services				
Supplies and Other Charges	50,000	51,100	47,360	3,740
	<u>50,000</u>	<u>51,100</u>	<u>47,360</u>	<u>3,740</u>
Total Human Services	<u>4,087,516</u>	<u>5,014,537</u>	<u>4,163,861</u>	<u>850,676</u>
Contingency	2,450,786	680,278	-	680,278
Capital Outlay	5,799,000	6,124,595	2,431,185	3,693,410
Debt Services				
Capital Lease - Principal	242,583	242,583	148,957	93,626
Capital Lease - Interest	8,985	8,985	11,431	(2,446)
TOTAL EXPENDITURES	<u>101,204,294</u>	<u>102,537,982</u>	<u>84,823,765</u>	<u>17,714,217</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,592,011)	(9,434,817)	11,513,112	20,947,929
OTHER FINANCING SOURCES (USES)				
Transfers In	-	906,624	906,623	(1)
Transfers Out	(11,343,924)	(11,407,742)	(11,122,236)	285,506
Sale of Capital Assets	50,000	50,000	348,171	298,171
TOTAL OTHER FINANCING USES	<u>(11,293,924)</u>	<u>(10,451,118)</u>	<u>(9,867,442)</u>	<u>583,676</u>
Net Change in Fund Balances	(19,885,935)	(19,885,935)	1,645,670	21,531,605
FUND BALANCE, OCTOBER 1	<u>45,261,317</u>	<u>45,261,317</u>	<u>45,261,317</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 25,375,382</u>	<u>\$ 25,375,382</u>	<u>\$ 46,906,987</u>	<u>\$ 21,531,605</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
LOCAL PROVIDER PARTICIPATION
For the Year Ended September 30, 2017**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 24,624,000	\$ 26,168,492	\$ 1,544,492
Interest	10,000	27,153	17,153
TOTAL REVENUES	<u>24,634,000</u>	<u>26,195,645</u>	<u>1,561,645</u>
EXPENDITURES			
Public Health			
Community Support	<u>26,891,000</u>	<u>15,636,640</u>	<u>11,254,360</u>
TOTAL EXPENDITURES	<u>26,891,000</u>	<u>15,636,640</u>	<u>11,254,360</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,257,000)	10,559,005	12,816,005
FUND BALANCE, OCTOBER 1	<u>3,662,227</u>	<u>3,662,227</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 1,405,227</u></u>	<u><u>\$ 14,221,232</u></u>	<u><u>\$ 12,816,005</u></u>

BRAZOS COUNTY, TEXAS
 Required Supplementary Information
 Other Postemployment Benefits
 Schedule of Funding Progress
 September 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2012	\$ -	\$ 59,255,841	\$ 59,255,841	0.00%	\$ 25,076,745	236.3%
1/1/2014	\$ -	\$ 63,510,613	\$ 63,510,613	0.00%	\$ 32,073,636	198.0%
1/1/2016	\$ -	\$ 89,554,709	\$ 89,554,709	0.00%	\$ 34,353,879	260.7%

BRAZOS COUNTY, TEXAS

Required Supplementary Information

Schedule of Changes in the County's Net Pension Liability and Related Ratios

September 30, 2017

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total pension liability			
Service cost	\$ 5,458,140	\$ 4,924,972	\$ 4,799,043
Interest on total pension liability	13,990,940	13,101,037	12,180,043
Effect of plan changes	-	(994,692)	-
Effect of economic/demographic gains or losses	435,824	(1,634,734)	(509,172)
Effect of assumptions changes or inputs	-	1,777,888	-
Benefit payments/refunds of contributions	(6,769,254)	(6,136,013)	(5,502,073)
Net change in total pension liability	13,115,650	11,038,458	10,967,841
Total pension liability - beginning	171,607,927	160,569,469	149,601,628
Total pension liability - ending (a)	\$ 184,723,577	\$ 171,607,927	\$ 160,569,469
Plan fiduciary net position			
Contributions - employer	\$ 6,048,390	\$ 4,795,371	\$ 4,525,390
Contributions - employee	2,582,026	2,426,133	2,262,096
Net investment income	10,801,592	(1,901,404)	9,163,233
Benefit payments/refunds of contributions	(6,769,254)	(6,136,013)	(5,502,073)
Administrative expenses	(117,506)	(105,209)	(108,831)
Effect of change in proportion	(60,030)	(25,413)	-
Other	261,584	93,156	(232,905)
Net change in plan fiduciary net position	12,746,802	(853,379)	10,106,910
Plan fiduciary net position - beginning	144,355,875	145,209,254	135,102,344
Plan fiduciary net position - ending (b)	\$ 157,102,677	\$ 144,355,875	\$ 145,209,254
County's net pension liability - ending (a) - (b)	\$ 27,620,900	\$ 27,252,052	\$ 15,360,215
Plan fiduciary net position as a percentage of the total pension liability	85.05%	84.12%	90.43%
Covered payroll	\$ 36,702,824	\$ 34,252,648	\$ 32,321,377
County's net pension liability as a percentage of covered payroll	75.26%	79.56%	47.52%

NOTE: The schedule represents only the years for which the new GASB statements have been implemented.

BRAZOS COUNTY, TEXAS
Required Supplementary Information
Schedule of Pension Contributions
September 30, 2017

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2008	\$ 2,760,016	\$ 3,073,643	\$ (313,627)	\$ 26,047,822	11.8%
2009	3,015,587	3,334,647	(319,060)	28,259,720	11.8%
2010	3,292,380	3,469,321	(176,941)	29,153,958	11.9%
2011	3,525,572	3,535,465	(9,893)	29,709,790	11.9%
2012	3,479,077	3,618,448	(139,371)	29,181,032	12.4%
2013	3,747,336	4,979,169	(1,231,833)	38,301,300	13.0%
2014	4,053,792	4,357,815	(304,023)	31,127,250	14.0%
2015	4,389,243	4,692,679	(303,436)	33,519,136	14.0%
2016	4,586,430	5,254,156	(667,726)	37,529,686	14.0%
2017	\$ 4,863,125	\$ 6,378,368	\$ (1,515,243)	\$ 36,702,824	17.4%

Notes to Schedule

Valuation timing: Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	14.1 years (based on contribution rate calculated in 12/31/2016 valuation)
Asset valuation method	5-year smoothed market
Inflation	3.0%
Salary increases	Varies by age and service. 4.9% average over career including inflation
Investment rate of return	8%, net of investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
Changes in plan provisions reflected in the schedule	No changes in plan provisions are reflected in the Schedule of Employer Contributions.

BRAZOS COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2017

BUDGET

Annual budgets are legally adopted for general, special revenue, debt service, capital project, and internal service funds. Budget amounts represent the original budget for 2017 as subsequently amended by the Commissioners' Court. Budgets are adopted on a basis consistent with GAAP (modified accrual basis). The County employs an encumbrance accounting system as a method of accomplishing budgetary control. At year-end, open encumbrances are closed. The departments are required to re-appropriate those funds within the following year's budget.

INFRASTRUCTURE ASSETS UNDER MODIFIED APPROACH

As permitted by Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, Brazos County has adopted the modified approach for reporting its road and bridge system. Under the modified approach, depreciation is not reported and certain preservation and maintenance costs are expensed.

The modified approach requires that Brazos County maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets, perform condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale in order to document that the eligible infrastructure assets are being preserved approximately at or above the condition level established and disclosed by the government, and estimate each year the annual amount needed to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the government.

For the year ended September 30, 2017, annual maintenance and preservation costs of \$9,542,395 for both roads and bridges were less than the estimated amount needed of \$12,102,201. This variance is mainly due to a contingency budget (roll-over of prior years' positive variance), employee turnover, and the delays in road preparation and weather conditions.

For the Fiscal Year Ended:	Estimated Dollars to Maintain Roads and Bridges at Required Condition Level	Actual Dollars Spent to Maintain Roads and Bridges at Required Condition Level
September 30, 2013	\$9,647,677	\$7,520,740
September 30, 2014	\$9,923,116	\$8,045,933
September 30, 2015	\$11,291,350	\$9,231,560
September 30, 2016	\$11,863,222	\$9,881,970
September 30, 2017	\$12,102,201	\$9,542,395

Roads

The Brazos County Road and Bridge department performs condition assessments of County roads continually throughout the year and evaluates and prioritizes the results annually. The condition assessment team consists of the County Engineer (Registered Professional Engineer), a planning and development supervisor, a general superintendent, an assistant general superintendent and three road supervisors, one for each precinct in the County. This team utilizes various criteria for evaluating the condition of the roads including the traffic volume of the road, the number of man hours used to maintain the road in the last year, the potential traffic on the road based on observed development of properties accessing the road, the number of traffic accidents and the type of accidents, and a visual inspection of the road for settlement spots, rough pavement, areas requiring patching, and the frequency of repair activities on the road. Each road is assessed on a scale of zero to 100 with 100 representing a road in perfect condition. The County has adopted a minimum condition level of 80% for all County roads. The results of the condition assessment are as follows:

Precinct	Fiscal Year	Percentage of Miles at 80% or greater condition level	Percentage of Miles at 70% or greater condition level	Percentage of Miles at 60% or greater condition level
1	2015	86%	10%	4%
2	2015	94%	5%	1%
4	2015	93%	6%	1%
1	2016	89%	8%	3%
2	2016	87%	10%	3%
4	2016	91%	7%	2%
1	2017	93%	5%	2%
2	2017	96%	3%	1%
4	2017	91%	7%	2%

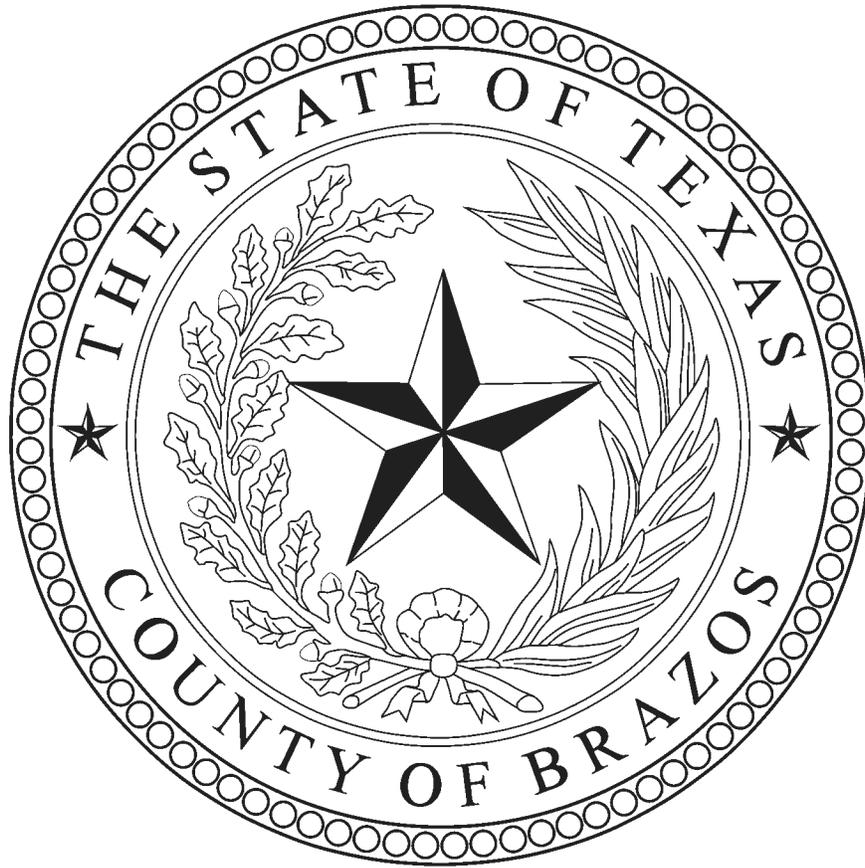
All roads with 60% to 80% of condition level are scheduled for upgrade or reconstruction within the next 2 year period.

Bridges

The condition of the County's bridges is determined using the State of Texas Bridge Inventory Inspection System (BRINSAP). The bridges are inspected by the State every two years. A numerical condition range 0.0 (beyond repair) to 9.0 (excellent condition) is used to assess each of seven elements of the structure. These include deck, superstructure, substructure, channel, culvert, approaches and miscellaneous items. The BRINSAP summary shows 69 bridges in the County were rated. Brazos County policy requires that bridges be maintained at a minimum of good condition. The chart below shows that the County's bridges are well maintained and in very good condition.

<u>Year of Inspection</u>	<u>Condition</u>	<u>Rating</u>	<u>Number</u>	<u>%</u>
2013	Very Good	6.0 - 9.0	67	100%
2013	Good	4.0 - 5.9	0	0%
2013	Fair	3.0 - 3.9	0	0%
2013	Poor	0.0 - 2.9	0	0%
		Total	<u>67</u>	<u>100%</u>
2015	Very Good	6.0 - 9.0	69	100%
2015	Good	4.0 - 5.9	0	0%
2015	Fair	3.0 - 3.9	0	0%
2015	Poor	0.0 - 2.9	0	0%
		Total	<u>69</u>	<u>100%</u>
2017	Very Good	6.0 - 9.0	69	100%
2017	Good	4.0 - 5.9	0	0%
2017	Fair	3.0 - 3.9	0	0%
2017	Poor	0.0 - 2.9	0	0%
		Total	<u>69</u>	<u>100%</u>

NONMAJOR GOVERNMENTAL FUNDS



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

	Special Revenue	Total Nonmajor Governmental Funds
ASSETS		
Cash and Cash Equivalents	\$ 5,522,509	\$ 5,522,509
Prepaid Expenditures	21,354	21,354
Receivables		
Taxes	322,036	322,036
Interest	3,384	3,384
Accounts	280,452	280,452
Due from Other Funds	111	111
TOTAL ASSETS	\$ 6,149,846	\$ 6,149,846
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 502,848	\$ 502,848
Accrued Salaries and Wages	38,221	38,221
Unclaimed Funds	143,652	143,652
Unearned Revenue	4,268	4,268
Total Liabilities	688,989	688,989
Fund Balances		
Nonspendable	21,354	21,354
Restricted	5,439,503	5,439,503
Total Fund Balances	5,460,857	5,460,857
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,149,846	\$ 6,149,846

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SUMMARY
For The Year Ended September 30, 2017

	Special Revenue	Total Nonmajor Governmental Funds
REVENUES		
Taxes	\$ 2,682,783	\$ 2,682,783
Charges for Services	1,129,846	1,129,846
Intergovernmental	2,296,445	2,296,445
Interest	20,368	20,368
Other Revenue	46,316	46,316
TOTAL REVENUES	6,175,758	6,175,758
EXPENDITURES		
General Government	213,660	213,660
Justice System	861,174	861,174
Law Enforcement	443,973	443,973
Juvenile Services	1,518,046	1,518,046
Public Transportation	542,272	542,272
Human Services	1,252,816	1,252,816
Capital Outlay	123,701	123,701
TOTAL EXPENDITURES	4,955,642	4,955,642
Excess of Revenues Over Expenditures	1,220,116	1,220,116
OTHER FINANCING SOURCES (USES)		
Transfers In	823,497	823,497
Transfers Out	(2,932,468)	(2,932,468)
TOTAL OTHER FINANCING USES	(2,108,971)	(2,108,971)
Net Change in Fund Balances	(888,855)	(888,855)
FUND BALANCES, OCTOBER 1	6,349,712	6,349,712
FUND BALANCES, SEPTEMBER 30	\$ 5,460,857	\$ 5,460,857

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to be expended for specified purposes:

NONMAJOR GOVERNMENTAL FUNDS

Hotel Occupancy Tax Fund – A fund established to account for hotel occupancy taxes received under Chapter 352, Texas Tax Code.

State Lateral Road Fund - A fund established to account for the funds received from the State for maintenance of County roads that join State highways under Section 256.002, Texas Transportation Code.

Unclaimed Property Fund – A fund established to account for property with a value of \$100 or less that is presumed to be abandoned under Section 76.601, Texas Property Code. Expenditures of this fund are limited to the costs associated with publishing and posting of notices to the owners.

Law Library Fund - A fund established to account for fees (assessed and collected by various District and County Courts) that are used to maintain the County Law Library that is available to the public under Section 323.023, Texas Local Government Code.

Alternative Dispute Resolution Fund - A fund created to account for the \$10.00 fee assessed with each County and District Court civil case filed, used to support the Alternative Dispute Resolution Center. The purpose of the Center is to resolve disputes that do not require formal court action under Chapter 152, Texas Civil Practice and Remedies Code.

Law Enforcement Education Fund - A fund created to account for funding received by the County from the State. The funds received are used to supplement the continuing education and training needs of those employees licensed under Chapter 415 of the Government Code, primarily law enforcement personnel.

County Records Management and Preservation Fund - A fund established to account for fees assessed and collected by the County and District Courts for the express purpose of records management and preservation or automation purposes in the County under Section 203.003, Texas Local Government Code.

County Clerk Records Management and Preservation Fund - A fund established to account for fees assessed for recording of documents in the County Clerk's office under Article 102.005 (f), Texas Code of Criminal Procedure and Section 118.0216, Texas Local Government Code. Filings for real estate transactions, criminal, probate, assumed names and civil court actions are included. Monies are used for records management and preservation services performed by the County Clerk's office.

County Clerk Archival Fund - A fund established to account for fees assessed for the preservation and restoration services performed by the County Clerk in connection with maintaining a county clerk's records archive under Section 118.025, Texas Local Government Code.

Courthouse Security Fund - A fund created to account for the collection of fees charged as part of court costs to provide security services for buildings that house a District or County Court under Article 102.017, Texas code of Criminal Procedure.

SPECIAL REVENUE FUNDS (continued)

Justice Court Security Fund - A fund created to account for the collection of fees charged as part of court costs to provide security services for buildings that house the justice courts which are located outside of the County Courthouse under Article 102.017, Code of Criminal Procedure.

District Clerk Records Management and Preservation Fund - A fund established to account for fees assessed for recording of documents in the District Clerk's office under Article 102.005 (f), Texas Code of Criminal Procedure and Section 51.317, Texas Government Code. Monies are used for records management and preservation services performed by the District Clerk's office.

District Clerk Archival Fund - A fund established to account for fees assessed for supporting preservation and restoration in connection with a district court records archive under Section 51.305, 51.317, Texas Government Code.

Justice of the Peace Technology Fund – A fund created to account for the collection of fees charged as part of court costs to fund the technological needs of the Justices' of the Peace under Article 102.0173, Texas Code of Criminal Procedure.

County & District Court Technology Fund – A fund created to account for the collection of fees charged as part of court costs to fund the technological needs of the county and district courts under Article 102.0169, Texas Code of Criminal Procedure.

Special Forfeitures Fund - A fund established to account for forfeited property receipts as prescribed by Article 59 of the Code of Criminal Procedure. These funds can only be used to support law enforcement activities.

District Attorney Hot Check Collection Fund – A fund established to account for fees collected by the District Attorney for the administration, processing and prosecution of returned checks under Section 118.142, Texas Local Government Code.

Bail Bond Board Fees Fund – A fund established to account for funds received for licensing and expenditures related to monitoring the bond activities of the local bail bondsmen under Section 1704.160, Texas Occupations Code.

Voter Registration Fund - A fund established to account for funds received from the State (before 1991), which represents a fee earned for each voter registered. Funds received can only be used for voter registration activity, and are governed by the Tax Assessor-Collector, the designated Voter Registrar for the County.

Vehicle Inventory Tax Interest Fund - A fund established to account for the interest earned on the Vehicle Inventory Tax collected monthly by the Tax Assessor-Collector under Section 23.122 (c), Texas Tax Code. The Tax Assessor-Collector is allowed to collect the tax from vehicle dealers before the October 1 assessment date. The interest earned on the funds held by the Tax Assessor-Collector can only be used to support the Vehicle Inventory Tax collections and payments.

Sheriff Department Crime Fund – A fund established to account for funds received from the City of Bryan, the City of College Station, and Brazos County restrictively in support of the law enforcement grant activities administered by the Sheriff.

SPECIAL REVENUE FUNDS (continued)

District Attorney Crime Fund – A fund established to account for funds received from the City of Bryan, the City of College Station, and Brazos County in accordance with an inter-local agreement restrictively for the litigation of seizures incurred in law enforcement activities.

Primary Election Service Fund – A fund established to account for the revenues and expenditures related to the election services the County provides for both Democratic and Republican Elections (including Primary and Run-off Elections) under Section 31.100, Texas Election Code.

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

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
September 30, 2017

	<u>Hotel Occupancy Tax</u>	<u>State Lateral Road</u>	<u>Unclaimed Property</u>	<u>Law Library</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,456,316	\$ 30,213	\$ 197,787	\$ 94,300
Prepaid Expenditures	-	-	-	-
Receivables				
Taxes	322,036	-	-	-
Interest	798	16	108	52
Accounts	1,796	-	-	-
Due from Other Funds	-	-	-	-
TOTAL ASSETS	<u>\$ 1,780,946</u>	<u>\$ 30,229</u>	<u>\$ 197,895</u>	<u>\$ 94,352</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 204,541	\$ -	\$ -	\$ 5,922
Accrued Salaries and Wages	2,690	-	-	-
Unclaimed Funds	-	-	140,665	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>207,231</u>	<u>-</u>	<u>140,665</u>	<u>5,922</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	1,573,715	30,229	57,230	88,430
Total Fund Balances	<u>1,573,715</u>	<u>30,229</u>	<u>57,230</u>	<u>88,430</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,780,946</u>	<u>\$ 30,229</u>	<u>\$ 197,895</u>	<u>\$ 94,352</u>

Alternative Dispute Resolution	Law Enforcement Education	County Records Management and Preservation	County Clerk Records Management and Preservation	County Clerk Archival
\$ 3,495	\$ 49,610	\$ 305,602	\$ 760,183	\$ 1,316,296
-	-	-	-	-
-	-	-	-	-
-	-	168	417	721
-	-	-	-	-
-	-	-	-	-
<u>\$ 3,495</u>	<u>\$ 49,610</u>	<u>\$ 305,770</u>	<u>\$ 760,600</u>	<u>\$ 1,317,017</u>
\$ 3,495	\$ 200	\$ 125	\$ 6,340	\$ 39,731
-	-	2,295	1,768	-
-	-	-	-	-
-	-	-	-	-
<u>3,495</u>	<u>200</u>	<u>2,420</u>	<u>8,108</u>	<u>39,731</u>
-	-	-	-	-
-	49,410	303,350	752,492	1,277,286
-	49,410	303,350	752,492	1,277,286
<u>\$ 3,495</u>	<u>\$ 49,610</u>	<u>\$ 305,770</u>	<u>\$ 760,600</u>	<u>\$ 1,317,017</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)
September 30, 2017

	Courthouse Security	Justice Court Security	District Clerk Records Management and Preservation
ASSETS			
Cash and Cash Equivalents	\$ 52,536	\$ 75,677	\$ 188,686
Prepaid Expenditures	3,367	-	-
Receivables			
Taxes	-	-	-
Interest	29	42	103
Accounts	-	-	-
Due from Other Funds	-	-	-
TOTAL ASSETS	\$ 55,932	\$ 75,719	\$ 188,789
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 33	\$ -	\$ -
Accrued Salaries and Wages	6,262	-	-
Unclaimed Funds	-	-	-
Unearned Revenue	-	-	-
Total Liabilities	6,295	-	-
Fund Balances			
Nonspendable	3,367	-	-
Restricted	46,270	75,719	188,789
Total Fund Balances	49,637	75,719	188,789
TOTAL LIABILITIES AND FUND BALANCES	\$ 55,932	\$ 75,719	\$ 188,789

District Clerk Archival	Justice of the Peace Technology	County & District Court Technology	Special Forfeitures	District Attorney Hot Check Collection	Bail Bond Board Fees
\$ 87,969	\$ 156,589	\$ 63,640	\$ 25,713	\$ 2,891	\$ 91,750
-	-	-	-	-	-
-	-	-	-	-	-
48	86	35	14	2	51
-	-	-	-	31	-
-	-	-	-	-	-
<u>\$ 88,017</u>	<u>\$ 156,675</u>	<u>\$ 63,675</u>	<u>\$ 25,727</u>	<u>\$ 2,924</u>	<u>\$ 91,801</u>
\$ -	\$ 2,411	\$ -	\$ 6,809	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>2,411</u>	<u>-</u>	<u>6,809</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
88,017	154,264	63,675	18,918	2,924	91,801
<u>88,017</u>	<u>154,264</u>	<u>63,675</u>	<u>18,918</u>	<u>2,924</u>	<u>91,801</u>
<u>\$ 88,017</u>	<u>\$ 156,675</u>	<u>\$ 63,675</u>	<u>\$ 25,727</u>	<u>\$ 2,924</u>	<u>\$ 91,801</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)
September 30, 2017

	Voter Registration	Vehicle Inventory Tax Interest	Sheriff Department Crime
ASSETS			
Cash and Cash Equivalents	\$ 17,979	\$ 196,517	\$ 200,059
Prepaid Expenditures	-	125	7,500
Receivables			
Taxes	-	-	-
Interest	10	493	110
Accounts	-	-	-
Due from Other Funds	-	-	111
TOTAL ASSETS	<u>\$ 17,989</u>	<u>\$ 197,135</u>	<u>\$ 207,780</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 2,969	\$ -	\$ -
Accrued Salaries and Wages	-	-	-
Unclaimed Funds	-	-	2,987
Unearned Revenue	-	-	-
Total Liabilities	<u>2,969</u>	<u>-</u>	<u>2,987</u>
Fund Balances			
Nonspendable	-	125	7,500
Restricted	15,020	197,010	197,293
Total Fund Balances	<u>15,020</u>	<u>197,135</u>	<u>204,793</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,989</u>	<u>\$ 197,135</u>	<u>\$ 207,780</u>

District Attorney Crime	Primary Election Service	Grants	Totals
\$ 127,352	\$ 21,349	\$ -	\$ 5,522,509
-	-	10,362	21,354
-	-	-	322,036
69	12	-	3,384
-	-	278,625	280,452
-	-	-	111
<u>\$ 127,421</u>	<u>\$ 21,361</u>	<u>\$ 288,987</u>	<u>\$ 6,149,846</u>
\$ 122	\$ -	\$ 230,150	\$ 502,848
423	-	24,783	38,221
-	-	-	143,652
-	-	4,268	4,268
<u>545</u>	<u>-</u>	<u>259,201</u>	<u>688,989</u>
-	-	10,362	21,354
126,876	21,361	19,424	5,439,503
<u>126,876</u>	<u>21,361</u>	<u>29,786</u>	<u>5,460,857</u>
<u>\$ 127,421</u>	<u>\$ 21,361</u>	<u>\$ 288,987</u>	<u>\$ 6,149,846</u>

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
For The Year Ended September 30, 2017

	<u>Hotel Occupancy Tax</u>	<u>State Lateral Road</u>	<u>Unclaimed Property</u>	<u>Law Library</u>
REVENUES				
Taxes	\$ 2,681,076	\$ -	\$ -	\$ -
Charges for Services	-	-	-	53,872
Intergovernmental	-	30,138	-	-
Interest	6,622	90	623	288
Other Revenue	-	-	-	-
TOTAL REVENUES	<u>2,687,698</u>	<u>30,228</u>	<u>623</u>	<u>54,160</u>
EXPENDITURES				
General Government	-	-	-	-
Justice System	-	-	-	72,795
Law Enforcement	-	-	-	-
Juvenile Services	-	-	-	-
Public Transportation	-	-	-	-
Human Services	1,233,725	-	-	-
Capital Outlay	98,194	-	-	-
TOTAL EXPENDITURES	<u>1,331,919</u>	<u>-</u>	<u>-</u>	<u>72,795</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,355,779	30,228	623	(18,635)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(2,932,468)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,932,468)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,576,689)	30,228	623	(18,635)
FUND BALANCES, OCTOBER 1	<u>3,150,404</u>	<u>1</u>	<u>56,607</u>	<u>107,065</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 1,573,715</u>	<u>\$ 30,229</u>	<u>\$ 57,230</u>	<u>\$ 88,430</u>

Alternative Dispute Resolution	Law Enforcement Education	County Records Management and Preservation	County Clerk Records Management and Preservation	County Clerk Archival
\$ -	\$ -	\$ -	\$ -	\$ -
38,783	-	111,655	347,330	340,330
-	17,932	-	-	-
-	-	1,106	1,954	3,540
-	-	-	-	41,053
<u>38,783</u>	<u>17,932</u>	<u>112,761</u>	<u>349,284</u>	<u>384,923</u>
-	-	166,439	-	-
63,783	-	-	184,956	29,931
-	7,455	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	25,507
<u>63,783</u>	<u>7,455</u>	<u>166,439</u>	<u>184,956</u>	<u>55,438</u>
(25,000)	10,477	(53,678)	164,328	329,485
25,000	-	144,276	-	-
-	-	-	-	-
<u>25,000</u>	<u>-</u>	<u>144,276</u>	<u>-</u>	<u>-</u>
-	10,477	90,598	164,328	329,485
-	38,933	212,752	588,164	947,801
<u>\$ -</u>	<u>\$ 49,410</u>	<u>\$ 303,350</u>	<u>\$ 752,492</u>	<u>\$ 1,277,286</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS -SPECIAL REVENUE FUNDS (Continued)
For The Year Ended September 30, 2017

	<u>Courthouse Security</u>	<u>Justice Court Security</u>	<u>District Clerk Records Management and Preservation</u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Charges for Services	86,812	19,337	16,288
Intergovernmental	-	-	-
Interest	462	207	555
Other Revenue	-	-	45
TOTAL REVENUES	<u>87,274</u>	<u>19,544</u>	<u>16,888</u>
EXPENDITURES			
General Government	-	-	-
Justice System	-	-	9,537
Law Enforcement	364,889	-	-
Juvenile Services	-	-	-
Public Transportation	-	-	-
Human Services	-	-	-
Capital Outlay	-	-	-
TOTAL EXPENDITURES	<u>364,889</u>	<u>-</u>	<u>9,537</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(277,615)	19,544	7,351
OTHER FINANCING SOURCES (USES)			
Transfers In	300,516	-	-
Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>300,516</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	22,901	19,544	7,351
FUND BALANCES, OCTOBER 1	<u>26,736</u>	<u>56,175</u>	<u>181,438</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 49,637</u>	<u>\$ 75,719</u>	<u>\$ 188,789</u>

District Clerk Archival	Justice of the Peace Technology	County & District Court Technology	Special Forfeitures	District Attorney Hot Check Collection	Bail Bond Board Fees
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20,227	47,164	10,736	-	350	2,500
-	-	-	-	-	-
239	450	180	96	8	272
-	168	-	-	-	-
<u>20,466</u>	<u>47,782</u>	<u>10,916</u>	<u>96</u>	<u>358</u>	<u>2,772</u>
-	-	-	-	-	-
-	31,957	-	-	-	689
-	-	-	15,271	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>31,957</u>	<u>-</u>	<u>15,271</u>	<u>-</u>	<u>689</u>
20,466	15,825	10,916	(15,175)	358	2,083
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
20,466	15,825	10,916	(15,175)	358	2,083
<u>67,551</u>	<u>138,439</u>	<u>52,759</u>	<u>34,093</u>	<u>2,566</u>	<u>89,718</u>
<u>\$ 88,017</u>	<u>\$ 154,264</u>	<u>\$ 63,675</u>	<u>\$ 18,918</u>	<u>\$ 2,924</u>	<u>\$ 91,801</u>

(continued)

BRAZOS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS (Continued)
For The Year Ended September 30, 2017

	<u>Voter Registration</u>	<u>Vehicle Inventory Tax Interest</u>	<u>Sheriff Department Crime</u>
REVENUES			
Taxes	\$ -	\$ 1,707	\$ -
Charges for Services	-	-	-
Intergovernmental	6,610	-	-
Interest	57	2,527	640
Other Revenue	-	-	5,050
TOTAL REVENUES	<u>6,667</u>	<u>4,234</u>	<u>5,690</u>
EXPENDITURES			
General Government	14,574	4,583	-
Justice System	-	-	-
Law Enforcement	-	-	12,977
Juvenile Services	-	-	-
Public Transportation	-	-	-
Human Services	-	-	-
Capital Outlay	-	-	-
TOTAL EXPENDITURES	<u>14,574</u>	<u>4,583</u>	<u>12,977</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,907)	(349)	(7,287)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(7,907)	(349)	(7,287)
FUND BALANCES, OCTOBER 1	<u>22,927</u>	<u>197,484</u>	<u>212,080</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 15,020</u>	<u>\$ 197,135</u>	<u>\$ 204,793</u>

District Attorney Crime	Primary Election Service	Grants	Totals
\$ -	\$ -	\$ -	\$ 2,682,783
24,291	5,302	4,869	1,129,846
-	-	2,241,765	2,296,445
389	63	-	20,368
-	-	-	46,316
<u>24,680</u>	<u>5,365</u>	<u>2,246,634</u>	<u>6,175,758</u>
-	2,128	25,936	213,660
20,782	-	446,744	861,174
-	-	43,381	443,973
-	-	1,518,046	1,518,046
-	-	542,272	542,272
-	-	19,091	1,252,816
-	-	-	123,701
<u>20,782</u>	<u>2,128</u>	<u>2,595,470</u>	<u>4,955,642</u>
3,898	3,237	(348,836)	1,220,116
-	-	353,705	823,497
-	-	-	(2,932,468)
<u>-</u>	<u>-</u>	<u>353,705</u>	<u>(2,108,971)</u>
3,898	3,237	4,869	(888,855)
<u>122,978</u>	<u>18,124</u>	<u>24,917</u>	<u>6,349,712</u>
<u>\$ 126,876</u>	<u>\$ 21,361</u>	<u>\$ 29,786</u>	<u>\$ 5,460,857</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
HOTEL OCCUPANCY TAX
For the Year Ended September 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Taxes	\$ 2,390,000	\$ 2,480,329	\$ 2,681,076
Interest	6,000	6,000	6,622
TOTAL REVENUES	<u>2,396,000</u>	<u>2,486,329</u>	<u>2,687,698</u>
EXPENDITURES			
Human Services			
Personnel Services	171,172	171,172	164,047
Supplies and Other Charges	41,100	40,570	34,325
Repairs and Maintenance	1,967,288	240,000	230,960
Minor Acquisitions	35,031	35,561	16,664
Contract Services	204,100	204,600	27,100
Professional Services	5,800	5,300	5,300
Community Support	665,000	755,329	755,329
Capital Outlay	<u>101,329</u>	<u>101,329</u>	<u>98,194</u>
TOTAL EXPENDITURES	<u>3,190,820</u>	<u>1,553,861</u>	<u>1,331,919</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(794,820)	932,468	1,355,779
OTHER FINANCING USES			
Transfers Out	<u>(1,205,180)</u>	<u>(2,932,468)</u>	<u>(2,932,468)</u>
TOTAL OTHER FINANCING USES	<u>(1,205,180)</u>	<u>(2,932,468)</u>	<u>(2,932,468)</u>
Net Change in Fund Balance	(2,000,000)	(2,000,000)	(1,576,689)
FUND BALANCE, OCTOBER 1	<u>3,150,404</u>	<u>3,150,404</u>	<u>3,150,404</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 1,150,404</u></u>	<u><u>\$ 1,150,404</u></u>	<u><u>\$ 1,573,715</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
STATE LATERAL ROAD
For the Year Ended September 30, 2017**

	Original and Final Budget	Actual
REVENUES		
Intergovernmental	\$ 30,000	\$ 30,138
Interest	-	90
TOTAL REVENUES	30,000	30,228
EXPENDITURES		
Capital Outlay	30,000	-
TOTAL EXPENDITURES	30,000	-
Excess of Revenues Over Expenditures	-	30,228
FUND BALANCE, OCTOBER 1	1	1
FUND BALANCE, SEPTEMBER 30	\$ 1	\$ 30,229

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
UNCLAIMED PROPERTY
For the Year Ended September 30, 2017**

	Original and Final Budget	Actual
REVENUES		
Interest	\$ 700	\$ 623
TOTAL REVENUES	700	623
EXPENDITURES		
General Government		
Supplies and Other Charges	57,200	-
TOTAL EXPENDITURES	57,200	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,500)	623
FUND BALANCE, OCTOBER 1	56,607	56,607
FUND BALANCE, SEPTEMBER 30	\$ 107	\$ 57,230

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
LAW LIBRARY
For the Year Ended September 30, 2017**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 51,000	\$ 53,872
Interest	340	288
TOTAL REVENUES	51,340	54,160
EXPENDITURES		
Justice System		
Supplies and Other Charges	149,740	72,795
Repairs and Maintenance	600	-
Minor Acquisitions	5,000	-
Contract Services	3,000	-
TOTAL EXPENDITURES	158,340	72,795
Deficiency of Revenues Under Expenditures	(107,000)	(18,635)
FUND BALANCE, OCTOBER 1	107,065	107,065
FUND BALANCE, SEPTEMBER 30	\$ 65	\$ 88,430

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
ALTERNATIVE DISPUTE RESOLUTION
For the Year Ended September 30, 2017**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 44,000	\$ 38,783
TOTAL REVENUES	<u>44,000</u>	<u>38,783</u>
EXPENDITURES		
Justice System		
Community Support	69,000	63,783
TOTAL EXPENDITURES	<u>69,000</u>	<u>63,783</u>
Deficiency of Revenues Under Expenditures	(25,000)	(25,000)
OTHER FINANCING SOURCES		
Transfers In	25,000	25,000
TOTAL OTHER FINANCING SOURCES	<u>25,000</u>	<u>25,000</u>
Net Change in Fund Balance	-	-
FUND BALANCE, OCTOBER 1	<u>-</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ -</u>	<u>\$ -</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
LAW ENFORCEMENT EDUCATION
For the Year Ended September 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental	\$ 18,300	\$ 17,932	\$ 17,932
TOTAL REVENUES	<u>18,300</u>	<u>17,932</u>	<u>17,932</u>
EXPENDITURES			
Law Enforcement			
Supplies and Other Charges	58,396	56,865	7,455
TOTAL EXPENDITURES	<u>58,396</u>	<u>56,865</u>	<u>7,455</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,096)	(38,933)	10,477
FUND BALANCE, OCTOBER 1	<u>38,933</u>	<u>38,933</u>	<u>38,933</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ (1,163)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 49,410</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COUNTY RECORDS MANAGEMENT AND PRESERVATION
For the Year Ended September 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ 100,500	\$ 100,500	\$ 111,655
Interest	550	550	1,106
TOTAL REVENUES	<u>101,050</u>	<u>101,050</u>	<u>112,761</u>
EXPENDITURES			
General Government			
Personnel Services	166,803	166,803	145,287
Supplies and Other Charges	200	14,994	14,383
Repairs and Maintenance	98	98	66
Minor Acquisitions	174,000	160,422	5,493
Contract Services	4,225	3,009	1,210
TOTAL EXPENDITURES	<u>345,326</u>	<u>345,326</u>	<u>166,439</u>
Deficiency of Revenues Under Expenditures	(244,276)	(244,276)	(53,678)
OTHER FINANCING SOURCES			
Transfers In	144,276	144,276	144,276
TOTAL OTHER FINANCING SOURCES	<u>144,276</u>	<u>144,276</u>	<u>144,276</u>
Net Change in Fund Balance	(100,000)	(100,000)	90,598
FUND BALANCE, OCTOBER 1	<u>212,752</u>	<u>212,752</u>	<u>212,752</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 112,752</u></u>	<u><u>\$ 112,752</u></u>	<u><u>\$ 303,350</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION
For the Year Ended September 30, 2017**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 270,000	\$ 347,330
Interest	1,100	1,954
TOTAL REVENUES	271,100	349,284
EXPENDITURES		
Justice System		
Personnel Services	130,223	128,542
Supplies and Other Charges	56,377	3,034
Minor Acquisitions	3,500	675
Contract Services	81,000	52,705
TOTAL EXPENDITURES	271,100	184,956
Excess of Revenues Over Expenditures	-	164,328
FUND BALANCE, OCTOBER 1	588,164	588,164
FUND BALANCE, SEPTEMBER 30	\$ 588,164	\$ 752,492

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COUNTY CLERK ARCHIVAL
For the Year Ended September 30, 2017**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 260,000	\$ 340,330
Interest	1,700	3,540
Other Revenue	-	41,053
TOTAL REVENUES	261,700	384,923
EXPENDITURES		
Justice System		
Contract Services	50,000	29,931
Capital Outlay	460,500	25,507
TOTAL EXPENDITURES	510,500	55,438
Excess (Deficiency) of Revenues Over (Under) Expenditures	(248,800)	329,485
FUND BALANCE, OCTOBER 1	947,801	947,801
FUND BALANCE, SEPTEMBER 30	\$ 699,001	\$ 1,277,286

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COURTHOUSE SECURITY
For the Year Ended September 30, 2017**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 89,000	\$ 86,812
Interest	500	462
TOTAL REVENUES	89,500	87,274
EXPENDITURES		
Law Enforcement		
Personnel Services	405,866	354,370
Supplies and Other Charges	4,050	3,786
Repairs and Maintenance	10,100	6,733
TOTAL EXPENDITURES	420,016	364,889
Deficiency of Revenues Under Expenditures	(330,516)	(277,615)
OTHER FINANCING SOURCES		
Transfers In	300,516	300,516
TOTAL OTHER FINANCING SOURCES	300,516	300,516
Net Change in Fund Balance	(30,000)	22,901
FUND BALANCE, OCTOBER 1	26,736	26,736
FUND BALANCE, SEPTEMBER 30	\$ (3,264)	\$ 49,637

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
JUSTICE COURT SECURITY
For the Year Ended September 30, 2017**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 12,200	\$ 19,337
Interest	100	207
TOTAL REVENUES	<u>12,300</u>	<u>19,544</u>
EXPENDITURES		
Justice System		
Repairs and Maintenance	3,900	-
Contract Services	33,000	-
Capital Outlay	<u>32,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>68,900</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,600)	19,544
FUND BALANCE, OCTOBER 1	<u>56,175</u>	<u>56,175</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ (425)</u></u>	<u><u>\$ 75,719</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
DISTRICT CLERK RECORDS MANAGEMENT AND PRESERVATION
For the Year Ended September 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for Services	\$ 18,000	\$ 18,000	\$ 16,288
Interest	400	400	555
Other Revenue	-	-	45
TOTAL REVENUES	<u>18,400</u>	<u>18,400</u>	<u>16,888</u>
EXPENDITURES			
Justice System			
Supplies and Other Charges	125,100	130,851	5,751
Minor Acquisitions	10,000	8,344	2,686
Contract Services	23,000	23,000	1,100
Professional Services	29,300	29,300	-
Capital Outlay	<u>12,000</u>	<u>7,905</u>	<u>-</u>
TOTAL EXPENDITURES	<u>199,400</u>	<u>199,400</u>	<u>9,537</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(181,000)	(181,000)	7,351
FUND BALANCE, OCTOBER 1	<u>181,438</u>	<u>181,438</u>	<u>181,438</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 438</u></u>	<u><u>\$ 438</u></u>	<u><u>\$ 188,789</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
DISTRICT CLERK ARCHIVAL
For the Year Ended September 30, 2017**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 18,500	\$ 20,227
Interest	100	239
TOTAL REVENUES	18,600	20,466
EXPENDITURES		
Justice System		
Professional Services	85,600	-
TOTAL EXPENDITURES	85,600	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(67,000)	20,466
FUND BALANCE, OCTOBER 1	67,551	67,551
FUND BALANCE, SEPTEMBER 30	\$ 551	\$ 88,017

BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
JUSTICE OF THE PEACE TECHNOLOGY
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 44,500	\$ 44,500	\$ 47,164
Interest	300	300	450
Other Revenue	-	-	168
TOTAL REVENUES	44,800	44,800	47,782
EXPENDITURES			
Justice System			
Personnel Services	4,116	4,116	3,650
Supplies and Other Charges	58,125	61,031	14,919
Repairs and Maintenance	1,100	1,100	-
Minor Acquisitions	17,250	37,516	12,779
Contract Services	26,600	3,428	609
Capital Outlay	76,609	76,609	-
TOTAL EXPENDITURES	183,800	183,800	31,957
Excess (Deficiency) of Revenues Over (Under) Expenditures	(139,000)	(139,000)	15,825
FUND BALANCE, OCTOBER 1	138,439	138,439	138,439
FUND BALANCE, SEPTEMBER 30	\$ (561)	\$ (561)	\$ 154,264

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
COUNTY & DISTRICT COURT TECHNOLOGY
For the Year Ended September 30, 2017**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 9,500	\$ 10,736
Interest	100	180
TOTAL REVENUES	9,600	10,916
EXPENDITURES		
Justice System		
Supplies and Other Charges	5,000	-
Minor Acquisitions	57,500	-
TOTAL EXPENDITURES	62,500	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52,900)	10,916
FUND BALANCE, OCTOBER 1	52,759	52,759
FUND BALANCE, SEPTEMBER 30	\$ (141)	\$ 63,675

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL FORFEITURES
For the Year Ended September 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Interest	\$ -	\$ -	\$ 96
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>96</u>
EXPENDITURES			
Law Enforcement			
Supplies and Other Charges	10,052	15,314	15,271
Repairs and Maintenance	1,568	1,568	-
Minor Acquisitions	15,842	13,587	-
Capital Outlay	<u>6,000</u>	<u>2,993</u>	<u>-</u>
TOTAL EXPENDITURES	<u>33,462</u>	<u>33,462</u>	<u>15,271</u>
Deficiency of Revenues Under Expenditures	(33,462)	(33,462)	(15,175)
FUND BALANCE, OCTOBER 1	<u>34,093</u>	<u>34,093</u>	<u>34,093</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 631</u>	<u>\$ 631</u>	<u>\$ 18,918</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
DISTRICT ATTORNEY HOT CHECK COLLECTION
For the Year Ended September 30, 2017**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ -	\$ 350
Interest	100	8
TOTAL REVENUES	100	358
EXPENDITURES		
Justice System		
Supplies and Other Charges	2,703	-
TOTAL EXPENDITURES	2,703	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,603)	358
FUND BALANCE, OCTOBER 1	2,566	2,566
FUND BALANCE, SEPTEMBER 30	\$ (37)	\$ 2,924

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
BAIL BOND BOARD FEES
For the Year Ended September 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ 2,500	\$ 2,500	\$ 2,500
Interest	100	100	272
TOTAL REVENUES	<u>2,600</u>	<u>2,600</u>	<u>2,772</u>
EXPENDITURES			
Justice System			
Personnel Services	-	4,900	689
Supplies and Other Charges	91,850	86,950	-
TOTAL EXPENDITURES	<u>91,850</u>	<u>91,850</u>	<u>689</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(89,250)	(89,250)	2,083
FUND BALANCE, OCTOBER 1	<u>89,718</u>	<u>89,718</u>	<u>89,718</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 468</u>	<u>\$ 468</u>	<u>\$ 91,801</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
VOTER REGISTRATION
For the Year Ended September 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 6,610
Interest	50	50	57
TOTAL REVENUES	<u>50</u>	<u>50</u>	<u>6,667</u>
EXPENDITURES			
General Government			
Supplies and Other Charges	22,072	15,822	8,797
Minor Acquisitions	-	1,300	916
Contract Services	-	4,950	4,861
Professional Services	900	900	-
TOTAL EXPENDITURES	<u>22,972</u>	<u>22,972</u>	<u>14,574</u>
Deficiency of Revenues Under Expenditures	(22,922)	(22,922)	(7,907)
FUND BALANCE, OCTOBER 1	<u>22,927</u>	<u>22,927</u>	<u>22,927</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 5</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 15,020</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
VEHICLE INVENTORY TAX INTEREST
For the Year Ended September 30, 2017**

	Original and Final Budget	Actual
REVENUES		
Taxes	\$ 30,000	\$ 1,707
Interest	1,300	2,527
TOTAL REVENUES	31,300	4,234
EXPENDITURES		
General Government		
Personnel Services	13,519	-
Supplies and Other Charges	192,981	2,830
Repairs and Maintenance	1,000	-
Minor Acquisitions	18,000	1,753
Contract Services	1,500	-
Professional Services	10,000	-
Capital Outlay	20,000	-
TOTAL EXPENDITURES	257,000	4,583
Deficiency of Revenues Under Expenditures	(225,700)	(349)
FUND BALANCE, OCTOBER 1	197,484	197,484
FUND BALANCE, SEPTEMBER 30	\$ (28,216)	\$ 197,135

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
SHERIFF DEPARTMENT CRIME
For the Year Ended September 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Interest	\$ 500	\$ 500	\$ 640
Other Revenue	-	-	5,050
TOTAL REVENUES	<u>500</u>	<u>500</u>	<u>5,690</u>
EXPENDITURES			
Law Enforcement			
Supplies and Other Charges	97,328	93,428	10,577
Repairs and Maintenance	4,000	4,000	2,400
Minor Acquisitions	85,800	89,700	-
Capital Outlay	<u>29,260</u>	<u>29,260</u>	<u>-</u>
TOTAL EXPENDITURES	<u>216,388</u>	<u>216,388</u>	<u>12,977</u>
Deficiency of Revenues Under Expenditures	(215,888)	(215,888)	(7,287)
FUND BALANCE, OCTOBER 1	<u>212,080</u>	<u>212,080</u>	<u>212,080</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ (3,808)</u>	<u>\$ (3,808)</u>	<u>\$ 204,793</u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
DISTRICT ATTORNEY CRIME
For the Year Ended September 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Charges for Services	\$ -	\$ -	\$ 24,291
Interest	100	100	389
TOTAL REVENUES	<u>100</u>	<u>100</u>	<u>24,680</u>
EXPENDITURES			
Justice System			
Personnel Services	17,320	17,320	12,319
Supplies and Other Charges	103,868	99,296	4,410
Minor Acquisitions	-	4,572	4,053
TOTAL EXPENDITURES	<u>121,188</u>	<u>121,188</u>	<u>20,782</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(121,088)	(121,088)	3,898
FUND BALANCE, OCTOBER 1	<u>122,978</u>	<u>122,978</u>	<u>122,978</u>
FUND BALANCE, SEPTEMBER 30	<u><u>\$ 1,890</u></u>	<u><u>\$ 1,890</u></u>	<u><u>\$ 126,876</u></u>

**BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
PRIMARY ELECTION SERVICE
For the Year Ended September 30, 2017**

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 7,500	\$ 5,302
Interest	-	63
TOTAL REVENUES	<u>7,500</u>	<u>5,365</u>
EXPENDITURES		
General Government		
Supplies and Other Charges	23,100	2,128
Repairs and Maintenance	1,000	-
Minor Acquisitions	1,000	-
TOTAL EXPENDITURES	<u>25,100</u>	<u>2,128</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,600)	3,237
FUND BALANCE, OCTOBER 1	<u>18,124</u>	<u>18,124</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 524</u>	<u>\$ 21,361</u>

BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GRANTS
For the Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental - Federal			
Department of Justice	\$ 8,307	\$ 8,307	\$ 8,220
Department of Transportation	536,541	656,541	542,273
Department of Homeland Security	20,000	20,000	19,091
Total Intergovernmental - Federal	<u>564,848</u>	<u>684,848</u>	<u>569,584</u>
Intergovernmental - State			
Texas Juvenile Justice Department	1,064,964	1,286,672	1,264,814
Texas Office of the Governor	159,089	159,089	157,852
Texas Office of the Attorney General	77,715	81,016	205,992
Total Intergovernmental - State	<u>1,301,768</u>	<u>1,526,777</u>	<u>1,628,658</u>
Intergovernmental - Other			
Texas Association of Counties	25,936	25,936	25,936
EDF Contribution	111,590	111,590	-
National Rifle Association	-	10,505	10,505
Texas Bar Historical Foundation	-	7,082	7,082
Charges for Services	3,000	3,000	4,869
Total Intergovernmental - Other	<u>140,526</u>	<u>158,113</u>	<u>48,392</u>
TOTAL REVENUES	<u>2,007,142</u>	<u>2,369,738</u>	<u>2,246,634</u>
EXPENDITURES			
General Government			
Supplies and Other Charges	27,182	27,182	-
Contract Services	25,936	25,936	25,936
	<u>53,118</u>	<u>53,118</u>	<u>25,936</u>
Justice System			
Personnel Services	407,697	407,697	402,806
Supplies and Other Charges	-	3,060	3,060
Minor Acquisitions	-	3,300	2,416
Contract Services	-	7,082	7,082
Professional Services	32,611	32,611	31,380
	<u>440,308</u>	<u>453,750</u>	<u>446,744</u>
Law Enforcement			
Supplies and Other Charges	-	7,445	7,445
Minor Acquisitions	8,307	8,307	8,220
Contract Services	27,715	27,716	27,716
	<u>\$ 36,022</u>	<u>\$ 43,468</u>	<u>\$ 43,381</u>

BRAZOS COUNTY, TEXAS
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GRANTS
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual
	Original	Final	
EXPENDITURES (Continued)			
Juvenile Services			
Personnel Services	\$ 1,472,956	\$ 1,472,956	\$ 1,351,332
Supplies and Other Charges	-	945	945
Minor Acquisitions	-	9,603	5,335
Contract Services	-	211,160	160,434
	<u>1,472,956</u>	<u>1,694,664</u>	<u>1,518,046</u>
Public Transportation			
Personnel Services	251,074	251,074	248,777
Supplies and Other Charges	32,407	74,407	13,579
Repairs and Maintenance	700	700	-
Minor Acquisitions	3,000	3,000	-
Contract Services	141,360	89,360	46,316
Professional Services	219,590	349,590	233,600
	<u>648,131</u>	<u>768,131</u>	<u>542,272</u>
Human Services			
Contract Services	20,000	20,000	19,091
	<u>20,000</u>	<u>20,000</u>	<u>19,091</u>
TOTAL EXPENDITURES	<u>2,670,535</u>	<u>3,033,131</u>	<u>2,595,470</u>
Deficiency of Revenues Under Expenditures	(663,393)	(663,393)	(348,836)
OTHER FINANCING SOURCES			
Transfers In	639,211	639,211	353,705
TOTAL OTHER FINANCING SOURCES	<u>639,211</u>	<u>639,211</u>	<u>353,705</u>
Net Change in Fund Balance	(24,182)	(24,182)	4,869
FUND BALANCE, OCTOBER 1	<u>24,917</u>	<u>24,917</u>	<u>24,917</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 735</u>	<u>\$ 735</u>	<u>\$ 29,786</u>

DEBT SERVICE FUND

The **Debt Service Fund** is used to account for the accumulation of resources for the payment of general long-term debt principal and interest related to general obligation bonds, certificates of obligation, and refunding bonds.

BRAZOS COUNTY, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended September 30, 2017

	Original and Final Budget	Actual
REVENUES		
Taxes	\$ 8,515,000	\$ 9,156,064
Interest	22,000	31,710
TOTAL REVENUES	8,537,000	9,187,774
EXPENDITURES		
Debt Service		
Principal	7,510,000	6,510,000
Interest	3,499,180	3,424,918
Agent Fees	5,000	1,500
TOTAL EXPENDITURES	11,014,180	9,936,418
Deficiency of Revenues Under Expenditures	(2,477,180)	(748,644)
OTHER FINANCING SOURCES		
Transfers In	1,205,180	1,205,180
TOTAL OTHER FINANCING SOURCES	1,205,180	1,205,180
Net Change in Fund Balance	(1,272,000)	456,536
FUND BALANCE, OCTOBER 1	5,778,404	5,778,404
FUND BALANCE, SEPTEMBER 30	\$ 4,506,404	\$ 6,234,940

CAPITAL PROJECT FUNDS

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

MAJOR GOVERNMENTAL FUNDS

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

Certificates of Obligation 2015 Fund – This fund was established to account for the additional phases of the County courthouse renovation project and the Exposition Center expansion. The expenditures are financed through the issuance of \$9,100,000 of Certificates of Obligation, Series 2015.

**BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
CAPITAL IMPROVEMENT
For The Year Ended September 30, 2017**

	Budgeted Amounts		Actual
	Original	Final	
REVENUES	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-
EXPENDITURES			
Capital Outlay	20,734,921	20,874,921	4,631,025
TOTAL EXPENDITURES	20,734,921	20,874,921	4,631,025
Deficiency of Revenues Under Expenditures	(20,734,921)	(20,874,921)	(4,631,025)
OTHER FINANCING SOURCES (USES)			
Transfers In	9,234,921	11,264,739	11,264,739
Transfers Out	-	(1,889,818)	(1,889,818)
TOTAL OTHER FINANCING SOURCES	9,234,921	9,374,921	9,374,921
Net Change in Fund Balance	(11,500,000)	(11,500,000)	4,743,896
FUND BALANCE, OCTOBER 1, AS RESTATED	12,191,159	12,191,159	12,191,159
FUND BALANCE, SEPTEMBER 30	\$ 691,159	\$ 691,159	\$ 16,935,055

**BRAZOS COUNTY, TEXAS
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
CERTIFICATES OF OBLIGATION 2015
For The Year Ended September 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Interest	\$ 7,000	\$ 7,000	\$ 13,168
TOTAL REVENUES	<u>7,000</u>	<u>7,000</u>	<u>13,168</u>
EXPENDITURES			
Discretionary Funding	-	460,295	-
Capital Outlay	6,428,000	7,694,993	6,938,710
TOTAL EXPENDITURES	<u>6,428,000</u>	<u>8,155,288</u>	<u>6,938,710</u>
Deficiency of Revenues Under Expenditures	(6,421,000)	(8,148,288)	(6,925,542)
OTHER FINANCING SOURCES			
Transfers In	-	1,727,288	1,727,288
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>1,727,288</u>	<u>1,727,288</u>
Net Change in Fund Balance	(6,421,000)	(6,421,000)	(5,198,254)
FUND BALANCE, OCTOBER 1	<u>5,988,426</u>	<u>5,988,426</u>	<u>5,988,426</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ (432,574)</u>	<u>\$ (432,574)</u>	<u>\$ 790,172</u>

PROPRIETARY FUND TYPE

INTERNAL SERVICE FUND – is established to account for the financing of goods or services provided by one department to other departments of the County on a cost-reimbursement basis.

**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
STATEMENT OF NET POSITION
September 30, 2017**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 5,043,571
Prepaid Expenditures	316
Accounts Receivable	1,381,732
Total Current Assets	<u>6,425,619</u>

TOTAL ASSETS

6,425,619

DEFERRED OUTFLOWS OF RESOURCES

Difference Between Projected and Actual Earnings on Pension Plan	169
Change in Pension Allocated Share	210
Differences Between Expected and Actual Pension Experience	1,251
Pension Contributions After the Measurement Date	10,642
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>12,272</u>

LIABILITIES

Current Liabilities

Accounts Payable	1,504,922
Accrued Salaries and Wages	6,576
Compensated Absences	5,279
Unearned Revenue	11,395
Total Current Liabilities	<u>1,528,172</u>

Noncurrent Liabilities

Due in more than one year	40,141
Total Noncurrent Liabilities	<u>40,141</u>

TOTAL LIABILITIES

1,568,313

DEFERRED INFLOWS OF RESOURCES

Change in Assumptions or Inputs	172
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>172</u>

NET POSITION

Unrestricted	<u>4,869,406</u>
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TOTAL NET POSITION

\$ 4,869,406

**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
For The Year Ended September 30, 2017**

OPERATING REVENUES	
Employee Dependents	\$ 2,327,668
Self Pays	5,009
Excess Risk Benefits	3,750,427
Participant Payments	637,330
Brazos County	10,626,928
Retirees	441,060
TOTAL OPERATING REVENUES	<u>17,788,422</u>
OPERATING EXPENSES	
Personnel Services	63,988
Supplies and Other Charges	16,065
Minor Acquisitions	50,454
Life Insurance	36,720
Stop Loss Premiums	3,284,059
Benefit Claims	12,955,310
Administrative Fees	675,617
Professional Services	33,881
TOTAL OPERATING EXPENSES	<u>17,116,094</u>
OPERATING INCOME	<u>672,328</u>
NONOPERATING REVENUES	
Interest	11,803
TOTAL NONOPERATING REVENUES	<u>11,803</u>
INCOME BEFORE TRANSFERS	684,131
Transfers In	2,077,378
Transfers Out	<u>(2,060,183)</u>
CHANGE IN NET POSITION	701,326
TOTAL NET POSITION - BEGINNING	<u>4,168,080</u>
TOTAL NET POSITION - ENDING	<u>\$ 4,869,406</u>

**BRAZOS COUNTY, TEXAS
INTERNAL SERVICE FUND
HEALTH AND LIFE INSURANCE
STATEMENT OF CASH FLOWS
For The Year Ended September 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 3,407,565
Receipts from interfund services provided	10,626,928
Payments to contractors	(4,007,669)
Claims paid	(10,090,660)
Payments to employees for services	(37,360)
	<u>(101,196)</u>
NET CASH USED BY OPERATING ACTIVITIES	
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from General Fund	2,077,378
Transfers to General Fund and Capital Improvement Fund	(2,060,183)
	<u>17,195</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Transfer of capital assets	71,131
	<u>71,131</u>
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	9,884
	<u>9,884</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	
 NET DECREASE IN CASH AND CASH EQUIVALENTS	
	(2,986)
 CASH AND CASH EQUIVALENTS, OCTOBER 1	
	<u>5,046,557</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	
	<u>\$ 5,043,571</u>
 Reconciliation of operating income to net cash used by operating activities:	
Operating Income	\$ 672,328
Adjustments to reconcile operating income to net cash used by operating activities:	
Change in accounts receivable	(867,375)
Change in prepaid expenditure	(316)
Change in pension related deferred outflows of resources	(3,448)
Change in accounts payable	71,635
Change in accrued salaries and compensated absences	5,869
Change in unearned revenue	(4,098)
Change in noncurrent liabilities	24,782
Change in pension related deferred inflows of resources	(573)
Total adjustments	<u>(773,524)</u>
Net cash used by operating activities	<u>\$ (101,196)</u>

FIDUCIARY FUNDS

AGENCY FUNDS

Narcotics Seizure - A fund used to account for monies and materials that are seized during narcotics interdiction activities. The District Attorney's office evaluates each case and files a civil case to have the seized funds forfeited. Upon receipt of a court judgment, the seized funds are disbursed.

District Clerk Trust - A statutory fund used to account for monies placed with the District Clerk by the District Court(s) and to be held until the Court(s) direct the distribution of the funds under Chapter 117, Texas Local Government Code.

County Clerk Trust - A statutory fund used to account for monies placed with the County Clerk by the County Courts-at-Law and the Probate Court under Chapter 117, Texas Local Government Code. These funds are to be held until the Court(s) direct distribution of the funds.

Bail Bond Board Trust - A fund used to account for property and investments of bail bondsmen doing business in Brazos County. The property and investments act as collateral for bond contracts between the bondsmen and the County.

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 2017

	<u>Narcotics Seizure</u>	<u>District Clerk Trust</u>	<u>County Clerk Trust</u>	<u>Bail Bond Board Trust</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 291,547	\$ 1,920,865	\$ 1,413,283	\$ 1,477,700	\$ 5,103,395
Investments	-	-	-	1,184,740	1,184,740
Receivables	-	-	2,862	-	2,862
TOTAL ASSETS	<u>\$ 291,547</u>	<u>\$ 1,920,865</u>	<u>\$ 1,416,145</u>	<u>\$ 2,662,440</u>	<u>\$ 6,290,997</u>
LIABILITIES					
Funds Held for Others	\$ 291,547	\$ 1,920,865	\$ 1,416,145	\$ 2,662,440	\$ 6,290,997
TOTAL LIABILITIES	<u>\$ 291,547</u>	<u>\$ 1,920,865</u>	<u>\$ 1,416,145</u>	<u>\$ 2,662,440</u>	<u>\$ 6,290,997</u>

BRAZOS COUNTY, TEXAS
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For The Year Ended September 30, 2017

	<u>Balance October 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2017</u>
NARCOTICS SEIZURE				
Assets				
Cash and Cash Equivalents	\$ 319,690	\$ 224,813	\$ 252,956	\$ 291,547
Total Assets	<u>319,690</u>	<u>224,813</u>	<u>252,956</u>	<u>291,547</u>
Liabilities				
Funds Held for Others	319,690	124,807	152,950	291,547
Total Liabilities	<u>319,690</u>	<u>124,807</u>	<u>152,950</u>	<u>291,547</u>
DISTRICT CLERK TRUST				
Assets				
Cash and Cash Equivalents	1,898,843	560,876	538,854	1,920,865
Total Assets	<u>1,898,843</u>	<u>560,876</u>	<u>538,854</u>	<u>1,920,865</u>
Liabilities				
Funds Held for Others	1,898,843	447,039	425,017	1,920,865
Total Liabilities	<u>1,898,843</u>	<u>447,039</u>	<u>425,017</u>	<u>1,920,865</u>
COUNTY CLERK TRUST				
Assets				
Cash and Cash Equivalents	1,426,884	8,171,615	8,185,216	1,413,283
Receivables	-	2,862	-	2,862
Total Assets	<u>1,426,884</u>	<u>8,174,477</u>	<u>8,185,216</u>	<u>1,416,145</u>
Liabilities				
Funds Held for Others	1,426,884	4,242,514	4,253,253	1,416,145
Total Liabilities	<u>1,426,884</u>	<u>4,242,514</u>	<u>4,253,253</u>	<u>1,416,145</u>
BAIL BOND BOARD TRUST				
Assets				
Cash and Cash Equivalents	1,441,700	136,000	100,000	1,477,700
Investments	1,490,090	24,150	329,500	1,184,740
Total Assets	<u>2,931,790</u>	<u>160,150</u>	<u>429,500</u>	<u>2,662,440</u>
Liabilities				
Funds Held for Others	2,931,790	160,150	429,500	2,662,440
Total Liabilities	<u>\$ 2,931,790</u>	<u>\$ 160,150</u>	<u>\$ 429,500</u>	<u>\$ 2,662,440</u>
COMBINED AGENCY FUNDS				
Assets				
Cash and Cash Equivalents	\$ 5,087,117	\$ 9,093,304	\$ 9,077,026	\$ 5,103,395
Investments	1,490,090	24,150	329,500	1,184,740
Receivables	-	2,862	-	2,862
Total Assets	<u>6,577,207</u>	<u>9,120,316</u>	<u>9,406,526</u>	<u>6,290,997</u>
Liabilities				
Funds Held for Others	6,577,207	4,974,510	5,260,720	6,290,997
Total Liabilities	<u>\$ 6,577,207</u>	<u>\$ 4,974,510</u>	<u>\$ 5,260,720</u>	<u>\$ 6,290,997</u>

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Statistical Section

This part of Brazos County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Table No.

Financial Trends	I-IV
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity	V-VIII
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
Debt Capacity	IX-XIII
These schedules 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 Information	XIV-XV
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
Operating Information	XVI-XVIII
These schedules 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 and the activities it performs.	
Debt Service	XIX-XXI
These schedules contain the County's outstanding debt information to help the reader understand how much outstanding debt the County has and how much is paid toward debt each fiscal year.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

FINANCIAL TRENDS

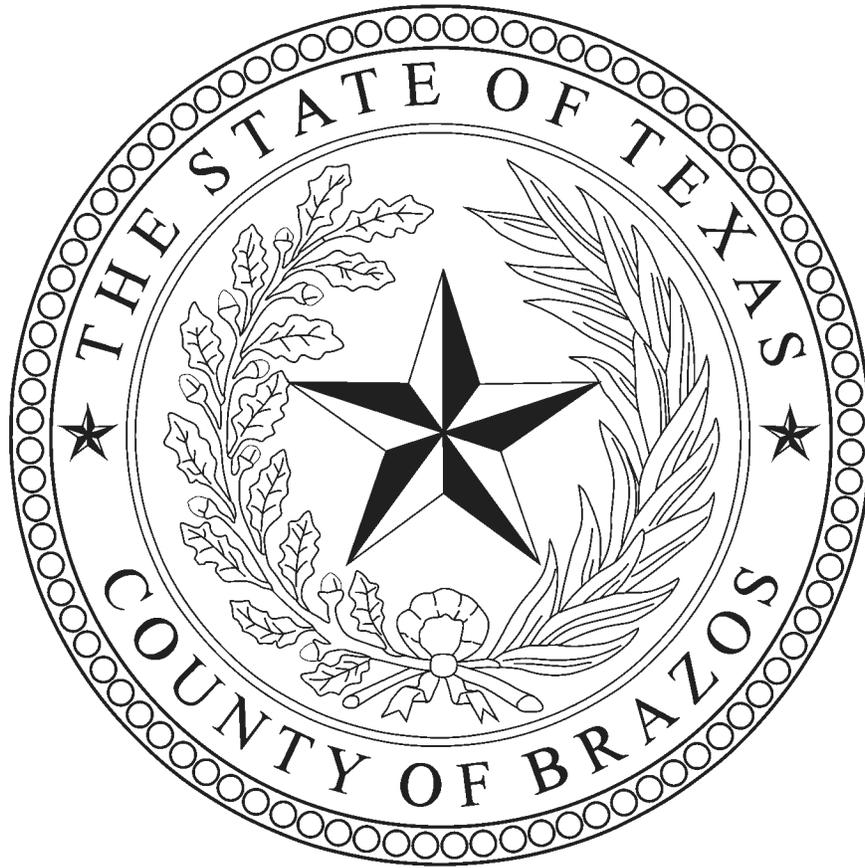


Table I

Brazos County, Texas
Net Position by Component,
Last Ten Fiscal Years
(Unaudited and Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net Investment in Capital Assets	\$ 21,601,010	\$ 56,939,291	\$ 92,821,982	\$ 103,660,227	\$ 116,826,933	\$ 130,240,967	\$ 135,556,068	\$ 148,523,220	\$ 165,688,494	\$ 177,668,707
Restricted	6,420,810	7,322,778	18,214,659	13,561,350	11,759,611	19,544,730	15,302,060	11,485,488	18,520,831	27,162,985
Unrestricted	94,986,664	60,436,700	15,378,001	8,277,036	9,322,387	1,604,629	10,438,783	3,716,212	529,860	2,602,233
Total governmental activities net position	\$ 123,008,484	\$ 124,698,769	\$ 126,414,642	\$ 125,498,613	\$ 137,908,931	\$ 151,390,326	\$ 161,296,911	\$ 163,724,920	\$ 184,739,185	\$ 207,433,925
Business-type activities										
Net Investment in Capital Assets	\$ 10,243	\$ 26,502	\$ 44,919	\$ 65,749	\$ 53,093	\$ 41,774	\$ 39,176	\$ 27,547	\$ 17,535	\$ 10,417
Unrestricted	390,914	375,579	341,601	327,551	346,496	476,430	481,236	517,221	631,977	834,634
Total business-type activities net position	\$ 401,157	\$ 402,081	\$ 386,520	\$ 393,300	\$ 399,589	\$ 518,204	\$ 520,412	\$ 544,768	\$ 649,512	\$ 845,051
Primary government										
Net Investment in Capital Assets	\$ 21,611,253	\$ 56,965,793	\$ 92,866,901	\$ 103,725,976	\$ 116,880,026	\$ 130,282,741	\$ 135,595,244	\$ 148,550,767	\$ 165,706,029	\$ 177,679,124
Restricted	6,420,810	7,322,778	18,214,659	13,561,350	11,759,611	19,544,730	15,302,060	11,485,488	18,520,831	27,162,985
Unrestricted	95,377,578	60,812,279	15,719,602	8,604,587	9,668,883	2,081,059	10,920,019	4,233,433	1,161,837	3,436,867
Total primary government net position	\$ 123,409,641	\$ 125,100,850	\$ 126,801,162	\$ 125,891,913	\$ 138,308,520	\$ 151,908,530	\$ 161,817,323	\$ 164,269,688	\$ 185,388,697	\$ 208,278,976

Note: The County implemented GASB Statement 68 and 71 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of these standards.

Brazos County, Texas
Changes in Net Position, Ten Fiscal Years
(Unaudited and Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General Government	\$ 15,690,144	\$ 16,266,899	\$ 15,959,538	\$ 18,757,895	\$ 18,247,125	\$ 21,362,907	\$ 22,017,696	\$ 23,815,316	\$ 25,910,488	\$ 31,100,282
Justice System	13,128,593	15,654,079	16,190,532	17,270,039	17,146,680	18,083,021	21,308,471	18,957,600	21,043,405	21,535,081
Law Enforcement	15,731,013	20,208,475	20,922,115	21,980,672	21,030,239	21,880,880	22,530,372	23,565,577	24,660,534	25,749,013
Juvenile Services	4,557,144	5,933,794	6,053,405	5,970,962	5,795,413	5,978,536	6,022,762	6,776,468	7,085,119	7,514,809
Public Transportation	5,410,967	6,226,814	7,110,355	7,863,178	7,955,778	6,457,965	8,831,911	9,063,760	10,296,317	9,639,763
Public Health	1,948,410	2,206,618	2,460,827	2,596,961	2,124,420	1,798,582	1,756,849	1,501,080	30,955,550	17,085,298
Human Services	4,028,992	5,176,330	4,992,850	5,770,963	5,858,924	5,523,897	5,993,599	6,018,603	6,387,498	6,751,237
Interest and Other Fees	2,895,119	4,108,413	4,601,773	4,165,066	3,980,198	4,318,458	3,501,978	3,564,033	3,583,015	3,299,310
Total governmental activities expenses	<u>63,390,382</u>	<u>75,781,422</u>	<u>78,291,395</u>	<u>84,375,736</u>	<u>82,138,777</u>	<u>85,404,246</u>	<u>91,963,638</u>	<u>93,262,437</u>	<u>129,921,926</u>	<u>122,674,793</u>
Business-type activities:										
County Attorney	33,905	33,681	39,959	39,799	36,515	19,401	18,378	8,391	5,216	4,796
Jail Commissary	367,270	435,003	436,447	479,243	480,762	558,746	624,465	622,769	767,630	878,921
Total business-type activities expenses	<u>401,175</u>	<u>468,684</u>	<u>476,406</u>	<u>519,042</u>	<u>517,277</u>	<u>578,147</u>	<u>642,843</u>	<u>631,160</u>	<u>772,846</u>	<u>883,717</u>
Total primary government expenses	<u>\$ 63,791,557</u>	<u>\$ 76,250,106</u>	<u>\$ 78,767,801</u>	<u>\$ 84,894,778</u>	<u>\$ 82,656,054</u>	<u>\$ 85,982,393</u>	<u>\$ 92,606,481</u>	<u>\$ 93,893,597</u>	<u>\$ 130,694,772</u>	<u>\$ 123,558,510</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 2,317,212	\$ 2,809,396	\$ 2,880,925	\$ 2,900,343	\$ 3,864,014	\$ 4,634,471	\$ 4,372,292	\$ 4,625,773	\$ 5,063,446	\$ 6,332,205
Justice System	6,202,462	6,683,452	6,880,940	5,903,931	6,417,437	7,024,080	6,878,641	6,861,890	6,905,882	6,406,160
Law Enforcement	791,070	800,126	804,839	879,719	946,508	976,397	1,012,604	1,055,354	936,249	945,191
Juvenile Services	17,057	81,834	89,261	43,110	83,648	66,167	48,659	50,739	75,180	72,876
Public Transportation	1,220,213	1,185,490	1,179,615	1,247,410	1,301,302	1,373,881	1,892,026	1,507,870	1,650,541	1,541,481
Public Health	30,545	28,807	30,748	37,608	34,711	39,853	37,300	36,554	38,291	32,629
Human Services	534,253	706,595	786,699	979,624	1,078,279	1,250,832	1,405,713	1,371,538	1,220,405	1,203,763
Operating grants and contributions:										
General Government	27,668	-	110,940	2,145,051	33,576	23,269	2,713	6,080	40,670	33,514
Justice System	612,443	662,369	649,216	631,839	584,036	589,818	546,226	548,180	913,365	897,496
Law Enforcement	446,537	299,401	261,014	90,710	122,515	132,673	100,897	118,864	127,472	70,552
Juvenile Services	1,356,927	1,075,481	998,850	1,256,263	1,211,533	1,241,821	1,366,626	1,345,059	1,288,901	1,583,410
Public Transportation	333,597	351,190	342,202	306,537	293,621	376,007	252,180	340,822	265,606	542,273
Public Health	167,373	161,037	81,026	82,188	82,226	74,248	62,926	67,357	52,454	62,087
Human Services	635,412	410,164	407,909	367,511	291,671	297,275	437,269	384,422	305,062	373,572
Capital grants and contributions:										
Law Enforcement	8,230	16,346	190,645	72,015	138,441	-	10,084	-	-	-
Juvenile Services	-	-	-	-	5,164	-	-	-	-	-
Public Transportation	3,104,713	147,273	10,015	-	7,188,416	7,124,595	3,372,154	2,516,041	9,357,573	3,011,592
Public Health	-	-	2,100	-	-	-	-	-	-	-
Human Services	16,920	130,908	153,302	323,396	68,012	-	-	-	361,000	-
Total governmental activities program revenue	<u>\$ 17,822,632</u>	<u>\$ 15,549,869</u>	<u>\$ 15,860,246</u>	<u>\$ 17,267,255</u>	<u>\$ 23,745,110</u>	<u>\$ 25,225,387</u>	<u>\$ 21,798,310</u>	<u>\$ 20,836,543</u>	<u>\$ 28,602,097</u>	<u>\$ 23,108,801</u>

Brazos County, Texas
Changes in Net Position, Ten Fiscal Years
(Unaudited and Accrual Basis of Accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Business-type activities:										
Charges for services:										
County Attorney	\$ 57,191	\$ 36,911	\$ 37,909	\$ 30,052	\$ 22,565	\$ 21,750	\$ 14,824	\$ 11,217	\$ 8,649	\$ 8,484
Jail Commissary	411,699	430,870	421,748	494,837	500,061	673,784	729,172	720,953	867,491	1,068,218
Total business-type activities program revenue	<u>468,890</u>	<u>467,781</u>	<u>459,657</u>	<u>524,889</u>	<u>522,626</u>	<u>695,534</u>	<u>743,996</u>	<u>732,170</u>	<u>876,140</u>	<u>1,076,702</u>
Total primary government program revenues	<u>\$ 18,291,522</u>	<u>\$ 16,017,650</u>	<u>\$ 16,319,903</u>	<u>\$ 17,792,144</u>	<u>\$ 24,267,736</u>	<u>\$ 25,920,921</u>	<u>\$ 22,542,306</u>	<u>\$ 21,568,713</u>	<u>\$ 29,478,237</u>	<u>\$ 24,185,503</u>
Net (Expense)/Revenue										
Governmental activities	\$ (45,567,750)	\$ (60,231,553)	\$ (62,431,149)	\$ (67,108,481)	\$ (58,393,667)	\$ (60,178,859)	\$ (70,165,328)	\$ (72,425,894)	\$ (101,319,829)	\$ (99,565,992)
Business-type activities	67,715	(903)	(16,749)	5,847	5,349	117,387	101,153	101,010	103,294	192,985
Total primary government net expense	<u>\$ (45,500,035)</u>	<u>\$ (60,232,456)</u>	<u>\$ (62,447,898)</u>	<u>\$ (67,102,634)</u>	<u>\$ (58,388,318)</u>	<u>\$ (60,061,472)</u>	<u>\$ (70,064,175)</u>	<u>\$ (72,324,884)</u>	<u>\$ (101,216,535)</u>	<u>\$ (99,373,007)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 41,847,095	\$ 47,182,845	\$ 49,915,485	\$ 51,538,444	\$ 55,591,539	\$ 57,572,056	\$ 60,333,777	\$ 65,242,899	\$ 68,183,460	\$ 74,085,095
Local Health Care Provider Assessments	-	-	-	-	-	-	-	-	33,156,574	26,168,492
Sales taxes	11,396,068	11,225,816	11,175,994	11,559,363	12,039,620	13,230,652	14,900,374	15,351,017	15,615,643	16,375,071
Motor vehicle taxes	1,288,958	1,259,992	1,098,278	1,188,768	1,290,727	1,409,741	1,519,577	1,644,229	1,660,890	1,660,706
Mixed drink taxes	491,078	528,915	505,783	524,240	460,710	534,150	532,822	966,894	812,216	809,516
Hotel occupancy taxes	1,102,929	1,075,806	1,064,670	1,130,582	1,172,567	1,527,027	2,441,385	2,612,474	2,505,617	2,681,077
Unrestricted investment earnings	1,936,657	593,961	386,812	251,055	248,822	414,701	209,089	204,186	243,769	347,258
Gain (loss) on disposal of assets	-	54,503	-	-	-	-	34,889	-	155,925	133,517
Transfers:	1,450	-	-	-	-	-	100,000	-	-	-
Total governmental activities	<u>58,064,235</u>	<u>61,921,838</u>	<u>64,147,022</u>	<u>66,192,452</u>	<u>70,803,985</u>	<u>74,688,327</u>	<u>80,071,913</u>	<u>86,021,699</u>	<u>122,334,094</u>	<u>122,260,732</u>
Business-type activities:										
Unrestricted investment earnings	7,207	1,827	1,188	933	940	1,228	1,055	1,120	1,450	2,554
Gain on disposal of assets	-	-	-	-	-	-	-	-	-	-
Transfers	(1,450)	-	-	-	-	-	(100,000)	-	-	-
Total business-type activities	<u>5,757</u>	<u>1,827</u>	<u>1,188</u>	<u>933</u>	<u>940</u>	<u>1,228</u>	<u>(98,945)</u>	<u>1,120</u>	<u>1,450</u>	<u>2,554</u>
Total primary government	<u>\$ 58,069,992</u>	<u>\$ 61,923,665</u>	<u>\$ 64,148,210</u>	<u>\$ 66,193,385</u>	<u>\$ 70,804,925</u>	<u>\$ 74,689,555</u>	<u>\$ 79,972,968</u>	<u>\$ 86,022,819</u>	<u>\$ 122,335,544</u>	<u>\$ 122,263,286</u>
Change in Net Position										
Governmental activities	\$ 12,496,485	\$ 1,690,285	\$ 1,715,873	\$ (916,029)	\$ 12,410,318	\$ 14,509,468	\$ 9,906,585	\$ 13,595,805	\$ 21,014,265	\$ 22,694,740
Business-type activities	73,472	924	(15,561)	6,780	6,289	118,615	2,208	102,130	104,744	195,539
Total primary government	<u>\$ 12,569,957</u>	<u>\$ 1,691,209</u>	<u>\$ 1,700,312</u>	<u>\$ (909,249)</u>	<u>\$ 12,416,607</u>	<u>\$ 14,628,083</u>	<u>\$ 9,908,793</u>	<u>\$ 13,697,935</u>	<u>\$ 21,119,009</u>	<u>\$ 22,890,279</u>

Note: The County implemented GASB Statement 68 and 71 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of these standards.

Table III

Brazos County, Texas
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Unaudited and Modified Accrual Basis of Accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Nonspendable	\$ 1,020,562	\$ 1,202,076	\$ 927,025	\$ 1,061,363	\$ 1,348,027	\$ 1,299,861	\$ 1,413,753	\$ 1,432,240	\$ 1,544,658	\$ 1,431,335
Restricted	1,330,102	931,374	566,820	422,407	333,381	481,273	378,273	360,140	404,289	455,784
Committed	2,755,728	2,767,788	2,695,145	208,122	261,295	336,738	400,586	469,028	522,705	586,470
Assigned	2,574,105	1,814,061	1,070,279	1,169,208	1,131,333	1,067,142	1,023,141	1,023,141	1,023,141	1,023,141
Unassigned	27,261,425	24,835,897	22,265,677	20,299,844	26,456,580	31,664,348	40,130,516	39,747,932	41,766,524	43,410,257
Total General Fund	<u>\$ 34,941,922</u>	<u>\$ 31,551,196</u>	<u>\$ 27,524,946</u>	<u>\$ 23,160,944</u>	<u>\$ 29,530,616</u>	<u>\$ 34,849,362</u>	<u>\$ 43,346,269</u>	<u>\$ 43,032,481</u>	<u>\$ 45,261,317</u>	<u>\$ 46,906,987</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ 5,299	\$ 30,443	\$ 24,630	\$ 7,340	\$ 9,764	\$ 14,508	\$ 6,870	\$ 21,354
Restricted	56,075,342	33,097,814	16,478,759	12,047,137	10,053,573	19,063,457	14,923,787	11,125,348	21,771,899	26,685,847
Assigned	5,368,330	5,684,215	7,002,711	8,811,083	6,814,553	5,564,864	6,344,841	13,703,250	12,262,289	16,935,055
Unassigned	-	-	-	-	(18,740)	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 61,443,672</u>	<u>\$ 38,782,029</u>	<u>\$ 23,486,769</u>	<u>\$ 20,888,663</u>	<u>\$ 16,874,016</u>	<u>\$ 24,635,661</u>	<u>\$ 21,278,392</u>	<u>\$ 24,843,106</u>	<u>\$ 34,041,058</u>	<u>\$ 43,642,256</u>

Brazos County, Texas
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
(Unaudited and Modified Accrual Basis of Accounting)

	2008	2009	2010	2011	2012
Revenues					
Taxes	\$ 54,745,662	\$ 60,031,219	\$ 62,547,299	\$ 64,771,195	\$ 69,130,347
Charges for Services	11,033,749	11,171,081	11,427,158	11,245,990	11,858,804
Intergovernmental	3,605,105	3,090,888	3,060,220	5,275,509	2,813,922
Interest	1,936,657	593,961	377,477	242,214	240,668
Other Revenue	490,472	629,787	505,872	491,785	534,401
Total Revenue	71,811,645	75,516,936	77,918,026	82,026,693	84,578,142
Expenditures					
Current					
General Government	11,695,108	12,727,888	12,374,024	14,476,472	13,225,501
Justice System	12,937,962	13,715,644	14,322,604	15,550,105	15,653,508
Law Enforcement	14,797,789	16,365,787	17,004,568	17,005,275	16,822,613
Juvenile Services	4,375,672	4,853,347	5,023,328	5,014,270	4,995,530
Public Transportation	6,142,314	6,672,577	7,127,922	7,268,102	7,579,399
Public Health	1,928,564	2,187,971	2,442,180	2,582,618	2,110,077
Human Services	3,222,130	3,961,591	3,919,455	4,483,716	4,269,698
Capital Outlay	10,698,766	33,724,110	38,225,031	13,491,806	8,003,022
Debt Service					
Principal Retirement	3,445,000	3,540,000	4,710,000	5,035,000	5,675,000
Interest and Other Fees	2,692,699	4,099,774	4,679,134	4,168,000	3,984,699
Total Expenditures	71,936,004	101,848,689	109,828,246	89,075,364	82,319,047
Excess (Deficiency) of Revenues Over (Under) Expenditures	(124,359)	(26,331,753)	(31,910,220)	(7,048,671)	2,259,095
Other Financing Sources (Uses)					
Transfers In	5,573,472	6,165,033	8,817,971	8,929,636	2,634,022
Transfers Out	(5,693,955)	(6,165,033)	(9,017,971)	(8,929,636)	(2,634,022)
Premium on Debt Issuance	-	-	453,572	-	-
Debt Issuance - Refunding Bonds	-	-	7,365,000	-	-
Sale of Capital Assets	96,570	279,384	270,138	86,563	95,930
Payments to Refunded Bonds					
Escrow Agent	-	-	(7,300,000)	-	-
Debt Issuance	55,000,000	-	12,000,000	-	-
Capital Leases	-	-	-	-	-
Total Other Financing Sources (Uses)	54,976,087	279,384	12,588,710	86,563	95,930
Net Change in Fund Balances	\$ 54,851,728	\$ (26,052,369)	\$ (19,321,510)	\$ (6,962,108)	\$ 2,355,025
Debt service as a percentage of noncapital expenditures	10.02%	11.21%	13.14%	12.17%	13.00%

Brazos County, Texas
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
(Unaudited and Modified Accrual Basis of Accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues					
Taxes	\$ 72,356,721	\$ 77,810,567	\$ 84,089,178	\$ 121,184,515	\$ 120,033,611
Charges for Services	12,392,689	12,533,506	12,643,739	12,955,942	12,547,042
Intergovernmental	2,735,115	3,068,059	4,292,557	3,651,076	3,929,985
Interest	402,889	199,121	204,186	243,768	335,455
Other Revenue	743,250	1,231,518	949,034	1,191,392	1,063,129
Total Revenue	<u>88,630,664</u>	<u>94,842,771</u>	<u>102,178,694</u>	<u>139,226,693</u>	<u>137,909,222</u>
Expenditures					
Current					
General Government	15,493,215	15,600,712	17,323,019	23,060,957	23,158,034
Justice System	16,529,689	17,189,395	17,655,201	19,094,481	18,959,585
Law Enforcement	17,672,957	18,363,182	19,559,520	20,368,720	21,375,987
Juvenile Services	5,151,366	5,243,254	5,978,401	6,250,884	6,627,267
Public Transportation	7,903,452	8,649,898	9,825,736	10,786,197	10,084,667
Public Health	1,784,239	1,748,952	1,493,183	30,948,673	17,078,556
Human Services	4,020,385	4,639,453	4,729,399	5,014,680	5,416,677
Capital Outlay	7,659,526	9,217,395	13,367,750	10,509,004	14,124,621
Debt Service					
Principal Retirement	6,438,183	5,464,244	5,938,365	6,379,974	6,658,957
Interest and Fiscal Agent Fee	4,415,107	3,873,250	3,680,854	3,695,506	3,437,849
Total Expenditures	<u>87,068,119</u>	<u>89,989,735</u>	<u>99,551,428</u>	<u>136,109,076</u>	<u>126,922,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,562,545	4,853,036	2,627,266	3,117,617	10,987,022
Other Financing Sources (Uses)					
Transfers In	3,333,880	4,285,885	15,634,687	8,595,961	15,927,327
Transfers Out	(3,333,880)	(4,185,885)	(15,634,687)	(9,595,961)	(15,944,522)
Premium on Debt Issuance	2,214,527	-	-	-	-
Debt Issuance - Refunding	24,340,000	-	-	-	-
Sale of Capital Assets	104,757	186,602	148,560	209,171	348,171
Payments to Refunded Bonds					
Escrow Agent	(15,808,088)	-	-	-	-
Debt Issuance	-	-	-	9,100,000	-
Capital Leases	666,650	-	475,100	-	-
Total Other Financing Sources (Uses)	<u>11,517,846</u>	<u>286,602</u>	<u>623,660</u>	<u>8,309,171</u>	<u>330,976</u>
Net Change in Fund Balances	<u>\$ 13,080,391</u>	<u>\$ 5,139,638</u>	<u>\$ 3,250,926</u>	<u>\$ 11,426,788</u>	<u>\$ 11,317,998</u>
Debt service as a percentage of noncapital expenditures	13.67%	11.56%	11.16%	8.02%	8.95%

REVENUE CAPACITY INFORMATION

Table V

Brazos County, Texas
Assessed Value and Actual Value of Taxable Property
Last Ten Tax Years
(Unaudited)

Tax Year	Residential Property	Commercial Property	Industrial Property	Personal Property	Minerals	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2007	\$ 5,092,640,911	\$ 4,503,381,487	\$ 715,213,160	\$ 1,154,789,218	\$ 206,807,369	\$ (2,445,021,966)	\$ 9,227,810,179	0.4650
2008	5,704,848,431	4,855,575,655	796,868,780	1,249,455,413	244,657,985	(2,678,924,128)	10,172,482,136	0.4800
2009	6,076,913,875	5,253,969,406	837,700,523	1,314,014,691	207,602,036	(2,956,892,109)	10,733,308,422	0.4800
2010	6,337,888,583	5,327,849,239	933,644,875	1,183,632,550	262,283,016	(3,108,696,116)	10,936,602,147	0.4856
2011	6,706,506,210	5,608,189,371	997,798,061	1,259,299,484	333,339,334	(3,350,981,782)	11,554,150,678	0.4850
2012	6,856,500,798	5,959,776,425	1,024,298,940	1,265,341,250	417,520,103	(3,608,957,759)	11,914,479,757	0.4850
2013	7,221,180,612	6,302,748,738	1,033,315,489	1,322,148,610	462,451,979	(3,792,772,169)	12,549,073,259	0.4875
2014	7,671,541,666	6,703,964,362	1,081,705,297	1,467,186,020	803,117,541	(3,979,622,909)	13,747,891,977	0.4850
2015	8,255,450,446	7,148,091,112	1,282,416,713	1,689,484,380	684,601,480	(5,485,679,819)	13,574,364,312	0.4850
2016	\$ 9,176,837,735	\$ 7,814,664,721	\$ 1,272,513,322	\$ 1,722,905,634	\$ 480,000,679	\$ (5,986,800,803)	\$ 14,480,121,288	0.4850

Source: Brazos County Appraisal District for Tax Years 2007-2012. Brazos County Tax Assessor Collector for Tax Year 2013-2016.

Note:

- (1) Property in the County is assessed each tax year based on calendar year.
- (2) Property is assessed at actual value; therefore, the assessed values are equal to actual values. Tax rates are per \$100 of assessed value.
- (3) The taxes to be levied and collected in the succeeding fiscal year are included in the estimate of funds available to cover the proposed budget.

Table VI

Brazos County, Texas
Direct and Overlapping Property Tax Rates
(per \$100 of Assessed Value)
Last Ten Years
(Unaudited)

Name of Government	Fiscal Years									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
County Direct Rate:										
Debt Service	\$ 0.0620	\$ 0.0813	\$ 0.0834	\$ 0.0844	\$ 0.0813	\$ 0.0779	\$ 0.0707	\$ 0.0624	\$ 0.0603	\$ 0.0592
Basic Rate	0.4030	0.3987	0.3966	0.4012	0.4037	0.4071	0.4168	0.4226	0.4247	0.4258
Total Direct Rate:	<u>0.4650</u>	<u>0.4800</u>	<u>0.4800</u>	<u>0.4856</u>	<u>0.4850</u>	<u>0.4850</u>	<u>0.4875</u>	<u>0.4850</u>	<u>0.4850</u>	<u>0.4850</u>
Overlapping Rates:										
City and Town Rate:										
City of Bryan	0.6364	0.6364	0.6364	0.6364	0.6364	0.6333	0.6299	0.6299	0.6299	0.6299
City of College Station	0.4394	0.4394	0.4394	0.4475	0.4380	0.4307	0.4259	0.4525	0.4525	0.4725
City of Kurten	0.1570	0.1560	0.1560	0.1400	0.1350	0.1300	0.1300	0.1200	0.1200	0.117885
School District Rates:										
Bryan I. S. D.	1.2900	1.2900	1.2900	1.2900	1.2900	1.2900	1.2900	1.2900	1.3500	1.35
College Station I. S. D.	1.2411	1.2534	1.2534	1.3099	1.3350	1.3350	1.3200	1.3800	1.3629	1.396
Navasota I.S.D.	1.2659	1.2677	1.2362	1.2395	1.2289	1.2110	1.1914	1.1799	1.1634	1.16343
Emergency Service Districts Rates:										
ESD #1	0.030000	0.030000	0.030000	0.030000	0.029604	0.030000	0.028801	0.027907	0.026162	0.026292
ESD #2	0.025710	0.023610	0.023400	0.023400	0.020822	0.018616	0.018616	0.018616	0.023797	0.027014
ESD #3	0.028500	0.027900	0.027900	0.027900	0.027500	0.026900	0.028000	0.029000	0.028800	0.029700
ESD #4	0.028204	0.028671	0.029039	0.029913	0.030000	0.030000	0.030000	0.030000	0.030000	0.029996
Total Overlapping Rate:	<u>5.1422</u>	<u>5.1531</u>	<u>5.1218</u>	<u>5.1745</u>	<u>5.1713</u>	<u>5.1355</u>	<u>5.0926</u>	<u>5.1579</u>	<u>5.1875</u>	<u>5.2427</u>
Total Property Tax Rate -										
Direct and Overlapping										
Governments:	<u>\$ 5.6072</u>	<u>\$ 5.6331</u>	<u>\$ 5.6018</u>	<u>\$ 5.6601</u>	<u>\$ 5.6563</u>	<u>\$ 5.6205</u>	<u>\$ 5.5801</u>	<u>\$ 5.6429</u>	<u>\$ 5.6725</u>	<u>\$ 5.7277</u>

Source: Brazos County Central Appraisal District

Note: Overlapping rates are those that apply to property owners within the County of Brazos. Not all overlapping rates apply to all County property owners; for example, although the County property tax rates apply to all County property owners, the City of Bryan rates only apply to those whose property is located within the City's geographic boundaries.

Note: In FY 2017, added City of Kurten, Navasota ISD and the Emergency Service District rates to the schedule.

All property tax rates are expressed in dollars per \$100 assessed valuation.

Table VII

**Brazos County, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)**

Taxpayer	2017			2008		
	Taxable Assessed Values (1)	Rank	% of Assessed Value to Total Assessed Values (2)	Taxable Assessed Values (1)	Rank	% of Assessed Value to Total Assessed Values (3)
Halcon Energy Properties Inc	\$ 90,471,186	1	0.62%	\$ -		0.00%
Jamespoint Management Co	78,331,763	2	0.54%	-		0.00%
SW Meadows Point LP	72,017,842	3	0.50%	-		0.00%
SHP - The Callaway House LP	71,007,923	4	0.49%	-		0.00%
Wal-Mart Real Estate Bus. Trust	63,743,950	5	0.44%	-		0.00%
CPP College Station I LLC	61,727,000	6	0.43%	-		0.00%
College Station Hospital L.P.	57,451,650	7	0.40%	62,242,880	2	0.61%
POM - College Station LLC	57,260,420	8	0.40%	55,651,375	3	0.55%
Woodridge College Station Phase II LLC	54,965,810	9	0.38%	-		0.00%
Woodridge College Station I LLC	52,800,680	10	0.36%	-		0.00%
Verizon Communications	-		0.00%	62,783,890	1	0.62%
Sanderson Farms	-		0.00%	46,016,990	4	0.45%
Alkossler, David / Weinberg	-		0.00%	44,634,530	5	0.44%
Andarko E & P Co. LP	-		0.00%	41,017,490	6	0.40%
Wal-Mart Stores East, Inc	-		0.00%	37,453,430	7	0.37%
Woodlands of College Station	-		0.00%	36,846,840	8	0.36%
Well Services Division of	-		0.00%	30,347,570	9	0.30%
Enervest Operating LLC	-		0.00%	34,558,716	10	0.34%
	<u>\$ 659,778,224</u>		<u>4.56%</u>	<u>\$ 451,553,711</u>		<u>4.44%</u>

Source: Brazos County Appraisal District

NOTE:

- (1) Brazos County Appraisal District
- (2) Total adjusted assessed valuation net of exempt properties as certified by the Appraisal Review Board - \$14,480,121,288
- (3) Total adjusted assessed valuation net of exempt properties as certified by the Appraisal Review Board - \$10,172,482,136

Table VIII

**Brazos County
Property Tax Levies and Collections
Last Ten Years
(Unaudited)**

Tax Year/ Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Changes & Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007 / 2008	\$ 42,551,185	\$ 41,894,859	98.46%	\$ 610,182	\$ 42,505,041	99.89%
2008 / 2009	48,091,960	47,365,802	98.49%	674,318	48,040,120	99.89%
2009 / 2010	50,744,743	50,008,637	98.55%	675,403	50,684,040	99.88%
2010 / 2011	52,321,297	51,559,230	98.54%	683,138	52,242,368	99.85%
2011 / 2012	55,212,341	54,467,213	98.65%	656,882	55,124,095	99.84%
2012 / 2013	56,989,658	56,317,318	98.82%	561,650	56,878,968	99.81%
2013 / 2014	60,353,143	59,556,004	98.68%	628,443	60,184,447	99.72%
2014 / 2015	65,620,648	65,063,971	99.15%	340,433	65,404,404	99.67%
2015 / 2016	69,877,152	69,053,277	98.82%	499,395	69,552,672	99.54%
2016 / 2017	\$ 74,611,087	\$ 73,926,719	99.08%	\$ 87,470	\$ 74,014,189	99.20%

NOTE: (1) Changes in tax since issued.

Source: Brazos County Auditor's Office

DEBT CAPACITY INFORMATION

Brazos County, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Governmental Activities

Fiscal Year	Certificates of Obligation	General Obligation Bonds	Premium ^b	Capital Leases	Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
2008	\$ 20,810,000	\$ 76,870,000	\$ -	\$ 15,958	\$ 97,695,958	3.69%	573
2009	18,540,000	75,600,000	-	1,289	94,141,289	3.33%	551
2010	25,175,000	76,320,000	-	-	101,495,000	3.47%	580
2011	23,685,000	72,775,000	-	-	96,460,000	3.21%	495
2012	22,155,000	68,630,000	-	-	90,785,000	2.94%	425
2013	20,965,000	73,115,000	-	548,467	94,628,467	3.01%	525
2014	19,835,000	68,885,000	2,745,392	444,223	89,164,223	2.70%	488
2015	18,915,000	64,075,000	2,519,312	710,958	86,220,270	2.46%	409
2016	27,190,000	58,785,000	2,295,477	445,984	88,716,461	2.95%	413
2017	\$ 25,395,000	\$ 54,070,000	\$ 2,073,703	\$ 297,027	\$ 81,835,730	2.14%	373

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

^a See Table XIV for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

^b Premium was added in FY 2014.

Table X

Brazos County, Texas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

General Bonded Debt Outstanding							
Fiscal Year	General Obligation Bonded Debt	Debt Service Funds Available	Net Bonded Debt	Assessed Value	Percentage of Actual Taxable Value	Population	Per Capita ^a
2008	\$ 76,870,000	\$ 2,831,378	\$ 74,038,622	\$ 9,227,810,179	0.80%	170,954	\$ 433.09
2009	75,600,000	3,428,888	72,171,112	10,172,482,136	0.71%	175,122	412.12
2010	76,320,000	4,075,186	72,244,814	10,733,308,422	0.67%	194,851	370.77
2011	72,775,000	4,920,817	67,854,183	10,936,602,147	0.62%	177,942	381.33
2012	68,630,000	5,514,377	63,115,623	11,554,150,678	0.55%	180,328	350.00
2013	73,115,000	6,075,351	67,039,649	11,914,479,757	0.56%	182,655	367.03
2014	71,630,392 ^b	6,160,188	65,470,204	12,549,073,259	0.52%	210,570	310.92
2015	66,594,312 ^b	5,840,178	60,754,134	13,747,891,977	0.44%	214,672	283.01
2016	61,080,477 ^b	5,778,404	55,302,073	13,574,364,312	0.41%	219,410	252.05
2017	\$ 56,143,703 ^b	\$ 6,234,940	\$ 49,908,763	\$ 14,480,121,288	0.34%	224,255	\$ 222.55

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

a Population data can be found in Table XIV.

b Includes premium

Table XI

Brazos County, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2017
(Unaudited)

<u>Direct Debt</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Brazos County	\$ 81,538,703	100%	\$ 81,538,703
<u>Overlapping Debt</u>			
Cities:			
Bryan	77,893,353	100%	77,893,353
College Station	169,625,000	100%	169,625,000
Kurten	-	100%	-
Independent School Districts:			
College Station School District	361,365,000	100%	361,365,000
Bryan Independent School District	228,950,000	100%	228,950,000
Navasota Independent School District	\$ 32,310,427	0.88% ^a	\$ 284,332
Special Districts:			
Brazos County ESD #1	-	100%	-
Brazos County ESD #2	-	100%	-
Brazos County ESD #3	-	100%	-
Brazos County ESD #4	-	100%	-
Total Overlapping Debt:			<u>838,117,685</u>
Total Direct and Overlapping Debt:			<u>\$ 919,656,388</u>
Percentage of Overlapping Debt Assessed Value			8.87%
			<u>14,480,121,288</u>
			<u>\$ 1,283,838,535</u>

Sources: Debt outstanding provided by each governmental unit and is reflecting principal only.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Brazos County. This process recognizes that, when considering the county's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

^a For debt repaid with property taxes, the percentage of overlapping debt for NISD is estimated using taxable assessed property values. NISD's percentage was estimated by determining the portion of the Independent School District's taxable assessed value within the county's boundaries and dividing it by NISD's total taxable assessed value.

**Brazos County, Texas
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)**

	Fiscal Year				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$ 1,966,553,398	\$ 2,169,592,185	\$ 2,302,922,924	\$ 2,372,671,645	\$ 2,490,377,965
Total net debt applicable to limit	68,853,622	72,171,112	72,244,814	67,854,183	63,115,623
Legal debt margin	<u>\$ 2,035,407,020</u>	<u>\$ 2,241,763,297</u>	<u>\$ 2,375,167,738</u>	<u>\$ 2,440,525,828</u>	<u>\$ 2,553,493,588</u>
Total net debt applicable to the limit as a percentage of debt limit	3.50%	3.33%	3.14%	2.86%	2.53%

- NOTE: (1) Total assessed valuation of real property as certified by the Appraisal Review Board.
 (2) Debt Limit 25% of assessed value of real property - \$12,277,214,975. Article 3, Section 52, of the Texas Constitution.
 (3) Includes only general obligation bonds.

**Brazos County, Texas
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)**

Legal Debt Margin Calculation for Fiscal Year 2017

(Note 1)	Assessed Value		\$	12,277,214,975
(Note 2)	Debt limit (25% of assessed value)			3,069,303,744
	Debt applicable to limit:			
(Note 3)		Gross bonded debt		56,143,703
		Less: Amount available from Debt Service Fund		<u>6,234,940</u>
		Total net debt applicable to limit		<u>49,908,763</u>
	Legal debt margin		\$	3,119,212,507

		Fiscal Year				
<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>		
\$ 2,557,904,601	\$ 2,691,118,168	\$ 2,869,397,104	\$ 2,800,069,613	\$ 3,069,303,744		
67,039,649	62,724,812	58,234,822	53,006,596	49,908,763		
<u>\$ 2,624,944,250</u>	<u>\$ 2,753,842,980</u>	<u>\$ 2,927,631,926</u>	<u>\$ 2,853,076,209</u>	<u>\$ 3,119,212,507</u>		

2.62%	2.33%	2.03%	1.89%	1.63%
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Table XIII

Brazos County, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Certificates of Obligation							Capital Leases			
	Property Tax		Less: Agent Fees & Issuance Cost	Debt Service		Coverage	Property Tax		Debt Service		Coverage
	Revenue	Interest		Principal	Interest		Revenue	Principal	Interest		
2008	\$ 4,098,514	\$ 265,010	\$ 3,195	\$ 2,225,000	\$ 919,030	1.12	\$ 20,553	\$ 13,830	\$ 2,334	1.27	
2009	4,138,412	13,489	2,147	2,270,000	832,632	1.34	19,543	14,668	936	1.25	
2010	6,092,191	46,125	109,060	2,590,000	1,036,027	1.66	1,311	1,289	11	1.01	
2011	5,836,067	18,052	2,747	1,490,000	1,018,980	2.33	-	-	-	-	
2012	3,897,319	13,937	2,548	1,530,000	967,646	1.56	-	-	-	-	
2013	4,096,625	67,702	119,309	1,755,000	902,919	1.52	118,925	118,183	-	1.01	
2014	2,044,955	5,568	2,000	1,130,000	792,845	1.07	117,715	104,244	13,939	1.00	
2015	1,792,681	5,004	1,800	920,000	755,908	1.07	118,330	106,903	11,280	1.00	
2016	3,303,001	8,775	2,766	825,000	875,994	1.95	346,238	264,974	18,267	1.22	
2017	\$ 2,948,051	\$ 10,210	\$ 1,500	\$ 1,795,000	\$ 867,378	1.11	\$ 253,531	\$ 148,957	\$ 11,431	1.58	

DEMOGRAPHIC AND ECONOMIC INFORMATION

Table XIV

**Brazos County, Texas
Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)**

Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income	Public School Enrollment ⁽³⁾	Texas A & M Enrollment ⁽⁴⁾	Blinn College Enrollment ⁽⁵⁾	Unemployment Rate ⁽⁶⁾
2008	170,954	\$ 2,827,827,879	\$ 16,541	22,603	48,039	11,408	4.10%
2009	175,122	2,927,844,375	16,719	25,125	48,885	12,441	6.20%
2010	194,851	3,001,972,053	15,407	25,597	49,129	12,145	5.70%
2011	177,942	3,089,688,803	17,363	26,604	49,861	12,342	6.40%
2012	180,328	3,147,154,437	17,452	27,248	50,227	12,269	5.30%
2013	182,655	3,303,060,881	18,084	27,961	53,219	12,771	5.20%
2014	210,570	3,507,161,965	16,656	28,735	55,810	13,587	3.80%
2015	214,672	3,011,585,876	14,029	29,598	61,279	13,207	3.30%
2016	219,410	3,829,254,965	17,453	29,976	60,438	12,338	3.60%
2017	224,255	\$ 4,031,205,612	\$ 17,976	30,130	63,293	11,955	2.80%

Sources:

- ⁽¹⁾ For year 2008 population information provided by the Texas State Data Center. The information is an estimation of the population. For the year 2009, information received from ERS/USDA. Population estimation is based on previous years. For the year 2010, information was received from US Census Bureau. For 2011-2013, the projected population came from Texas Department of State Health Services. 2011 and 2012 populations have been corrected to match the Texas Department of State Health Services projected population for the County. Projection for 2014 - 2017 is from the Texas Department of State Health Services.
- ⁽²⁾ Personal Income and unemployment rate information provided by the Texas Workforce Commission.
- ⁽³⁾ Public School Enrollment information is for Bryan ISD, College Station ISD, Arrow Academy and Brazos School for Inquiry and Creativity. Enrollment information is from the Texas Academic Performance Report on TEA's website.
- ⁽⁴⁾ For years 2007 to current, enrollment is based on TAMU Enrollment profile.
- ⁽⁵⁾ Previous CAFRs reflected enrollment for Blinn Campuses based on all campuses. The information now reflects just the enrollment for the campus in Brazos County and is based on the Fall semester.
- ⁽⁶⁾ Source: Texas Workforce Commission

Table XV

**Brazos County, Texas
Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

2017	2008
Employer ⁽¹⁾	Employer ⁽²⁾
Baylor Scott & White Health	Brazos County
Blinn College	Bryan Independent School District
Brazos County	City of Bryan
Bryan Independent School District	City of College Station
CHI St. Joseph Health System	College Station Independent School District
City of Bryan	Reynolds & Reynolds
City of College Station	Sanderson Farms
College Station Independent School District	St. Joseph Regional Hospital
College Station Medical Center	Texas A&M University & System
HEB Grocery	
Ply Gem Windows	
Reynolds & Reynolds	
Sanderson Farms	
Texas A&M Health Science Center	
Texas A&M University System	
Wal-Mart	

NOTE: Data reflects principal employers in Brazos County and are listed in alphabetical order and do not reflect any ranking. The data of TWC ranking and number of employees is confidential.

Source: (1) Research Valley Partnership (2) Brazos County CAFR

OPERATING INFORMATION

Table XVI

**Brazos County, Texas
County Employees by Function
Last Ten Fiscal Years
(Unaudited)**

Function	Employees as of September 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	134	135	138	138	138	138	148	146	164	162
Justice System	171	168	172	176	172	177	176	181	175	178
Law Enforcement	249	257	265	264	256	259	262	266	269	282
Juvenile Services	91	97	98	93	92	92	94	93	94	101
Human Services	42	46	50	58	59	60	54	59	68	69
Public Transportation	71	75	75	81	80	80	75	76	75	79
Total	<u>758</u>	<u>778</u>	<u>798</u>	<u>810</u>	<u>797</u>	<u>806</u>	<u>809</u>	<u>821</u>	<u>845</u>	<u>871</u>

Source: County Auditor's Office

Note:
Information compiled from Brazos County Budget Ten Year Trend Report.

Table XVII

Brazos County, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years
(Unaudited)

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Justice System										
Birth Certificates Filed ⁽¹⁾	3,188	3,254	2,853	2,480	2,652	2,611	2,871	3,211	3,247	3,537
Marriage License Applications ⁽¹⁾	1,637	1,289	1,275	1,149	1,088	1,528	1,277	1,377	1,478	1,405
Death Certificates Issued	929	801	883	967	936	479	580	563	580	648
Registered Voters ⁽¹⁾	88,758	82,674	88,851	80,834	91,498	88,600	88,388	91,751	102,000	104,091
Court Activity: ⁽²⁾										
District Court:										
Cases Added	6,215	6,774	6,843	6,341	4,920	5,439	5,135	5,675	6,189	5,247
Cases Disposed	6,190	6,291	6,283	6,300	4,817	6,251	5,666	5,791	6,242	4,999
Cases Pending	4,486	6,598	7,113	4,361	2,299	4,507	4,655	4,704	5,825	6,111
County Court at Law Courts:										
Cases Added	4,258	7,137	7,000	5,159	7,347	6,270	6,059	5,818	6,122	5,075
Cases Disposed	4,441	7,403	6,768	4,712	3,761	5,960	5,356	5,558	5,466	3,608
Cases Pending	4,283	3,664	3,250	3,119	1,244	4,132	4,418	4,051	4,409	5,193
Justice of the Peace Courts:										
Cases Added	23,375	23,008	19,583	19,783	13,557	10,198	13,678	14,107	17,831	17,180
Cases Disposed	19,986	20,605	18,111	19,322	15,237	9,926	16,087	16,019	19,324	16,846
Law Enforcement										
Sheriff's Department:										
Average Daily Inmate Population ⁽³⁾	536	594 ⁽⁷⁾	538	584	554	592	619	604	605	675
Arrest Totals ⁽³⁾	14,584	13,944	10,040	15,058	14,841	14,558	14,649	13,673	12,960	11,838
Human Services										
Cooperative Agricultural Extension Office: ⁽⁴⁾										
Number of Educational Programs Conducted	528	623	573	383	414	719	731	719	903	1,050
Number of Participants in Educational Programs	60,589	220,900	1,104,930	1,515,696	987,046	301,892	414,025	317,850	359,003	390,165
Brazos Center:										
No. of Events held: ⁽⁵⁾	493	466	458	581	497	630	649	990	748	764
Exposition Center:										
No. of Events held: ⁽⁶⁾	85	108	118	126	140	155	158	163	175	167
No. of Events Days: ⁽⁶⁾	0	0	0	0	258	309	377	342	373	367
Public Transportation										
Miles of Roads:										
Paved	342	348	364	368	357	356	370	371	376	384
Unpaved	129	124	110	103	103	123	102	101	108	97

(1) Source: Brazos County Clerk, Brazos County Treasurer and Brazos County Tax Assessor Collector.

(2) Source: Office of Court Administration

(3) Source: Sheriff's Office. This number represents all arrests made by all entities that bring prisoners to the Jail.

(4) Source: Texas Cooperative Agriculture Extension Contact Summary

(5) Source: Brazos Center - Events reported are held in the Assembly Rooms 1 and 2. Smaller functions were not recorded.

(6) Source: Exposition Center -Each event is counted as a day. For example, if there are 3 events in one day, each event is counted as a day.

(7) The Jail has started housing some inmates at off-site housing facilities. This number includes an average of 53 inmates being housed off-site

Table XVIII

Brazos County, Texas
Capital Asset and Infrastructure Statistics by Function
Last Ten Fiscal Years
(Unaudited)

<u>Function</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government										
Office Buildings / Courthouse	5	5	5	5	4	4	4	6	6	7
Commissioner's Court:										
Vehicles	0	0	0	0	0	0	0	0	2	2
Facility Services:										
Vehicles	9	9	11	12	12	17 ⁽²⁾	17	19	22	23
Equipment	0	0	0	0	0	1	0	1	1	1
IT Vehicles	1	2	2	2	2	2	2	2	2	2
Fleet Vehicles	0	0	0	0	0	0	0	0	0	9
Purchasing (Surplus) Vehicle	0	0	0	0	0	0	0	0	0	2
Justice System										
Office Buildings / Courthouse	2	2	2	2	2	2	2	2	2	3
County Attorney Vehicles	8	8	9	8	8	9	9	8	8	8
District Attorney Vehicles	4	4	4	4	4	4	4	4	4	4
Law Enforcement										
Sheriff's Administration Facility	1	1	1	1	1	1	1	1	1	1
Sheriff's Detention Facility	⁽¹⁾ 1	⁽¹⁾ 1	2	2	2	2	2	1	1	1
Vehicles:										
Sheriff's	63	62	66	63	54	60	52	62	55	55
Sheriff's - Jail Division	10	11	17	27	24	25	23	28	24	21
Constable	22	22	23	26	26	27	27	26	27	26
Heavy Equipment:										
Sheriff's	1	1	0	2	2	2	2	2	2	2
Sheriff's - Jail Division	4	4	5	1	1	1	0	1	1	1
Juvenile Services										
Juvenile Facilities	1	1	1	1	1	1	1	1	1	1
Juvenile Dept. Vehicles	7	7	7	7	7	7	7	7	7	7
Human Services										
Buildings	5	5	5	5	5	5	5	5	6	6
Emergency Management Vehicles	1	1	0	0	0	0	0	0	0	0
Brazos Center:										
Vehicles	4	4	4	5	5	0 ⁽²⁾	0	0	0	0
Equipment	4	4	4	1	1	0	0	0	0	0
Exposition Center:										
Vehicles	3	3	4	4	4	4	4	4	13	14
Equipment	12	12	13	11	12	12	12	13	4	4
Collection Citizen Sites	7	7	7	7	7	7	7	8	8	8
Public Transportation										
Road and Bridge Building	1	1	1	1	1	1	1	1	1	2
Road and Bridge Vehicles	48	48	53	54	55	54	54	54	54	53
Road and Bridge Heavy Equipment	93	93	95	75	77	83	76	77	82	84
County Roads (miles)	472	472	474	471	460	479	472	472	484	481
Bridges	59	60	60	61	61	67	67	69	69	69

(1) The Sheriff's Administration and maximum security jail facility were located in the courthouse. In FY 08, the Sheriff's Administration and Jail Administration moved to the Sheriff's Administration Building. Booking and maximum security moved to the new Jail Facility in FY 10.

(2) In FY 2013, Building Maintenance was changed to Facility Services. The Landscaping subdivision of the Brazos Center was moved from the Brazos Center to Facilities Services.

DEBT SERVICE

Brazos County, Texas
General Long Term Debt Payable by Issue
September 30, 2017
(Unaudited)

Debt Issue	Interest Rates (%) And Dates	Final Issue Date	Debt Maturity Date	Debt Authorized And Issued
Certificates of Obligation				
2009 Series, Issued For: Exposition Center Expansion and Costs of issuance of Certificates	4.350/4.45/4.50/4.60 3/1 and 9/1	10/15/2009	9/1/2034	\$ 12,000,000
2012 Series, Issued For: Courthouse Renovation, Tax Office, Fleet Maintenance Building, Renovations of Brazos Center and Juvenile Detention Center	2/2/3/3/4/3/4/4/5/5/3 2.8/3/3/3/3.125/3.125/ 3.25/3.25/3.375 3/1 and 9/1	9/1/2012	9/1/2032	9,700,000
2015 Series, Issued For: Courthouse Renovation & Exposition Center Expansion	1.92/1.92/1.92/1.92/1.92/ 1.92/1.92/1.92/1.92 3/1 and 9/1	10/13/2015	9/1/2025	9,100,000
General Obligation Bond				
2005 Series, Issued For: Exposition Center	6.0/6.0/6.0/6.0/5.5/5.0/ 4.0/4.0/4.0/4.0/4.0/4.0/ 4.0/4.125/4.125/4.25/4.25 4.375/4.375/4.375 3/1 and 9/1	9/1/2005	9/1/2017	10,500,000
Series 2009, Issued For: Exposition Center Expansion and Costs of issuance of Certificates	3.0/4.0 3/1 and 9/1	10/15/2009	9/1/2021	7,365,000
Series 2012, Issued for : Refund portions of the outstanding debt payable from ad valorem taxes and certain costs of issuance of the bonds	2.0/2.0/3.0/3.0/4.0/4.0/4.0/ 5.0/5.0/5.0/3.0/2.8/3.0 3/1 and 9/1	9/1/2012	9/1/2025	14,640,000
Limited Tax Bonds				
Series 2008, Issued For: Jail Expansion	3.25/3.25/3.25/3.25/3.75/ 3.5/3.63/3.77/3.92/4.0/ 4.125/5.00/5.00/5.00/5.0/ 4.50/4.50/4.50 3/1 and 9/1	5/1/2008	9/1/2028	55,000,000
Total Long Term Debt				<u><u>\$ 118,305,000</u></u>

Note:

(1) All debt obligations of Brazos County are payable both as to principal and interest solely from and secured by ad valorem taxes levied against all taxable property within the County.

Debt Outstanding			Debt Service Requirements For Fiscal Year 2016-2017		
Principal	Interest	Totals	Principal	Interest	Totals
\$ 8,870,000	\$ 3,644,500	\$ 12,514,500	\$ 445,000	\$ 390,310	\$ 835,310
8,360,000	2,368,497	10,728,497	415,000	302,348	717,348
8,165,000	721,248	8,886,248	935,000	174,720	1,109,720
-	-	-	585,000	23,400	608,400
2,425,000	199,700	2,624,700	540,000	107,800	647,800
12,020,000	1,977,620	13,997,620	850,000	524,560	1,374,560
39,625,000	11,819,151	51,444,151	2,740,000	1,901,782	4,641,782
<u>\$ 79,465,000</u>	<u>\$ 20,730,716</u>	<u>\$ 100,195,716</u>	<u>\$ 6,510,000</u>	<u>\$ 3,424,920</u>	<u>\$ 9,934,920</u>

(2) The County has the right to call the CO's at any time as long as they "make-whole" the holders of the CO's.

Brazos County, Texas
Debt Retirement by Years
September 30, 2017
(Unaudited)

Fiscal Year	Total Required Principal	Total Required Interest	Total Required
2018	\$ 6,750,000	\$ 3,190,316	\$ 9,940,316
2019	7,010,000	2,943,980	9,953,980
2020	7,285,000	2,683,156	9,968,156
2021	7,575,000	2,395,598	9,970,598
2022	7,200,000	2,100,776	9,300,776
2023-2027	31,800,000	6,132,532	37,932,532
2028-2032	10,605,000	1,200,658	11,805,658
2033-2034	1,240,000	83,700	1,323,700
	<u>\$ 79,465,000</u>	<u>\$ 20,730,716</u>	<u>\$ 100,195,716</u>

Brazos County, Texas
Debt Retirement by Years
September 30, 2017
(Unaudited)

Fiscal Year	Certificates of Obligation			Limited Tax Refunding Bonds		Limited Tax Bond	Total
	Principal			Principal		Principal	
	2009 Issue	2012 Issue	2015 Issue	2009 Issue	2012 Issue	2008 Issue	
2018	\$ 445,000	\$ 430,000	\$ 955,000	\$ 565,000	\$ 1,490,000	\$ 2,865,000	\$ 6,750,000
2019	465,000	440,000	970,000	590,000	1,555,000	2,990,000	7,010,000
2020	475,000	460,000	990,000	620,000	1,615,000	3,125,000	7,285,000
2021	475,000	480,000	1,010,000	650,000	1,695,000	3,265,000	7,575,000
2022	470,000	500,000	1,030,000	-	1,785,000	3,415,000	7,200,000
2023-2027	2,390,000	2,800,000	3,210,000	-	3,880,000	19,520,000	31,800,000
2028-2032	2,910,000	3,250,000	-	-	-	4,445,000	10,605,000
2033-2034	1,240,000	-	-	-	-	-	1,240,000
	<u>\$ 8,870,000</u>	<u>\$ 8,360,000</u>	<u>\$ 8,165,000</u>	<u>\$ 2,425,000</u>	<u>\$ 12,020,000</u>	<u>\$ 39,625,000</u>	<u>\$ 79,465,000</u>

Brazos County, Texas
Debt Retirement by Years
September 30, 2017
(Unaudited)

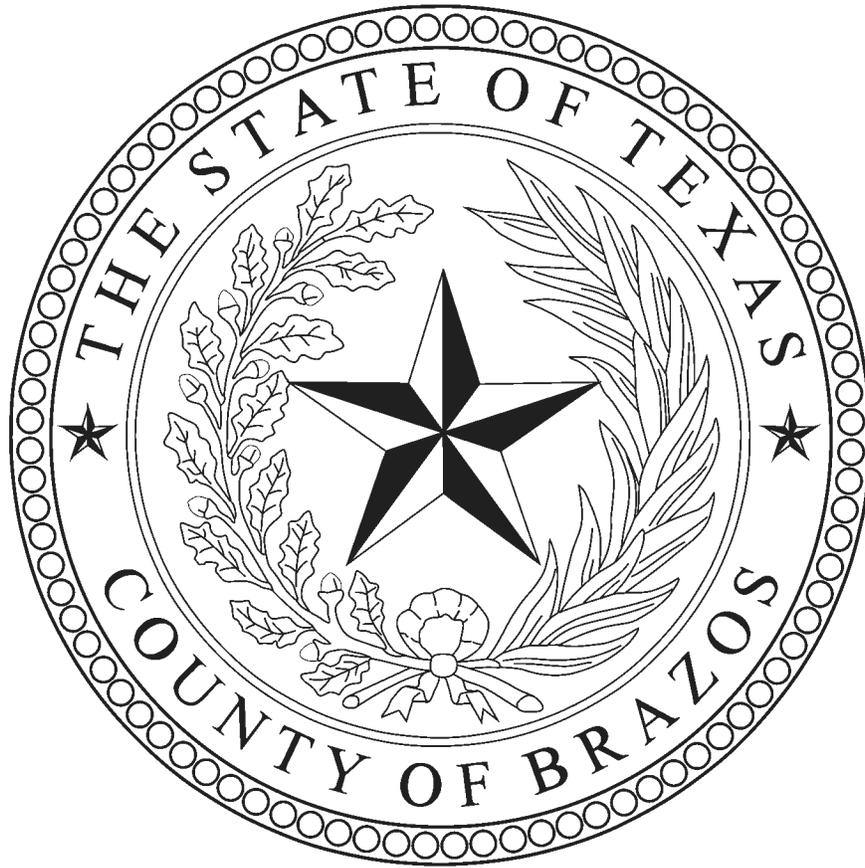
Fiscal Year	Certificates of Obligation			Limited Tax Refunding Bond		Limited Tax Bond	Total
	Interest			Interest		Interest	
	2009 Issue	2012 Issue	2015 Issue	2009 Issue	2012 Issue	2008 Issue	
2018	\$ 372,510	\$ 285,747	\$ 156,768	\$ 85,700	\$ 490,560	\$ 1,799,031	\$ 3,190,316
2019	354,710	272,847	138,432	62,600	430,960	1,684,431	2,943,980
2020	336,110	255,247	119,808	38,400	368,760	1,564,831	2,683,156
2021	317,110	236,846	100,800	13,000	288,010	1,439,832	2,395,598
2022	298,110	212,848	81,408	-	203,260	1,305,150	2,100,776
2023-2027	1,206,970	779,610	124,032	-	196,070	3,825,850	6,132,532
2028-2032	675,280	325,352	-	-	-	200,026	1,200,658
2033-2034	83,700	-	-	-	-	-	83,700
	<u>\$ 3,644,500</u>	<u>\$ 2,368,497</u>	<u>\$ 721,248</u>	<u>\$ 199,700</u>	<u>\$ 1,977,620</u>	<u>\$ 11,819,151</u>	<u>\$ 20,730,716</u>

Table XXI

Brazos County, Texas
Debt Service Fund
Revenues, Expenditures, Restricted Fund Balance
and Respective Debt Service Tax Rates
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Revenues & Other Financing Sources	Expenditures & Other Financing Uses	Restricted Fund Balance	I&S Tax Rates *
2008	\$ 6,060,450	\$ 6,137,699	\$ 2,831,378	0.0620
2009	8,237,284	7,639,774	3,428,888	0.0813
2010	10,035,432	9,389,134	4,075,186	0.0834
2011	10,048,631	9,203,000	4,920,817	0.0844
2012	10,253,259	9,659,699	5,514,377	0.0813
2013	26,987,310	26,426,336	6,075,351	0.0779
2014	9,304,148	9,219,311	6,160,188	0.0707
2015	9,079,564	9,399,574	5,840,178	0.0624
2016	9,668,302	9,730,076	5,778,404	0.0603
2017	\$ 10,392,954	\$ 9,936,418	\$ 6,234,940	0.0592

* I&S tax rates are presented as cents per \$100 of assessed value.



**INDEPENDENT AUDITORS' REPORTS ON
COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING
SEPTEMBER 30, 2017**



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' 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

To the Honorable Duane Peters, County Judge
and the Honorable County Commissioners
Brazos 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, each major fund, and the aggregate remaining fund information of Brazos 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 9, 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.

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.

Bryan, Texas
March 9, 2018

A handwritten signature in blue ink that reads "Jagan, Weellis, Company". The signature is written in a cursive style and is positioned on a light-colored rectangular background.



Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' 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

To the Honorable Duane Peters, County Judge
and the Honorable County Commissioners
Brazos County, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Brazos 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* 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 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; 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*. Those standards, Uniform Guidance, and the *State of Texas Single Audit Circular* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 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 *State of Texas Single Audit Circular*, 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 or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. 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 *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Bryan, Texas
March 9, 2018

A handwritten signature in blue ink that reads "Ingram, Weellis & Company". The signature is written in a cursive style and is located in the bottom right area of the page.

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2017

Federal Grantor/Pass -Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2016	Receipts	Expenditures	Grant Funds Refunded in 2017	Accounts Receivable (Payable) September 30, 2017
<u>U. S. Department of Justice</u>								
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0278 07/01/14-06/30/15	41,164	\$ 41,164	\$ 41,164	\$ -	\$ -	\$ -
<u>Passed through City of Bryan</u>								
Edward Byrne Memorial Justice Assistance Grant	16.738	2016-DJ-BX-0271	8,307	-	-	8,220	-	8,220
<u>Passed through Office of the Governor of Texas, Criminal Justice Division</u>								
Crimes Against Women Prosecution Unit	16.588	2909702	135,000	15,943	127,201	119,057	-	7,799
Crimes Against Women Prosecution Unit	16.588	2909703	145,000	-	-	6,746	-	6,746
Total CFDA - 16.588				<u>15,943</u>	<u>127,201</u>	<u>125,803</u>	<u>-</u>	<u>14,545</u>
Victim Assistance Coordinator	16.575	2862601	46,583	9,746	9,746	-	-	-
Victim Assistance Coordinator	16.575	2862602	86,000	-	39,692	50,059	-	10,367
Total CFDA - 16.575				<u>9,746</u>	<u>49,438</u>	<u>50,059</u>	<u>-</u>	<u>10,367</u>
Total U.S. Department of Justice				<u>66,853</u>	<u>217,803</u>	<u>184,082</u>	<u>-</u>	<u>33,132</u>
<u>U. S. Department of Transportation</u>								
<u>Passed through State Department of Highways and Public Transportation</u>								
Metropolitan Planning Organization	20.205	50-16XF0024	237,450	76,589	76,589	-	-	-
Metropolitan Planning Organization SPR	20.205	2016-SPR-01	60,000	-	60,000	60,000	-	-
Metropolitan Planning Organization	20.205	50-17XF0024	385,247	-	219,151	340,020	-	120,869
Metropolitan Planning Organization SPR	20.205	11156	60,000	-	41,298	60,000	-	18,702
Total CFDA - 20.205				<u>76,589</u>	<u>397,038</u>	<u>460,020</u>	<u>-</u>	<u>139,571</u>
Metropolitan Planning Organization	20.505	50-17XF0024	82,253	-	82,253	82,253	-	-
Total U.S. Department of Transportation				<u>76,589</u>	<u>479,291</u>	<u>542,273</u>	<u>-</u>	<u>139,571</u>
<u>Department of Homeland Security</u>								
<u>Passed through Texas Department of Public Safety</u>								
Division of Emergency Management	97.042	16TX-EMPG-1440	55,539	27,769	27,769	-	-	-
Division of Emergency Management	97.042	17TX-EMPG-1440	55,539	-	-	51,889	-	51,889
Total CFDA - 97.042				<u>27,769</u>	<u>27,769</u>	<u>51,889</u>	<u>-</u>	<u>51,889</u>
<u>Passed through Office of the Governor</u>								
WEBEOC	97.067	2957602	19,091	-	19,091	19,091	-	-
Total Department of Homeland Security				<u>\$ 27,769</u>	<u>\$ 46,860</u>	<u>\$ 70,980</u>	<u>\$ -</u>	<u>\$ 51,889</u>

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended September 30, 2017

Federal Grantor/Pass -Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2016	Receipts	Expenditures	Grant Funds Refunded in 2017	Accounts Receivable (Payable) September 30, 2017
<u>U. S. Department of Health and Human Services</u>								
<u>Passed through the Texas Department of Family and Protective Services</u>								
Title IV-E-Legal (CPS)	93.658	10/01/15-09/30/16	67,026	\$ 9,200	\$ 6,913	\$ (2,287)	\$ -	\$ -
Title IV-E-Legal (CPS)	93.658	10/01/15-09/30/17	40,456	-	19,820	29,264	-	9,444
Title IV-E-Foster Care Maintenance	93.658	10/01/15-09/30/16	13,648	1,030	1,160	130	-	-
Title IV-E-Foster Care Maintenance	93.658	10/01/16-09/30/17	14,394	-	1,039	1,893	-	854
<u>Passed through the Texas Juvenile Justice Department</u>								
Title IV-E - Administration - Juvenile	93.658	TJJD-E-2016-021	-	1,100	1,103	3	-	-
Title IV-E - Administration - Juvenile	93.658	TJJD-E-2017-021	-	-	230	439	-	209
Title IV-E - Maintenance - Juvenile	93.658	TJJD-E-2016-021	-	60,660	72,780	12,120	-	-
Title IV-E - Maintenance - Juvenile	93.658	TJJD-E-2017-021	-	-	61,281	82,225	-	20,944
Total U.S Department of Health and Human Services				71,990	164,326	123,787	-	31,451
<u>U.S Department of Agriculture</u>								
<u>Passed through the Texas Department of Agriculture</u>								
National School Lunch Program	10.555	07/01/16-06/30/17	-	2,436	2,436	-	-	-
National School Lunch Program	10.555	07/01/17-06/30/18	-	-	27,308	33,603	-	6,295
Food Services Division Commodities	10.555	07/01/16-06/30/17	-	-	5,625	5,625	-	-
Total CFDA - 10.555				2,436	35,369	39,228	-	6,295
School Breakfast Program	10.553	07/01/16-06/30/17	-	1,562	1,562	-	-	-
School Breakfast Program	10.553	07/01/17-06/30/18	-	-	17,648	21,740	-	4,092
Total CFDA - 10.553				1,562	19,210	21,740	-	4,092
Total U.S Department of Agriculture				3,998	54,579	60,968	-	10,387
Total Federal Assistance				\$ 247,199	\$ 962,859	\$ 982,090	\$ -	\$ 266,430

BRAZOS COUNTY, TEXAS
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended September 30, 2017

State Grant or Program Title	Federal CFDA Number	Pass-Through Grantor/State Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2016	Receipts	Expenditures	Grant Funds Refunded in 2017	Accounts Receivable (Payable) September 30, 2017
<u>Texas Office of the Governor</u>								
<u>Criminal Justice Division</u>								
Brazos County Drug Court	N/A	1803311	159,089	\$ 11,506	\$ 11,506	\$ -	\$ -	\$ -
Brazos County Drug Court	N/A	1803312	159,089	7,475	116,115	151,614	-	42,974
Brazos County Drug Court	N/A	1803313	147,233	-	-	6,238	-	6,238
Crimes Against Women Prosecution Unit	N/A	2909701	114,534	25,154	25,154	-	-	-
				<u>44,135</u>	<u>152,775</u>	<u>157,852</u>	<u>-</u>	<u>49,212</u>
<u>Texas Department of Transportation</u>								
County Transportation Infrastructure Fund	N/A	CTIF01021	656,325	191,811	536,627	344,816	-	-
				<u>191,811</u>	<u>536,627</u>	<u>344,816</u>	<u>-</u>	<u>-</u>
<u>Texas Juvenile Justice Department</u>								
State Aid	N/A	TJJD-A-2017-021 09/01/16-08/31/17	1,258,304	23,473	1,258,304	1,208,105	26,726	-
State Aid	N/A	TJJD-A-2018-021 09/01/17-08/31/18	1,262,464	-	-	56,709	-	56,709
JJAEP - Computer Software	N/A	TJJD-W-2016-021 09/01/15-08/31/16	4,173	(76)	-	-	76	-
JJAEP - Computer Software	N/A	TJJD-W-2017-021 09/01/16-08/31/17	4,268	-	-	-	-	-
JJAEP	N/A	TJJD-P-2017-021 08/01/16-5/31/17	14,984	1,462	29,611	28,149	-	-
Regional Diversion Alternatives Program	N/A	TJJD-R-2016-021 09/01/15-08/31/16	-	980	980	-	-	-
Regional Diversion Alternatives Program	N/A	TJJD-R-2017-021 09/01/16-08/31/17	-	4,869	96,813	96,473	-	4,529
Regional Diversion Alternatives Program	N/A	TJJD-R-2018-021 09/01/17-08/31/18	-	-	-	1,799	-	1,799
				<u>30,708</u>	<u>1,385,708</u>	<u>1,391,235</u>	<u>26,802</u>	<u>63,037</u>
<u>Office of the Attorney General</u>								
SAVNS Program	N/A	1659358	27,715	-	27,715	27,715	-	-
				<u>-</u>	<u>27,715</u>	<u>27,715</u>	<u>-</u>	<u>-</u>
Total State Assistance				<u>266,654</u>	<u>2,102,825</u>	<u>1,921,618</u>	<u>26,802</u>	<u>112,249</u>
Total Federal and State Assistance				<u>\$ 513,853</u>	<u>\$ 3,065,684</u>	<u>\$ 2,903,708</u>	<u>\$ 26,802</u>	<u>\$ 378,679</u>

BRAZOS COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

General - The accompanying Schedule of Expenditures of Federal and State Awards presents all federal and state expenditures of Brazos County, Texas (the "County").

Basis of Accounting - The expenditures on the accompanying Schedule of Expenditures of Federal and State Awards are presented on the accrual basis.

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

Relationship to Federal and State Financial Reports - Amounts reported in the accompanying Schedule of Expenditures of Federal and State Awards agree with the amounts reported in the related federal and state financial reports in all significant respects.

Indirect Cost Rate – The County has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

SUMMARY OF NON-CASH ASSISTANCE

The County receives non-cash assistance in the form of commodities from the U.S. Department of Health and Human Services passed through the Texas Department of Agriculture. In fiscal year ended September 30, 2017, the County received \$5,625 in commodities.

SUMMARY OF INSURANCE RELATED TO GRANT FUNDS

County employees responsible for or with authority to expend or disburse grant funds are covered by various insurance policies. The amounts of these policies vary from \$5,000 to \$10,000.

SUMMARY OF FEDERAL LOANS OR LOAN GUARANTEES

The County had no Federal loans or loan guarantees during this fiscal year.

BRAZOS COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: *unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ___ yes X none reported
- Noncompliance material to financial statements noted? ___ yes X no

Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ___ yes X none reported

Type of auditor's report issued on compliance for major programs: *unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) and section 510(a) of the *State of Texas Single Audit Circular*? ___ yes X no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal or State Program or Cluster</i>
20.205	Highway Planning and Construction
N/A	Brazos County Drug Court
N/A	County Transportation Infrastructure Fund

Dollar threshold used to distinguish between type A and type B federal programs: \$750,000

Dollar threshold used to distinguish between type A and type B state programs: \$300,000

Auditee qualified as low-risk auditee for Federal Single Audit? ___ yes X no

Auditee qualified as low-risk auditee for State of Texas Single Audit? X yes ___ no

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2017

SECTION II – FINANCIAL STATEMENT FINDINGS

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

SECTION III – FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal or State award findings and questioned costs which are required to be reported in accordance with the Uniform Guidance or the *State of Texas Single Audit Circular*.

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SECTION II - FINANCIAL STATEMENT FINDINGS

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

SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS

2016-001 Time Sheets and Personnel Activity Reports

Grant Number: 1803311, 1803312
Program Title: Brazos County Drug Court
State Agency: Office of the Governor – Criminal Justice Division
Contract Period: 9/1/15-8/31/16, 9/1/16-8/31/17

Criteria: Per review of the Office of the Governor Criminal Justice Division (CJD) Guide to Grants, each CJD grant-funded personnel position must maintain a time sheet that accounts for the total hours worked by the employee. Employees not dedicated solely on a single federal or state award must maintain on file personnel activity reports as well. Both must reconcile and bear the required signatures. In addition, personnel activity reports should be prepared for the same time period as the time sheets.

Condition: We noted instances of the hours per the time sheet from the time keeping system and the hours per the personnel activity report not agreeing as well as instances of the personnel activity report not being signed by the employee and supervisory official having firsthand knowledge of the work performed by the employee. In addition, we noted that time sheets and personnel activity reports were not maintained for the same time period. The time sheets were kept on a bi-weekly basis and the personnel activity reports were kept on a monthly basis.

Questioned Costs: Costs did not rise to the reporting threshold of \$10,000 as defined in the State of Texas Single Audit Circular.

Context: We selected a sample of 25 payroll transactions. We noted four instances of hours per employee's time sheet not agreeing to the hours per the employee's personnel activity report. We noted eight instances of the personnel activity report not being signed by the employee and supervisory official.

Effect: The requirements of the Office of the Governor Criminal Justice Division regarding time sheets and personnel activity reports were not fully adhered to which could result in termination of the grant and repayment of grant funds.

Cause: The hours not agreeing between the time sheets and the personnel activity reports resulted from staff not adequately reconciling the two documents before entering the hours in the time keeping system. As the two documents were for different time periods, this contributed to them not agreeing. The lack of appropriate required signatures appears to have been caused by staff not being aware of the requirement outlined in the Office of the Governor Criminal Justice Division Guide to Grants.

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2017
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Recommendation: We recommend that staff ensure that hours per the time sheet and hours per the personnel activity reports are timely reconciled and that they ensure that all personnel activity reports are signed by the employee and supervisory personnel. The time sheets and personnel activity reports should be for the same time period

Response & Planned Corrective Action: At the time the prosecutors were emailing a written timesheet with their hours in order to be paid during the pay period in which they worked. They would send their activity sheets at a later time which caused issues. The activity sheets were in Microsoft Excel and it would round their time, therefore the time did not always match. A new activity sheet has been sent to the prosecutors to use for their time. The prosecutors must submit an activity sheet that has been signed by the prosecutor and their supervisor before the hours are submitted on the timesheet for payment.

Status: This issue was identified in fiscal year 2016 and corrected in fiscal year 2017. The prosecutors submit an activity sheet that has been signed by the prosecutor and their supervisor before the hours are submitted on the timesheet for payment.

2016-002 Periodic Certifications of Time

Grant Number: 1803311, 1803312
Program Title: Brazos County Drug Court
State Agency: Office of the Governor – Criminal Justice Division
Contract Period: 9/1/15-8/31/16, 9/1/16-8/31/17

Criteria: Per review of the Office of the Governor Criminal Justice Division (CJD) Guide to Grants, employees working solely (100% of the time) on a single federal or state award must maintain time sheets and periodic certifications that the employees worked solely on that program for the period covered by the certification. The minimum requirements are that the certifications must be prepared at least semi-annually and must be signed by the employee and supervisory official having firsthand knowledge of the work performed by the employee.

Condition: We noted that there were two employees who worked solely on the grant. The certifications were made semi-annually. We noted that each was signed only by the supervisor. The requirement is that the employee should have signed the certification as well.

Questioned Costs: This finding did not result in any questioned costs.

Context: We requested the semi-annual certifications (9/1/15-2/29/16 and 3/16/1-8/31/16) for each of the two employees working solely on the grant noting that each was signed only by the supervisor.

Effect: The requirements of the Office of the Governor Criminal Justice Division regarding periodic certification were not fully adhered to which could result in termination of the grant and repayment of grant funds.

Cause: This appears to have been caused by staff not being aware of the minimum requirements outlined in the Office of the Governor Criminal Justice Division Guide to Grants.

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2017
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Recommendation: We recommend that semi-annual certifications of employees working solely on the grant be signed by both the employee and the supervisory official to comply with the minimum requirements of the Office of the Governor Criminal Justice Division.

Response & Planned Corrective Action: An older certification form was used for the certifications for fiscal year 2016 and the form did not include the employee signatures. The Guide for Grants was not reviewed for an updated document. The updated Guide for Grants from the Office of the Governor for 2017 does not require the employee signature on the certifications; however the signatures for the employee and supervisor have been added to the certifications.

Status: This issue was identified in fiscal year 2016 and corrected in fiscal year 2017. The semi-annual certifications of employees working solely on the grant are signed by both the employee and the supervisory official.

2016-003 Suspension and Debarment

Grant Number: CTIF01021
Program Title: County Transportation Infrastructure Fund
State Agency: Texas Department of Transportation
Contract Period: N/A

Criteria: In accordance with the State of Texas Uniform Grant Management Standards (UGMS) issued by the Texas Comptroller of Public Accounts – III. State Uniform Administrative Requirements for Grants and Cooperative Agreements, Subpart C.35 – grantees and subgrantees must not make any award or permit any award at any tier to any party which is debarred or suspended. In addition, the County’s purchasing policy requires checking for suspension and debarment any state or federal grant purchases of \$25,000 or more or subawards of any amount.

Condition: The County failed to properly verify that contracting parties were not suspended or debarred.

Questioned Costs: This finding did not result in any questioned costs.

Context: We noted four purchase orders to which grant expenditures were tied that rose to the threshold for requiring review for suspension and debarment. We noted that none of these were reviewed for suspension and debarment.

Effect: The requirements of UGMS and the County’s purchasing policy regarding suspension and debarment were not adhered to which could result in termination of the grant and repayment of grant funds.

Cause: When the bids were initiated, they were for all County Road and Bridge projects. The bids were not made specific to the CTIF project. At the time, purchasing was not aware that state grant funds would be used.

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2017
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Recommendation: We recommend that the County follow the requirements of its purchasing policy and the State of Texas Uniform Grant Management Standards to ensure that required vendors are reviewed for suspension and debarment. The County should consider amending its purchasing policy to include reviewing suspension and debarment for all required purchases not just those required purchases using federal or state grant funds.

Response & Planned Corrective Action: The intent of the Purchasing policy on debarment verification was to follow the steps provided on grant purchases only. At the time the product solicitations were initiated and planned, the products were to be used for normal County operations. Grant solicitations would have been given additional consideration, including review for suspension and debarment. The purchase of items or services to be utilized for the purposes of a grant, whose value is below the formal solicitation threshold, requires the additional attention of the user department, including the review of suspension and debarment. All vendors used on this grant have been checked and have not been debarred.

Status: This issue was identified in fiscal year 2016 and corrected in fiscal year 2017. All vendors used on this grant have been reviewed by County purchasing staff and none were found to be suspended or debarred.

2016-004 Documentation of Allowable Costs

Grant Number: CTIF01021
Program Title: County Transportation Infrastructure Fund
State Agency: Texas Department of Transportation
Contract Period: N/A

Criteria: The Basic Guidelines of Attachment A of the State of Texas Uniform Grant Management Standards define the factors affecting the allowability of costs. One of the factors requires that costs must be adequately documented.

Condition: During our initial review of overtime rates and equipment rates charged to the grant, we found the documentation for the rates to be in error or not adequately supported.

Questioned Costs: Total questioned costs, which included the 20% match requirement, were identified as \$49,420.14. It should be noted that the County has revised its invoices to TxDOT to reflect the corrected rates.

Context: Our inquiry of County staff revealed that they did not have adequate documentation for the overtime rates and equipment rates used in the invoices submitted to TxDOT for reimbursement. Following our inquiry, the County Auditor's office and the Road and Bridge department worked to compile and correct the supporting documentation which led to revisions being made to the invoices as well as the Schedule of State Awards.

Effect: The requirements of UGMS regarding adequate documentation were not adhered to which could result in termination of the grant and repayment of grant funds.

BRAZOS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2017
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Cause: This resulted from a lack of oversight by management and adequate review of supporting documentation for expenditures. This later led to adjustments to expenditures and revisions of each of the monthly invoices submitted to TxDOT.

Recommendation: We recommend that the County have more involvement by staff that are trained and have an understanding of federal and state grant requirements, especially when it is a new grant that the County has never administered, to ensure that grant expenditures are adequately documented.

Response & Planned Corrective Action: At the time this grant was received the County had hourly equipment rates that were put into place approximately 8 years prior. The rates had been reviewed by our County Engineer and were deemed adequate, if probably low due to increasing costs to maintain the equipment. When documentation for the rates was requested by IWC it was found that the documentation was missing and not re-creatable in the time that we had to produce them. Therefore we researched and found a reasonable formula to use to calculate new rates. The new rates do not include years of actual maintenance costs, and do not include the costs of personnel to maintain the equipment. We decided to change the submissions to TxDOT to the new equipment rates to satisfy the time requirements of the audit. We will continue with these rates for the entirety of this grant and will review the rates in more depth for future projects and grants.

Status: This issue was identified in fiscal year 2016 and corrected in fiscal year 2017. Revised equipment rates were calculated by County staff.

