



COUNTY OF BROOKS, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2019

BROOKS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED
SEPTEMBER 30, 2019

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ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

TABLE OF CONTENTS

| <u>Exhibit</u> | <u>Page</u> |
|---|-------------|
| List of Principal Officials | 1 |
| Independent Auditors' Report | 2 |
| Management's Discussion and Analysis | 4 |
| | |
| <u>Basic Financial Statements</u> | |
| Government Wide Statements: | |
| A-1 Statement of Net Position | 16 |
| B-1 Statement of Activities | 17 |
| Governmental Fund Financial Statements: | |
| C-1 Balance Sheet | 18 |
| C-2 Reconciliation for C-1 | 20 |
| C-3 Statement of Revenues, Expenditures, and Changes in Fund Balance | 21 |
| C-4 Reconciliation for C-3 | 23 |
| Internal Service Fund: | |
| D-1 Statement of Net Position | 24 |
| D-2 Statement of Revenues, Expenses, and Changes in Fund Net Position | 25 |
| D-3 Statement of Cash Flows | 26 |
| Fiduciary Fund Financial Statements: | |
| E-1 Statement of Fiduciary Net Position | 27 |
| Notes to the Financial Statements | 28 |
| | |
| <u>Required Supplementary Information</u> | |
| G-1 Budgetary Comparison Schedule - General Fund | 46 |
| G-2 Budgetary Comparison Schedule - Road and Bridge Fund | 48 |
| G-3 Budgetary Comparison Schedule - GEO Group Fund | 49 |
| G-4 Schedule of Changes in Net Pension Liability and Related Ratios for TCDRS | 50 |
| G-5 Schedule of Contributions TCDRS Pension Plan | 52 |
| Notes to Schedule of Pension Contributions | 54 |
| G-6 Schedule of Changes in the Total OPEP Liability and Related Ratios for TCDRS | 55 |
| Notes to Schedule of OPEB Contributions | 56 |
| | |
| <u>Combining and Individual Fund Statements</u> | |
| Nonmajor Governmental Funds: | |
| H-1 Combining Balance Sheet | 57 |
| H-2 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 65 |
| Agency Funds: | |
| H-9 Statement of Additions and Deductions of Assets and Liabilities - Agency Funds | 73 |
| | |
| <u>Other Supplementary Information Section</u> | |
| I-1 Bond Schedule | 75 |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | |
| Schedule of Findings and Questioned Costs | 77 |
| Schedule of Status of Prior Findings | 79 |
| Corrective Action Plan | 80 |
| | 81 |

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BROOKS COUNTY, TEXAS

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2019

Elected Officials

| <u>Name</u> | <u>Office</u> |
|-------------------------|---|
| RICHARD C. TERRELL | DISTRICT JUDGE |
| ERIC RAMOS | COUNTY JUDGE |
| GLORIA GARZA | COMMISSIONER PCT. 1 |
| VINCENT VARGAS | COMMISSIONER PCT. 2 |
| ARAMANDO OLIVAREZ | COMMISSIONER PCT. 3 |
| TONY MARTINEZ | COMMISSIONER PCT. 4 |
| HORACIO VILLARREAL III | COUNTY TREASURER |
| ELVARAY B. SILVAS | COUNTY CLERK |
| NOE GUERRA, JR. | DISTRICT CLERK |
| URBINO "BENNY" MARTINEZ | COUNTY SHERIFF/ TAX ASSESSOR-COLLECTOR |
| CARLOS O. GARCIA | DISTRICT ATTORNEY |
| DAVID T. GARCIA | COUNTY ATTORNEY |
| ADELA QUINTANILLA | JUSTICE OF THE PEACE #1 |
| ORALIA V. MORALES | JUSTICE OF THE PEACE #2 |
| SYLVIA DONNELLY | JUSTICE OF THE PEACE #3 |
| ROLANDO GARZA | JUSTICE OF THE PEACE #4 |
| ARTURO "ART" GARCIA | CONSTABLE PCT #1 |
| RAMIRO GONZALEZ | CONSTABLE PCT #2 |
| FRANK HUERTA | CONSTABLE PCT #3 |
| RUBEN M. LONGORIA | CONSTABLE PCT #4 |

Appointed Officials

| <u>Name</u> | <u>Position</u> |
|-----------------|-----------------|
| AUGUST PATROELJ | COUNTY AUDITOR |

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FINANCIAL SECTION

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Raul Hernandez & Company, P.C.
Certified Public Accountants
5402 Holly Rd., Suite 102
Corpus Christi, Texas 78411

Independent Auditor's Report

To the Commissioner's Court
Brooks County, Texas
P.O. Box 517
Falfurrias, Texas 78355

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brooks County, Texas ("the County") as of and for the year ended September 30, 2019, 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 County'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 County'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, each major fund, and the aggregate remaining fund information of Brooks County, Texas as of September 30, 2019, 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, and budgetary comparison information and schedule of funding progress for OPEB benefits and schedule of the County's proportionate share of the net pension liability and schedule of County pension contributions, and schedule of the County's proportionate share of the net OPEB liability and schedule of County OPEB contributions identified as Required Supplementary Information in the table of contents 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 Brooks County, Texas's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2021 on our consideration of Brooks County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Brooks County, Texas's internal control over financial reporting and compliance.

Respectfully submitted,



Raul Hernandez & Company, P.C.

Corpus Christi, Texas
August 2, 2021

BROOKS COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) offers readers of the County financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended September 30, 2019. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, and in the financial statements and notes to the financial statements (which immediately follow this discussion). The implementation of the new financial reporting requirements of GASB Statement No. 34 (Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments) makes the County's September 30, 2019 Annual Financial Report significantly different than those of previous years. New sections include this Management's Discussion and Analysis, the Government-wide Statement of Net Position, the Government-wide Statement of Activities, the concept of major fund reporting, and the reporting of infrastructure capital assets and long term debt liabilities in the governmental activities. These concepts are explained throughout this discussion and analysis.

FINANCIAL HIGHLIGHTS

- The assets of the County of Brooks exceeded its liabilities at the close of the most recent fiscal year by \$14,091,560 (Net Position). Of this amount, \$3,276,408 represents unrestricted Net Position.
- As of the close of the current fiscal year, the County of Brooks governmental funds reported combined ending fund balances of \$5,374,247. Of this amount, \$998,518 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$998,518.
- The County of Brooks' total debt increased by a net of \$339,980.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.

BROOKS COUNTY, TEXAS

- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*. The County maintains one type of proprietary fund, an internal service fund. The Internal service fund is used to report activities of the County's self-insurance program. Because these services predominately benefit governmental rather than business-type functions, the Internal Service Fund is reported with *governmental activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Internal Service Fund is presented as a single, aggregated presentation in the proprietary fund financial statements.

- *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Figure A-1 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1 Major Features of the County's Government-wide and Fund Financial Statements

| <u>Type of Statements</u> | <u>Government-wide</u> | <u>Governmental Funds</u> | <u>Proprietary Funds</u> | <u>Fiduciary Funds</u> |
|---|--|---|--|---|
| <u>Scope</u> | Entire county Government (except Fiduciary funds) and the county's component units | The activities of the county that are not proprietary or fiduciary | Activities of County similar to private business; self insurance | Instances in which county or agent for someone else's resources |
| <u>Required Financial Statements</u> | <i>Statement of Net Position</i> <i>Statement of Activities</i> | <i>Balance Sheet</i> <i>Statement of revenues, expenditures & changes in fund balances</i> <i>Statement of cash flows</i> | <i>Statement of Net Position</i> <i>Statement of rev, exp, & changes in Net Position</i> <i>Statement of flows</i> | <i>Statement of fiduciary Net Position</i> <i>Statement of in fiduciary Net Position</i> |
| <u>Accounting basis and measurement focus</u> | Accrual accounting and economic resources focus | Modified accrual accounting and current financial | Accrual accounting and economic focus | Accrual accounting economic resources focus |

BROOKS COUNTY, TEXAS

Government-wide Statements

The two government-wide statements report the County's Net Position and how they have changed. Net Position—the difference between the County's assets and liabilities—is one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's Net Position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional nonfinancial factors such as changes in the County's tax base

The government-wide financial statements of the County include the *Governmental activities*. Most of the County's basic services are included here, such as general government, public safety, highways and streets, sanitation, economic development, culture and recreation, and interest on long-term debt. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant *funds*—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Commissioner's Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Fiduciary funds*—The County is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary Net Position and a statement of changes in fiduciary Net Position. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

BROOKS COUNTY, TEXAS

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. The County's combined net position were \$14,091,560 at September 30, 2019. (See Table A-1).

Table A-1
County's Net Position

| | Governmental Activities | | Increase (Decrease) |
|--|----------------------------|----------------------|------------------------|
| | <u>2019</u> | <u>2018</u> | <u>2019-2018</u> |
| Current assets: | | | |
| Cash/Cash equivalents | \$ 3,338,365 | \$ 4,810,240 | \$ (1,471,875) |
| Taxes receivable, Net | 1,414,352 | 1,345,935 | 68,417 |
| Accounts receivable, Net | 14,126 | - | 14,126 |
| Due from Agency Fund | 2,043,044 | - | 2,043,044 |
| Prepaid Items | 19,025 | - | 19,025 |
| Total current assets: | <u>\$ 6,828,912</u> | <u>\$ 6,156,175</u> | <u>\$ 672,737</u> |
| Non-current assets: | | | |
| Capital Assets | 20,750,580 | 20,452,465 | 298,115 |
| Less: Accumulated Depreciation | (10,105,232) | (9,598,351) | (506,881) |
| Net Pension Asset | 119,767 | 2,051,879 | (1,932,112) |
| Total non-current assets: | <u>10,765,115</u> | <u>12,905,993</u> | <u>(208,766)</u> |
| Total Assets | <u>\$ 17,594,028</u> | <u>\$ 19,062,168</u> | <u>\$ 463,971</u> |
| Deferred Outflows of Resources | | | |
| Deferred Outflow Related to Pension Plan | 1,430,324 | 159,347 | 1,270,977 |
| Deferred Outflow Related to OPEB | 22,745 | 16,574 | 6,171 |
| Total Deferred Outflows of Resources | <u>1,453,069</u> | <u>159,347</u> | <u>1,277,148</u> |
| Current Liabilities | | | |
| Accounts payable and other current liabilities | 20,290 | 187,307 | (167,017) |
| Accrued Interest Payable | 5,321 | 15,452 | (10,131) |
| Total current liabilities | <u>25,611</u> | <u>202,759</u> | <u>(177,148)</u> |
| Long-term Liabilities | | | |
| Due within one year | 712,162 | 828,798 | (116,636) |
| Due in more than one year | 3,495,513 | 3,093,530 | 401,983 |
| Net OPEB Liability | 286,930 | 307,025 | (20,095) |
| Total Liabilities | <u>\$ 4,494,605</u> | <u>\$ 4,125,087</u> | <u>\$ 265,252</u> |
| Deferred Inflows of Resources: | | | |
| Deferred Amounts Related to Pensions | 394,284 | 499,835 | (105,551) |
| Deferred Amounts Related to OPEB | 41,037 | 8,908 | 32,129 |
| Total Deferred Inflows of Resources | <u>435,321</u> | <u>8,908</u> | <u>(73,422)</u> |
| Net Position: | | | |
| Invested in capital assets, net of related debt | 6,437,674 | 6,931,786 | (494,112) |
| Restricted For: | | | |
| Federal or State Grant Funds | 3,335,303 | 2,723,407 | 611,896 |
| Debt Service | 57,180 | 53,514 | 3,666 |
| Other Purposes | 984,995 | 468,320 | 516,675 |
| Unrestricted | 3,276,408 | 4,120,207 | (843,799) |
| Total Net Position | <u>\$ 14,091,560</u> | <u>\$ 14,297,234</u> | <u>\$ (205,674)</u> |

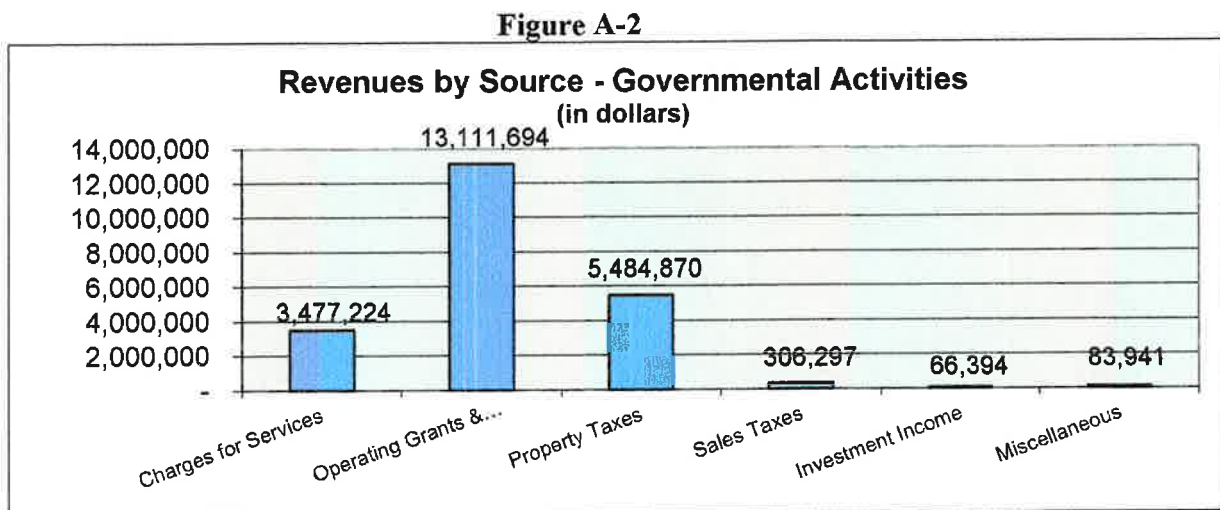
BROOKS COUNTY, TEXAS

The increase of \$506,881 in accumulated depreciation was due to depreciation expense. \$57,180 of the County's restricted Net Position represents funds available for the debt service, while \$984,995 represents funds for capital project funds. These funds when spent are restricted for repayment of debt and capital asset acquisitions respectively. Unrestricted net asset represents resources available to fund the programs of the County for the following year. The balance for unrestricted net position at September 30, 2019 was \$3,276,408, which is a decrease of (\$843,799) from the prior year.

Revenues. The County's total revenues were \$22,530,420. A significant portion, \$13,111,694 of the County's revenue comes from operating grants & contributions. \$5,484,870 comes from property taxes and \$3,477,224 relates to charges for services. (See Figure A-2 and Table A-2).

Governmental Activities

- Sales taxes had revenue of \$306,297 while miscellaneous revenues had revenues of \$83,941.



BROOKS COUNTY, TEXAS

Table A-2
Brooks County's Changes in Net Position - Governmental Activities

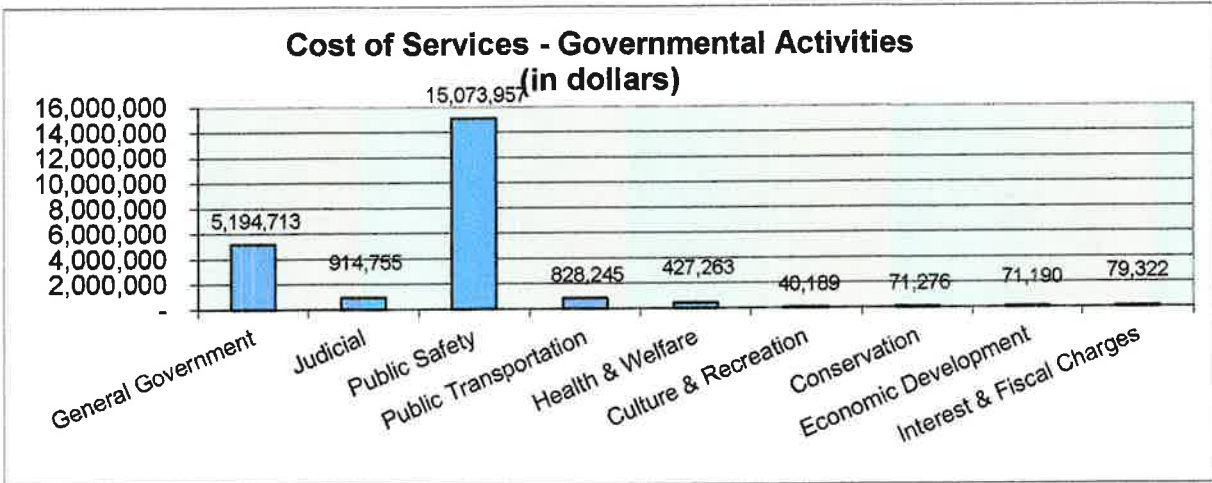
| | Governmental Activities | | Increase (Decrease) |
|-------------------------------------|----------------------------|----------------------|------------------------|
| | <u>2019</u> | <u>2018</u> | <u>2019-2018</u> |
| Revenues: | | | |
| Program: | | | |
| Charges for services | \$ 3,477,224 | \$ 3,105,384 | 371,840 |
| Operating Grants and Contributions | 13,111,694 | 12,451,419 | 660,275 |
| General: | | | |
| Property Taxes | 5,484,870 | 5,153,708 | 331,162 |
| Sales Taxes | 306,297 | 274,390 | 31,907 |
| Investment Income | 66,394 | 25,860 | 40,534 |
| Miscellaneous | 83,941 | 12,170 | 71,771 |
| Total Revenues | <u>\$ 22,530,420</u> | <u>\$ 21,022,931</u> | <u>1,507,489</u> |
| Cost of Services: | | | |
| General Government | 5,194,713 | 2,774,254 | 2,420,459 |
| Judicial | 914,755 | 1,055,039 | (140,284) |
| Public Safety | 15,073,957 | 13,719,891 | 1,354,066 |
| Public Transportation | 828,245 | 1,198,765 | (370,520) |
| Health and Welfare | 427,263 | 426,554 | 709 |
| Culture and Recreation | 40,189 | 37,306 | 2,883 |
| Conservation | 71,276 | 80,892 | (9,616) |
| Economic Development and Assistance | 71,190 | 219,317 | (148,127) |
| Interest on Long-term Debt | 79,322 | 173,441 | (94,119) |
| Total Cost of Services | <u>\$ 22,700,909</u> | <u>\$ 19,685,459</u> | <u>3,015,450</u> |
| Change in net position | (170,489) | 1,337,472 | 1,166,983 |
| Net position - beginning | 14,297,234 | 13,182,988 | 1,114,246 |
| Prior Period Adjustments | (35,185) | (223,226) | 188,041 |
| Net position-beginning-restated | <u>14,262,049</u> | <u>12,959,762</u> | <u>1,302,287</u> |
| Net position - ending | <u>\$ 14,091,560</u> | <u>\$ 14,297,234</u> | <u>\$ (205,674)</u> |

Table A-2 and Figure A-3 present the cost of each of the County's largest functions.

- The cost of all governmental activities this year was \$22,700,909.
- However, the amount that our taxpayers paid for these activities through property taxes was approximately \$5,484,870.
- \$15,073,957 of these costs is public safety.

BROOKS COUNTY, TEXAS

Figure A-3



FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting and budget controls has been the framework of the County's strong fiscal management and accountability.

Governmental funds. The general government functions are reported in the General, Special Revenue, Debt Service, and Capital Project Funds. The focus of the *County's governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's annual financing and budgeting requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$5,374,247, which is an increase of \$780,745 from the prior period. The *unassigned fund balance*, used as a management and budgetary tool, is available for spending at the County's discretion.

The General fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$998,518. As a measure of the general fund's liquidity, we compare both unreserved fund balance and total fund balance to total fund expenditures.

The Debt Service Fund (county-wide) has a total fund balance of \$55,431, which is a decrease of (\$1,916).

BROOKS COUNTY, TEXAS

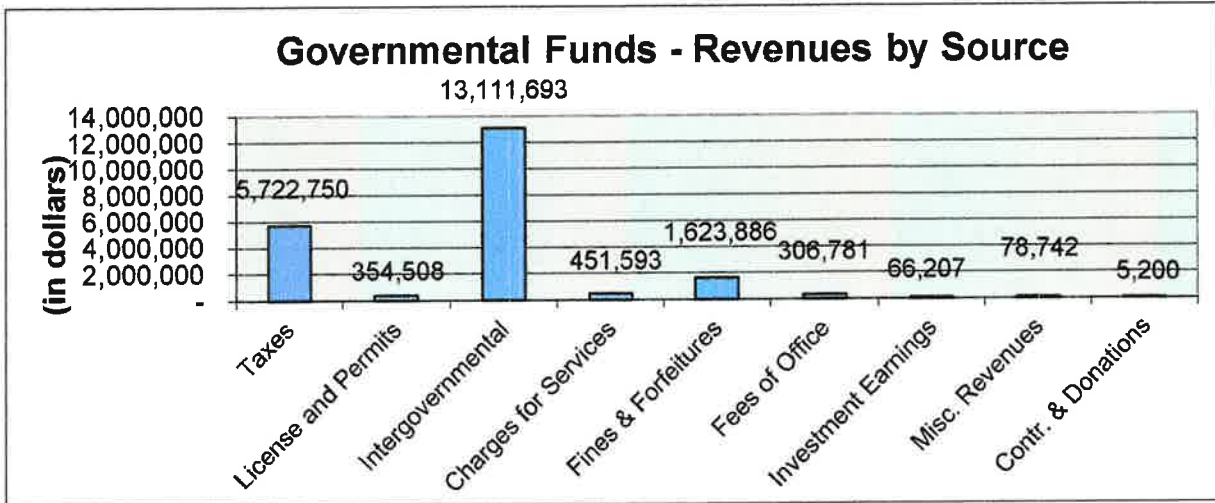
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues

Revenues from governmental fund types totaled \$21,721,360. The most significant portion in governmental fund revenue sources was derived from intergovernmental revenues, which totaled \$13,111,693. Taxes consisted of general property taxes, and general sales & use taxes, which totaled \$5,722,750.

The County's primary source of revenue consists of intergovernmental revenues, which comprise 60% of the County's total revenues. In addition, taxes and fines & forfeitures comprise 26% and 7% of total revenues, respectively. The county departments that charge for services include park & recreational, fees of office from justice of the peace precincts, and constables, which are all an important part of the County's revenues. They are an integral part of the County's ability to provide the services to which citizens have become accustomed. (See Figure A-4 and Table A-3).

Figure A-4



BROOKS COUNTY, TEXAS

**Table A-3
Governmental Funds – Revenues by Source**

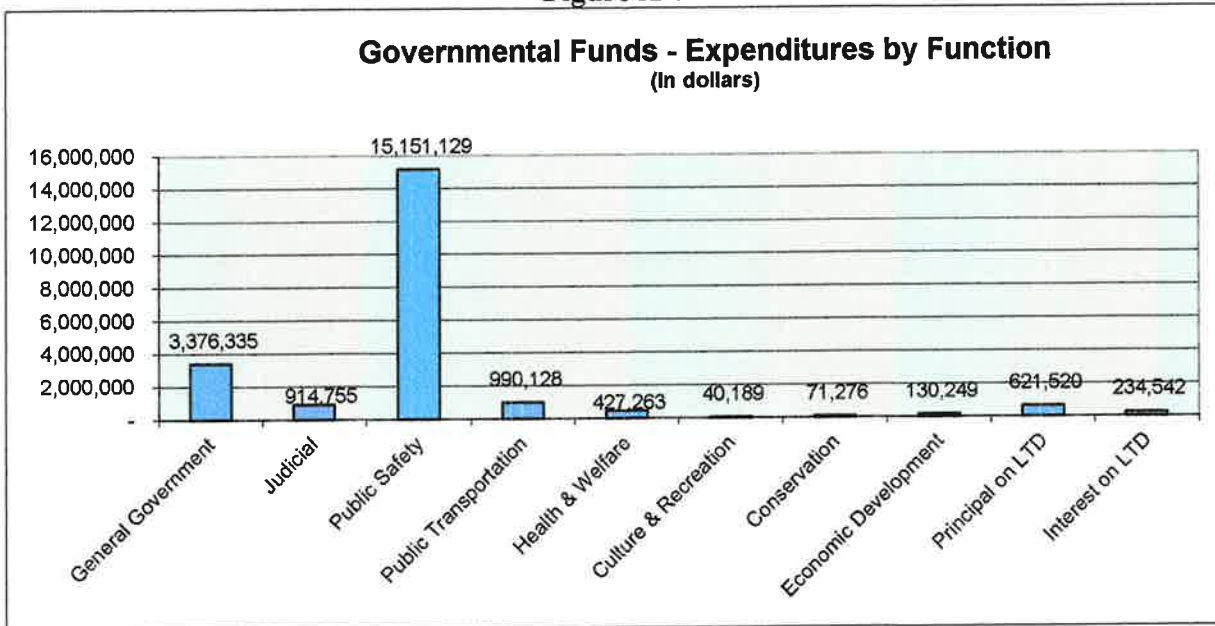
| | FY 2019 | FY 2018 | Increase (Decrease) |
|---------------------------|----------------------|----------------------|------------------------|
| Taxes | \$ 5,722,750 | \$ 5,265,146 | \$ 457,604 |
| License and Permits | 354,508 | 399,182 | (44,674) |
| Intergovernmental | 13,111,693 | 12,460,711 | 650,982 |
| Charges for Services | 451,593 | 207,665 | 243,928 |
| Fines & Forfeitures | 1,623,886 | 2,016,296 | (392,410) |
| Fees of Office | 306,781 | 349,600 | (42,819) |
| Investment Earnings | 66,207 | 25,860 | 40,347 |
| Misc. Revenues | 78,742 | 124,289 | (45,547) |
| Contributions & Donations | 5,200 | 11,230 | (6,030) |
| Total Revenues | \$ 21,721,360 | \$ 20,859,979 | \$ 867,411 |

Expenditures

Compared to the prior year, the County had an overall increase of \$1,767,014 in expenditures, due to increases in monies spent for the General Fund and GEO Group Fund. Debt service principal expenditures had a decrease of (\$52,317).

The County's primary expenditures were for public safety, general government, public transportation, and economic development & assistance. Public Safety now accounts for 70% of total expenditures. General government expenditures accounted for 15% of total expenditures. (See Figure A-5 and Table A-4)

Figure A-5



BROOKS COUNTY, TEXAS

**Table A-4
Governmental Funds – Expenditures by Function**

| | FY 2019 | FY 2018 | Increase (Decrease) |
|-------------------------------------|----------------------|----------------------|------------------------|
| General Government | \$ 3,376,335 | \$ 2,294,525 | \$ 1,081,810 |
| Judicial | 914,755 | 1,055,039 | (140,284) |
| Public Safety | 15,151,129 | 13,981,123 | 1,170,006 |
| Public Transportation | 990,128 | 1,239,526 | (249,398) |
| Health and Welfare | 427,263 | 426,554 | 709 |
| Culture and Recreation | 40,189 | 37,306 | 2,883 |
| Conservation | 71,276 | 80,892 | (9,616) |
| Economic Development and Assistance | 130,249 | 219,317 | (89,068) |
| Debt Service: | | | |
| Principal | 621,520 | 673,837 | (52,317) |
| Interest and Fiscal Charges | 234,542 | 182,253 | 52,289 |
| Total Expenditures | \$ 21,957,386 | \$ 20,190,372 | \$ 1,767,014 |

Other financing sources from the County came from:

**Table A-5
Other Financing Resources**

| | FY 2019 | FY 2018 | Increase (Decrease) |
|-------------------------|---------------------|---------------------|------------------------|
| Operating Transfers In | \$ 750,039 | \$ 835,662 | \$ (85,623) |
| Operating Transfers Out | (750,039) | (835,662) | 85,623 |
| Bond Issuance | 2,400,000 | - | 2,400,000 |
| Loan Proceeds | - | 1,103,091 | (1,103,091) |
| | \$ 2,400,000 | \$ 1,103,091 | \$ 1,296,909 |

General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$6,409,679 and expenditures of \$6,409,679, which both include transfers.

The following are significant variations between the final budget and actual amount.

- Actual revenues (including transfers) were lower than budgeted figures by (\$473,431). Property Taxes, Fines & Forfeitures, and Charges for Services were below budget expectations.
- Actual expenditures (including transfers) were \$148,908 lower than final budget amounts, which is attributed an overall decrease in spending.

BROOKS COUNTY, TEXAS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the County had invested \$20,750,580 in a broad range of capital assets, including land, construction in progress, road network, buildings & improvements, vehicles, and equipment. (See Table A-6.)

The capital assets of the County are those assets (land, construction in progress, road network, buildings & improvements, vehicles, and equipment), which are used in the performance of the County's functions including infrastructure assets. At September 30, 2019 net capital assets of the governmental activities totaled \$10,645,348. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation for road network, buildings & improvements, vehicles, and equipment totaled \$10,105,232.

Table A-6
County's Capital Assets

| | Governmental Activities | | Increase |
|--------------------------------|----------------------------|--------------|--------------|
| | 2019 | 2018 | (Decrease) |
| | | | 2019-2018 |
| Land | \$ 236,742 | \$ 236,742 | \$ - |
| Construction in Progress | - | - | - |
| Road Network | 3,729,923 | 3,670,863 | 59,060 |
| Buildings and Improvements | 11,175,965 | 11,175,965 | - |
| Vehicles | 2,348,367 | 2,288,367 | 60,000 |
| Equipment | 3,259,583 | 3,080,528 | 179,055 |
| Total at historical cost | 20,750,580 | 20,452,465 | 298,115 |
| | | | |
| Total Accumulated Depreciation | (10,105,232) | (9,598,351) | (506,881) |
| Net Capital Assets | \$10,645,348 | \$10,854,114 | \$ (208,766) |

Long Term Debt

At year-end the County had \$4,262,307 in bonds, tax notes and capital leases as shown in Table A-7. The County's total debt had a net increase of \$339,980 compared to 2018. More detailed information about the County's debt is presented in the notes to the financial statements.

Table A-7
Long Term Debt

| | Governmental Activities | |
|--------------------------------------|----------------------------|---------------------|
| | 2019 | 2018 |
| | | |
| Certificates of Obligation | \$ 2,285,000 | \$ 2,755,000 |
| Tax Notes | 1,000,000 | - |
| Capital Leases | 977,307 | 1,167,327 |
| Total governmental activities | \$ 4,262,307 | \$ 3,922,327 |

BROOKS COUNTY, TEXAS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2019-2020 budget preparation increased from the prior year. The County's tax decreased as compared to the 2018-2019 budget. The new tax rate is .921030.
- General operating fund spending in the 2019-2020 budget is expected to have a substantial increase as compared to 2018-2019. The 2018-2019 budget for expenses was \$6,263,679 in comparison to the 2019-2020 budget year of \$6,595,469. This is partially due to the county choosing to offer incentive pay.
- The County chose to continue with a fully funded health insurance plan to fray additional expenditures.
- The County Retirement plan remained the same as last year. The employee contribution rate is 5% and the employee match is 200% matching.
- Overall Revenues were increased significantly from \$6,263,679 to \$6,595,469 respectively due to an increase of taxable values and G.E.O. projected collections.
- These items were taken into account when adopting the general fund budget from 2019-2020.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Department at 408 West Travis St., Falfurrias, Texas 78355.

BASIC FINANCIAL STATEMENTS

BROOKS COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

EXHIBIT A-1

| Data Control Codes | <u>Primary Government</u> Governmental Activities |
|--|---|
| ASSETS | |
| 1010 Cash and Cash Equivalents | \$ 1,174,962 |
| 1030 Investments - Current | 2,163,403 |
| 1050 Taxes Receivable, Net | 1,414,352 |
| 1150 Accounts Receivable, Net | 14,126 |
| 1300 Due from Agency Funds | 2,043,044 |
| 1430 Prepaid Items | 19,025 |
| Capital Assets: | |
| 1710 Land | 236,742 |
| 1720 Infrastructure, Net | 2,300,104 |
| 1730 Buildings, Net | 6,758,252 |
| 1750 Machinery and Equipment, Net | 1,350,250 |
| 1800 Net Pension Asset | 119,767 |
| 1000 Total Assets | <u>17,594,028</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| 1997 Deferred Outflow Related to Pension Plan | 1,430,324 |
| 1998 Deferred Outflow Related to OPEB | 22,745 |
| 1500 Total Deferred Outflows of Resources | <u>1,453,069</u> |
| LIABILITIES | |
| 2010 Accounts Payable | 17,201 |
| 2020 Other Current Liabilities | 3,089 |
| 2140 Accrued Interest Payable | 5,321 |
| Noncurrent Liabilities: | |
| 2501 Due Within One Year | 712,162 |
| 2502 Due In More Than One Year | 3,495,513 |
| 2585 Net OPEB Liability | 286,930 |
| 2000 Total Liabilities | <u>4,520,216</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| 2602 Deferred Inflow Related to Pension Plan | 394,284 |
| 2603 Deferred Inflow Related to OPEB | 41,037 |
| 2500 Total Deferred Inflows of Resources | <u>435,321</u> |
| NET POSITION | |
| 3200 Net Investment in Capital Assets | 6,437,674 |
| Restricted for: | |
| 3810 Restricted for Federal or State Grant Funds | 3,335,303 |
| 3860 Restricted for Debt Service | 57,180 |
| 3890 Restricted for Capital Projects | 984,995 |
| 3900 Unrestricted | 3,276,408 |
| 3000 Total Net Position | <u>\$ 14,091,560</u> |

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

BROOKS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT B-1

| Data Control Codes | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|----------------------------|----------------------|-------------------------|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Primary Gov. Governmental Activities |
| Primary Government: | | | | |
| GOVERNMENTAL ACTIVITIES: | | | | |
| 100 | \$ 5,194,713 | \$ 2,297,814 | \$ 10,000 | \$ (2,886,899) |
| 200 | 914,755 | 327,987 | - | (586,768) |
| 300 | 15,073,957 | 591,486 | 12,969,386 | (1,513,085) |
| 400 | 828,245 | 259,937 | 132,308 | (436,000) |
| 500 | 427,263 | - | - | (427,263) |
| 601 | 40,189 | - | - | (40,189) |
| 610 | 71,276 | - | - | (71,276) |
| 650 | 71,190 | - | - | (71,190) |
| 720 | 79,322 | - | - | (79,322) |
| | <u>\$ 22,700,909</u> | <u>\$ 3,477,224</u> | <u>\$ 13,111,694</u> | <u>(6,111,991)</u> |
| | General Revenues: | | | |
| | Taxes: | | | |
| 5010 | | | | 5,484,870 |
| 5120 | | | | 306,297 |
| 5600 | | | | 5,199 |
| 5700 | | | | 78,742 |
| 5800 | | | | 66,394 |
| | | | | <u>5,941,502</u> |
| | | | | Change in Net Position (170,489) |
| | | | | Net Position-- Beginning 14,297,234 |
| | | | | Prior Period Adjustment (35,185) |
| | | | | <u>\$ 14,091,560</u> |

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

BROOKS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

| Data Control Codes | General Fund | Road & Bridge Fund | GEO Group Fund |
|--|---------------------|-----------------------|----------------------|
| ASSETS | | | |
| 1010 Cash and Cash Equivalents | \$ 4,000 | \$ 1,657 | \$ 986,092 |
| 1030 Investments - Current | 765,197 | 1,265,761 | - |
| 1050 Taxes Receivable | 1,271,221 | 217,571 | - |
| 1051 Allowance for Uncollectible Taxes (credit) | (63,561) | (10,879) | - |
| 1150 Accounts Receivable, Net | - | - | - |
| 1300 Due from Other Funds | 333,475 | 154,328 | - |
| 1430 Prepaid Items | - | - | - |
| 1000 Total Assets | <u>\$ 2,310,332</u> | <u>\$ 1,628,438</u> | <u>\$ 986,092</u> |
| LIABILITIES | | | |
| 2010 Accounts Payable | \$ - | \$ 9,057 | \$ - |
| 2020 Wages and Salaries Payable | - | - | - |
| 2080 Due to Other Funds | 104,154 | 167,955 | - |
| 2000 Total Liabilities | <u>104,154</u> | <u>177,012</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| 2601 Unavailable Revenue - Property Taxes | 1,207,660 | 206,692 | - |
| 2600 Total Deferred Inflows of Resources | <u>1,207,660</u> | <u>206,692</u> | <u>-</u> |
| FUND BALANCES | | | |
| Restricted Fund Balance: | | | |
| 3450 Federal or State Funds Grant Restriction | - | 1,244,734 | 986,092 |
| 3480 Retirement of Long-Term Debt | - | - | - |
| Committed Fund Balance: | | | |
| 3510 Construction | - | - | - |
| 3600 Unassigned Fund Balance | 998,518 | - | - |
| 3000 Total Fund Balances | <u>998,518</u> | <u>1,244,734</u> | <u>986,092</u> |
| 4000 Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ 2,310,332</u> | <u>\$ 1,628,438</u> | <u>\$ 986,092</u> |

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

| Cert Of Oblig Series 2019 Fund | Other Funds | Total Governmental Funds |
|--------------------------------------|---------------------|--------------------------------|
| \$ - | \$ 183,213 | \$ 1,174,962 |
| - | 132,445 | 2,163,403 |
| - | - | 1,488,792 |
| - | - | (74,440) |
| - | 14,126 | 14,126 |
| 950,000 | 918,402 | 2,356,205 |
| - | 19,025 | 19,025 |
| <u>\$ 950,000</u> | <u>\$ 1,267,211</u> | <u>\$ 7,142,073</u> |
| | | |
| \$ - | \$ 8,144 | \$ 17,201 |
| - | 3,089 | 3,089 |
| - | 61,075 | 333,184 |
| <u>-</u> | <u>72,308</u> | <u>353,474</u> |
| | | |
| - | - | 1,414,352 |
| <u>-</u> | <u>-</u> | <u>1,414,352</u> |
| | | |
| - | 1,104,477 | 3,335,303 |
| - | 57,180 | 57,180 |
| 950,000 | 34,995 | 984,995 |
| - | (1,749) | 996,769 |
| <u>950,000</u> | <u>1,194,903</u> | <u>5,374,247</u> |
| | | |
| <u>\$ 950,000</u> | <u>\$ 1,267,211</u> | <u>\$ 7,142,073</u> |

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BROOKS COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

| | | |
|---|-----------|-------------------|
| Total Fund Balances - Governmental Funds | \$ | 5,374,247 |
| The City uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The net effect of this consolidation is to Increase (decrease) net position. | | 20,023 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, 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. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position. | | 6,916,334 |
| Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2019 capital outlays and debt principal payments is to increase (decrease) net position. | | 22,899 |
| Included in the noncurrent assets/(liabilities) is the recognition of the County's net pension asset/(liability) required by GASB 68 in the amount of \$119,767, a deferred resource inflow in the amount of (\$394,284), and a deferred resource outflow in the amount of \$1,430,324. This resulted in an increase/(decrease) in net position by \$1,155,807. | | 1,155,807 |
| Included in the noncurrent assets/(liabilities) is the recognition of the County's net OPEB asset/(liability) required by GASB 68 in the amount of (\$286,930), a deferred resource inflow in the amount of (\$41,037), and a deferred resource outflow in the amount of \$22,745. This resulted in an increase/(decrease) in net position by (\$305,222). | | (305,222) |
| The 2019 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position. | | (506,880) |
| Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position. | | 1,414,352 |
| Net Position of Governmental Activities | \$ | 14,091,560 |

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

BROOKS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

| Data Control Codes | General Fund | Road & Bridge Fund | GEO Group Fund |
|--|-------------------|-----------------------|----------------------|
| REVENUES: | | | |
| Taxes: | | | |
| 5110 Property Taxes | \$ 3,581,085 | \$ 1,182,540 | \$ - |
| 5120 General Sales and Use Taxes | - | - | - |
| 5200 Licenses and Permits | 13,560 | 243,316 | - |
| 5300 Intergovernmental Revenue and Grants | 169,673 | - | 12,074,363 |
| 5400 Charges for Services | 35,117 | 16,261 | - |
| 5510 Fines | 1,623,886 | - | - |
| 5550 Fees of Office | 123,756 | - | - |
| 5610 Investment Earnings | 38,535 | 17,935 | 1,760 |
| 5640 Contributions & Donations from Private Sources | - | - | - |
| 5700 Other Revenue | 34,707 | 9,175 | - |
| 5020 Total Revenues | <u>5,620,319</u> | <u>1,469,227</u> | <u>12,076,123</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| 0100 General Government | 2,928,510 | - | - |
| 0200 Judicial | 761,288 | - | - |
| 0300 Public Safety | 1,813,336 | - | 11,682,702 |
| 0400 Public Transportation | - | 938,960 | - |
| 0500 Health and Welfare | 198,306 | - | - |
| 0601 Culture and Recreation | 39,518 | - | - |
| 0610 Conservation | 71,276 | - | - |
| 0650 Economic Development and Assistance | - | - | - |
| Debt Service: | | | |
| 0710 Principal on Debt | 16,801 | 46,117 | - |
| 0720 Interest on Debt | 1,246 | 3,320 | - |
| 0790 Other Debt Service | - | - | - |
| 6030 Total Expenditures | <u>5,830,281</u> | <u>988,397</u> | <u>11,682,702</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(209,962)</u> | <u>480,830</u> | <u>393,421</u> |
| OTHER FINANCING SOURCES (USES): | | | |
| 7911 Issuance of Bonds | - | - | - |
| 7914 Refunding Bonds Issued | - | - | - |
| 7915 Transfers In | 315,929 | - | - |
| 7916 Payment to Refunded Bond Escrow Agent | - | - | - |
| 8911 Transfers Out | (430,490) | - | (315,879) |
| 7080 Total Other Financing Sources (Uses) | <u>(114,561)</u> | <u>-</u> | <u>(315,879)</u> |
| 1200 Net Change in Fund Balances | (324,523) | 480,830 | 77,542 |
| 0100 Fund Balance - October 1 (Beginning) | 1,348,262 | 777,709 | 908,550 |
| 1300 Prior Period Adjustment | (25,221) | (13,805) | - |
| 3000 Fund Balance - September 30 (Ending) | <u>\$ 998,518</u> | <u>\$ 1,244,734</u> | <u>\$ 986,092</u> |

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

| Cert Of Oblig Series 2019 Fund | Other Funds | Total Governmental Funds |
|--------------------------------------|---------------------|--------------------------------|
| \$ - | \$ 652,828 | \$ 5,416,453 |
| - | 306,297 | 306,297 |
| - | 97,632 | 354,508 |
| - | 867,657 | 13,111,693 |
| - | 400,215 | 451,593 |
| - | - | 1,623,886 |
| - | 183,025 | 306,781 |
| - | 7,977 | 66,207 |
| - | 5,200 | 5,200 |
| - | 34,860 | 78,742 |
| - | 2,555,691 | 21,721,360 |
| - | 447,825 | 3,376,335 |
| - | 153,467 | 914,755 |
| - | 1,655,091 | 15,151,129 |
| - | 51,168 | 990,128 |
| - | 228,957 | 427,263 |
| - | 671 | 40,189 |
| - | - | 71,276 |
| - | 130,249 | 130,249 |
| - | 558,602 | 621,520 |
| - | 127,620 | 132,186 |
| 50,000 | 52,356 | 102,356 |
| 50,000 | 3,406,006 | 21,957,386 |
| (50,000) | (850,315) | (236,026) |
| 1,000,000 | - | 1,000,000 |
| - | 1,400,000 | 1,400,000 |
| - | 434,110 | 750,039 |
| - | (1,348,044) | (1,348,044) |
| - | (3,670) | (750,039) |
| 1,000,000 | 482,396 | 1,051,956 |
| 950,000 | (367,919) | 815,930 |
| - | 1,558,981 | 4,593,502 |
| - | 3,841 | (35,185) |
| <u>\$ 950,000</u> | <u>\$ 1,194,903</u> | <u>\$ 5,374,247</u> |

BROOKS COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

| | | |
|--|-----------|------------------|
| Total Net Change in Fund Balances - Governmental Funds | \$ | 815,930 |
| <p>The city uses some internal service funds to charge the costs of certain activities primarily to the governmental funds. The net income (loss) of these internal service funds are reported with governmental activities. The net effect of this consolidation is to increase (decrease) the change in net position.</p> | | |
| | | (9,408) |
| <p>Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2019 capital outlays and debt principal payments is to increase (decrease) the change in net position.</p> | | |
| | | 22,899 |
| <p>The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/18 caused the change in the ending net position to increase in the amount of \$144,474. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflows and recorded as a current year expense. This caused a decrease in the change in net position totaling (\$53,590). The County's reported TCDRS net pension expense had to be recorded. The net pension expense increased/(decreased) the change in net position by (\$646,468). The result of these changes is to increase/(decrease) the change in net position by (\$555,584).</p> | | |
| | | (555,584) |
| <p>The implementation of GASB 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/18 caused the change in the ending net position to increase in the amount of \$15,496. Contributions made before the measurement date but after the previous measurement date were reversed from deferred resource outflows and recorded as a current year expense. This caused a decrease in the change in net position totaling (\$16,574). The County's reported TCDRS net OPEB expense had to be recorded. The net pension expense increased/(decreased) the change in net position by (\$4,785). The result of these changes is to increase/(decrease) the change in net position by (\$5,863).</p> | | |
| | | (5,863) |
| <p>Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.</p> | | |
| | | (506,880) |
| <p>Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) the change in net position.</p> | | |
| | | 68,417 |
| Change in Net Position of Governmental Activities | \$ | (170,489) |

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

BROOKS COUNTY, TEXAS
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
SEPTEMBER 30, 2019

| | Governmental Activities |
|----------------------|---|
| | <u>Total Internal Service Funds</u> |
| <hr/> | |
| ASSETS | |
| Current Assets: | |
| Due from Other Funds | \$ 20,023 |
| Total Assets | <u>20,023</u> |
| NET POSITION | |
| Unrestricted | <u>20,023</u> |
| Total Net Position | <u>\$ 20,023</u> |

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

BROOKS COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT D-2

| | Governmental Activities Total Internal Service Funds |
|--|--|
| <hr/> | |
| OPERATING REVENUES: | |
| Charges for Services | \$ 740,456 |
| Total Operating Revenues | 740,456 |
| OPERATING EXPENSES: | |
| Insurance Premiums and Claims | 750,051 |
| Total Operating Expenses | 750,051 |
| Operating Income (Loss) | (9,595) |
| NONOPERATING REVENUES (EXPENSES): | |
| Investment Earnings | 187 |
| Total NonOperating Revenue (Expenses) | 187 |
| Change in Net Position | (9,408) |
| Total Net Position - October 1 (Beginning) | 29,431 |
| Total Net Position - September 30 (Ending) | \$ 20,023 |

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

BROOKS COUNTY, TEXAS
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

| | Governmental Activities |
|---|------------------------------------|
| | Total Internal Service Funds |
| <u>Cash Flows from Operating Activities:</u> | |
| Cash Received from User Charges | \$ 740,456 |
| Cash Payments for Insurance Claims | (820,031) |
| Net Cash Provided by (Used for) Operating Activities | <u>(79,575)</u> |
| <u>Cash Flows from Investing Activities:</u> | |
| Interest and Dividends on Investments | 187 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (79,388) |
| Cash and Cash Equivalents at the Beginning of the Year | <u>99,411</u> |
| Cash and Cash Equivalents at the End of the Year | <u>\$ 20,023</u> |
| <u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:</u> | |
| Operating Income (Loss) | \$ (9,595) |
| Adjustments to Reconcile Operating Income To Net Cash Provided by (Used For) Operating Activities: | |
| Effect of Increases and Decreases in Current Assets and Liabilities: | |
| Increase (Decrease) in Accounts Payable | <u>(69,980)</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>\$ (79,575)</u> |

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

BROOKS COUNTY, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2019

| | Agency Funds |
|---------------------------|---------------------|
| <hr/> | |
| ASSETS | |
| Cash and Cash Equivalents | \$ 3,840,404 |
| Due from Other Funds | 413,963 |
| Total Assets | \$ 4,254,367 |
| LIABILITIES | |
| Accounts Payable | \$ 313,394 |
| Due to Other Funds | 2,555,670 |
| Due to Other Governments | 1,385,303 |
| Total Liabilities | \$ 4,254,367 |

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

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

A. Summary of Significant Accounting Policies

The combined financial statements of Brooks County, Texas (the "County") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County
- the exclusion of the organization would result in misleading or incomplete financial statements

The County also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the County, its component units or its constituents; and 2) The County or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the County.

Based on these criteria, the County has no component units. Additionally, the County is not a component unit of any other reporting entity as defined by the GASB Statement.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial major governmental funds, each displayed in a separate column. All remaining governmental and aggregated and reported as nonmajor funds.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund.

Road and Bridge. The Road and Bridge Fund accounts for are constitutional funds established to account for current funds used for the purpose of constructing and maintaining road and bridges. The principle source of revenue for this fund is ad valorem taxes, auto registration and intergovernmental revenues.

GEO Group FUND. The LSC fund is used to account for federal monies received for the housing of federal inmates in the County jail; the funds are use for the purpose operating costs incurred to operate the jail facilities.

Certificates of Obligation, Series 2019. This fund is a capital projects fund. It is used to account for proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

In addition, the County reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the County. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the County's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support County programs, these funds are not included in the government-wide statements.

b. **Measurement Focus, Basis of Accounting**

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The County has chosen

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

c. Inventories and Prepaid Items

Inventories on the balance sheet are stated at weighted average cost. Inventory items are recorded as expenditures when they are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

| <u>Asset Class</u> | <u>Estimated Useful Lives</u> |
|-----------------------|-------------------------------|
| Infrastructure | 30 |
| Buildings | 50 |
| Building Improvements | 20 |
| Vehicles | 2-15 |
| Office Equipment | 3-15 |
| Computer Equipment | 3-15 |

e. Receivable and Payable Balances

The County believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

f. Pension Plan

For purposes of measuring the net pension liability, deferred outflows or resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the TCDRS and additions to/deductions from TCDRS' Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. 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 and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

h. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

i. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

| | |
|------------------|--------------------|
| Valuation Date | December 31, 2017 |
| Measurement Date | December 31, 2017 |
| Employer's FYE | September 30, 2018 |

3. Budgetary Data

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

The commissioners court may levy taxes only in accordance with the budget. After final approval of the budget, the commissioners court may spend county funds only in strict compliance with the budget, except in any emergency. The commissioners court may authorize an emergency expenditure as an amendment to the original budget only in case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonable diligent thought and attention. If the court amends the original budget to meet an emergency, the court must file a copy of its order amending the budget with the county clerk and the county clerk shall attach the copy to the original budget. Only the commissioner's court may amend the budget and shift funds from one budget account to another.

The original budget is adopted by commissioners court and filed with the county clerk. Amendments are made during the year and approved by commissioners court. The budget should not be exceeded in any expenditures category under state law. The budget was amended to reflect as close as possible revenues and expenditures for the twelve- month period. Certain categories exceeded the budget estimates. These variances were due to the fluctuations in revenues and expenditures as opposed to the prorated budget estimates.

The county judge is by statute, the budget officer of the county. He usually requests and relies on the assistance of the county auditor to prepare the annual budget. After being furnished budget guidelines by commissioners court, the county judge, with the help of the county auditor, prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to commissioners court.

The commissioners court invites various department heads to appear for a hearing concerning the department's budget request. Before determining the final budget, commissioners court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available resources. Also, amendments can be made within the above guidelines.

When the budget had been adopted by commissioners' court, the county auditor is responsible for monitoring the expenditures of the various departments of the county to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the commissioners court advised of the condition of the various funds and accounts. Appropriations lapse at year-end.

Budgets for the general fund and budgeted special revenue, debt service and budgeted capital projects funds are adopted in accordance with generally accepted accounting principles (GAAP).

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

The level of control is the fund. By state law expenditures can exceed appropriations as long as the amounts do not exceed the available revenues and cash balances. Since revenues and expenditures are carefully monitored, it is felt that with GAAP basis the county will be in compliance with state law.

The legal level of budgetary control (the level on which expenditures may not exceed appropriations) is on an object class basis. If total expenditures exceed appropriations and are in excess of revenues and available cash then transfers of appropriated amounts must be made and approval must be obtained from the commissioners court. Management may not amend the budget. All amendments must be made by and approved by the commissioners' court.

5. Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at September 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

The County had no outstanding end-of-year encumbrances.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance- related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

| <u>Violation</u> | <u>Action Taken</u> |
|------------------|---------------------|
| None reported | Not applicable |

2. Deficit Fund Balance or Fund Net Assets of Individual Funds

The Certificates of Obligation Series 2011 fund had a deficit fund balance of (\$1,749) at September 30, 2019.

C. Deposits and Investments

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Cash Deposits:

At September 30, 2019, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$5,015,366 and the bank balance was \$5,016,228. The County's cash deposits at September 30, 2019 and during the year ended September 30, 2019, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

Investments:

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The County's investments at September 30, 2019 are shown below.

| <u>Investment or Investment Type</u> | <u>Amortized Cost</u> |
|--------------------------------------|---------------------------|
| Certificates of Obligation | <u>\$2,163,403</u> |
| Total Investments | <u>\$2,163,403</u> |

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

At year end, the County was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the County was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

D. Capital Assets

Capital asset activity for the year ended September 30, 2019, was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--|-----------------------|---------------------|--------------|----------------------|
| Governmental activities: | | | | |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 236,742 | \$ -- | \$ -- | \$ 236,742 |
| Construction in progress | -- | -- | -- | -- |
| Total capital assets not being depreciated | <u>236,742</u> | <u>--</u> | <u>--</u> | <u>236,742</u> |
| <i>Capital assets being depreciated:</i> | | | | |
| Road Network | 3,670,863 | 59,060 | -- | 3,729,923 |
| Buildings and improvements | 11,175,965 | -- | -- | 11,175,965 |
| Equipment | 3,080,528 | 179,055 | -- | 3,259,583 |
| Vehicles | 2,288,367 | 60,000 | -- | 2,348,367 |
| Total capital assets being depreciated | <u>20,215,723</u> | <u>298,115</u> | <u>--</u> | <u>20,513,838</u> |
| Less accumulated depreciation for: | | | | |
| Road Network | (1,347,116) | (82,702) | -- | (1,429,818) |
| Buildings and improvements | (4,195,218) | (222,495) | -- | (4,417,713) |
| Equipment | (2,509,207) | (43,546) | -- | (2,552,753) |
| Vehicles | (1,546,810) | (158,138) | -- | (1,704,948) |
| Total accumulated depreciation | <u>(9,598,351)</u> | <u>(506,881)</u> | <u>--</u> | <u>(10,105,232)</u> |
| Total capital assets being depreciated, net | <u>10,617,372</u> | <u>(208,766)</u> | <u>--</u> | <u>10,408,606</u> |
| Governmental activities capital assets, net | <u>\$ 10,854,114</u> | <u>\$ (208,766)</u> | <u>\$ --</u> | <u>\$ 10,645,348</u> |

Depreciation was charged to functions as follows:

| | |
|--------------------|-------------------|
| General Government | \$ 506,881 |
| | <u>\$ 506,881</u> |

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

E. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2019, consisted of the following:

| <u>Due To Fund</u> | <u>Due From Fund</u> | <u>Amount</u> | <u>Purpose</u> |
|------------------------|------------------------|---------------------|------------------|
| General Fund | Agency Fund | \$ 333,475 | Short-term loans |
| Road and Bridge Fund | Agency Fund | 154,328 | Short-term loans |
| Debt Service Fund | Agency Fund | 955,108 | Short-term loans |
| Special Revenue Funds | Agency Fund | 860,345 | Short-term loans |
| Capital Projects Funds | Agency Fund | 45,612 | Short-term loans |
| Sheriff Seizure Fund | Homeland Security Fund | 6,337 | Short-term loans |
| Election Service Fund | Chapter 19 Fund | 1,000 | Short-term loans |
| | Total | <u>\$ 2,356,205</u> | |

All amounts due are scheduled to be repaid within one year.

1. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2019, consisted of the following:

| <u>Transfers From</u> | <u>Transfers To</u> | <u>Amount</u> | <u>Reason</u> |
|------------------------------|---------------------|-------------------|--------------------------------|
| General fund | Juvenile Probation | 119,000 | Supplement other funds sources |
| General fund | Airport Fund | 32,000 | Supplement other funds sources |
| General fund | Consolidation fund | 29,490 | Supplement other funds sources |
| General fund | Landfill | 250,000 | Supplement other funds sources |
| GEO Group | General fund | 315,879 | Supplement other funds sources |
| Federal Arrest Drug Fund | Vending Machine | 3,620 | Supplement other funds sources |
| Brush Country Water District | General Fund | 50 | Supplement other funds sources |
| | Total | <u>\$ 750,039</u> | |

F. Long-Term Obligations

1. Long-Term Obligation Activity

The County accounts for long-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as Other Resources.

In 2011, the County Issued Certificates of Obligation, Series 2011 in the amount of \$1,100,000 due in annual installments of \$35,000 to \$80,000 through March 1, 2031. Interest rate of 4.59% due semi-annually on March 1, and September 1, of each year. The proceeds of the above debt were received during September 2011 and were for Courthouse renovations.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

In 2013, the County issued General Obligation Refunding Bonds, Taxable Series 2013 in the amount of \$1,200,000 due in annual installments of \$50,000 to \$240,000 through March 1, 2020. Interest rate of 5.00% to 8.50% due semi-annually on March 1 and September 1, of each year. The proceeds of the above debt were to received and used to pay the Settlement Agreement with the Department of Justice.

In 2019, the County issued Tax Notes, Series 2019 in the amount of \$1,000,000 due in annual installments of \$35,000 to \$170,000 through March 1, 2026. Interest rate of 2.50% due semi-annually on March 1 and September 1 of each year. The proceeds of the above debt were to received during September 2019 and is allocated for construction.

The following is the certificates of obligation outstanding at September 30, 2019

| Description | Interest Rates (%) | Date of Issuance | Date of Maturity | Bonds Outstanding |
|---------------------------------------|--------------------|--------------------|--------------------|-------------------|
| Certificates of Obligation | 4.59% | September 16, 2011 | September 30, 2031 | \$770,000 |
| Certificates of Obligation | 5.00% - 8.50% | September 15, 2013 | March 1, 2020 | \$115,000 |
| Tax Notes | 2.50% | September 18, 2019 | March 1, 2026 | \$1,000,000 |
| Certificates of Obligation, Refunding | 2.20% | September 18, 2019 | March 1, 2024 | \$1,400,000 |

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2019, are as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| Governmental activities: | | | | | |
| Certificates of Obligation | \$ 2,755,000 | \$ 1,400,000 | \$ 1,870,000 | \$ 2,285,000 | 420,000 |
| Tax Notes | | 1,000,000 | -- | 1,000,000 | 35,000 |
| Loss on Refunding | | (55,000) | 367 | (54,633) | (11,000) |
| Capital leases | 1,167,327 | -- | 190,020 | 977,307 | 268,162 |
| Total governmental activities | \$ 3,922,327 | \$ 2,345,000 | \$ 2,060,387 | \$ 4,207,674 | \$ 712,162 |

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2019, are as follows:

| Year Ending September 30, | Governmental Activities | | |
|---------------------------|-------------------------|-------------------|---------------------|
| | Principal | Interest | Total |
| 2020 | \$ 455,000 | \$ 89,006 | \$ 544,006 |
| 2021 | 475,000 | 76,316 | 551,316 |
| 2022 | 495,000 | 63,933 | 558,933 |
| 2023 | 505,000 | 51,146 | 556,146 |
| 2024 | 520,000 | 38,010 | 558,010 |
| 2025-2029 | 675,000 | 85,779 | 760,779 |
| Totals | \$ 3,285,000 | \$ 411,534 | \$ 3,696,534 |

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

3. Advance Refunding of Debt

On September 18, 2019, the County issued \$1,400,000 of General Obligation Refunding Bonds, Series 2019 with interest rates of 2.20%, with a maturity date of March 1, 2024. The intent of this refunding is to affect a net present value loss of \$55,000 on the refunded issue. The proceeds were used to refund the outstanding Combination Tax and Revenue Certificates of Obligation, Series 2004 which had interest rates ranging from 4.50% - 5.00%.

4. Capital Leases

The County has entered into three lease agreements as lessee for financing the acquisition of a phone system, hardware, software, and three police vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

1) On April 21, 2015, the County entered into a five year lease agreement, secured with 8 vehicles with Government Capital Corporation, with a maturity of November 15, 2019. Payments are due in annual installments of \$49,496.75, including interest of 3.40%.

2) On October 11, 2017, the County entered into a five year lease agreement, secured with 9 vehicles with Government Capital Corporation, with a maturity of October 11, 2022. Payments are due in annual installments of \$106,134.97, including interest of 3.25%.

3) On July 13, 2015, the County entered into a four year lease agreement, secured with a constable vehicle with Government Capital Corporation, with a maturity of May 13, 2019, payments are due in four annual installments of \$7,366.69, including interest of 5.378%

4) On June 9, 2015, the County entered into a four year lease agreement, secured with COPsync hardware and software with Government Capital Corporation, with a maturity of July 1, 2019, payments are due in four annual installments of \$34,736.39, including interest of 3.373%

5) On October 2, 2015, the County entered into a four year lease agreement, secured with a code enforcement vehicle with Government Capital Corporation, with a maturity of November 30, 2019, payments are due in four annual installments of \$10,667.80, including interest of 4.127%

6) On August 20, 2018, the County entered into a five year lease agreement, secured with communication and election equipment with Government Capital Corporation, with a maturity of October 15, 2023, payments are due in five annual installments of \$137,614.69, including interest of 3.39%

Asset:

| | |
|--------------------------------|------------------|
| Machinery and Equipment | \$280,839 |
| Vehicles | 773,809 |
| Total | <u>1,054,648</u> |
| Less: accumulated depreciation | (398,096) |
| Total | <u>\$656,552</u> |

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2019, as follows:

| <u>Year Ending September 30:</u> | |
|---|-------------------|
| 2020 | \$ 303,860 |
| 2021 | 243,750 |
| 2022 | 243,750 |
| 2023 | 137,615 |
| 2024 | 137,615 |
| Total Minimum Rentals | \$ 1,066,590 |
| Less: amount representing interest | (89,283) |
| Present Value of Minimum Lease Payments | <u>\$ 977,307</u> |

G. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2019, the County purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for any of the past three fiscal years.

H. Pension Plan

1. Plan Description

The County's pension plan ("Plan") is a non-traditional, joint contributory, defined benefit plan which provides retirement, disability and death benefits to Plan members and beneficiaries. Brooks County provides retirement, disability, and death for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). TCDRS is qualified pension under Section 401(a) of Internal Revenue Code. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 535 non-traditional defined benefit plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) is available upon request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034. The plan provisions are adopted by the governing body of the employer, within the options available in the Texas statutes governing TCDRS (TCDRS ACT). Members can retire at ages 60 and above with 10 or more years of service with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more.

Members are vested after 8 years of employment with any organization with an accredited plan (not just the County), but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer. Benefit amounts are determined by the sum of the employee's deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. Contributions

The employer has elected the annually determined contribution rate (variable-rate) 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. It was 1.94% and 4.31% for the calendar year 2018 and 2019. The deposit rate payable by the employee members the rate of 5.00% as adopted by the governing body of the employer within the options

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Brooks County's contributions to TCDRS for the fiscal year ended September 30, 2019 were \$148,368 and were equal to the required contributions.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Geometric Real Rate of Return (Expected Minus Inflation) |
|------------------------------------|-------------------|--|
| US Equities | 10.50% | 5.40% |
| Private Equity | 18.00% | 8.40% |
| Global Equities | 2.50% | 5.70% |
| International Equities - Developed | 10.00% | 5.40% |
| International Equities - Emerging | 7.00% | 5.90% |
| Investment - Grade Bonds | 3.00% | 1.60% |
| Strategic Credit | 12.00% | 4.39% |
| Direct Lending | 11.00% | 7.95% |
| Distressed Debt | 2.00% | 7.20% |
| REIT Equities | 2.00% | 4.15% |
| Master Limited Partnerships | 3.00% | 5.35% |
| Private Real Estate Partnerships | 6.00% | 6.30% |
| Hedge Funds | 13.00% | 3.90% |

Discount Rate: The discount rate used to measure the total pension liability was 8.10%. The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

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

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

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

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

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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

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

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

| 3. Changes in Net Pension Liability | Total Pension | Increase (Decrease) Plan Fiduciary | Net Pension |
|--|------------------|---------------------------------------|------------------------|
| | Liability (a) | Net Position (b) | Liability (a) - (b) |
| Balance at 12/31/2017 | \$ 18,324,486 | \$ 20,376,363 | \$ (2,051,877) |
| Changes for the year | | | |
| Service cost | 353,785 | - | 353,785 |
| Interest | 1,462,109 | - | 1,462,109 |
| Change of benefit terms | 432,455 | - | 432,455 |
| Difference between expected and actual experience | (526,365) | - | (526,365) |
| Changes of assumptions | - | - | -- |
| Contributions - employer | - | 73,741 | (73,741) |
| Contributions - employee | - | 152,044 | (152,044) |
| Net investment income | - | (391,382) | 391,382 |
| Benefit payments, including refunds of employee contributions | (1,280,013) | (1,280,013) | - |
| Administrative expense | -- | (15,169) | 15,169 |
| Other changes | -- | (29,362) | 29,362 |
| Net changes | 441,971 | (1,490,141) | 1,932,112 |
| Balance at 12/31/2018 | \$ 18,766,457 | \$ 18,886,222 | \$ (119,765) |

4. 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 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.1%) or 1-percentage-point higher (9.1%) than the current rate.

| | 1% Decrease in Discount Rate (7.1%) | Discount Rate (8.1%) | Increase in Discount Rate (9.1%) |
|--------------------------------|---|----------------------------|--|
| County's net pension liability | \$ 1,839,402 | \$ (119,765) | \$ (1,801,736) |

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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

For the year ended September 30, 2019, the District recognized pension expense of \$720,209.

At September 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual economic experience | \$ - | \$ 394,284 |
| Changes in actuarial assumptions | 52,878 | - |
| Difference between projected and actual investment earnings | 1,249,230 | - |
| Contributions subsequent to the measurement date | <u>128,216</u> | <u>-</u> |
| Total | <u>\$ 1,430,324</u> | <u>\$ 394,284</u> |

\$128,216 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| | | |
|--------------------------|----|---------|
| Year ended September 30: | | |
| 2020 | \$ | 367,007 |
| 2021 | | (7,150) |
| 2022 | | 148,321 |
| 2023 | | 399,646 |
| 2024 | | - |
| Thereafter | | - |

K. Other Post Employment Benefits (OPEB)

1. Plan Description

The County provides group term life insurance for all of its full-time employees and retirees through a statewide, multiple employer, public-employee retirement system through TCDRS. The fund for this benefit is a separate trust administered by TCDRS. The fund receives monthly premiums and pays benefits when due. The obligations of the program are payable only from this fund, and are not an obligation of, or a claim against, the TCDRS Pension Trust Fund. The fund's assets are pooled with those of the Pension Trust Fund under provisions of the TCDRS Act and annually receive an allocation of income based on the fund value.

TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) is available upon request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

Current employees of the plan are insured for an amount equivalent to the employee's current annual compensation. Employers may also choose to cover retirees. Retirees are insured for \$5,000. Life insurance proceeds are payable as a lump sum. The coverage provided to retirees is a post-employment benefit other than pension benefits.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

2. Contributions

The County contributes to the program at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is equal to the cost of providing one-year life insurance. The premium rate is expressed as a percentage of the covered payroll of members employed of the County. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect.

The rate was 0.60% and 0.54% for the calendar year 2018 and 2019, respectively. The deposit rate payable by the employee members the rate of 4.00% as adopted by the governing body of the employer within the options available in the TCDRS.

Brooks County's contributions to TCDRS for the fiscal year ended September 30, 2019 were \$22,297 and were equal to the required contributions.

| | Increase (Decrease) Total OPEB Liability (a) |
|--|---|
| 3. Changes in Net OPEB Liability | |
| Balance at 12/31/2017 | \$ 307,025 |
| Changes for the year | |
| Service cost | 15,625 |
| Interest | 10,885 |
| Change of benefit terms | - |
| Difference between expected and actual experience | (5,044) |
| Changes of assumptions | (29,017) |
| Contributions - employer | - |
| Contributions - employee | - |
| Net investment income | - |
| Benefit payments, including refunds of employee contributions | (12,544) |
| Administrative expense | - |
| Other changes | - |
| Net changes | (20,095) |
| Balance at 12/31/2018 | \$ 286,930 |

4. Sensitivity of the net pension liability to changes in the discount rate

The following presents the net OPEB liability of the County, calculated using the discount rate of 3.44%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.44%) or 1-percentage-point higher (4.44%) than the current rate.

| | 1% Decrease in Discount Rate (7.1%) | Discount Rate (8.1%) | Increase in Discount Rate (9.1%) |
|--------------------------------|---|----------------------------|--|
| County's net pension liability | \$ 332,711 | \$ 286,930 | \$ 250,330 |

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

5. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

For the year ended September 30, 2019, the District recognized OPEB expense of \$17,329.

At September 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual economic experience | \$ - | \$ 17,823 |
| Changes in actuarial assumptions | 6,681 | 23,214 |
| Difference between projected and actual investment earnings | -- | - |
| Contributions subsequent to the measurement date | <u>16,064</u> | <u>-</u> |
| Total | <u>\$ 22,745</u> | <u>\$ 41,037</u> |

\$16,064 reported as deferred outflows of resources related to OPEBs resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

| Year ended September 30: | | |
|--------------------------|----|---------|
| 2020 | \$ | (9,181) |
| 2021 | | (9,181) |
| 2022 | | (9,181) |
| 2023 | | (9,181) |
| 2024 | | - |
| Thereafter | | - |

I. Health Care Coverage

During the year ended September 30, 2019, employees of the County were covered under Pan America. The County contributed \$508 per pay period per employee and dependents to the Plan.

J. Commitments and Contingencies

1. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the County at September 30, 2019.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

K. Closure and Postclosure Care Cost

State and federal laws and regulations require the County to place a final cover on its Brooks County Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$130,197 reported as landfill closure and postclosure care liability at September 30, 2019, represents the cumulative amount reported to date based on the use of 80 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$130,197 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2019. The landfill is still open as of 2019. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at September 30, 2019, investments of \$130,197 fair value are held for these purposes. These are reported as restricted assets on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

L. Other Information

The County has evaluated subsequent events through August 2, 2021, the date which the financial statements were available to be issued.

M. Prior Period Adjustments

During the year 2019 the following prior period adjustments were made to clear outstanding items, a prior period adjustment of (\$25,221) was made to the General Fund which decreased the ending net position and fund balance. An adjustment of (\$13,805) was made to the Road & Bridge Fund which decreased the ending net position and fund balance. An adjustment of (\$7,586) was made to the Alien Death Processing fund, and an adjustment of \$11,427 was made to the Juvenile Probation Match fund which resulted in over net increase to Other funds of \$3,841.

N. GASB 63

GASB 63 -- Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources are the consumption of net assets by the government that is applicable to a future reporting period and deferred inflows of resources are the acquisition of net assets by the government that is applicable to future reporting period. Deferred outflows of resources and deferred inflows of resources are incorporated into the definitions of the required components of the residual measure and that measure is renamed as net position, rather than net assets.

REQUIRED SUPPLEMENTARY INFORMATION

BROOKS COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

| Data Control Codes | Budgeted Amounts | | Actual Amounts (GAAP BASIS) | Variance With Final Budget Positive or (Negative) |
|--|------------------|--------------|-----------------------------------|--|
| | Original | Final | | |
| REVENUES: | | | | |
| 5110 Property Taxes | \$ 3,938,279 | \$ 3,938,279 | \$ 3,581,085 | \$ (357,194) |
| 5200 Licenses and Permits | - | - | 13,560 | 13,560 |
| 5300 Intergovernmental Revenue and Grants | 137,700 | 137,700 | 169,673 | 31,973 |
| 5400 Charges for Services | 62,200 | 62,200 | 35,117 | (27,083) |
| 5510 Fines | 1,851,500 | 1,851,500 | 1,623,886 | (227,614) |
| 5550 Fees of Office | 83,000 | 83,000 | 123,756 | 40,756 |
| 5610 Investment Earnings | 9,000 | 9,000 | 38,535 | 29,535 |
| 5700 Other Revenue | 8,000 | 8,000 | 34,707 | 26,707 |
| 5020 Total Revenues | 6,089,679 | 6,089,679 | 5,620,319 | (469,360) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| 0101 County Judge | 94,855 | 94,855 | 91,024 | 3,831 |
| 0102 Commissioners' Court | 188,904 | 188,904 | 190,755 | (1,851) |
| 0103 County Clerk | 115,974 | 115,974 | 114,890 | 1,084 |
| 0104 Non-Departmental | 1,580,779 | 1,580,779 | 1,594,497 | (13,718) |
| 0106 County Auditor | 291,825 | 291,825 | 277,584 | 14,241 |
| 0107 County Treasurer | 121,773 | 121,773 | 119,470 | 2,303 |
| 0108 Tax Assessor - Collector | 87,442 | 87,442 | 85,149 | 2,293 |
| 0109 Voter Registration | 58,977 | 58,977 | 57,891 | 1,086 |
| 0110 Courthouse and Buildings | 364,000 | 364,000 | 397,250 | (33,250) |
| 0201 County Court | 73,638 | 73,638 | 83,090 | (9,452) |
| 0202 District Court | 177,862 | 177,862 | 144,166 | 33,696 |
| 0203 District Clerk | 110,210 | 110,210 | 110,041 | 169 |
| 0204 Justice of the Peace | 309,125 | 309,125 | 303,876 | 5,249 |
| 0205 County Attorney | 86,759 | 86,759 | 82,496 | 4,263 |
| 0206 District Attorney | 33,514 | 33,514 | 26,719 | 6,795 |
| 0207 Juvenile Court | 7,300 | 7,300 | 10,900 | (3,600) |
| 0301 Adult Probation | 66,250 | 66,250 | 66,212 | 38 |
| 0302 Constables | 106,416 | 106,416 | 93,504 | 12,912 |
| 0303 Sheriff | 965,112 | 965,112 | 899,673 | 65,439 |
| 0304 County Jail | 688,179 | 688,179 | 705,787 | (17,608) |
| 0305 Fire Marshall & LEPC Coordinator | 50,500 | 50,500 | 48,160 | 2,340 |
| 0501 Health and Welfare | 19,500 | 19,500 | 41,382 | (21,882) |
| 0502 Out-Patient Clinic | 49,473 | 49,473 | 50,311 | (838) |
| 0503 Indigent | 107,000 | 107,000 | 106,613 | 387 |
| 0601 Culture and Recreation | 41,711 | 41,711 | 39,518 | 2,193 |
| 0610 Conservation | 97,897 | 97,897 | 71,276 | 26,621 |
| Debt Service: | | | | |
| 0710 Principal on Debt | 16,829 | 16,829 | 16,801 | 28 |
| 0720 Interest on Debt | 1,204 | 1,204 | 1,246 | (42) |
| 6030 Total Expenditures | 5,913,008 | 5,913,008 | 5,830,281 | 82,727 |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | 176,671 | 176,671 | (209,962) | (386,633) |
| OTHER FINANCING SOURCES (USES): | | | | |
| 7915 Transfers In | 320,000 | 320,000 | 315,929 | (4,071) |
| 8911 Transfers Out | (496,671) | (496,671) | (430,490) | 66,181 |
| 7080 Total Other Financing Sources (Uses) | (176,671) | (176,671) | (114,561) | 62,110 |

BROOKS COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

| Data Control Codes | Budgeted Amounts | | Actual Amounts (GAAP BASIS) | Variance With Final Budget Positive or (Negative) |
|--------------------------|--------------------------------------|--------------|-----------------------------------|--|
| | Original | Final | | |
| 1200 | | | | |
| | Net Change in Fund Balances | | (324,523) | (324,523) |
| 0100 | 1,348,262 | 1,348,262 | 1,348,262 | - |
| 1300 | | | (25,221) | (25,221) |
| | Prior Period Adjustment | | | |
| 3000 | \$ 1,348,262 | \$ 1,348,262 | \$ 998,518 | \$ (349,744) |
| | Fund Balance - September 30 (Ending) | | | |

BROOKS COUNTY, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - ROAD & BRIDGE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

| Data Control Codes | Budgeted Amounts | | Actual | Variance With |
|---|-------------------|-------------------|--------------------------|---|
| | Original | Final | GAAP BASIS (See Note) | Final Budget Positive or (Negative) |
| REVENUES: | | | | |
| 5110 Property Taxes | \$ 1,096,869 | \$ 1,096,869 | \$ 1,182,540 | \$ 85,671 |
| 5200 Licenses and Permits | 250,000 | 250,000 | 243,316 | (6,684) |
| 5400 Charges for Services | 26,000 | 26,000 | 16,261 | (9,739) |
| 5610 Investment Earnings | 2,500 | 2,500 | 17,935 | 15,435 |
| 5700 Other Revenue | - | - | 9,175 | 9,175 |
| 5020 Total Revenues | <u>1,375,369</u> | <u>1,375,369</u> | <u>1,469,227</u> | <u>93,858</u> |
| EXPENDITURES: | | | | |
| 0400 Public Transportation | 1,325,872 | 1,325,872 | 938,960 | 386,912 |
| Debt Service: | | | | |
| 0710 Principal on Debt | 46,295 | 46,295 | 46,117 | 178 |
| 0720 Interest on Debt | 3,202 | 3,202 | 3,320 | (118) |
| 6030 Total Expenditures | <u>1,375,369</u> | <u>1,375,369</u> | <u>988,397</u> | <u>386,972</u> |
| 1200 Change in Fund Balance | - | - | 480,830 | 480,830 |
| 0100 Fund Balance - October 1 (Beginning) | 777,709 | 777,709 | 777,709 | - |
| 1300 Prior Period Adjustment | - | - | (13,805) | (13,805) |
| 3000 Fund Balance - September 30 (Ending) | <u>\$ 777,709</u> | <u>\$ 777,709</u> | <u>\$ 1,244,734</u> | <u>\$ 467,025</u> |

BROOKS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GEO GROUP FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

| Data Control Codes | Budgeted Amounts | | Actual | Variance With |
|--|-------------------|-------------------|--------------------------|---|
| | Original | Final | GAAP BASIS (See Note) | Final Budget Positive or (Negative) |
| REVENUES: | | | | |
| 5300 Intergovernmental Revenue and Grants | \$ 10,315,000 | \$ 10,315,000 | \$ 12,074,363 | \$ 1,759,363 |
| 5610 Investment Earnings | - | - | 1,760 | 1,760 |
| 5020 Total Revenues | <u>10,315,000</u> | <u>10,315,000</u> | <u>12,076,123</u> | <u>1,761,123</u> |
| EXPENDITURES: | | | | |
| 0300 Public Safety | <u>10,005,000</u> | <u>10,005,000</u> | <u>11,682,702</u> | <u>(1,677,702)</u> |
| 6030 Total Expenditures | <u>10,005,000</u> | <u>10,005,000</u> | <u>11,682,702</u> | <u>(1,677,702)</u> |
| 1100 Excess of Revenues Over Expenditures | <u>310,000</u> | <u>310,000</u> | <u>393,421</u> | <u>83,421</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| 8911 Transfers Out | <u>(310,000)</u> | <u>(310,000)</u> | <u>(315,879)</u> | <u>(5,879)</u> |
| 7080 Total Other Financing Sources (Uses) | <u>(310,000)</u> | <u>(310,000)</u> | <u>(315,879)</u> | <u>(5,879)</u> |
| 1200 Change in Fund Balance | - | - | 77,542 | 77,542 |
| 0100 Fund Balance - October 1 (Beginning) | <u>908,550</u> | <u>908,550</u> | <u>908,550</u> | <u>-</u> |
| 3000 Fund Balance - September 30 (Ending) | <u>\$ 908,550</u> | <u>\$ 908,550</u> | <u>\$ 986,092</u> | <u>\$ 77,542</u> |

BROOKS COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2019

| | FY 2019 Plan Year 2018 | FY 2018 Plan Year 2017 |
|--|---------------------------|---------------------------|
| A. Total Pension Liability | | |
| Service Cost | \$ 353,785 | \$ 393,379 |
| Interest (on the Total Pension Liability) | 1,462,109 | 1,424,033 |
| Changes of Benefit Terms | 432,455 | - |
| Difference between Expected and Actual Experience | (526,365) | (130,120) |
| Changes of Assumptions | - | 158,636 |
| Benefit Payments, Including Refunds of Employee Contributions | (1,280,013) | (1,390,365) |
| Net Change in Total Pension Liability | \$ 441,971 | \$ 455,563 |
| Total Pension Liability - Beginning | 18,324,486 | 17,868,923 |
| Total Pension Liability - Ending | \$ 18,766,457 | \$ 18,324,486 |
| B. Total Fiduciary Net Position | | |
| Contributions - Employer | \$ 73,741 | \$ 52,049 |
| Contributions - Employee | 152,044 | 144,577 |
| Net Investment Income | (391,382) | 2,736,790 |
| Benefit Payments, Including Refunds of Employee Contributions | (1,280,013) | (1,390,365) |
| Administrative Expense | (15,169) | (13,551) |
| Other | (29,362) | (36,517) |
| Net Change in Plan Fiduciary Net Position | \$ (1,490,141) | \$ 1,492,983 |
| Plan Fiduciary Net Position - Beginning | 20,376,363 | 18,883,380 |
| Plan Fiduciary Net Position - Ending | \$ 18,886,222 | \$ 20,376,363 |
| C. Net Pension Liability (Asset) | \$ (119,765) | \$ (2,051,877) |
| D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 100.64% | 111.20% |
| E. Covered Payroll | \$ 3,801,093 | \$ 3,614,416 |
| F. Net Pension Liability (Asset) as a Percentage of Covered Payroll | (3.15%) | (56.77%) |

Note: GASB 68, Paragraph 46, a and b requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

Note: The years of data are presented in accordance with GASBS #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

| | FY 2017 Plan Year 2016 | FY 2016 Plan Year 2015 | FY 2015 Plan Year 2014 |
|----|---------------------------|---------------------------|---------------------------|
| \$ | 640,791 | \$ 475,981 | \$ 391,455 |
| | 1,438,507 | 1,393,332 | 1,348,689 |
| | (561,864) | (79,047) | - |
| | (746,318) | 37,528 | (48,778) |
| | - | 197,006 | - |
| | (1,221,746) | (1,207,860) | (1,269,913) |
| \$ | (450,630) | \$ 816,940 | \$ 421,453 |
| | 18,319,557 | 17,502,618 | 17,081,164 |
| \$ | 17,868,927 | \$ 18,319,558 | \$ 17,502,617 |
| \$ | 262,626 | \$ 260,029 | \$ 235,097 |
| | 261,983 | 257,083 | 199,961 |
| | 1,352,821 | (275,540) | 1,252,665 |
| | (1,221,746) | (1,207,860) | (1,269,913) |
| | (14,701) | (13,499) | (14,707) |
| | (81,629) | 34,390 | (53,067) |
| \$ | 559,354 | \$ (945,397) | \$ 350,036 |
| | 18,324,027 | 19,269,424 | 18,919,387 |
| \$ | 18,883,381 | \$ 18,324,027 | \$ 19,269,423 |
| \$ | (1,014,454) | \$ (4,469) | \$ (1,766,806) |
| | 105.68% | 100.02% | 110.09% |
| \$ | 3,730,467 | \$ 3,672,617 | \$ 2,856,590 |
| | (27.19%) | (0.12%) | (61.85%) |

BROOKS COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2019

| | 2019 | 2018 | 2017 |
|---|--------------|--------------|--------------|
| Actuarially Determined Contribution | \$ 148,368 | \$ 73,741 | \$ 52,049 |
| Contributions in Relation to the Actuarially Determined Contributions | (148,368) | (73,741) | (52,049) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 4,013,607 | \$ 3,801,093 | \$ 3,614,416 |
| Contributions as a Percentage of Covered Payroll | 3.70% | 1.94% | 1.44% |

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the governmental entity's respective fiscal years as opposed to the time periods covered by the measurement dates ending December 31 for the respective fiscal years.

Note: In accordance with GASB 68, Paragraph 138, the years of data presented this reporting period are those for which data is available. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

| | |
|-------|-----------|
| <hr/> | |
| 2016 | |
| <hr/> | |
| \$ | 262,626 |
| | (262,626) |
| <hr/> | |
| \$ | - |
| <hr/> | |
| \$ | 3,730,467 |
| | 7.04% |

BROOKS COUNTY, TEXAS
 NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

Valuation Date: 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 | 1.8 years |
| Asset Valuation Method | 5-yr smoothed market |
| Inflation | 3.0% |
| Salary Increases | Varies by age and service. 4.9% average over career including inflation. |
| Investment Rate of Return | 8.0%, 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. |

Other Information: There were no benefit changes during the year.

BROOKS COUNTY, TEXAS
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
 TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

| | FY 2019 Plan Year 2018 | FY 2018 Plan Year 2017 |
|--|---------------------------|---------------------------|
| Total OPEB Liability | | |
| Service Cost | \$ 15,625 | \$ 11,906 |
| Interest on the Total OPEB Liability | 10,885 | 11,847 |
| Changes of Benefit Terms | - | - |
| Difference between Expected and Actual Experience | (5,044) | (22,980) |
| Changes of Assumptions | (29,017) | 11,135 |
| Benefit Payments* | (12,544) | (12,650) |
| Net Change in Total OPEB Liability | (20,095) | (742) |
| Total OPEB Liability - Beginning | 307,025 | 307,767 |
| Total OPEB Liability - Ending | \$ 286,930 | \$ 307,025 |
| Covered Payroll | \$ 3,801,093 | \$ 3,614,416 |
| Total OPEB Liability as a Percentage of Covered Payroll | 7.55% | 8.49% |

*The Supplemental Death Benefit Fund is considered to be an unfunded OPEB plan under GASB 75. Because of this benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Note: GASB Codification, Vol. 2, P52.139 states that the information on this schedule should be determined as of the measurement date of the plan.

As required by GASB 75, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

BROOKS COUNTY, TEXAS
NOTES TO SCHEDULE OF OPEB CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Entry age |
| Amortization Method | Straight-line amortization of expected working life |
| Remaining Amortization Period | NA |
| Asset Valuation Method | NA |
| Inflation | NA |
| Salary Increases | NA |
| Investment Rate of Return | 3.44%, based on 20-year Bond GO Index published by bondbuyer.com as of December 28, 2017 |
| Retirement Age | NA |
| Mortality | See Tables 1 thru 4 in the Milliman Valuation Report |
| Other Information: | There were no benefit changes during the year. |

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2019

| Data Control Codes | 201 Landfill Fund | 204 Consolidation Fund | 205 Airport Improvement Fund | 206 Alien Death Processing |
|---|-------------------------|------------------------------|---------------------------------------|-------------------------------------|
| ASSETS | | | | |
| 1010 Cash and Cash Equivalents | \$ - | \$ - | \$ - | \$ - |
| 1030 Investments - Current | - | - | - | - |
| 1150 Accounts Receivable, Net | - | - | - | 1,700 |
| 1300 Due from Other Funds | 56,321 | 23,967 | 3,296 | - |
| 1430 Prepaid Items | - | - | - | - |
| 1000 Total Assets | <u>\$ 56,321</u> | <u>\$ 23,967</u> | <u>\$ 3,296</u> | <u>\$ 1,700</u> |
| LIABILITIES | | | | |
| 2010 Accounts Payable | \$ - | \$ - | \$ - | \$ - |
| 2020 Wages and Salaries Payable | - | - | - | - |
| 2080 Due to Other Funds | 3,680 | 10,376 | - | 1,700 |
| 2000 Total Liabilities | <u>3,680</u> | <u>10,376</u> | <u>-</u> | <u>1,700</u> |
| FUND BALANCES | | | | |
| Restricted Fund Balance: | | | | |
| 3450 Federal or State Funds Grant Restriction | 52,641 | 13,591 | 3,296 | - |
| 3480 Retirement of Long-Term Debt | - | - | - | - |
| Committed Fund Balance: | | | | |
| 3510 Construction | - | - | - | - |
| 3600 Unassigned Fund Balance | - | - | - | - |
| 3000 Total Fund Balances | <u>52,641</u> | <u>13,591</u> | <u>3,296</u> | <u>-</u> |
| 4000 Total Liabilities and Fund Balances | <u>\$ 56,321</u> | <u>\$ 23,967</u> | <u>\$ 3,296</u> | <u>\$ 1,700</u> |

| 207 Chapter 19 | 210 Sheriff Abandoned Vehicles | 211 Sheriff's Contributions | 214 Management & Preservation Fund | 215 Courthouse Security Fund | 216 Lateral Road Fund | 217 Prevention & Treatment Fund | 218 CO Attorney Hot Check Fund |
|----------------------|---|-----------------------------------|---|---------------------------------------|--------------------------------|--|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 1,146 | 11,660 | 3,907 | 32,073 | 77,775 | 743 | 61,135 | 1,165 |
| - | - | - | - | - | - | - | - |
| <u>\$ 1,146</u> | <u>\$ 11,660</u> | <u>\$ 3,907</u> | <u>\$ 32,073</u> | <u>\$ 77,775</u> | <u>\$ 743</u> | <u>\$ 61,135</u> | <u>\$ 1,165</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | 3,089 | - | - | - |
| 1,000 | - | - | - | - | - | 25 | - |
| <u>1,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,089</u> | <u>-</u> | <u>25</u> | <u>-</u> |
| 146 | 11,660 | 3,907 | 32,073 | 74,686 | 743 | 61,110 | 1,165 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>146</u> | <u>11,660</u> | <u>3,907</u> | <u>32,073</u> | <u>74,686</u> | <u>743</u> | <u>61,110</u> | <u>1,165</u> |
| <u>\$ 1,146</u> | <u>\$ 11,660</u> | <u>\$ 3,907</u> | <u>\$ 32,073</u> | <u>\$ 77,775</u> | <u>\$ 743</u> | <u>\$ 61,135</u> | <u>\$ 1,165</u> |

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2019

| Data Control Codes | 219 Homeland Security Fund | 220 County Airport Fund | 221 Law Library Fund | 222 Code Enforcement Arrest Fee Fd |
|---|-------------------------------------|----------------------------------|-------------------------------|---|
| ASSETS | | | | |
| 1010 Cash and Cash Equivalents | \$ - | \$ - | \$ - | \$ - |
| 1030 Investments - Current | - | - | - | - |
| 1150 Accounts Receivable, Net | - | - | - | - |
| 1300 Due from Other Funds | 23,664 | 8,578 | 20,615 | 26,546 |
| 1430 Prepaid Items | - | - | - | - |
| 1000 Total Assets | <u>\$ 23,664</u> | <u>\$ 8,578</u> | <u>\$ 20,615</u> | <u>\$ 26,546</u> |
| LIABILITIES | | | | |
| 2010 Accounts Payable | \$ - | \$ - | \$ - | \$ - |
| 2020 Wages and Salaries Payable | - | - | - | - |
| 2080 Due to Other Funds | 6,337 | 1,619 | 129 | 651 |
| 2000 Total Liabilities | <u>6,337</u> | <u>1,619</u> | <u>129</u> | <u>651</u> |
| FUND BALANCES | | | | |
| Restricted Fund Balance: | | | | |
| 3250 Federal or State Funds Grant Restriction | 17,327 | 6,959 | 20,486 | 25,895 |
| 3280 Retirement of Long-Term Debt | - | - | - | - |
| Committed Fund Balance: | | | | |
| 3410 Construction | - | - | - | - |
| 3600 Unassigned Fund Balance | - | - | - | - |
| 3000 Total Fund Balances | <u>17,327</u> | <u>6,959</u> | <u>20,486</u> | <u>25,895</u> |
| 4000 Total Liabilities and Fund Balances | <u>\$ 23,664</u> | <u>\$ 8,578</u> | <u>\$ 20,615</u> | <u>\$ 26,546</u> |

| 224 Sheriff Seizure Fund | 225 Federal Arrest Drug Fund | 226 LEOSE State Allocations | 229 Justice Crt Technology Fund | 230 Drainage Improvements DRS 220016 | 231 Health Use Sales Tax Fund | 233 Ed Rachal Audio Visual Fund | 244 79th Judicial Dist/Drug Alcohol Fund |
|-----------------------------------|---------------------------------------|--------------------------------------|--|---|--|--|---|
| \$ 25,631 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | 132,445 | - | - |
| - | - | - | - | - | - | - | 12,426 |
| 6,337 | - | 24,227 | 43,855 | - | 104,847 | 2,376 | - |
| - | - | - | - | - | - | - | - |
| <u>\$ 31,968</u> | <u>\$ -</u> | <u>\$ 24,227</u> | <u>\$ 43,855</u> | <u>\$ -</u> | <u>\$ 237,292</u> | <u>\$ 2,376</u> | <u>\$ 12,426</u> |
| \$ 8,144 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 12,426 |
| <u>8,144</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>12,426</u> |
| 23,824 | - | 24,227 | 43,855 | - | 237,292 | 2,376 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>23,824</u> | <u>-</u> | <u>24,227</u> | <u>43,855</u> | <u>-</u> | <u>237,292</u> | <u>2,376</u> | <u>-</u> |
| <u>\$ 31,968</u> | <u>\$ -</u> | <u>\$ 24,227</u> | <u>\$ 43,855</u> | <u>\$ -</u> | <u>\$ 237,292</u> | <u>\$ 2,376</u> | <u>\$ 12,426</u> |

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2019

| Data Control Codes | 245 TXCDGG Contract #7215075 | 247 Drug Alcohol Crt Diversion Program | 250 DOJ/Federal Account Fund | 257 Brush Country Water Dist |
|---|---------------------------------------|---|---------------------------------------|---------------------------------------|
| ASSETS | | | | |
| 1010 Cash and Cash Equivalents | \$ - | \$ - | \$ 10,111 | \$ - |
| 1030 Investments - Current | - | - | - | - |
| 1150 Accounts Receivable, Net | - | - | - | - |
| 1300 Due from Other Funds | - | 141,758 | - | - |
| 1430 Prepaid Items | - | - | - | - |
| 1000 Total Assets | <u>\$ -</u> | <u>\$ 141,758</u> | <u>\$ 10,111</u> | <u>\$ -</u> |
| LIABILITIES | | | | |
| 2010 Accounts Payable | \$ - | \$ - | \$ - | \$ - |
| 2020 Wages and Salaries Payable | - | - | - | - |
| 2080 Due to Other Funds | - | - | - | - |
| 2000 Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | |
| Restricted Fund Balance: | | | | |
| 3250 Federal or State Funds Grant Restriction | - | 141,758 | 10,111 | - |
| 3280 Retirement of Long-Term Debt | - | - | - | - |
| Committed Fund Balance: | | | | |
| 3410 Construction | - | - | - | - |
| 3600 Unassigned Fund Balance | - | - | - | - |
| 3000 Total Fund Balances | <u>-</u> | <u>141,758</u> | <u>10,111</u> | <u>-</u> |
| 4000 Total Liabilities and Fund Balances | <u>\$ -</u> | <u>\$ 141,758</u> | <u>\$ 10,111</u> | <u>\$ -</u> |

| 258 Sheriff Local Border Sec Fund | 259 Sheriff Federal Seizure Fund | 263 Special Budget Fund | 268 Pre-Trial Fund | 270 Juvenile Probation Match | 280 Ed Rachal Human Rights Fund | 281 Ed Rachal Carter Family Foundation | 289 J.M. Alaniz Fairgrounds Fees Fund |
|--|---|----------------------------------|--------------------------|---------------------------------------|--|---|--|
| \$ - | \$ 103,721 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 22,211 | - | 81,634 | 8,358 | 42,120 | 308 | 500 | 1,808 |
| - | - | - | - | - | - | - | - |
| <u>\$ 22,211</u> | <u>\$ 103,721</u> | <u>\$ 81,634</u> | <u>\$ 8,358</u> | <u>\$ 42,120</u> | <u>\$ 308</u> | <u>\$ 500</u> | <u>\$ 1,808</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 63 | - | - | - |
| - | - | - | - | 63 | - | - | - |
| 22,211 | 103,721 | 81,634 | 8,358 | 42,057 | 308 | 500 | 1,808 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>22,211</u> | <u>103,721</u> | <u>81,634</u> | <u>8,358</u> | <u>42,057</u> | <u>308</u> | <u>500</u> | <u>1,808</u> |
| <u>\$ 22,211</u> | <u>\$ 103,721</u> | <u>\$ 81,634</u> | <u>\$ 8,358</u> | <u>\$ 42,120</u> | <u>\$ 308</u> | <u>\$ 500</u> | <u>\$ 1,808</u> |

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2019

| Data Control Codes | 293 Ed Rachal Sheriff Grant | 294 Employee Vending Mach Commission Fd | 298 Election Service Contract Fund | Total Nonmajor Special Revenue Funds |
|---|--------------------------------------|--|---|---|
| ASSETS | | | | |
| 1010 Cash and Cash Equivalents | \$ - | \$ - | \$ - | \$ 139,463 |
| 1030 Investments - Current | - | - | - | 132,445 |
| 1150 Accounts Receivable, Net | - | - | - | 14,126 |
| 1300 Due from Other Funds | 16,151 | 4,491 | 14,110 | 867,682 |
| 1430 Prepaid Items | - | - | - | - |
| 1000 Total Assets | <u>\$ 16,151</u> | <u>\$ 4,491</u> | <u>\$ 14,110</u> | <u>\$ 1,153,716</u> |
| LIABILITIES | | | | |
| 2010 Accounts Payable | \$ - | \$ - | \$ - | \$ 8,144 |
| 2020 Wages and Salaries Payable | - | - | - | 3,089 |
| 2080 Due to Other Funds | - | - | - | 38,006 |
| 2000 Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>49,239</u> |
| FUND BALANCES | | | | |
| Restricted Fund Balance: | | | | |
| 3250 Federal or State Funds Grant Restriction | 16,151 | 4,491 | 14,110 | 1,104,477 |
| 3280 Retirement of Long-Term Debt | - | - | - | - |
| Committed Fund Balance: | | | | |
| 3410 Construction | - | - | - | - |
| 3600 Unassigned Fund Balance | - | - | - | - |
| 3000 Total Fund Balances | <u>16,151</u> | <u>4,491</u> | <u>14,110</u> | <u>1,104,477</u> |
| 4000 Total Liabilities and Fund Balances | <u>\$ 16,151</u> | <u>\$ 4,491</u> | <u>\$ 14,110</u> | <u>\$ 1,153,716</u> |

| 536 Cert of Oblig I & S Fund | 578 Cert of Oblig Series 2011 Fund | 579 G.O. Refund Bonds Series 2013 | Total Nonmajor Debt Service Funds | 632 Ed Rachal Memorial Library Grant | 696 Brooks County 2018 Projects Fund | Total Nonmajor Capital Project Funds | Total Nonmajor Governmental Funds |
|---------------------------------------|---|--|--|---|---|---|--|
| \$ - | \$ - | \$ 43,750 | \$ 43,750 | \$ - | \$ - | \$ - | \$ 183,213 |
| - | - | - | - | - | - | - | 132,445 |
| - | - | - | - | - | - | - | 14,126 |
| 5,108 | - | - | 5,108 | 10,024 | 35,588 | 45,612 | 918,402 |
| - | - | 19,025 | 19,025 | - | - | - | 19,025 |
| <u>\$ 5,108</u> | <u>\$ -</u> | <u>\$ 62,775</u> | <u>\$ 67,883</u> | <u>\$ 10,024</u> | <u>\$ 35,588</u> | <u>\$ 45,612</u> | <u>\$ 1,267,211</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,144 |
| - | - | - | - | - | - | - | 3,089 |
| - | 1,749 | 10,703 | 12,452 | - | 10,617 | 10,617 | 61,075 |
| - | 1,749 | 10,703 | 12,452 | - | 10,617 | 10,617 | 72,308 |
| - | - | - | - | - | - | - | 1,104,477 |
| 5,108 | - | 52,072 | 57,180 | - | - | - | 57,180 |
| - | - | - | - | 10,024 | 24,971 | 34,995 | 34,995 |
| - | (1,749) | - | (1,749) | - | - | - | (1,749) |
| <u>5,108</u> | <u>(1,749)</u> | <u>52,072</u> | <u>55,431</u> | <u>10,024</u> | <u>24,971</u> | <u>34,995</u> | <u>1,194,903</u> |
| <u>\$ 5,108</u> | <u>\$ -</u> | <u>\$ 62,775</u> | <u>\$ 67,883</u> | <u>\$ 10,024</u> | <u>\$ 35,588</u> | <u>\$ 45,612</u> | <u>\$ 1,267,211</u> |

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

| Data Control Codes | 201 Landfill Fund | 204 Consolidation Fund | 205 Airport Improvement Fund | 206 Alien Death Processing |
|--|-------------------------|------------------------------|---------------------------------------|-------------------------------------|
| REVENUES: | | | | |
| Taxes: | | | | |
| 5110 Property Taxes | \$ - | \$ - | \$ - | \$ - |
| 5120 General Sales and Use Taxes | - | - | - | - |
| 5200 Licenses and Permits | - | - | - | - |
| 5300 Intergovernmental Revenue and Grants | - | 58,070 | - | 124,396 |
| 5400 Charges for Services | 94,610 | - | - | - |
| 5550 Fees of Office | - | - | - | - |
| 5610 Investment Earnings | 228 | - | - | - |
| 5640 Contributions & Donations from Private Sources | - | - | - | - |
| 5700 Other Revenue | 11,815 | - | - | - |
| 5020 Total Revenues | <u>106,653</u> | <u>58,070</u> | <u>-</u> | <u>124,396</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| 0100 General Government | - | - | - | - |
| 0200 Judicial | - | - | - | - |
| 0300 Public Safety | 365,123 | 83,677 | - | 116,810 |
| 0400 Public Transportation | - | - | - | - |
| 0500 Health and Welfare | - | - | - | - |
| 0601 Culture and Recreation | - | - | - | - |
| 0650 Economic Development and Assistance | - | - | - | - |
| Debt Service: | | | | |
| 0710 Principal on Debt | - | - | - | - |
| 0720 Interest on Debt | - | - | - | - |
| 0790 Other Debt Service | - | - | - | - |
| 6030 Total Expenditures | <u>365,123</u> | <u>83,677</u> | <u>-</u> | <u>116,810</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(258,470)</u> | <u>(25,607)</u> | <u>-</u> | <u>7,586</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| 7914 Refunding Bonds Issued | - | - | - | - |
| 7915 Transfers In | 250,000 | 29,490 | - | - |
| 7916 Payment to Refunded Bond Escrow Agent | - | - | - | - |
| 8911 Transfers Out | - | - | - | - |
| 7080 Total Other Financing Sources (Uses) | <u>250,000</u> | <u>29,490</u> | <u>-</u> | <u>-</u> |
| 1200 Net Change in Fund Balance | (8,470) | 3,883 | - | 7,586 |
| 0100 Fund Balance - October 1 (Beginning) | 61,111 | 9,708 | 3,296 | - |
| 1300 Prior Period Adjustment | - | - | - | (7,586) |
| 3000 Fund Balance - September 30 (Ending) | <u>\$ 52,641</u> | <u>\$ 13,591</u> | <u>\$ 3,296</u> | <u>\$ -</u> |

| 207 Chapter 19 | 210 Sheriff Abandoned Vehicles | 211 Sheriff's Contributions | 214 Management & Preservation Fund | 215 Courthouse Security Fund | 216 Lateral Road Fund | 217 Prevention & Treatment Fund | 218 CO Attorney Hot Check Fund |
|----------------------|---|-----------------------------------|---|---------------------------------------|--------------------------------|--|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | 97,632 | - | - | - | - | - | - |
| 1,029 | - | - | - | - | 9,058 | - | - |
| - | - | - | 11,803 | 43,205 | - | 11,697 | - |
| - | 205 | - | 200 | 337 | 36 | 289 | 3 |
| - | - | 5,200 | - | - | - | - | - |
| - | - | - | - | - | - | - | 1,165 |
| <u>1,029</u> | <u>97,837</u> | <u>5,200</u> | <u>12,003</u> | <u>43,542</u> | <u>9,094</u> | <u>11,986</u> | <u>1,168</u> |
| - | - | 4,500 | - | - | - | - | - |
| - | - | - | 19,856 | - | - | - | 565 |
| 1,680 | 156,313 | - | - | 40,250 | - | - | - |
| - | - | - | - | - | 20,494 | - | - |
| - | - | - | - | - | - | 1,590 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>1,680</u> | <u>156,313</u> | <u>4,500</u> | <u>19,856</u> | <u>40,250</u> | <u>20,494</u> | <u>1,590</u> | <u>565</u> |
| <u>(651)</u> | <u>(58,476)</u> | <u>700</u> | <u>(7,853)</u> | <u>3,292</u> | <u>(11,400)</u> | <u>10,396</u> | <u>603</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>(651)</u> | <u>(58,476)</u> | <u>700</u> | <u>(7,853)</u> | <u>3,292</u> | <u>(11,400)</u> | <u>10,396</u> | <u>603</u> |
| 797 | 70,136 | 3,207 | 39,926 | 71,394 | 12,143 | 50,714 | 562 |
| - | - | - | - | - | - | - | - |
| <u>\$ 146</u> | <u>\$ 11,660</u> | <u>\$ 3,907</u> | <u>\$ 32,073</u> | <u>\$ 74,686</u> | <u>\$ 743</u> | <u>\$ 61,110</u> | <u>\$ 1,165</u> |

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

| Data Control Codes | 219 Homeland Security Fund | 220 County Airport Fund | 221 Law Library Fund | 222 Code Enforcement Arrest Fee Fd |
|--|-------------------------------------|----------------------------------|-------------------------------|---|
| REVENUES: | | | | |
| Taxes: | | | | |
| 5110 Property Taxes | \$ - | \$ - | \$ - | \$ - |
| 5120 General Sales and Use Taxes | - | - | - | - |
| 5200 Licenses and Permits | - | - | - | - |
| 5300 Intergovernmental Revenue and Grants | 160,799 | - | - | - |
| 5400 Charges for Services | - | 360 | 4,515 | 28,454 |
| 5550 Fees of Office | - | - | - | - |
| 5610 Investment Earnings | - | 45 | 94 | 104 |
| 5640 Contributions & Donations from Private Sources | - | - | - | - |
| 5700 Other Revenue | 223 | - | - | - |
| 5020 Total Revenues | <u>161,022</u> | <u>405</u> | <u>4,609</u> | <u>28,558</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| 0100 General Government | - | - | - | - |
| 0200 Judicial | - | - | - | - |
| 0300 Public Safety | 175,887 | - | 3,325 | 20,841 |
| 0400 Public Transportation | - | 30,674 | - | - |
| 0500 Health and Welfare | - | - | - | - |
| 0601 Culture and Recreation | - | - | - | - |
| 0650 Economic Development and Assistance | - | - | - | - |
| Debt Service: | | | | |
| 0710 Principal on Debt | - | - | - | - |
| 0720 Interest on Debt | - | - | - | - |
| 0790 Other Debt Service | - | - | - | - |
| 6030 Total Expenditures | <u>175,887</u> | <u>30,674</u> | <u>3,325</u> | <u>20,841</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(14,865)</u> | <u>(30,269)</u> | <u>1,284</u> | <u>7,717</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| 7914 Refunding Bonds Issued | - | - | - | - |
| 7915 Transfers In | - | 32,000 | - | - |
| 7916 Payment to Refunded Bond Escrow Agent | - | - | - | - |
| 8911 Transfers Out | - | - | - | - |
| 7080 Total Other Financing Sources (Uses) | <u>-</u> | <u>32,000</u> | <u>-</u> | <u>-</u> |
| 1200 Net Change in Fund Balance | (14,865) | 1,731 | 1,284 | 7,717 |
| 0100 Fund Balance - October 1 (Beginning) | 32,192 | 5,228 | 19,202 | 18,178 |
| 1300 Prior Period Adjustment | - | - | - | - |
| 3000 Fund Balance - September 30 (Ending) | <u>\$ 17,327</u> | <u>\$ 6,959</u> | <u>\$ 20,486</u> | <u>\$ 25,895</u> |

| 224 Sheriff Seizure Fund | 225 Federal Arrest Drug Fund | 226 LEOSE State Allocations | 229 Justice Crt Technology Fund | 230 Drainage Improvements DRS 220016 | 231 Health Use Sales Tax Fund | 233 Ed Rachal Audio Visual Fund | 244 79th Judicial Dist/Drug Alcohol Fund |
|-----------------------------------|---------------------------------------|--------------------------------------|--|---|--|--|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | 306,297 | - | - |
| - | - | 4,095 | - | 59,060 | - | - | 81,493 |
| 73,465 | - | - | 42,855 | - | - | - | - |
| 163 | - | 113 | 208 | - | 3,369 | 10 | - |
| - | - | - | - | - | - | - | - |
| - | 10 | - | - | - | 2,500 | 1,050 | - |
| <u>73,628</u> | <u>10</u> | <u>4,208</u> | <u>43,063</u> | <u>59,060</u> | <u>312,166</u> | <u>1,060</u> | <u>81,493</u> |
| - | - | - | - | - | - | - | - |
| 71,561 | - | 2,291 | 60,099 | - | - | - | 81,493 |
| - | - | - | - | - | 227,367 | - | - |
| - | - | - | - | 66,060 | - | 671 | - |
| - | - | - | - | - | - | - | - |
| <u>71,561</u> | <u>-</u> | <u>2,291</u> | <u>60,099</u> | <u>66,060</u> | <u>227,367</u> | <u>671</u> | <u>81,493</u> |
| 2,067 | 10 | 1,917 | (17,036) | (7,000) | 84,799 | 389 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | (3,620) | - | - | - | - | - | - |
| - | <u>(3,620)</u> | - | - | - | - | - | - |
| 2,067 | (3,610) | 1,917 | (17,036) | (7,000) | 84,799 | 389 | - |
| 21,757 | 3,610 | 22,310 | 60,891 | 7,000 | 152,493 | 1,987 | - |
| - | - | - | - | - | - | - | - |
| <u>\$ 23,824</u> | <u>\$ -</u> | <u>\$ 24,227</u> | <u>\$ 43,855</u> | <u>\$ -</u> | <u>\$ 237,292</u> | <u>\$ 2,376</u> | <u>\$ -</u> |

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

| Data Control Codes | 245 TXCDGG Contract #7215075 | 247 Drug Alcohol Crt Diversion Program | 250 DOJ/Federal Account Fund | 257 Brush Country Water Dist |
|--|---------------------------------------|---|---------------------------------------|---------------------------------------|
| REVENUES: | | | | |
| Taxes: | | | | |
| 5110 Property Taxes | \$ - | \$ - | \$ - | \$ - |
| 5120 General Sales and Use Taxes | - | - | - | - |
| 5200 Licenses and Permits | - | - | - | - |
| 5300 Intergovernmental Revenue and Grants | 64,189 | - | 7,821 | - |
| 5400 Charges for Services | - | 72,962 | - | - |
| 5550 Fees of Office | - | - | - | - |
| 5610 Investment Earnings | - | 607 | - | - |
| 5640 Contributions & Donations from Private Sources | - | - | - | - |
| 5700 Other Revenue | - | - | 1,970 | - |
| 5020 Total Revenues | <u>64,189</u> | <u>73,569</u> | <u>9,791</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| 0100 General Government | - | - | - | - |
| 0200 Judicial | - | 53,353 | - | - |
| 0300 Public Safety | - | - | 1,524 | - |
| 0400 Public Transportation | - | - | - | - |
| 0500 Health and Welfare | - | - | - | - |
| 0601 Culture and Recreation | - | - | - | - |
| 0650 Economic Development and Assistance | 64,189 | - | - | - |
| Debt Service: | | | | |
| 0710 Principal on Debt | - | - | - | - |
| 0720 Interest on Debt | - | - | - | - |
| 0790 Other Debt Service | - | - | - | - |
| 6030 Total Expenditures | <u>64,189</u> | <u>53,353</u> | <u>1,524</u> | <u>-</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>20,216</u> | <u>8,267</u> | <u>-</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| 7914 Refunding Bonds Issued | - | - | - | - |
| 7915 Transfers In | - | - | - | - |
| 7916 Payment to Refunded Bond Escrow Agent | - | - | - | - |
| 8911 Transfers Out | - | - | - | (50) |
| 7080 Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(50)</u> |
| 1200 Net Change in Fund Balance | - | 20,216 | 8,267 | (50) |
| 0100 Fund Balance - October 1 (Beginning) | - | 121,542 | 1,844 | 50 |
| 1300 Prior Period Adjustment | - | - | - | - |
| 3000 Fund Balance - September 30 (Ending) | <u>\$ -</u> | <u>\$ 141,758</u> | <u>\$ 10,111</u> | <u>\$ -</u> |

| 258 Sheriff Local Border Sec Fund | 259 Sheriff Federal Seizure Fund | 263 Special Budget Fund | 268 Pre-Trial Fund | 270 Juvenile Probation Match | 280 Ed Rachal Human Rights Fund | 281 Ed Rachal Carter Family Foundation | 289 J.M. Alaniz Fairgrounds Fees Fund |
|--|---|----------------------------------|--------------------------|---------------------------------------|--|---|--|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| 30,578 | - | - | 19,990 | 171,579 | - | - | - |
| - | - | 199,314 | - | - | - | - | - |
| - | 719 | 416 | 53 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | 227 | - | - | 812 | - | - | - |
| <u>30,578</u> | <u>946</u> | <u>199,730</u> | <u>20,043</u> | <u>172,391</u> | - | - | - |
| - | - | - | - | - | - | - | - |
| 33,107 | 44,237 | 118,096 | 19,594 | 298,612 | - | 1,100 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>33,107</u> | <u>44,237</u> | <u>118,096</u> | <u>19,594</u> | <u>298,612</u> | - | <u>1,100</u> | - |
| <u>(2,529)</u> | <u>(43,291)</u> | <u>81,634</u> | <u>449</u> | <u>(126,221)</u> | - | <u>(1,100)</u> | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 119,000 | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 119,000 | - | - | - |
| (2,529) | (43,291) | 81,634 | 449 | (7,221) | - | (1,100) | - |
| 24,740 | 147,012 | - | 7,909 | 37,851 | 308 | 1,600 | 1,808 |
| - | - | - | - | 11,427 | - | - | - |
| <u>\$ 22,211</u> | <u>\$ 103,721</u> | <u>\$ 81,634</u> | <u>\$ 8,358</u> | <u>\$ 42,057</u> | <u>\$ 308</u> | <u>\$ 500</u> | <u>\$ 1,808</u> |

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

| Data Control Codes | 293 Ed Rachal Sheriff Grant | 294 Employee Vending Mach Commission Fd | 298 Election Service Contract Fund | Total Nonmajor Special Revenue Funds |
|--|--------------------------------------|--|---|---|
| REVENUES: | | | | |
| Taxes: | | | | |
| 5110 Property Taxes | \$ - | \$ - | \$ - | \$ - |
| 5120 General Sales and Use Taxes | - | - | - | 306,297 |
| 5200 Licenses and Permits | - | - | - | 97,632 |
| 5300 Intergovernmental Revenue and Grants | 65,500 | - | - | 857,657 |
| 5400 Charges for Services | - | - | - | 400,215 |
| 5550 Fees of Office | - | - | - | 183,025 |
| 5610 Investment Earnings | 167 | - | 40 | 7,406 |
| 5640 Contributions & Donations from Private Sources | - | - | - | 5,200 |
| 5700 Other Revenue | - | 94 | 14,994 | 34,860 |
| 5020 Total Revenues | <u>65,667</u> | <u>94</u> | <u>15,034</u> | <u>1,892,292</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| 0100 General Government | - | - | - | 4,500 |
| 0200 Judicial | - | - | - | 153,467 |
| 0300 Public Safety | 28,800 | 559 | 9,805 | 1,655,091 |
| 0400 Public Transportation | - | - | - | 51,168 |
| 0500 Health and Welfare | - | - | - | 228,957 |
| 0601 Culture and Recreation | - | - | - | 671 |
| 0650 Economic Development and Assistance | - | - | - | 130,249 |
| Debt Service: | | | | |
| 0710 Principal on Debt | 33,602 | - | - | 33,602 |
| 0720 Interest on Debt | 1,537 | - | - | 1,537 |
| 0790 Other Debt Service | - | - | - | - |
| 6030 Total Expenditures | <u>63,939</u> | <u>559</u> | <u>9,805</u> | <u>2,259,242</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,728</u> | <u>(465)</u> | <u>5,229</u> | <u>(366,950)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| 7914 Refunding Bonds Issued | - | - | - | - |
| 7915 Transfers In | - | 3,620 | - | 434,110 |
| 7916 Payment to Refunded Bond Escrow Agent | - | - | - | - |
| 8911 Transfers Out | - | - | - | (3,670) |
| 7080 Total Other Financing Sources (Uses) | <u>-</u> | <u>3,620</u> | <u>-</u> | <u>430,440</u> |
| 1200 Net Change in Fund Balance | 1,728 | 3,155 | 5,229 | 63,490 |
| 0100 Fund Balance - October 1 (Beginning) | 14,423 | 1,336 | 8,881 | 1,037,146 |
| 1300 Prior Period Adjustment | - | - | - | 3,841 |
| 3000 Fund Balance - September 30 (Ending) | <u>\$ 16,151</u> | <u>\$ 4,491</u> | <u>\$ 14,110</u> | <u>\$ 1,104,477</u> |

| 536 Cert of Oblig I & S Fund | 578 Cert of Oblig Series 2011 Fund | 579 G.O. Refund Bonds Series 2013 | Total Nonmajor Debt Service Funds | 632 Ed Rachal Memorial Library Grant | 696 Brooks County 2018 Projects Fund | Total Nonmajor Capital Project Funds | Total Nonmajor Governmental Funds |
|---------------------------------------|---|--|--|---|---|---|--|
| \$ 306,303 | \$ 83,788 | \$ 262,737 | \$ 652,828 | \$ - | \$ - | \$ - | \$ 652,828 |
| - | - | - | - | - | - | - | 306,297 |
| - | - | - | - | - | - | - | 97,632 |
| - | - | - | - | 10,000 | - | 10,000 | 867,657 |
| - | - | - | - | - | - | - | 400,215 |
| - | - | - | - | - | - | - | 183,025 |
| 308 | 99 | 164 | 571 | - | - | - | 7,977 |
| - | - | - | - | - | - | - | 5,200 |
| - | - | - | - | - | - | - | 34,860 |
| <u>306,611</u> | <u>83,887</u> | <u>262,901</u> | <u>653,399</u> | <u>10,000</u> | <u>-</u> | <u>10,000</u> | <u>2,555,691</u> |
| - | - | - | - | - | 443,325 | 443,325 | 447,825 |
| - | - | - | - | - | - | - | 153,467 |
| - | - | - | - | - | - | - | 1,655,091 |
| - | - | - | - | - | - | - | 51,168 |
| - | - | - | - | - | - | - | 228,957 |
| - | - | - | - | - | - | - | 671 |
| - | - | - | - | - | - | - | 130,249 |
| 235,000 | 50,000 | 240,000 | 525,000 | - | - | - | 558,602 |
| 69,618 | 36,491 | 19,974 | 126,083 | - | - | - | 127,620 |
| 400 | 51,956 | - | 52,356 | - | - | - | 52,356 |
| <u>305,018</u> | <u>138,447</u> | <u>259,974</u> | <u>703,439</u> | <u>-</u> | <u>443,325</u> | <u>443,325</u> | <u>3,406,006</u> |
| <u>1,593</u> | <u>(54,560)</u> | <u>2,927</u> | <u>(50,040)</u> | <u>10,000</u> | <u>(443,325)</u> | <u>(433,325)</u> | <u>(850,315)</u> |
| - | 1,400,000 | - | 1,400,000 | - | - | - | 1,400,000 |
| - | - | - | - | - | - | - | 434,110 |
| - | (1,348,044) | - | (1,348,044) | - | - | - | (1,348,044) |
| - | - | - | - | - | - | - | (3,670) |
| - | <u>51,956</u> | <u>-</u> | <u>51,956</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>482,396</u> |
| 1,593 | (2,604) | 2,927 | 1,916 | 10,000 | (443,325) | (433,325) | (367,919) |
| 3,515 | 855 | 49,145 | 53,515 | 24 | 468,296 | 468,320 | 1,558,981 |
| - | - | - | - | - | - | - | 3,841 |
| <u>\$ 5,108</u> | <u>\$ (1,749)</u> | <u>\$ 52,072</u> | <u>\$ 55,431</u> | <u>\$ 10,024</u> | <u>\$ 24,971</u> | <u>\$ 34,995</u> | <u>\$ 1,194,903</u> |

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

| | BALANCE OCTOBER 1 2018 | ADDITIONS | DEDUCTIONS | BALANCE SEPTEMBER 30 2019 |
|--------------------------------------|------------------------------|---------------|---------------|---------------------------------|
| DISTRICT ATTORNEY ESCROW FUND | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 539,143 | \$ 154,777 | \$ 323,752 | \$ 370,168 |
| Liabilities: | | | | |
| Due to Other Governments | \$ 539,143 | \$ 154,777 | \$ 323,752 | \$ 370,168 |
| SHERIFF BOND ACCOUNT | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 24,122 | \$ 7,607 | \$ 3,339 | \$ 28,390 |
| Liabilities: | | | | |
| Due to Other Governments | \$ 24,122 | \$ 7,607 | \$ 3,339 | \$ 28,390 |
| PARYOLL FUND | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 28,639 | \$ 5,143,353 | \$ 5,082,136 | \$ 89,856 |
| Liabilities: | | | | |
| Due to Other Governments | \$ 28,639 | \$ 5,143,353 | \$ 5,082,136 | \$ 89,856 |
| STATE FEES FUND | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 185,695 | \$ 1,544,825 | \$ 1,625,452 | \$ 105,068 |
| Liabilities: | | | | |
| Due to Other Governments | \$ 185,695 | \$ 1,544,825 | \$ 1,625,452 | \$ 105,068 |
| APPELLATE JUDICIAL SYSTEM | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 40 | \$ 400 | \$ 395 | \$ 45 |
| Liabilities: | | | | |
| Due to Other Governments | \$ 40 | \$ 400 | \$ 395 | \$ 45 |
| COUNTY CLERK FUND | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 74,799 | \$ 100,259 | \$ 90,425 | \$ 84,633 |
| Liabilities: | | | | |
| Due to Other Governments | \$ 74,799 | \$ 100,259 | \$ 90,425 | \$ 84,633 |
| DISTRICT CLERK FUND | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 68,201 | \$ 649,734 | \$ 140,080 | \$ 577,855 |
| Liabilities: | | | | |
| Due to Other Governments | \$ 68,201 | \$ 649,734 | \$ 140,080 | \$ 577,855 |
| TAX ASSESSOR COLLECTOR FUND | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 41,864 | \$ 14,893,860 | \$ 14,881,111 | \$ 54,614 |
| Liabilities: | | | | |
| Due to Other Governments | \$ 41,864 | \$ 14,893,860 | \$ 14,881,111 | \$ 54,613 |

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

| | BALANCE OCTOBER 1 2018 | ADDITIONS | DEDUCTIONS | BALANCE SEPTEMBER 30 2019 |
|--------------------------------|------------------------------|---------------|---------------|---------------------------------|
| SHERIFF REGULAR ACCOUNT | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 2,096 | \$ 18,386 | \$ 19,884 | \$ 599 |
| Liabilities: | | | | |
| Due to Other Governments | \$ 2,096 | \$ 18,386 | \$ 19,884 | \$ 599 |
| TCDRS FUND | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 20,418 | \$ 360,959 | \$ 347,636 | \$ 33,741 |
| Liabilities: | | | | |
| Due to Other Governments | \$ 20,418 | \$ 360,959 | \$ 347,636 | \$ 33,741 |
| WITHHOLDING TAX FUND | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ - | \$ 278,434 | \$ 265,797 | \$ 12,638 |
| Liabilities: | | | | |
| Due to Other Governments | \$ - | \$ 278,434 | \$ 265,797 | \$ 12,637 |
| FICA TAX FUND | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ - | \$ 615,803 | \$ 588,106 | \$ 27,698 |
| Liabilities: | | | | |
| Due to Other Governments | \$ - | \$ 615,803 | \$ 588,106 | \$ 27,698 |
| POOLED CASH | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ - | \$ 5,497,448 | \$ 3,042,347 | \$ 2,455,101 |
| Due From Other Funds | - | 3,046,160 | 2,632,197 | 413,963 |
| Total Assets | \$ - | \$ 8,543,608 | \$ 5,674,544 | \$ 2,869,064 |
| Liabilities: | | | | |
| Accounts Payable | \$ - | \$ 2,837,893 | \$ 2,524,499 | \$ 313,394 |
| Due to Other Funds | - | 5,831,213 | 3,275,543 | 2,555,670 |
| Total Liabilities | \$ - | \$ 8,669,106 | \$ 5,800,042 | \$ 2,869,064 |
| TOTAL AGENCY FUNDS | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 985,017 | \$ 29,265,846 | \$ 26,410,459 | \$ 3,840,404 |
| Due From Other Funds | - | 3,046,160 | 2,632,197 | 413,963 |
| Total Assets | \$ 985,017 | \$ 32,312,006 | \$ 29,042,656 | \$ 4,254,367 |
| Liabilities: | | | | |
| Accounts Payable | \$ - | \$ 2,837,893 | \$ 2,524,499 | \$ 313,394 |
| Due to Other Funds | - | 5,831,213 | 3,275,543 | 2,555,670 |
| Due to Other Governments | 985,017 | 23,768,398 | 23,368,112 | 1,385,303 |
| Total Liabilities | \$ 985,017 | \$ 32,437,504 | \$ 29,168,154 | \$ 4,254,367 |

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OTHER SUPPLEMENTARY INFORMATION

BROOKS COUNTY, TEXAS
BOND SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

| Date of Issue | Description | Interest Rate Payable | Amounts Original Issue | 10 Amounts Outstanding 10/1/18 | 20 Issued Current Year | 30 Retired Current Year |
|----------------|------------------------------------|-----------------------|------------------------|---|---------------------------------|----------------------------------|
| March 2004 | Certificates of Obligation | 3.60% - 5.0% | \$ 4,000,000 | \$ 1,580,000 | \$ -- | \$ 1,580,000 |
| September 2011 | Certificates of Obligation | 4.59% | 1,100,000 | 820,000 | -- | 50,000 |
| September 2013 | Certificates of Obligation | 5.00% - 8.50% | 1,200,000 | 355,000 | -- | 240,000 |
| September 2019 | General Obligation Refunding Bonds | 2.200% | 1,400,000 | -- | 1,400,000 | -- |
| September 2019 | Tax Notes | 2.500% | 1,000,000 | -- | 1,000,000 | -- |
| 1000 Totals | | | <u>\$ 8,700,000</u> | <u>\$ 2,755,000</u> | <u>\$ 2,400,000</u> | <u>\$ 1,870,000</u> |

EXHIBIT I-1

| 40 Amounts Outstanding 9/30/19 | 50 Interest Current Year | Requirements | | | | 90 | 1 10/1/19 To Maturity Interest |
|---|-----------------------------------|---------------------|------------------|---------------------|------------------|-------------------|---|
| | | Year Ending 9/30/20 | | Year Ending 9/30/21 | | | |
| | | Principal | Interest | Principal | Interest | | |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | |
| 770,000 | 36,491 | 50,000 | 34,196 | 50,000 | 31,901 | 231,567 | |
| 115,000 | 19,975 | 115,000 | 4,888 | -- | -- | 4,888 | |
| 1,400,000 | -- | 255,000 | 26,541 | 275,000 | 22,165 | 77,636 | |
| 1,000,000 | -- | 35,000 | 23,382 | 150,000 | 22,250 | 97,444 | |
| <u>\$ 3,285,000</u> | <u>\$ 56,466</u> | <u>\$ 455,000</u> | <u>\$ 89,006</u> | <u>\$ 475,000</u> | <u>\$ 76,316</u> | <u>\$ 411,535</u> | |

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Raul Hernandez & Company, P.C.
Certified Public Accountants
5402 Holly Rd., Suite 102
Corpus Christi, Texas 78411

Independent Auditor's Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With *Government Auditing Standards*

Commissioner's Court
Brooks County, Texas
P.O. Box 517
Falfurrias, Texas 78355

Members of the Commissioner's Court:

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, each major fund, and the aggregate remaining fund information of Brooks County, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Brooks County, Texas's basic financial statements, and have issued our report thereon dated August 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Brooks County, Texas'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 Brooks County, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of the Brooks County, Texas'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 Brooks County, Texas'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.

Respectfully submitted,



Raul Hernandez & Company, P.C.

Corpus Christi, Texas
August 2, 2021

BROOKS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards-N/A

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200? Yes X No

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| N/A | |

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

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

BROOKS COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

| <u>Finding/Recommendation</u> | <u>Current Status</u> | <u>Management's Explanation If Not Implemented</u> |
|-------------------------------|-----------------------|--|
| N/A | | |

BROOKS COUNTY, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2019

N/A

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