



COUNTY OF BROOKS, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2022

BROOKS COUNTY, TEXAS
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TABLE OF CONTENTS

<u>Exhibit</u>	<u>Page</u>
List of Principal Officials	i
Independent Auditors' Report	1
Management's Discussion and Analysis	4
<u>Basic Financial Statements</u>	
Government Wide Statements:	
A-1 Statement of Net Position	16
B-1 Statement of Activities	17
Governmental Fund Financial Statements:	
C-1 Balance Sheet	18
C-2 Reconciliation for C-1	20
C-3 Statement of Revenues, Expenditures, and Changes in Fund Balance	21
C-4 Reconciliation for C-3	23
Proprietary Fund Financial Statements:	
D-1 Statement of Net Position	24
D-2 Statement of Revenues, Expenses, and Changes in Fund Net Position	25
D-3 Statement of Cash Flows	26
Fiduciary Fund Financial Statements:	
E-1 Statement of Fiduciary Net Position	27
E-2 Statement of Changes in Fiduciary Net Position	28
Notes to the Financial Statements	29
<u>Required Supplementary Information</u>	
G-1 Budgetary Comparison Schedule - General Fund	53
G-2 Budgetary Comparison Schedule - Road and Bridge Fund	55
G-3 Budgetary Comparison Schedule - GEO Group Fund	56
G-4 Schedule of Changes in Net Pension Liability and Related Ratios for TCDRS	57
G-5 Schedule of Contributions TCDRS Pension Plan	59
Notes to Schedule of Pension Contributions	61
G-6 Schedule of Changes in the Total OPEB Liability and Related Ratios for TCDRS	62
Notes to Schedule of OPEB Contributions	64
<u>Combining and Individual Fund Statements</u>	
Nonmajor Governmental Funds:	
H-1 Combining Balance Sheet	65
H-2 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	74
Custodial Funds:	
H-4 Combining Statement of Fiduciary Net Position	83
H-5 Combining Statement of Additions, Deductions and Changes in Net Position Custodial Funds	85

TABLE OF CONTENTS (CONTINUED)

<u>Exhibit</u>		<u>Page</u>
	<u>Other Supplementary Information Section</u>	
I-1	Bond Schedule	87
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	89
	Independent Auditor's Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	91
	Schedule of Findings and Questioned Costs	94
	Schedule of Status of Prior Findings	96
	Corrective Action Plan	97
	Schedule of Expenditures of Federal Awards	98
	Notes to Schedule of Expenditures of Federal Awards	99

**BROOKS COUNTY, TEXAS
PRINCIPAL OFFICIALS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

ELECTED OFFICIALS

<u>NAME</u>	<u>OFFICE</u>
RICHARD C. TERRELL	DISTRICT JUDGE
ERIC RAMOS	COUNTY JUDGE
EDUARDO GARZA	COMMISSIONER, PCT. 1
ROLANDO GUTIERREZ	COMMISSIONER, PCT. 2
HORACIO VILLARREAL	COMMISSIONER, PCT. 3
ERNESTO WILLIAMS	COMMISSIONER, PCT. 4
ALAN HERNANDEZ	COUNTY TREASURER
ELVARAY B. SILVAS	COUNTY CLERK
LESVIA GONZALES	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
ALBERTO GONZALEZ	CONSTABLE PCT #1
RAMIRO GONZALEZ	CONSTABLE PCT #2

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 Honorable Judge and Commissioners
of Brooks County, Texas
P.O. Box 517
Falfurrias, Texas 78355

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brooks County, Texas, as of and for the year ended September 30, 2022, 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.

In our opinion, the accompanying financial statements 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Roma, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Change of Accounting Principle

As discussed in the notes to the financial statements, in the year ending September 30, 2022, the Brooks County, Texas adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Brooks County, Texas's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Brooks County, Texas's ability to continue as a going concern for twelve months beyond the financial statement due date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Brooks County, Texas's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 schedule of the Brooks County, Texas's proportionate share of the net pension liability and schedule of City of Roma, Texas's pension contributions, and schedule of the Brooks County, Texas's proportionate share of the net OPEB liability and schedule of Brooks County, Texas's OPEB contributions identified as required supplementary information, as listed 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brooks County, Texas's basic financial statements. The combining and individual nonmajor fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not required part of the basic financial statements. Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 statements 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 March 29, 2024 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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
March 29, 2024

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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, 2022. 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, 2022 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 \$15,661,659 (Net Position). Of this amount, \$4,057,756 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 \$4,086,060. Of this amount, \$645,464 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 \$651,701.
- The County of Brooks' total debt decreased by a net of \$274,030.

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 custodian* 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

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 \$15,661,659 at September 30, 2022. (See Table A-1).

Table A-1
County's Net Position

	Governmental Activities		Increase (Decrease)
	2022	2021	2022-2021
Current assets:			
Cash/Cash equivalents	\$ 4,175,675	\$ 4,703,074	\$ (527,399)
Taxes receivable, Net	1,620,709	1,477,543	143,166
Total current assets:	<u>\$ 5,796,384</u>	<u>\$ 6,180,617</u>	<u>\$ (384,233)</u>
Non-current assets:			
Capital Assets	22,848,565	21,817,319	1,031,246
Less: Accumulated Depreciation	(12,141,599)	(11,312,893)	(828,706)
Net Pension Asset	5,203,231	1,710,950	3,492,281
Total non-current assets:	<u>15,910,197</u>	<u>12,215,376</u>	<u>202,540</u>
Total Assets	<u>\$ 21,706,581</u>	<u>\$ 18,395,993</u>	<u>\$ (181,693)</u>
Deferred Outflows of Resources			
Deferred Outflow Related to Pension Plan	445,060	720,399	(275,339)
Deferred Outflow Related to OPEB	76,019	89,025	(13,006)
Total Deferred Outflows of Resources	<u>521,079</u>	<u>720,399</u>	<u>(288,345)</u>
Current Liabilities			
Accounts payable and other current liabilities	180,011	390,184	(210,173)
Accrued Interest Payable	2,267	2,695	(428)
Due to Fiduciary Funds	-	6,120	(6,120)
Total current liabilities	<u>182,278</u>	<u>398,999</u>	<u>(216,721)</u>
Long-term Liabilities			
Due within one year	820,473	708,076	112,397
Due in more than one year	1,723,185	2,109,612	(386,427)
Net OPEB Liability	411,848	400,076	11,772
Total Liabilities	<u>\$ 2,955,506</u>	<u>\$ 3,216,687</u>	<u>\$ (262,258)</u>
Deferred Inflows of Resources:			
Deferred Amounts Related to Pensions	3,401,736	992,597	2,409,139
Deferred Amounts Related to OPEB	26,480	29,529	(3,049)
Total Deferred Inflows of Resources	<u>3,428,216</u>	<u>29,529</u>	<u>2,406,090</u>
Net Position:			
Invested in capital assets, net of related debt	8,163,307	7,686,739	476,568
Restricted For:			
Federal or State Grant Funds	3,220,542	3,256,002	(35,460)
Debt Service	103,257	121,876	(18,619)
Other Purposes	116,797	214,391	(97,594)
Unrestricted	4,057,756	3,287,525	770,231
Total Net Position	<u>\$ 15,661,659</u>	<u>\$ 14,566,533</u>	<u>\$ 1,095,126</u>

BROOKS COUNTY, TEXAS

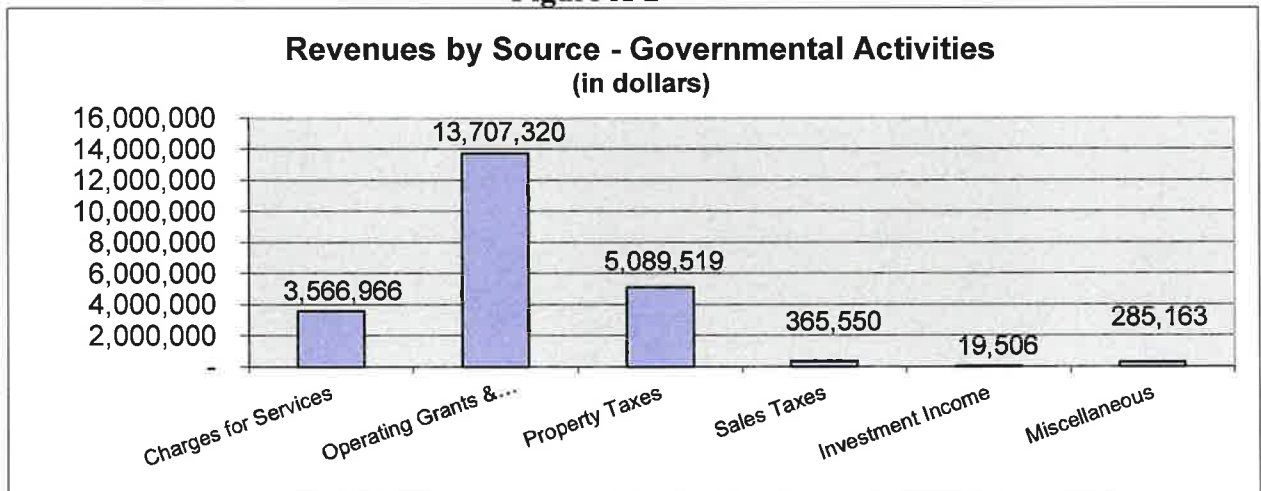
The increase of \$828,706 in accumulated depreciation was due to depreciation expense. \$103,257 of the County's restricted Net Position represents funds available for the debt service, while \$3,220,542 represents restricted for federal or state grant funds. Unrestricted net asset represents resources available to fund the programs of the County for the following year. The balance for unrestricted net position at September 30, 2022 was \$4,057,756, which is an increase of \$770,231 from the prior year.

Revenues. The County's total revenues were \$20,034,024. A significant portion, \$13,707,320 of the County's revenue comes from operating grants & contributions. \$5,089,519 comes from property taxes and \$3,566,966 relates to charges for services. (See Figure A-2 and Table A-2).

Governmental Activities

- Sales taxes had revenue of \$365,550 while miscellaneous revenues had revenues of \$285,163.

Figure A-2



BROOKS COUNTY, TEXAS

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

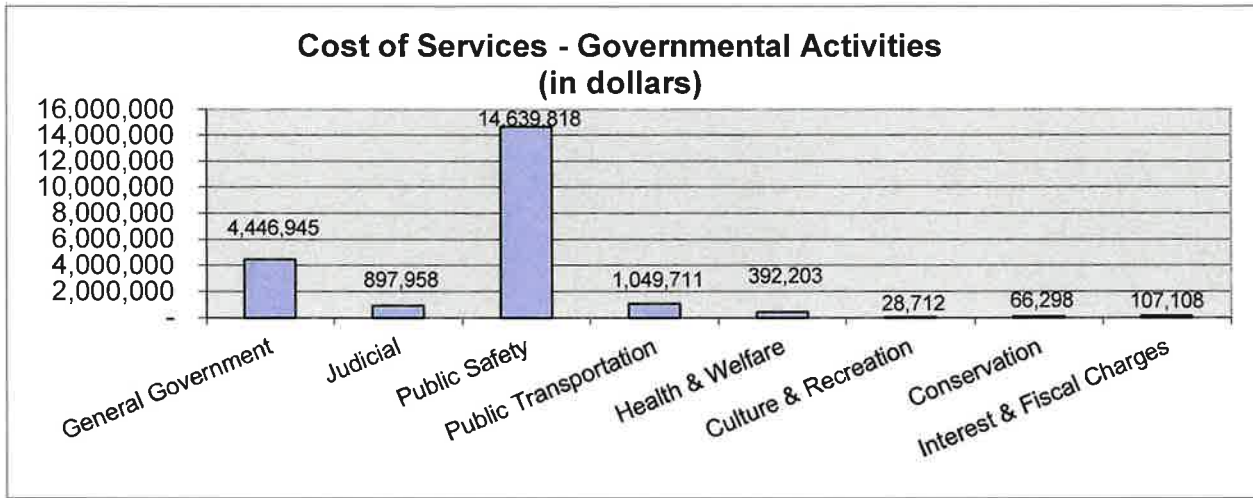
	Governmental Activities		Increase (Decrease)
	<u>2022</u>	<u>2021</u>	<u>2022-2021</u>
Revenues:			
Program:			
Charges for services	\$ 3,566,966	\$ 3,878,901	(311,935)
Operating Grants and Contributions	13,707,320	11,523,575	2,183,745
General:			
Property Taxes	5,089,519	5,416,269	(326,750)
Sales Taxes	365,550	326,707	38,843
Investment Income	19,506	21,170	(1,664)
Miscellaneous	285,163	213,610	71,553
Total Revenues	<u>\$ 23,034,024</u>	<u>\$ 21,380,232</u>	<u>1,653,792</u>
Cost of Services:			
General Government	4,446,945	4,700,507	(253,562)
Judicial	897,958	965,567	(67,609)
Public Safety	14,639,818	12,560,591	2,079,227
Public Transportation	1,049,711	828,125	221,586
Health and Welfare	392,203	458,594	(66,391)
Culture and Recreation	28,712	28,728	(16)
Conservation	66,298	81,038	(14,740)
Interest on Long-term Debt	107,108	113,822	(6,714)
Total Cost of Services	<u>\$ 21,628,753</u>	<u>\$ 19,736,972</u>	<u>1,891,781</u>
Change in net position	1,405,271	1,643,260	3,048,531
Net position - beginning	14,566,533	12,667,339	1,899,194
Prior Period Adjustments	(310,145)	255,934	(566,079)
Net position-beginning-restated	<u>14,256,388</u>	<u>12,923,273</u>	<u>1,333,115</u>
Net position - ending	<u>\$ 15,661,659</u>	<u>\$ 14,566,533</u>	<u>\$ 1,095,126</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 \$21,628,753
- However, the amount that our taxpayers paid for these activities through property taxes was approximately \$5,089,519
- \$14,639,818 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 \$4,086,060, which is a decrease of (\$261,885) 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 \$651,701. 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 \$103,257, which is a decrease of (\$18,619).

BROOKS COUNTY, TEXAS

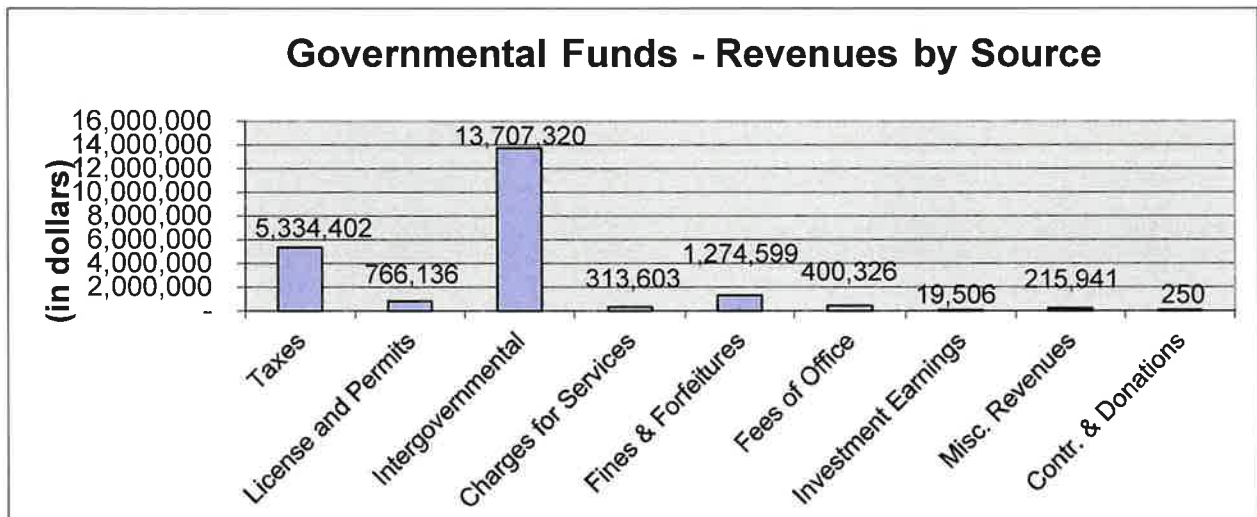
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues

Revenues from governmental fund types totaled \$22,032,083. The most significant portion in governmental fund revenue sources was derived from intergovernmental revenues, which totaled \$13,707,320. Taxes consisted of general property taxes, and general sales & use taxes, which totaled \$5,334,402.

The County's primary source of revenue consists of intergovernmental revenues, which comprise 63% of the County's total revenues. In addition, taxes and fines & forfeitures comprise 25% and 6% 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**

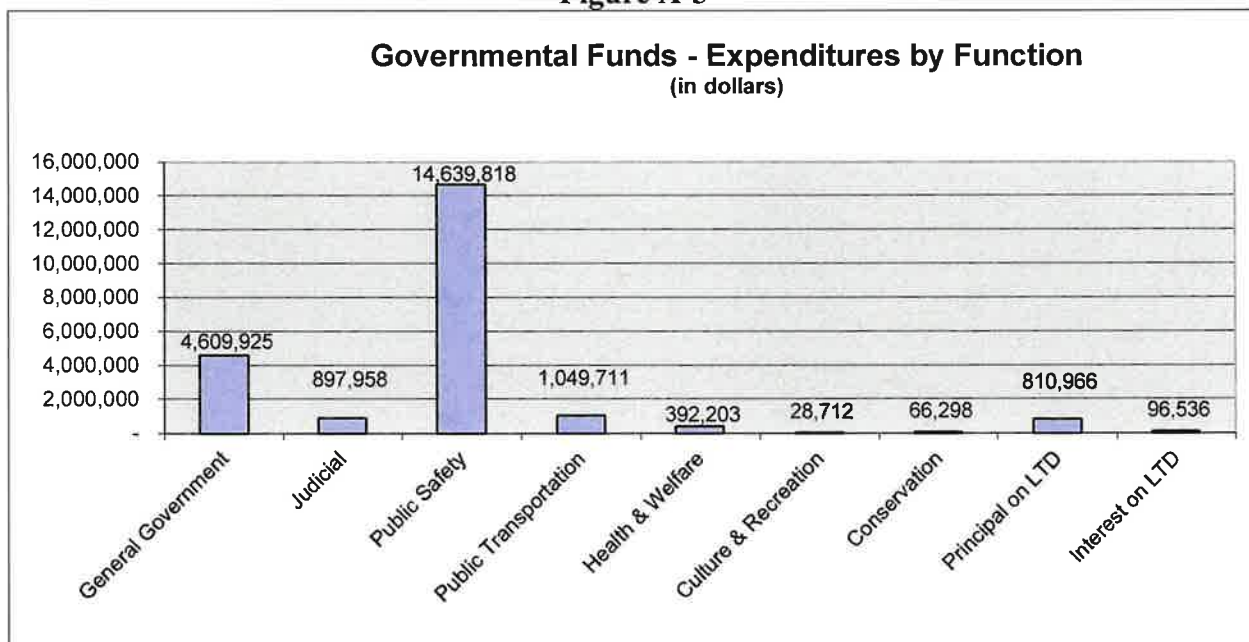
	FY 2022	FY 2021	Increase (Decrease)
Taxes	\$ 5,334,402	\$ 5,688,888	\$ (354,486)
License and Permits	766,136	615,710	150,426
Intergovernmental	13,707,320	11,517,575	2,189,745
Charges for Services	313,603	295,704	17,899
Fines & Forfeitures	1,274,599	1,568,217	(293,618)
Fees of Office	400,326	626,461	(226,135)
Investment Earnings	19,506	21,170	(1,664)
Misc. Revenues	215,941	213,606	2,335
Contributions & Donations	250	6,000	(5,750)
Total Revenues	\$ 22,032,083	\$ 20,553,331	\$ 1,484,502

Expenditures

Compared to the prior year, the County had an overall increase of \$2,413,705 in expenditures, due to an increase in expenditures in Public Safety. Debt service principal and interest expenditures had a net increase of \$195,006.

The County’s primary expenditures were for public safety, general government, and public transportation. Public Safety now accounts for 65% of total expenditures. General government expenditures accounted for 21% 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 2022</u>	<u>FY 2021</u>	<u>Increase (Decrease)</u>
General Government	\$ 4,609,925	\$ 4,276,109	\$ 333,816
Judicial	897,958	965,567	(67,609)
Public Safety	14,639,818	12,671,806	1,968,012
Public Transportation	1,049,711	978,195	71,516
Health and Welfare	392,203	464,484	(72,281)
Culture and Recreation	28,712	28,728	(16)
Conservation	66,298	81,038	(14,740)
Debt Service:			
Principal	810,966	619,566	191,400
Interest and Fiscal Charges	96,536	92,930	3,606
Total Expenditures	<u>\$ 22,592,127</u>	<u>\$ 20,178,422</u>	<u>\$ 2,413,705</u>

Other financing sources from the County came from:

**Table A-5
Other Financing Resources**

	<u>FY 2022</u>	<u>FY 2021</u>	<u>Increase (Decrease)</u>
Operating Transfers In	\$ 1,144,360	\$ 773,385	\$ 370,975
Operating Transfers Out	(1,144,360)	(773,385)	(370,975)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$5,999,384 and expenditures of \$5,999,384, which both include transfers.

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

- Actual revenues (including transfers) were higher than budgeted figures by \$399,951. Transfer In were higher than budget expectations.
- Actual expenditures (including transfers) were \$543,488 higher than final budget amounts, which is attributed an increase in spending.

BROOKS COUNTY, TEXAS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the County had invested \$22,848,565 in a broad range of capital assets, including land, construction in progress, road network, buildings & improvements, vehicles, equipment, and right-to-use lease assets. (See Table A-6.)

The capital assets of the County are those assets (land, construction in progress, road network, buildings & improvements, vehicles, equipment and right-to-use lease assets), which are used in the performance of the County's functions including infrastructure assets. At September 30, 2022 net capital assets of the governmental activities totaled \$10,706,966. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation for road network, buildings & improvements, vehicles, equipment, and right-to-use lease assets totaled \$12,141,599.

Table A-6
County's Capital Assets

	Governmental		Increase
	Activities		(Decrease)
	<u>2022</u>	<u>2021</u>	<u>2022-2021</u>
Land	236,742	236,742	\$ -
Construction in Progress	31,000	226,292	(195,292)
Road Network	3,729,923	3,729,923	-
Buildings and Improvements	11,934,676	11,518,310	416,366
Vehicles	2,858,463	2,559,467	298,996
Equipment	3,777,981	3,546,586	231,395
Right-to-use lease assets	279,779	-	279,779
Total at historical cost	<u>22,848,565</u>	<u>21,817,320</u>	1,031,245
Total Accumulated Depreciation	<u>(12,141,599)</u>	<u>(11,312,893)</u>	<u>(828,706)</u>
Net Capital Assets	<u>\$ 10,706,966</u>	<u>\$ 10,504,427</u>	<u>\$ 202,539</u>

Long Term Debt

At year-end the County had \$2,528,729 in bonds, tax notes, capital leases and right-to-use lease asset as shown in Table A-7. The County's total debt had a net decrease of \$321,593 compared to 2021. 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	
	<u>2022</u>	<u>2021</u>
Certificates of Obligation	\$ 1,200,000	\$ 1,540,000
Tax Notes	660,000	815,000
Capital Leases	522,872	495,322
Right-to-use lease assets	145,857	-
Total governmental activities	<u>\$ 2,528,729</u>	<u>\$ 2,850,322</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2022-2023 budget preparation increased from the prior year. The County's tax decreased as compared to the 2021-2022 budget. The new tax rate is .889010.
- General operating fund spending in the 2022-2023 budget is expected to have a slight increase as compared to 2021-2022. The 2021-2022 budget for expenses was \$5,999,384 in comparison to the 2022-2023 budget year of \$6,452,479.
- 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 remains the same at 5% and the employee match is 150% matching.
- Overall Revenues increased significantly from \$5,999,384 to \$6,452,479.
- These items were taken into account when adopting the general fund budget from 2022-2023.

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, 2022

EXHIBIT A-1

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 738,417
Investments - Current	3,437,258
Taxes Receivable, Net	1,598,215
Accounts Receivable, Net	22,494
Capital Assets:	
Land	236,742
Infrastructure, Net	2,051,998
Buildings, Net	6,773,019
Furniture and Equipment, Net	1,472,519
Right-to-Use Lease Assets, Net	141,688
Construction in Progress	31,000
Net Pension Asset	5,203,231
Total Assets	21,706,581
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pension Plan	445,060
Deferred Outflow Related to OPEB	76,019
Total Deferred Outflows of Resources	521,079
LIABILITIES	
Accounts Payable	37,862
Wages and Salaries Payable	142,149
Accrued Interest Payable	2,267
Noncurrent Liabilities:	
Due Within One Year	820,473
Due in More Than One Year:	
Due In More Than One Year	1,723,185
Net OPEB Liability	411,848
Total Liabilities	3,137,784
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pension Plan	3,401,736
Deferred Inflow Related to OPEB	26,480
Total Deferred Inflows of Resources	3,428,216
NET POSITION	
Net Investment in Capital Assets and Lease Assets	8,163,307
Restricted:	
Restricted for Federal or State Funds	934,402
Restricted for Debt Service	103,257
Restricted for Other Purposes	2,402,937
Unrestricted	4,057,756
Total Net Position	\$ 15,661,659

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, 2022

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	\$ 4,446,945	\$ 1,513,291	\$ 766,198	\$ (2,167,456)
Judicial	897,958	803,659	-	(94,299)
Public Safety	14,639,818	842,302	12,921,270	(876,246)
Public Transportation	1,049,711	407,714	19,852	(622,145)
Health and Welfare	392,203	-	-	(392,203)
Culture and Recreation	28,712	-	-	(28,712)
Conservation	66,298	-	-	(66,298)
Interest on Debt and Right-to-Use Leases	107,108	-	-	(107,108)
TOTAL PRIMARY GOVERNMENT	\$ 21,628,753	\$ 3,566,966	\$ 13,707,320	(4,354,467)

General Revenues:

Taxes:	
Property Taxes, Levied for General Purposes	5,089,519
General Sales and Use Taxes	365,550
Grants and Contributions	250
Miscellaneous Revenue	284,913
Investment Income	19,506
Total General Revenues	5,759,738
Change in Net Position	1,405,271
Net Position - Beginning	14,566,533
Prior Period Adjustment	(310,145)
Net Position - Ending	\$ 15,661,659

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

BROOKS COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General Fund	Road & Bridge Fund	GEO Group Fund
ASSETS			
Cash and Cash Equivalents	\$ (729,750)	\$ (22,057)	\$ 32,370
Investments - Current	1,504,768	1,693,363	-
Taxes Receivable	1,459,654	222,678	-
Allowance for Uncollectible Taxes (credit)	(72,983)	(11,134)	-
Accounts Receivable, Net	-	-	-
Due from Other Funds	26,131	-	-
Total Assets	<u>\$ 2,187,820</u>	<u>\$ 1,882,850</u>	<u>\$ 32,370</u>
LIABILITIES			
Accounts Payable	\$ 26,132	\$ -	\$ -
Wages and Salaries Payable	117,671	22,080	-
Due to Other Funds	5,645	276	-
Total Liabilities	<u>149,448</u>	<u>22,356</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	1,386,671	211,544	-
Total Deferred Inflows of Resources	<u>1,386,671</u>	<u>211,544</u>	<u>-</u>
FUND BALANCES			
Federal or State Funds Grant Restriction	-	-	32,370
Retirement of Long-Term Debt	-	-	-
Other Restricted Fund Balance	-	1,648,950	-
Unassigned Fund Balance	651,701	-	-
Total Fund Balances	<u>651,701</u>	<u>1,648,950</u>	<u>32,370</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 2,187,820</u>	<u>\$ 1,882,850</u>	<u>\$ 32,370</u>

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

Other Funds	Total Governmental Funds
\$ 1,525,756	\$ 806,319
239,127	3,437,258
-	1,682,332
-	(84,117)
22,494	22,494
6,547	32,678
<u>\$ 1,793,924</u>	<u>\$ 5,896,964</u>
\$ 11,730	\$ 37,862
2,398	142,149
26,757	32,678
<u>40,885</u>	<u>212,689</u>
-	1,598,215
-	1,598,215
902,032	934,402
103,257	103,257
753,987	2,402,937
(6,237)	645,464
<u>1,753,039</u>	<u>4,086,060</u>
<u>\$ 1,793,924</u>	<u>\$ 5,896,964</u>

BROOKS COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2022

Total Fund Balances - Governmental Funds	\$	4,086,060
The County 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.		(67,902)
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.		7,684,044
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 2022 capital outlays and debt principal payments is to increase (decrease) net position.		1,630,455
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 \$5,203,231, a deferred resource inflow in the amount of (\$3,401,736), and a deferred resource outflow in the amount of \$445,060. This resulted in an increase/(decrease) in net position by \$2,246,555.		2,246,555
Included in the noncurrent assets/(liabilities) is the recognition of the County's net OPEB asset/(liability) required by GASB 75 in the amount of (\$411,848), a deferred resource inflow in the amount of (\$26,480), and a deferred resource outflow in the amount of \$76,019. This resulted in an increase/(decrease) in net position by (\$362,309).		(362,309)
The 2022 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(746,338)
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.		1,191,094
Net Position of Governmental Activities	\$	15,661,659

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

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BROOKS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Road & Bridge Fund	GEO Group Fund
REVENUES:			
Taxes:			
Property Taxes	\$ 3,664,510	\$ 758,548	\$ -
General Sales and Use Taxes	-	-	-
Licenses and Permits	13,631	251,285	-
Intergovernmental Revenue and Grants	76,219	-	11,739,231
Federal Revenue and Grants	-	-	-
Charges for Services	66,724	16,226	-
Fines	1,274,599	-	-
Fees of Office	134,165	-	-
Investment Earnings	11,114	6,105	263
Contributions & Donations from Private Sources	-	-	-
Other Revenue	85,446	30,982	-
Total Revenues	5,326,408	1,063,146	11,739,494
EXPENDITURES:			
Current:			
General Government	3,527,304	-	-
Judicial	754,741	-	-
Public Safety	1,505,195	-	11,252,502
Public Transportation	-	1,001,979	-
Health and Welfare	86,959	-	-
Culture and Recreation	28,712	-	-
Conservation	66,298	-	-
Debt Service:			
Principal on Debt and Right-to-Use Leases	204,693	-	-
Interest on Debt and Right-to-Use Leases	17,758	-	-
Total Expenditures	6,191,660	1,001,979	11,252,502
Excess (Deficiency) of Revenues Over (Under) Expenditures	(865,252)	61,167	486,992
OTHER FINANCING SOURCES (USES):			
Proceeds from Right-to-Use Leases	279,779	-	-
Transfers In	793,148	-	-
Transfers Out	(351,212)	-	(486,992)
Total Other Financing Sources (Uses)	721,715	-	(486,992)
Net Change in Fund Balances	(143,537)	61,167	-
Fund Balance - October 1 (Beginning)	776,858	1,587,783	32,370
Prior Period Adjustment	18,380	-	-
Fund Balance - September 30 (Ending)	\$ 651,701	\$ 1,648,950	\$ 32,370

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

Other Funds	Total Governmental Funds
\$ 545,794	\$ 4,968,852
365,550	365,550
501,220	766,136
886,128	12,701,578
1,005,742	1,005,742
230,653	313,603
-	1,274,599
266,161	400,326
2,024	19,506
250	250
99,513	215,941
<u>3,903,035</u>	<u>22,032,083</u>
1,082,621	4,609,925
143,217	897,958
1,882,121	14,639,818
47,732	1,049,711
305,244	392,203
-	28,712
-	66,298
606,273	810,966
78,778	96,536
<u>4,145,986</u>	<u>22,592,127</u>
<u>(242,951)</u>	<u>(560,044)</u>
-	279,779
351,212	1,144,360
<u>(306,156)</u>	<u>(1,144,360)</u>
45,056	279,779
<u>(197,895)</u>	<u>(280,265)</u>
1,950,934	4,347,945
-	18,380
<u>\$ 1,753,039</u>	<u>\$ 4,086,060</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, 2022

Total Net Change in Fund Balances - Governmental Funds	\$	(280,265)
The County 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.		(26,727)
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 2022 capital outlays and debt principal payments is to increase (decrease) the change in net position.		1,551,860
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 12/31/21 caused the change in the ending net position to increase in the amount of \$124,032. 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 (\$78,343). The County's reported TCDRS net pension expense had to be recorded. The net pension expense increased/(decreased) the change in net position by \$762,114. The result of these changes is to increase/(decrease) the change in net position by \$807,803.		807,803
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 12/31/21 caused the change in the ending net position to increase in the amount of \$17,672. 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 (\$16,510). The County's reported TCDRS net OPEB expense had to be recorded. The net pension expense increased/(decreased) the change in net position by (\$22,891). The result of these changes is to increase/(decrease) the change in net position by (\$21,729).		(21,729)
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.		(746,338)
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.		120,667
Change in Net Position of Governmental Activities	\$	1,405,271

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

BROOKS COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Governmental Activities
	Total Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ (67,902)
Total Assets	<u>(67,902)</u>
NET POSITION	
Unrestricted	(67,902)
Total Net Position	<u>\$ (67,902)</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, 2022

EXHIBIT D-2

	Governmental Activities Total Internal Service Funds
OPERATING REVENUES:	
Charges for Services	\$ 881,274
Total Operating Revenues	881,274
OPERATING EXPENSES:	
Other Operating Costs	908,001
Total Operating Expenses	908,001
Operating Income (Loss)	(26,727)
Total Net Position - October 1 (Beginning)	(41,175)
 Total Net Position - September 30 (Ending)	 \$ (67,902)

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, 2022

EXHIBIT D-3

	Governmental	Activities
	Total	
	Internal	
	Service Funds	
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$	881,274
Cash Payments for Insurance Claims		(908,001)
Net Cash Provided by (Used for) Operating Activities		(26,727)
Net Increase (Decrease) in Cash and Cash Equivalents		(26,727)
Cash and Cash Equivalents at Beginning of Year		(41,175)
Cash and Cash Equivalents at End of Year	\$	(67,902)
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided By (Used For) Operating Activities:</u>		
Operating Income (Loss)	\$	(26,727)

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, 2022

	Custodial Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 2,167,847
Total Assets	<u>2,167,847</u>
NET POSITION	
Restricted for Other Purposes	<u>2,167,847</u>
Total Net Position	<u>\$ 2,167,847</u>

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

BROOKS COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

EXHIBIT E-2

	Custodial Funds
<hr/>	
ADDITIONS:	
Charges for Services	\$ 2,001,749
Fees of Office	722,678
Investment Earnings	2,127
Other Revenue	15,279,304
Total Additions	<u>18,005,858</u>
DEDUCTIONS:	
Other Operating Costs	<u>17,600,239</u>
Total Deductions	<u>17,600,239</u>
Net Change in Fiduciary Net Position	405,619
Total Net Position - October 1 (Beginning)	<u>1,762,228</u>
Total Net Position - September 30 (Ending)	<u>\$ 2,167,847</u>

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

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BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Basis of Presentation, Basis of Accounting (continued)

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.

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

In addition, the County reports the following fund types:

Debt Service Funds. These funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

Special Revenue Funds. These funds are used to account for resources restricted to, or designated for, specific purposed by the County or grantor. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Capital Projects Funds. 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.

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.

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Basis of Presentation, Basis of Accounting (continued)

Custodial Funds. These funds are used account for the assets that are held for the benefit of others or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds were previously reported in an agency fund. This change resulted in reporting the detail of additions to and deductions from custodial funds causing a change in the fund net position whereas these details were not reported for agency funds. This change is a result of the implementation of GASB 84.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Custodial 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.

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 to 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 not to follow subsequent FASB guidance.

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, high 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.

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 Expense	3-15

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 schedule 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

4. 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.

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Budgetary Data (continued)

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

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).

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 be amend the budget. All amendments must be made by and approved by the commissioners' court.

During the year ended September 30, 2022, expenditures exceeded appropriations as follows:

<u>Department</u>	<u>Expenditures Over Appropriations</u>
Non-Departmental	\$ (574,465)
Tax Assessor-Collector	(543)
Voter Registration	(13,461)
Courthouse and Buildings	(50,719)
Justice of the Peace	(6,365)
Adult Probation	(82,000)
Fire Marshall & LEPC Coordinator	(48)

NOTE 2. 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 None Reported</u>	<u>Action Taken</u>
	Not applicable

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 2. COMPLIANCE AND ACCOUNTABILITY (continued)

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

The Internal Service Fund had a deficit fund balance of (\$67,902) and the Juvenile Probation Match Fund had a deficit fund balance of (\$6,237) at September 30, 2022.

NOTE 3. DEPOSIS AND INVESTMENTS

The County's funds are required to be deposited and invested under the terms of a deposit 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 on 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, 2022, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$2,906,264 and the bank balance was \$2,683,843. The County's cash deposits at September 30, 2022 and during the year ended September 30, 2022, 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 establishments of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

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.

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

The County's investments at September 30, 2022 are shown below.

<u>Investment of Investment Type</u>	<u>Amortized Cost</u>
Certificates of Obligation	\$ 3,437,258
Total Investments	\$ <u>3,437,258</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 pledging financial institution's trust department of agent but not in the County's name.

Investments 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.

The County was in compliance with the Investment Act.

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balances 10/1/2021	Additions	Adjustments/ Deletions	Ending Balances 9/30/2022
Governmental Activities				
Capital Assets, not being depreciated				
Land	236,742	-	-	236,742
Construction in Progress	226,292	156,888	(352,180)	31,000
Total capital assets, not being depreciated	<u>463,034</u>	<u>156,888</u>	<u>(352,180)</u>	<u>267,742</u>
Capital Assets, being depreciated				
Road Network	3,729,923	-	-	3,729,923
Buildings and Improvements	11,518,310	416,367	-	11,934,676
Equipment	3,546,586	231,395	-	3,777,981
Vehicles	2,559,467	298,996	-	2,858,463
Right-to-use lease assets, Equipment	-	279,779	-	279,779
Total capital assets, being depreciated	<u>21,354,286</u>	<u>1,226,537</u>	<u>-</u>	<u>22,580,823</u>
Less accumulated depreciation for:				
Road Network	(1,595,222)	(82,702)	-	(1,677,924)
Buildings and Improvements	(4,885,984)	(275,674)	-	(5,161,658)
Equipment	(2,804,228)	(142,931)	-	(2,947,159)
Vehicles	(2,027,459)	(189,309)	-	(2,216,768)
Right-to-use lease assets, Equipment	-	(55,721)	(82,369)	(138,090)
Total accumulated depreciation	<u>(11,312,893)</u>	<u>(746,338)</u>	<u>(82,369)</u>	<u>(12,141,599)</u>
Total capital assets, being depreciated, net	10,041,393	480,199	(82,369)	10,439,224
Governmental activities capital assets, net	<u>\$ 10,504,427</u>	<u>\$ 637,087</u>	<u>\$ (434,549)</u>	<u>\$ 10,706,966</u>

Depreciation was charged to functions as follows:

General Government	<u>\$ 746,338</u>
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BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 4. INTERFUND BALANCES AND ACTIVITY

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2022, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	General Fund	\$ 5,435	Short-Term Loans
General Fund	Road and Bridge Fund	276	Short-Term Loans
Special Revenue Funds	General Fund	210	Short-Term Loans
Sheriff Seizure Fund	Homeland Security Fund	6,337	Short-Term Loans
General Fund	Special Revenue Funds	20,420	Short-Term Loans
		<u>\$ 32,678</u>	

2. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2022, consisted of the following:

<u>Transfers From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Reason</u>
GEO Group	General Fund	\$ 486,992	Supplement other funds sources
American Recovery Fund	General Fund	306,156	Supplement other funds sources
General Fund	Landfill Fund	156,675	Supplement other funds sources
General Fund	Airport Fund	20,000	Supplement other funds sources
General Fund	Consolidation Fund	45,537	Supplement other funds sources
General Fund	Juvenile Probation	129,000	Supplement other funds sources
		<u>\$ 1,144,360</u>	

NOTE 5. LONG-TERM DEBT

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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 7. LONG-TERM DEBT(continued)

In 2013, the County issued General Obligation Refunding Bonds, Taxable Series 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 process of the above debt were to be 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 be received during September 2019 and is allocated for construction.

The following is the certificates of obligation outstanding at September 30, 2022:

Description	Interest Rates (%)	Date of Issuance	Date of Maturity	Bonds Outstanding
Certificates of Obligation	4.59%	September 16, 2011	September 30, 2031	\$ 615,000
Tax Notes	2.50%	September 18, 2019	March 1, 2026	660,000
Certificates of Obligation, Refunding	2.20%	September 18, 2019	March 1, 2024	585,000
				<u>\$ 1,860,000</u>

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2022, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Certificates of Obligation	\$ 1,540,000	\$ -	\$ 340,000	1,200,000	\$ 345,000
Tax Notes	815,000	-	155,000	660,000	160,000
Loss on Refunding	(32,633)	-	(11,000)	(21,633)	(11,000)
Capital Leases	588,710	194,800	260,638	522,872	269,256
Total bonds and lease payables	<u>2,911,077</u>	<u>194,800</u>	<u>744,638</u>	<u>2,361,239</u>	<u>763,256</u>
Other long-term liabilities					
Net OPEB liability	400,076	11,772	-	411,848	-
Total other long-term liabilities	<u>400,076</u>	<u>11,772</u>	<u>-</u>	<u>411,848</u>	<u>-</u>
Total Governmental Activities	<u>\$ 3,311,153</u>	<u>\$ 206,572</u>	<u>\$ 744,638</u>	<u>\$ 2,773,087</u>	<u>\$ 763,256</u>

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 7. LONG-TERM DEBT(continued)

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2022, are as follows:

Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2023	\$ 505,000	\$ 51,146	\$ 556,146
2024	520,000	38,010	558,010
2025	225,000	27,886	252,886
2026	235,000	20,829	255,829
2027	70,000	15,606	85,606
Thereafter	305,000	28,802	333,802
Total	\$ 1,860,000	\$ 182,279	\$ 2,042,279

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%.
- 3) On May 21, 2021, the County entered into a five year lease agreement, secured with software and a vehicle with Government Capital Corporation, with a maturity of May 21, 2026, payments are due in five annual installments of \$42,748.23, including interest of 3.17%.

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 7. LONG-TERM DEBT(continued)

Capital Leases (continued)

Asset:		
Machinery and Equipment	\$	280,839
Vehicles		773,809
Total		1,054,648
Less: accumulated depreciation		(772,404)
Total	<u>\$</u>	<u>282,244</u>

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2022, as follows:

<u>Year Ending September 30:</u>	
2023	\$ 286,498
2024	180,363
2025	42,748
2026	<u>42,748</u>
Total Minimum Rentals	552,357
Less: amount representing interest	(29,486)
Present value of Minimum Lease Payments	<u>\$ 522,872</u>

5. Right-To-Use Lease Liabilities Payable

The County leases photocopier machines and a postage machine with agreements having a 5-year term. Average payments of \$5,105 are made monthly which consist of principal and imputed annual interest ranging of 3.38%. No assets were pledged as collateral for these leases.

A summary of Right-To-Use Lease arrangements for the year ended September 30, 2022, is as follows:

	Interest Rate Payable	Original Lease Liability	Current Year Interest	Beginning Balance 10/01/21	Increases	Adjustments/ Decreases	Ending Balance 09/30/22	Amounts Due Within One Year
RICOH LEASE March 2020	3.38%	\$ 204,908	\$ 4,205	\$ -	\$ 204,908	\$ (102,739)	\$ 102,170	\$ 42,238
RICOH LEASE March 2020	3.38%	12,114	250	-	12,114	(6,016)	6,098	2,473
RICOH LEASE March 2020	3.38%	38,158	822	-	38,158	(19,285)	18,872	7,929
PITNEY BOWES June 2021	3.15%	24,599	666	-	24,599	(5,882)	18,717	4,576
Total		<u>\$ 5,943</u>	<u>\$ -</u>	<u>\$ 279,779</u>	<u>\$ (133,922)</u>	<u>\$ 145,857</u>	<u>\$ 57,215</u>	

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 7. LONG-TERM DEBT(continued)

Right-To-Use Lease Liabilities (continued)

Future principal and interest payments due to maturity as of the end of the fiscal year are as follows:

<u>Year Ending September 30</u>	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 57,215	\$ 4,054
2024	59,169	2,101
2025	24,928	8,527
2026	4,545	555
2027	-	-
Thereafter	-	-
Total	<u>\$ 145,857</u>	<u>\$ 15,237</u>

NOTE 8. 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 2022, 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.

NOTE 9. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The County provides pension, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and County Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCDRS. Members can retire at ages 60 and above with 8 or more years of service or with 20 years regardless of age or when the sum of their age and years equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 9. DEFINED BENEFIT PENSION PLAN (continued)

B. Employees covered by benefit terms

At December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	100
Inactive employees entitled to but not yet receiving benefits	155
Active employees	126
Total	<u><u>381</u></u>

C. 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.

Employees for the County were required to contribute 5% of their annual gross earnings during the fiscal year. The contributions rates for the County were 2.42% and 3.79% in the calendar year 2021 and 2022, respectively. The County's contributions to TCDRS for the year ended September 30, 2022, were \$148,380 and were equal to the required contributions.

D. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

E. Actuarial assumptions

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date:	December 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	5 year smoothed market
Inflation	2.50%
Long-Term Investment Return	7.60%
Salary Increases	4.70%
Retirement Age	The average age at service retirement for recent retirees is 61
Benefit changes during the year	Employer contributions reflect the current service matching rate was decreased to 150%

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 9. DEFINED BENEFIT PENSION PLAN (continued)

E. Actuarial assumptions (continued)

Actuarial assumptions used in the December 31, 2021, valuation were based on the results of actuarial experience studies. The experience study in TCDRS was for the years 2017-2020, except where required to be different by GASB 68. TCDRS' actuarial assumptions are periodically reviewed and revised as deemed necessary to reflect best estimates of future experience. Every four years, the TCDRS consulting actuary conducts an investigation of experience, TCDRS assumptions are compared to plan experience and future expectations, and changes to the assumptions are recommended as needed.

The long-term expected rate of return on pension plan investments is 7.60%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2022 information for a 10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2021. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return ⁽²⁾
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	5.00%	3.80%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.30%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	4.50%
REIT Equities	67% FTSE NAREIT All Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HRFI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-1.05%

⁽¹⁾Target asset allocation adopted at the March 2022 TCDRS Board meeting.

⁽²⁾Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.6%, per Cliffwater's 2022 capital market assumptions.

⁽³⁾Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 9. DEFINED BENEFIT PENSION PLAN (continued)

F. Discount Rate

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.

G. Depletion of Plan Assets/GASB Discount Rate

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.

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.

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 9. DEFINED BENEFIT PENSION PLAN (continued)

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

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 7.60%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below:

G. Depletion of Plan Assets/GASB Discount Rate

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balances as of December 31, 2020	\$ 20,620,083	\$ 22,331,033	\$ (1,710,950)
Changes for the year:			
Service Cost	437,303	-	437,303
Interest on total pension liability	1,542,721	-	1,542,721
Effect of plan change	(297,526)	-	(297,526)
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	(138,992)	-	(138,992)
Refund of contributions	-	-	-
Benefit payments	(1,545,154)	(1,545,154)	-
Administrative expenses	-	(13,970)	13,970
Member contributions	-	212,159	(212,159)
Net investment income	-	4,763,619	(4,763,619)
Employer contributions	-	102,685	(102,685)
Other	-	(28,706)	28,706
Balance as of December 31, 2021	<u>\$ 20,618,435</u>	<u>\$ 25,821,666</u>	<u>\$ (5,203,231)</u>

H. Discount Rate Sensitivity Analysis

The following presents the net pension liability of the county/county calculated using the discount rate of 7.60%, as well as what the Brooks County net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount 7.60%	1% Increase 8.60%
Total Pension liability	\$ 22,915,154	\$ 20,618,435	\$ 18,670,359
Fiduciary net position	25,821,666	25,821,666	25,821,666
Net Pension liability/ (asset)	<u>\$ (2,906,512)</u>	<u>\$ (5,203,231)</u>	<u>\$ (7,151,307)</u>

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 9. DEFINED BENEFIT PENSION PLAN (continued)

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

For the year ended September 30, 2022 the County recognized pension expense in the amount of (\$659,429).

As of September 30, 2022, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 269,882
Changes in actuarial assumptions	321,028	92,661
Net difference between projected and actual earnings	-	3,039,193
Contributions subsequent to the measurement date	124,032	-
Total	\$ 445,060	\$ 3,401,736

\$124,032 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	
2023	\$ (542,152)
2024	(1,191,297)
2025	(724,471)
2026	(622,788)
2027	-
Thereafter	-

NOTE 10. OTHER POST EMPLOYEEMENT BENEFITS (OPEB)

A. 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 received 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 provision 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) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 10. OTHER POST EMPLOYEEMENT BENEFITS (OPEB) (continued)

B. 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 the provided 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 0.51% and 0.54% for the calendar year 2021 and 2022, respectively. The deposit rate payable by the employee members was the rate of 0.00%, as adopted by the governing body of the employer within the options available to TCDRS.

Brooks County's contributions to TCDRS for the fiscal year ended September 30, 2022 were \$22,803 and were equal to required contributions.

C. Changes in Net OPEB Liability

	Increase (Decrease) Total OPEB Liability (a)
Balances as of December 31, 2020	\$ 400,076
Changes for the year:	
Service Cost	19,026
Interest on total pension liability	8,778
Change in benefit terms	-
Difference between expected and actual experience	(15,533)
Changes of assumptions	9,685
Employer contributions	-
Member contributions	-
Net investment income	-
Benefit payments, including refunds of employee contributions	(10,184)
Administrative expense	-
Other Changes	-
Net changes	-
Balance as of December 31, 2021	\$ 411,848

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 10. OTHER POST EMPLOYEEMENT BENEFITS (OPEB) (continued)

D. Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the County, calculated using the discount rate of 2.06%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.06%) or 1 percentage point higher (3.06%) than the current rate.

	1% Decrease (1.06%)	Current Discount 7.60%	1% Increase 8.60%
Total OPEB liability	\$ 491,004	\$ 411,848	\$ 650,084

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

For the ended September 30, 2022, the County recognized OPEB expense of \$33,075.

At September 30, 2022, the County reported deferred outflows or resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 20,675
Changes in actuarial assumptions	58,347	5,805
Net difference between projected and actual earnings	-	-
Contributions subsequent to the measurement date	17,672	-
Total	\$ 76,019	\$ 26,480

\$17,672 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, 2022. 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:	
2023	\$ 7,639
2024	14,453
2025	4,157
2026	5,618
2027	-
Thereafter	-

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 11. HEALTH CARE COVERAGE

During the year ended September 30, 2022, employees of the County were covered under IOARE. The County contributed \$620 per pay period per employee and dependents to the Plan.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Contingencies

The County has received federal and state funds as grants and other financial assistance. These funds must be spent only as allowed by the grant and other federal or state requirements. Also, the County must follow various laws and regulations when they receive these funds. If the County does not abide by these laws and regulations or does not spend the monies, as allowed under the grant agreements, the County may be required to return the grant monies, or a portion thereof, to the granting agencies. The contingent liability, if any, that may be due to the federal and state agencies, cannot be readily determined.

Litigation

No reportable litigation was pending against the County at September 30, 2022.

NOTE 13. CLOSURE AND POSTCLOSURE CARE COSTS

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 the landfill capacity used as of each balance sheet date. The \$152,987 reported as landfill closure care liability at September 30, 2022, 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 \$152,987 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2022. The landfill is still open as of 2022. 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, 2022, investments of \$152,987 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.

BROOKS COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 14. 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 or resources. Deferred outflows or resources are the consumption of net assets by the government that is applicable to a future reporting period and deferred inflows or 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 asset.

The County will fully analyze the impact of these new Statements prior to the effective dates listed above.

NOTE 15. GASB 87

The County implemented GASB 87 for reporting leases during the reporting period. A right-to-use lease is defined as a contract that conveys control of another entity’s nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. To be accounted for as a lease, the lease must meet the definition of a “longterm” lease provided in GASB 87 and must meet the capitalization level set by the Commission. The right-to-use lease liability is reported in the government-wide statements. The lease liability is calculated as the present value of the reasonably certain expected payments to be made over the term of the lease and the interest included in the lease payment is recorded as an expense.

With GASB 87, the initial measure of a new right-to-use lease arrangement is reported in government fund types as an other financial source during the current period. Monthly payments are reported as principal and interest payments during the reporting period of the fund level statements.

The right-to-use lease asset capitalization level is determined by the County Commissioners. The term of the lease must be the noncancelable period during which the County has the right to use the tangible assets of another entity plus any periods in which either the lessee or the lessor has the sole option to extend the lease if it is reasonably certain the option will be exercised, plus any periods in which either the lessee or the lessor has the sole option to terminate the lease if it is reasonably certain the option will not be exercised by that party and must not meet the definition of a short-term lease under GASB 87. If the lease is in a governmental fund, the full amount of the lease asset will be reported as an expenditure in the fund level statements the year the agreement is made.

NOTE 16. PRIOR PERIOD ADJUSTMENTS

During the year 2022 the following prior period adjustments were made to clear outstanding items, a prior period adjustment of \$18,380 was made to the General Fund which increased the ending net position and fund balance. Additionally, a prior period adjustment of \$328,525 was made to the Government-Wide Adjustment fund to recognize GASB 87 adjustments for Right-To-Use Lease Liability, and recognize capital lease liability from prior fiscal year, which decreased the ending net position and fund balance.

NOTE 17. SUBSEQUENT EVENTS

For the purposes of reporting subsequent events, management has considered events occurring up to March 29, 2024 the date of the report was available to be issued. No subsequent events were noted.

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, 2022

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 3,497,484	\$ 3,497,484	\$ 3,664,510	\$ 167,026
Licenses and Permits	4,150	4,150	13,631	9,481
Intergovernmental Revenue and Grants	137,700	137,700	76,219	(61,481)
Charges for Services	24,900	24,900	66,724	41,824
Fines	1,668,500	1,668,500	1,274,599	(393,901)
Fees of Office	163,700	163,700	134,165	(29,535)
Investment Earnings	20,000	20,000	11,114	(8,886)
Other Revenue	32,950	32,950	85,446	52,496
Total Revenues	5,549,384	5,549,384	5,326,408	(222,976)
EXPENDITURES:				
Current:				
County Judge	94,486	94,486	93,502	984
Commissioners' Court	171,780	171,780	166,111	5,669
County Clerk	105,682	105,682	105,073	609
Non-Departmental	1,661,149	1,661,149	2,235,614	(574,465)
County Auditor	268,500	268,500	257,084	11,416
County Treasurer	131,413	131,413	128,799	2,614
Tax Assessor - Collector	78,397	78,397	78,940	(543)
Voter Registration	61,132	61,132	74,593	(13,461)
Courthouse and Buildings	336,869	336,869	387,588	(50,719)
County Court	78,670	78,670	68,577	10,093
District Court	158,554	158,554	142,960	15,594
District Clerk	101,437	101,437	96,966	4,471
Justice of the Peace	265,209	265,209	271,574	(6,365)
County Attorney	79,350	79,350	78,868	482
District Attorney	93,678	93,678	92,996	682
Juvenile Court	11,146	11,146	2,800	8,346
Adult Probation	-	-	82,000	(82,000)
Constables	59,500	59,500	52,355	7,145
Sheriff	841,902	841,902	810,872	31,030
County Jail	518,716	518,716	501,520	17,196
Fire Marshall & LEPC Coordinator	58,400	58,400	58,448	(48)
Out-Patient Clinic	39,300	39,300	37,309	1,991
Indigent	91,000	91,000	49,650	41,350
Culture and Recreation	29,837	29,837	28,712	1,125
Conservation	77,614	77,614	66,298	11,316
Debt Service:				
Principal on Debt and Right-to-Use Leases	204,693	204,693	204,693	-
Interest on Debt and Right-to-Use Leases	17,758	17,758	17,758	-
Total Expenditures	5,636,172	5,636,172	6,191,660	(555,488)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(86,788)	(86,788)	(865,252)	(778,464)
OTHER FINANCING SOURCES (USES):				
Proceeds from Right-to-Use Leases	-	-	279,779	279,779
Transfers In	450,000	450,000	793,148	343,148
Transfers Out	(363,212)	(363,212)	(351,212)	12,000
Total Other Financing Sources (Uses)	86,788	86,788	721,715	634,927

BROOKS COUNTY, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
Net Change in Fund Balances	-	-	(143,537)	(143,537)
Fund Balance - October 1 (Beginning)	776,858	776,858	776,858	-
Prior Period Adjustment	-	-	18,380	18,380
Fund Balance - September 30 (Ending)	<u>\$ 776,858</u>	<u>\$ 776,858</u>	<u>\$ 651,701</u>	<u>\$ (125,157)</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, 2022

	Budgeted Amounts		Actual	Variance With Final Budget Positive or (Negative)
	Original	Final	GAAP BASIS (See Note)	
REVENUES:				
Property Taxes	\$ 1,586,637	\$ 1,586,637	\$ 758,548	\$ (828,089)
Licenses and Permits	250,000	250,000	251,285	1,285
Charges for Services	20,000	20,000	16,226	(3,774)
Investment Earnings	-	-	6,105	6,105
Other Revenue	-	-	30,982	30,982
Total Revenues	<u>1,856,637</u>	<u>1,856,637</u>	<u>1,063,146</u>	<u>(793,491)</u>
EXPENDITURES:				
Public Transportation	1,856,637	1,856,637	1,001,979	854,658
Total Expenditures	<u>1,856,637</u>	<u>1,856,637</u>	<u>1,001,979</u>	<u>854,658</u>
Change in Fund Balance	-	-	61,167	61,167
Fund Balance - October 1 (Beginning)	<u>1,587,783</u>	<u>1,587,783</u>	<u>1,587,783</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 1,587,783</u>	<u>\$ 1,587,783</u>	<u>\$ 1,648,950</u>	<u>\$ 61,167</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, 2022

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)
REVENUES:				
Intergovernmental Revenue and Grants	\$ 10,455,000	\$ 10,455,000	\$ 11,739,231	\$ 1,284,231
Investment Earnings	-	-	263	263
Total Revenues	<u>10,455,000</u>	<u>10,455,000</u>	<u>11,739,494</u>	<u>1,284,494</u>
EXPENDITURES:				
Public Safety	10,455,000	10,455,000	11,252,502	(797,502)
Total Expenditures	<u>10,455,000</u>	<u>10,455,000</u>	<u>11,252,502</u>	<u>(797,502)</u>
Excess of Revenues Over Expenditures	-	-	486,992	486,992
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	(486,992)	(486,992)
Total Other Financing Sources (Uses)	-	-	(486,992)	(486,992)
Change in Fund Balance	-	-	-	-
Fund Balance - October 1 (Beginning)	32,370	32,370	32,370	-
Fund Balance - September 30 (Ending)	<u>\$ 32,370</u>	<u>\$ 32,370</u>	<u>\$ 32,370</u>	<u>\$ -</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, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
A. Total Pension Liability			
Service Cost	\$ 437,303	\$ 452,705	\$ 418,419
Interest (on the Total Pension Liability)	1,542,721	1,557,358	1,506,294
Changes of Benefit Terms	-	(251,085)	-
Difference between Expected and Actual Experience	(297,526)	(214,591)	(80,467)
Changes of Assumptions	(138,992)	963,084	-
Benefit Payments, Including Refunds of Employee Contributions	(1,545,154)	(1,297,399)	(1,200,693)
Net Change in Total Pension Liability	\$ (1,648)	\$ 1,210,072	\$ 643,553
Total Pension Liability - Beginning	20,620,083	19,410,011	18,766,457
Total Pension Liability - Ending	\$ 20,618,435	\$ 20,620,083	\$ 19,410,010
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 102,685	\$ 160,153	\$ 177,908
Contributions - Employee	212,159	198,209	206,392
Net Investment Income	4,763,619	2,181,060	3,102,323
Benefit Payments, Including Refunds of Employee Contributions	(1,545,154)	(1,297,399)	(1,200,693)
Administrative Expense	(13,970)	(16,340)	(16,103)
Other	(28,706)	(25,693)	(25,007)
Net Change in Plan Fiduciary Net Position	\$ 3,490,633	\$ 1,199,990	\$ 2,244,820
Plan Fiduciary Net Position - Beginning	22,331,033	21,131,043	18,886,222
Plan Fiduciary Net Position - Ending	\$ 25,821,666	\$ 22,331,033	\$ 21,131,042
C. Net Pension Liability (Asset)			
	\$ (5,203,231)	\$ (1,710,950)	\$ (1,721,032)
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability			
	125.24%	108.30%	108.87%
E. Covered Payroll			
	\$ 4,243,180	\$ 3,964,185	\$ 4,127,832
F. Net Pension Liability (Asset) as a Percentage of Covered Payroll			
	(122.63%)	(43.16%)	(41.69%)

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 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
\$ 353,785	\$ 393,379	\$ 640,791	\$ 475,981	\$ 391,455
1,462,109	1,424,033	1,438,507	1,393,332	1,348,689
432,455	-	(561,864)	(79,047)	-
(526,365)	(130,120)	(746,318)	37,528	(48,778)
-	158,636	-	197,006	-
(1,280,013)	(1,390,365)	(1,221,746)	(1,207,860)	(1,269,913)
<u>\$ 441,971</u>	<u>\$ 455,563</u>	<u>\$ (450,630)</u>	<u>\$ 816,940</u>	<u>\$ 421,453</u>
<u>18,324,486</u>	<u>17,868,923</u>	<u>18,319,557</u>	<u>17,502,618</u>	<u>17,081,164</u>
\$ 18,766,457	\$ 18,324,486	\$ 17,868,927	\$ 18,319,558	\$ 17,502,617
\$ 73,741	\$ 52,049	\$ 262,626	\$ 260,029	\$ 235,097
152,044	144,577	261,983	257,083	199,961
(391,382)	2,736,790	1,352,821	(275,540)	1,252,665
(1,280,013)	(1,390,365)	(1,221,746)	(1,207,860)	(1,269,913)
(15,169)	(13,551)	(14,701)	(13,499)	(14,707)
(29,362)	(36,517)	(81,629)	34,390	(53,067)
<u>\$ (1,490,141)</u>	<u>\$ 1,492,983</u>	<u>\$ 559,354</u>	<u>\$ (945,397)</u>	<u>\$ 350,036</u>
<u>20,376,363</u>	<u>18,883,380</u>	<u>18,324,027</u>	<u>19,269,424</u>	<u>18,919,387</u>
\$ 18,886,222	\$ 20,376,363	\$ 18,883,381	\$ 18,324,027	\$ 19,269,423
\$ (119,765)	\$ (2,051,877)	\$ (1,014,454)	\$ (4,469)	\$ (1,766,806)
100.64%	111.20%	105.68%	100.02%	110.09%
\$ 3,801,093	\$ 3,614,416	\$ 3,730,467	\$ 3,672,617	\$ 2,856,590
(3.15%)	(56.77%)	(27.19%)	(0.12%)	(61.85%)

BROOKS COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2022

	2022	2021	2020
Actuarially Determined Contribution	\$ 148,380	\$ 119,190	\$ 177,908
Contributions in Relation to the Actuarially Determined Contributions	(148,380)	(119,190)	(177,908)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 4,278,716	\$ 4,248,379	\$ 4,127,832
Contributions as a Percentage of Covered Employee Payroll	3.47%	2.81%	4.30%

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.

	2019	2018	2017	2016
\$	73,741	\$ 52,049	\$ 262,626	\$ 260,029
	(73,741)	(52,049)	(262,626)	(260,029)
\$	-	\$ -	\$ -	\$ -
\$	3,801,093	\$ 3,614,416	\$ 3,730,467	\$ 3,672,617
	1.94%	1.44%	7.04%	7.08%

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BROOKS COUNTY, TEXAS
 NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	0.0 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-yr smoothed market
Inflation	2.75%
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	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

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

BROOKS COUNTY, TEXAS
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
Total OPEB Liability			
Service Cost	\$ 19,026	\$ 16,682	\$ 11,616
Interest on the Total OPEB Liability	8,778	9,914	12,006
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	-	(4,309)	(12,863)
Changes of Assumptions	(15,533)	38,022	64,339
Benefit Payments*	9,685	(10,703)	(11,558)
Net Change in Total OPEB Liability	11,772	49,606	63,540
Total OPEB Liability - Beginning	400,076	350,470	286,930
Total OPEB Liability - Ending	\$ 411,848	\$ 400,076	\$ 350,470
Covered Payroll	\$ 4,243,180	\$ 3,964,185	\$ 4,127,832
Total OPEB Liability as a Percentage of Covered Payroll	9.71%	10.09%	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.

<u>FY 2019</u>		<u>FY 2018</u>	
<u>Plan Year 2018</u>		<u>Plan Year 2017</u>	
\$	15,625	\$	11,906
	10,885		11,847
	-		-
	(5,044)		(22,980)
	(29,017)		11,135
	(12,544)		(12,650)
	<u>(20,095)</u>		<u>(742)</u>
	307,025		307,767
\$	<u>286,930</u>	\$	<u>307,025</u>
\$	3,801,093	\$	3,614,416
	7.55%		8.49%

BROOKS COUNTY, TEXAS
NOTES TO SCHEDULE OF OPEB CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Straight-line amortization of expected working life
Remaining Amortization Period	NA
Asset Valuation Method	NA
Inflation	NA
Salary Increases	NA
Investment Rate of Return	2.74%, based on 20-year Bond GO Index published by bondbuyer.com as of December 26, 2019.
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, 2022

	Corona Response Grant	American Recovery 2021	Operation Lone Star Grant	Landfill Fund
ASSETS				
Cash and Cash Equivalents	\$ 1	\$ 184,085	\$ (887)	\$ 1,328
Investments - Current	-	-	-	-
Accounts Receivable, Net	-	-	10,899	-
Due from Other Funds	-	60	-	-
Total Assets	\$ 1	\$ 184,145	\$ 10,012	\$ 1,328
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 10,000	\$ -
Wages and Salaries Payable	-	1,345	-	227
Due to Other Funds	-	-	-	164
Total Liabilities	-	1,345	10,000	391
FUND BALANCES				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	1	182,800	12	-
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	-	-	-	937
Unassigned Fund Balance	-	-	-	-
Total Fund Balances	1	182,800	12	937
Total Liabilities and Fund Balances	\$ 1	\$ 184,145	\$ 10,012	\$ 1,328

HAVA Election Fund	Corona Virus Relief Fund	Consolidation Fund	Airport Improvement Fund	Alien Death Processing	Chapter 19	Sheriff Abandoned Vehicles	Sheriff's Contributions
\$ 13,201	\$ 400	\$ 60,100	\$ 3,296	\$ 9,500	\$ 1,018	\$ 233,451	\$ 5,124
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	50	-	-	-	-	-
<u>\$ 13,201</u>	<u>\$ 400</u>	<u>\$ 60,150</u>	<u>\$ 3,296</u>	<u>\$ 9,500</u>	<u>\$ 1,018</u>	<u>\$ 233,451</u>	<u>\$ 5,124</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	236	-	-	-	-	-
-	-	-	-	2,084	-	2,747	-
-	-	236	-	2,084	-	2,747	-
13,201	400	59,914	3,296	7,416	1,018	230,704	5,124
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>13,201</u>	<u>400</u>	<u>59,914</u>	<u>3,296</u>	<u>7,416</u>	<u>1,018</u>	<u>230,704</u>	<u>5,124</u>
<u>\$ 13,201</u>	<u>\$ 400</u>	<u>\$ 60,150</u>	<u>\$ 3,296</u>	<u>\$ 9,500</u>	<u>\$ 1,018</u>	<u>\$ 233,451</u>	<u>\$ 5,124</u>

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022

	Management & Preservation Fund	Courthouse Security Fund	Lateral Road Fund	Prevention & Treatment Fund
ASSETS				
Cash and Cash Equivalents	\$ 13,463	\$ 19,860	\$ 1,348	\$ 82,127
Investments - Current	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Due from Other Funds	-	30	-	-
Total Assets	\$ 13,463	\$ 19,890	\$ 1,348	\$ 82,127
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	461	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	-	461	-	-
FUND BALANCES				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	-	-	1,348	-
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	13,463	19,429	-	82,127
Unassigned Fund Balance	-	-	-	-
Total Fund Balances	13,463	19,429	1,348	82,127
Total Liabilities and Fund Balances	\$ 13,463	\$ 19,890	\$ 1,348	\$ 82,127

CO Attorney Hot Check Fund	Homeland Security Fund	County Airport Fund	Law Library Fund	Code Enforcement Arrest Fee Fd	Sheriff Seizure Fund	Federal Arrest Drug Fund	LEOSE State Allocations
\$ 2,027	\$ 39,176	\$ 7,033	\$ 23,024	\$ 3,800	\$ 172,968	\$ -	\$ 24,361
-	-	-	-	-	-	-	-
-	11,595	-	-	-	-	-	-
-	28	-	-	-	6,337	-	-
<u>\$ 2,027</u>	<u>\$ 50,799</u>	<u>\$ 7,033</u>	<u>\$ 23,024</u>	<u>\$ 3,800</u>	<u>\$ 179,305</u>	<u>\$ -</u>	<u>\$ 24,361</u>
\$ -	\$ -	\$ 21	\$ -	\$ -	\$ -	\$ -	\$ -
-	97	-	-	32	-	-	-
-	6,337	-	-	578	-	-	-
<u>-</u>	<u>6,434</u>	<u>21</u>	<u>-</u>	<u>610</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	44,365	7,012	-	-	179,305	-	24,361
-	-	-	-	-	-	-	-
2,027	-	-	23,024	3,190	-	-	-
-	-	-	-	-	-	-	-
<u>2,027</u>	<u>44,365</u>	<u>7,012</u>	<u>23,024</u>	<u>3,190</u>	<u>179,305</u>	<u>-</u>	<u>24,361</u>
<u>\$ 2,027</u>	<u>\$ 50,799</u>	<u>\$ 7,033</u>	<u>\$ 23,024</u>	<u>\$ 3,800</u>	<u>\$ 179,305</u>	<u>\$ -</u>	<u>\$ 24,361</u>

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022

	Justice Crt Technology Fund	Drainage Impv DRS 220016	Health Use Sales Tax Fund	Ed Rachal Audio Visual Fund
ASSETS				
Cash and Cash Equivalents	\$ 18,497	\$ -	\$ 123,691	\$ 5,900
Investments - Current	-	-	239,127	-
Accounts Receivable, Net	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	\$ 18,497	\$ -	\$ 362,818	\$ 5,900
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	1,497	-	-	-
Total Liabilities	1,497	-	-	-
FUND BALANCES				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	-	-	-	-
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	17,000	-	362,818	5,900
Unassigned Fund Balance	-	-	-	-
Total Fund Balances	17,000	-	362,818	5,900
Total Liabilities and Fund Balances	\$ 18,497	\$ -	\$ 362,818	\$ 5,900

Drug Alcohol Crt Diversion Program	DOJ/Federal Account Fund	SheriffLocal Border Sec Fund	Sheriff Federal Seizure Fund	Special Budget Fund	Pre-Trial Fund	Juvenile Probation Match	EdRachal Human Rights Fund
\$ 49,756	\$ 15,918	\$ 23,178	\$ 59,825	\$ 4,624	\$ 44,543	\$ (6,279)	\$ 308
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	42	-
<u>\$ 49,756</u>	<u>\$ 15,918</u>	<u>\$ 23,178</u>	<u>\$ 59,825</u>	<u>\$ 4,624</u>	<u>\$ 44,543</u>	<u>\$ (6,237)</u>	<u>\$ 308</u>
\$ -	\$ -	\$ -	\$ 1,709	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
13,350	-	-	-	-	-	-	-
<u>13,350</u>	<u>-</u>	<u>-</u>	<u>1,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	15,918	23,178	58,116	-	44,543	-	-
-	-	-	-	-	-	-	-
36,406	-	-	-	4,624	-	-	308
-	-	-	-	-	-	(6,237)	-
<u>36,406</u>	<u>15,918</u>	<u>23,178</u>	<u>58,116</u>	<u>4,624</u>	<u>44,543</u>	<u>(6,237)</u>	<u>308</u>
<u>\$ 49,756</u>	<u>\$ 15,918</u>	<u>\$ 23,178</u>	<u>\$ 59,825</u>	<u>\$ 4,624</u>	<u>\$ 44,543</u>	<u>\$ (6,237)</u>	<u>\$ 308</u>

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022

	EdRachal Carter Family Foundation	J.M. Alaniz Fairgrounds Fees Fund	EdRachal Sheriff Grant	Employees Vending Mach Commission Fd
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 1,308	\$ 49,088	\$ 1,713
Investments - Current	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	\$ -	\$ 1,308	\$ 49,088	\$ 1,713
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	-	-
FUND BALANCES				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	-	-	-	-
Retirement of Long-Term Debt	-	-	-	-
Other Restricted Fund Balance	-	1,308	49,088	1,713
Unassigned Fund Balance	-	-	-	-
Total Fund Balances	-	1,308	49,088	1,713
Total Liabilities and Fund Balances	\$ -	\$ 1,308	\$ 49,088	\$ 1,713

Election Service Contract Fund	Total Nonmajor Special Revenue Funds	Cert Of Oblig Series 2019 Fund	Cert Of Oblig I & S Fund	Cert Of Oblig Series 2011 Fund	G.O. Refund Bonds Series 2013	Total Nonmajor Debt Service Funds	EdRachal Memorial Library Grant
\$ 13,828	\$ 1,305,702	\$ 73,651	\$ 6,041	\$ 17,977	\$ 5,588	\$ 103,257	\$ 44,119
-	239,127	-	-	-	-	-	-
-	22,494	-	-	-	-	-	-
-	6,547	-	-	-	-	-	-
<u>\$ 13,828</u>	<u>\$ 1,573,870</u>	<u>\$ 73,651</u>	<u>\$ 6,041</u>	<u>\$ 17,977</u>	<u>\$ 5,588</u>	<u>\$ 103,257</u>	<u>\$ 44,119</u>
\$ -	\$ 11,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	2,398	-	-	-	-	-	-
-	26,757	-	-	-	-	-	-
-	40,885	-	-	-	-	-	-
-	902,032	-	-	-	-	-	-
-	-	73,651	6,041	17,977	5,588	103,257	-
13,828	637,190	-	-	-	-	-	44,119
-	(6,237)	-	-	-	-	-	-
<u>13,828</u>	<u>1,532,985</u>	<u>73,651</u>	<u>6,041</u>	<u>17,977</u>	<u>5,588</u>	<u>103,257</u>	<u>44,119</u>
<u>\$ 13,828</u>	<u>\$ 1,573,870</u>	<u>\$ 73,651</u>	<u>\$ 6,041</u>	<u>\$ 17,977</u>	<u>\$ 5,588</u>	<u>\$ 103,257</u>	<u>\$ 44,119</u>

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2022

EXHIBIT H-1

	Cert Of Oblig Series 2019 Fund	Brooks County 2018 Projects Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 52,461	\$ 20,217	\$ 116,797	\$ 1,525,756
Investments - Current	-	-	-	239,127
Accounts Receivable, Net	-	-	-	22,494
Due from Other Funds	-	-	-	6,547
Total Assets	\$ 52,461	\$ 20,217	\$ 116,797	\$ 1,793,924
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 11,730
Wages and Salaries Payable	-	-	-	2,398
Due to Other Funds	-	-	-	26,757
Total Liabilities	-	-	-	40,885
FUND BALANCES				
Restricted Fund Balance:				
Federal or State Funds Grant Restriction	-	-	-	902,032
Retirement of Long-Term Debt	-	-	-	103,257
Other Restricted Fund Balance	52,461	20,217	116,797	753,987
Unassigned Fund Balance	-	-	-	(6,237)
Total Fund Balances	52,461	20,217	116,797	1,753,039
Total Liabilities and Fund Balances	\$ 52,461	\$ 20,217	\$ 116,797	\$ 1,793,924

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BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Corona Response Grant	American Recovery 2021	Operation Lone Star Grant	Landfill Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	-	339,993	-
Federal Revenue and Grants	-	688,866	-	-
Charges for Services	-	-	-	133,953
Fees of Office	-	-	-	-
Investment Earnings	-	33	12	-
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	-	-	-	11,357
Total Revenues	<u>-</u>	<u>688,899</u>	<u>340,005</u>	<u>145,310</u>
EXPENDITURES:				
Current:				
General Government	-	475,967	339,993	-
Judicial	-	-	-	-
Public Safety	-	-	-	377,243
Public Transportation	-	-	-	-
Health and Welfare	-	-	-	-
Debt Service:				
Principal on Debt and Right-to-Use Leases	-	-	-	-
Interest on Debt and Right-to-Use Leases	-	-	-	-
Total Expenditures	<u>-</u>	<u>475,967</u>	<u>339,993</u>	<u>377,243</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>212,932</u>	<u>12</u>	<u>(231,933)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	156,675
Transfers Out	-	(306,156)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(306,156)</u>	<u>-</u>	<u>156,675</u>
Net Change in Fund Balance	-	(93,224)	12	(75,258)
Fund Balance - October 1 (Beginning)	<u>1</u>	<u>276,024</u>	<u>-</u>	<u>76,195</u>
Fund Balance - September 30 (Ending)	<u>\$ 1</u>	<u>\$ 182,800</u>	<u>\$ 12</u>	<u>\$ 937</u>

HAVA Election Fund	Corona Virus Relief Fund	Consolidation Fund	Airport Improvement Fund	Alien Death Processing	Chapter 19	Sheriff Abandoned Vehicles	Sheriff's Contributions
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	106,327	-	66,590	702	501,220	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	250
-	-	-	-	2,083	-	-	-
-	-	106,327	-	68,673	702	501,220	250
28,117	58,939	-	-	-	-	-	-
-	-	107,532	-	70,757	1,447	484,495	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
28,117	58,939	107,532	-	70,757	1,447	484,495	-
(28,117)	(58,939)	(1,205)	-	(2,084)	(745)	16,725	250
-	-	45,537	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	45,537	-	-	-	-	-
(28,117)	(58,939)	44,332	-	(2,084)	(745)	16,725	250
41,318	59,339	15,582	3,296	9,500	1,763	213,979	4,874
\$ 13,201	\$ 400	\$ 59,914	\$ 3,296	\$ 7,416	\$ 1,018	\$ 230,704	\$ 5,124

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Management & Preservation Fund	Courthouse Security Fund	Lateral Road Fund	Prevention & Treatment Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	-	9,042	-
Federal Revenue and Grants	-	-	-	-
Charges for Services	-	-	-	-
Fees of Office	14,121	30,539	-	7,500
Investment Earnings	-	-	-	-
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	-	-	-	66,982
Total Revenues	<u>14,121</u>	<u>30,539</u>	<u>9,042</u>	<u>74,482</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial	16,860	-	-	-
Public Safety	-	54,048	-	-
Public Transportation	-	-	14,474	-
Health and Welfare	-	-	-	-
Debt Service:				
Principal on Debt and Right-to-Use Leases	-	-	-	-
Interest on Debt and Right-to-Use Leases	-	-	-	-
Total Expenditures	<u>16,860</u>	<u>54,048</u>	<u>14,474</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,739)</u>	<u>(23,509)</u>	<u>(5,432)</u>	<u>74,482</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	<u>(2,739)</u>	<u>(23,509)</u>	<u>(5,432)</u>	<u>74,482</u>
Fund Balance - October 1 (Beginning)	<u>16,202</u>	<u>42,938</u>	<u>6,780</u>	<u>7,645</u>
Fund Balance - September 30 (Ending)	<u>\$ 13,463</u>	<u>\$ 19,429</u>	<u>\$ 1,348</u>	<u>\$ 82,127</u>

CO Attorney Hot Check Fund	Homeland Security Fund	County Airport Fund	Law Library Fund	Code Enforcement Arrest Fee Fd	Sheriff Seizure Fund	Federal Arrest Drug Fund	LEOSE State Allocations
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	10,811	-	-	-	-	4,088
-	316,876	-	-	-	-	-	-
-	-	6,250	2,660	14,566	-	-	-
-	-	-	-	-	64,881	-	-
-	-	-	-	-	122	-	-
-	-	-	-	-	-	-	-
90	5,615	-	-	-	-	-	-
<u>90</u>	<u>322,491</u>	<u>17,061</u>	<u>2,660</u>	<u>14,566</u>	<u>65,003</u>	<u>-</u>	<u>4,088</u>
-	-	-	-	-	-	-	-
225	-	-	-	-	-	-	-
-	316,876	-	1,694	14,831	67,879	-	2,042
-	-	33,258	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	74,710	-	-
-	-	-	-	-	7,859	-	-
<u>225</u>	<u>316,876</u>	<u>33,258</u>	<u>1,694</u>	<u>14,831</u>	<u>150,448</u>	<u>-</u>	<u>2,042</u>
<u>(135)</u>	<u>5,615</u>	<u>(16,197)</u>	<u>966</u>	<u>(265)</u>	<u>(85,445)</u>	<u>-</u>	<u>2,046</u>
-	-	20,000	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	20,000	-	-	-	-	-
(135)	5,615	3,803	966	(265)	(85,445)	-	2,046
<u>2,162</u>	<u>38,750</u>	<u>3,209</u>	<u>22,058</u>	<u>3,455</u>	<u>264,750</u>	<u>-</u>	<u>22,315</u>
<u>\$ 2,027</u>	<u>\$ 44,365</u>	<u>\$ 7,012</u>	<u>\$ 23,024</u>	<u>\$ 3,190</u>	<u>\$ 179,305</u>	<u>\$ -</u>	<u>\$ 24,361</u>

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Justice Crt Technology Fund	Drainage Impv DRS 220016	Health Use Sales Tax Fund	Ed Rachal Audio Visual Fund
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	365,550	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	-	-	-
Federal Revenue and Grants	-	-	-	-
Charges for Services	-	-	-	-
Fees of Office	24,299	-	-	-
Investment Earnings	-	-	1,798	-
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	-	-	-	3,650
Total Revenues	<u>24,299</u>	<u>-</u>	<u>367,348</u>	<u>3,650</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judical	19,357	-	-	-
Public Safety	-	-	-	-
Public Transportation	-	-	-	-
Health and Welfare	-	-	305,244	-
Debt Service:				
Principal on Debt and Right-to-Use Leases	-	-	-	-
Interest on Debt and Right-to-Use Leases	-	-	-	-
Total Expenditures	<u>19,357</u>	<u>-</u>	<u>305,244</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,942</u>	<u>-</u>	<u>62,104</u>	<u>3,650</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	4,942	-	62,104	3,650
Fund Balance - October 1 (Beginning)	<u>12,058</u>	<u>-</u>	<u>300,714</u>	<u>2,250</u>
Fund Balance - September 30 (Ending)	<u>\$ 17,000</u>	<u>\$ -</u>	<u>\$ 362,818</u>	<u>\$ 5,900</u>

Drug Alcohol Crt Diversion Program	DOJ/Federal Account Fund	SheriffLocal Border Sec Fund	Sheriff Federal Seizure Fund	Special Budget Fund	Pre-Trial Fund	Juvenile Probation Match	EdRachal Human Rights Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	15,109	27,696	-	-	11,470	136,968	-
73,224	-	-	-	-	-	-	-
-	-	-	124,821	-	-	-	-
-	-	-	59	-	-	-	-
-	-	-	-	-	-	-	-
6,000	-	-	-	-	-	-	-
<u>79,224</u>	<u>15,109</u>	<u>27,696</u>	<u>124,880</u>	<u>-</u>	<u>11,470</u>	<u>136,968</u>	<u>-</u>
-	-	-	-	-	-	-	-
104,775	-	-	-	-	-	-	-
-	13,837	30,879	27,790	-	2,000	251,023	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	36,563	-	-	-	-
-	-	-	6,185	-	-	-	-
<u>104,775</u>	<u>13,837</u>	<u>30,879</u>	<u>70,538</u>	<u>-</u>	<u>2,000</u>	<u>251,023</u>	<u>-</u>
<u>(25,551)</u>	<u>1,272</u>	<u>(3,183)</u>	<u>54,342</u>	<u>-</u>	<u>9,470</u>	<u>(114,055)</u>	<u>-</u>
-	-	-	-	-	-	129,000	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	129,000	-
(25,551)	1,272	(3,183)	54,342	-	9,470	14,945	-
<u>61,957</u>	<u>14,646</u>	<u>26,361</u>	<u>3,774</u>	<u>4,624</u>	<u>35,073</u>	<u>(21,182)</u>	<u>308</u>
<u>\$ 36,406</u>	<u>\$ 15,918</u>	<u>\$ 23,178</u>	<u>\$ 58,116</u>	<u>\$ 4,624</u>	<u>\$ 44,543</u>	<u>\$ (6,237)</u>	<u>\$ 308</u>

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Ed Rachal Carter Family Foundation	J.M. Alaniz Fairgrounds Fees Fund	Ed Rachal Sheriff Grant	Employees Vending Mach Commission Fd
REVENUES:				
Taxes:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
General Sales and Use Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenue and Grants	-	-	80,000	-
Federal Revenue and Grants	-	-	-	-
Charges for Services	-	-	-	-
Fees of Office	-	-	-	-
Investment Earnings	-	-	-	-
Contributions & Donations from Private Sources	-	-	-	-
Other Revenue	-	300	943	-
Total Revenues	<u>-</u>	<u>300</u>	<u>80,943</u>	<u>-</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judical	-	-	-	-
Public Safety	-	-	52,507	-
Public Transportation	-	-	-	-
Health and Welfare	-	-	-	-
Debt Service:				
Principal on Debt and Right-to-Use Leases	-	-	-	-
Interest on Debt and Right-to-Use Leases	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>52,507</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>300</u>	<u>28,436</u>	<u>-</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	-	300	28,436	-
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>1,008</u>	<u>20,652</u>	<u>1,713</u>
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ 1,308</u>	<u>\$ 49,088</u>	<u>\$ 1,713</u>

Election Service Contract Fund	Total Nonmajor Special Revenue Funds	Cert Of Oblig Series 2019 Fund	Cert Of Oblig I & S Fund	Cert Of Oblig Series 2011 Fund	G.O. Refund Bonds Series 2013	Total Nonmajor Debt Service Funds	EdRachal Memorial Library Grant
\$ -	\$ -	\$ 282,926	\$ -	\$ 84,351	\$ -	\$ 367,277	\$ -
-	365,550	-	-	-	-	-	-
-	501,220	-	-	-	-	-	-
-	808,796	-	-	-	-	-	77,332
-	1,005,742	-	-	-	-	-	-
-	230,653	-	-	-	-	-	-
-	266,161	-	-	-	-	-	-
-	2,024	-	-	-	-	-	-
-	250	-	-	-	-	-	-
2,493	99,513	-	-	-	-	-	-
<u>2,493</u>	<u>3,279,909</u>	<u>282,926</u>	<u>-</u>	<u>84,351</u>	<u>-</u>	<u>367,277</u>	<u>77,332</u>
-	903,016	-	-	-	-	-	33,237
-	143,217	-	-	-	-	-	-
7,241	1,882,121	-	-	-	-	-	-
-	47,732	-	-	-	-	-	-
-	305,244	-	-	-	-	-	-
-	111,273	285,000	-	55,000	-	340,000	-
-	14,044	16,405	-	29,491	-	45,896	-
<u>7,241</u>	<u>3,406,647</u>	<u>301,405</u>	<u>-</u>	<u>84,491</u>	<u>-</u>	<u>385,896</u>	<u>33,237</u>
<u>(4,748)</u>	<u>(126,738)</u>	<u>(18,479)</u>	<u>-</u>	<u>(140)</u>	<u>-</u>	<u>(18,619)</u>	<u>44,095</u>
-	351,212	-	-	-	-	-	-
-	(306,156)	-	-	-	-	-	-
-	45,056	-	-	-	-	-	-
(4,748)	(81,682)	(18,479)	-	(140)	-	(18,619)	44,095
<u>18,576</u>	<u>1,614,667</u>	<u>92,130</u>	<u>6,041</u>	<u>18,117</u>	<u>5,588</u>	<u>121,876</u>	<u>24</u>
<u>\$ 13,828</u>	<u>\$ 1,532,985</u>	<u>\$ 73,651</u>	<u>\$ 6,041</u>	<u>\$ 17,977</u>	<u>\$ 5,588</u>	<u>\$ 103,257</u>	<u>\$ 44,119</u>

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Cert Of Oblig Series 2019 Fund	Brooks County 2018 Projects Fund	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES:				
Taxes:				
Property Taxes	\$ 178,517	\$ -	\$ 178,517	\$ 545,794
General Sales and Use Taxes	-	-	-	365,550
Licenses and Permits	-	-	-	501,220
Intergovernmental Revenue and Grants	-	-	77,332	886,128
Federal Revenue and Grants	-	-	-	1,005,742
Charges for Services	-	-	-	230,653
Fees of Office	-	-	-	266,161
Investment Earnings	-	-	-	2,024
Contributions & Donations from Private Sources	-	-	-	250
Other Revenue	-	-	-	99,513
Total Revenues	<u>178,517</u>	<u>-</u>	<u>255,849</u>	<u>3,903,035</u>
EXPENDITURES:				
Current:				
General Government	146,368	-	179,605	1,082,621
Judicial	-	-	-	143,217
Public Safety	-	-	-	1,882,121
Public Transportation	-	-	-	47,732
Health and Welfare	-	-	-	305,244
Debt Service:				
Principal on Debt and Right-to-Use Leases	155,000	-	155,000	606,273
Interest on Debt and Right-to-Use Leases	18,838	-	18,838	78,778
Total Expenditures	<u>320,206</u>	<u>-</u>	<u>353,443</u>	<u>4,145,986</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(141,689)</u>	<u>-</u>	<u>(97,594)</u>	<u>(242,951)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	351,212
Transfers Out	-	-	-	(306,156)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,056</u>
Net Change in Fund Balance	(141,689)	-	(97,594)	(197,895)
Fund Balance - October 1 (Beginning)	<u>194,150</u>	<u>20,217</u>	<u>214,391</u>	<u>1,950,934</u>
Fund Balance - September 30 (Ending)	<u>\$ 52,461</u>	<u>\$ 20,217</u>	<u>\$ 116,797</u>	<u>\$ 1,753,039</u>

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BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 SEPTEMBER 30, 2022

	District Attorney Escrow Fund	Sheriff Bond Account	State Fees Fund	Appallate Judical System
ASSETS				
Cash and Cash Equivalents	\$ 1,244,035	\$ 27,755	\$ 181,442	\$ 35
Total Assets	<u>1,244,035</u>	<u>27,755</u>	<u>181,442</u>	<u>35</u>
NET POSITION				
Restricted for Other Purposes	1,244,035	27,755	181,442	35
Total Net Position	<u>\$ 1,244,035</u>	<u>\$ 27,755</u>	<u>\$ 181,442</u>	<u>\$ 35</u>

County Clerk Fund	District Clerk Fund	Tax Assessor Collector Fund	Sheriff Regular Account	Other	Total Custodial Funds
\$ 81,147	\$ 360,814	\$ 188,949	\$ 1,054	\$ 82,616	\$ 2,167,847
<u>81,147</u>	<u>360,814</u>	<u>188,949</u>	<u>1,054</u>	<u>82,616</u>	<u>2,167,847</u>
\$ 81,147	\$ 360,814	\$ 188,949	\$ 1,054	\$ 82,616	\$ 2,167,847
<u>\$ 81,147</u>	<u>\$ 360,814</u>	<u>\$ 188,949</u>	<u>\$ 1,054</u>	<u>\$ 82,616</u>	<u>\$ 2,167,847</u>

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF ADDITIONS, DEDUCTIONS AND CHANGES IN NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

Data Control Codes	District Attorney Escrow Fund	Sheriff Bond Account	State Fees Fund	Appellate Judicial System
ADDITIONS:				
Charges for Services	\$ 2,001,749	\$ -	\$ -	\$ -
Fees of Office	-	-	722,673	5
Investment Earnings	2,127	-	-	-
Other Revenue	-	33	-	-
Total Additions	<u>2,003,876</u>	<u>33</u>	<u>722,673</u>	<u>5</u>
DEDUCTIONS:				
Other Operating Costs	1,835,687	1,033	544,089	-
Total Deductions	<u>1,835,687</u>	<u>1,033</u>	<u>544,089</u>	<u>-</u>
Change in Net Position	168,189	(1,000)	178,584	5
 Total Net Position - October 1 (Beginning)	 <u>1,075,846</u>	 <u>28,755</u>	 <u>2,858</u>	 <u>30</u>
 Total Net Position - September 30 (Ending)	 <u>\$ 1,244,035</u>	 <u>\$ 27,755</u>	 <u>\$ 181,442</u>	 <u>\$ 35</u>

County Clerk Fund	District Clerk Fund	Tax Assessor Collector Fund	Sheriff Regular Account	Other	Total Custodial Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,001,749
-	-	-	-	-	722,678
-	-	-	-	-	2,127
113,924	81,405	13,718,687	6,507	1,358,748	15,279,304
<u>113,924</u>	<u>81,405</u>	<u>13,718,687</u>	<u>6,507</u>	<u>1,358,748</u>	<u>18,005,858</u>
111,863	68,622	13,730,430	5,934	1,302,581	17,600,239
<u>111,863</u>	<u>68,622</u>	<u>13,730,430</u>	<u>5,934</u>	<u>1,302,581</u>	<u>17,600,239</u>
2,061	12,783	(11,743)	573	56,167	405,619
<u>79,086</u>	<u>348,031</u>	<u>200,692</u>	<u>481</u>	<u>26,449</u>	<u>1,762,228</u>
<u>\$ 81,147</u>	<u>\$ 360,814</u>	<u>\$ 188,949</u>	<u>\$ 1,054</u>	<u>\$ 82,616</u>	<u>\$ 2,167,847</u>

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OTHER SUPPLEMENTARY INFORMATION

BROOKS COUNTY, TEXAS
BOND SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

<u>Date of Issue</u>	<u>Description</u>	<u>Interest Rate Payable</u>	<u>Amounts Original Issue</u>	<u>Amounts Outstanding 10/1/201</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>
September 2011	Certificate of Obligation	4.59%	\$ 1,100,000	\$ 670,000	\$ -	\$ 55,000
September 2019	General Obligation Refunding	2.20%	1,400,000	870,000	-	285,000
September 2019	Tax Notes	2.20%	1,000,000	815,000	-	155,000
			<u>\$ 3,500,000</u>	<u>\$ 2,355,000</u>	<u>\$ -</u>	<u>\$ 495,000</u>

EXHIBIT I-1

Amounts Outstanding 9/30/2022	Interest Current Year	Requirements				10/1/2022 To Maturity Interest
		Year Ending 9/30/23		Year Ending 9/30/24		
		Principal	Interest	Principal	Interest	
\$ 615,000	\$ 29,491	\$ 55,000	\$ 26,966	\$ 60,000	\$ 24,327	\$ 84,686
585,000	16,005	290,000	9,680	295,000	3,245	-
660,000	18,438	160,000	14,500	165,000	10,438	8,438
<u>\$ 1,860,000</u>	<u>\$ 63,933</u>	<u>\$ 505,000</u>	<u>\$ 51,146</u>	<u>\$ 520,000</u>	<u>\$ 38,010</u>	<u>\$ 93,123</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***

To the Honorable Judge and Commissioners
of 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, 2022, 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 March 29, 2024.

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

March 29, 2024

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 AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Judge and Commissioners
of Brooks County, Texas
P.O. Box 517
Falfurrias, Texas 78355

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Brooks County, Texas' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Brooks County, Texas' major federal programs for the year ended September 30, 2022. Brooks County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Brooks County, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Brooks County, Texas and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Brooks County, Texas' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Brooks County, Texas' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Brooks County, Texas' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Brooks County, Texas' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Brooks County, Texas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Brooks County, Texas' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Brooks County, Texas' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Raul Hernandez & Company, P.C.

Corpus Christi, TX

March 29, 2024

**BROOKS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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 No

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

Noncompliance material to financial statements noted? Yes No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes 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 No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? Yes No

**BROOKS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**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, 2021**

<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, 2022**

N/A

BROOKS COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

<i>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ or CLUSTER TITLE</i>	<i>PROGRAM</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures</i>
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed through the Office of the Governor-Homeland Security Grants Division</i>				
Homeland Security Grant - OPSG		97.067	3221007	<u>316,876</u>
<i>Total Passed through the Office of the Governor-Homeland Security Grants Division</i>				<u>316,876</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				<u>316,876</u>
U.S. DEPARTMENT OF TREASURY				
<i>Direct Program</i>				
American Rescue Plan Act 2021		21.027	CLFRF 2021	<u>782,123</u>
TOTAL U.S. DEPARTMENT OF TREASURY				<u>782,123</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 1,098,999</u>

BROOKS COUNTY, TEXAS
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Brooks County, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the *Uniform Guidance*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Sub-recipients

During the year ended September 30, 2022, the Brooks County, Texas had no sub-recipients.

Federal Loans and Loan Guarantees

During the year ended September 30, 2022, the County had no outstanding federal loans payable or federal loan guarantees.

Federally Funded Insurance

During the year ended September 30, 2022, the County had no federally funded insurance.

Noncash Awards

During the year ended September 30, 2022, the County did not have any federal awards in the form of noncash assistance.

Indirect Cost Rate

The Uniform Guidance allows an organization to elect a 10% de minimus indirect cost rate. For the year ended September 30, 2022, the County did not elect to use this rate.

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