

LEASE AGREEMENT

THE STATE OF TEXAS

COUNTY OF BROOKS

This lease agreement is made and entered by and between Brooks County, Falfurrias, Texas. Whose address is 100 East Miller Street, Falfurrias, Texas 78355, referred to herein as "Lessor" and the Community Action Corporation of South Texas, whose address is 204 East 1st St., Alice, Texas, in this lease called "Lessee" The term of this lease shall commence on January 1, 2019 and shall end on January 1, 2024.

The Lessee desires to lease from the Landlord upon the terms and conditions set out herein:

A. Leased premises: The property leased under the terms hereof is legally described as follows:

1302 S. St. Marys St. Suite A, B, & D, Brooks County Falfurrias, Tx. 78355

B. Rental payments: Lessee shall pay to Lessor, at 1302 S. St. Marys, Falfurrias, Tx. 78355 at a rate of One Thousand Dollars (\$1,000.00) per month. The rent shall be paid on the first day of every month with a ten (10) day grace period and shall continue thereafter, throughout the term of lease or until the termination of said lease.

C. Lessor warrants that the leased premises are in good repairs and fit for the use as specified, "Community Action Health Center-Brooks" and zoned for such commercial Use. It is expressly understood and agreed by both parties that the Lessor shall provide the lease premises with the following:

1. Effective water proofing and weather protection of the contents of leased premises by providing a watertight roof, exterior walls, windows and doors. Such provisions will be assured and maintained by the Lessor.
2. Plumbing facilities which conform to applicable law.
3. Heating and cooling facilities which conform to applicable law and are maintained in good working order. Costs of major repairs to air conditioning system are to be the responsibility of the Lessor.
4. Electrical lighting, with wiring and electrical equipment which conform to applicable laws.

D. Lessor shall pay and fully discharge all real property taxes, special assessments and governmental charges of every character imposed during the term of the lease.

Lessee is responsible for:

- A. Any routine, daily maintenance at the facility.
- B. Paying all utility charges for water, electricity, heat, gas and telephone services used in and about the leased premises during the term of this lease, all such charges are to be paid by the Lessee directly to the utility companies or municipality furnishing the same.
- C. Erecting any signs on any portion of the leased premises including but not limited to the exterior walls of the premises, subject to applicable statute, ordinances, and zoning restrictions, Lessee shall remove all signs at the termination of this lease and shall repair any damage including, but not limited to, closing any holes caused by such removal.
- D. Permitting the Lessor and/ or his agents to enter into and on the premises at all reasonable times for the purpose of inspection, maintenance, making repairs of alterations to the premises, or any other purpose necessary to protect the lessor's interest in the leased premises or to perform Lessor's duties under this lease.
- E. Not assigning or otherwise transferring this lease or any right or interest in this lease, without the written consent of the Lessor.
- F. Maintaining extended coverage insurance on the covered premises to cover personal liability for injuries occurring on said premises.
- G. Surrendering the premises in a good state of repair and condition, at the end of the lease term, allowing for reasonable use and wear, and damage by Acts of God, including fire and storm. Lessee agrees to remove all signs and symbols placed in the premises before delivering the premises to the Lessor.
- H. At the expiration of the lease, let all permanent improvements remain at the facility. Free- standing shelving, counters not attached to the building, and all medical equipment to include all furniture will not be considered as permanent improvements.

The covenants herein contained shall bind all parties and their respective heirs, executors, administrators, and assigns, and the terms "Lessor" and "Lessee" where used herein, shall be taken to mean either the singular or the plural, as the context that may require.

This agreement shall be constructed under and in accordance with the laws of the State of Texas, and all obligations of the parties created by this lease are performable in Brooks County, Texas.

Termination: Subsequent to the initial five (5) year term of this lease, Lessee may terminate this lease at anytime by giving written notice to Lessor by Certified Mail, with return receipt requested, and this lease will then terminate the Lessee's obligation to pay rental. It will terminate ninety (90) days from the receipt of the notice of termination. Subsequent to the initial five (5) year term of this lease,

Lessee will be provided with new leasing options as agreed upon by Lessor. In the event of termination of funding to the Lessee (by the funding government entity), Lessee may then terminate the agreement by providing not less than ninety (90) days prior written notice of its intent to terminate.

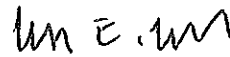
This agreement constitutes the sole and only agreement of the parties to the agreement and supersedes any prior understanding or written or oral agreements between or alteration of the terms of this agreement shall be binding unless it is in writing, dated subsequent to the date of this agreement, and duly executed by both parties.

Lessor:

Lessee:



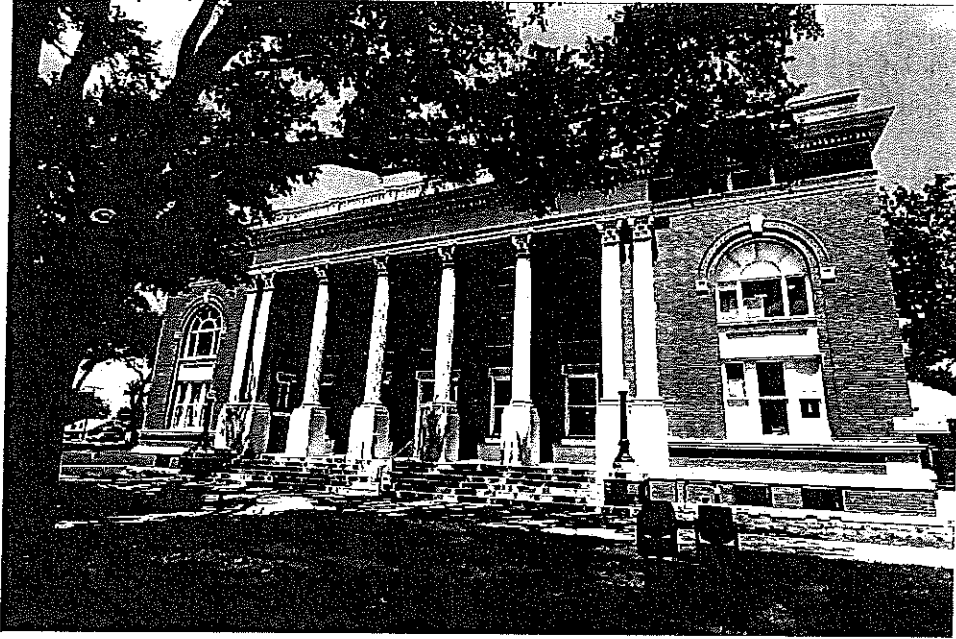
Eric Ramos
Brooks County Judge



Ann E. Awalt, MPA
Executive Director

8/26/19
Date

9/1/19
Date



COUNTY OF BROOKS, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2018

Raul Hernandez & Company, P. C.

Certified Public Accountants
5402 Holly Rd, Suite 102
Corpus Christi, Texas 78411
Office (361)980-0428 Fax (361)980-1002

Honorable County Judge and County Commissioners
Brooks County, Texas

In planning and performing our audit of 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, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Brooks County, Texas' internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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' internal control. Accordingly, we do not express an opinion on the effectiveness of the Brooks County, Texas' 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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This communication is intended solely for the information and use of management, Members of the Commissioners Court, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Raul Hernandez & Company, P.C.

Corpus Christi, TX

March 12, 2019

Raul Hernandez & Company, P. C.

Certified Public Accountants
5402 Holly Rd., Suite 102
Corpus Christi, Texas 78411
Office (361)980-0428 Fax (361)980-1002

Honorable County Judge and County Commissioners
Brooks County, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brooks County, Texas, for the year ended September 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Brooks County, Texas, are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during September 30, 2018. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates noted in the financial statements

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 12, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Commissioners Court and management of Brooks County, Texas, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Raul Hernandez & Company, P.C.

March 12, 2019

BROOKS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2018

Brooks County, Texas
Annual Financial Report
For The Year Ended September 30, 2018

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
FINANCIAL SECTION		
Independent Auditors' Report.....	1	
Management's Discussion and Analysis (Required Supplementary Information).....	5	
 <u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Position.....	17	A-1
Statement of Activities.....	18	A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	19	A-3
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position.....	21	A-4
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	22	A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	24	A-6
Statement of Net Position - Internal Service Fund.....	25	A-7
Statement of Revenues, Expenses, and Changes in		
Fund Net Position - Internal Service Fund.....	26	A-8
Statement of Cash Flows - Proprietary Funds.....	27	A-9
Statement of Fiduciary Net Position - Fiduciary Funds.....	28	A-10
Notes to the Financial Statements	29	
 <u>Required Supplementary Information</u>		
Budgetary Comparison Schedules:		
General Fund.....	47	B-1
Road & Bridge Fund.....	51	B-2
GEO Group Fund.....	52	B-3
 Schedule of the County's Proportionate Share of the		
Net Pension Liability - Net Pension Liability And Related Ratios.....	53	B-4
Schedule of County's Contributions - Pension Plan.....	54	B-5
Schedule of the County's Proportionate Share of the		
Net OPEB Liability - OPEB Plan.....	55	B-6
Notes to Required Supplementary Information.....	56	
 <u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	57	C-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	58	C-2

Brooks County, Texas
Annual Financial Report
For The Year Ended September 30, 2018

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	59	C-3
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	67	C-4
Budgetary Comparison Schedules:		
Lateral Road.....	77	C-5
Health Use Sales Tax.....	78	C-6
Debt Service Funds:		
Budgetary Comparison Schedule:		
Debt Service Fund.....	79	C-7
Capital Projects Funds:		
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	80	C-8
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	81	C-9
Budgetary Comparison Schedule:		
Capital Improvements Fund.....	83	C-10
Fiduciary Funds:		
Agency Funds:		
Combining Statement of Fiduciary Assets and Liabilities.....	84	C-11
Combining Statement of Changes in Assets and Liabilities.....	87	C-12
 OTHER SUPPLEMENTARY INFORMATION SECTION		
Bond Schedule.....	90	D-1
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>	92	
Schedule of Findings and Questioned Costs	94	
Summary Schedule of Prior Audit Findings.....	95	
Corrective Action Plan.....	96	

BROOKS COUNTY, TEXAS
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2018

Elected Officials

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

Appointed Officials

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

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Financial Section

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Raul Hernandez and Company, P.C.
Certified Public Accountants
5402 Holly Rd., Suite 102
Corpus Christi, Texas 78411
Office (361)980-0428 Fax (361)980-1002

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brooks County, Texas ("the County") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Brooks County, Texas as of September 30, 2018, 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in 2018, Brooks County, Texas adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the County's proportionate share of the net pension liability and schedule of County pension contributions, and schedule of the County's proportionate share of the net OPEB liability and schedule of County OPEB contributions identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brooks County, Texas's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2019 on our consideration of Brooks County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Brooks County, Texas's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in cursive script that reads "Raul Hernandez & Company, P.C.".

Raul Hernandez & Company, P.C.

Corpus Christi, TX
March 12, 2019

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BROOKS COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) offers readers of the County financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended September 30, 2018. 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, 2018 Annual Financial Report significantly different than those of previous years. New sections include this Management's Discussion and Analysis, the Government-wide Statement of Net Position, the Government-wide Statement of Activities, the concept of major fund reporting, and the reporting of infrastructure capital assets and long term debt liabilities in the governmental activities. These concepts are explained throughout this discussion and analysis.

FINANCIAL HIGHLIGHTS

- The assets of the County of Brooks exceeded its liabilities at the close of the most recent fiscal year by \$14,297,234 (Net Position). Of this amount, \$5,269,256 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 \$4,493,503. Of this amount, \$1,348,262 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 \$1,348,262.
- The County of Brooks' total debt increased by a net of \$429,253.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

BROOKS COUNTY, TEXAS

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

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

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

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

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

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

BROOKS COUNTY, TEXAS

Government-wide Statements

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

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

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

Fund Financial Statements

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

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

The County has the following kinds of funds:

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

BROOKS COUNTY, TEXAS

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. The County's combined net position were \$14,297,234 at September 30, 2018. (See Table A-1).

**Table A-1
County's Net Position**

	Governmental Activities		Increase (Decrease)
	2018	2017	2018-2017
Current assets:			
Cash/Cash equivalents	\$ 4,680,819	\$ 2,805,128	\$ 1,875,691
Restricted Cash	129,421	147,040	(17,619)
Taxes receivable	1,345,935	1,182,981	162,954
Intergovernmental Receivable	-	-	-
Total current assets:	<u>\$ 6,156,175</u>	<u>\$ 4,135,149</u>	<u>\$ 2,021,026</u>
Non-current assets:			
Capital Assets	20,452,465	19,789,176	663,289
Less: Accumulated Depreciation	(9,598,351)	(8,968,261)	(630,090)
Net Pension Asset	2,051,879	1,014,459	1,037,420
Total non-current assets:	<u>12,905,993</u>	<u>11,835,374</u>	<u>33,199</u>
Total Assets	<u>\$ 19,062,168</u>	<u>\$ 15,970,523</u>	<u>\$ 2,054,225</u>
Deferred Outflows of Resources			
Deferred Outflow Related to Pension Plan	159,347	1,394,073	(1,234,726)
Deferred Outflow Related to OPEB	16,574	-	16,574
Total Deferred Outflows of Resources	<u>175,921</u>	<u>1,394,073</u>	<u>(1,218,152)</u>
Current Liabilities			
Accounts payable and other current liabilities	187,307	166,724	20,583
Accrued Interest Payable	15,452	24,265	(8,813)
Total current liabilities	<u>202,759</u>	<u>190,989</u>	<u>11,770</u>
Long-term Liabilities			
Due within one year	828,798	583,362	245,436
Due in more than one year	3,093,530	2,909,712	183,818
Net OPEB Liability	307,025	-	307,025
Total Liabilities	<u>\$ 4,229,353</u>	<u>\$ 3,684,063</u>	<u>\$ 736,279</u>
Deferred Inflows of Resources:			
Deferred Amounts Related to OPEB	8,908	-	8,908
Deferred Amounts Related to Pensions	499,835	497,545	2,290
Total Deferred Inflows of Resources	<u>508,743</u>	<u>497,545</u>	<u>11,198</u>
Net Position:			
Invested in capital assets, net of related debt	6,931,786	7,327,840	(396,054)
Restricted For:			
Debt Service	552,327	521,572	30,755
Capital Projects	1,543,865	1,696,007	(152,142)
Unrestricted	5,269,256	3,637,569	1,631,687
Total Net Position	<u>\$ 14,297,234</u>	<u>\$ 13,182,988</u>	<u>\$ 1,114,246</u>

BROOKS COUNTY, TEXAS

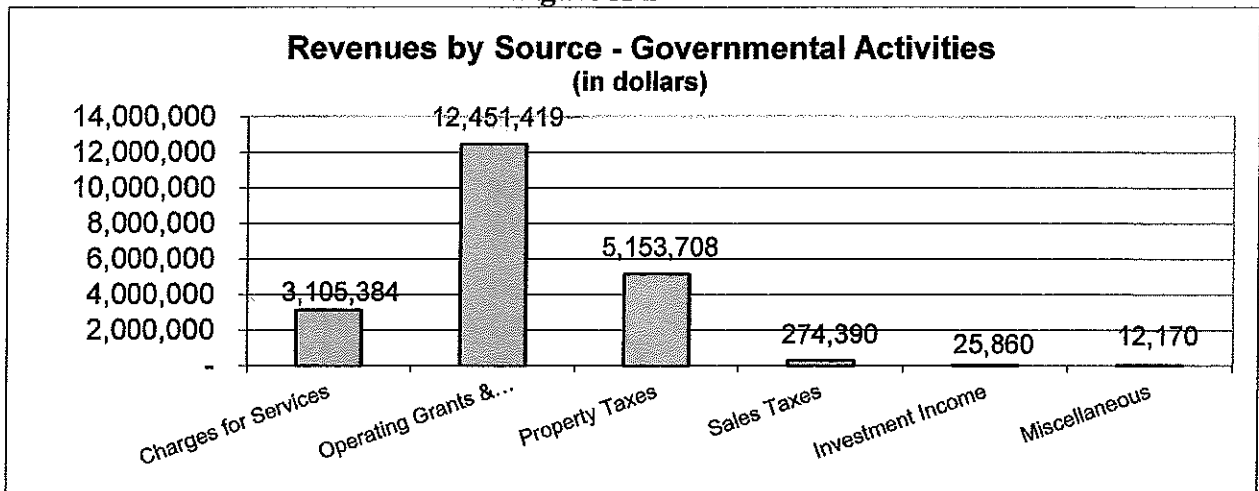
The increase of \$630,090 in accumulated depreciation was due to depreciation expense. \$552,327 of the County's restricted Net Position represents funds available for the debt service, while \$1,543,865 represents funds for capital project funds. These funds when spent are restricted for repayment of debt and capital asset acquisitions respectively. Unrestricted net asset represents resources available to fund the programs of the County for the following year. The balance for unrestricted net position at September 30, 2018 was \$5,269,256, which is an increase of \$1,631,687 from the prior year.

Revenues. The County's total revenues were \$21,022,931. A significant portion, \$12,451,419 of the County's revenue comes from operating grants & contributions. \$5,153,708 comes from property taxes and \$3,105,384 relates to charges for services. (See Figure A-2 and Table A-2).

Governmental Activities

- Sales taxes had revenue of \$274,390 while miscellaneous revenues had revenues of \$12,170.

Figure A-2



BROOKS COUNTY, TEXAS

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

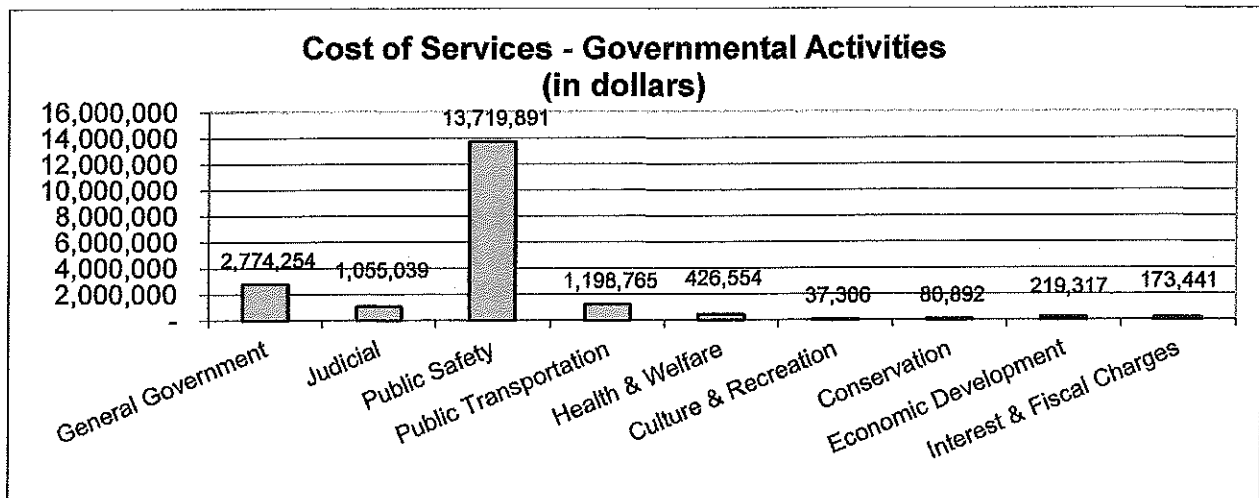
	Governmental Activities		Increase (Decrease)
	<u>2018</u>	<u>2017</u>	<u>2018-2017</u>
Revenues:			
Program:			
Charges for services	\$ 3,105,384	\$ 2,594,591	510,793
Operating Grants and Contributions	12,451,419	11,187,489	1,263,930
General:			
Property Taxes	5,153,708	4,843,480	310,228
Sales Taxes	274,390	300,255	(25,865)
Investment Income	25,860	15,501	10,359
Miscellaneous	12,170	31,576	(19,406)
Total Revenues	<u>\$ 21,022,931</u>	<u>\$ 18,972,892</u>	<u>2,050,039</u>
Cost of Services:			
General Government	2,774,254	2,562,859	211,395
Judicial	1,055,039	886,978	168,061
Public Safety	13,719,891	12,666,781	1,053,110
Public Transportation	1,198,765	1,558,871	(360,106)
Health and Welfare	426,554	380,968	45,586
Culture and Recreation	37,306	38,258	(952)
Conservation	80,892	88,714	(7,822)
Economic Development and Assistance	219,317	32,480	186,837
Interest on Long-term Debt	173,441	187,417	(13,976)
Total Cost of Services	<u>\$ 19,685,459</u>	<u>\$ 18,403,326</u>	<u>1,282,133</u>
Change in net position	1,337,472	569,566	1,907,038
Net position - beginning	13,182,988	12,613,422	569,566
Reclassification of Beginning Net Position	(223,226)	-	(223,226)
Net position-beginning-restated	<u>12,959,762</u>	<u>12,613,422</u>	<u>346,340</u>
Net position - ending	<u>\$ 14,297,234</u>	<u>\$ 13,182,988</u>	<u>\$ 1,114,246</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 \$19,685,459.
- However, the amount that our taxpayers paid for these activities through property taxes was approximately \$5,153,708.
- \$13,719,891 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 \$4,593,503, which is an increase of \$1,839,307 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 \$1,348,262. 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 \$53,514, which is an increase of \$11,408.

BROOKS COUNTY, TEXAS

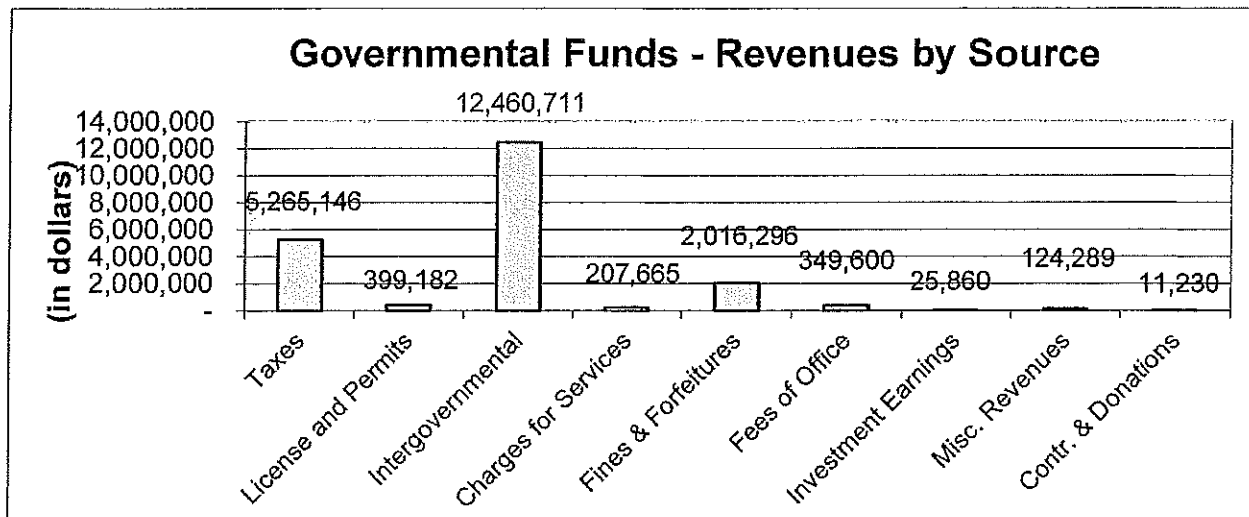
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Revenues

Revenues from governmental fund types totaled \$20,859,979. The most significant portion in governmental fund revenue sources was derived from intergovernmental revenues, which totaled \$12,460,711. Taxes consisted of general property taxes, and general sales & use taxes, which totaled \$5,265,146.

The County's primary source of revenue consists of intergovernmental revenues, which comprise 60% of the County's total revenues. In addition, taxes and fines & forfeitures comprise 26% and 10% 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**

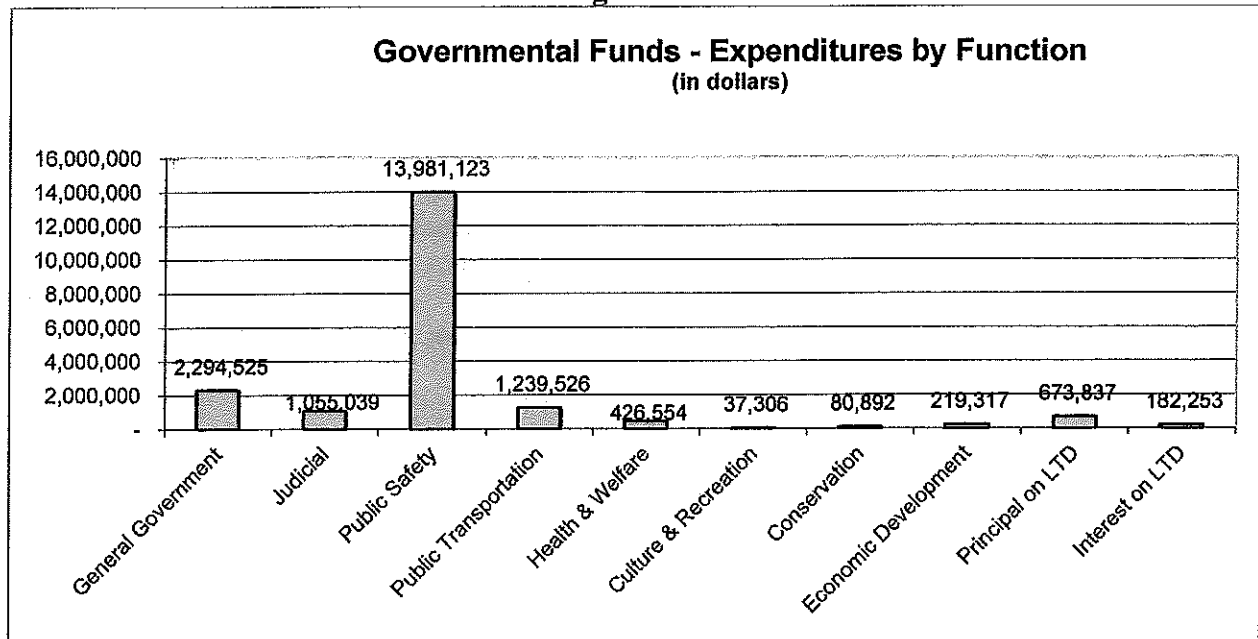
	FY 2018	FY 2017	Increase (Decrease)
Taxes	\$ 5,265,146	\$ 5,064,329	\$ 200,817
License and Permits	399,182	373,275	25,907
Intergovernmental	12,460,711	11,198,590	1,262,121
Charges for Services	207,665	139,893	67,772
Fines & Forfeitures	2,016,296	1,838,181	178,115
Fees of Office	349,600	177,967	171,633
Investment Earnings	25,860	15,501	10,359
Misc. Revenues	124,289	51,032	73,257
Contributions & Donations	11,230	34,718	(23,488)
Total Revenues	\$ 20,859,979	\$ 18,893,486	\$ 1,989,981

Expenditures

Compared to the prior year, the County had an overall increase of \$1,336,412 in expenditures, due to increases in monies spent for the General Fund and GEO Group Fund. Debt service principal expenditures had an increase of \$104,301.

The County's primary expenditures were for public safety, general government, public transportation, and economic development & assistance. Public Safety now accounts for 70% of total expenditures. General government expenditures accounted for 12% of total expenditures. (See Figure A-5 and Table A-4)

Figure A-5



BROOKS COUNTY, TEXAS

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

	FY 2018	FY 2017	Increase (Decrease)
General Government	\$ 2,294,525	\$ 2,027,806	\$ 266,719
Judicial	1,055,039	886,978	168,061
Public Safety	13,981,123	12,617,919	1,363,204
Public Transportation	1,239,526	1,773,812	(534,286)
Health and Welfare	426,554	380,968	45,586
Culture and Recreation	37,306	38,258	(952)
Conservation	80,892	88,714	(7,822)
Economic Development and Assistance	219,317	268,087	(48,770)
Debt Service:			
Principal	673,837	569,536	104,301
Interest and Fiscal Charges	182,253	201,882	(19,629)
Total Expenditures	\$ 20,190,372	\$ 18,853,960	\$ 1,336,412

Other financing sources from the County came from:

**Table A-5
Other Financing Resources**

	FY 2018	FY 2017	Increase (Decrease)
Operating Transfers In	\$ 835,662	\$ 476,644	\$ 359,018
Operating Transfers Out	(835,662)	(476,644)	(359,018)
Loan Proceeds	1,103,091	-	1,103,091
	\$ 1,103,091	\$ -	\$ 1,103,091

General Fund Budgetary Highlights

The final budget was adopted with total General Fund revenues of \$5,180,307 and expenditures of \$5,518,370, 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 \$536,367. Fines & Forfeitures, Intergovernmental, Fees of Office, and Miscellaneous revenues were above budget expectations.
- Actual expenditures (including transfers) were \$314,744 higher than final budget amounts, which is attributed an overall increase in spending.

BROOKS COUNTY, TEXAS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, the County had invested \$20,452,465 in a broad range of capital assets, including land, construction in progress, road network, buildings & improvements, vehicles, and equipment. (See Table A-6.)

The capital assets of the County are those assets (land, construction in progress, road network, buildings & improvements, vehicles, and equipment), which are used in the performance of the County's functions including infrastructure assets. At September 30, 2018 net capital assets of the governmental activities totaled \$10,854,114. Depreciation on capital assets is recognized in the Government-wide financial statements. Annual depreciation for road network, buildings & improvements, vehicles, and equipment totaled \$9,598,351.

Table A-6
County's Capital Assets

	Governmental Activities		Increase (Decrease)
	2018	2017	2018-2017
	Land	\$ 236,742	\$ 236,742
Construction in Progress	-	1,980,786	(1,980,786)
Road Network	3,670,863	3,670,863	-
Buildings and Improvements	11,175,965	9,195,179	1,980,786
Vehicles	2,288,367	1,777,257	511,110
Equipment	3,080,528	2,928,350	152,178
Total at historical cost	20,452,465	19,789,177	663,288
Total Accumulated Depreciation	(9,598,351)	(8,968,261)	(630,090)
Net Capital Assets	\$ 10,854,114	\$ 10,820,916	\$ 33,198

Long Term Debt

At year-end the County had \$3,922,327 in bonds and capital leases as shown in Table A-7. The County's total debt had a net increase of \$429,253 compared to 2017. 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	
	2018	2017
	Certificates of Obligation	\$ 2,755,000
Capital Leases	1,167,327	248,074
Total governmental activities	\$ 3,922,327	\$ 3,493,074

BROOKS COUNTY, TEXAS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2018-2019 budget preparation increased from the prior year. The County's tax rate stayed the same as compared to 2017-2018 budget. The new tax rate is still .940505.
- General operating fund spending in the 2018-2019 budget is expected to have a substantial increase as compared to 2017-2018. The 2017-2018 budget for expenses was 5,819,306.96 in comparison to the 2018-2019 budget year of 6,263,679.37. This is due to the General Fund integrating the Commissioner's into the General Fund instead of the Road and Bridge Fund. This integration increased the General Fund by \$186,000.00. The County increased their contribution in retirement by 50% which increased the expenditures by an estimated \$53,000.00. The county also budgeted 106,134.97 for the payment of a New Fleet of Sheriff Vehicles. The Jail department received an increase in pay for salaries for the department in the amount of approximately \$94,000.00.
- The county chose not to offer the incentive pay again due to financial constraints.
- The County chose to continue with a fully funded health insurance plan to fray additional expenditures.
- The County Retirement plan changed from last year. The employee contribution rate increased from 4% to 5% and the employee match from 150% matching to 200% matching.
- Overall Revenues were increased significantly from 5,819,306.96 to 6,263,679.37 respectively due to an increase of taxable values and higher fines/fees collections.
- These items were taken into account when adopting the general fund budget from 2018-2019.

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, 2018

	Governmental Activities
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 4,680,819
<i>Restricted Cash</i>	129,421
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	1,345,935
Capital Assets (net of accumulated depreciation):	
<i>Land</i>	236,742
<i>Buildings and System</i>	4,999,961
<i>Machinery and Equipment</i>	3,293,664
<i>Infrastructure</i>	2,323,747
<i>Net Pension Asset</i>	2,051,879
Total Assets	<u>19,062,168</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pension Plan	159,347
Deferred Outflow Related to OPEB	16,574
Total Deferred Outflows of Resources	<u>175,921</u>
LIABILITIES:	
<i>Accounts Payable and Other Current Liabilities</i>	187,307
<i>Accrued Interest Payable</i>	15,452
Noncurrent Liabilities-	
<i>Due within one year</i>	828,798
<i>Due in more than one year</i>	3,093,530
<i>Net OPEB Liability</i>	307,025
Total Liabilities	<u>4,432,112</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Resource Inflows Related to OPEB	8,908
Deferred Resource Inflows Related to Pensions	499,835
Total Deferred Inflows of Resources	<u>508,743</u>
NET POSITION:	
Net Investment in Capital Assets	6,931,786
Restricted For:	
Debt Service	552,327
Capital Projects	1,543,865
Unrestricted	5,269,256
Total Net Position	<u>\$ 14,297,234</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT:				
Governmental Activities:				
<i>General Government</i>	\$ 2,774,254	\$ 2,017,793	\$ 5,934	\$ (750,527)
<i>Judicial</i>	1,055,039	317,793	--	(737,246)
<i>Public Safety</i>	13,719,891	308,118	12,210,753	(1,201,020)
<i>Public Transportation</i>	1,198,765	461,680	227,436	(509,649)
<i>Health and Welfare</i>	426,554	--	7,296	(419,258)
<i>Culture and Recreation</i>	37,306	--	--	(37,306)
<i>Conservation</i>	80,892	--	--	(80,892)
<i>Economic Development and Assistance</i>	219,317	--	--	(219,317)
<i>Interest on Long-term Debt</i>	173,441	--	--	(173,441)
Total Governmental Activities	<u>19,685,459</u>	<u>3,105,384</u>	<u>12,451,419</u>	<u>(4,128,656)</u>
Total Primary Government	<u>\$ 19,685,459</u>	<u>\$ 3,105,384</u>	<u>\$ 12,451,419</u>	<u>(4,128,656)</u>
General Revenues:				
<i>Property Taxes</i>				5,153,708
<i>Sales Taxes</i>				274,390
<i>Investment Income</i>				25,860
<i>Miscellaneous Revenues</i>				12,170
Total General Revenues				<u>5,466,128</u>
Change in Net Position				1,337,472
Net Position - Beginning				13,182,988
Reclassification of Beginning Net Position				(223,226)
Net Position - Beginning, as Restated				<u>12,959,762</u>
Net Position - Ending				<u>\$ 14,297,234</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	<u>General Fund</u>	<u>Road & Bridge Fund</u>
ASSETS AND OTHER DEBITS		
Assets:		
<i>Cash and Cash Equivalents</i>	\$ 1,413,471	\$ 792,524
<i>Restricted Cash</i>	--	--
<i>Taxes Receivables (net of allowances for uncollectibles):</i>	1,149,232	196,703
<i>Due from Other Funds</i>	--	--
Total Assets	<u>\$ 2,562,703</u>	<u>\$ 989,227</u>
LIABILITIES AND FUND BALANCES:		
Liabilities:		
<i>Accounts Payable</i>	\$ 65,210	\$ 14,813
<i>Due to Other Funds</i>	--	--
Total Liabilities	<u>65,210</u>	<u>14,813</u>
DEFERRED INFLOWS OF RESOURCES		
<i>Unavailable Revenue Property Taxes</i>	<u>1,149,231</u>	<u>196,704</u>
Total Deferred Inflows of Resources	<u>1,149,231</u>	<u>196,704</u>
Fund Balances:		
Restricted Fund Balances:		
Federal or State Funds Grant Restriction	--	777,710
Retirement for Long-Term Debt	--	--
Committed Fund Balance		
Constuction	--	--
Unassigned Fund Balance	<u>1,348,262</u>	<u>--</u>
Total Fund Balance	<u>1,348,262</u>	<u>777,710</u>
Total Liabilities and Fund Balance	<u>\$ 2,562,703</u>	<u>\$ 989,227</u>

The accompanying notes are an integral part of this statement.

GEO Group Fund	Other Governmental Funds	Total Governmental Funds
\$ 908,550	\$ 1,466,864	\$ 4,581,409
--	129,421	129,421
--	--	1,345,935
--	7,337	7,337
<u>\$ 908,550</u>	<u>\$ 1,603,622</u>	<u>\$ 6,064,102</u>
\$ --	\$ 37,304	\$ 117,327
--	7,337	7,337
<u>--</u>	<u>44,641</u>	<u>124,664</u>
--	--	1,345,935
<u>--</u>	<u>--</u>	<u>1,345,935</u>
908,550	1,037,147	2,723,407
--	53,514	53,514
--	468,320	468,320
--	--	1,348,262
<u>908,550</u>	<u>1,558,981</u>	<u>4,593,503</u>
<u>\$ 908,550</u>	<u>\$ 1,603,622</u>	<u>\$ 6,064,102</u>

BROOKS COUNTY, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2018

Total fund balances - governmental funds balance sheet	\$ 4,593,503
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	10,854,114
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,345,935
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	29,431
Payables for bond principal which are not due in the current period are not reported in the funds.	(2,819,238)
Payables for bond interest which are not due in the current period are not reported in the funds.	(15,452)
Payables for notes which are not due in the current period are not reported in the funds.	(1,103,091)
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	2,051,879
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(499,835)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	159,347
Recognition of the County's proportionate share of the net OPEB liability is not reported in the funds.	(307,025)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(8,908)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	<u>16,574</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 14,297,234</u>

The accompanying notes 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, 2018

	General Fund	Road & Bridge Fund
Revenue:		
Taxes:		
General Property Taxes	\$ 3,278,491	\$ 1,120,495
General Sales and Use Taxes	--	--
License and Permits	2,954	249,184
Intergovernmental	185,994	--
Charges for Services	48,222	15,758
Fines and Forfeitures	1,837,106	--
Fees of Office	236,766	--
Investment Earnings	15,674	4,325
Miscellaneous Revenues	111,467	3,353
Contributions & Donations	--	--
Total revenues	<u>5,716,674</u>	<u>1,393,115</u>
Expenditures:		
Current:		
General Government	2,136,169	--
Judicial	855,869	--
Public Safety	2,379,214	--
Public Transportation	55,463	1,119,299
Health and Welfare	165,043	--
Culture and Recreation	36,294	--
Conservation	80,892	--
Economic Development and Assistance	--	--
Debt Service:		
Principal	106,533	44,798
Interest and Fiscal Charges	17,637	4,638
Total Expenditures	<u>5,833,114</u>	<u>1,168,735</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(116,440)</u>	<u>224,380</u>
Other Financing Sources (Uses):		
Transfers In	333,408	--
Transfers Out	(453,890)	--
Capital Leases	482,617	--
Total Other Financing Sources (Uses)	<u>362,135</u>	<u>--</u>
Net Change in Fund Balances	245,695	224,380
Fund Balances - Beginning	1,102,567	553,330
Prior Period Adjustment	--	--
Fund Balances - Ending	<u>\$ 1,348,262</u>	<u>\$ 777,710</u>

The accompanying notes are an integral part of this statement.

GEO Group Fund	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 591,770	\$ 4,990,756
--	274,390	274,390
--	147,044	399,182
11,397,052	877,665	12,460,711
--	143,685	207,665
--	179,190	2,016,296
--	112,834	349,600
558	5,303	25,860
--	9,469	124,289
--	11,230	11,230
<u>11,397,610</u>	<u>2,352,580</u>	<u>20,859,979</u>
--	158,356	2,294,525
--	199,170	1,055,039
10,155,669	1,446,240	13,981,123
--	64,764	1,239,526
--	261,511	426,554
--	1,012	37,306
--	--	80,892
--	219,317	219,317
--	522,506	673,837
--	159,978	182,253
<u>10,155,669</u>	<u>3,032,854</u>	<u>20,190,372</u>
<u>1,241,941</u>	<u>(680,274)</u>	<u>669,607</u>
--	502,254	835,662
(333,406)	(48,366)	(835,662)
--	620,474	1,103,091
<u>(333,406)</u>	<u>1,074,362</u>	<u>1,103,091</u>
908,535	394,088	1,772,698
15	1,098,282	2,754,194
--	66,611	66,611
<u>\$ 908,550</u>	<u>\$ 1,558,981</u>	<u>\$ 4,593,503</u>

BROOKS COUNTY, TEXAS

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018*

Net change in fund balances - total governmental funds	\$ 1,772,698
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	663,288
The depreciation of capital assets used in governmental activities is not reported in the funds.	(630,090)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	162,952
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	490,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	183,836
(Increase) decrease in accrued interest from beginning of period to end of period.	8,813
The net revenue (expense) of internal service funds is reported with governmental activities.	(1,816)
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(1,103,091)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(209,118)
Change in net position of governmental activities - Statement of Activities	<u>\$ 1,337,472</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS

STATEMENT OF NET POSITION

INTERNAL SERVICE FUND

SEPTEMBER 30, 2018

	Nonmajor Internal Service Fund
	Insurance Fund
ASSETS:	
Current Assets:	
<i>Cash with Fiscal Agent</i>	\$ 99,411
Total Current Assets	<u>99,411</u>
Noncurrent Assets:	
Restricted Cash, Cash Equivalents and Investments-	
Total Noncurrent Assets	<u>--</u>
Total Assets	<u>\$ 99,411</u>
LIABILITIES:	
Current Liabilities:	
<i>Accounts payable</i>	\$ 69,980
Total Current Liabilities	<u>69,980</u>
Current Liabilities Payable from Restricted Assets-	
Total Liabilities	<u>69,980</u>
NET POSITION:	
Total Net Position	<u>\$ 29,431</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - INTERNAL SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Nonmajor Internal Service Fund
	Insurance Fund
OPERATING REVENUES:	
Charges for Sales and Services:	
<i>Premiums and reimbursements</i>	\$ 868,127
Total Operating Revenues	<u>868,127</u>
OPERATING EXPENSES:	
<i>Insurance premiums and Claims</i>	869,943
Total Operating Expenses	<u>869,943</u>
Operating Income	<u>(1,816)</u>
NON-OPERATING REVENUES (EXPENSES):	
Total Non-operating Revenues (Expenses)	<u>--</u>
Income before Transfers	<u>(1,816)</u>
Change in Net Assets	<u>(1,816)</u>
Total Net Assets - Beginning	31,247
Total Net Assets - Ending	<u>\$ 29,431</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY
STATEMENT OF CASH FLOWS
Internal Service Fund
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Internal Service Funds
Cash Flows from Operating Activities:	
Cash Received from Employee Insurance and Medical Expense	\$ 868,127
Cash Paid to Employee Insurance	(\$799,963)
Net Cash Provided (Used) by Operating Activities	<u>\$68,164</u>
Cash Flows from Non-capital Financing Activities:	
Operating Transfers From (To) Primary Government	--
Operating Transfers From (To) Other Funds	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u>--</u>
Cash Flows from Capital and Related Financing Activities:	
Proceeds from Issuance of Long-term Debt	--
Principal and Interest Paid	--
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>--</u>
Cash Flows from Investing Activities:	
Interest and Dividends on Investments	--
Net Cash Provided (Used) for Investing Activities	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$68,164
Cash and Cash Equivalents at Beginning of Year	\$31,247
Cash and Cash Equivalents at End of Year	<u>\$99,411</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (\$1,816)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	--
Change in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	\$69,980
Increase (Decrease) in Due from other funds	--
Increase (Decrease) in Due to other funds	--
Increase (Decrease) in Deferred Revenue	--
Total Adjustments	<u>\$69,980</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 68,164</u>

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2018

	Agency Funds
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 985,017
Total Assets	<u>\$ 985,017</u>
LIABILITIES:	
<i>Due to Other Governments and Agencies</i>	\$ 985,017
Total Liabilities	<u>\$ 985,017</u>
NET POSITION	

The accompanying notes are an integral part of this statement.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

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

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

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

The County reports the following major governmental funds:

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

Road and Bridge. The Road and Bridge Fund accounts for are constitutional funds established to account for current funds used for the purpose of constructing and maintaining road and bridges. The principle source of revenue for this fund is ad valorem taxes, auto registration and intergovernmental revenues. **GEO Group FUND.** The LSC fund is used to account for federal monies received for the housing of federal inmates in the County jail; the funds are use for the purpose operating costs incurred to operate the jail facilities.

In addition, the County reports the following fund types:

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

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

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

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

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

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

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

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

3. Financial Statement Amounts

a. Cash and Cash Equivalents

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

b. Property Taxes

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

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

c. Inventories and Prepaid Items

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

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

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

d. Capital Assets

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

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

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

e. Receivable and Payable Balances

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

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

f. Pension Plan

For purposes of measuring the net pension liability, deferred outflows or resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the TCDRS and additions to/deductions from TCDRS' Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due.

Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

g. Interfund Activity

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

h. Use of Estimates

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

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

i. Other Postemployment Benefits (OPEB)

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

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

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

3. Budgetary Data

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

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

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

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

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

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

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

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

The following funds had adopted budgets for the fiscal year ended September 30, 2015:

General Fund
Road and Bridge Fund
Health Use Sales Tax Fund
Debt Service Fund
LCS/I.C.E. Fund
Capital Improvements Fund
Lateral Road Fund

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

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

5. Encumbrance Accounting

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

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

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

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

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

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

The County did not have any funds with deficit fund balances or fund net assets at September 30, 2018.

C. Deposits and Investments

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

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Cash Deposits:

At September 30, 2018, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$5,795,256 and the bank balance was \$5,225,838. The County's cash deposits at September 30, 2018 and during the year ended September 30, 2018, were entirely covered by FDIC insurance or by pledged collateral held by the County's agent bank in the County's name.

Investments:

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

Investment Accounting Policy

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

The County's investments at September 30, 2018 are shown below.

Investment or Investment Type	Maturity
N/A	N/A
Total Investments	

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

a. Credit Risk

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

b. Custodial Credit Risk

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

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

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

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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.

D. Capital Assets

Capital asset activity for the year ended September 30, 2018, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 236,742	\$ --	\$ --	\$ 236,742
Construction in progress	1,980,786	--	1,980,786	--
Total capital assets not being depreciated	<u>2,217,528</u>	<u>--</u>	<u>1,980,786</u>	<u>236,742</u>
<i>Capital assets being depreciated:</i>				
Road Network	3,670,863	--	--	3,670,863
Buildings and improvements	9,195,179	1,980,786	--	11,175,965
Equipment	2,928,350	152,178	--	3,080,528
Vehicles	1,777,257	511,110	--	2,288,367
Total capital assets being depreciated	<u>17,571,649</u>	<u>2,644,074</u>	<u>--</u>	<u>20,215,723</u>
Less accumulated depreciation for:				
Road Network	(1,265,890)	(81,226)	--	(1,347,116)
Buildings and improvements	(3,972,723)	(222,495)	--	(4,195,218)
Equipment	(2,341,259)	(167,948)	--	(2,509,207)
Vehicles	(1,388,389)	(158,421)	--	(1,546,810)
Total accumulated depreciation	<u>(8,968,261)</u>	<u>(630,090)</u>	<u>--</u>	<u>(9,598,351)</u>
Total capital assets being depreciated, net	<u>8,603,388</u>	<u>2,013,984</u>	<u>--</u>	<u>10,617,372</u>
Governmental activities capital assets, net	<u>\$ 10,820,916</u>	<u>\$ 2,013,984</u>	<u>\$ 1,980,786</u>	<u>\$ 10,854,114</u>

Depreciation was charged to functions as follows:

General Government	\$ 630,090
	<u>\$ 630,090</u>

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

E. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2018, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
Sheriff Seizure Fund	Homeland Security Fund	6,337	Short-term loans
Election Service Fund	Chapter 19 Fund	1,000	Short-term loans
	Total	<u>\$ 7,337</u>	

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

1. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2018, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General fund	Juvenile Probation	119,000	Supplement other funds sources
General fund	Airport Fund	32,000	Supplement other funds sources
General fund	Alien Death Processing	3,400	Supplement other funds sources
General fund	Consolidation fund	29,490	Supplement other funds sources
General fund	Landfill	270,000	Supplement other funds sources
Bond Series 2013	Interest and Sinking Fund	24,000	Supplement other funds sources
GEO Group	General fund	333,406	Supplement other funds sources
Interest and Sinking fund	Bond Series 2011	7,000	Supplement other funds sources
Constable's Abandoned Vehicle	Constable Seizure fund	176	Supplement other funds sources
TJPC-E Vertex Fund	Juvenile Probation	1,337	Supplement other funds sources
	Total	<u>\$ 835,662</u>	

F. Short-Term Debt Activity

The County did not have any short-term debt outstanding for year ended September 30, 2018.

G. Long-Term Obligations

1. Long-Term Obligation Activity

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

In 2004, the County issued Certificates of Obligation, Series 2004 in the amount of \$4,000,000 due in annual installments of 115,000 to \$295,000 through March 1, 2024. Interest range of 3.60% to 5.00% due semi-annually on March 1, and September 1, of each year. The proceeds of the above debt were received during September 2004 and were for the building improvements to the county courthouse, county airport, to construct and make improvements to various streets, roads and bridges within the county and county drainage facilities.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

The following is the certificates of obligation outstanding at September 30, 2018

Description	Interest Rates (%)	Date of Issuance	Date of Maturity	Bonds Outstanding
Certificates of Obligation	3.60% - 5.00%	August 9, 2004	March 1, 2024	\$1,580,000
Certificates of Obligation	4.59%	September 16, 2011	September 30, 2031	\$820,000
Certificates of Obligation	5.00% - 8.50%	September 15, 2013	March 1, 2020	\$355,000

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.

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

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2018, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Certificates of Obligation	\$ 3,245,000	\$ --	\$ 490,000	\$ 2,755,000	525,000
Capital leases	248,074	1,103,090	183,837	1,167,327	303,798
Total governmental activities	\$ 3,493,074	\$ 1,103,090	\$ 673,837	\$ 3,922,327	\$ 828,798

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2018, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 525,000	\$ 126,084	\$ 651,084
2020	410,000	98,019	508,019
2021	305,000	78,948	383,948
2022	325,000	63,413	388,413
2023	335,000	47,558	382,558
2024-2028	855,000	116,019	971,019
Totals	\$ 2,755,000	\$ 530,041	\$ 3,285,041

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

3. Capital Leases

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

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

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

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

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

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

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

Asset:

Machinery and Equipment	\$473,488
Vehicles	811,796
Total	<u>1,285,284</u>
Less: accumulated depreciation	(434,303)
Total	<u><u>\$850,981</u></u>

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2018, as follows:

<u>Year Ending September 30:</u>	
2019	\$ 346,017
2020	303,800
2021	243,750
2022	243,750
2023	137,615
Total Minimum Rentals	\$ 1,274,932
Less: amount representing interest	(107,605)
Present Value of Minimum Lease Payments	<u><u>\$ 1,167,327</u></u>

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

H. Fund Balances

The County has restricted, committed, assigned, and unassigned fund balance as follows.

Restricted Fund Balance:	
Federal or State Funds Grant Restriction	\$2,723,407
Retirement of Long-Term Debt	53,514
	<u>\$2,776,921</u>
Committed Fund Balance:	
Construction	468,320
	<u>468,320</u>
Unassigned Fund Balance	1,348,262
	<u>1,348,262</u>
Total Fund Balance	<u>\$ 4,593,503</u>

I. 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 2015, 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.

J. Pension Plan

1. Plan Description

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

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

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

2. Contributions

The employer has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 1.44% and 1.94 for the calendar year 2017 and 2018. The deposit rate payable by the employee members the rate of 4.00% as adopted by the governing body of the employer within the options

Brooks County's contributions to TCDRS for the fiscal year ended September 30, 2018 were \$67,100 and were equal to the required contributions.

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

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected Minus Inflation)
US Equities	11.50%	4.55%
Private Equity	16.00%	7.55%
Global Equities	1.50%	4.85%
International Equities - Developed	11.00%	4.55%
International Equities - Emerging	8.00%	5.55%
Investment - Grade Bonds	3.00%	0.75%
Strategic Credit	8.00%	4.12%
Direct Lending	10.00%	8.06%
Distressed Debt	2.00%	6.30%
REIT Equities	2.00%	4.05%
Master Limited Partnerships	3.00%	6.00%
Private Real Estate Partnerships	6.00%	6.25%
Hedge Funds	18.00%	4.10%

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

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

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

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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, alternatives methods to determine sufficiently may be applied.

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

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

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

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

3. Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2016	\$ 17,868,923	\$ 18,883,380	\$ (1,014,457)
Changes for the year			
Service cost	393,379	-	393,379
Interest	1,424,033	-	1,424,033
Change of benefit terms	--	-	--
Difference between expected and actual experience	(130,120)	-	(130,120)
Changes of assumptions	158,636	-	158,636
Contributions - employer	-	52,049	(52,049)
Contributions - employee	-	144,577	(144,577)
Net investment income	-	2,736,790	(2,736,790)
Benefit payments, including refunds of employee contributions	(1,390,365)	(1,390,365)	-
Administrative expense	--	(13,551)	13,551
Other changes	--	(36,517)	36,517
Net changes	455,563	1,492,983	(1,037,420)
Balance at 12/31/2017	<u>\$ 18,324,486</u>	<u>\$ 20,376,363</u>	<u>\$ (2,051,877)</u>

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

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

	1% Decrease in Discount Rate (7.1%)	Discount Rate (8.1%)	Increase in Discount Rate (9.1%)
County's net pension liability	\$ (162,934)	\$ (2,051,877)	\$ (3,678,593)

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

For the year ended September 30, 2018, the District recognized pension expense of \$188,519.

At September 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 335,519
Changes in actuarial assumptions	105,757	-
Difference between projected and actual investment earnings	-	164,316
Contributions subsequent to the measurement date	<u>53,590</u>	<u>-</u>
Total	<u>\$ 159,347</u>	<u>\$ 499,835</u>

\$53,590 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Dec. 31:		
2019	\$	(54,225)
2020	\$	142,915
2021	\$	(231,342)
2022	\$	(251,326)
2023	\$	-
Thereafter	\$	-

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

K. Other Post Employment Benefits (OPEB)

1. Plan Description

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

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

2. Contributions

The employer has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 0.67% and 0.60% for the calendar year 2017 and 2018. The deposit rate payable by the employee members the rate of 4.00% as adopted by the governing body of the employer within the options available in the TCDRS.

Brooks County's contributions to TCDRS for the fiscal year ended September 30, 2018 were \$22,860 and were equal to the required contributions.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Increase (Decrease) Total OPEB Liability (a)
3. Changes in Net OPEB Liability	
Balance at 12/31/2016	\$ 307,767
Changes for the year	
Service cost	11,906
Interest	11,847
Change of benefit terms	-
Difference between expected and actual experience	(22,980)
Changes of assumptions	11,135
Contributions - employer	-
Contributions - employee	-
Net investment income	-
Benefit payments, including refunds of employee contributions	(12,650)
Administrative expense	-
Other changes	-
Net changes	(742)
Balance at 12/31/2017	<u>\$ 307,025</u>

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

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

	1% Decrease in Discount Rate (7.1%)	Discount Rate (8.1%)	Increase in Discount Rate (9.1%)
County's net pension liability	\$ 360,773	\$ 307,025	\$ 264,649

L. Health Care Coverage

During the year ended September 30, 2018, employees of the County were covered under Blue Cross Blue Shield. The County contributed \$576 per pay period per employee and dependents to the Plan.

M. Commitments and Contingencies

1. Contingencies

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

2. Litigation

No reportable litigation was pending against the County at September 30, 2018.

BROOKS COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

N. Closure and Postclosure Care Cost

State and federal laws and regulations require the County to place a final cover on its Brooks County Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$130,680.00 reported as landfill closure and postclosure care liability at September 30, 2018, represents the cumulative amount reported to date based on the use of 80 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$130,680.00 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2018. The landfill is still open as of 2018. 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, 2018, investments of \$130,680.00 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.

O. Subsequent Events

The County has evaluated subsequent events through March 12, 2019, the date which the financial statements were available to be issued.

P. Reclassification of Beginning Net Position

The balance of net position at the beginning of the fiscal year 2018 has been restated from the balance previously reported in 2017, to reflect a reclassification of net assets of (\$289,836) to reflect a net prior period adjustment to adopt GASB 75 for Other Post employment benefits. A prior period adjustment of \$66,610 was needed in the governmental funds to correct an understatement of assets from previous year. Consequently, net position for 2017 has been restated to reflect these amounts. The effect of the implementation is a decrease of (\$223,226) in ending net position as of September 30, 2018.

Q. GASB 63

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

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

BROOKS COUNTY, TEXAS
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT B-1
 Page 1 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 3,290,207	\$ 3,290,207	\$ 3,278,491	\$ (11,716)
License and Permits	2,700	2,700	2,954	254
Intergovernmental	124,700	124,700	185,994	61,294
Charges for Services	71,200	71,200	48,222	(22,978)
Fines and Forfeitures	1,599,500	1,599,500	1,837,106	237,606
Fees of Office	77,000	77,000	236,766	159,766
Investment Earnings	8,000	8,000	15,674	7,674
Miscellaneous Revenues	7,000	7,000	111,467	104,467
Total revenues	<u>5,180,307</u>	<u>5,180,307</u>	<u>5,716,674</u>	<u>536,367</u>
EXPENDITURES:				
General Government				
Commissioners' Court				
<i>Supplies</i>	3,000	3,000	85	2,915
Total Commissioners' Court	<u>3,000</u>	<u>3,000</u>	<u>85</u>	<u>2,915</u>
County Judge				
<i>Personal Services</i>	85,255	85,504	76,929	8,575
<i>Supplies</i>	1,000	10,000	942	9,058
<i>Other Services and Charges</i>	4,535	4,286	1,881	2,405
Total County Judge	<u>90,790</u>	<u>99,790</u>	<u>79,752</u>	<u>20,038</u>
County Clerk				
<i>Personal Services</i>	135,008	135,491	135,093	398
<i>Supplies</i>	1,300	929	929	--
<i>Other Services and Charges</i>	1,400	1,288	1,049	239
Total County Clerk	<u>137,708</u>	<u>137,708</u>	<u>137,071</u>	<u>637</u>
County Auditor				
<i>Personal Services</i>	320,664	321,971	314,311	7,660
<i>Supplies</i>	5,000	5,000	4,300	700
<i>Other Services and Charges</i>	12,000	10,693	6,159	4,534
Total County Auditor	<u>337,664</u>	<u>337,664</u>	<u>324,770</u>	<u>12,894</u>
County Treasurer				
<i>Personal Services</i>	135,006	133,643	128,267	5,376
<i>Supplies</i>	2,500	1,500	1,433	67
<i>Other Services and Charges</i>	2,500	3,016	2,815	201
Total County Treasurer	<u>140,006</u>	<u>138,160</u>	<u>132,515</u>	<u>5,645</u>
Tax Assessor-Collector				
<i>Personal Services</i>	101,507	101,907	101,640	267
<i>Other Services and Charges</i>	146,900	146,500	204,062	(57,562)
Total Tax Assessor-Collector	<u>248,407</u>	<u>248,407</u>	<u>305,702</u>	<u>(57,295)</u>
Courthouse and Buildings				
<i>Personal Services</i>	98,528	89,077	88,115	962
<i>Supplies</i>	17,250	16,930	16,575	355
<i>Other Services and Charges</i>	206,460	238,492	236,840	1,652
Total Courthouse and Buildings	<u>322,238</u>	<u>344,498</u>	<u>341,530</u>	<u>2,968</u>
Voter Registration				
<i>Personal Services</i>	43,872	44,051	43,966	85
<i>Supplies</i>	700	521	424	97
<i>Other Services and Charges</i>	34,800	36,647	35,514	1,133
Total Voters Registration	<u>79,372</u>	<u>81,218</u>	<u>79,904</u>	<u>1,314</u>

BROOKS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT B-1
Page 2 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Non-Departmental				
<i>Personal Services</i>	76,720	93,936	93,535	401
<i>Supplies</i>	40,000	53,606	53,606	--
<i>Other Services and Charges</i>	607,374	586,324	587,699	(1,375)
<i>Total Non-Departmental</i>	724,094	733,865	734,840	(975)
Total General Government	2,083,279	2,124,311	2,136,169	(11,858)
Judicial				
County court				
<i>Personal Services</i>	72,505	71,405	68,122	3,283
<i>Other Services and Charges</i>	7,000	7,000	447	6,553
<i>Total County Court</i>	79,505	78,405	68,569	9,836
District Court				
<i>Personal Services</i>	113,018	112,713	91,565	21,148
<i>Supplies</i>	52,092	52,104	51,104	1,000
<i>Other Services and Charges</i>	20,000	20,293	10,053	10,240
<i>Total District Court</i>	185,110	185,110	152,722	32,388
District Clerk				
<i>Personal Services</i>	129,346	129,802	122,644	7,158
<i>Supplies</i>	1,500	1,500	758	742
<i>Other Services and Charges</i>	1,275	819	463	356
<i>Total District Clerk</i>	132,121	132,121	123,865	8,256
Justice of the Peace				
<i>Personal Services</i>	370,955	369,452	360,317	9,135
<i>Supplies</i>	4,000	5,315	4,937	378
<i>Other Services and Charges</i>	400	580	490	90
<i>Total Justice of the Peace</i>	375,355	375,347	365,744	9,603
County Attorney				
<i>Personal Services</i>	95,792	96,113	95,257	856
<i>Supplies</i>	750	750	663	87
<i>Other Services and Charges</i>	1,600	1,279	170	1,109
<i>Total County Attorney</i>	98,142	98,142	96,090	2,052
District Attorney				
<i>Personal Services</i>	39,857	39,905	39,843	62
<i>Supplies</i>	1,000	952	936	16
<i>Total District Attorney</i>	40,857	40,857	40,779	78
Juvenile Court				
<i>Personal Services</i>	7,000	8,100	8,100	--
<i>Other Services and Charges</i>	300	300	--	300
<i>Total Juvenile Court</i>	7,300	8,400	8,100	300
Total Judicial	918,390	918,381	855,869	62,512
Public Safety				
Adult Probation				
<i>Personal Services</i>	66,150	66,150	66,150	--
<i>Supplies</i>	100	100	62	38
<i>Total Adult Probation</i>	66,250	66,250	66,212	38
Constables				
<i>Personal Services</i>	112,107	113,391	113,029	362
<i>Supplies</i>	800	381	194	187
<i>Other Services and Charges</i>	18,072	19,197	14,866	4,331
<i>Total Constables</i>	130,979	132,969	128,089	4,880

BROOKS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT B-1
Page 3 of 4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Sheriff				
<i>Personal Services</i>	945,285	920,709	879,863	40,846
<i>Supplies</i>	85,900	84,778	77,942	6,836
<i>Other Services and Charges</i>	170,935	158,642	528,696	(370,054)
<i>Total Sheriff</i>	<u>1,202,120</u>	<u>1,164,129</u>	<u>1,486,501</u>	<u>(322,372)</u>
County Jail				
<i>Personal Services</i>	503,592	457,524	454,760	2,764
<i>Supplies</i>	53,000	91,739	91,105	634
<i>Other Services and Charges</i>	119,300	126,630	126,495	135
<i>Total County Jail</i>	<u>675,892</u>	<u>675,892</u>	<u>672,360</u>	<u>3,532</u>
Fire Marshall & LEPC Coordinator				
<i>Personal Services</i>	19,500	19,500	17,004	2,496
<i>Supplies</i>	500	500	--	500
<i>Other Services and Charges</i>	9,048	9,048	9,048	--
<i>Total Fire Marshall & LEPC</i>	<u>29,048</u>	<u>29,048</u>	<u>26,052</u>	<u>2,996</u>
Total Public Safety	<u>2,104,289</u>	<u>2,068,288</u>	<u>2,379,214</u>	<u>(310,926)</u>
Public Transportation				
Texas Department of Public Safety				
<i>Personal Services</i>	33,273	13,828	10,796	3,032
<i>Supplies</i>	500	3,500	3,380	120
<i>Total Texas Department of Public Safety</i>	<u>33,773</u>	<u>17,328</u>	<u>14,176</u>	<u>3,152</u>
Weigh Station				
<i>Personal Services</i>	39,857	40,016	39,987	29
<i>Other Services and Charges</i>	1,850	1,691	1,300	391
<i>Total Weigh Station</i>	<u>41,707</u>	<u>41,707</u>	<u>41,287</u>	<u>420</u>
Total Public Transportation	<u>75,480</u>	<u>59,035</u>	<u>55,463</u>	<u>3,572</u>
Health and Welfare				
<i>Other Services and Charges</i>	19,500	21,800	20,531	1,269
<i>Total Health and Welfare</i>	<u>19,500</u>	<u>21,800</u>	<u>20,531</u>	<u>1,269</u>
Out-Patient Clinic				
<i>Personal Services</i>	45,930	46,061	45,931	130
<i>Supplies</i>	1,000	1,000	892	108
<i>Other Services and Charges</i>	2,000	1,869	1,438	431
<i>Total Out-Patient Clinic</i>	<u>48,930</u>	<u>48,930</u>	<u>48,261</u>	<u>669</u>
Indigent				
<i>Other Services and Charges</i>	107,000	107,000	96,251	10,749
<i>Total Indigent</i>	<u>107,000</u>	<u>107,000</u>	<u>96,251</u>	<u>10,749</u>
Total Health and Welfare	<u>175,430</u>	<u>177,730</u>	<u>165,043</u>	<u>12,687</u>
Culture and Recreation				
Library				
<i>Personal Services</i>	33,285	33,373	33,290	83
<i>Supplies</i>	5,000	4,912	3,004	1,908
<i>Total Library</i>	<u>38,285</u>	<u>38,285</u>	<u>36,294</u>	<u>1,991</u>
Total Culture and Recreation	<u>38,285</u>	<u>38,285</u>	<u>36,294</u>	<u>1,991</u>
Conservation				
County Extension Agent				
<i>Personal Services</i>	76,491	76,530	63,413	13,117
<i>Supplies</i>	4,000	3,960	1,981	1,979
<i>Other Services and Charges</i>	20,138	20,138	15,498	4,640
<i>Total County Extension Agent</i>	<u>100,629</u>	<u>100,629</u>	<u>80,892</u>	<u>19,737</u>
Total Conservation	<u>100,629</u>	<u>100,629</u>	<u>80,892</u>	<u>19,737</u>

BROOKS COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Debt Service:</i>				
<i>Principal</i>	16,027	16,027	106,533	(90,506)
<i>Interest and Fiscal Charges</i>	--	15,685	17,637	(1,952)
Total Expenditures	<u>5,511,809</u>	<u>5,518,370</u>	<u>5,833,114</u>	<u>(314,744)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(331,502)</u>	<u>(338,063)</u>	<u>(116,440)</u>	<u>221,623</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	435,000	435,000	333,408	(101,592)
<i>Transfers Out</i>	(450,490)	(453,890)	(453,890)	--
<i>Capital Leases</i>	--	--	482,617	(482,617)
Total Other Financing Sources (Uses)	<u>(15,490)</u>	<u>(18,890)</u>	<u>362,135</u>	<u>(381,025)</u>
Net Change in Fund Balances	<u>(346,992)</u>	<u>(356,953)</u>	<u>245,695</u>	<u>602,648</u>
Fund Balances - Beginning	<u>1,102,567</u>	<u>1,102,567</u>	<u>1,102,567</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 755,575</u>	<u>\$ 745,614</u>	<u>\$ 1,348,262</u>	<u>\$ 602,648</u>

BROOKS COUNTY, TEXAS
ROAD & BRIDGE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Property Taxes</i>	\$ 1,106,387	\$ 1,106,387	\$ 1,120,495	\$ 14,108
License and Permits	250,000	250,000	249,184	(816)
Charges for Services	26,000	26,000	15,758	(10,242)
Investment Earnings	2,500	2,500	4,325	1,825
Miscellaneous Revenues	--	--	3,353	3,353
Total revenues	<u>1,384,887</u>	<u>1,384,887</u>	<u>1,393,115</u>	<u>8,228</u>
EXPENDITURES:				
Public Transportation				
Public Transportation				
<i>Personal Services</i>	909,887	927,833	848,415	79,418
<i>Supplies</i>	90,000	100,500	89,132	11,368
<i>Other Services and Charges</i>	520,000	514,054	181,752	332,302
<i>Total Public Transportation</i>	<u>1,519,887</u>	<u>1,542,387</u>	<u>1,119,299</u>	<u>423,088</u>
Total Public Transportation	<u>1,519,887</u>	<u>1,542,387</u>	<u>1,119,299</u>	<u>423,088</u>
<i>Debt Service:</i>				
<i>Principal</i>	45,000	45,000	44,798	202
<i>Interest and Fiscal Charges</i>	5,000	5,000	4,638	362
Total Expenditures	<u>1,569,887</u>	<u>1,592,387</u>	<u>1,168,735</u>	<u>423,652</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(185,000)</u>	<u>(207,500)</u>	<u>224,380</u>	<u>431,880</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>(185,000)</u>	<u>(207,500)</u>	<u>224,380</u>	<u>431,880</u>
Fund Balances - Beginning	553,330	553,330	553,330	--
Fund Balances - Ending	<u>\$ 368,330</u>	<u>\$ 345,830</u>	<u>\$ 777,710</u>	<u>\$ 431,880</u>

BROOKS COUNTY, TEXAS
GEO GROUP FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT B-3

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 10,315,000	\$ 10,315,000	\$ 11,397,052	\$ 1,082,052
Investment Earnings	--	--	558	558
Total revenues	<u>10,315,000</u>	<u>10,315,000</u>	<u>11,397,610</u>	<u>1,082,610</u>
EXPENDITURES:				
Public Safety				
<i>Other Services and Charges</i>	10,005,000	10,005,000	10,155,669	(150,669)
<i>Total Public Safety</i>	<u>10,005,000</u>	<u>10,005,000</u>	<u>10,155,669</u>	<u>(150,669)</u>
Total Public Safety	<u>10,005,000</u>	<u>10,005,000</u>	<u>10,155,669</u>	<u>(150,669)</u>
Total Expenditures	<u>10,005,000</u>	<u>10,005,000</u>	<u>10,155,669</u>	<u>(150,669)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>310,000</u>	<u>310,000</u>	<u>1,241,941</u>	<u>931,941</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	<u>(310,000)</u>	<u>(310,000)</u>	<u>(333,406)</u>	<u>(23,406)</u>
Total Other Financing Sources (Uses)	<u>(310,000)</u>	<u>(310,000)</u>	<u>(333,406)</u>	<u>23,406</u>
 Net Change in Fund Balances	 --	 --	 908,535	 908,535
 Fund Balances - Beginning	 15	 15	 15	 --
Fund Balances - Ending	<u>\$ 15</u>	<u>\$ 15</u>	<u>\$ 908,550</u>	<u>\$ 908,535</u>

BROOKS COUNTY, TEXAS
 SCHEDULE OF CHANGES IN THE COUNTY'S
 NET PENSION LIABILITY AND RELATED RATIOS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Plan Year Ended December 31,			
	2017	2016	2015	2014
Total pension liability:				
Service cost	\$393,379	\$640,791	\$475,891	\$391,455
Interest	1,424,033	1,438,501	1,393,332	1,348,689
Changes of benefit terms		(561,864)	(79,047)	--
Differences between expected and actual experience	(130,120)	(746,318)	37,528	(48,778)
Changes of assumptions	158,636	--	197,006	--
Benefit payments, including refunds of employee contributions	(1,390,365)	(1,221,745)	(1,207,860)	(1,269,913)
Net change in total pension liability	455,563	(450,635)	816,940	421,453
Total pension liability - beginning	17,868,922	18,319,557	17,502,617	17,081,164
Total pension liability - ending (a)	\$18,324,485	\$17,868,922	\$18,319,557	\$17,502,617
Plan fiduciary net position:				
Contributions - employer	\$52,049	\$262,626	\$260,029	\$235,097
Contributions - employee	144,577	261,983	257,083	199,961
Net investment income	2,736,790	1,352,821	(275,540)	1,252,665
Benefit payments, including refunds of employee contributions	(1,390,365)	(1,221,745)	(1,207,860)	(1,269,913)
Administrative expense	(13,551)	(14,701)	(13,499)	(14,707)
Other	(36,517)	(81,629)	34,390	(53,067)
Net change in plan fiduciary net position	1,492,983	559,355	(945,397)	350,036
Plan fiduciary net position - beginning	18,883,380	18,324,027	19,269,424	18,919,387
Plan fiduciary net position - ending (b)	\$20,376,363	\$18,883,382	\$18,324,027	\$19,269,423
County's net pension liability - ending (a) - (b)	(\$2,051,878)	(\$1,014,460)	(\$4,470)	(\$1,766,806)
Plan fiduciary net position as a percentage of the total pension liability	111.20%	97.01%	100.02%	110.09%
Covered-employee payroll	\$3,614,416	\$3,730,467	\$3,672,617	\$2,856,590
County's net pension liability as a percentage of covered-employee payroll	-56.77%	-27.19%	-0.12%	-61.85%

Notes to Schedule:

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

BROOKS COUNTY, TEXAS
SCHEDULE OF COUNTY CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Ft		Ft		Ft		Fiscal Year
	2018	2017	2016	2015	2015	2015	
Actuarially determined contribution	\$ 67,100	\$ 52,049	\$ 262,626	\$ 260,029			
Contributions in relation to the actuarially determined contribution	(67,100)	(52,049)	(262,626)	(260,029)			
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --			
Covered-employee payroll	\$ 3,700,570	\$ 3,614,416	\$ 3,730,467	\$ 3,672,617			
Contributions as a percentage of covered-employee payroll	1.81%	1.44%	7.04%	7.08%			

Notes to Schedule of Contributions

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	1.8 years
Asset valuation method	5-year smoothed value, fund value
Inflation	3.00%
Salary increases	4.90%
Investment rate of return	8.00%
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.

Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously, Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
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* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

BROOKS COUNTY, TEXAS
SCHEDULE OF THE CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Plan Year Ended December 31, <u>2017</u>
Total OPEB Liability	
Service cost	\$11,906
Interest (on the total OPEB liability)	11,847
Changes of benefit terms	--
Difference between expected and actual experience	(22,980)
Change of assumptions	11,135
Benefits payments, including refunds of employee contributions	(12,650)
Net Change in Total OPEB Liability	<u>(742)</u>
Total OPEB Liability - Beginning	<u>307,767</u>
Total OPEB Liability - Ending	<u><u>\$307,025</u></u>
County's covered-employee payroll	\$3,614,416
Total OPEB Liability as a Percentage of Covered Payroll	8.49%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

BROOKS COUNTY, TEXAS
NOTES TO SCHEDULE OF OPEB CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age
Amortization Method	Straight-line amortization of expected working life
Remaining Amortization Period	NA
Asset Valuation Method	NA
Inflation	NA
Salary Increases	NA
Investment Rate of Return	3.44%, based on 20-year Bond GO Index published by bondbuyer.com as of December 28, 2017
Retirement Age	NA
Mortality	See Tables 1 thru 4 in the Milliman Valuation Report

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

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*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2018

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 945,030	\$ 53,514	\$ 468,320	\$ 1,466,864
<i>Restricted Cash</i>	129,421	--	--	129,421
<i>Due from Other Funds</i>	7,337	--	--	7,337
Total Assets	<u>\$ 1,081,788</u>	<u>\$ 53,514</u>	<u>\$ 468,320</u>	<u>\$ 1,603,622</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ 37,304	\$ --	\$ --	\$ 37,304
<i>Due to Other Funds</i>	7,337	--	--	7,337
Total Liabilities	<u>44,641</u>	<u>--</u>	<u>--</u>	<u>44,641</u>
DEFERRED INFLOWS OF RESOURCES				
Fund Balances:				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	1,037,147	--	--	1,037,147
Retirement for Long-Term Debt	--	53,514	--	53,514
Committed Fund Balance				
Constuction	--	--	468,320	468,320
Unassigned Fund Balance				
Total Fund Balance	<u>1,037,147</u>	<u>53,514</u>	<u>468,320</u>	<u>1,558,981</u>
Total Liabilities and Fund Balance	<u>\$ 1,081,788</u>	<u>\$ 53,514</u>	<u>\$ 468,320</u>	<u>\$ 1,603,622</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:				
<i>Taxes:</i>				
General Property Taxes	\$ --	\$ 591,770	\$ --	\$ 591,770
General Sales and Use Taxes	274,390	--	--	274,390
License and Permits	147,044	--	--	147,044
Intergovernmental	877,665	--	--	877,665
Charges for Services	143,685	--	--	143,685
Fines and Forfeitures	179,190	--	--	179,190
Fees of Office	112,834	--	--	112,834
Investment Earnings	4,497	775	31	5,303
Miscellaneous Revenues	9,469	--	--	9,469
Contributions & Donations	11,230	--	--	11,230
Total revenues	<u>1,760,004</u>	<u>592,545</u>	<u>31</u>	<u>2,352,580</u>
Expenditures:				
<i>Current:</i>				
General Government	6,178	--	152,178	158,356
Judicial	199,170	--	--	199,170
Public Safety	1,446,240	--	--	1,446,240
Public Transportation	47,199	--	17,565	64,764
Health and Welfare	261,511	--	--	261,511
Culture and Recreation	1,012	--	--	1,012
Economic Development and Assistance	219,317	--	--	219,317
<i>Debt Service:</i>				
Principal	32,506	490,000	--	522,506
Interest and Fiscal Charges	2,230	157,748	--	159,978
Total Expenditures	<u>2,215,363</u>	<u>647,748</u>	<u>169,743</u>	<u>3,032,854</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(455,359)</u>	<u>(55,203)</u>	<u>(169,712)</u>	<u>(680,274)</u>
Other Financing Sources (Uses):				
Transfers In	471,254	31,000	--	502,254
Transfers Out	(17,361)	(31,000)	(5)	(48,366)
Capital Leases	--	--	620,474	620,474
Total Other Financing Sources (Uses)	<u>453,893</u>	<u>--</u>	<u>620,469</u>	<u>1,074,362</u>
Net Change in Fund Balances	(1,466)	(55,203)	450,757	394,088
Fund Balances - Beginning	1,038,613	42,106	17,563	1,098,282
Prior Period Adjustment	--	66,611	--	66,611
Fund Balances - Ending	<u>\$ 1,037,147</u>	<u>\$ 53,514</u>	<u>\$ 468,320</u>	<u>\$ 1,558,981</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2018

	<u>Landfill Fund</u>	<u>Consolidation Fund</u>	<u>Airport Improvement Fund</u>	<u>Chapter 19</u>
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 60,567	\$ 11,574	\$ 3,296	\$ 1,805
<i>Restricted Cash</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
Total Assets	<u>\$ 60,567</u>	<u>\$ 11,574</u>	<u>\$ 3,296</u>	<u>\$ 1,805</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ (544)	\$ 1,866	\$ --	\$ 8
<i>Due to Other Funds</i>	--	--	--	1,000
Total Liabilities	<u>(544)</u>	<u>1,866</u>	<u>--</u>	<u>1,008</u>
DEFERRED INFLOWS OF RESOURCES				
Fund Balances:				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	61,111	9,708	3,296	797
Committed Fund Balance	--	--	--	--
Unassigned Fund Balance	--	--	--	--
Total Fund Balance	<u>61,111</u>	<u>9,708</u>	<u>3,296</u>	<u>797</u>
Total Liabilities and Fund Balance	<u>\$ 60,567</u>	<u>\$ 11,574</u>	<u>\$ 3,296</u>	<u>\$ 1,805</u>

Sheriff Abandoned Vehicles	Sheriff's Contributions	Management & Preservation Fund	Courthouse Security	Lateral Road Fund
\$ 70,354	\$ 3,207	\$ 39,926	\$ 71,490	\$ 12,144
--	--	--	--	--
<u>\$ 70,354</u>	<u>\$ 3,207</u>	<u>\$ 39,926</u>	<u>\$ 71,490</u>	<u>\$ 12,144</u>
\$ 218	\$ --	\$ --	\$ 96	\$ --
--	--	--	--	--
<u>218</u>	<u>--</u>	<u>--</u>	<u>96</u>	<u>--</u>
70,136	3,207	39,926	71,394	12,144
--	--	--	--	--
<u>70,136</u>	<u>3,207</u>	<u>39,926</u>	<u>71,394</u>	<u>12,144</u>
<u>\$ 70,354</u>	<u>\$ 3,207</u>	<u>\$ 39,926</u>	<u>\$ 71,490</u>	<u>\$ 12,144</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2018

	<u>Prevention & Treatment Fund</u>	<u>County Attorney Hot Check Fund</u>	<u>Homeland Security</u>	<u>Ed Rachal Sheriff Grant</u>
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 50,739	\$ 576	\$ 38,659	\$ 14,445
<i>Restricted Cash</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
Total Assets	<u>\$ 50,739</u>	<u>\$ 576</u>	<u>\$ 38,659</u>	<u>\$ 14,445</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ 25	\$ 14	\$ 130	\$ 23
<i>Due to Other Funds</i>	--	--	6,337	--
Total Liabilities	<u>25</u>	<u>14</u>	<u>6,467</u>	<u>23</u>
DEFERRED INFLOWS OF RESOURCES				
Fund Balances:				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	50,714	562	32,192	14,422
Committed Fund Balance				
Unassigned Fund Balance	--	--	--	--
Total Fund Balance	<u>50,714</u>	<u>562</u>	<u>32,192</u>	<u>14,422</u>
Total Liabilities and Fund Balance	<u>\$ 50,739</u>	<u>\$ 576</u>	<u>\$ 38,659</u>	<u>\$ 14,445</u>

<u>Employee Vending Machine Commission Fund</u>	<u>Election Service Contract Fund</u>	<u>County Airport</u>	<u>Law Library Fund</u>	<u>Code Enforcement Arrest Fee Fund</u>
\$ 1,336	\$ 8,211	\$ 5,229	\$ 19,202	\$ 19,079
--	--	--	--	--
--	1,000	--	--	--
<u>\$ 1,336</u>	<u>\$ 9,211</u>	<u>\$ 5,229</u>	<u>\$ 19,202</u>	<u>\$ 19,079</u>
\$ --	\$ 330	\$ --	\$ --	\$ 901
--	--	--	--	--
--	330	--	--	901
1,336	8,881	5,229	19,202	18,178
--	--	--	--	--
<u>1,336</u>	<u>8,881</u>	<u>5,229</u>	<u>19,202</u>	<u>18,178</u>
<u>\$ 1,336</u>	<u>\$ 9,211</u>	<u>\$ 5,229</u>	<u>\$ 19,202</u>	<u>\$ 19,079</u>

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2018

	<u>Sheriff Seizure</u>	<u>Federal Arrest Drug Fund</u>	<u>LEOSE State Allocations</u>	<u>Justice Crt Technology Fund</u>
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 20,515	\$ 3,611	\$ 22,310	\$ 60,891
<i>Restricted Cash</i>	--	--	--	--
<i>Due from Other Funds</i>	6,337	--	--	--
Total Assets	<u>\$ 26,852</u>	<u>\$ 3,611</u>	<u>\$ 22,310</u>	<u>\$ 60,891</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ 5,095	\$ --	\$ --	\$ --
<i>Due to Other Funds</i>	--	--	--	--
Total Liabilities	<u>5,095</u>	<u>--</u>	<u>--</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES				
Fund Balances:				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	21,757	3,611	22,310	60,891
Committed Fund Balance				
Unassigned Fund Balance	--	--	--	--
Total Fund Balance	<u>21,757</u>	<u>3,611</u>	<u>22,310</u>	<u>60,891</u>
Total Liabilities and Fund Balance	<u>\$ 26,852</u>	<u>\$ 3,611</u>	<u>\$ 22,310</u>	<u>\$ 60,891</u>

<u>Drainage Improvements DRS 220016</u>	<u>Health Use Sales Tax Fund</u>	<u>Ed Rachal Audio Visual Fund</u>	<u>Drug Alcohol Court Diversion Program</u>	<u>DOJ/Federal Account</u>
\$ 7,000	\$ 45,489	\$ 1,987	\$ 127,800	\$ 1,843
--	129,421	--	--	--
--	--	--	--	--
<u>\$ 7,000</u>	<u>\$ 174,910</u>	<u>\$ 1,987</u>	<u>\$ 127,800</u>	<u>\$ 1,843</u>
\$ --	\$ 22,417	\$ --	\$ 6,258	\$ --
--	--	--	--	--
--	22,417	--	6,258	--
<u>--</u>	<u>22,417</u>	<u>--</u>	<u>6,258</u>	<u>--</u>
7,000	152,493	1,987	121,542	1,843
--	--	--	--	--
<u>7,000</u>	<u>152,493</u>	<u>1,987</u>	<u>121,542</u>	<u>1,843</u>
<u>\$ 7,000</u>	<u>\$ 174,910</u>	<u>\$ 1,987</u>	<u>\$ 127,800</u>	<u>\$ 1,843</u>

BROOKS COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2018

	<u>Brush Country Water District</u>	<u>Sheriff Local Border Security Fund</u>	<u>Sheriff Federal Seizure Fund</u>	<u>Pre-Trial Fund</u>
ASSETS AND OTHER DEBITS				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 50	\$ 24,740	\$ 147,012	\$ 7,909
<i>Restricted Cash</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
Total Assets	<u>\$ 50</u>	<u>\$ 24,740</u>	<u>\$ 147,012</u>	<u>\$ 7,909</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Due to Other Funds</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES				
Fund Balances:				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	50	24,740	147,012	7,909
Committed Fund Balance				
Unassigned Fund Balance	--	--	--	--
Total Fund Balance	<u>50</u>	<u>24,740</u>	<u>147,012</u>	<u>7,909</u>
Total Liabilities and Fund Balance	<u>\$ 50</u>	<u>\$ 24,740</u>	<u>\$ 147,012</u>	<u>\$ 7,909</u>

Juvenile Probation Match	Ed Rachal Human Rights Fund	Ed Rachal Carter Family Foundation	J.M. Alaniz Fairgrounds Fees Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 38,318	\$ 308	\$ 1,600	\$ 1,808	\$ 945,030
--	--	--	--	129,421
--	--	--	--	7,337
<u>\$ 38,318</u>	<u>\$ 308</u>	<u>\$ 1,600</u>	<u>\$ 1,808</u>	<u>\$ 1,081,788</u>
\$ 467	\$ --	\$ --	\$ --	\$ 37,304
--	--	--	--	7,337
<u>467</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>44,641</u>
37,851	308	1,600	1,808	1,037,147
--	--	--	--	--
<u>37,851</u>	<u>308</u>	<u>1,600</u>	<u>1,808</u>	<u>1,037,147</u>
<u>\$ 38,318</u>	<u>\$ 308</u>	<u>\$ 1,600</u>	<u>\$ 1,808</u>	<u>\$ 1,081,788</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Landfill Fund	Texas DSHS Grant	Consolidation Fund	Airport Improvement Fund
Revenue:				
Taxes:				
<i>General Sales and Use Taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>License and Permits</i>	--	--	--	--
<i>Intergovernmental</i>	--	949	56,382	--
<i>Charges for Services</i>	103,322	--	--	--
<i>Fines and Forfeitures</i>	--	--	--	--
<i>Fees of Office</i>	--	--	--	--
<i>Investment Earnings</i>	350	--	--	--
<i>Miscellaneous Revenues</i>	--	--	--	--
<i>Contributions & Donations</i>	--	--	--	7,360
Total revenues	<u>103,672</u>	<u>949</u>	<u>56,382</u>	<u>7,360</u>
Expenditures:				
Current:				
<i>General Government</i>	--	--	--	--
<i>Judicial</i>	--	--	--	--
<i>Public Safety</i>	322,355	--	79,420	--
<i>Public Transportation</i>	--	--	--	7,360
<i>Health and Welfare</i>	--	--	--	--
<i>Culture and Recreation</i>	--	--	--	--
<i>Economic Development and Assistance</i>	--	949	--	--
Debt Service:				
<i>Principal</i>	--	--	--	--
<i>Interest and Fiscal Charges</i>	--	--	--	--
Total Expenditures	<u>322,355</u>	<u>949</u>	<u>79,420</u>	<u>7,360</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(218,683)</u>	<u>--</u>	<u>(23,038)</u>	<u>--</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	270,000	--	29,490	--
<i>Transfers Out</i>	--	--	--	--
Total Other Financing Sources (Uses)	<u>270,000</u>	<u>--</u>	<u>29,490</u>	<u>--</u>
Net Change in Fund Balances	51,317	--	6,452	--
Fund Balances - Beginning	9,794	--	3,256	3,296
Fund Balances - Ending	<u>\$ 61,111</u>	<u>\$ --</u>	<u>\$ 9,708</u>	<u>\$ 3,296</u>

<u>Alien Death Processing</u>	<u>Chapter 19</u>	<u>Constables Abandoned Vehicles</u>	<u>Sheriff Abandoned Vehicles</u>	<u>Sheriff's Contributions</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	147,044	--
60,886	640	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	7	329	--
--	--	--	--	--
<u>60,886</u>	<u>640</u>	<u>7</u>	<u>147,373</u>	<u>3,870</u>
--	--	--	--	3,870
64,286	--	3,409	128,125	6,178
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>64,286</u>	<u>--</u>	<u>3,409</u>	<u>128,125</u>	<u>6,178</u>
<u>(3,400)</u>	<u>640</u>	<u>(3,402)</u>	<u>19,248</u>	<u>(2,308)</u>
3,400	--	176	--	--
--	--	--	--	--
<u>3,400</u>	<u>--</u>	<u>176</u>	<u>--</u>	<u>--</u>
--	640	(3,226)	19,248	(2,308)
--	157	3,226	50,888	5,515
<u>\$ --</u>	<u>\$ 797</u>	<u>\$ --</u>	<u>\$ 70,136</u>	<u>\$ 3,207</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Management & Preservation Fund	Courthouse Security	Lateral Road Fund	Prevention & Treatment Fund
Revenue:				
Taxes:				
General Sales and Use Taxes	\$ --	\$ --	\$ --	\$ --
License and Permits	--	--	--	--
Intergovernmental	--	--	9,068	7,296
Charges for Services	--	--	--	--
Fines and Forfeitures	--	--	--	--
Fees of Office	11,611	50,172	--	--
Investment Earnings	169	342	58	243
Miscellaneous Revenues	--	--	--	--
Contributions & Donations	--	--	--	--
Total revenues	<u>11,780</u>	<u>50,514</u>	<u>9,126</u>	<u>7,539</u>
Expenditures:				
Current:				
General Government	--	--	--	--
Judicial	1,203	--	--	--
Public Safety	--	49,667	--	--
Public Transportation	--	--	--	--
Health and Welfare	--	--	--	3,285
Culture and Recreation	--	--	--	--
Economic Development and Assistance	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest and Fiscal Charges	--	--	--	--
Total Expenditures	<u>1,203</u>	<u>49,667</u>	<u>--</u>	<u>3,285</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,577</u>	<u>847</u>	<u>9,126</u>	<u>4,254</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 Balances	10,577	847	9,126	4,254
Fund Balances - Beginning	29,349	70,547	3,018	46,460
Fund Balances - Ending	<u>\$ 39,926</u>	<u>\$ 71,394</u>	<u>\$ 12,144</u>	<u>\$ 50,714</u>

County Attorney Hot Check Fund	Homeland Security	Ed Rachal Sheriff Grant	Employee Vending Machine Commission Fund	Election Service Contract Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	104,719	84,600	--	--
--	--	--	--	--
450	--	--	--	--
16	--	260	--	41
--	--	--	652	7,367
--	--	--	--	--
<u>466</u>	<u>104,719</u>	<u>84,860</u>	<u>652</u>	<u>7,408</u>
--	--	--	--	--
3,801	--	--	--	--
--	87,193	39,800	381	9,233
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	32,506	--	--
--	--	2,230	--	--
<u>3,801</u>	<u>87,193</u>	<u>74,536</u>	<u>381</u>	<u>9,233</u>
<u>(3,335)</u>	<u>17,526</u>	<u>10,324</u>	<u>271</u>	<u>(1,825)</u>
--	--	--	3	--
--	--	(15,848)	--	--
--	--	<u>(15,848)</u>	<u>3</u>	--
<u>(3,335)</u>	<u>17,526</u>	<u>(5,524)</u>	<u>274</u>	<u>(1,825)</u>
3,897	14,666	19,946	1,062	10,706
<u>\$ 562</u>	<u>\$ 32,192</u>	<u>\$ 14,422</u>	<u>\$ 1,336</u>	<u>\$ 8,881</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	County Airport	Law Library Fund	Code Enforcement Arrest Fee Fund	Sheriff Seizure
Revenue:				
<i>Taxes:</i>				
<i>General Sales and Use Taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>License and Permits</i>	--	--	--	--
<i>Intergovernmental</i>	9,292	--	--	--
<i>Charges for Services</i>	360	3,831	36,172	--
<i>Fines and Forfeitures</i>	--	--	--	71,352
<i>Fees of Office</i>	--	--	--	--
<i>Investment Earnings</i>	44	95	104	124
<i>Miscellaneous Revenues</i>	--	--	--	--
<i>Contributions & Donations</i>	--	--	--	--
Total revenues	<u>9,696</u>	<u>3,926</u>	<u>36,276</u>	<u>71,476</u>
Expenditures:				
<i>Current:</i>				
<i>General Government</i>	--	--	--	--
<i>Judicial</i>	--	--	--	--
<i>Public Safety</i>	--	4,476	46,188	62,044
<i>Public Transportation</i>	39,839	--	--	--
<i>Health and Welfare</i>	--	--	--	--
<i>Culture and Recreation</i>	--	--	--	--
<i>Economic Development and Assistance</i>	--	--	--	--
<i>Debt Service:</i>				
<i>Principal</i>	--	--	--	--
<i>Interest and Fiscal Charges</i>	--	--	--	--
Total Expenditures	<u>39,839</u>	<u>4,476</u>	<u>46,188</u>	<u>62,044</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(30,143)</u>	<u>(550)</u>	<u>(9,912)</u>	<u>9,432</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	32,000	--	--	--
<i>Transfers Out</i>	--	--	--	--
Total Other Financing Sources (Uses)	<u>32,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	1,857	(550)	(9,912)	9,432
Fund Balances - Beginning	3,372	19,752	28,090	12,325
Fund Balances - Ending	<u>\$ 5,229</u>	<u>\$ 19,202</u>	<u>\$ 18,178</u>	<u>\$ 21,757</u>

Federal Arrest Drug Fund	LEOSE State Allocations	Justice Cr Technology Fund	Drainage Improvements DRS 220016	Health Use Sales Tax Fund
\$ --	\$ --	\$ --	\$ --	\$ 274,390
--	--	--	--	--
--	5,934	--	--	--
--	--	--	--	--
--	--	50,601	--	--
18	109	321	--	179
--	--	--	--	--
--	--	--	--	--
<u>18</u>	<u>6,043</u>	<u>50,922</u>	<u>--</u>	<u>274,569</u>
--	--	--	--	--
--	--	65,778	--	--
--	2,488	--	--	--
--	--	--	--	--
--	--	--	--	258,226
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>2,488</u>	<u>65,778</u>	<u>--</u>	<u>258,226</u>
<u>18</u>	<u>3,555</u>	<u>(14,856)</u>	<u>--</u>	<u>16,343</u>
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>18</u>	<u>3,555</u>	<u>(14,856)</u>	<u>--</u>	<u>16,343</u>
3,593	18,755	75,747	7,000	136,150
<u>\$ 3,611</u>	<u>\$ 22,310</u>	<u>\$ 60,891</u>	<u>\$ 7,000</u>	<u>\$ 152,493</u>

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Ed Rachal Audio Visual Fund	79th Judicial Dist/Drug Alcohol Fund	TXCDBG Contract #7215075	Drug Alcohol Court Diversion Program
Revenue:				
<i>Taxes:</i>				
<i>General Sales and Use Taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>License and Permits</i>	--	--	--	--
<i>Intergovernmental</i>	--	100,094	218,368	--
<i>Charges for Services</i>	--	--	--	--
<i>Fines and Forfeitures</i>	--	--	--	107,838
<i>Fees of Office</i>	--	--	--	--
<i>Investment Earnings</i>	9	--	--	719
<i>Miscellaneous Revenues</i>	1,450	--	--	--
<i>Contributions & Donations</i>	--	--	--	--
Total revenues	<u>1,459</u>	<u>100,094</u>	<u>218,368</u>	<u>108,557</u>
Expenditures:				
<i>Current:</i>				
<i>General Government</i>	--	--	--	--
<i>Judicial</i>	--	--	--	128,388
<i>Public Safety</i>	--	100,094	--	--
<i>Public Transportation</i>	--	--	--	--
<i>Health and Welfare</i>	--	--	--	--
<i>Culture and Recreation</i>	1,012	--	--	--
<i>Economic Development and Assistance</i>	--	--	218,368	--
<i>Debt Service:</i>				
<i>Principal</i>	--	--	--	--
<i>Interest and Fiscal Charges</i>	--	--	--	--
Total Expenditures	<u>1,012</u>	<u>100,094</u>	<u>218,368</u>	<u>128,388</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>447</u>	<u>--</u>	<u>--</u>	<u>(19,831)</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	--	--	--	--
<i>Transfers Out</i>	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	447	--	--	(19,831)
Fund Balances - Beginning	1,540	--	--	141,373
Fund Balances - Ending	<u>\$ 1,987</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 121,542</u>

<u>DOJ/Federal Account</u>	<u>Brush Country Water District</u>	<u>Sheriff Local Border Security Fund</u>	<u>Sheriff Federal Seizure Fund</u>	<u>Constable Seizure Fund</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	29,383	58,029	--
--	--	--	--	--
--	--	--	--	--
--	--	--	936	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>29,383</u>	<u>58,965</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
28,717	--	29,720	106,124	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>28,717</u>	<u>--</u>	<u>29,720</u>	<u>106,124</u>	<u>--</u>
<u>(28,717)</u>	<u>--</u>	<u>(337)</u>	<u>(47,159)</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>(28,717)</u>	<u>--</u>	<u>(337)</u>	<u>(47,159)</u>	<u>(176)</u>
--	--	--	--	(176)
<u>(28,717)</u>	<u>--</u>	<u>(337)</u>	<u>(47,159)</u>	<u>(176)</u>
30,560	50	25,077	194,171	176
<u>\$ 1,843</u>	<u>\$ 50</u>	<u>\$ 24,740</u>	<u>\$ 147,012</u>	<u>\$ --</u>

BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Pre-Trial Fund	Juvenile Probation Match	TJPC-E VERTEX FUND
Revenue:			
Taxes:			
General Sales and Use Taxes	\$ --	\$ --	\$ --
License and Permits	--	--	--
Intergovernmental	4,830	126,970	--
Charges for Services	--	--	--
Fines and Forfeitures	--	--	--
Fees of Office	--	--	--
Investment Earnings	24	--	--
Miscellaneous Revenues	--	--	--
Contributions & Donations	--	--	--
Total revenues	<u>4,854</u>	<u>126,970</u>	<u>--</u>
Expenditures:			
Current:			
General Government	--	--	--
Judicial	--	--	--
Public Safety	--	265,129	--
Public Transportation	--	--	--
Health and Welfare	--	--	--
Culture and Recreation	--	--	--
Economic Development and Assistance	--	--	--
Debt Service:			
Principal	--	--	--
Interest and Fiscal Charges	--	--	--
Total Expenditures	<u>--</u>	<u>265,129</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,854</u>	<u>(138,159)</u>	<u>--</u>
Other Financing Sources (Uses):			
Transfers In	--	120,337	--
Transfers Out	--	--	(1,337)
Total Other Financing Sources (Uses)	<u>--</u>	<u>120,337</u>	<u>(1,337)</u>
Net Change in Fund Balances	4,854	(17,822)	(1,337)
Fund Balances - Beginning	3,055	55,673	1,337
Fund Balances - Ending	<u>\$ 7,909</u>	<u>\$ 37,851</u>	<u>\$ --</u>

Ed Rachal Human Rights Fund	Ed Rachal Carter Family Foundation	J.M. Alaniz Fairgrounds Fees Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ --	\$ 274,390
--	--	--	147,044
--	--	225	877,665
--	--	--	143,685
--	--	--	179,190
--	--	--	112,834
--	--	--	4,497
--	--	--	9,469
--	--	--	11,230
<u> </u>	<u> </u>	<u> </u>	<u> </u>
--	--	225	1,760,004
--	--	--	6,178
--	--	--	199,170
16,191	1,200	--	1,446,240
--	--	--	47,199
--	--	--	261,511
--	--	--	1,012
--	--	--	219,317
--	--	--	32,506
--	--	--	2,230
<u>16,191</u>	<u>1,200</u>	<u> </u>	<u>2,215,363</u>
<u>(16,191)</u>	<u>(1,200)</u>	<u> </u>	<u>(455,359)</u>
15,848	--	--	471,254
--	--	--	(17,361)
<u>15,848</u>	<u> </u>	<u> </u>	<u>453,893</u>
(343)	(1,200)	225	(1,466)
651	2,800	1,583	1,038,613
<u>\$ 308</u>	<u>\$ 1,600</u>	<u>\$ 1,808</u>	<u>\$ 1,037,147</u>

BROOKS COUNTY, TEXAS
LATERAL ROAD
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 9,068	\$ 68
Investment Earnings	--	--	58	58
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>9,126</u>	<u>126</u>
EXPENDITURES:				
Public Safety				
<i>Other Services and Charges</i>	11,000	11,000	--	11,000
<i>Total Public Safety</i>	<u>11,000</u>	<u>11,000</u>	<u>--</u>	<u>11,000</u>
Total Public Safety	<u>11,000</u>	<u>11,000</u>	<u>--</u>	<u>11,000</u>
Total Expenditures	<u>11,000</u>	<u>11,000</u>	<u>--</u>	<u>11,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,000)</u>	<u>(2,000)</u>	<u>9,126</u>	<u>11,126</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(2,000)	(2,000)	9,126	11,126
Fund Balances - Beginning	3,018	3,018	3,018	--
Fund Balances - Ending	<u>\$ 1,018</u>	<u>\$ 1,018</u>	<u>\$ 12,144</u>	<u>\$ 11,126</u>

BROOKS COUNTY, TEXAS
HEALTH USE SALES TAX
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Taxes:				
<i>General Sales and Use Taxes</i>	\$ 252,000	\$ 252,000	\$ 274,390	\$ 22,390
Investment Earnings	--	--	179	179
Total revenues	<u>252,000</u>	<u>252,000</u>	<u>274,569</u>	<u>22,569</u>
EXPENDITURES:				
Health and Welfare				
<i>Other Services and Charges</i>	262,000	262,000	258,226	3,774
<i>Total Health and Welfare</i>	<u>262,000</u>	<u>262,000</u>	<u>258,226</u>	<u>3,774</u>
Total Health and Welfare	<u>262,000</u>	<u>262,000</u>	<u>258,226</u>	<u>3,774</u>
Total Expenditures	<u>262,000</u>	<u>262,000</u>	<u>258,226</u>	<u>3,774</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>16,343</u>	<u>26,343</u>
OTHER FINANCING SOURCES (USES):				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(10,000)	(10,000)	16,343	26,343
Fund Balances - Beginning	134,476	134,476	136,150	1,674
Fund Balances - Ending	<u>\$ 124,476</u>	<u>\$ 124,476</u>	<u>\$ 152,493</u>	<u>\$ 28,017</u>

BROOKS COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
<i>General Property Taxes</i>	\$ 388,296	\$ 388,296	\$ 591,770	\$ 203,474
Investment Earnings	--	--	775	775
Total revenues	<u>388,296</u>	<u>388,296</u>	<u>592,545</u>	<u>204,249</u>
EXPENDITURES:				
<i>Debt Service:</i>				
<i>Principal</i>	270,000	270,000	490,000	(220,000)
<i>Interest and Fiscal Charges</i>	118,296	118,296	157,748	(39,452)
Total Expenditures	<u>388,296</u>	<u>388,296</u>	<u>647,748</u>	<u>(259,452)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	--	(55,203)	(55,203)
OTHER FINANCING SOURCES (USES):				
<i>Transfers In</i>	--	--	31,000	31,000
<i>Transfers Out</i>	--	--	(31,000)	(31,000)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	--	--	(55,203)	(55,203)
Fund Balances - Beginning	42,106	42,106	42,106	--
Increase (Decrease) in Fund Balance	--	--	66,611	66,611
Fund Balances - Ending	<u>\$ 42,106</u>	<u>\$ 42,106</u>	<u>\$ 53,514</u>	<u>\$ 11,408</u>

BROOKS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 SEPTEMBER 30, 2018

	Ed Rachal Memorial Library Grant	Brooks County 2018 Projects Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
ASSETS AND OTHER DEBITS			
Assets:			
Cash and Cash Equivalents	\$ 24	\$ 468,296	\$ 468,320
Total Assets	<u>\$ 24</u>	<u>\$ 468,296</u>	<u>\$ 468,320</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
DEFERRED INFLOWS OF RESOURCES			
Fund Balances:			
Restricted Fund Balances:			
Committed Fund Balance			
Constuction	\$ 24	\$ 468,296	\$ 468,320
Unassigned Fund Balance	--	--	--
Total Fund Balance	<u>24</u>	<u>468,296</u>	<u>468,320</u>
Total Liabilities and Fund Balance	<u>\$ 24</u>	<u>\$ 468,296</u>	<u>\$ 468,320</u>

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Ed Rachal Memorial Library Grant	Capital Improvements Fund
Revenue:		
<i>Investment Earnings</i>	\$ --	\$ 31
Total revenues	<u> --</u>	<u> 31</u>
Expenditures:		
Current:		
<i>General Government</i>	--	--
<i>Public Transportation</i>	--	17,565
Total Expenditures	<u> --</u>	<u> 17,565</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> --</u>	<u> (17,534)</u>
Other Financing Sources (Uses):		
<i>Transfers Out</i>	--	(2)
<i>Capital Leases</i>	--	--
Total Other Financing Sources (Uses)	<u> --</u>	<u> (2)</u>
Net Change in Fund Balances	--	(17,536)
Fund Balances - Beginning	24	17,536
Fund Balances - Ending	<u>\$ 24</u>	<u>\$ --</u>

Brooks County 2018 Projects Fund	Courthouse Renovation	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
\$ --	\$ --	\$ 31
<u> </u>	<u> </u>	<u> </u>
152,178	--	152,178
<u> </u>	<u> </u>	<u> </u>
152,178	--	169,743
<u> </u>	<u> </u>	<u> </u>
(152,178)	--	(169,712)
<u> </u>	<u> </u>	<u> </u>
--	(3)	(5)
620,474	--	620,474
<u> </u>	<u> </u>	<u> </u>
620,474	(3)	620,469
<u> </u>	<u> </u>	<u> </u>
468,296	(3)	450,757
<u> </u>	<u> </u>	<u> </u>
--	3	17,563
<u> </u>	<u> </u>	<u> </u>
\$ 468,296	\$ --	\$ 468,320
<u> </u>	<u> </u>	<u> </u>

BROOKS COUNTY, TEXAS
 CAPITAL IMPROVEMENTS FUND
 CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
Investment Earnings	\$ 31	\$ 31	\$ 31	\$ --
Total revenues	<u>31</u>	<u>31</u>	<u>31</u>	<u>--</u>
EXPENDITURES:				
Public Transportation				
Public Transportation				
<i>Other Services and Charges</i>	7,700	7,700	17,565	(9,865)
<i>Total Public Transportation</i>	<u>7,700</u>	<u>7,700</u>	<u>17,565</u>	<u>(9,865)</u>
Total Public Transportation	<u>7,700</u>	<u>7,700</u>	<u>17,565</u>	<u>(9,865)</u>
Total Expenditures	<u>7,700</u>	<u>7,700</u>	<u>17,565</u>	<u>(9,865)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,669)</u>	<u>(7,669)</u>	<u>(17,534)</u>	<u>(9,865)</u>
OTHER FINANCING SOURCES (USES):				
<i>Transfers Out</i>	--	--	(2)	(2)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(2)</u>	<u>2</u>
Net Change in Fund Balances	(7,669)	(7,669)	(17,536)	(9,867)
Fund Balances - Beginning	17,536	17,536	17,536	--
Fund Balances - Ending	<u>\$ 9,867</u>	<u>\$ 9,867</u>	<u>\$ --</u>	<u>\$ (9,867)</u>

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BROOKS COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2018

	District Attorney Escrow	Sheriff Bond Account	Payroll Fund
ASSETS:			
<i>Cash and Cash Equivalents</i>	\$ 539,144	\$ 24,121	\$ 28,638
Total Assets	<u>\$ 539,144</u>	<u>\$ 24,121</u>	<u>\$ 28,638</u>
LIABILITIES:			
<i>Due to Other Governments and Agencies</i>	\$ 539,144	\$ 24,121	\$ 28,638
Total Liabilities	<u>\$ 539,144</u>	<u>\$ 24,121</u>	<u>\$ 28,638</u>

NET POSITION

State Fees Fund	Appellate Judicial System	County Clerk Fund	District Clerk Fund	Tax Assessor Collector Fund
\$ 185,695	\$ 40	\$ 74,799	\$ 68,202	\$ 41,864
<u>\$ 185,695</u>	<u>\$ 40</u>	<u>\$ 74,799</u>	<u>\$ 68,202</u>	<u>\$ 41,864</u>
\$ 185,695	\$ 40	\$ 74,799	\$ 68,202	\$ 41,864
<u>\$ 185,695</u>	<u>\$ 40</u>	<u>\$ 74,799</u>	<u>\$ 68,202</u>	<u>\$ 41,864</u>

BROOKS COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 SEPTEMBER 30, 2018

	Sheriff Regular Account	TCDRS Fund	Total Agency Funds (See Exhibit A-10)
ASSETS:			
<i>Cash and Cash Equivalents</i>	\$ 2,096	\$ 20,418	\$ 985,017
Total Assets	<u>\$ 2,096</u>	<u>\$ 20,418</u>	<u>\$ 985,017</u>
LIABILITIES:			
<i>Due to Other Governments and Agencies</i>	\$ 2,096	\$ 20,418	\$ 985,017
Total Liabilities	<u>\$ 2,096</u>	<u>\$ 20,418</u>	<u>\$ 985,017</u>
NET POSITION			

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BROOKS COUNTY, TEXAS

EXHIBIT C-12

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED SEPTEMBER 30, 2017

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
Payroll Fund				
ASSETS				
Cash & Investments	\$ 41,092	\$ 4,854,127	\$ 4,866,580	\$ 28,639
Total Assets	<u>\$ 41,092</u>	<u>\$ 4,854,127</u>	<u>\$ 4,866,580</u>	<u>\$ 28,639</u>
LIABILITIES				
Due to Other Governments	\$ 41,092	\$ 4,854,127	\$ 4,866,580	\$ 28,639
Total Liabilities	<u>\$ 41,092</u>	<u>\$ 4,854,127</u>	<u>\$ 4,866,580</u>	<u>\$ 28,639</u>
State Fees Fund				
ASSETS				
Cash & Investments	\$ 166,179	\$ 1,129,065	\$ 1,109,549	\$ 185,695
Total Assets	<u>\$ 166,179</u>	<u>\$ 1,129,065</u>	<u>\$ 1,109,549</u>	<u>\$ 185,695</u>
LIABILITIES				
Due to Other Governments	\$ 166,179	\$ 1,129,065	\$ 1,109,549	\$ 185,695
Total Liabilities	<u>\$ 166,179</u>	<u>\$ 1,129,065</u>	<u>\$ 1,109,549</u>	<u>\$ 185,695</u>
Appellate Judicial System				
ASSETS				
Cash & Investments	\$ 95	\$ 375	\$ 430	\$ 40
Total Assets	<u>\$ 95</u>	<u>\$ 375</u>	<u>\$ 430</u>	<u>\$ 40</u>
LIABILITIES				
Due to Other Governments	\$ 95	\$ 375	\$ 430	\$ 40
Total Liabilities	<u>\$ 95</u>	<u>\$ 375</u>	<u>\$ 430</u>	<u>\$ 40</u>
District Attorney Escrow Fund				
ASSETS				
Cash & Investments	\$ 388,030	\$ 412,355	\$ 261,242	\$ 539,143
Total Assets	<u>\$ 388,030</u>	<u>\$ 412,355</u>	<u>\$ 261,242</u>	<u>\$ 539,143</u>
LIABILITIES				
Due to Other Governments	\$ 388,030	\$ 412,355	\$ 261,242	\$ 539,143
Total Liabilities	<u>\$ 388,030</u>	<u>\$ 412,355</u>	<u>\$ 261,242</u>	<u>\$ 539,143</u>

BROOKS COUNTY, TEXAS

EXHIBIT C-12

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2017

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
County Clerk Funds				
ASSETS				
Cash & Investments	\$ 70,048	\$ 93,830	\$ 89,079	\$ 74,799
Total Assets	<u>\$ 70,048</u>	<u>\$ 93,830</u>	<u>\$ 89,079</u>	<u>\$ 74,799</u>
LIABILITIES				
Due to Other Governments	\$ 70,048	\$ 93,830	\$ 89,079	\$ 74,799
Total Liabilities	<u>\$ 70,048</u>	<u>\$ 93,830</u>	<u>\$ 89,079</u>	<u>\$ 74,799</u>
District Clerk Funds				
ASSETS				
Cash & Investments	\$ 68,683	\$ 145,435	\$ 145,917	\$ 68,201
Total Assets	<u>\$ 68,683</u>	<u>\$ 145,435</u>	<u>\$ 145,917</u>	<u>\$ 68,201</u>
LIABILITIES				
Due to Other Governments	\$ 68,683	\$ 145,435	\$ 145,917	\$ 68,201
Total Liabilities	<u>\$ 68,683</u>	<u>\$ 145,435</u>	<u>\$ 145,917</u>	<u>\$ 68,201</u>
FICA Tax Fund				
ASSETS				
Cash & Investments	\$ 23,299	\$ 572,066	\$ 595,365	\$ --
Total Assets	<u>\$ 23,299</u>	<u>\$ 572,066</u>	<u>\$ 595,365</u>	<u>\$ --</u>
LIABILITIES				
Due to Other Governments	\$ 23,299	\$ 572,066	\$ 595,365	\$ --
Total Liabilities	<u>\$ 23,299</u>	<u>\$ 572,066</u>	<u>\$ 595,365</u>	<u>\$ --</u>
Withholding Tax Fund				
ASSETS				
Cash & Investments	\$ 12,109	\$ 246,166	\$ 258,275	\$ --
Total Assets	<u>\$ 12,109</u>	<u>\$ 246,166</u>	<u>\$ 258,275</u>	<u>\$ --</u>
LIABILITIES				
Due to Other Governments	\$ 12,109	\$ 246,166	\$ 258,275	\$ --
Total Liabilities	<u>\$ 12,109</u>	<u>\$ 246,166</u>	<u>\$ 258,275</u>	<u>\$ --</u>

BROOKS COUNTY, TEXAS

EXHIBIT C-12

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED SEPTEMBER 30, 2017

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
<u>Tax Assessor Collector Fund</u>				
ASSETS				
Cash & Investments	\$ 48,412	\$ 13,774,850	\$ 13,781,398	\$ 41,864
Total Assets	\$ 48,412	\$ 13,774,850	\$ 13,781,398	\$ 41,864
LIABILITIES				
Due to Other Governments	\$ 48,412	\$ 13,774,850	\$ 13,781,398	\$ 41,864
Total Liabilities	\$ 48,412	\$ 13,774,850	\$ 13,781,398	\$ 41,864
<u>Sheriff Regular Account</u>				
ASSETS				
Cash & Investments	\$ 1,641	\$ 20,201	\$ 19,746	\$ 2,096
Total Assets	\$ 1,641	\$ 20,201	\$ 19,746	\$ 2,096
LIABILITIES				
Due to Other Governments	\$ 1,641	\$ 20,201	\$ 19,746	\$ 2,096
Total Liabilities	\$ 1,641	\$ 20,201	\$ 19,746	\$ 2,096
<u>Sheriff Bond Account</u>				
ASSETS				
Cash & Investments	\$ 19,321	\$ 5,008	\$ 207	\$ 24,122
Total Assets	\$ 19,321	\$ 5,008	\$ 207	\$ 24,122
LIABILITIES				
Due to Other Governments	\$ 19,321	\$ 5,008	\$ 207	\$ 24,122
Total Liabilities	\$ 19,321	\$ 5,008	\$ 207	\$ 24,122
<u>TCDRS Fund</u>				
ASSETS				
Cash & Investments	\$ 18,039	\$ 237,984	\$ 235,605	\$ 20,418
Total Assets	\$ 18,039	\$ 237,984	\$ 235,605	\$ 20,418
LIABILITIES				
Due to Other Governments	\$ 18,039	\$ 237,984	\$ 235,605	\$ 20,418
Total Liabilities	\$ 18,039	\$ 237,984	\$ 235,605	\$ 20,418
<u>TOTAL AGENCY FUNDS:</u>				
ASSETS				
Cash & Investments	\$ 856,948	\$ 21,491,462	\$ 21,363,393	\$ 985,017
Total Assets	\$ 856,948	\$ 21,491,462	\$ 21,363,393	\$ 985,017
LIABILITIES				
Due to Other Governments	\$ 856,948	\$ 21,491,462	\$ 21,363,393	\$ 985,017
Total Liabilities	\$ 856,948	\$ 21,491,462	\$ 21,363,393	\$ 985,017

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

BROOKS COUNTY, TEXAS
BOND SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Date of Issue	Description	Interest Rate Payable	Amounts Original Issue	10 Amounts Outstanding 10/1/17	20 Issued Current Year	30 Retired Current Year
March 2004	Certificates of Obligation	3.60% - 5.0%	\$ 4,000,000	\$ 1,805,000	\$ --	\$ 225,000
September 2011	Certificates of Obligation	4.59%	1,100,000	865,000	--	45,000
September 2013	Certificates of Obligation	5.00% - 8.50%	1,200,000	575,000	--	220,000
	1000 Totals		<u>\$ 6,300,000</u>	<u>\$ 3,245,000</u>	<u>\$ --</u>	<u>\$ 490,000</u>

40 Amounts Outstanding 9/30/18	50 Interest Current Year	Requirements				90	I 10/1/18 To Maturity Interest
		Year Ending 9/30/19		Year Ending 9/30/20			
		Principal	Interest	Principal	Interest		
\$ 1,580,000	\$ 79,325	\$ 235,000	\$ 69,618	\$ 245,000	\$ 58,935	\$ 237,120	
820,000	38,671	50,000	36,491	50,000	34,196	268,058	
355,000	38,975	240,000	19,975	115,000	4,888	4,888	
<u>\$ 2,755,000</u>	<u>\$ 156,971</u>	<u>\$ 525,000</u>	<u>\$ 126,084</u>	<u>\$ 410,000</u>	<u>\$ 98,019</u>	<u>\$ 510,066</u>	

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Office (361)980-0428 Fax (361)980-1002

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

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

Members of the Commissioner's Court:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brooks County, Texas, as of and for the year ended September 30, 2018, 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 12, 2019.

Internal Control Over Financial Reporting

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

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

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

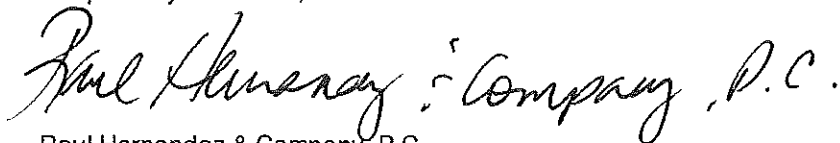
Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Raul Hernandez & Company, P.C.".

Raul Hernandez & Company, P.C.

Corpus Christi, TX
March 12, 2019

BROOKS COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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-N/A

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>
N/A	

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

Auditee qualified as low-risk auditee? Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

BROOKS COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

<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, 2018

N/A

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Raul Hernandez & Company, P. C.

Certified Public Accountants
5402 Holly Rd, Suite 102
Corpus Christi, Texas 78411
Office (361)980-0428 Fax (361)980-1002

able Eric Ramos, County Judge
ounty Commissioners
' of Brooks
as, Texas

pleased to confirm our understanding of the services we are to provide Brooks County, Texas for the year September 30, 2019. We will audit the financial statements of the governmental activities, each major fund, aggregate remaining fund information, including the related notes to the financial statements, which rely comprise the basic financial statements, of Brooks County, Texas as of and for the year ended December 30, 2019. Accounting standards generally accepted in the United States of America provide for certain supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement County, Texas' 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. As part of our engagement, we will apply certain limited procedures to Brooks County, Texas' RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures consist of inquiries of management regarding 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 information we obtained during our audit of the basic financial statements. We will not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to support an opinion or provide any assurance. The following RSI is required by generally accepted accounting standards and will be subjected to certain limited procedures, but will not be audited:

agement's Discussion and Analysis.

etary comparison schedules

B-required supplementary information

also been engaged to report on supplementary information other than RSI that accompanies Brooks County, Texas' financial statements. We will subject the following supplementary information to the auditing standards as applied in our audit of the financial statements and certain additional procedures, including comparing such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole.

chedule of expenditures of federal awards.

ining and individual fund statements

al standards promulgated by the American Institute of Certified Public Accountants (AICPA), the Government Accountability Office (GAO), and other require that auditors be independent of the clients for whom they perform attest services and that they document their independence. These standards apply to the services we are providing Brooks County, Texas. They may restrict some of the non-audit services we can do for you (such as our bookkeeping), but they allow us to provide numerous other services as long as you agree to the following services:

ake all management decisions and perform all management functions:

esignate an individual (preferably in senior management) who possesses suitable skill, knowledge, and/or experience to oversee the preparation of suggested adjustments and the draft of financial statements, including the adjustments needed to convert fund information to government-wide information

in the annual financial statements, and to oversee the filing of statements with appropriate regulatory or funding agencies:

- Evaluate the adequacy and results of the services performed by us;
- Accept responsibility for:
 - The County's accounting and information systems;
 - Adjustments we have suggested and you have approved;
 - The financial statements and other reports we have helped you prepare and you have approved, such as the audit data feed;
 - The submission of those financial statements and report to appropriate oversight or granting agencies;
 - Establish and maintain internal controls over the budgeting and bookkeeping process and over the data and report submission processes required by the Office of Management and Budget, and others.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of 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, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our single audit. Our reports will be addressed to management and the Commissioners Court of Brooks County, Texas. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the single audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the

areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a single audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Brooks County, Texas' compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Brooks County, Texas' major programs. The purpose of these procedures will be to express an opinion on Brooks County, Texas' compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Brooks County, Texas, in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements).

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes

and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Each year, the audit fee estimate is premised on the following assumptions:

- Brooks County, Texas will have available those individuals necessary to answer questions that will arise during the course of the work.
- Brooks County, Texas has maintained its system of internal accounting controls.
- Brooks County, Texas will prepare schedules and provide assistance to enable us to efficiently and successfully complete the engagement.
- No significant unanticipated accounting or auditing problems or changes will arise prior to our conducting this audit.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the County; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Raul Hernandez & Company, P.C., and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to state and federal agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Raul Hernandez & Company, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the state and federal agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit during August 2019 and to issue our reports no later than March 2020. Raul Hernandez is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$34,600. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 5 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for any reason, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). The first billing of \$8,000 will be due upon the signing of this engagement letter. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate.

We appreciate the opportunity to be of service to Brooks County, Texas, and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Raul Hernandez & Company, P.C.

Corpus Christi, Texas

RESPONSE:

This letter correctly sets forth the understanding of Brooks County; Texas.

Governance signature: _____



Title: County Judge

Date: March 22, 2019

FARRIS & FARRIS, CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

PAUL W. FARRIS, CPA
DEBRA E. FARRIS, CPA

13434 Leopard St., #A-29-A
Corpus Christi, TX 78410

(361) 241-0556
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farrisepa@aol.com

System Review Report

November 29, 2016

To the Owners

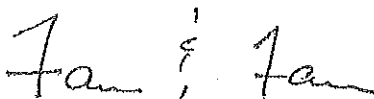
Raul Hernandez & Company, P.C.

and the Peer Review Committee of the Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Raul Hernandez & Company, P.C. (the firm) in effect for the year ended May 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the Government Auditing Standards.

In our opinion, the system of quality control for the accounting and auditing practice of Raul Hernandez & Company, P.C. in effect for the year ended May 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail. Raul Hernandez & Company, P.C. has received a peer review rating of pass.



Farris & Farris, CPA's

Raul Hernandez & Company, P.C.
Certified Public Accountants
5422 Holly Rd
Holly-Staples Square
Corpus Christi, Texas 78411
Office (361) 980-0428 Fax (361) 980-1002

March 22, 2019

Honorable Eric Ramos, County Judge
and County Commissioners
Brooks County
Falfurrias, Texas

We are confirming our understanding of the services to be provided in connection with the audit of the Proceeds of Criminal Asset Forfeitures, pursuant to Sections 59.06(g) of the code of Criminal Procedure, of the Brooks County Sheriff Department as of September 30, 2019 and for the twelve months then ended.

The purpose and scope of the audit will be to express an opinion on the Proceeds of Criminal Asset Forfeitures, pursuant to Sections 59.06(g) of the code of Criminal Procedure, of the Brooks County Sheriff Department and will be conducted in accordance with generally accepted auditing standards; and will include tests of the accounting records of the Proceeds of Criminal Asset Forfeitures, pursuant to Sections 59.06(g) of the code of Criminal Procedure, of the Brooks County Sheriff Department and such other procedures as we consider necessary to enable us to express an unqualified opinion that the Proceeds of Criminal Asset Forfeitures, pursuant to Sections 59.06(g) of the code of Criminal Procedure, of the Brooks County Sheriff Department are fairly presented, in all material respects, in conformity with generally accepted accounting principles. If our opinion is other than unqualified, we will discuss the reasons for being unable to issue an unqualified opinion with you in advance. If for any reason, we are unable to complete the audit, or are unable to form, or have not formed, an opinion, we may decline to express an opinion or decline to issue a report as a result of the audit.

The audit will be made in accordance with generally accepted auditing standards and, accordingly, will include such tests of the accounting records and such other auditing procedures, as we consider necessary in the circumstances to enable us to express an opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal control and for compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal award programs are managed in compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making all financial records and related information available to us, including any significant vendor relationships in which the vendor has the responsibility for program compliance. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud, or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud or illegal acts affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

As part of the audit, a letter of representation will be requested from management confirming (a) certain representations made orally during the audit that are not reflected in the Proceeds of Criminal Asset Forfeitures of the Brooks County Sheriff Department's books of account or other records and (b) certain other representations implicit in the books and records maintained by employees of the Proceeds of Criminal Asset Forfeitures of the Brooks County Sheriff Department. That letter will deal with matters

such as management's acknowledgment of its responsibilities for the fair presentation of the Proceeds of Criminal Asset Forfeitures of the Brooks County Sheriff Department information concerning related party transactions, plans or intentions that may affect the carrying value or classification of assets and liabilities, and similar matters.

As part of the audit of the Proceeds of Criminal Asset Forfeitures of the Brooks County Sheriff Department the annual audit will also include obtaining an understanding of the internal control structure and reporting any reportable conditions relating to the internal control structure that come to our attention.

Having regard to the test character of an audit, you will appreciate that an audit will not necessarily detect errors or other irregularities, should any exist. If during the audit material weaknesses in internal control or in operating procedures are observed, we will discuss these deficiencies with you to determine the scope of any additional work, which may be required.

We will be available to meet with the appropriate county officials at their request during the course of the audit and throughout the year. These meetings are beneficial in fulfilling our responsibilities and giving us insight as to any County concerns.

Our professional fees are based upon our regular rates (commensurate with the level of experience of the personnel assigned to the engagement) for the services provided as applied to the actual time spent on the engagement. Our fee estimate for the above service will be billed upon completion of the audit. We will appreciate the assistance of the Brooks County, Texas's personnel, as our approach is designed to utilize to the extent possible internally prepared reports, account analyses and other pertinent schedules prepared by your personnel. To the extent we can maximize the effectiveness of this approach; we can in turn minimize the charges on this engagement. Based upon our experience and knowledge of federal and AICPA requirements and standards, and our understanding of your operations, the audit should not exceed \$10,300.

The audit fee is premised on the following assumptions:

Brooks County, Texas will have available those individuals necessary to answer questions that will arise during the course of the work.

Brooks County, Texas has maintained its system of internal accounting controls.

Brooks County, Texas will prepare schedules and provide assistance to enable us to efficiently and successfully complete the engagement including the schedule of "Seized Property Pending Summary (units only)".

No significant unanticipated accounting or auditing problems or changes will arise prior to our conducting this audit.

In the event the aforementioned matters are substantially altered or other unusual circumstances or problems arise during the audit, we will first discuss the situation with you before proceeding, and any necessary revisions to the audit plan or fee will be mutually agreed to.

Workpapers prepared Raul Hernandez & Company, P.C. during the audit will be the sole property of the firm. However, we will furnish Brooks County, Texas with copies of selected work papers, as requested by Brooks County, Texas. Furthermore, the work papers will be made available for review upon the request of any appropriate agencies, or when legal proceedings order their release.

We are prepared to assist you with a wide range of financial and management services. Please call on us for advice on accounting or for consultation in connection with other management concerns. We will keep you informed of major accounting issues as they arise. Any significant consultation services regarding special accounting or management matters will be billed separately in accordance with a mutual understanding and agreement of the nature and extent of the services involved.

We appreciate the opportunity to serve Brooks County, Texas and will be happy to review this letter with the appropriate County personnel.

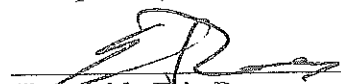
Please indicate your acceptance and understanding of the contents of this letter by signing below.

Very truly yours,

Raul Hernandez & Company, P.C.
Certified Public Accountants

Brooks County, Texas

Accepted By:



Honorable Eric Ramos,
County Judge

3/20/19
Date

FARRIS & FARRIS, CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

PAUL W. FARRIS, CPA
DEBRA E. FARRIS, CPA

13434 Leopard St., #A-29-A
Corpus Christi, TX 78410

(361) 241-0656
Fax (361) 241-0658
farriscpa@aol.com

System Review Report

November 29, 2016

To the Owners

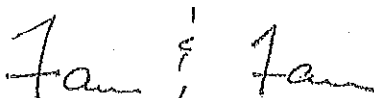
Raul Hernandez & Company, P.C.

and the Peer Review Committee of the Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Raul Hernandez & Company, P.C. (the firm) in effect for the year ended May 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the Government Auditing Standards.

In our opinion, the system of quality control for the accounting and auditing practice of Raul Hernandez & Company, P.C. in effect for the year ended May 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail. Raul Hernandez & Company, P.C. has received a peer review rating of pass.



Farris & Farris, CPA's