



# **COUNTY OF BROOKS, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2018**

**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

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**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 blue ink that reads "Raul Hernandez & Company, P.C." The signature is written in a cursive, flowing style.

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 &amp; changes in fund balances</i> <i>Statement of cash flows</i>	<i>Statement of Net Position</i> <i>Statement of rev, exp, &amp; 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

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## Government-wide Statements

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

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

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

## Fund Financial Statements

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

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

The County has the following kinds of funds:

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



# BROOKS COUNTY, TEXAS

## FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

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

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

	Governmental Activities		Increase (Decrease)
	<u>2018</u>	<u>2017</u>	<u>2018-2017</u>
<b>Current assets:</b>			
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	-	-	-
<b>Total current assets:</b>	<u>\$ 6,156,175</u>	<u>\$ 4,135,149</u>	<u>\$ 2,021,026</u>
<b>Non-current assets:</b>			
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
<b>Total non-current assets:</b>	<u>12,905,993</u>	<u>11,835,374</u>	<u>33,199</u>
<b>Total Assets</b>	<u>\$ 19,062,168</u>	<u>\$ 15,970,523</u>	<u>\$ 2,054,225</u>
<b>Deferred Outflows of Resources</b>			
Deferred Outflow Related to Pension Plan	159,347	1,394,073	(1,234,726)
Deferred Outflow Related to OPEB	16,574	-	16,574
<b>Total Deferred Outflows of Resources</b>	<u>175,921</u>	<u>1,394,073</u>	<u>(1,218,152)</u>
<b>Current Liabilities</b>			
Accounts payable and other current liabilities	187,307	166,724	20,583
Accrued Interest Payable	15,452	24,265	(8,813)
<b>Total current liabilities</b>	<u>202,759</u>	<u>190,989</u>	<u>11,770</u>
<b>Long-term Liabilities</b>			
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
<b>Total Liabilities</b>	<u>\$ 4,229,353</u>	<u>\$ 3,684,063</u>	<u>\$ 736,279</u>
<b>Deferred inflows of Resources:</b>			
Deferred Amounts Related to OPEB	8,908	-	8,908
Deferred Amounts Related to Pensions	499,835	497,545	2,290
<b>Total Deferred inflows of Resources</b>	<u>508,743</u>	<u>497,545</u>	<u>11,198</u>
<b>Net Position:</b>			
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
<b>Total Net Position</b>	<u>\$ 14,297,234</u>	<u>\$ 13,182,988</u>	<u>\$ 1,114,246</u>

# BROOKS COUNTY, TEXAS

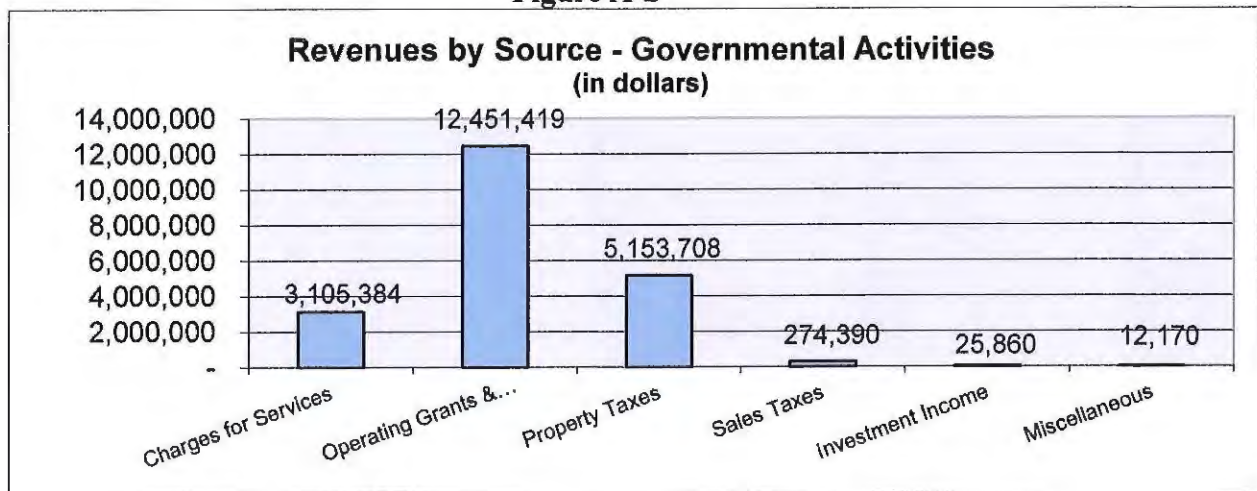
The increase of \$630,090 in accumulated depreciation was due to depreciation expense. \$552,327 of the County's restricted Net Position represents funds available for the debt service, while \$1,543,865 represents funds for capital project funds. These funds when spent are restricted for repayment of 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**

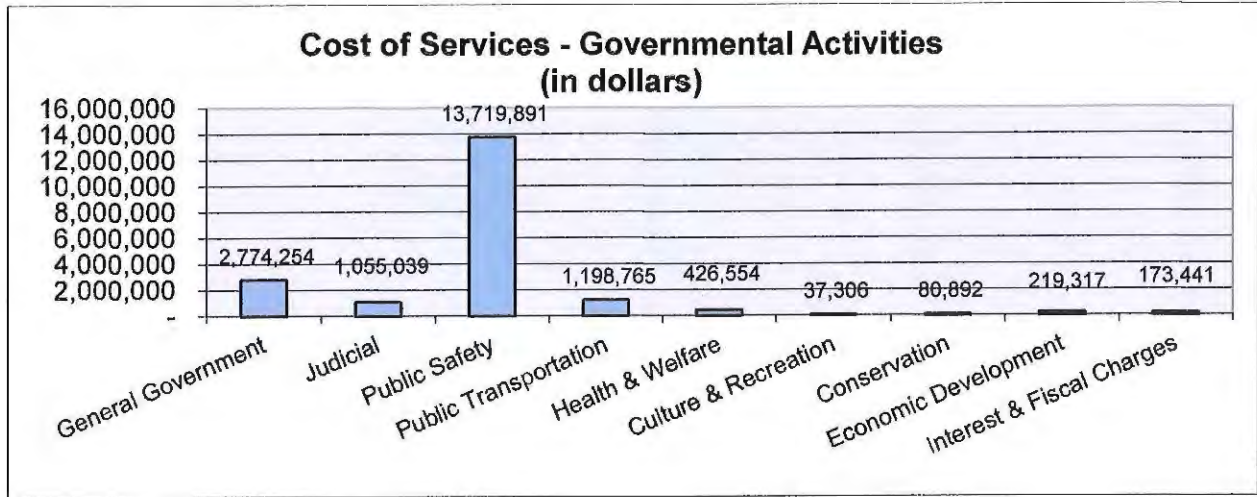
	Governmental Activities		Increase (Decrease)
	<u>2018</u>	<u>2017</u>	<u>2018-2017</u>
<b>Revenues:</b>			
<b>Program:</b>			
Charges for services	\$ 3,105,384	\$ 2,594,591	510,793
Operating Grants and Contributions	12,451,419	11,187,489	1,263,930
<b>General:</b>			
Property Taxes	5,153,708	4,843,480	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)
<b>Total Revenues</b>	<u>\$ 21,022,931</u>	<u>\$ 18,972,892</u>	<u>2,050,039</u>
<b>Cost of Services:</b>			
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)
<b>Total Cost of Services</b>	<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

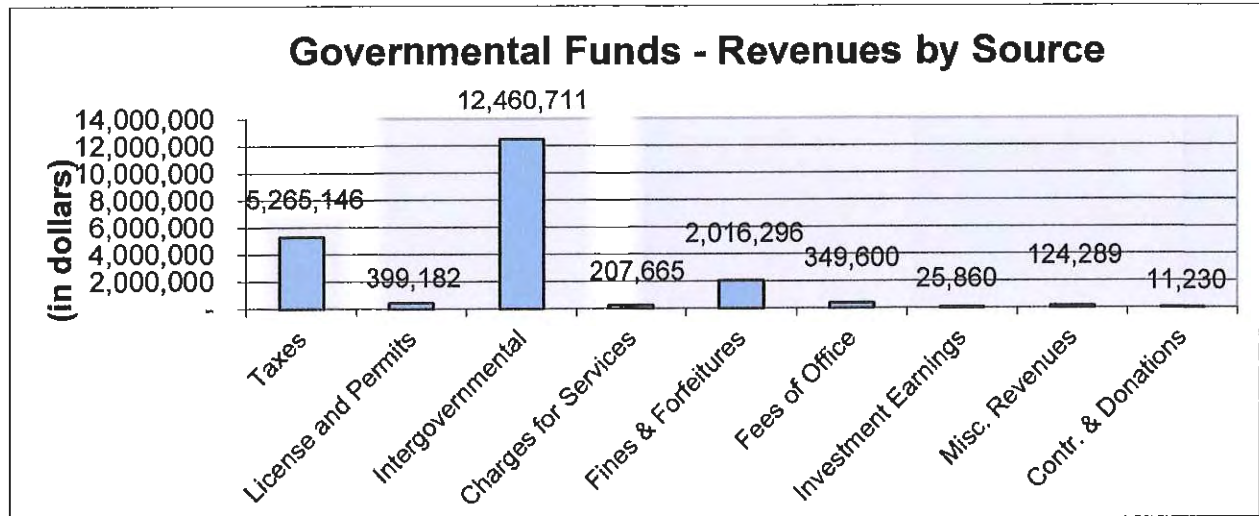
## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

### 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**

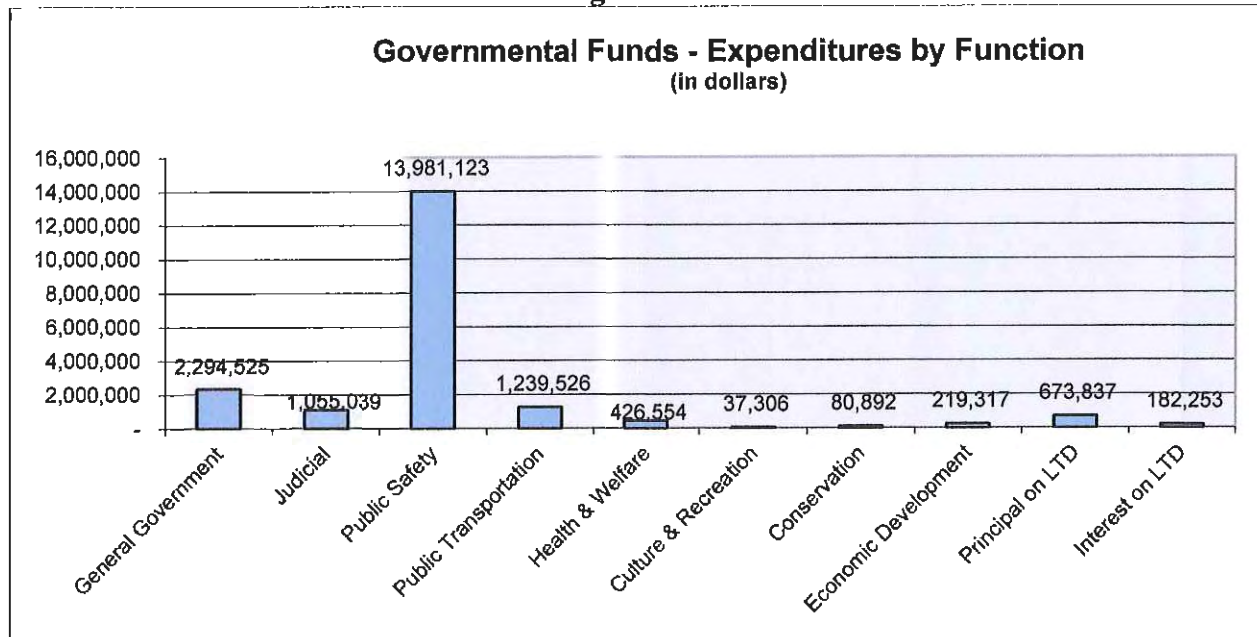
	FY 2018	FY 2017	Increase (Decrease)
Taxes	\$ 5,265,146	\$ 5,064,329	\$ 200,817
License and Permits	399,182	373,275	25,907
Intergovernmental	12,460,711	11,198,590	1,262,121
Charges for Services	207,665	139,893	67,772
Fines & Forfeitures	2,016,296	1,838,181	178,115
Fees of Office	349,600	177,967	171,633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

## 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)
<b>Total Expenditures</b>	<b>\$ 20,190,372</b>	<b>\$ 18,853,960</b>	<b>\$ 1,336,412</b>

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
	<u>\$ 1,103,091</u>	<u>\$ -</u>	<u>\$ 1,103,091</u>

## 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**

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>
	<b>2018</b>	<b>2017</b>	<b>2018-2017</b>
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**

	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Certificates of Obligation	\$ 2,755,000	\$ 3,245,000
Capital Leases	1,167,327	248,074
<b>Total governmental activities</b>	<b>\$ 3,922,327</b>	<b>\$ 3,493,074</b>



# BROOKS COUNTY, TEXAS

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## 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
<b>ASSETS:</b>	
<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>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflow Related to Pension Plan	159,347
Deferred Outflow Related to OPEB	16,574
Total Deferred Outflows of Resources	<u>175,921</u>
<b>LIABILITIES:</b>	
<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>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
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>
<b>NET POSITION:</b>	
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	
<b>PRIMARY GOVERNMENT:</b>				
Governmental Activities:				
General Government	\$ 2,774,254	\$ 2,017,793	\$ 5,934	\$ (750,527)
Judicial	1,055,039	317,793	--	(737,246)
Public Safety	13,719,891	308,118	12,210,753	(1,201,020)
Public Transportation	1,198,765	461,680	227,436	(509,649)
Health and Welfare	426,554	--	7,296	(419,258)
Culture and Recreation	37,306	--	--	(37,306)
Conservation	80,892	--	--	(80,892)
Economic Development and Assistance	219,317	--	--	(219,317)
Interest on Long-term Debt	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:				
Property Taxes				5,153,708
Sales Taxes				274,390
Investment Income				25,860
Miscellaneous Revenues				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				12,959,762
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 &amp; Bridge Fund</u>
<b>ASSETS AND OTHER DEBITS</b>		
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>
<b>LIABILITIES AND FUND BALANCES:</b>		
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>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
<i>Unavailable Revenue Property Taxes</i>	1,149,231	196,704
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	1,348,262	--
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.

EXHIBIT A-3

<u>GEO Group Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 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
--	--	1,345,935
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.

EXHIBIT A-5

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>
1,241,941	(680,274)	669,607
--	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.	<u>(209,118)</u>
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
<b>ASSETS:</b>	
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>
<b>LIABILITIES:</b>	
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>
<b>NET POSITION:</b>	
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
<b>Cash Flows from Operating Activities:</b>	
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>
<b>Cash Flows from Non-capital Financing Activities:</b>	
Operating Transfers From (To) Primary Government	--
Operating Transfers From (To) Other Funds	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u>--</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Proceeds from Issuance of Long-term Debt	--
Principal and Interest Paid	--
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>--</u>
<b>Cash Flows from Investing Activities:</b>	
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>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
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*

	<u>Agency Funds</u>
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*  
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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**  
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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**  
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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
<u>Governmental activities:</u>				
<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**  
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**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:

Due To Fund	Due From Fund	Amount	Purpose
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:

Transfers From	Transfers To	Amount	Reason
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**  
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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
<b>Governmental activities:</b>					
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
<b>Total governmental activities</b>	<b>\$ 3,493,074</b>	<b>\$ 1,103,090</b>	<b>\$ 673,837</b>	<b>\$ 3,922,327</b>	<b>\$ 828,798</b>

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
<b>Totals</b>	<b>\$ 2,755,000</b>	<b>\$ 530,041</b>	<b>\$ 3,285,041</b>

**BROOKS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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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**  
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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	\$ 18,324,486	\$ 20,376,363	\$ (2,051,877)

**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 a 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		
<b>REVENUE:</b>				
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>
<b>EXPENDITURES:</b>				
<b>General Government</b>				
<b>Commissioners' Court</b>				
<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>
<b>County Judge</b>				
<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>
<b>County Clerk</b>				
<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>
<b>County Auditor</b>				
<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>
<b>County Treasurer</b>				
<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>
<b>Tax Assessor-Collector</b>				
<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>
<b>Courthouse and Buildings</b>				
<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>
<b>Voter Registration</b>				
<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		
<b>Non-Departmental</b>				
<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)
<b>Total General Government</b>	2,083,279	2,124,311	2,136,169	(11,858)
<b>Judicial</b>				
<b>County court</b>				
<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
<b>District Court</b>				
<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
<b>District Clerk</b>				
<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
<b>Justice of the Peace</b>				
<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
<b>County Attorney</b>				
<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
<b>District Attorney</b>				
<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
<b>Juvenile Court</b>				
<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
<b>Total Judicial</b>	918,390	918,381	855,869	62,512
<b>Public Safety</b>				
<b>Adult Probation</b>				
<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
<b>Constables</b>				
<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**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Sheriff</b>				
<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>
<b>County Jail</b>				
<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>
<b>Fire Marshall &amp; LEPC Coordinator</b>				
<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 &amp; LEPC</i>	<u>29,048</u>	<u>29,048</u>	<u>26,052</u>	<u>2,996</u>
<b>Total Public Safety</b>	<u>2,104,289</u>	<u>2,068,288</u>	<u>2,379,214</u>	<u>(310,926)</u>
<b>Public Transportation</b>				
<b>Texas Department of Public Safety</b>				
<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>
<b>Weigh Station</b>				
<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>
<b>Total Public Transportation</b>	<u>75,480</u>	<u>59,035</u>	<u>55,463</u>	<u>3,572</u>
<b>Health and Welfare</b>				
<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>
<b>Out-Patient Clinic</b>				
<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>
<b>Indigent</b>				
<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>
<b>Total Health and Welfare</b>	<u>175,430</u>	<u>177,730</u>	<u>165,043</u>	<u>12,687</u>
<b>Culture and Recreation</b>				
<b>Library</b>				
<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>
<b>Total Culture and Recreation</b>	<u>38,285</u>	<u>38,285</u>	<u>36,294</u>	<u>1,991</u>
<b>Conservation</b>				
<b>County Extension Agent</b>				
<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>
<b>Total Conservation</b>	<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)
<b>Total Expenditures</b>	<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>
<b>OTHER FINANCING SOURCES (USES):</b>				
<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)
<b>Total Other Financing Sources (Uses)</b>	<u>(15,490)</u>	<u>(18,890)</u>	<u>362,135</u>	<u>(381,025)</u>
<b>Net Change in Fund Balances</b>	<u>(346,992)</u>	<u>(356,953)</u>	<u>245,695</u>	<u>602,648</u>
Fund Balances - Beginning	1,102,567	1,102,567	1,102,567	--
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		
<b>REVENUE:</b>				
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
<b>Total revenues</b>	<u>1,384,887</u>	<u>1,384,887</u>	<u>1,393,115</u>	<u>8,228</u>
<b>EXPENDITURES:</b>				
<b>Public Transportation</b>				
<b>Public Transportation</b>				
<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
<b>Total Public Transportation</b>	<u>1,519,887</u>	<u>1,542,387</u>	<u>1,119,299</u>	<u>423,088</u>
<b>Total Public Transportation</b>	<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
<b>Total Expenditures</b>	<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>
<b>OTHER FINANCING SOURCES (USES):</b>				
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balances</b>	<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		
<b>REVENUE:</b>				
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>
<b>EXPENDITURES:</b>				
<b>Public Safety</b>				
<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>
<b>Total Public Safety</b>	<u>10,005,000</u>	<u>10,005,000</u>	<u>10,155,669</u>	<u>(150,669)</u>
<b>Total Expenditures</b>	<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>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers Out</i>	(310,000)	(310,000)	(333,406)	(23,406)
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
<b>Total pension liability:</b>				
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)
<b>Net change in total pension liability</b>	<u>455,563</u>	<u>(450,635)</u>	<u>816,940</u>	<u>421,453</u>
<b>Total pension liability - beginning</b>	<u>17,868,922</u>	<u>18,319,557</u>	<u>17,502,617</u>	<u>17,081,164</u>
<b>Total pension liability - ending (a)</b>	<u>\$18,324,485</u>	<u>\$17,868,922</u>	<u>\$18,319,557</u>	<u>\$17,502,617</u>
<b>Plan fiduciary net position:</b>				
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)
<b>Net change in plan fiduciary net position</b>	<u>1,492,983</u>	<u>559,355</u>	<u>(945,397)</u>	<u>350,036</u>
<b>Plan fiduciary net position - beginning</b>	<u>18,883,380</u>	<u>18,324,027</u>	<u>19,269,424</u>	<u>18,919,387</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$20,376,363</u>	<u>\$18,883,382</u>	<u>\$18,324,027</u>	<u>\$19,269,423</u>
<b>County's net pension liability - ending (a) - (b)</b>	<u>(\$2,051,878)</u>	<u>(\$1,014,460)</u>	<u>(\$4,470)</u>	<u>(\$1,766,806)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	111.20%	97.01%	100.02%	110.09%
<b>Covered-employee payroll</b>	\$3,614,416	\$3,730,467	\$3,672,617	\$2,856,590
<b>County's net pension liability as a percentage of covered-employee payroll</b>	-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

	Fisc		Fisc		Fisc		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.

\* 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	<u>(12,650)</u>
Net Change in Total OPEB Liability	(742)
Total OPEB Liability - Beginning	<u>307,767</u>
Total OPEB Liability - Ending	<u>\$307,025</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)
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
<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
<b>Total Assets</b>	<u>\$ 1,081,788</u>	<u>\$ 53,514</u>	<u>\$ 468,320</u>	<u>\$ 1,603,622</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
<i>Accounts Payable</i>	\$ 37,304	\$ --	\$ --	\$ 37,304
<i>Due to Other Funds</i>	7,337	--	--	7,337
<b>Total Liabilities</b>	<u>44,641</u>	<u>--</u>	<u>--</u>	<u>44,641</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
<b>Fund Balances:</b>				
<b>Restricted Fund Balances:</b>				
Federal or State Funds Grant Restriction	1,037,147	--	--	1,037,147
Retirement for Long-Term Debt	--	53,514	--	53,514
<b>Committed Fund Balance</b>				
Constuction	--	--	468,320	468,320
<b>Unassigned Fund Balance</b>				
<b>Total Fund Balance</b>	<u>1,037,147</u>	<u>53,514</u>	<u>468,320</u>	<u>1,558,981</u>
<b>Total Liabilities and Fund Balance</b>	<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:				
Taxes:				
<i>General Property Taxes</i>	\$ --	\$ 591,770	\$ --	\$ 591,770
<i>General Sales and Use Taxes</i>	274,390	--	--	274,390
<i>License and Permits</i>	147,044	--	--	147,044
<i>Intergovernmental</i>	877,665	--	--	877,665
<i>Charges for Services</i>	143,685	--	--	143,685
<i>Fines and Forfeitures</i>	179,190	--	--	179,190
<i>Fees of Office</i>	112,834	--	--	112,834
<i>Investment Earnings</i>	4,497	775	31	5,303
<i>Miscellaneous Revenues</i>	9,469	--	--	9,469
<i>Contributions &amp; Donations</i>	11,230	--	--	11,230
Total revenues	<u>1,760,004</u>	<u>592,545</u>	<u>31</u>	<u>2,352,580</u>
Expenditures:				
Current:				
<i>General Government</i>	6,178	--	152,178	158,356
<i>Judicial</i>	199,170	--	--	199,170
<i>Public Safety</i>	1,446,240	--	--	1,446,240
<i>Public Transportation</i>	47,199	--	17,565	64,764
<i>Health and Welfare</i>	261,511	--	--	261,511
<i>Culture and Recreation</i>	1,012	--	--	1,012
<i>Economic Development and Assistance</i>	219,317	--	--	219,317
Debt Service:				
<i>Principal</i>	32,506	490,000	--	522,506
<i>Interest and Fiscal Charges</i>	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):				
<i>Transfers In</i>	471,254	31,000	--	502,254
<i>Transfers Out</i>	(17,361)	(31,000)	(5)	(48,366)
<i>Capital Leases</i>	--	--	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>
<b>ASSETS AND OTHER DEBITS</b>				
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>	--	--	--	--
<b>Total Assets</b>	<u>\$ 60,567</u>	<u>\$ 11,574</u>	<u>\$ 3,296</u>	<u>\$ 1,805</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
<i>Accounts Payable</i>	\$ (544)	\$ 1,866	\$ --	\$ 8
<i>Due to Other Funds</i>	--	--	--	1,000
<b>Total Liabilities</b>	<u>(544)</u>	<u>1,866</u>	<u>--</u>	<u>1,008</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Fund Balances:				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	61,111	9,708	3,296	797
Committed Fund Balance	--	--	--	--
Unassigned Fund Balance	--	--	--	--
<b>Total Fund Balance</b>	<u>61,111</u>	<u>9,708</u>	<u>3,296</u>	<u>797</u>
<b>Total Liabilities and Fund Balance</b>	<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 &amp; Treatment Fund</u>	<u>County Attorney Hot Check Fund</u>	<u>Homeland Security</u>	<u>Ed Rachal Sheriff Grant</u>
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
<i>Cash and Cash Equivalents</i>	\$ 50,739	\$ 576	\$ 38,659	\$ 14,445
<i>Restricted Cash</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
<b>Total Assets</b>	<u>\$ 50,739</u>	<u>\$ 576</u>	<u>\$ 38,659</u>	<u>\$ 14,445</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
<i>Accounts Payable</i>	\$ 25	\$ 14	\$ 130	\$ 23
<i>Due to Other Funds</i>	--	--	6,337	--
<b>Total Liabilities</b>	<u>25</u>	<u>14</u>	<u>6,467</u>	<u>23</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
<b>Fund Balances:</b>				
<b>Restricted Fund Balances:</b>				
Federal or State Funds Grant Restriction	50,714	562	32,192	14,422
Committed Fund Balance				
Unassigned Fund Balance	--	--	--	--
<b>Total Fund Balance</b>	<u>50,714</u>	<u>562</u>	<u>32,192</u>	<u>14,422</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 50,739</u>	<u>\$ 576</u>	<u>\$ 38,659</u>	<u>\$ 14,445</u>

Employee Vending Machine Commission Fund	Election Service Contract Fund	County Airport	Law Library Fund	Code Enforcement Arrest Fee Fund
\$ 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>
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
<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	--	--	--
<b>Total Assets</b>	<u>\$ 26,852</u>	<u>\$ 3,611</u>	<u>\$ 22,310</u>	<u>\$ 60,891</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
<i>Accounts Payable</i>	\$ 5,095	\$ --	\$ --	\$ --
<i>Due to Other Funds</i>	--	--	--	--
<b>Total Liabilities</b>	<u>5,095</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
<b>Fund Balances:</b>				
<b>Restricted Fund Balances:</b>				
Federal or State Funds Grant Restriction	21,757	3,611	22,310	60,891
<b>Committed Fund Balance</b>	--	--	--	--
<b>Unassigned Fund Balance</b>	<u>21,757</u>	<u>3,611</u>	<u>22,310</u>	<u>60,891</u>
<b>Total Fund Balance</b>	<u>21,757</u>	<u>3,611</u>	<u>22,310</u>	<u>60,891</u>
<b>Total Liabilities and Fund Balance</b>	<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	\$ --
--	--	--	--	--
--	<u>22,417</u>	--	<u>6,258</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>
<b>ASSETS AND OTHER DEBITS</b>				
Assets:				
<i>Cash and Cash Equivalents</i>	\$ 50	\$ 24,740	\$ 147,012	\$ 7,909
<i>Restricted Cash</i>	--	--	--	--
<i>Due from Other Funds</i>	--	--	--	--
<b>Total Assets</b>	<u>\$ 50</u>	<u>\$ 24,740</u>	<u>\$ 147,012</u>	<u>\$ 7,909</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Due to Other Funds</i>	--	--	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Fund Balances:				
Restricted Fund Balances:				
Federal or State Funds Grant Restriction	50	24,740	147,012	7,909
Committed Fund Balance				
Unassigned Fund Balance	--	--	--	--
<b>Total Fund Balance</b>	<u>50</u>	<u>24,740</u>	<u>147,012</u>	<u>7,909</u>
<b>Total Liabilities and Fund Balance</b>	<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 &amp; 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>

Alien Death Processing	Chapter 19	Constables Abandoned Vehicles	Sheriff Abandoned Vehicles	Sheriff's Contributions
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	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>
--	--	--	--	6,178
--	--	--	--	--
64,286	--	3,409	128,125	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<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:				
<i>General Sales and Use Taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>License and Permits</i>	--	--	--	--
<i>Intergovernmental</i>	--	--	9,068	7,296
<i>Charges for Services</i>	--	--	--	--
<i>Fines and Forfeitures</i>	--	--	--	--
<i>Fees of Office</i>	11,611	50,172	--	--
<i>Investment Earnings</i>	169	342	58	243
<i>Miscellaneous Revenues</i>	--	--	--	--
<i>Contributions &amp; Donations</i>	--	--	--	--
Total revenues	<u>11,780</u>	<u>50,514</u>	<u>9,126</u>	<u>7,539</u>
Expenditures:				
Current:				
<i>General Government</i>	--	--	--	--
<i>Judicial</i>	1,203	--	--	--
<i>Public Safety</i>	--	49,667	--	--
<i>Public Transportation</i>	--	--	--	--
<i>Health and Welfare</i>	--	--	--	3,285
<i>Culture and Recreation</i>	--	--	--	--
<i>Economic Development and Assistance</i>	--	--	--	--
Debt Service:				
<i>Principal</i>	--	--	--	--
<i>Interest and Fiscal Charges</i>	--	--	--	--
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):				
<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	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
<b>Revenue:</b>				
<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 &amp; Donations</i>	--	--	--	--
<b>Total revenues</b>	<u>9,696</u>	<u>3,926</u>	<u>36,276</u>	<u>71,476</u>
<b>Expenditures:</b>				
<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>	--	--	--	--
<b>Total Expenditures</b>	<u>39,839</u>	<u>4,476</u>	<u>46,188</u>	<u>62,044</u>
<b>Excess (Deficiency) of Revenues     Over (Under) Expenditures</b>	<u>(30,143)</u>	<u>(550)</u>	<u>(9,912)</u>	<u>9,432</u>
<b>Other Financing Sources (Uses):</b>				
<i>Transfers In</i>	32,000	--	--	--
<i>Transfers Out</i>	--	--	--	--
<b>Total Other Financing Sources (Uses)</b>	<u>32,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balances</b>	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 Crt 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>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:				
Taxes:				
<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 &amp; Donations</i>	--	--	--	--
Total revenues	<u>1,459</u>	<u>100,094</u>	<u>218,368</u>	<u>108,557</u>
Expenditures:				
Current:				
<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	--
Debt Service:				
<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>
--	--	--	--	--
--	--	--	--	(176)
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(176)</u>
(28,717)	--	(337)	(47,159)	(176)
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:			
<i>General Sales and Use Taxes</i>	\$ --	\$ --	\$ --
<i>License and Permits</i>	--	--	--
<i>Intergovernmental</i>	4,830	126,970	--
<i>Charges for Services</i>	--	--	--
<i>Fines and Forfeitures</i>	--	--	--
<i>Fees of Office</i>	--	--	--
<i>Investment Earnings</i>	24	--	--
<i>Miscellaneous Revenues</i>	--	--	--
<i>Contributions &amp; Donations</i>	--	--	--
Total revenues	<u>4,854</u>	<u>126,970</u>	<u>--</u>
Expenditures:			
Current:			
<i>General Government</i>	--	--	--
<i>Judicial</i>	--	--	--
<i>Public Safety</i>	--	265,129	--
<i>Public Transportation</i>	--	--	--
<i>Health and Welfare</i>	--	--	--
<i>Culture and Recreation</i>	--	--	--
<i>Economic Development and Assistance</i>	--	--	--
Debt Service:			
<i>Principal</i>	--	--	--
<i>Interest and Fiscal Charges</i>	--	--	--
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):			
<i>Transfers In</i>	--	120,337	--
<i>Transfers Out</i>	--	--	(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>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
16,191	1,200	--	2,215,363
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
(16,191)	(1,200)	225	(455,359)
15,848	--	--	471,254
--	--	--	(17,361)
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
15,848	--	--	453,893
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
(343)	(1,200)	225	(1,466)
651	2,800	1,583	1,038,613
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
\$ 308	\$ 1,600	\$ 1,808	\$ 1,037,147

**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		
<b>REVENUE:</b>				
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>
<b>EXPENDITURES:</b>				
<b>Public Safety</b>				
<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>
<b>Total Public Safety</b>	<u>11,000</u>	<u>11,000</u>	<u>--</u>	<u>11,000</u>
<b>Total Expenditures</b>	<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>
<b>OTHER FINANCING SOURCES (USES):</b>				
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		
<b>REVENUE:</b>				
Taxes:				
<i>General Sales and Use Taxes</i>	\$ 252,000	\$ 252,000	\$ 274,390	\$ 22,390
Investment Earnings	--	--	179	179
<b>Total revenues</b>	<u>252,000</u>	<u>252,000</u>	<u>274,569</u>	<u>22,569</u>
<b>EXPENDITURES:</b>				
<b>Health and Welfare</b>				
<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>
<b>Total Health and Welfare</b>	<u>262,000</u>	<u>262,000</u>	<u>258,226</u>	<u>3,774</u>
<b>Total Expenditures</b>	<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>
<b>OTHER FINANCING SOURCES (USES):</b>				
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		
<b>REVENUE:</b>				
<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>
<b>EXPENDITURES:</b>				
<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)
<b>Total Expenditures</b>	<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)
<b>OTHER FINANCING SOURCES (USES):</b>				
<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)
<b>ASSETS AND OTHER DEBITS</b>			
<b>Assets:</b>			
<i>Cash and Cash Equivalents</i>	\$ 24	\$ 468,296	\$ 468,320
Total Assets	<u>\$ 24</u>	<u>\$ 468,296</u>	<u>\$ 468,320</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>Liabilities:</b>			
<b>DEFERRED INFLOWS OF RESOURCES</b>			
<b>Fund Balances:</b>			
<b>Restricted Fund Balances:</b>			
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>	<u>          --</u>	<u>          --</u>
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>

EXHIBIT C-9

Brooks County 2018 Projects Fund	Courthouse Renovation	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
\$ --	\$ --	\$ 31
<u>    --</u>	<u>    --</u>	<u>    31</u>
152,178	--	152,178
--	--	17,565
<u>152,178</u>	<u>    --</u>	<u>169,743</u>
<u>(152,178)</u>	<u>    --</u>	<u>(169,712)</u>
--	(3)	(5)
<u>620,474</u>	<u>    --</u>	<u>620,474</u>
<u>620,474</u>	<u>    (3)</u>	<u>620,469</u>
468,296	(3)	450,757
--	3	17,563
<u>\$ 468,296</u>	<u>\$ --</u>	<u>\$ 468,320</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		
<b>REVENUE:</b>				
Investment Earnings	\$ 31	\$ 31	\$ 31	\$ --
Total revenues	<u>31</u>	<u>31</u>	<u>31</u>	<u>--</u>
<b>EXPENDITURES:</b>				
<b>Public Transportation</b>				
<b>Public Transportation</b>				
<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>
<b>Total Public Transportation</b>	<u>7,700</u>	<u>7,700</u>	<u>17,565</u>	<u>(9,865)</u>
<b>Total Expenditures</b>	<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>
<b>OTHER FINANCING SOURCES (USES):</b>				
<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
\$ 185,695	\$ 40	\$ 74,799	\$ 68,202	\$ 41,864
\$ 185,695	\$ 40	\$ 74,799	\$ 68,202	\$ 41,864
\$ 185,695	\$ 40	\$ 74,799	\$ 68,202	\$ 41,864

**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)
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 2,096	\$ 20,418	\$ 985,017
<b>Total Assets</b>	<u>\$ 2,096</u>	<u>\$ 20,418</u>	<u>\$ 985,017</u>
<b>LIABILITIES:</b>			
<i>Due to Other Governments and Agencies</i>	\$ 2,096	\$ 20,418	\$ 985,017
<b>Total Liabilities</b>	<u>\$ 2,096</u>	<u>\$ 20,418</u>	<u>\$ 985,017</u>
<b>NET POSITION</b>			

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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
<b>Payroll Fund</b>				
<b>ASSETS</b>				
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>
<b>LIABILITIES</b>				
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>
<b>State Fees Fund</b>				
<b>ASSETS</b>				
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>
<b>LIABILITIES</b>				
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>
<b>Appellate Judicial System</b>				
<b>ASSETS</b>				
Cash & Investments	\$ 95	\$ 375	\$ 430	\$ 40
	--	--	--	--
Total Assets	<u>\$ 95</u>	<u>\$ 375</u>	<u>\$ 430</u>	<u>\$ 40</u>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 95	\$ 375	\$ 430	\$ 40
	--	--	--	--
Total Liabilities	<u>\$ 95</u>	<u>\$ 375</u>	<u>\$ 430</u>	<u>\$ 40</u>
<b>District Attorney Escrow Fund</b>				
<b>ASSETS</b>				
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>
<b>LIABILITIES</b>				
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
<b>County Clerk Funds</b>				
<b>ASSETS</b>				
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>
<b>LIABILITIES</b>				
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>
<b>District Clerk Funds</b>				
<b>ASSETS</b>				
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>
<b>LIABILITIES</b>				
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>
<b>FICA Tax Fund</b>				
<b>ASSETS</b>				
Cash & Investments	\$ 23,299	\$ 572,066	\$ 595,365	\$ --
Total Assets	<u>\$ 23,299</u>	<u>\$ 572,066</u>	<u>\$ 595,365</u>	<u>\$ --</u>
<b>LIABILITIES</b>				
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>
<b>Withholding Tax Fund</b>				
<b>ASSETS</b>				
Cash & Investments	\$ 12,109	\$ 246,166	\$ 258,275	\$ --
Total Assets	<u>\$ 12,109</u>	<u>\$ 246,166</u>	<u>\$ 258,275</u>	<u>\$ --</u>
<b>LIABILITIES</b>				
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
<b><u>Tax Assessor Collector Fund</u></b>				
<b>ASSETS</b>				
Cash & Investments	\$ 48,412	\$ 13,774,850	\$ 13,781,398	\$ 41,864
	--	--	--	--
Total Assets	<u>\$ 48,412</u>	<u>\$ 13,774,850</u>	<u>\$ 13,781,398</u>	<u>\$ 41,864</u>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 48,412	\$ 13,774,850	\$ 13,781,398	\$ 41,864
	--	--	--	--
Total Liabilities	<u>\$ 48,412</u>	<u>\$ 13,774,850</u>	<u>\$ 13,781,398</u>	<u>\$ 41,864</u>
<b><u>Sheriff Regular Account</u></b>				
<b>ASSETS</b>				
Cash & Investments	\$ 1,641	\$ 20,201	\$ 19,746	\$ 2,096
	--	--	--	--
Total Assets	<u>\$ 1,641</u>	<u>\$ 20,201</u>	<u>\$ 19,746</u>	<u>\$ 2,096</u>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 1,641	\$ 20,201	\$ 19,746	\$ 2,096
	--	--	--	--
Total Liabilities	<u>\$ 1,641</u>	<u>\$ 20,201</u>	<u>\$ 19,746</u>	<u>\$ 2,096</u>
<b><u>Sheriff Bond Account</u></b>				
<b>ASSETS</b>				
Cash & Investments	\$ 19,321	\$ 5,008	\$ 207	\$ 24,122
	--	--	--	--
Total Assets	<u>\$ 19,321</u>	<u>\$ 5,008</u>	<u>\$ 207</u>	<u>\$ 24,122</u>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 19,321	\$ 5,008	\$ 207	\$ 24,122
	--	--	--	--
Total Liabilities	<u>\$ 19,321</u>	<u>\$ 5,008</u>	<u>\$ 207</u>	<u>\$ 24,122</u>
<b><u>TCDRS Fund</u></b>				
<b>ASSETS</b>				
Cash & Investments	\$ 18,039	\$ 237,984	\$ 235,605	\$ 20,418
	--	--	--	--
Total Assets	<u>\$ 18,039</u>	<u>\$ 237,984</u>	<u>\$ 235,605</u>	<u>\$ 20,418</u>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 18,039	\$ 237,984	\$ 235,605	\$ 20,418
	--	--	--	--
Total Liabilities	<u>\$ 18,039</u>	<u>\$ 237,984</u>	<u>\$ 235,605</u>	<u>\$ 20,418</u>
<b><u>TOTAL AGENCY FUNDS:</u></b>				
<b>ASSETS</b>				
Cash & Investments	\$ 856,948	\$ 21,491,462	\$ 21,363,393	\$ 985,017
	--	--	--	--
Total Assets	<u>\$ 856,948</u>	<u>\$ 21,491,462</u>	<u>\$ 21,363,393</u>	<u>\$ 985,017</u>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 856,948	\$ 21,491,462	\$ 21,363,393	\$ 985,017
	--	--	--	--
Total Liabilities	<u>\$ 856,948</u>	<u>\$ 21,491,462</u>	<u>\$ 21,363,393</u>	<u>\$ 985,017</u>

### *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
		60		70			
		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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**Raul Hernandez and Company, P.C.**  
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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 blue ink that reads "Raul Hernandez & Company, P.C." The signature is written in a cursive style.

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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