



COUNTY OF BROOKS, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2020

BROOKS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED
SEPTEMBER 30, 2020

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ANNUAL FINANCIAL REPORT
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BROOKS COUNTY, TEXAS
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2020

Elected Officials

<u>Name</u>	<u>Office</u>
RICHARD C. TERRELL	DISTRICT JUDGE
ERIC RAMOS	COUNTY JUDGE
GLORIA GARZA	COMMISSIONER PCT. 1
ROLANDO GUTIERREZ	COMMISSIONER PCT. 2
ARAMANDO OLIVAREZ	COMMISSIONER PCT. 3
ERNESTO WILLIAMS	COMMISSIONER PCT. 4
ALAN HERNANDEZ	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
NORA SALINAS	JUSTICE OF THE PEACE #3
ROLANDO GARZA	JUSTICE OF THE PEACE #4
ARTURO "ART" GARCIA	CONSTABLE PCT #1
RAMIRO GONZALEZ	CONSTABLE PCT #2
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
Office (361)980-0482 Fax (361)980-1002

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
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 Brooks County, Texas as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Brooks County, Texas'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.

Auditors' 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 Brooks County, Texas'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 Brooks County, Texas'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 the Brooks County, Texas as of September 30, 2020, 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 and 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 Brooks County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part 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 May 5, 2023, on our consideration of the 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 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 Brooks County, Texas'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.

Raul Hernandez & Company, P.C.

Corpus Christi, Texas
May 5, 2023

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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, 2020. 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, 2020 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 \$12,667,335 (Net Position). Of this amount, \$2,389,115 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 \$3,717,102. Of this amount, \$299,705 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 \$299,705.
- The County of Brooks' total debt decreased by a net of \$720,126.

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

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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 \$12,667,335 at September 30, 2020. (See Table A-1).

Table A-1
County's Net Position

	Governmental Activities		Increase (Decrease)
	2020	2019	2020-2019
Current assets:			
Cash/Cash equivalents	\$ 3,895,498	\$ 3,338,365	\$ 557,133
Taxes receivable, Net	1,423,455	1,414,352	9,103
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>\$ 5,318,953</u>	<u>\$ 6,828,912</u>	<u>\$ (1,509,959)</u>
Non-current assets:			
Capital Assets	21,027,284	20,750,580	276,704
Less: Accumulated Depreciation	(10,664,522)	(10,105,232)	(579,290)
Net Pension Asset	1,721,032	119,767	1,601,265
Total non-current assets:	<u>12,063,794</u>	<u>10,765,115</u>	<u>(302,586)</u>
Total Assets	<u>\$ 17,382,747</u>	<u>\$ 17,594,028</u>	<u>\$ (1,812,545)</u>
Deferred Outflows of Resources			
Deferred Outflow Related to Pension Plan	119,024	1,430,324	(1,311,300)
Deferred Outflow Related to OPEB	72,423	22,745	49,678
Total Deferred Outflows of Resources	<u>191,447</u>	<u>1,430,324</u>	<u>(1,261,622)</u>
Current Liabilities			
Accounts payable and other current liabilities	216,743	20,290	196,453
Accrued Interest Payable	3,077	5,321	(2,244)
Total current liabilities	<u>219,820</u>	<u>25,611</u>	<u>194,209</u>
Long-term Liabilities			
Due within one year	680,859	712,162	(31,303)
Due in more than one year	2,817,689	3,495,513	(677,824)
Net OPEB Liability	350,470	286,930	63,540
Total Liabilities	<u>\$ 3,849,018</u>	<u>\$ 4,233,286</u>	<u>\$ (645,587)</u>
Deferred inflows of Resources:			
Deferred Amounts Related to Pensions	798,102	394,284	403,818
Deferred Amounts Related to OPEB	39,919	41,037	(1,118)
Total Deferred inflows of Resources	<u>838,021</u>	<u>41,037</u>	<u>402,700</u>
Net Position:			
Invested in capital assets, net of related debt	6,844,214	6,437,674	406,540
Restricted For:			
Federal or State Grant Funds	2,478,955	3,335,303	(856,348)
Debt Service	86,229	57,180	29,049
Other Purposes	868,822	984,995	(116,173)
Unrestricted	2,389,115	3,276,408	(887,293)
Total Net Position	<u>\$ 12,667,335</u>	<u>\$ 14,091,560</u>	<u>\$ (1,424,225)</u>

BROOKS COUNTY, TEXAS

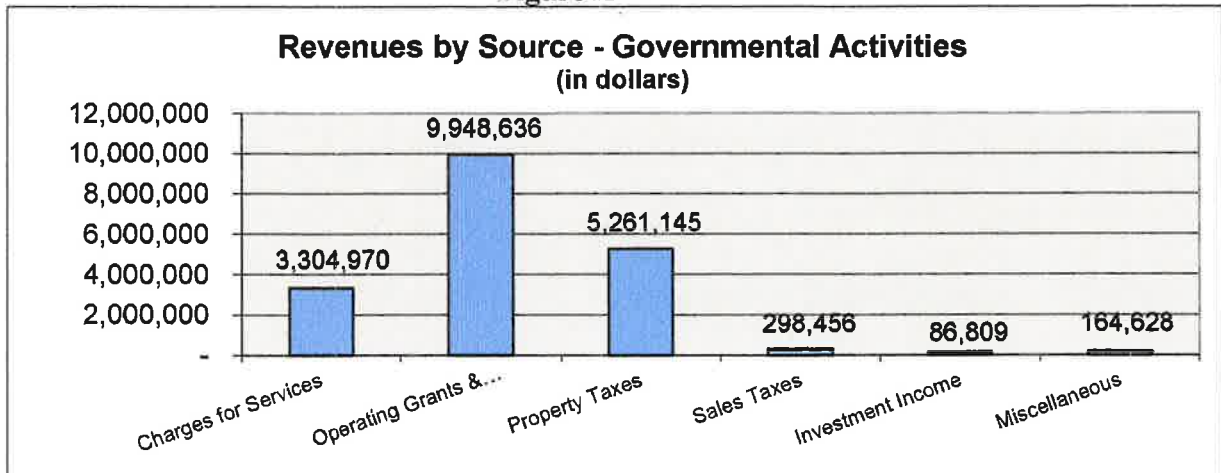
The increase of \$579,290 in accumulated depreciation was due to depreciation expense. \$86,229 of the County's restricted Net Position represents funds available for the debt service, while \$868,822 represents funds for capital project funds. These funds when spent are restricted for repayment of debt 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, 2020 was \$2,389,115, which is a decrease of (\$887,293) from the prior year.

Revenues. The County's total revenues were \$19,064,644. A significant portion, \$9,948,636 of the County's revenue comes from operating grants & contributions. \$5,261,145 comes from property taxes and \$3,304,970 relates to charges for services. (See Figure A-2 and Table A-2).

Governmental Activities

- Sales taxes had revenue of \$298,456 while miscellaneous revenues had revenues of \$164,628.

Figure A-2



BROOKS COUNTY, TEXAS

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

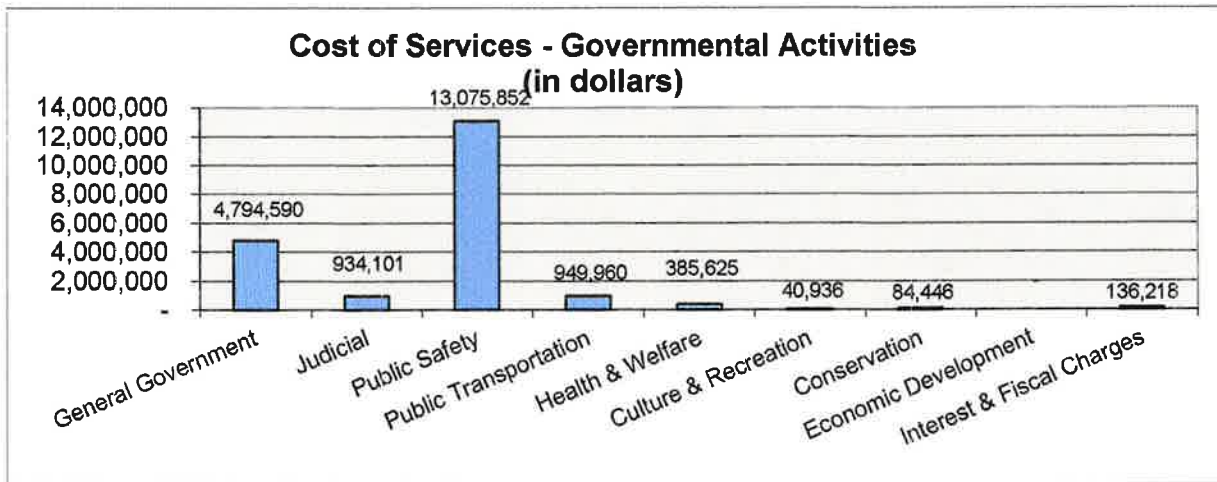
	Governmental Activities		Increase (Decrease)
	<u>2020</u>	<u>2019</u>	<u>2020-2019</u>
Revenues:			
Program:			
Charges for services	\$ 3,304,970	\$ 3,477,224	(172,254)
Operating Grants and Contributions	9,948,636	13,111,694	(3,163,058)
General:			
Property Taxes	5,261,145	5,484,870	(223,725)
Sales Taxes	298,456	306,297	(7,841)
Investment Income	86,809	66,394	20,415
Miscellaneous	164,628	83,941	80,687
Total Revenues	<u>\$ 19,064,644</u>	<u>\$ 22,530,420</u>	<u>(3,465,776)</u>
Cost of Services:			
General Government	4,794,590	5,194,713	(400,123)
Judicial	934,101	914,755	19,346
Public Safety	13,075,852	15,073,957	(1,998,105)
Public Transportation	949,960	828,245	121,715
Health and Welfare	385,625	427,263	(41,638)
Culture and Recreation	40,936	40,189	747
Conservation	84,446	71,276	13,170
Economic Development and Assistance	-	71,190	(71,190)
Interest on Long-term Debt	136,218	79,322	56,896
Total Cost of Services	<u>\$ 20,401,728</u>	<u>\$ 22,700,909</u>	<u>(2,299,181)</u>
Change in net position	(1,337,084)	(170,489)	(1,507,573)
Net position - beginning	14,091,560	14,297,234	(205,674)
Prior Period Adjustments	(87,140)	(35,185)	(51,955)
Net position-beginning-restated	<u>14,004,420</u>	<u>14,262,049</u>	<u>(257,629)</u>
Net position - ending	<u>\$ 12,667,335</u>	<u>\$ 14,091,560</u>	<u>\$ (1,424,225)</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 \$20,401,728.
- However, the amount that our taxpayers paid for these activities through property taxes was approximately \$5,261,145.
- \$13,075,852 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 \$3,717,102, which is a decrease of (\$1,657,146) 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 \$299,705. 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 \$86,229, which is an increase of \$30,798.

BROOKS COUNTY, TEXAS

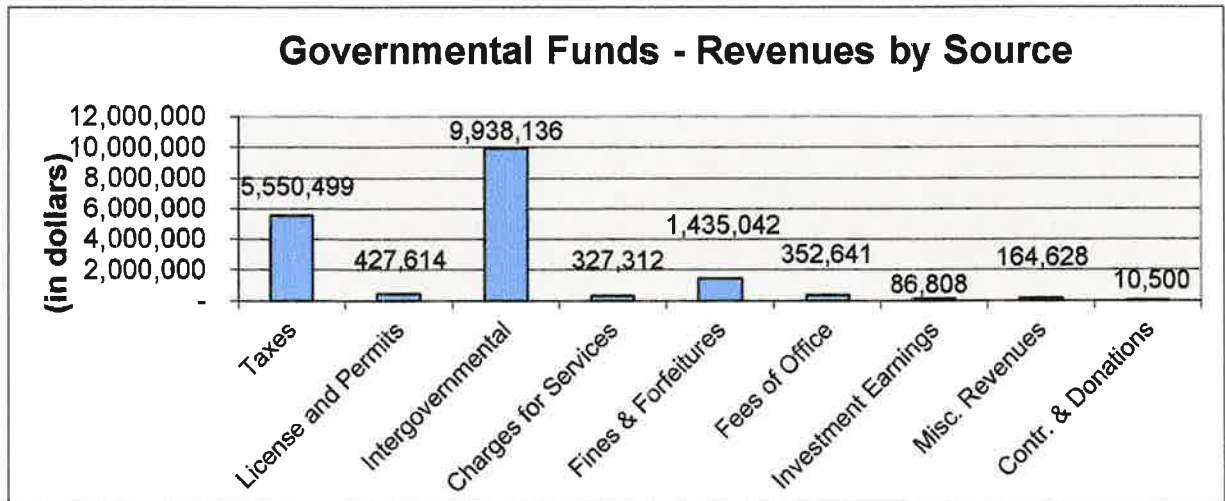
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues

Revenues from governmental fund types totaled \$18,293,180. The most significant portion in governmental fund revenue sources was derived from intergovernmental revenues, which totaled \$9,938,136. Taxes consisted of general property taxes, and general sales & use taxes, which totaled \$5,550,499.

The County's primary source of revenue consists of intergovernmental revenues, which comprise 54% of the County's total revenues. In addition, taxes and fines & forfeitures comprise 30% 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**

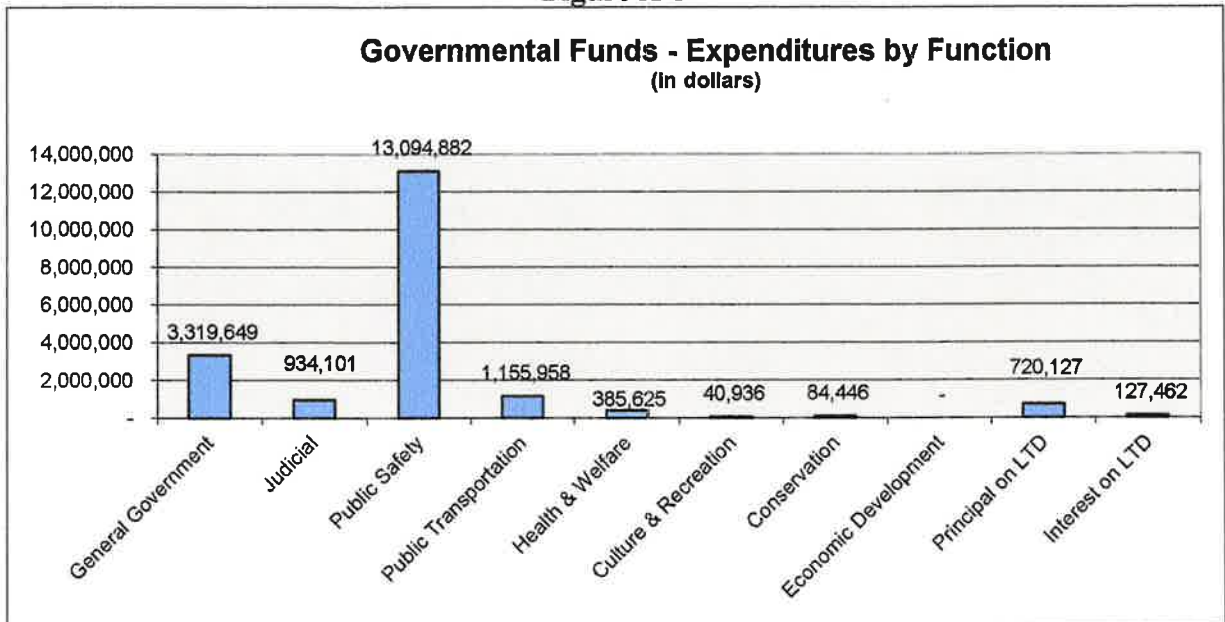
	FY 2020	FY 2019	Increase (Decrease)
Taxes	\$ 5,550,499	\$ 5,722,750	\$ (172,251)
License and Permits	427,614	354,508	73,106
Intergovernmental	9,938,136	13,111,693	(3,173,557)
Charges for Services	327,312	451,593	(124,281)
Fines & Forfeitures	1,435,042	1,623,886	(188,844)
Fees of Office	352,641	306,781	45,860
Investment Earnings	86,808	66,207	20,601
Misc. Revenues	164,628	78,742	85,886
Contributions & Donations	10,500	5,200	5,300
Total Revenues	<u>\$ 18,293,180</u>	<u>\$ 21,721,360</u>	<u>\$ (3,433,480)</u>

Expenditures

Compared to the prior year, the County had an overall decrease of (\$2,094,200) in expenditures, due to a decrease in expenditures in Public Safety and Economic Development and Assistance. Debt service principal and interest expenditures had a net decrease of (\$8,473).

The County's primary expenditures were for public safety, general government, public transportation, and economic development & assistance. Public Safety now accounts for 66% of total expenditures. General government expenditures accounted for 16% 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**

	<u>FY 2020</u>	<u>FY 2019</u>	<u>Increase (Decrease)</u>
General Government	\$ 3,319,649	\$ 3,376,335	\$ (56,686)
Judicial	934,101	914,755	19,346
Public Safety	13,094,882	15,151,129	(2,056,247)
Public Transportation	1,155,958	990,128	165,830
Health and Welfare	385,625	427,263	(41,638)
Culture and Recreation	40,936	40,189	747
Conservation	84,446	71,276	13,170
Economic Development and Assistance	-	130,249	(130,249)
Debt Service:			
Principal	720,127	621,520	98,607
Interest and Fiscal Charges	127,462	234,542	(107,080)
Total Expenditures	<u>\$ 19,863,186</u>	<u>\$ 21,957,386</u>	<u>\$ (2,094,200)</u>

Other financing sources from the County came from:

**Table A-5
Other Financing Resources**

	<u>FY 2020</u>	<u>FY 2019</u>	<u>Increase (Decrease)</u>
Operating Transfers In	\$ 681,611	\$ 750,039	\$ (68,428)
Operating Transfers Out	(681,611)	(750,039)	68,428
Bond Issuance	-	2,400,000	(2,400,000)
	<u>\$ -</u>	<u>\$ 2,400,000</u>	<u>\$ (2,400,000)</u>

General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$6,151,983 and expenditures of \$6,151,983, 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 (\$753,213). Licenses and Permits, Intergovernmental Revenue and Grants and Fines & Forfeitures were below budget expectations.
- Actual expenditures (including transfers) were \$127,554 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 2020, the County had invested \$21,027,283 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, 2020 net capital assets of the governmental activities totaled \$10,342,762. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation for road network, buildings & improvements, vehicles, and equipment totaled \$10,684,522.

**Table A-6
County's Capital Assets**

	Governmental Activities		Increase (Decrease)
	2020	2019	2020-2019
Land	\$ 236,742	\$ 236,742	\$ -
Construction in Progress	51,675	-	51,675
Road Network	3,729,923	3,729,923	-
Buildings and Improvements	11,175,965	11,175,965	-
Vehicles	2,348,367	2,348,367	-
Equipment	3,484,612	3,259,583	225,029
Total at historical cost	21,027,283	20,750,580	276,704
Total Accumulated Depreciation	(10,684,522)	(10,105,232)	(579,290)
Net Capital Assets	\$ 10,342,762	\$ 10,645,348	\$ (302,586)

Long Term Debt

At year-end the County had \$3,542,181 in bonds, tax notes and capital leases as shown in Table A-7. The County's total debt had a net decrease of \$720,126 compared to 2019. 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	
	2020	2019
Certificates of Obligation	\$ 1,865,000	\$ 2,285,000
Tax Notes	965,000	1,000,000
Capital Leases	712,181	977,307
Total governmental activities	\$ 3,542,181	\$ 4,262,307

BROOKS COUNTY, TEXAS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2020-2021 budget preparation increased from the prior year. The County's tax increased as compared to the 2019-2020 budget. The new tax rate is .949839.
- General operating fund spending in the 2020-2021 budget is expected to have a substantial decrease as compared to 2019-2020. The 2019-2020 budget for expenses was \$6,595,469 in comparison to the 2020-2021 budget year of \$6,286,300. This is partially due to COVID-19 issues and valuation decrease.
- The County chose to continue with a fully funded health insurance plan to fray additional expenditures.
- The County Retirement plan decreased from last year. The employee contribution rate is 5% and the employee match is 150% matching.
- Overall Revenues decreased significantly from \$6,595,469 to \$6,286,300 respectively due to COVID-19.
- These items were taken into account when adopting the general fund budget from 2020-2021.

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, 2020

EXHIBIT A-1

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 2,745,911
Investments - Current	1,149,587
Taxes Receivable, Net	1,423,455
Capital Assets:	
Land	236,742
Infrastructure, Net	2,217,402
Buildings, Net	6,535,757
Furniture and Equipment, Net	1,301,186
Construction in Progress	51,675
Net Pension Asset	1,721,032
Total Assets	17,382,747
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pension Plan	119,024
Deferred Outflow Related to OPEB	72,423
Total Deferred Outflows of Resources	191,447
LIABILITIES	
Accounts Payable	111,279
Wages and Salaries Payable	105,464
Accrued Interest Payable	3,077
Noncurrent Liabilities:	
Due Within One Year	680,859
Due In More Than One Year	2,817,689
Net OPEB Liability	350,470
Total Liabilities	4,068,838
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pension Plan	798,102
Deferred Inflow Related to OPEB	39,919
Total Deferred Inflows of Resources	838,021
NET POSITION	
Net Investment in Capital Assets	6,844,214
Restricted for:	
Restricted for Federal or State Grant Funds	2,478,955
Restricted for Debt Service	86,229
Restricted for Other Purposes	868,822
Unrestricted	2,389,115
Total Net Position	\$ 12,667,335

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, 2020

EXHIBIT B-1

	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:				
General Government	\$ 4,794,590	\$ 2,117,735	\$ -	\$ (2,676,855)
Judicial	934,101	327,637	-	(606,464)
Public Safety	13,075,852	600,191	9,934,218	(2,541,443)
Public Transportation	949,960	259,407	14,418	(676,135)
Health and Welfare	385,625	-	-	(385,625)
Culture and Recreation	40,936	-	-	(40,936)
Conservation	84,446	-	-	(84,446)
Interest on Debt	135,818	-	-	(135,818)
Other Debt Service	400	-	-	(400)
TOTAL PRIMARY GOVERNMENT	\$ 20,401,728	\$ 3,304,970	\$ 9,948,636	(7,148,122)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes				5,261,145
General Sales and Use Taxes				298,456
Miscellaneous Revenue				164,628
Investment Income				86,809
Total General Revenues				5,811,038
Change in Net Position				(1,337,084)
Net Position-- Beginning				14,091,559
Prior Period Adjustment				(87,140)
Net Position - Ending				\$ 12,667,335

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

BROOKS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Road & Bridge Fund	GEO Group Fund
ASSETS			
Cash and Cash Equivalents	\$ 470,089	\$ 384,292	\$ -
Investments - Current	-	1,012,258	-
Taxes Receivable	1,284,772	213,602	-
Allowance for Uncollectible Taxes (credit)	(64,239)	(10,680)	-
Due from Other Funds	97,435	-	-
Total Assets	\$ 1,788,057	\$ 1,599,472	\$ -
LIABILITIES			
Accounts Payable	\$ 97,435	\$ 13,804	\$ -
Wages and Salaries Payable	89,489	15,975	-
Due to Other Funds	80,895	15	-
Total Liabilities	267,819	29,794	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	1,220,533	202,922	-
Total Deferred Inflows of Resources	1,220,533	202,922	-
FUND BALANCES			
Federal or State Funds Grant Restriction	-	1,366,756	-
Retirement of Long-Term Debt	-	-	-
Construction	-	-	-
Unassigned Fund Balance	299,705	-	-
Total Fund Balances	299,705	1,366,756	-
Total Liabilities, Deferred Inflows & Fund Balances	\$ 1,788,057	\$ 1,599,472	\$ -

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

Cert Of Oblig Series 2019 Fund	Other Funds	Total Governmental Funds
\$ 848,581	\$ 1,081,296	\$ 2,784,258
-	137,329	1,149,587
-	-	1,498,374
-	-	(74,919)
-	7,337	104,772
<u>\$ 848,581</u>	<u>\$ 1,225,962</u>	<u>\$ 5,462,072</u>
\$ -	\$ 41	\$ 111,280
-	-	105,464
-	23,861	104,771
<u>-</u>	<u>23,902</u>	<u>321,515</u>
-	-	1,423,455
-	-	1,423,455
-	1,112,199	2,478,955
-	86,229	86,229
848,581	20,241	868,822
-	(16,609)	283,096
<u>848,581</u>	<u>1,202,060</u>	<u>3,717,102</u>
<u>\$ 848,581</u>	<u>\$ 1,225,962</u>	<u>\$ 5,462,072</u>

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BROOKS COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Total Fund Balances - Governmental Funds	\$	3,717,102
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.		(38,347)
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.		6,432,353
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 2020 capital outlays and debt principal payments is to increase (decrease) net position.		988,075
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 \$1,721,032, a deferred resource inflow in the amount of (\$798,102), and a deferred resource outflow in the amount of \$119,024. This resulted in an increase/(decrease) in net position by \$1,041,954.		1,041,954
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 (\$350,470), a deferred resource inflow in the amount of (\$39,919), and a deferred resource outflow in the amount of \$72,423. This resulted in an increase/(decrease) in net position by (\$317,966).		(317,966)
The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(579,290)
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.		1,423,454
Net Position of Governmental Activities	\$	12,667,335

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, 2020

	General Fund	Road & Bridge Fund	GEO Group Fund
REVENUES:			
Taxes:			
Property Taxes	\$ 3,628,979	\$ 1,038,623	\$ -
General Sales and Use Taxes	-	-	-
Licenses and Permits	3,899	234,986	-
Intergovernmental Revenue and Grants	116,409	-	9,195,744
Charges for Services	52,737	17,561	-
Fines	1,435,042	-	-
Fees of Office	155,889	-	-
Investment Earnings	74,266	7,746	2,126
Contributions & Donations from Private Sources	-	-	-
Other Revenue	82,375	-	-
Total Revenues	5,549,596	1,298,916	9,197,870
EXPENDITURES:			
Current:			
General Government	3,176,019	-	-
Judicial	721,077	-	-
Public Safety	1,778,462	-	9,891,302
Public Transportation	-	1,113,658	-
Health and Welfare	156,408	-	-
Culture and Recreation	40,810	-	-
Conservation	84,446	-	-
Debt Service:			
Principal on Debt	149,562	47,811	-
Interest on Debt	22,883	1,439	-
Other Debt Service	-	-	-
Total Expenditures	6,129,667	1,162,908	9,891,302
Excess (Deficiency) of Revenues Over (Under) Expenditures	(580,071)	136,008	(693,432)
OTHER FINANCING SOURCES (USES):			
Transfers In	292,660	-	-
Transfers Out	(338,248)	-	(292,660)
Total Other Financing Sources (Uses)	(45,588)	-	(292,660)
Net Change in Fund Balances	(625,659)	136,008	(986,092)
Fund Balance - October 1 (Beginning)	998,518	1,244,734	986,092
Prior Period Adjustment	(73,154)	(13,986)	-
Fund Balance - September 30 (Ending)	\$ 299,705	\$ 1,366,756	\$ -

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

Cert Of Oblig Series 2019 Fund	Other Funds	Total Governmental Funds
\$ 68,395	\$ 516,046	\$ 5,252,043
-	298,456	298,456
-	188,729	427,614
-	625,983	9,938,136
-	257,014	327,312
-	-	1,435,042
-	196,752	352,641
-	2,670	86,808
-	10,500	10,500
-	82,253	164,628
<u>68,395</u>	<u>2,178,403</u>	<u>18,293,180</u>
111,032	32,598	3,319,649
-	213,024	934,101
-	1,425,118	13,094,882
-	42,300	1,155,958
-	229,217	385,625
-	126	40,936
-	-	84,446
35,000	487,754	720,127
23,782	78,958	127,062
-	400	400
<u>169,814</u>	<u>2,509,495</u>	<u>19,863,186</u>
<u>(101,419)</u>	<u>(331,092)</u>	<u>(1,570,006)</u>
-	388,951	681,611
-	(50,703)	(681,611)
-	338,248	-
(101,419)	7,156	(1,570,006)
950,000	1,194,904	5,374,248
-	-	(87,140)
<u>\$ 848,581</u>	<u>\$ 1,202,060</u>	<u>\$ 3,717,102</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, 2020

Total Net Change in Fund Balances - Governmental Funds	\$	(1,570,006)
<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>		
		(58,370)
<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 2020 capital outlays and debt principal payments is to increase (decrease) the change in net position.</p>		
		988,075
<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 12/31/19 caused the change in the ending net position to increase in the amount of \$119,024. 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 (\$128,216). The County's reported TCDRS net pension expense had to be recorded. The net pension expense increased/(decreased) the change in net position by (\$104,659). The result of these changes is to increase/(decrease) the change in net position by (\$113,851).</p>		
		(113,851)
<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 12/31/19 caused the change in the ending net position to increase in the amount of \$16,498. 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 (\$16,064). The County's reported TCDRS net OPEB expense had to be recorded. The net pension expense increased/(decreased) the change in net position by (\$13,178). The result of these changes is to increase/(decrease) the change in net position by (\$12,744).</p>		
		(12,744)
<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>		
		(579,290)
<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>		
		9,102
Change in Net Position of Governmental Activities	\$	(1,337,084)

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

BROOKS COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Governmental Activities
	Total Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ (38,347)
Total Assets	<u>(38,347)</u>
NET POSITION	
Unrestricted	(38,347)
Total Net Position	<u>\$ (38,347)</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
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

EXHIBIT D-2

	Governmental Activities
	Total Internal Service Funds
<hr/>	
OPERATING REVENUES:	
Charges for Services	\$ 762,361
Total Operating Revenues	762,361
OPERATING EXPENSES:	
Other Operating Costs	820,731
Total Operating Expenses	820,731
Operating Income (Loss)	(58,370)
Total Net Position - October 1 (Beginning)	20,023
Total Net Position - September 30 (Ending)	\$ (38,347)

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

BROOKS COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Governmental Activities
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 762,361
Cash Payments for Insurance Claims	(800,708)
Net Cash Provided by (Used for) Operating Activities	<u>(38,347)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(38,347)
Cash and Cash Equivalents at the Beginning of the Year	<u>-</u>
Cash and Cash Equivalents at the End of the Year	<u>\$ (38,347)</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:</u>	
Operating Income (Loss)	\$ (58,370)
Adjustments to Reconcile Operating Income To Net Cash Provided by (Used For) Operating Activities:	
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (Increase) in Interfund Receivables	<u>20,023</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (38,347)</u>

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

BROOKS COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	Agency Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 1,153,003
Total Assets	<u><u>\$ 1,153,003</u></u>
LIABILITIES	
Due to Other Governments	\$ 1,153,003
Total Liabilities	<u><u>\$ 1,153,003</u></u>

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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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, 2019
Measurement Date	December 31, 2019
Employer's FYE	September 30, 2020

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, 2020

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 Alien Death Processing fund had a deficit fund balance of (\$7,845) and the Juvenile Probation Match fund had a deficit fund balance of (\$8,764) at September 30, 2020.

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, 2020, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$3,898,914 and the bank balance was \$4,122,285. The County's cash deposits at September 30, 2020 and during the year ended September 30, 2020, 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, 2020

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, 2020 are shown below.

<u>Investment or Investment Type</u>	<u>Amortized Cost</u>
Certificates of Obligation	<u>\$1,149,587</u>
Total Investments	<u>\$1,149,587</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, 2020

D. Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<i>Governmental activities:</i>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 236,742	\$ --	\$ --	\$ 236,742
Construction in progress	--	51,675	--	51,675
Total capital assets not being depreciated	<u>236,742</u>	<u>51,675</u>	<u>--</u>	<u>288,417</u>
<i>Capital assets being depreciated:</i>				
Road Network	3,729,923	--	--	3,729,923
Buildings and improvements	11,175,965	--	--	11,175,965
Equipment	3,259,583	225,029	--	3,484,612
Vehicles	2,348,367	--	--	2,348,367
Total capital assets being depreciated	<u>20,513,838</u>	<u>225,029</u>	<u>--</u>	<u>20,738,866</u>
Less accumulated depreciation for:				
Road Network	(1,429,818)	(82,702)	--	(1,512,520)
Buildings and improvements	(4,417,713)	(222,495)	--	(4,640,208)
Equipment	(2,552,753)	(124,825)	--	(2,677,578)
Vehicles	(1,704,948)	(149,268)	--	(1,854,216)
Total accumulated depreciation	<u>(10,105,232)</u>	<u>(579,290)</u>	<u>--</u>	<u>(10,684,522)</u>
Total capital assets being depreciated, net	<u>10,408,606</u>	<u>(354,261)</u>	<u>--</u>	<u>10,054,345</u>
Governmental activities capital assets, net	<u>\$ 10,645,348</u>	<u>\$ (302,586)</u>	<u>\$ --</u>	<u>\$ 10,342,762</u>

Depreciation was charged to functions as follows:

General Government	\$ 579,290
	<u>\$ 579,290</u>

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

E. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2020, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	General Fund	\$ 80,895	Short-term loans
General Fund	Special Revenue Fund	16,540	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>104,772</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, 2020, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General fund	Juvenile Probation	95,000	Supplement other funds sources
General fund	Airport Fund	22,000	Supplement other funds sources
General fund	Consolidation fund	31,248	Supplement other funds sources
General fund	Landfill	190,000	Supplement other funds sources
GEO Group	General fund	292,660	Supplement other funds sources
Debt Service Fund	General Fund	50,703	Supplement other funds sources
	Total	\$ <u>681,611</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
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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, 2020

Description	Interest Rates (%)	Date of Issuance	Date of Maturity	Bonds Outstanding
Certificates of Obligation	4.59%	September 16, 2011	September 30, 2031	\$720,000
Tax Notes	2.50%	September 18, 2019	March 1, 2026	\$965,000
Certificates of Obligation, Refunding	2.20%	September 18, 2019	March 1, 2024	\$1,145,000

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2020, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Certificates of Obligation	\$ 2,285,000	\$ --	\$ 420,000	\$ 1,865,000	325,000
Tax Notes	1,000,000	--	35,000	965,000	150,000
Loss on Refunding	(54,633)	--	(11,000)	(43,633)	(11,000)
Capital leases	977,307	--	265,126	712,181	216,859
Total governmental activities	\$ 4,207,674	\$ --	\$ 709,126	\$ 3,498,548	\$ 680,859

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2020, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
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	225,000	27,886	252,886
2026-2030	610,000	65,237	675,237
Totals	\$ 2,830,000	\$ 322,528	\$ 3,152,528

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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 lease agreements as lessee for financing the acquisition of a equipment and 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 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%.

2) 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	<u>(526,714)</u>
Total	<u>\$527,934</u>

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2020, as follows:

<u>Year Ending September 30:</u>	
2021	\$ 243,750
2022	243,750
2023	243,750
2024	137,615
2025	--
Total Minimum Rentals	\$ 868,865
Less: amount representing interest	<u>(63,294)</u>
Present Value of Minimum Lease Payments	<u>\$ 805,571</u>

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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 2020, 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 4.31% and 4.04% for the calendar year 2019 and 2020. 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, 2020

Brooks County's contributions to TCDRS for the fiscal year ended September 30, 2020 were \$168,716 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	14.50%	5.20%
Private Equity	20.00%	8.20%
Global Equities	2.50%	5.50%
International Equities - Developed	7.00%	5.20%
International Equities - Emerging	7.00%	5.70%
Investment - Grade Bonds	3.00%	-0.20%
Strategic Credit	12.00%	3.14%
Direct Lending	11.00%	7.16%
Distressed Debt	4.00%	6.90%
REIT Equities	3.00%	4.50%
Master Limited Partnerships	2.00%	8.40%
Private Real Estate Partnerships	6.00%	5.50%
Hedge Funds	6.00%	2.30%

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 sufficiency may be applied.

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

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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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 Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2018	\$ 18,766,457	\$ 18,886,222	\$ (119,765)
Changes for the year			
Service cost	418,419	-	418,419
Interest	1,506,294	-	1,506,294
Change of benefit terms	--	-	--
Difference between expected and actual experience	(80,467)	-	(80,467)
Changes of assumptions	-	-	--
Contributions - employer	-	177,908	(177,908)
Contributions - employee	-	206,392	(206,392)
Net investment income	-	3,102,323	(3,102,323)
Benefit payments, including refunds of employee contributions	(1,200,693)	(1,200,693)	--
Administrative expense	--	(16,103)	16,103
Other changes	--	(25,007)	25,007
Net changes	643,553	2,244,820	(1,601,267)
Balance at 12/31/2019	\$ 19,410,010	\$ 21,131,042	\$ (1,721,032)

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	\$ 308,728	\$ (1,721,032)	\$ (3,462,543)

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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

For the year ended September 30, 2020, the District recognized pension expense of \$282,567.

At September 30, 2020, 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	\$ --	\$ 229,100
Changes in actuarial assumptions	--	-
Difference between projected and actual investment earnings	--	569,002
Contributions subsequent to the measurement date	<u>119,024</u>	<u>-</u>
Total	<u>\$ 119,024</u>	<u>\$ 798,102</u>

\$119,024 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, 2020. 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:		
2021	\$	(355,290)
2022		(199,820)
2023		78,328
2024		(321,320)
2025		-
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, 2020

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 0.54% and 0.56% for the calendar year 2019 and 2020, 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, 2020 were \$22,724 and were equal to the required contributions.

	Increase (Decrease) Total OPEB Liability (a)
3. Changes in Net OPEB Liability	
Balance at 12/31/2018	\$ 286,930
Changes for the year	
Service cost	11,616
Interest	12,006
Change of benefit terms	-
Difference between expected and actual experience	(12,863)
Changes of assumptions	64,339
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments, including refunds of employee contributions	(11,558)
Administrative expense	-
Other changes	-
Net changes	63,540
Balance at 12/31/2019	\$ 350,470

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	\$ 412,798	\$ 350,470	\$ 301,277

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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

For the year ended September 30, 2020, the District recognized OPEB expense of \$24,736.

At September 30, 2020, 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	\$ --	\$ 22,508
Changes in actuarial assumptions	55,925	17,411
Difference between projected and actual investment earnings	--	--
Contributions subsequent to the measurement date	<u>16,498</u>	<u>--</u>
Total	<u>\$ 72,423</u>	<u>\$ 39,919</u>

\$16,498 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, 2020. 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:		
2021	\$	1,114
2022		1,114
2023		3,482
2024		10,296
2025		-
Thereafter		-

I. Health Care Coverage

During the year ended September 30, 2020, employees of the County were covered under Pan America. The County contributed \$577 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, 2020.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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 \$142,979 reported as landfill closure and postclosure care liability at September 30, 2020, 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 \$142,979 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2020. The landfill is still open as of 2020. 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, 2020, investments of \$142,979 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 May 5, 2023, the date which the financial statements were available to be issued.

M. Prior Period Adjustments

During the year 2020 the following prior period adjustments were made to clear outstanding items, a prior period adjustment of (\$73,154) was made to the General Fund which decreased the ending net position and fund balance. An adjustment of (\$13,986) was made to the Road & Bridge Fund which decreased the ending net position and fund balance.

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, 2020

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 3,497,321	\$ 3,497,321	\$ 3,628,979	\$ 131,658
Licenses and Permits	20,200	20,200	3,899	(16,301)
Intergovernmental Revenue and Grants	182,248	182,248	116,409	(65,839)
Charges for Services	35,400	35,400	52,737	17,337
Fines	1,997,200	1,997,200	1,435,042	(562,158)
Fees of Office	149,100	149,100	155,889	6,789
Investment Earnings	14,500	14,500	74,266	59,766
Other Revenue	38,500	38,500	82,375	43,875
Total Revenues	5,934,469	5,934,469	5,549,596	(384,873)
EXPENDITURES:				
Current:				
County Judge	98,976	98,976	101,211	(2,235)
Commissioners' Court	189,559	189,559	179,344	10,215
County Clerk	116,948	116,948	114,263	2,685
Non-Departmental	1,603,849	1,603,849	1,869,140	(265,291)
County Auditor	293,115	293,115	249,536	43,579
County Treasurer	145,054	145,054	141,902	3,152
Tax Assessor - Collector	86,805	86,805	86,437	368
Voter Registration	70,095	70,095	62,994	7,101
Courthouse and Buildings	389,763	389,763	371,192	18,571
County Court	79,140	79,140	76,921	2,219
District Court	189,836	189,836	132,652	57,184
District Clerk	111,922	111,922	99,200	12,722
Justice of the Peace	292,347	292,347	272,409	19,938
County Attorney	88,177	88,177	81,780	6,397
District Attorney	46,369	46,369	45,915	454
Juvenile Court	8,800	8,800	12,200	(3,400)
Adult Probation	66,300	66,300	66,214	86
Constables	81,519	81,519	71,813	9,706
Sheriff	939,113	939,113	887,103	52,010
County Jail	715,844	715,844	702,248	13,596
Fire Marshall & LEPC Coordinator	55,211	55,211	51,084	4,127
Health and Welfare	-	-	1,700	(1,700)
Out-Patient Clinic	54,319	54,319	46,127	8,192
Indigent	109,500	109,500	108,581	919
Culture and Recreation	45,083	45,083	40,810	4,273
Conservation	101,893	101,893	84,446	17,447
Debt Service:				
Principal on Debt	149,562	149,562	149,562	-
Interest on Debt	22,883	22,883	22,883	-
Total Expenditures	6,151,983	6,151,983	6,129,667	22,316
Excess (Deficiency) of Revenues Over (Under) Expenditures	(217,514)	(217,513)	(580,071)	(362,558)
OTHER FINANCING SOURCES (USES):				
Transfers In	661,000	661,000	292,660	(368,340)
Transfers Out	(443,486)	(443,486)	(338,248)	105,238
Total Other Financing Sources (Uses)	217,514	217,514	(45,588)	(263,102)

BROOKSCOUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
Net Change in Fund Balances	-	-	(625,659)	(625,659)
Fund Balance - October 1 (Beginning)	998,518	998,518	998,518	-
Prior Period Adjustment	-	-	(73,154)	(73,154)
Fund Balance - September 30 (Ending)	<u>\$ 998,518</u>	<u>\$ 998,518</u>	<u>\$ 299,705</u>	<u>\$ (698,813)</u>

BROOKS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD & BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
REVENUES:				
Property Taxes	\$ 1,348,028	\$ 1,348,028	\$ 1,038,623	\$ (309,405)
Licenses and Permits	250,000	250,000	234,986	(15,014)
Charges for Services	21,000	21,000	17,561	(3,439)
Investment Earnings	2,500	2,500	7,746	5,246
Other Revenue	3,000	3,000	-	(3,000)
Total Revenues	<u>1,624,528</u>	<u>1,624,528</u>	<u>1,298,916</u>	<u>(325,612)</u>
EXPENDITURES:				
Public Transportation	1,575,031	1,575,031	1,113,658	461,373
Debt Service:				
Principal on Debt	47,869	47,869	47,811	58
Interest on Debt	1,628	1,628	1,439	189
Total Expenditures	<u>1,624,528</u>	<u>1,624,528</u>	<u>1,162,908</u>	<u>461,620</u>
Change in Fund Balance	-	-	136,008	136,008
Fund Balance - October 1 (Beginning)	1,244,734	1,244,734	1,244,734	-
Prior Period Adjustment	-	-	(13,986)	(13,986)
Fund Balance - September 30 (Ending)	<u>\$ 1,244,734</u>	<u>\$ 1,244,734</u>	<u>\$ 1,366,756</u>	<u>\$ 122,022</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, 2020

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 10,315,000	\$ 10,315,000	\$ 9,195,744	\$ (1,119,256)
Investment Earnings	-	-	2,126	2,126
Total Revenues	<u>10,315,000</u>	<u>10,315,000</u>	<u>9,197,870</u>	<u>(1,117,130)</u>
EXPENDITURES:				
Public Safety	10,005,000	10,005,000	9,891,302	113,698
Total Expenditures	<u>10,005,000</u>	<u>10,005,000</u>	<u>9,891,302</u>	<u>113,698</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>310,000</u>	<u>310,000</u>	<u>(693,432)</u>	<u>(1,003,432)</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	(310,000)	(310,000)	(292,660)	17,340
Total Other Financing Sources (Uses)	<u>(310,000)</u>	<u>(310,000)</u>	<u>(292,660)</u>	<u>17,340</u>
Change in Fund Balance	-	-	(986,092)	(986,092)
Fund Balance - October 1 (Beginning)	<u>986,092</u>	<u>986,092</u>	<u>986,092</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 986,092</u>	<u>\$ 986,092</u>	<u>\$ -</u>	<u>\$ (986,092)</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, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
A. Total Pension Liability			
Service Cost	\$ 418,419	\$ 353,785	\$ 393,379
Interest (on the Total Pension Liability)	1,506,294	1,462,109	1,424,033
Changes of Benefit Terms	-	432,455	-
Difference between Expected and Actual Experience	(80,467)	(526,365)	(130,120)
Changes of Assumptions	-	-	158,636
Benefit Payments, Including Refunds of Employee Contributions	(1,200,693)	(1,280,013)	(1,390,365)
Net Change in Total Pension Liability	<u>\$ 643,553</u>	<u>\$ 441,971</u>	<u>\$ 455,563</u>
Total Pension Liability - Beginning	18,766,457	18,324,486	17,868,923
Total Pension Liability - Ending	<u><u>\$ 19,410,010</u></u>	<u><u>\$ 18,766,457</u></u>	<u><u>\$ 18,324,486</u></u>
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 177,908	\$ 73,741	\$ 52,049
Contributions - Employee	206,392	152,044	144,577
Net Investment Income	3,102,323	(391,382)	2,736,790
Benefit Payments, Including Refunds of Employee Contributions	(1,200,693)	(1,280,013)	(1,390,365)
Administrative Expense	(16,103)	(15,169)	(13,551)
Other	(25,007)	(29,362)	(36,517)
Net Change in Plan Fiduciary Net Position	<u>\$ 2,244,820</u>	<u>\$ (1,490,141)</u>	<u>\$ 1,492,983</u>
Plan Fiduciary Net Position - Beginning	18,886,222	20,376,363	18,883,380
Plan Fiduciary Net Position - Ending	<u><u>\$ 21,131,042</u></u>	<u><u>\$ 18,886,222</u></u>	<u><u>\$ 20,376,363</u></u>
C. Net Pension Liability (Asset)	<u><u>\$ (1,721,032)</u></u>	<u><u>\$ (119,765)</u></u>	<u><u>\$ (2,051,877)</u></u>
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	108.87%	100.64%	111.20%
E. Covered Payroll	\$ 4,127,832	\$ 3,801,093	\$ 3,614,416
F. Net Pension Liability (Asset) as a Percentage of Covered Payroll	(41.69%)	(3.15%)	(56.77%)

Note: GASB Codification, Vol. 2, P20.146 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.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

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 2020

	2020	2019	2018
Actuarially Determined Contribution	\$ 177,908	\$ 73,741	\$ 52,049
Contributions in Relation to the Actuarially Determined Contributions	(177,908)	(73,741)	(52,049)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 4,127,832	\$ 3,801,093	\$ 3,614,416
Contributions as a Percentage of Covered Employee Payroll	4.30%	1.94%	1.44%

Note: GASB Codification, Vol. 2, P20.146 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.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

	2017	2016	2015
\$	262,626	\$ 262,626	\$ 260,029
	(262,626)	(262,626)	(260,029)
\$	-	\$ -	\$ -
\$	3,730,467	\$ 3,730,467	\$ 3,672,617
	7.04%	-	7.10%

BROOKS COUNTY, TEXAS
NOTES TO SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

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
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, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
Total OPEB Liability			
Service Cost	\$ 11,616	\$ 15,625	\$ 11,906
Interest on the Total OPEB Liability	12,006	10,885	11,847
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(12,863)	(5,044)	(22,980)
Changes of Assumptions	64,339	(29,017)	11,135
Benefit Payments*	(11,558)	(12,544)	(12,650)
Net Change in Total OPEB Liability	63,540	(20,095)	(742)
Total OPEB Liability - Beginning	286,930	307,025	307,767
Total OPEB Liability - Ending	\$ 350,470	\$ 286,930	\$ 307,025
Covered Payroll	\$ 4,127,832	\$ 3,801,093	\$ 3,614,416
Total OPEB Liability as a Percentage of Covered Payroll	8.49%	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, 2020

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	Straight-line amortization of expected working life
Remaining Amortization Period	NA
Asset Valuation Method	NA
Inflation	NA
Salary Increases	NA
Investment Rate of Return	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, 2020

	Landfill Fund	HAVA Election Fund	Coronavirus Relief Fund	Consolidation Fund
ASSETS				
Cash and Cash Equivalents	\$ 72,708	\$ 5,158	\$ 21,102	\$ 26,982
Investments - Current	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	\$ 72,708	\$ 5,158	\$ 21,102	\$ 26,982
LIABILITIES				
Accounts Payable	-	-	20	-
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	20	-
FUND BALANCES				
Federal or State Funds Grant Restriction	72,708	5,158	21,082	26,982
Retirement of Long-Term Debt	-	-	-	-
Construction	-	-	-	-
Unassigned Fund Balance	-	-	-	-
Total Fund Balances	72,708	5,158	21,082	26,982
Total Liabilities and Fund Balances	\$ 72,708	\$ 5,158	\$ 21,102	\$ 26,982

Airport Improvement Fund	Alien Death Processing	Chapter 19	Sheriff Abandoned Vehicles	Sheriff's Contributions	Management & Preservation Fund	Courthouse Security Fund	Lateral Road Fund
\$ 3,296	\$ (3,195)	\$ 2,763	\$ 67,361	\$ 3,274	\$ 25,938	\$ 66,871	\$ 1,836
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 3,296</u>	<u>\$ (3,195)</u>	<u>\$ 2,763</u>	<u>\$ 67,361</u>	<u>\$ 3,274</u>	<u>\$ 25,938</u>	<u>\$ 66,871</u>	<u>\$ 1,836</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	4,650	1,000	-	-	-	-	-
-	4,650	1,000	-	-	-	-	-
3,296	-	1,763	67,361	3,274	25,938	66,871	1,836
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(7,845)	-	-	-	-	-	-
<u>3,296</u>	<u>(7,845)</u>	<u>1,763</u>	<u>67,361</u>	<u>3,274</u>	<u>25,938</u>	<u>66,871</u>	<u>1,836</u>
<u>\$ 3,296</u>	<u>\$ (3,195)</u>	<u>\$ 2,763</u>	<u>\$ 67,361</u>	<u>\$ 3,274</u>	<u>\$ 25,938</u>	<u>\$ 66,871</u>	<u>\$ 1,836</u>

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2020

	Prevention & Treatment Fund	CO Attorney Hot Check Fund	Homeland Security Fund	County Airport Fund
ASSETS				
Cash and Cash Equivalents	\$ 70,660	\$ 1,982	\$ 50,219	\$ 7,572
Investments - Current	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	\$ 70,660	\$ 1,982	\$ 50,219	\$ 7,572
LIABILITIES				
Accounts Payable	-	-	-	21
Due to Other Funds	-	-	6,337	707
Total Liabilities	-	-	6,337	728
FUND BALANCES				
Federal or State Funds Grant Restriction	70,660	1,982	43,882	6,844
Retirement of Long-Term Debt	-	-	-	-
Construction	-	-	-	-
Unassigned Fund Balance	-	-	-	-
Total Fund Balances	70,660	1,982	43,882	6,844
Total Liabilities and Fund Balances	\$ 70,660	\$ 1,982	\$ 50,219	\$ 7,572

Law Library Fund	Code Enforcement Arrest Fee Fd	Sheriff Seizure Fund	LEOSE State Allocations	Justice Crt Technology Fund	Health Use Sales Tax Fund	Ed Rachal Audio Visual Fund	79th Judicial Dist/Drug Alcohol Fund
\$ 20,676	\$ 27,618	\$ 21,790	\$ 25,806	\$ 5,162	\$ 177,071	\$ 2,250	\$ -
-	-	-	-	-	137,329	-	-
-	-	6,337	-	-	-	-	-
<u>\$ 20,676</u>	<u>\$ 27,618</u>	<u>\$ 28,127</u>	<u>\$ 25,806</u>	<u>\$ 5,162</u>	<u>\$ 314,400</u>	<u>\$ 2,250</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
133	-	-	-	-	-	-	-
<u>133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
20,543	27,618	28,127	25,806	5,162	314,400	2,250	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>20,543</u>	<u>27,618</u>	<u>28,127</u>	<u>25,806</u>	<u>5,162</u>	<u>314,400</u>	<u>2,250</u>	<u>-</u>
<u>\$ 20,676</u>	<u>\$ 27,618</u>	<u>\$ 28,127</u>	<u>\$ 25,806</u>	<u>\$ 5,162</u>	<u>\$ 314,400</u>	<u>\$ 2,250</u>	<u>\$ -</u>

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2020

	Drug Alcohol Crt Diversion Program	DOJ/Federal Account Fund	Sheriff Local Border Sec Fund	Sheriff Federal Seizure Fund
ASSETS				
Cash and Cash Equivalents	\$ 135,675	\$ 6,305	\$ 26,090	\$ 35,664
Investments - Current	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	\$ 135,675	\$ 6,305	\$ 26,090	\$ 35,664
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	-	-
FUND BALANCES				
Federal or State Funds Grant Restriction	135,675	6,305	26,090	35,664
Retirement of Long-Term Debt	-	-	-	-
Construction	-	-	-	-
Unassigned Fund Balance	-	-	-	-
Total Fund Balances	135,675	6,305	26,090	35,664
Total Liabilities and Fund Balances	\$ 135,675	\$ 6,305	\$ 26,090	\$ 35,664

Special Budget Fund	Pre-Trial Fund	Juvenile Probation Match	EdRachal Human Rights Fund	EdRachal Carter Family Foundation	J.M. Alaniz Fairgrounds Fees Fund	EdRachal Sheriff Grant	Employee Vending Mach Commission Fd
\$ 13,332	\$ 20,859	\$ 2,270	\$ 308	\$ -	\$ 808	\$ 22,854	\$ 2,480
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 13,332</u>	<u>\$ 20,859</u>	<u>\$ 2,270</u>	<u>\$ 308</u>	<u>\$ -</u>	<u>\$ 808</u>	<u>\$ 22,854</u>	<u>\$ 2,480</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	11,034	-	-	-	-	-
-	-	11,034	-	-	-	-	-
13,332	20,859	-	308	-	808	22,854	2,480
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(8,764)	-	-	-	-	-
<u>13,332</u>	<u>20,859</u>	<u>(8,764)</u>	<u>308</u>	<u>-</u>	<u>808</u>	<u>22,854</u>	<u>2,480</u>
<u>\$ 13,332</u>	<u>\$ 20,859</u>	<u>\$ 2,270</u>	<u>\$ 308</u>	<u>\$ -</u>	<u>\$ 808</u>	<u>\$ 22,854</u>	<u>\$ 2,480</u>

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2020

	Election Service Contract Fund	Total Nonmajor Special Revenue Funds	Cert Of Oblig Series 2019 Fund	Cert of Oblig I & S Fund
ASSETS				
Cash and Cash Equivalents	\$ 3,281	\$ 974,826	\$ 69,792	\$ 6,041
Investments - Current	-	137,329	-	-
Due from Other Funds	1,000	7,337	-	-
Total Assets	\$ 4,281	\$ 1,119,492	\$ 69,792	\$ 6,041
LIABILITIES				
Accounts Payable	\$ -	\$ 41	\$ -	\$ -
Due to Other Funds	-	23,861	-	-
Total Liabilities	-	23,902	-	-
FUND BALANCES				
Federal or State Funds Grant Restriction	4,281	1,112,199	-	-
Retirement of Long-Term Debt	-	-	69,792	6,041
Construction	-	-	-	-
Unassigned Fund Balance	-	(16,609)	-	-
Total Fund Balances	4,281	1,095,590	69,792	6,041
Total Liabilities and Fund Balances	\$ 4,281	\$ 1,119,492	\$ 69,792	\$ 6,041

Cert of Oblig Series 2011 Fund	G.O. Refund Bonds Series 2013	Total Nonmajor Debt Service Funds	Ed Rachal Memorial Library Grant	Brooks County 2018 Projects Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 4,808	\$ 5,588	\$ 86,229	\$ 24	\$ 20,217	\$ 20,241	\$ 1,081,296
-	-	-	-	-	-	137,329
-	-	-	-	-	-	7,337
<u>\$ 4,808</u>	<u>\$ 5,588</u>	<u>\$ 86,229</u>	<u>\$ 24</u>	<u>\$ 20,217</u>	<u>\$ 20,241</u>	<u>\$ 1,225,962</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41
-	-	-	-	-	-	23,861
-	-	-	-	-	-	23,902
-	-	-	-	-	-	1,112,199
4,808	5,588	86,229	-	-	-	86,229
-	-	-	24	20,217	20,241	20,241
-	-	-	-	-	-	(16,609)
<u>4,808</u>	<u>5,588</u>	<u>86,229</u>	<u>24</u>	<u>20,217</u>	<u>20,241</u>	<u>1,202,060</u>
<u>\$ 4,808</u>	<u>\$ 5,588</u>	<u>\$ 86,229</u>	<u>\$ 24</u>	<u>\$ 20,217</u>	<u>\$ 20,241</u>	<u>\$ 1,225,962</u>

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Landfill Fund	HAVA Election Fund	Coronavirus Relief Fund	Consolidation Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	-	-	61,400
Charges for Services	140,885	-	-	-
Fees of Office	-	-	-	-
Investment Earnings	-	16	46	-
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	6,781	8,833	23,056	-
Total Revenues	<u>147,666</u>	<u>8,849</u>	<u>23,102</u>	<u>61,400</u>
EXPENDITURES:				
Current:				
General Government	-	3,691	2,020	-
Judicial	-	-	-	-
Public Safety	317,600	-	-	79,257
Public Transportation	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal on Debt	-	-	-	-
Interest on Debt	-	-	-	-
Other Debt Service	-	-	-	-
Total Expenditures	<u>317,600</u>	<u>3,691</u>	<u>2,020</u>	<u>79,257</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(169,934)</u>	<u>5,158</u>	<u>21,082</u>	<u>(17,857)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	190,000	-	-	31,248
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>190,000</u>	<u>-</u>	<u>-</u>	<u>31,248</u>
Net Change in Fund Balance	20,066	5,158	21,082	13,391
Fund Balance - October 1 (Beginning)	<u>52,642</u>	<u>-</u>	<u>-</u>	<u>13,591</u>
Fund Balance - September 30 (Ending)	<u>\$ 72,708</u>	<u>\$ 5,158</u>	<u>\$ 21,082</u>	<u>\$ 26,982</u>

Airport Improvement Fund	Alien Death Processing	Chapter 19	Sheriff Abandoned Vehicles	Sheriff's Contributions	Management & Preservation Fund	Courthouse Security Fund	Lateral Road Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	188,729	-	-	-	-
-	45,548	2,221	-	-	-	-	9,055
-	-	-	-	-	13,013	38,401	-
-	-	-	-	10,500	-	-	-
-	45,548	2,221	188,729	10,500	13,013	38,401	9,055
-	-	-	-	11,133	-	-	-
-	53,393	604	133,028	-	19,148	46,216	-
-	-	-	-	-	-	-	7,962
-	-	-	-	-	-	-	-
-	53,393	604	133,028	11,133	19,148	46,216	7,962
-	(7,845)	1,617	55,701	(633)	(6,135)	(7,815)	1,093
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(7,845)	1,617	55,701	(633)	(6,135)	(7,815)	1,093
3,296	-	146	11,660	3,907	32,073	74,686	743
<u>\$ 3,296</u>	<u>\$ (7,845)</u>	<u>\$ 1,763</u>	<u>\$ 67,361</u>	<u>\$ 3,274</u>	<u>\$ 25,938</u>	<u>\$ 66,871</u>	<u>\$ 1,836</u>

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Prevention & Treatment Fund	CO Attorney Hot Check Fund	Homeland Security Fund	County Airport Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	-	151,077	5,363
Charges for Services	-	-	-	6,860
Fees of Office	10,635	-	-	-
Investment Earnings	-	-	-	-
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	-	830	-	-
Total Revenues	<u>10,635</u>	<u>830</u>	<u>151,077</u>	<u>12,223</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial	-	13	-	-
Public Safety	-	-	124,522	-
Public Transportation	-	-	-	34,338
Health and Welfare	1,085	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal on Debt	-	-	-	-
Interest on Debt	-	-	-	-
Other Debt Service	-	-	-	-
Total Expenditures	<u>1,085</u>	<u>13</u>	<u>124,522</u>	<u>34,338</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,550</u>	<u>817</u>	<u>26,555</u>	<u>(22,115)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	22,000
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,000</u>
Net Change in Fund Balance	9,550	817	26,555	(115)
Fund Balance - October 1 (Beginning)	<u>61,110</u>	<u>1,165</u>	<u>17,327</u>	<u>6,959</u>
Fund Balance - September 30 (Ending)	<u>\$ 70,660</u>	<u>\$ 1,982</u>	<u>\$ 43,882</u>	<u>\$ 6,844</u>

Law Library Fund	Code Enforcement Arrest Fee Fd	Sheriff Seizure Fund	LEOSE State Allocations	Justice Crt Technology Fund	Health Use Sales Tax Fund	EdRachal Audio Visual Fund	79th Judicial Dist/Drug Alcohol Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	298,456	-	-
-	-	-	2,742	-	-	-	60,942
3,500	27,784	-	-	-	-	-	-
-	-	54,253	-	35,447	-	-	-
-	-	241	-	-	1,741	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	5,043	-	-
<u>3,500</u>	<u>27,784</u>	<u>54,494</u>	<u>2,742</u>	<u>35,447</u>	<u>305,240</u>	<u>-</u>	<u>60,942</u>
-	-	-	-	-	-	-	-
-	-	-	-	74,140	-	-	-
3,443	26,061	50,191	1,163	-	-	-	60,942
-	-	-	-	-	228,132	-	-
-	-	-	-	-	-	126	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>3,443</u>	<u>26,061</u>	<u>50,191</u>	<u>1,163</u>	<u>74,140</u>	<u>228,132</u>	<u>126</u>	<u>60,942</u>
<u>57</u>	<u>1,723</u>	<u>4,303</u>	<u>1,579</u>	<u>(38,693)</u>	<u>77,108</u>	<u>(126)</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
57	1,723	4,303	1,579	(38,693)	77,108	(126)	-
20,486	25,895	23,824	24,227	43,855	237,292	2,376	-
<u>\$ 20,543</u>	<u>\$ 27,618</u>	<u>\$ 28,127</u>	<u>\$ 25,806</u>	<u>\$ 5,162</u>	<u>\$ 314,400</u>	<u>\$ 2,250</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, 2020

	Drug Alcohol Crt Diversion Program	DOJ/Federal Account Fund	Sheriff Local Border Sec Fund	Sheriff Federal Seizure Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	-	31,414	-
Charges for Services	77,985	-	-	-
Fees of Office	-	-	-	45,003
Investment Earnings	-	-	-	626
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	31,194	-	-	336
Total Revenues	<u>109,179</u>	<u>-</u>	<u>31,414</u>	<u>45,965</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial	115,262	-	-	-
Public Safety	-	3,806	27,535	32,158
Public Transportation	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service:				
Principal on Debt	-	-	-	67,754
Interest on Debt	-	-	-	14,110
Other Debt Service	-	-	-	-
Total Expenditures	<u>115,262</u>	<u>3,806</u>	<u>27,535</u>	<u>114,022</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,083)</u>	<u>(3,806)</u>	<u>3,879</u>	<u>(68,057)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(6,083)	(3,806)	3,879	(68,057)
Fund Balance - October 1 (Beginning)	<u>141,758</u>	<u>10,111</u>	<u>22,211</u>	<u>103,721</u>
Fund Balance - September 30 (Ending)	<u>\$ 135,675</u>	<u>\$ 6,305</u>	<u>\$ 26,090</u>	<u>\$ 35,664</u>

Special Budget Fund	Pre-Trial Fund	Juvenile Probation Match	EdRachal Human Rights Fund	EdRachal Carter Family Foundation	J.M. Alaniz Fairgrounds Fees Fund	EdRachal Sheriff Grant	Employee Vending Mach Commission Fd
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	10,835	180,386	-	-	-	65,000	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	6,127	-	-	-	-	-	53
-	16,962	180,386	-	-	-	65,000	53
-	-	-	-	-	-	-	-
-	-	-	-	-	1,000	-	-
68,302	4,461	326,207	-	500	-	58,297	2,064
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
68,302	4,461	326,207	-	500	1,000	58,297	2,064
(68,302)	12,501	(145,821)	-	(500)	(1,000)	6,703	(2,011)
-	-	95,000	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	95,000	-	-	-	-	-
(68,302)	12,501	(50,821)	-	(500)	(1,000)	6,703	(2,011)
81,634	8,358	42,057	308	500	1,808	16,151	4,491
\$ 13,332	\$ 20,859	\$ (8,764)	\$ 308	\$ -	\$ 808	\$ 22,854	\$ 2,480

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Election Service Contract Fund	Total Nonmajor Special Revenue Funds	Cert Of Oblig Series 2019 Fund	Cert of Oblig I & S Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ 301,030	\$ 933
General Sales and Use Taxes	-	298,456	-	-
Licenses and Permits	-	188,729	-	-
Intergovernmental Revenue and Grants	-	625,983	-	-
Charges for Services	-	257,014	-	-
Fees of Office	-	196,752	-	-
Investment Earnings	-	2,670	-	-
Contributions & Donations from Private Sources	-	10,500	-	-
Other Revenue	-	82,253	-	-
Total Revenues	<u>-</u>	<u>1,662,357</u>	<u>301,030</u>	<u>933</u>
EXPENDITURES:				
Current:				
General Government	-	17,844	-	-
Judicial	-	213,024	-	-
Public Safety	9,829	1,425,118	-	-
Public Transportation	-	42,300	-	-
Health and Welfare	-	229,217	-	-
Culture and Recreation	-	126	-	-
Debt Service:				
Principal on Debt	-	67,754	255,000	-
Interest on Debt	-	14,110	26,541	-
Other Debt Service	-	-	400	-
Total Expenditures	<u>9,829</u>	<u>2,009,493</u>	<u>281,941</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,829)</u>	<u>(347,136)</u>	<u>19,089</u>	<u>933</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	338,248	50,703	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>338,248</u>	<u>50,703</u>	<u>-</u>
Net Change in Fund Balance	(9,829)	(8,888)	69,792	933
Fund Balance - October 1 (Beginning)	<u>14,110</u>	<u>1,104,478</u>	<u>-</u>	<u>5,108</u>
Fund Balance - September 30 (Ending)	<u>\$ 4,281</u>	<u>\$ 1,095,590</u>	<u>\$ 69,792</u>	<u>\$ 6,041</u>

Cert of Oblig Series 2011 Fund	G.O. Refund Bonds Series 2013	Total Nonmajor Debt Service Funds	EdRachal Memorial Library Grant	Brooks County 2018 Projects Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 90,752	\$ 123,331	\$ 516,046	\$ -	\$ -	\$ -	\$ 516,046
-	-	-	-	-	-	298,456
-	-	-	-	-	-	188,729
-	-	-	-	-	-	625,983
-	-	-	-	-	-	257,014
-	-	-	-	-	-	196,752
-	-	-	-	-	-	2,670
-	-	-	-	-	-	10,500
-	-	-	-	-	-	82,253
<u>90,752</u>	<u>123,331</u>	<u>516,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,178,403</u>
-	-	-	10,000	4,754	14,754	32,598
-	-	-	-	-	-	213,024
-	-	-	-	-	-	1,425,118
-	-	-	-	-	-	42,300
-	-	-	-	-	-	229,217
-	-	-	-	-	-	126
49,999	115,001	420,000	-	-	-	487,754
34,196	4,111	64,848	-	-	-	78,958
-	-	400	-	-	-	400
<u>84,195</u>	<u>119,112</u>	<u>485,248</u>	<u>10,000</u>	<u>4,754</u>	<u>14,754</u>	<u>2,509,495</u>
<u>6,557</u>	<u>4,219</u>	<u>30,798</u>	<u>(10,000)</u>	<u>(4,754)</u>	<u>(14,754)</u>	<u>(331,092)</u>
-	-	50,703	-	-	-	388,951
-	(50,703)	(50,703)	-	-	-	(50,703)
-	(50,703)	-	-	-	-	338,248
6,557	(46,484)	30,798	(10,000)	(4,754)	(14,754)	7,156
<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>1,194,904</u>
<u>\$ 4,808</u>	<u>\$ 5,588</u>	<u>\$ 86,229</u>	<u>\$ 24</u>	<u>\$ 20,217</u>	<u>\$ 20,241</u>	<u>\$ 1,202,060</u>

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BALANCE OCTOBER 1 2019	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2020
DISTRICT ATTORNEY ESCROW FUND				
Assets:				
Cash and Cash Equivalents	\$ 370,168	\$ 355,337	\$ 340,335	\$ 385,170
Liabilities:				
Due to Other Governments	\$ 370,168	\$ 355,337	\$ 340,335	\$ 385,170
SHERIFF BOND ACCOUNT				
Assets:				
Cash and Cash Equivalents	\$ 28,390	\$ 2,755	\$ 1,915	\$ 29,230
Liabilities:				
Due to Other Governments	\$ 28,390	\$ 2,755	\$ 1,915	\$ 29,230
PAYROLL FUND				
Assets:				
Cash and Cash Equivalents	\$ 89,856	\$ 1,562,375	\$ 1,652,231	\$ -
Liabilities:				
Due to Other Governments	\$ 89,856	\$ 1,562,375	\$ 1,652,231	\$ -
STATE FEES FUND				
Assets:				
Cash and Cash Equivalents	\$ 105,068	\$ 1,152,569	\$ 1,108,294	\$ 149,343
Liabilities:				
Due to Other Governments	\$ 105,068	\$ 1,152,569	\$ 1,108,294	\$ 149,343
APPELLATE JUDICIAL SYSTEM				
Assets:				
Cash and Cash Equivalents	\$ 45	\$ 215	\$ 230	\$ 30
Liabilities:				
Due to Other Governments	\$ 45	\$ 215	\$ 230	\$ 30
COUNTY CLERK FUND				
Assets:				
Cash and Cash Equivalents	\$ 84,633	\$ 86,241	\$ 95,541	\$ 75,333
Liabilities:				
Due to Other Governments	\$ 84,633	\$ 86,241	\$ 95,541	\$ 75,333
DISTRICT CLERK FUND				
Assets:				
Cash and Cash Equivalents	\$ 577,855	\$ 471,064	\$ 705,981	\$ 342,939
Liabilities:				
Due to Other Governments	\$ 577,855	\$ 471,064	\$ 705,981	\$ 342,939
TAX ASSESSOR COLLECTOR FUND				
Assets:				
Cash and Cash Equivalents	\$ 54,614	\$ 14,709,538	\$ 14,609,699	\$ 154,453
Liabilities:				
Due to Other Governments	\$ 54,614	\$ 14,709,538	\$ 14,609,699	\$ 154,453

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	BALANCE OCTOBER 1 2019	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30 2020
SHERIFF REGULAR ACCOUNT				
Assets:				
Cash and Cash Equivalents	\$ 599	\$ 22,950	\$ 22,637	\$ 912
Liabilities:				
Due to Other Governments	\$ 599	\$ 22,950	\$ 22,637	\$ 912
TCDRS FUND				
Assets:				
Cash and Cash Equivalents	\$ 33,741	\$ 380,809	\$ 398,956	\$ 15,594
Liabilities:				
Due to Other Governments	\$ 33,741	\$ 380,809	\$ 398,956	\$ 15,594
WITHHOLDING TAX FUND				
Assets:				
Cash and Cash Equivalents	\$ 12,638	\$ 288,555	\$ 301,193	\$ -
Liabilities:				
Due to Other Governments	\$ 12,638	\$ 288,555	\$ 301,193	\$ -
FICA TAX FUND				
Assets:				
Cash and Cash Equivalents	\$ 27,698	\$ 628,864	\$ 656,562	\$ -
Liabilities:				
Due to Other Governments	\$ 27,698	\$ 628,864	\$ 656,562	\$ -
POOLED CASH				
Assets:				
Cash and Cash Equivalents	\$ 2,455,101	\$ -	\$ 2,455,101	\$ -
Due From Other Funds	413,963	-	413,963	-
Total Assets	\$ 2,869,064	\$ -	\$ 2,869,064	\$ -
Liabilities:				
Accounts Payable	\$ 313,394	\$ -	\$ 313,394	\$ -
Due to Other Funds	2,555,670	-	2,555,670	-
Total Liabilities	\$ 2,869,064	\$ -	\$ 2,869,064	\$ -
TOTAL AGENCY FUNDS				
Assets:				
Cash and Cash Equivalents	\$ 3,840,406	\$ 19,661,272	\$ 22,348,675	\$ 1,153,003
Due From Other Funds	413,963	-	413,963	-
Total Assets	\$ 4,254,369	\$ 19,661,272	\$ 22,762,638	\$ 1,153,003
Liabilities:				
Accounts Payable	\$ 313,394	\$ -	\$ 313,394	\$ -
Due to Other Funds	2,555,670	-	2,555,670	-
Due to Other Governments	1,385,305	19,661,272	19,893,574	1,153,003
Total Liabilities	\$ 4,254,369	\$ 19,661,272	\$ 22,762,638	\$ 1,153,003

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OTHER SUPPLEMENTARY INFORMATION

BROOKS COUNTY, TEXAS
BOND SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Date of Issue	Description	Interest Rate Payable	Amounts Original Issue	10 Amounts Outstanding 10/1/19	20 Issued Current Year	30 Retired Current Year
September 2011	Certificates of Obligation	4.59%	\$ 1,100,000	\$ 770,000	\$ --	\$ 50,000
September 2013	Certificates of Obligation	5.00% - 8.50%	1,200,000	115,000	--	115,000
September 2019	General Obligation Refunding Bonds	2.200%	1,400,000	1,400,000	--	255,000
September 2019	Tax Notes	2.500%	1,000,000	1,000,000	--	35,000
1000 Totals			<u>\$ 4,700,000</u>	<u>\$ 3,285,000</u>	<u>\$ --</u>	<u>\$ 455,000</u>

40 Amounts Outstanding 9/30/20	50 Interest Current Year	Requirements				I 10/1/20 To Maturity Interest				
		60		70			80		90	
		Year Ending 9/30/21		Year Ending 9/30/22			Year Ending 9/30/21		Year Ending 9/30/22	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
\$ 720,000	\$ 34,196	\$ 50,000	\$ 31,901	\$ 50,000	\$ 29,491	\$	\$	\$	\$ 197,371	
--	4,111	--	--	--	--	--	--	--	--	
1,145,000	26,541	275,000	22,165	285,000	16,005				51,095	
965,000	23,382	150,000	22,250	155,000	18,438				74,062	
<u>\$ 2,830,000</u>	<u>\$ 88,230</u>	<u>\$ 475,000</u>	<u>\$ 76,316</u>	<u>\$ 490,000</u>	<u>\$ 63,934</u>				<u>\$ 322,528</u>	

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Raul Hernandez & Company, P.C.
Certified Public Accountants
5402 Holly Rd., Suite 102
Corpus Christi, Texas 78411
Office (361)980-0482 Fax (361)980-1002

**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***

Board of Trustees
Brooks County, Texas
P.O. Box 517
Falfurrias, Texas 78355

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Brooks County, Texas, as of and for the year ended September 30, 2020, 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 May 5, 2023.

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.

Raul Hernandez & Company, P.C.

Corpus Christi, Texas

May 5, 2023

BROOKS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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, 2020*

<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, 2020

N/A

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