

# **BRAZOS COUNTY, TEXAS HEALTH DISTRICT**

**Financial Statements  
September 30, 2021**



Prepared by:

**Katie Conner, C.P.A.**  
**County Auditor**

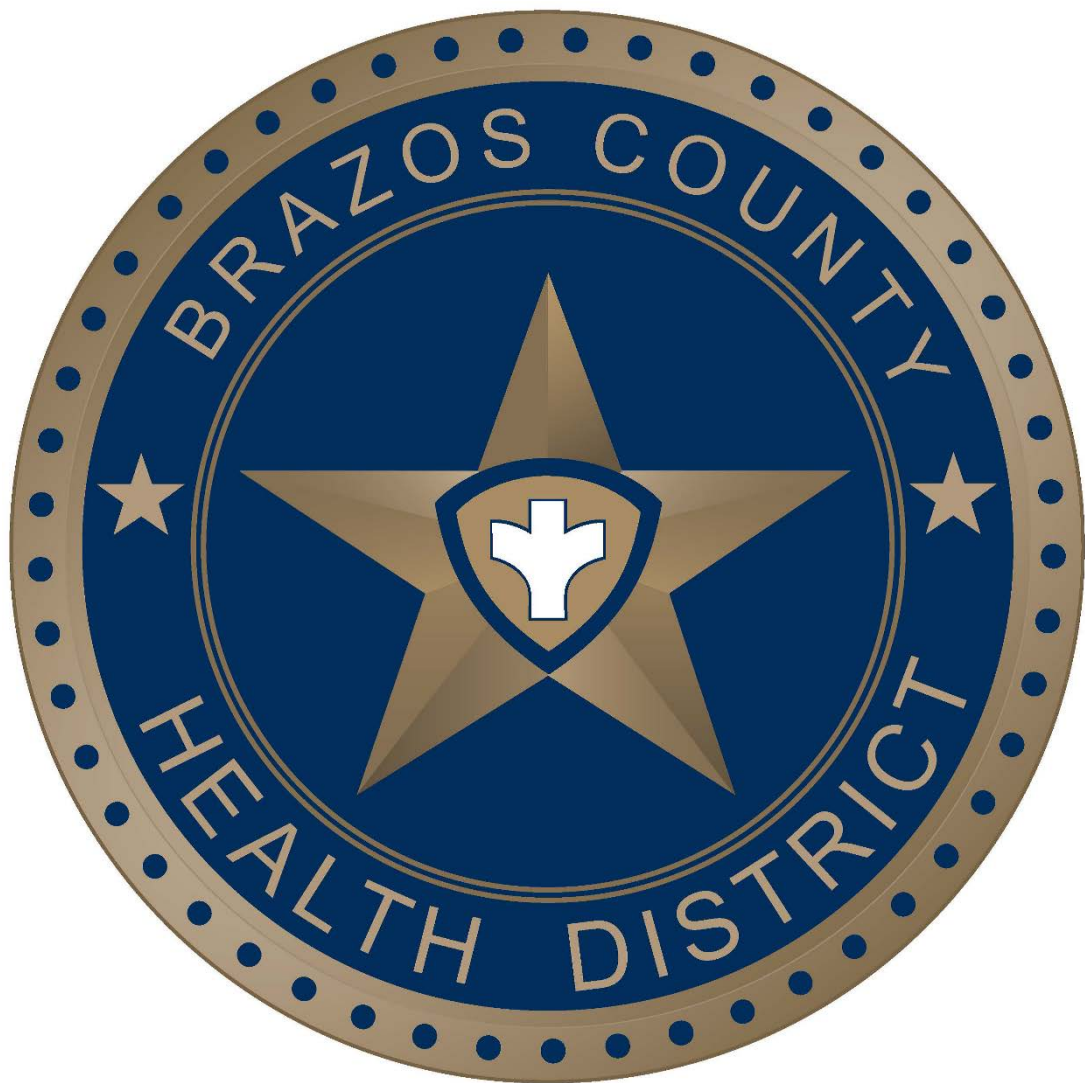
**Santos Navarrette**  
**Director**



**BRAZOS COUNTY HEALTH DISTRICT**  
**For the Year Ended September 30, 2021**

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## Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITORS' REPORT

Brazos County Board of Health  
Brazos County Health District  
Bryan, Texas

We have audited the accompanying financial statements of the governmental activities and the general fund of the Brazos County Health District (the "District") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 and the general fund of the District as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the Brazos County Health District and are not intended to present fairly the financial position of Brazos County, Texas and the results of its operations in conformity with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension plan information, and other post employment benefits information on pages 4-9 and 41-45 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***

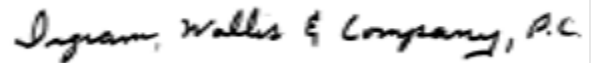
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The statistical section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal and state awards is the responsibility of management and was derived from and relates 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 schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2022, on our consideration of the District'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 District'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 the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Ingram, Wallis & Company, P.C." is enclosed within a thin black rectangular border.

Bryan, Texas  
May 11, 2022

# MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

## For the Year Ended September 30, 2021

This section of the Brazos County Health District (the “District”) annual financial report presents management’s discussion and analysis (“MD&A”) of the financial performance of the primary government during the fiscal year ended September 30, 2021. Please read the MD&A in conjunction with the District’s basic financial statements following this section.

### FINANCIAL HIGHLIGHTS

- The total government-wide liabilities (and deferred inflows of resources) of the District exceeded the assets (and deferred outflows of resources) at September 30, 2021 by \$2,937,608 and are reported as a net deficit of the primary government.
- As of September 30, 2021, the District governmental fund reported fund balance of \$1,302,723, 93.45% of which is available to meet the District’s current and future needs (unassigned fund balance). The remaining 6.55% is restricted. The fund balance represents 24.05% of total governmental fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements and 3) notes to the basic financial statements. Required supplementary information is included in addition to the basic financial statements.

Government-wide financial statements are designed to provide readers with a broad overview of District finances, in a manner similar to a private-sector business. They include a statement of net position and a statement of activities. Both of these statements are presented using the accrual method of accounting; therefore, revenues and expenses are taken into account regardless of when cash is received or paid.

The statement of net position presents information on all District assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The governmental activities of the District include general administration, environmental services, clinic services, lab services, immunization services, cold chain storage, infectious disease,



tuberculosis services, public health crisis response, CARES community development block grant, regional health programs, bioterrorism preparedness, healthy community promotion, contact tracing, COVID-19 response, Brazos County CARES act, the 340B drug program, and the Medicaid transformation waiver programs (medical records, adult immunization, and HIV testing).

**Fund Financial Statements** - Funds are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate finance-related legal compliance. The District maintains a governmental fund and a fiduciary fund.

**Governmental Funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

**Fiduciary Funds** are used to report assets held in a trustee or custodial capacity for others and therefore cannot be used to support the government's own programs. One OPEB trust fund is presented under this category. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

**Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 17-39 of this report.

**Required Supplementary Information** is presented concerning the District's General Fund budgetary schedule. The District adopts an annual budget for this fund. A budgetary comparison schedule, which includes the original and final amended budget and actual figures, has been provided to demonstrate compliance with this budget. Also presented in this section are the pension related schedules required by GASB 68 and the OPEB related schedules required by GASB 74 and GASB 75. Required supplementary information can be found on pages 40-44 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities (and deferred inflows of resources) exceeded assets (and deferred outflows of resources) by \$2,937,608 at the close of the most recent fiscal year. Comparative information for fiscal year 2021 and 2020 is presented in the following table.

Condensed Statement of Net Position  
September 30, 2021  
With Comparative Totals September 30, 2020

	2021 Governmental Activities	2020 Governmental Activities
Current assets	\$ 1,449,086	\$ 701,453
Capital assets	<u>201,162</u>	<u>207,451</u>
Total assets	1,650,248	908,904
Deferred outflows of resources	<u>773,614</u>	<u>267,697</u>
Total deferred outflows of resources	773,614	267,697
Current liabilities	218,501	206,887
Other liabilities	<u>4,370,661</u>	<u>3,827,206</u>
Total liabilities	4,589,162	4,034,093
Deferred inflows of resources	<u>772,308</u>	<u>653,389</u>
Total deferred inflows of resources	772,308	653,389
Net position (deficit):		
Net investment in capital assets	201,162	207,451
Restricted	82,592	21,216
Unrestricted	<u>(3,221,362)</u>	<u>(3,739,548)</u>
Total net position (deficit)	<u>\$ (2,937,608)</u>	<u>\$ (3,510,881)</u>

The District has a current fiscal year investment of \$201,162 in capital assets (e.g. leasehold improvements, equipment, and vehicles). The main use of these capital assets is to provide services to citizens; consequently, these assets are not available for future spending. This amount reflects a \$6,289 decrease in the balance of capital assets net of accumulated depreciation from the previous fiscal year. There was an increase in restricted funds of \$61,376 for fiscal year 2021 which can be attributed to \$16,371 for Adult Immunization and \$45,005 for Medicare Administrative Claiming. The remaining balance of the District's current fiscal year net deficit represents unrestricted net position, which is a \$518,186 decrease from the previous year ending September 30, 2020.

At the end of the current fiscal year, the District reported a increase of net position in its governmental activities. The principal component of this decrease can be attributed to an increase in current assets. The following table indicates changes in net position (deficit) for governmental activities:

Brazos County Health District  
MD&A(Unaudited) – For Year Ended September 30, 2021 (Continued)

Changes in Net Position (Deficit)

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 795,331	\$ 859,435
Operating grants and contributions	2,547,446	1,709,412
General revenues:		
Funding from Brazos County	1,799,533	984,238
Funding from City of Bryan	478,029	434,572
Funding from City of College Station	478,029	434,572
Unrestricted investment earnings	7,323	3,718
Miscellaneous	48,639	45,512
Total revenues	6,154,330	4,471,459
Expenses:		
Administration	437,219	583,214
Environmental	1,544,341	1,256,338
Clinic	1,113,870	765,862
Lab	172,105	224,604
Immunization	503,055	595,195
Cold Chain	9,966	5,117
Brazos Valley Mobile Action Team	188,371	-
Infectious Disease	153,510	121,675
Public Health Crisis Response	91,109	1,359
CARES - CDBG	-	4,441
Contact Tracing	353,140	61,050
Texas Healthy Communities	123,632	106,553
Regional Health	170,428	230,653
Health Equity	8,295	-
Public Workforce	31,319	-
Bioterrorism Preparedness	225,395	192,172
COVID-19	122,311	180,336
COVID-19 Epidemiology	54,400	-
CARES	213,351	82,125
Tuberculosis	14,664	66,467
Association of Food & Drug Officials	13,871	-
Medical Records	13,482	14,039
Adult Immunization	19,230	9,397
HIV Testing	3,993	3,559
Total expenses	5,581,057	4,504,156
Change in net position (deficit)	573,273	(32,697)
Net position (deficit) - beginning	(3,510,881)	(3,478,184)
Net position (deficit) - ending	<u>\$ (2,937,608)</u>	<u>\$ (3,510,881)</u>

In fiscal year 2021, the District's revenues increased by \$1,682,871 (37.64%). An increase in In-Kind contributions from Brazos County amounted to an \$815,295 increase in revenue. An increase in grant funding from the state also contributed to the overall increase in revenue for fiscal year 2021.

For the year ended September 30, 2021, the increase in expenses for the District of \$1,076,901 was primarily due to the overall increase of In-Kind expenditures and new grant expenditures.

## **FINANCIAL ANALYSIS OF FUNDS**

Governmental Fund - The District's major general government functions are contained in the General Fund. The focus of the District's general fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing 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.

At September 30, 2021, the District's general fund reported fund balances of \$1,302,723, an increase of \$737,185 in comparison with the prior year. 93.45% of the fund balance constitutes unassigned fund balance, which is available to meet the District's current and future needs. The remaining 6.55% is restricted.

There was an increase of \$1,708,934 in revenues for fiscal year 2021. The primary reasons of the increase of revenues can be attributed primarily to an increase in grant funding of \$312,933, an increase of \$815,295 concerning In-Kind contributions, an increase of \$290,998 within the Contact-Tracing grant, and an increase in the 340B Drug Program in the amount of \$142,464.

## **BUDGETARY HIGHLIGHTS**

The District received in-kind support from its member entities and the Texas Department of State Health Services (DSHS). The budget for the County in-kind support for the current fiscal year was based on the fiscal year 2020 Consolidated Local Central Services, Cost Allocation Plan & Indirect Cost Rate Proposal for Brazos County, Texas. The indirect cost rate available at time of budget preparation and used for fiscal year 2021 was 46.74%.

At the end of the fiscal year, actual revenues were \$634,005 more than the final amended budgeted amount (which includes all in-kind support).

At the end of the fiscal year, actual expenditures were \$103,180 less than the final amended budgeted amount (which includes all in-kind support).

## **CAPITAL ASSETS**

The District's investment in capital assets for its governmental activities as of September 30, 2021, amounted to \$201,162 (net of accumulated depreciation). This investment in capital assets

includes leasehold improvements, equipment, and vehicles. The total decrease in the District's investment in capital assets for the current period was \$6,289 or 3.03%.

## **ECONOMIC FACTORS**

The Brazos County Board of Health ("the Board") adopted the 2021-2022 budget on September 22, 2021. The budget was adopted based on estimated balances that would be available at the end of fiscal year 2021 and estimated revenues to be received in fiscal year 2022. The Board considered the following factors:

- In-Kind support from DSHS and Brazos County is projected to be higher for 2022.
- Personnel costs will increase due to a 3% COLA.
- Revenues from new funding sources such as various COVID-19 grants, are set to bring in approximately \$1,700,000.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Brazos County Auditor's Office, 200 South Texas Avenue, Suite 218, Bryan, Texas, 77803.



**BRAZOS COUNTY HEALTH DISTRICT  
BASIC FINANCIAL STATEMENTS**





**BRAZOS COUNTY HEALTH DISTRICT**  
**STATEMENT OF NET POSITION**  
**September 30, 2021**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 925,650
Prepaid Expenditures	2,702
Receivables:	
Texas Department of State Health Services	389,894
Brazos Valley Council of Governments	17,099
Federal Health & Human Services	2,746
340B Drug Program	63,098
City of Bryan	39,836
Other	7,348
Interest	713
Total Current Assets	<u>1,449,086</u>
Noncurrent Assets:	
Capital Assets:	
Leasehold Improvements	846,563
Buildings	48,000
Machinery and equipment	743,067
Less: Accumulated depreciation	<u>(1,436,468)</u>
Total Noncurrent Assets	<u>201,162</u>
<b>Total Assets</b>	<u><b>1,650,248</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension contributions after the measurement date	120,556
Differences between expected and actual pension experience	72,333
Change in pension assumptions or inputs	516,736
Differences between expected and actual OPEB experience	21,115
OPEB contributions after the measurement date	<u>42,874</u>
<b>Total Deferred Outflows of Resources</b>	<u><b>773,614</b></u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	54,754
Accrued salaries and benefits	91,609
Compensated absences	<u>72,138</u>
Total Current Liabilities	<u>218,501</u>
Noncurrent Liabilities	
Due in more than one year	<u>4,370,661</u>
Total Noncurrent Liabilities	<u>4,370,661</u>
<b>Total Liabilities</b>	<u><b>4,589,162</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Difference between projected and actual earnings on OPEB plan	23,325
Differences between expected and actual OPEB experience	261,362
Change in OPEB assumptions or inputs	44,023
Differences between expected and actual pension experience	8,530
Difference between projected and actual earnings on pension plan	327,933
Change in OPEB allocated share	<u>107,135</u>
<b>Total Deferred Inflows of Resources</b>	<u><b>772,308</b></u>
<b>NET POSITION (DEFICIT)</b>	
Net investment in capital assets	201,162
Restricted	82,592
Unrestricted	<u>(3,221,362)</u>
<b>Total Net Position (Deficit)</b>	<u><b>\$ (2,937,608)</b></u>

The accompanying notes are an integral part of the financial statements.

**BRAZOS COUNTY HEALTH DISTRICT  
STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2021**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government				
Governmental activities:				
Administration	\$ 437,219	\$ --	\$ --	\$ (437,219)
Environmental	1,544,341	682,609	--	(861,732)
Clinic	1,113,870	47,200	--	(1,066,670)
Lab	172,105	2,100	--	(170,005)
Immunization	503,055	45,313	680,591	222,849
Cold Chain Storage	9,966	--	9,966	--
Brazos Valley Mobile Action Team	188,371	--	118,823	(69,548)
Infectious Disease	153,510	--	82,533	(70,977)
Public Health Crisis Response	91,109	--	91,109	--
Contact Tracing	353,140	--	352,048	(1,092)
Texas Healthy Communities	123,632	--	90,830	(32,802)
Regional Health	170,428	--	85,684	(84,744)
Health Equity	8,295	--	4,962	(3,333)
Public Workforce	31,319	--	18,987	(12,332)
Bioterrorism Preparedness	225,395	--	136,211	(89,184)
COVID-19	122,311	--	109,255	(13,056)
COVID-19 Epidemiology	54,400	--	54,400	--
CARES	213,351	--	129,306	(84,045)
Tuberculosis	14,664	18,109	47,968	51,413
Association of Food & Drug Officials	13,871	--	13,871	--
Medical Records	13,482	--	--	(13,482)
Adult Immunization	19,230	--	35,601	16,371
HIV Testing	3,993	--	--	(3,993)
340B Drug Program	--	--	485,301	485,301
Total	\$ 5,581,057	\$ 795,331	\$ 2,547,446	(2,238,280)

**General revenues:**

Funding from Brazos County	1,799,533
Funding from City of Bryan	478,029
Funding from City of College Station	478,029
Unrestricted investment earnings	7,323
Miscellaneous	48,639
Total general revenues	<u>\$ 2,811,553</u>
Change in net position (deficit)	573,273
Net position (deficit) - beginning	<u>(3,510,881)</u>
Net position (deficit) - ending	<u>\$ (2,937,608)</u>

The accompanying notes are an integral part of the financial statements.

**BRAZOS COUNTY HEALTH DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUND  
September 30, 2021**

	<b>Total Governmental Fund</b>
<hr/>	
<b>ASSETS</b>	
Cash	\$ 925,650
Prepaid Expenditures	2,702
Receivables:	
Texas Department of State Health Services	389,894
Brazos Valley Council of Governments	17,099
Federal Health & Human Services	2,746
340B Drug Program	63,098
City of Bryan	39,836
Other	7,348
Interest	713
<b>TOTAL ASSETS</b>	<hr/> <b>\$ 1,449,086</b> <hr/>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts Payable	\$ 54,754
Accrued Salaries and Benefits	91,609
<b>Total Liabilities</b>	<hr/> <b>146,363</b> <hr/>
<b>Fund Balance</b>	
Nonspendable	2,702
Restricted	82,592
Unassigned	1,217,429
<b>Total Fund Balance</b>	<hr/> <b>1,302,723</b> <hr/>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<hr/> <b>\$ 1,449,086</b> <hr/>

The accompanying notes are an integral part of the financial statements.

**BRAZOS COUNTY HEALTH DISTRICT  
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUND TO  
STATEMENT OF NET POSITION  
September 30, 2021**

Amounts reported for governmental activities in the statement of net position are different because:

<b>Total fund balance--governmental fund</b>		<b>\$ 1,302,723</b>
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		201,162
Deferred outflows of resources represent a consumption of net position that applies to future periods and therefore will not be recognized as an outflow of resources until then. Deferred outflows of resources are not reported in the governmental funds:		
Pension contributions after the measurement date	120,556	
Differences between expected and actual pension experience	72,333	
Change in pension assumptions or inputs	516,736	
Differences between expected and actual OPEB experience	21,115	
OPEB contributions after the measurement date	<u>42,874</u>	773,614
Liabilities for compensated absences are due within one year, but are not reported as liabilities in the funds.		(72,138)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds:		
Net OPEB liability	(3,103,019)	
Net pension liability	<u>(1,267,642)</u>	(4,370,661)
Deferred inflows of resources represent an acquisition of net position that applies to future periods and therefore will not be recognized as an inflow of resources until then. Deferred inflows of resources are not reported in the governmental funds:		
Difference between projected and actual earnings on OPEB plan	(23,325)	
Differences between expected and actual OPEB experience	(261,362)	
Change in OPEB assumptions or inputs	(44,023)	
Differences between expected and actual pension experience	(8,530)	
Difference between projected and actual earnings on pension plan	(327,933)	
Change in OPEB allocated share	<u>(107,135)</u>	(772,308)
<b>Total net position--governmental activities</b>		<b>\$ (2,937,608)</b>

The accompanying notes are an integral part of the financial statements.

**BRAZOS COUNTY HEALTH DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
For the Year Ended September 30, 2021**

	<b>Total Governmental Fund</b>
<b>REVENUES</b>	
Intergovernmental	
Association of Food and Drug Officials	\$ 13,871
Brazos County	1,799,533
City of Bryan	478,029
City of College Station	478,029
Texas Department of State Health Services	1,531,320
Texas Health and Human Services Commission	80,606
Program Income	
Health Service Fees	681,674
Clinic	110,622
Environmental	935
Laboratory	2,100
340B Drug Program	485,301
Interest	7,323
Other	3,633
CARES Funding	129,306
Contact Tracing	352,048
<b>TOTAL REVENUES</b>	<b>6,154,330</b>
 <b>EXPENDITURES</b>	
Salary and Wages	3,093,238
Employee Benefits	1,052,685
Departmental Support	727,426
Repairs and Maintenance	107,590
Contract Services	137,825
Facility	186,881
Professional Services	76,407
Community Contracts	13,109
Capital Outlay	21,984
<b>TOTAL EXPENDITURES</b>	<b>5,417,145</b>
<b>Net Change in Fund Balance</b>	<b>737,185</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>565,538</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 1,302,723</b>

The accompanying notes are an integral part of the financial statements.

**BRAZOS COUNTY HEALTH DISTRICT**  
**RECONCILIATION OF CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TO**  
**CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES**  
**For the Year ended September 30, 2021**

Amounts reported for governmental activities in the statement of activities are different because:

<b>Net change in fund balances--governmental fund</b>	<b>\$</b>	<b>737,185</b>
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital Outlay	21,984	
Depreciation expense	<u>(28,273)</u>	
		(6,289)

The liabilities for compensated absences are accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities.

(1,166)

The net OPEB liability per GASB 75 is accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities.

(114,239)

The net pension liability per GASB 68 is accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities.

(42,218)

<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>573,273</u></b>
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The accompanying notes are an integral part of the financial statements.

**BRAZOS COUNTY HEALTH DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
September 30, 2021**

<b>ASSETS</b>	<b><u>OPEB Trust Fund</u></b>
Cash and Cash Equivalents	\$ 477
Investments	
Fixed Income	47,438
Domestic Equities	<u>86,752</u>
Total Assets	<u><u>\$ 134,667</u></u>
 <b>NET POSITION</b>	
Restricted for OPEB	<u>\$ 134,667</u>
Total Net Position	<u><u>\$ 134,667</u></u>

The accompanying notes are an integral part of the financial statements.

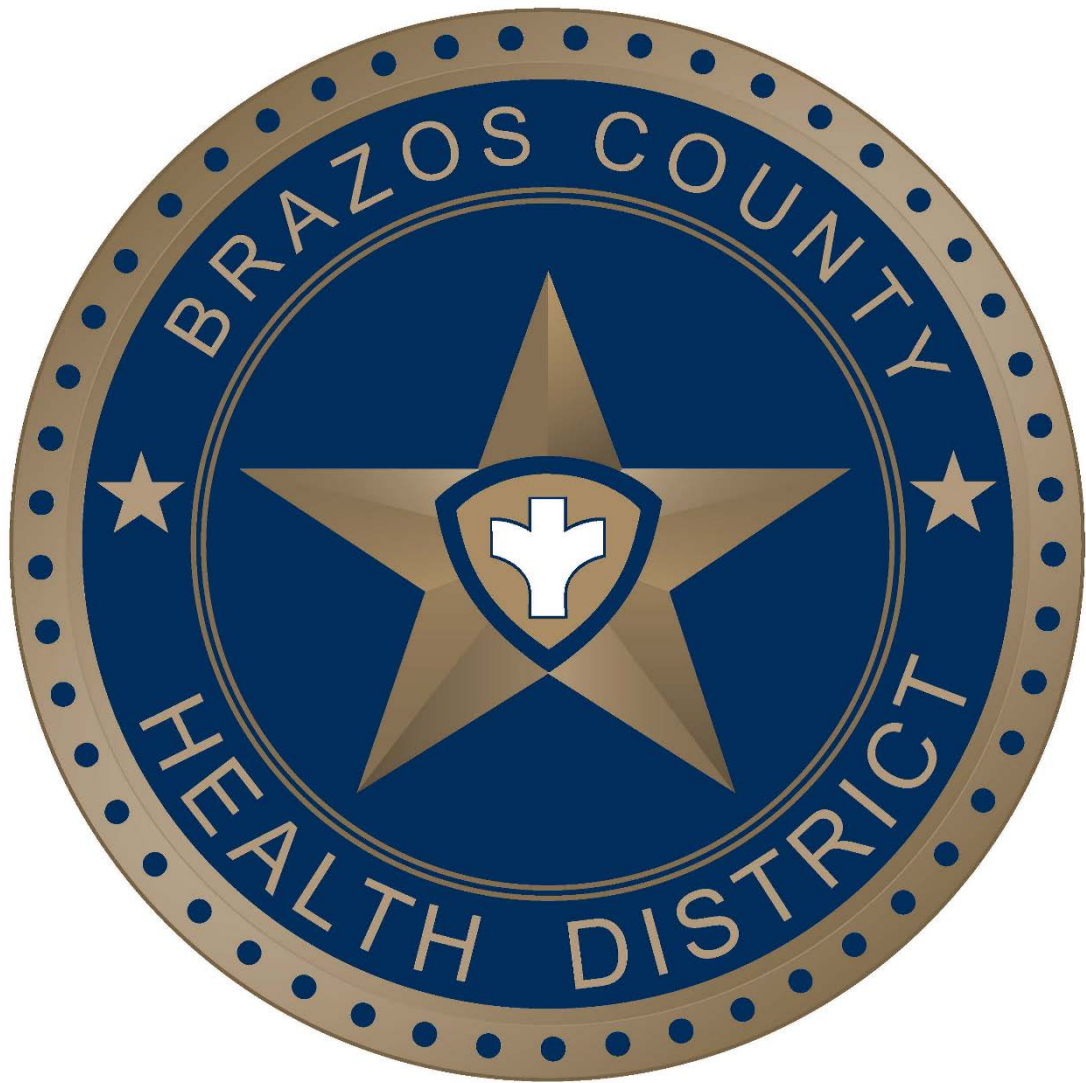
**BRAZOS COUNTY HEALTH DISTRICT**  
**STATEMENT OF CHANGE IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**For the Year Ended September 30, 2021**

	<u><b>OPEB Trust Fund</b></u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 20,000
Investment Earnings:	
Interest and Dividends	2,666
Net Appreciation in the Fair Value of Investments	<u>17,802</u>
Total Additions	<u>40,468</u>
 <b>DEDUCTIONS</b>	
Administrative Expenses	<u>618</u>
Total Deductions	<u>618</u>
 <b>Net Increase in Fiduciary Net Position</b>	 39,850
 <b>Net Position - Beginning</b>	 94,817
 <b>Net Position - Ending</b>	 <u><u>\$ 134,667</u></u>

The accompanying notes are an integral part of the financial statements.



**BRAZOS COUNTY HEALTH DISTRICT  
NOTES TO THE BASIC FINANCIAL  
STATEMENTS**



**BRAZOS COUNTY HEALTH DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Brazos County Health District (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) for local government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the District are described in the following notes to the financial statements.

**A. Reporting Entity**

The District was organized in 1939 and since August 31, 1984, has operated as a Public Health District as provided in the Local Public Health Reorganization Act (“the Act”). It operates under the name of Brazos County Health District. The member entities are Brazos County, the City of Bryan, and the City of College Station. The Act requires it to provide at least the following services:

1. Personal health promotion and maintenance;
2. Infectious disease control and prevention;
3. Environmental and consumer health programs for the enforcement of health and safety laws related to food, water, waste control, general sanitation and vector control;
4. Public health education and information;
5. Laboratory testing services;
6. Administrative oversight and control.

Certain grants received by the District have additional specific requirements as to the services required.

Six appointed representatives, known as the Brazos County Board of Health (“the Board”) govern the District. Two representatives are provided from each member entity. The director of the District serves as an ex-officio non-voting member.

The District reports only on its own activities. There are no other activities over which it has the ability to exercise significant oversight responsibility that the Governmental Accounting Standards Board requires be included in its financial reporting.

For financial reporting purposes, GASB Statement No.14 (The Financial Reporting Entity) as amended by GASB Statement No. 61 defines the reporting entity as the primary government and its component units. The District is the primary government. The financial statements include all funds and account groups for which the Board is financially accountable. There are no entities that meet the criteria as a component unit of the District.

**B. Government-wide Financial Statements**

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government. Governmental activities are supported by contributions from Brazos County, City of Bryan, City of College Station, grants awarded by the Texas Department of State Health Services (DSHS), and charges for services.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the expenses of a given function are offset by program revenues. Expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

**C. Fund Level Financial Statements**

All governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Grants and entitlement revenues are susceptible to accrual. Encumbrances are used during the year and all outstanding encumbrances lapse at the end of each fiscal year. All governmental funds are reported using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

The fiduciary funds are used to account for assets held by a governmental entity for other parties (either as a trustee or as a custodian) and cannot be used to finance the governmental entity's own operating programs. They are accounted for using the accrual basis of accounting. These funds are not included in the government-wide statement of net position.

**C. Fund Level Financial Statements**

continued

The District's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of the fund's assets, liabilities, fund equity, revenues and expenditures or expenses. The District reports the following funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources. This fund includes all the available operating revenues and available grant funding. The fund accumulates reserves for future capital improvements and unforeseen catastrophic events.

Fiduciary Fund – The Fiduciary Fund is the Other Postemployment Benefit (OPEB) trust fund. The OPEB trust fund is used to account for resources held in trust for employees and their beneficiaries based on the other postemployment benefit arrangements.

**D. Cash and Cash Equivalents and Investments**

The District defines all cash, money market accounts, and certificates of deposit that have an original maturity date of ninety days or less as cash or cash equivalents. Cash and cash equivalents are short term, highly liquid investments which may be converted to cash (see Note 3). The District uses a pool method (in conjunction with Brazos County) to account for cash and cash equivalents. Equity in cash and cash equivalents and interest income from the cash pool is allocated to the participating funds on a monthly basis. The amount of the allocation is determined by calculating a ratio of each fund's equity in the pool to the total pool.

All District funds must be on deposit with the Brazos County depository. The Board may instruct the Director to invest funds as provided by law. Investments are stated at fair value.

**E. Capital Assets**

Capital assets include leasehold improvements, vehicles, machinery, furniture, equipment, and other systems that are used in operations and benefit more than a single fiscal period. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Building improvements with an estimated cost to exceed \$100,000 are capitalized.

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

Capital assets are valued at cost where historical records are available and at an estimated historical cost where no records exist. Donated capital assets are reported at acquisition value.

**E. Capital Assets**

continued

Improvements to capital assets that materially extend the life of the asset or add to the value are capitalized. Other repairs and normal maintenance are not capitalized. Capital assets are depreciated over the useful lives of the assets or classes of assets on a straight-line basis as follows:

Buildings and improvements	20 - 40 years
Machinery and equipment	3 - 10 years
Leasehold improvements	5 years or term of the lease

**F. Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has the following items that qualify for reporting in this category.

- Pension contributions after the measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference between expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Change in pension assumptions or inputs – This difference is deferred and amortized over a closed 5 year period.
- Difference between expected and actual OPEB experience – This difference is deferred and recognized over a closed 8.0593 year period.
- OPEB contributions after the measurement date – These contributions are deferred and recognized in the following fiscal year.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category.

**F. Deferred Inflows/Outflows of Resources**

continued

- Difference between projected and actual earnings on OPEB benefit plan – This difference is deferred and amortized over a closed 5 year period.
- Difference between expected and actual OPEB experience – This difference is deferred and recognized over a closed 8.0593 year period.
- Change in OPEB assumptions or inputs – Changes of assumptions reflects updates to the health care trend and participation. This difference results from the change in service lives of all active employees at a varying rate.
- Difference between expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference between projected and actual earnings on pension plan – This difference is deferred and amortized over a closed 5 year period.
- Change in OPEB allocated share – This change results from the disaggregation of the aggregated District results. It is deferred and recognized over a closed 8.0593 year period.

**G. Compensated Absences**

All non-exempt employees except temporary employees may earn compensatory time based on Fair Labor Standards Act regulations. Compensatory time earned during the year must be used by the last pay period in December of each calendar. At termination, all compensatory time is paid at the wage rate in place at termination.

All employees, except temporary employees, are granted vacation benefits in varying annual amounts up to a maximum allowable accumulation of 240 hours per year. Sick leave benefits are earned by all employees, except temporary employees, at a rate up to 12 days per year and may be accumulated without limit. Sick leave benefits are recognized as they are used by the employees. In the event of termination, an employee is entitled to receive accumulated vacation pay but not the accumulated sick leave pay.

Policy provides that only half of the vacation hours accumulated from the previous year can be carried over but must be used first in the current year. The liability for accrued vacation pay is calculated at the end of the fiscal year and reported as “liabilities for compensated absences,” a current liability in the District’s government-wide financial statements, due to the fact that the accumulated vacation has an average maturity of less than one year.

**H. Pensions**

For purposes of measuring 1) the net pension liability, 2) pension related deferred inflows/outflows of resources, and 3) pension expense, District specific information about its fiduciary net position in the Texas County and District Retirement System (“TCDRS”) and additions to/deductions from the District’s fiduciary net position have been determined on the same basis as they are reported by TCDRS, administrator of the statewide agent multiple-employer pension plan system. 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 (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**H. Pensions**

continued

Information regarding the District's total pension liability can be obtained from TCDRS through a report prepared for Brazos County by TCDRS consulting actuary, Milliman, Inc., in compliance with Governmental Accounting Standards Board (GASB) Statement No. 67, Accounting and Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25.

**I. Postemployment Benefits Other Than Pensions (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 Brazos County Retiree Health Care Plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. Information regarding the District's net OPEB liability can be obtained from GRS Retirement Consulting Company, who prepared a report in compliance with Governmental Accounting Standards Board (GASB) Statement No. 74 and Statement No. 75. The address is 5605 North MacArthur Boulevard, Suite 870, Irving, Texas 75038-2631 and the telephone number is (469)524-0000.

**J. Fund Balances and Net Position*****Fund Balance Classifications***

The Brazos County Board of Health meets on a regular basis to manage and review cash financial activities and to ensure compliance with the established policies. It is the District's policy to fund current expenditures with current revenues. The District strives to maintain a diversified and stable revenue stream to protect the District from problematic fluctuations in any single revenue source and provide stability to the ongoing services. The District's highest level of decision-making authority resides in its Board of Health. The Board can commit and assign amounts as needed for specific purposes. It usually requires a special meeting or a resolution for the change in committed fund balance arrangements. The District's unassigned fund balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing.

Under GASB 54, fund balances are required to be reported according to the following classifications:

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).



**J. Fund Balances and Net Position**

continued

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government’s highest level of decision-making authority.

Assigned fund balance – Amounts that are constrained by the District’s intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Such intent should be expressed by the Board of Health, or by an official to whom that authority has been given. Assignments made by the Board of Health or delegated official can occur during the budget process or throughout the year in the normal course of business. Constraints on the use of the assigned amounts can be removed with no formal action.

Unassigned fund balance – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amount had been restricted, committed or assigned.

The District currently uses the classifications of nonspendable, restricted and unassigned fund balance; however the Board may authorize amounts to be assigned for specific purposes at some future time. It is also authorized to commit amounts for specific purposes. For classification of fund balance, the District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. The Board has set a policy to adopt a minimum fund balance each year based on budgetary needs for the year.

As of September 30, 2021 \$45,005 of fund balance was restricted for the Medicare Administrative Claiming program and \$37,587 of fund balance was restricted for the Delivery System Reform Incentive Payment Program (DSRIP).

***Net Position Classifications***

The government-wide financial statements utilize a net position presentation. Net position represents the difference between all other elements in a statement of financial position and should be displayed in the components: net investment in capital assets; restricted; and unrestricted.

Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation.

Restricted – The restricted net position represents the difference between (1) non-capital assets which are restricted and (2) related liabilities. Noncapital assets are considered restricted only if the limitation is externally enforceable. Externally enforceable limitations result from constraints imposed by:

- Parties outside the government (grantors, donors, other governments);
- Constitutional provisions; or
- Enabling legislation (legislation that raises resources from external parties subject to a legally enforceable requirement that those resources “be used only for the specific

**J. Fund Balances and Net Position**

continued

purpose stipulated in the legislation”).

Unrestricted - Any portion of net position not already classified as either net investment in capital assets or restricted is automatically classified as unrestricted.

**NOTE 2 - BUDGETARY LEGAL COMPLIANCE**

Appropriations for total budget cannot exceed total resources, as forecasted by the Director of the District, which will be available for the year. This is the legal level of control for the District’s budget. Expenditures may not exceed budgeted appropriations at the fund level. Administrative control is maintained through the establishment of more detailed line-item budgets. Amendments increasing budget appropriations are restricted to those for “emergency expenditures, in case of grave public necessity, to meet unusual and unforeseen conditions that could not, by reasonably diligent thought and attention, have been included in the original budget.”

The District establishes a budget for its General Fund. The budget is established on a classified basis. This report details compliance at the classified level. The Director monitors the budget at the required level of legal compliance and will not approve requisitions, purchase orders, or invoices unless appropriated funds are available within the departmental classification.

The budget for the General Fund is legally adopted on a basis consistent with GAAP (modified accrual basis). The District employs an encumbrance accounting system as a method of accomplishing budgetary control. At year-end, open encumbrances are closed. The District is required to re-appropriate the funds within the following year’s budget.

The Board must approve the original budget appropriations and subsequent amendments and adjustments. The Director is required to monitor the expenditures in comparison to that which has been appropriated. The following schedule details the changes in the original budget appropriations for the General Fund:

**ORIGINAL BUDGET AS AMENDED**

Classification	Original		
	Budgeted Expenditures	Supplemental Appropriations	Original As Amended
Salary and wages	\$ 2,106,591	\$ 499,554	\$ 2,606,145
Employee benefits	1,129,566	121,830	1,251,396
Departmental support	899,850	125,360	1,025,210
Repairs and maintenance	24,850	9,200	34,050
Minor acquisitions	13,000	(13,000)	-
Contract services	32,450	202,359	234,809
Professional services	297,308	(155,386)	141,922
Community contracts	12,170	-	12,170
Capital outlay	36,933	(9,191)	27,742
<b>TOTALS</b>	<b>\$ 4,552,718</b>	<b>\$ 780,726</b>	<b>\$ 5,333,444</b>

In addition to the budget for internally generated funds, the Board also approves the anticipated support provided to the District by member entities and DSHS during the fiscal year. Accordingly, the District provides free services to member entities, state agencies, and indigents. In-Kind contributions received are included in the financial statements based on values provided by the contributing entities as follows:

### IN-KIND BUDGETARY SUPPORT SCHEDULE

Classification	Original Budgeted Expenditures	Supplemental Appropriations	Original As Amended
Salary and wages	\$ 288,997	\$ -	\$ 288,997
Departmental support	609,350	-	609,350
Professional services	18,000	-	18,000
Facility & equipment rental	186,881	-	186,881
<b>TOTALS</b>	<b>\$ 1,103,228</b>	<b>\$ -</b>	<b>\$ 1,103,228</b>

The In-Kind support provided to the District by its member entities and DSHS during the fiscal year is included in the actual expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund. The actual support can be broken down as follows:

	Brazos County	Bryan	College Station	DSHS	HHSC	Total
<b><u>Monetary</u></b>	\$ 478,029	\$ 478,029	\$478,029	\$1,039,486	\$ 39,855	\$2,513,428
<b><u>In-Kind</u></b>						
Salary and wages	985,266	-	-	-	-	985,266
Departmental support	47,749	-	-	458,874	-	506,623
Professional services	9,200	-	-	-	-	9,200
Repairs & Maintenance	92,408	-	-	-	-	92,408
Facility	186,881	-	-	-	-	186,881
<b>Subtotal In-Kind</b>	<b>1,321,504</b>	<b>-</b>	<b>-</b>	<b>458,874</b>	<b>-</b>	<b>1,780,378</b>
<b>TOTALS</b>	<b>\$ 1,799,533</b>	<b>\$ 478,029</b>	<b>\$478,029</b>	<b>\$1,498,360</b>	<b>\$ 39,855</b>	<b>\$4,293,806</b>

The District received \$458,874 in immunization and pharmacy supplies from DSHS for the year. This amount is \$95,801 less than originally budgeted for 2021.

## **NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

### **A. Cash and Cash Equivalents**

Chapter 2257 of the Texas Government Code, also known as the Public Funds Collateral Act, provides guidelines for the amount of collateral that is required to secure the deposit of public funds. It requires that the deposit of public funds be collateralized in an amount not less than the total deposit, reduced by the amount of the Federal Depository insurance (FDIC) available.

The District deposits all funds received with the Brazos County Treasurer's office. The District, through an Inter-Local Agreement with Brazos County follows the same depository agreement used by Brazos County.

The Brazos County depository agreement with BBVA Compass Bank requires collateralization with a fair value of at least 102% up to 110% of County funds in excess of the FDIC coverage of \$250,000. At September 30, 2021, the carrying amount of the District's deposits were \$925,650 reported as "Cash" on the balance sheet.

The District is authorized (by the Texas Public Funds Investment Act, Texas Civil Statutes, and Article 842a-2, as amended) to purchase, sell, and invest its funds and funds under its control. At September 30, 2021, all District funds were deposited in the County depository and are reflected on the financial statements as cash.

### **B. Investments of OPEB Trust Fund**

During the budget process for fiscal year 2021, the Board approved contributing into the County's OPEB Trust Fund to partially fund the District's OPEB plan. The County created a board of trustees comprised of the current members of the Brazos County Commissioners' Court. The County also appointed an OPEB Investment Plan Committee to oversee certain policies and procedures related to the operation and administration of the Trust. All OPEB Trust investments will be held by its trustee, US Bank. The trustee is contracted to manage the portfolio in accordance with the trust documents as approved by the Commissioners' Court. The investment policy statement mandates a diversified portfolio in growth assets and income assets. The funds contributed by the District are accounted for separately from the County as well as the earnings.

## NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	Balance at October 1, 2020	Additions	Deletions	Balance at September 30, 2021
<u>Governmental activities:</u>				
Capital assets, being depreciated:				
Leasehold improvements	\$ 846,563	\$ -	\$ -	\$ 846,563
Building	48,000	-	-	48,000
Machinery and equipment	721,083	21,984	-	743,067
Total capital assets being depreciated	1,615,646	21,984	-	1,637,630
Less accumulated depreciation for:				
Leasehold improvements	(846,563)	-	-	(846,563)
Building	(33,200)	(2,400)	-	(35,600)
Machinery and equipment	(528,432)	(25,873)	-	(554,305)
Total accumulated depreciation	(1,408,195)	(28,273)	-	(1,436,468)
Total capital assets, being depreciated, net	\$ 207,451	\$ (6,289)	\$ -	\$ 201,162

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Administration	\$ 6,485
Environmental	13,122
Clinic	1,452
Lab	1,075
Bioterrorism Preparedness	5,381
COVID-19	758
Total depreciation expense – governmental activities	<u>\$28,273</u>

## NOTE 5 - OPERATING LEASES

During 2021, the District entered into an operating lease for a vehicle. The lease expires in 2023. Rent expense for the year ended September 30, 2021 was \$2,377. The remaining lease payments are \$7,414 and \$5,560 for the years ending September 30, 2022 and 2023, respectively. The District also has an operating lease in force that is not formal. The lease has no minimum annual lease requirement and is for office space. The lease is provided (in-kind) by Brazos County, Texas, for a facility with a fair market annual lease value of \$186,881.

## NOTE 6 – COMPENSATED ABSENCES

The cost of the District's liability for compensated absences is calculated at the end of the fiscal year based on the employee's pay rate and the accumulated vacation hours earned but not taken. It is reported as a current liability in the financial statements due to the fact that the average maturity of the liability is less than one year.

**NOTE 6 – COMPENSATED ABSENCES****continued**

The amount of compensated absences due within one year of the date of the Statement of Net Position of fiscal year 2021 is \$72,138. Changes in compensated absences in the governmental activities for the year ended September 30, 2021 were as follows:

	Balance at October 1, 2020	Earned	Taken/Paid	Balance at September 30, 2021
Governmental Activities	\$ 70,972	\$ 137,673	\$ (136,507)	\$ 72,138
Total	<u>\$ 70,972</u>	<u>\$ 137,673</u>	<u>\$ (136,507)</u>	<u>\$ 72,138</u>

**NOTE 7 – RISK MANAGEMENT**

The District participates in a workers' compensation pool administered by the Texas Association of Counties along with Brazos County. The Texas Association of Counties handles claims adjusting and related administrative services for the program. Premiums are evaluated annually by position class code at actuarially determined rates. The County's workers' compensation program provides medical and indemnity payments as required by law for on-the-job related injuries and is accounted for using departmental expenditures, based on a percentage of payroll.

The pool that the County and the District participate in has reinsurance coverage for excess workers' compensation and employer's liability. The District does not recognize any liability for outstanding losses for incurred but not reported claims. The Texas Association of Counties assumes this responsibility.

Brazos County has established a Health and Life Insurance Internal Service Fund to account for the costs associated with various health related insurance programs. The District participates with the County through an Inter-Local Agreement. The Internal Service Fund of the County collects the premium payments from the County, the District, the employee, and the retiree. The fund pays all claims and administrative fees. The Internal Service Fund has purchased reinsurance that provides a \$175,000 per individual specific stop loss deductible and an additional aggregating specific annual deductible of \$60,000. Funds are available to pay claims and have been reserved for such purpose.

The members of the Board are aware that the District has risk of loss exposure to liability and accidental loss of real and personal property as well as human resources. District operations involve a variety of high-risk activities. Management has been assigned the responsibility to identify, evaluate, and manage risk in an effort to reduce the liability and accidental loss of property and human services.

The District practices risk management activities to include the purchase of insurance for general liability and liability from property damage claims. Vehicle liability is provided by Brazos County. In addition, the property insurance, errors and omissions, and professional liability coverage carried by Brazos County support the District. The District supplements this coverage with crime and fidelity coverage. Any liability that arises from the operation of motorized equipment will be considered to fall within the confines of the Texas Tort Claims Act, and thereby limit the District's exposure. At September 30, 2021, all claims against the

District had been paid or accrued for payment, or the District's underwriter had accepted responsibility for the claim. The District has not made any significant reductions in insurance coverage from the previous fiscal year. No settlements exceeded insurance coverage for the past three fiscal years.

## NOTE 8 - PENSION PLAN

### A. Plan Description

The District, through participation with Brazos County, provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS or System). The Board of Trustees of the System is responsible for the administration of the statewide agent multiple-employer system consisting of over 500 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. To obtain a copy send a written request for the ACFR to the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

### B. Benefits Provided

The Commissioners' Court of Brazos County adopts the plan provisions, within the options available in the Texas State statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years of service regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but accumulated contributions must be left in the plan. Retirement benefits are based on the members' final account balance and employer matching. Current employer matching is 225%. Members who withdraw their personal contributions in a lump sum are not entitled to any employer matching. Disability retirement benefits are determined in the same manner as retirement benefits. Death benefits are available to the beneficiaries of the members with four or more years of service. Cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date are at the discretion of the County Commissioners' Court.

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

### C. Employees Covered by Benefit Terms

At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	13
Inactive employees entitled to but not yet receiving benefits	14
Active employees	25
	<u>52</u>

**D. Contributions**

Brazos County and the District have elected the annually determined contribution rate (ADCR) 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 the employee members.

Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Brazos County and the District contributed using the actuarially determined rate of 15.75% for calendar year 2021 and is 16.75% for calendar year 2022. The employee's member contribution rate remained at 7.00% for 2021. Contributions to the pension plan from the District were \$265,577 for the year ended September 30, 2021.

**E. Net Pension Liability**

The District's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

***Actuarial Assumptions***

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Payroll growth	3.00 percent, including inflation
Investment rate of return	7.60 percent

New mortality assumptions were reflected in the 2020 actuarial valuation as a result of adopting a new projection scale. They are 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate Scale.

All other actuarial assumptions used in the December 31, 2020, valuation were based on the results of an actuarial experience study for the period January 1, 2013– December 31, 2016, except where required to be different by GASB 68. The economic assumptions were reviewed at the March 2021 TCDRS Board of Trustees meeting and revised assumptions were adopted. These revisions included reductions in the investment return, wage growth, and maximum payroll growth assumptions.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The building-block method allows the development of the best-estimate ranges of



**E. Net Pension Liability**

continued

expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Geometric Real Rate of Return (Expected - Inflation) (2)</u>
US Equities	11.50%	4.25%
Private Equity	25.00%	7.25%
Global Equities	2.50%	4.55%
International Equities - Developed Markets	5.00%	4.25%
International Equities - Emerging Markets	6.00%	4.75%
Investment-Grade Bonds	3.00%	-0.85%
Strategic Credit	9.00%	2.11%
Direct Lending	16.00%	6.70%
Distressed Debt	4.00%	5.70%
REIT Equities	2.00%	3.45%
Master Limited Partnerships (MLPs)	2.00%	5.10%
Private Real Estate Partnerships	6.00%	4.90%
Hedge Funds	6.00%	1.85%
Cash Equivalents	2.00%	-0.70%
	<u>100.00%</u>	

(1) Target asset allocation adopted at the March 2021 TCDRS Board meeting.

(2) Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.0 %, per Cliffwater's 2021 capital market assumptions.

***Discount Rate***

The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**E. Net Pension Liability**

continued

**Changes in Net Pension Liability / (Asset)**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
	(a)	(b)	(a) – (b)
<b>Balances as of December 31, 2019</b>	\$9,511,747	\$8,684,822	\$826,925
<b>Changes for the year:</b>			
Service cost	276,297	-	276,297
Interest on total pension liability	817,232	-	817,232
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	69,833	-	69,833
Effect of assumptions changes or inputs	683,553	-	683,553
Refund of contributions	(10,372)	(10,372)	-
Benefit payments	(418,634)	(418,634)	-
Administrative expenses	-	(7,444)	7,444
Member contributions	-	145,243	(145,243)
Net investment income	-	950,115	(950,115)
Employer contributions	-	316,449	(316,449)
Other	-	1,835	(1,835)
<b>Net Changes</b>	<b>1,417,909</b>	<b>977,192</b>	<b>440,717</b>
<b>Balances as of December 31, 2020</b>	<b>\$10,929,656</b>	<b>\$9,662,014</b>	<b>\$1,267,642</b>

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability of the District, calculated using the discount rate of 7.60 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower (6.60 percent) or 1-percent-point higher (8.60 percent) than the current rate:

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
District's net pension liability	\$ 2,852,152	\$1,267,642	\$ (50,668)

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended September 30, 2021, the District recognized pension expense of \$307,796. At September 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**NOTE 8 - PENSION PLAN****continued****E. Net Pension Liability****continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 72,333	\$ 8,530
Difference between projected and actual earnings on pension plan investments	-	327,933
Change in assumptions or other inputs	516,736	-
Pension contributions after the measurement date	120,556	-
Total	<u>\$ 709,625</u>	<u>\$ 336,463</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended September 30,	
2022	\$ 90,978
2023	179,432
2024	23,024
2025	(40,828)
Thereafter	-

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)****A. Postemployment Benefits**

The District provides health care benefits as required by the Federal government under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”). COBRA requires employers that sponsor group health plans to provide continuation of group coverage to terminated employees and their dependents in circumstances where coverage would normally end. The election to be covered is at the request of the employee. The employee is then required to pay the premium costs for themselves and their dependents. Expenditures are recognized as claims are submitted. COBRA participants are reimbursed at the same levels as active employees. At September 30, 2021, the District had been fully reimbursed for costs related to COBRA participants.

The District participates in the Brazos County Retiree Health Care Plan and the Texas County and District Retirement System. The policies for these programs are determined by the Brazos County Commissioners’ Court in accordance with Texas Local Government Code section 157.101. In conjunction with Brazos County, Texas, the District began offering post-retirement health care benefits to certain retirees. District policy allows employees to become eligible for post-retirement health care benefits after meeting the service and retirement age requirements of the retirement plan. The post-retirement healthcare benefits include medical,

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)****continued****A. Postemployment Benefits****continued**

dental and drug care benefits, all of which are provided through the self-insured healthcare plan. The County's post-retirement benefit plan is a single-employer defined benefit plan. The benefit levels are the same as those afforded to active employees.

As of December 31, 2020, Membership consisted of:

Retirees and Beneficiaries Receiving Benefits	8
Active Employees	25
Total	<u>33</u>

**B. Funding Policy**

The District follows the County, which uses the Health and Life Insurance Internal Service fund to liquidate the OPEB liabilities. Local Government Code Section 157.102 assigns to Commissioners' Court the authority to establish and amend contribution requirements of the plan members and the participating employers. The eligible retirees who retired prior to January 1, 2000 may pay a fixed premium amount to maintain coverage through the District's healthcare plan. Eligible retirees who were hired before August 30, 2011 and with eight or more years of cumulative service with the District upon retirement are entitled to the District's subsidy and may pay the employee portion of the premium only to maintain coverage. Eligible retirees who were hired before August 30, 2011 but have less than eight years of cumulative service with the District at retirement must pay the full premium to maintain coverage. Employees hired on or after August 30, 2011 must pay the full premiums to maintain coverage regardless of the years of service. Upon a retiree reaching 65 years of age, the District's healthcare plan becomes secondary to Medicare automatically.

The District established an OPEB Trust Fund to partially fund its OPEB Plan in 2017. The District contributed \$70,897 in total towards its OPEB obligation for the year ended September 30, 2021, including \$20,000 to the OPEB Trust.

**C. Net OPEB Liability**

The District's net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020.

**D. Actuarial Methods and Assumptions**

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

**D. Actuarial Methods and Assumptions**

continued

Inflation Rate	2.50 percent
Salary Increases	0.50 to 5.00 percent, not including wage inflation of 3.25 percent
Investment Rate of Return	6.50 percent
Healthcare Cost Trend Rate	initial rate of 7.00 percent declining to ultimate rates of 4.15 percent after 15 years.

For healthy retirees, the gender-distinct RP-2014 Healthy Annuitant Mortality Tables are used with male rates multiplied by 130% and female rates multiplied by 110%. Those rates are projected on a fully generational basis based on 110% of the ultimate rates of Scale MP-2014.

For disabled retirees, the gender-distinct RP-2014 Disabled Retiree Mortality Tables are used with male rates multiplied by 130% and female rates multiplied by 115%. Those rates are projected on a fully generational basis based on 110% of the ultimate rates of Scale MP-2014.

For active employees, the gender-distinct RP-2014 Employee Mortality Tables are used for males and females multiplied by 90%. Those rates are projected on a fully generational basis based on 110% of the ultimate rates of Scale MP-2014.

The demographic assumptions were based on the assumptions that were developed for the defined benefit plan in which the District participates. The assumptions were based on the experience study covering the four-year period ending December 31, 2016 as conducted for the Texas County and District Retirement System (TCDRS).

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) and developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Classes</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Growth Assets		
Domestic Equity	39%	5.39%
International Equity	21%	5.20%
Income Assets		
Fixed Income	40%	1.98%
Total	<u>100%</u>	

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.50%; the municipal bond rate is 2.75% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”); and the resulting single discount rate is 6.50%. The District’s current funding policy is to pay the benefits using

**D. Actuarial Methods and Assumptions**

continued

its own assets and to contribute \$20,000 per year into the OPEB trust. Based on this funding policy, the plan's projected assets are never depleted in the projection required to determine the single discount rate. Under this policy, the District does not calculate an actuarially determined contribution. In addition, the contribution requirements are not established statutorily or contractually.

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the year ended December 31, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 16.93%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Changes in the Net OPEB Liability**

	Changes in Net OPEB Liability / (Asset)		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability / (Asset) (a) – (b)
<b>Balances as of December 31, 2019</b>	<u>\$3,210,736</u>	<u>\$210,455</u>	<u>\$3,000,281</u>
<b>Changes for the year:</b>			
Service cost	60,400	-	60,400
Interest on total OPEB liability	206,477	-	206,477
Changes of benefit terms	-	-	-
Difference between expected and actual experience	20,547	-	20,547
Changes of assumptions	-	-	-
Benefit payments	(128,741)	(128,741)	-
Administrative expenses	-	(1,097)	1,097
Employer contributions	-	149,541	(149,541)
Net investment income	-	36,242	(36,242)
Other	-	-	-
<b>Net Changes</b>	<u>158,683</u>	<u>55,945</u>	<u>102,738</u>
<b>Balances as of December 31, 2020</b>	<u>\$3,369,419</u>	<u>\$266,400</u>	<u>\$3,103,019</u>

***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates***

The following presents the net OPEB liability of the District, calculated using the discount rate of 6.50 percent, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percent lower (5.50 percent) or 1-percent higher (7.50 percent) than the current rate:

**E. Changes in the Net OPEB Liability**

continued

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
District's net OPEB liability	\$ 3,585,898	\$ 3,103,019	\$ 2,705,915

The following presents the net OPEB liability of the District, calculated using the assumed trend rates as well as what the District's net OPEB liability would be if it were calculated using a trend rate that is 1-percent lower or 1-percent higher than the current rates:

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
District's net OPEB liability	\$ 2,638,562	\$ 3,103,019	\$ 3,682,030

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended September 30, 2021, the District recognized OPEB expense of \$185,136. At September 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions or inputs	\$ -	\$ 44,023
Change in OPEB allocated share	-	107,135
Difference between projected and actual earnings on OPEB plan	-	23,325
Difference between expected and actual OPEB experience	21,115	261,362
OPEB contributions after the measurement date	42,874	-
Total	<u>\$ 63,989</u>	<u>\$ 435,845</u>

Deferred outflows of resources related to OPEB resulting from OPEB contributions made after the measurement date of \$42,874 will be recognized as a reduction of the net OPEB liability in the District's financial statements for the fiscal year ending September 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB, excluding OPEB contributions made after the measurement date, will be recognized in OPEB expense as follows:

**E. Changes in the Net OPEB Liability**

continued

**Year ended September 30,**

2022	\$ (159,937)
2023	(52,325)
2024	(55,490)
2025	(51,609)
2026	(47,236)
Thereafter	(48,133)

**F. Deferred Compensation**

The District participates with Brazos County, Texas in offering its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, as amended, is available to all District employees, and permits them to defer a portion of their salary until future years. The Plan funds are not available to employees until termination, retirement, death, or emergency. Neither the District nor Brazos County are the Plan administrator or the trustee, therefore the assets of the Plan are not a reportable fund within the District's financial statements.

**NOTE 10 - CONTINGENT LIABILITIES**

The District is not currently a defendant in any lawsuits, nor is the District aware of any pending litigation. All outstanding issues were resolved by the end of the fiscal year and all had arisen in the normal course of the District's operations.

The District is self-insured for employee and dependent health insurance. The District has completely funded all the current requirements related to current and future liabilities related to health insurance.

The District receives various grants that are subject to audit and adjustment by the grantor agencies. Any disallowed expenditure will become a liability of the District. The amount cannot be determined at this time, but the District expects such amounts, if any, to be immaterial.

**NOTE 11 – COOPERATIVE AGREEMENT**

Annually, the Members of the District enter a cooperative agreement, which provides that the members provide the District with supplemental financial support for operations. The supplemental support allows the District the financial capability to give adequate effect to the health services required in the jurisdiction.

For the year ended September 30, 2021, the monetary support by jurisdiction was as follows:

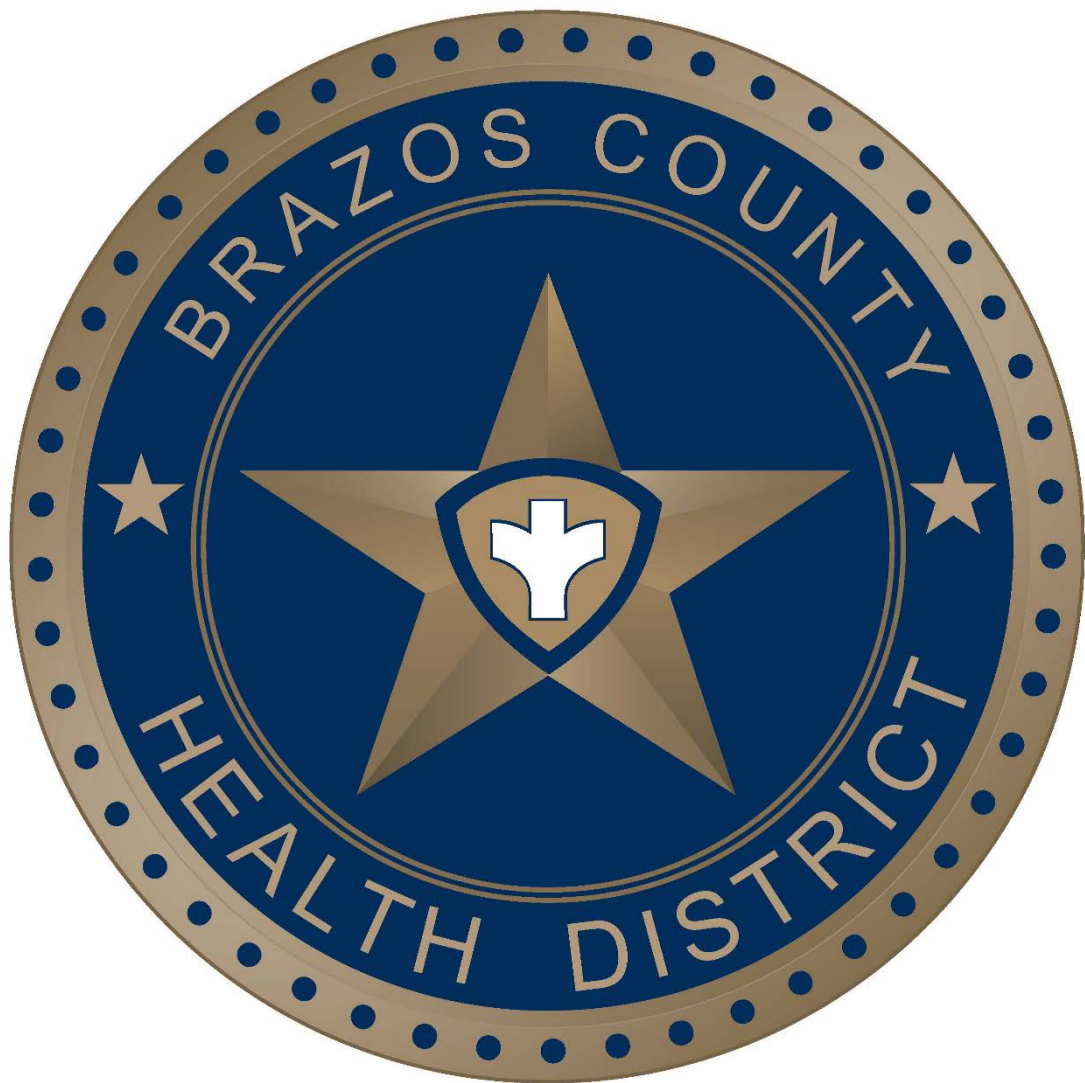
<b><u>Entity</u></b>	<b><u>Budget</u></b>	<b><u>Actual</u></b>
Brazos County	\$ 478,029	\$ 478,029
City of Bryan	\$ 478,029	\$ 478,029
City of College Station	\$ 478,029	\$ 478,029
<b>TOTALS</b>	<b><u>\$1,434,087</u></b>	<b><u>\$1,434,087</u></b>



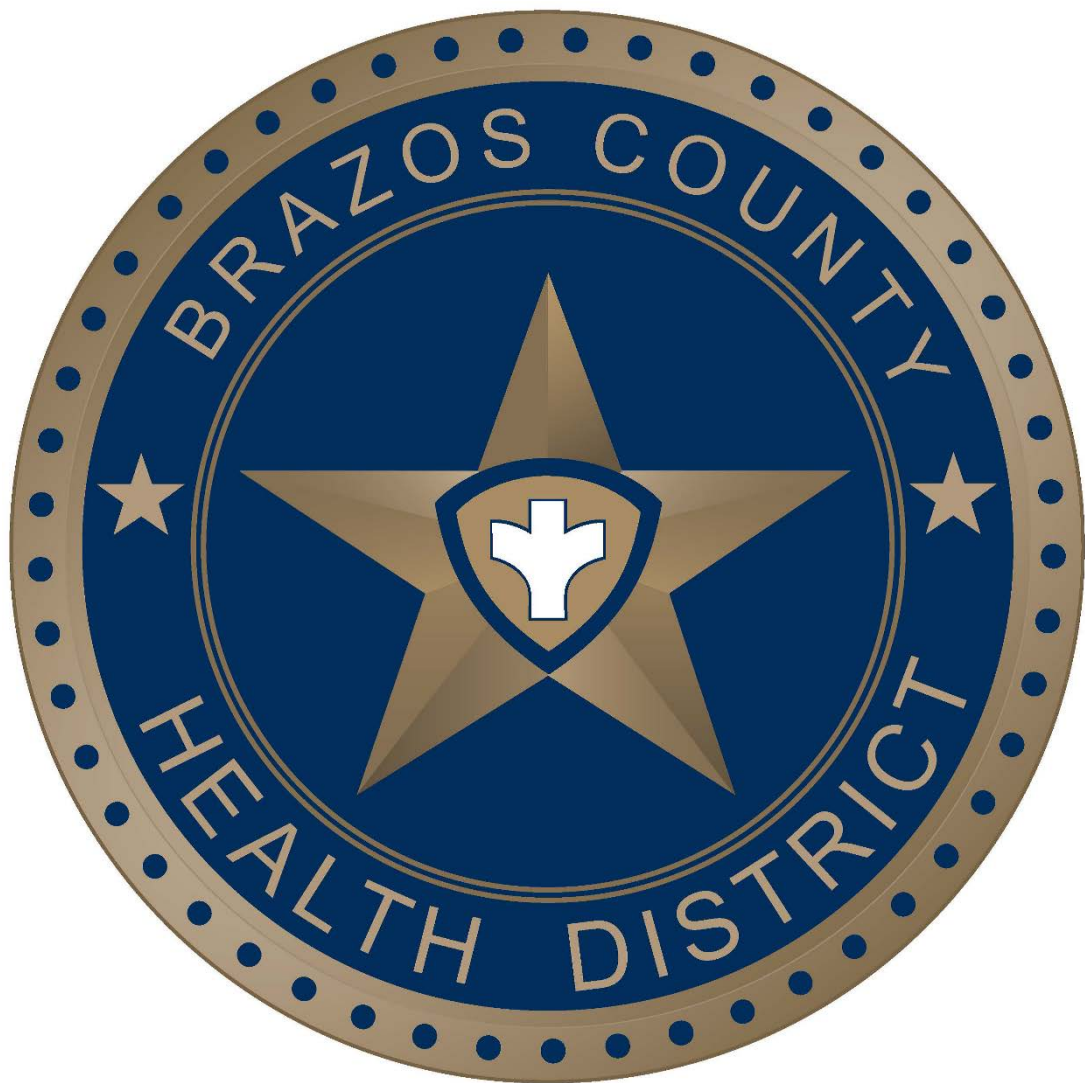
**NOTE 11 – COOPERATIVE AGREEMENT****continued**

The Agreement also requires the Members of the District to pay for actual health services provided to the jurisdictions. The agreement for the fiscal year ended September 30, 2021, includes a provision that any unencumbered funds at the end of the fiscal year are to be retained by the District as “public health funds.” These funds are to be used by the District in a manner equally beneficial to each of the parties. During the year ended September 30, 2021, the health service fees collected by the District for each jurisdiction were as follows:

<b><u>Entity</u></b>	<b><u>Budget</u></b>	<b><u>Actual</u></b>
Brazos County	\$ 115,000	\$ 133,103
City of Bryan	215,000	233,475
City of College Station	260,000	315,097
<b>TOTALS</b>	<b><u>\$ 590,000</u></b>	<b><u>\$ 681,675</u></b>



**BRAZOS COUNTY HEALTH DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION**



**BRAZOS COUNTY HEALTH DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
For the Year Ended September 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Intergovernmental			
Association of Food and Drug Officials	\$ --	\$ 13,988	\$ 13,871
Brazos County	1,026,582	1,026,582	1,799,533
City of Bryan	478,029	478,029	478,029
City of College Station	478,029	478,029	478,029
Texas Department of State Health Services	1,569,765	1,965,448	1,531,320
Texas Health and Human Services Commission	58,570	58,570	80,606
Program Revenue			
Health Service Fees	590,000	590,000	681,674
Clinic	88,000	88,000	110,622
Environmental	8,000	8,000	935
Laboratory	30,000	30,000	2,100
340B Drug Program	145,000	145,000	485,301
Interest	3,000	3,000	7,323
Other	1,051	1,051	3,633
CARES	128,523	244,654	129,306
Contact Tracing	135,050	389,974	352,048
<b>TOTAL REVENUES</b>	<u>4,739,599</u>	<u>5,520,325</u>	<u>6,154,330</u>
 <b>EXPENDITURES</b>			
Salary and Wages	2,106,591	2,606,145	3,093,238
Employee Benefits	1,129,566	1,251,396	1,052,685
Departmental Support	899,850	1,025,210	727,426
Repairs and Maintenance	24,850	34,050	107,590
Minor Acquisitions	13,000	--	--
Contract Services	32,450	234,809	137,825
Facility	186,881	186,881	186,881
Professional Services	297,308	141,922	76,407
Community Contracts	12,170	12,170	13,109
Capital Outlay	36,933	27,742	21,984
<b>TOTAL EXPENDITURES</b>	<u>4,739,599</u>	<u>5,520,325</u>	<u>5,417,145</u>
 <b>Net Change in Fund Balance</b>	 --	 --	 737,185
 <b>FUND BALANCE AT OCTOBER 1, 2020</b>	 <u>565,538</u>	 <u>565,538</u>	 <u>565,538</u>
 <b>FUND BALANCE AT SEPTEMBER 30, 2021</b>	 <u><u>\$ 565,538</u></u>	 <u><u>\$ 565,538</u></u>	 <u><u>1,302,723</u></u>

**BRAZOS COUNTY HEALTH DISTRICT**  
Required Supplementary Information  
Schedule of Changes in the District's Net Pension Liability and Related Ratios  
September 30, 2021

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
<b>Total pension liability</b>							
Service cost	\$ 276,297	\$ 258,290	\$ 254,529	\$ 243,434	\$ 239,918	\$ 211,535	\$ 196,938
Interest on total pension liability	817,232	763,820	716,969	669,885	614,986	562,710	499,832
Effect of plan changes	-	-	-	-	-	(42,724)	-
Effect of economic/demographic gains or losses	69,833	33,265	(16,779)	(9,097)	19,157	(70,214)	(20,895)
Effect of assumptions changes or inputs	683,553	-	-	20,359	-	76,363	-
Benefit payments/refunds of contributions	(429,006)	(399,514)	(361,384)	(347,654)	(297,550)	(263,552)	(225,789)
<b>Net change in total pension liability</b>	<b>1,417,909</b>	<b>655,861</b>	<b>593,335</b>	<b>576,927</b>	<b>576,511</b>	<b>474,118</b>	<b>450,086</b>
<b>Total pension liability - beginning</b>	<b>9,511,747</b>	<b>8,855,886</b>	<b>8,262,551</b>	<b>7,685,624</b>	<b>7,109,113</b>	<b>6,634,995</b>	<b>6,184,909</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 10,929,656</b>	<b>\$ 9,511,747</b>	<b>\$ 8,855,886</b>	<b>\$ 8,262,551</b>	<b>\$ 7,685,624</b>	<b>\$ 7,109,113</b>	<b>\$ 6,634,995</b>
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 316,449	\$ 282,592	\$ 261,774	\$ 241,053	\$ 265,863	\$ 205,969	\$ 185,708
Contributions - employee	145,243	136,424	128,590	120,527	113,496	104,206	92,830
Net investment income	950,115	1,295,149	(148,927)	1,019,512	474,795	(81,668)	376,031
Benefit payments/refunds of contributions	(429,006)	(399,514)	(361,384)	(347,654)	(297,550)	(263,552)	(225,789)
Administrative expenses	(7,444)	(7,008)	(6,335)	(5,328)	(5,165)	(4,519)	(4,466)
Effect of change in proportion	-	-	-	-	(30,013)	(30,500)	-
Other	1,835	1,949	1,668	215	11,498	4,001	(5,127)
<b>Net change in plan fiduciary net position</b>	<b>977,192</b>	<b>1,309,592</b>	<b>(124,614)</b>	<b>1,028,325</b>	<b>532,924</b>	<b>(66,063)</b>	<b>419,187</b>
<b>Plan fiduciary net position - beginning</b>	<b>8,684,822</b>	<b>7,375,230</b>	<b>7,499,844</b>	<b>6,471,519</b>	<b>5,938,595</b>	<b>6,004,658</b>	<b>5,585,471</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 9,662,014</b>	<b>\$ 8,684,822</b>	<b>\$ 7,375,230</b>	<b>\$ 7,499,844</b>	<b>\$ 6,471,519</b>	<b>\$ 5,938,595</b>	<b>\$ 6,004,658</b>
<b>District's net pension liability - ending (a) - (b)</b>	<b>\$ 1,267,642</b>	<b>\$ 826,925</b>	<b>\$ 1,480,656</b>	<b>\$ 762,707</b>	<b>\$ 1,214,105</b>	<b>\$ 1,170,518</b>	<b>\$ 630,337</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>88.40%</b>	<b>91.31%</b>	<b>83.28%</b>	<b>90.77%</b>	<b>84.20%</b>	<b>83.53%</b>	<b>90.50%</b>
<b>Covered payroll</b>	<b>\$ 2,074,896</b>	<b>\$ 1,948,910</b>	<b>\$ 1,837,007</b>	<b>\$ 1,721,807</b>	<b>\$ 1,625,812</b>	<b>\$ 1,374,391</b>	<b>\$ 1,326,371</b>
<b>District's net pension liability as a percentage of covered payroll</b>	<b>61.09%</b>	<b>42.43%</b>	<b>80.60%</b>	<b>44.30%</b>	<b>74.68%</b>	<b>85.17%</b>	<b>47.52%</b>

Note: This schedule represents only the years for which the new GASB statements have been implemented.

**BRAZOS COUNTY HEALTH DISTRICT**  
**Required Supplementary Information**  
**Schedule of District Pension Contributions**  
**September 30, 2021**

Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2012	\$ 140,292	\$ 146,069	\$ (5,777)	\$ 1,180,836	12.4%
2013	125,075	166,213	(41,138)	1,273,663	13.1%
2014	167,594	180,150	(12,556)	1,286,788	14.0%
2015	180,121	192,415	(12,294)	1,374,391	14.0%
2016	196,994	227,614	(30,620)	1,625,812	14.0%
2017	213,764	276,200	(62,436)	1,673,939	16.5%
2018	235,027	243,142	(8,115)	1,736,729	14.0%
2019	259,753	254,734	5,019	1,781,357	14.3%
2020	267,975	282,592	(14,617)	1,948,910	14.5%
2021	299,200	316,449	(17,249)	2,068,294	15.3%

**Notes to Schedule**

**Valuation timing:** 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:**

<b>Actuarial cost method</b>	Entry Age
<b>Amortization method</b>	Level percentage of payroll, closed
<b>Remaining amortization period</b>	17.7 years (based on contribution rate calculated in 12/31/2020 valuation)
<b>Asset valuation method</b>	5-year smoothed market
<b>Inflation</b>	2.50%
<b>Salary increases</b>	Varies by age and service. 4.6% average over career including inflation
<b>Investment rate of return</b>	7.50%, net of administrative and investment expenses, including inflation
<b>Retirement age</b>	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.
<b>Mortality</b>	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2004 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate Scale after 2014.
<b>Changes in assumptions and methods reflected in the schedule of employer contributions</b>	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.
<b>Changes in plan provisions reflected in the schedule</b>	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule.

# BRAZOS COUNTY HEALTH DISTRICT

## Required Supplementary Information

### Schedule of Changes in the District's Net OPEB Liability and Related Ratios

September 30, 2021

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
<b>Total OPEB liability</b>				
Service cost	\$ 60,400	\$ 65,684	\$ 73,329	\$ 71,193
Interest on total OPEB liability	206,477	222,275	210,713	198,857
Difference between expected and actual experience	20,547	(347,631)	4,993	-
Changes of assumptions	-	(58,555)	-	-
Benefit payments	(128,741)	(115,606)	(99,071)	(78,364)
<b>Net change in total OPEB liability</b>	<u>158,683</u>	<u>(233,833)</u>	<u>189,964</u>	<u>191,686</u>
<b>Total OPEB liability - beginning</b>	<u>3,210,736</u>	<u>3,444,569</u>	<u>3,254,605</u>	<u>3,062,919</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>\$ 3,369,419</u></u>	<u><u>\$ 3,210,736</u></u>	<u><u>\$ 3,444,569</u></u>	<u><u>\$ 3,254,605</u></u>
<b>Plan fiduciary net position</b>				
Employer contributions	\$ 149,541	\$ 156,406	\$ 139,871	\$ 159,964
Net investment income	36,242	29,844	(7,505)	6,343
Benefit payments	(128,741)	(115,606)	(99,071)	(78,364)
Administrative expense	(1,097)	(806)	(584)	(271)
<b>Net change in plan fiduciary net position</b>	<u>55,945</u>	<u>69,838</u>	<u>32,711</u>	<u>87,672</u>
<b>Plan fiduciary net position - beginning</b>	<u>210,455</u>	<u>140,617</u>	<u>107,906</u>	<u>20,234</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 266,400</u></u>	<u><u>\$ 210,455</u></u>	<u><u>\$ 140,617</u></u>	<u><u>\$ 107,906</u></u>
<b>District's net OPEB liability - ending (a) - (b)</b>	\$ 3,103,019	\$ 3,000,281	\$ 3,303,952	\$ 3,146,699
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	7.91%	6.55%	4.08%	3.32%
<b>Covered-employee payroll</b>	\$ 1,866,733	\$ 1,774,211	\$ 1,644,250	\$ 1,547,426
<b>District's net OPEB liability as a percentage of covered-employee payroll</b>	166.23%	169.11%	200.94%	203.35%

NOTE: The schedule represents only the years for which the new GASB statements have been implemented.



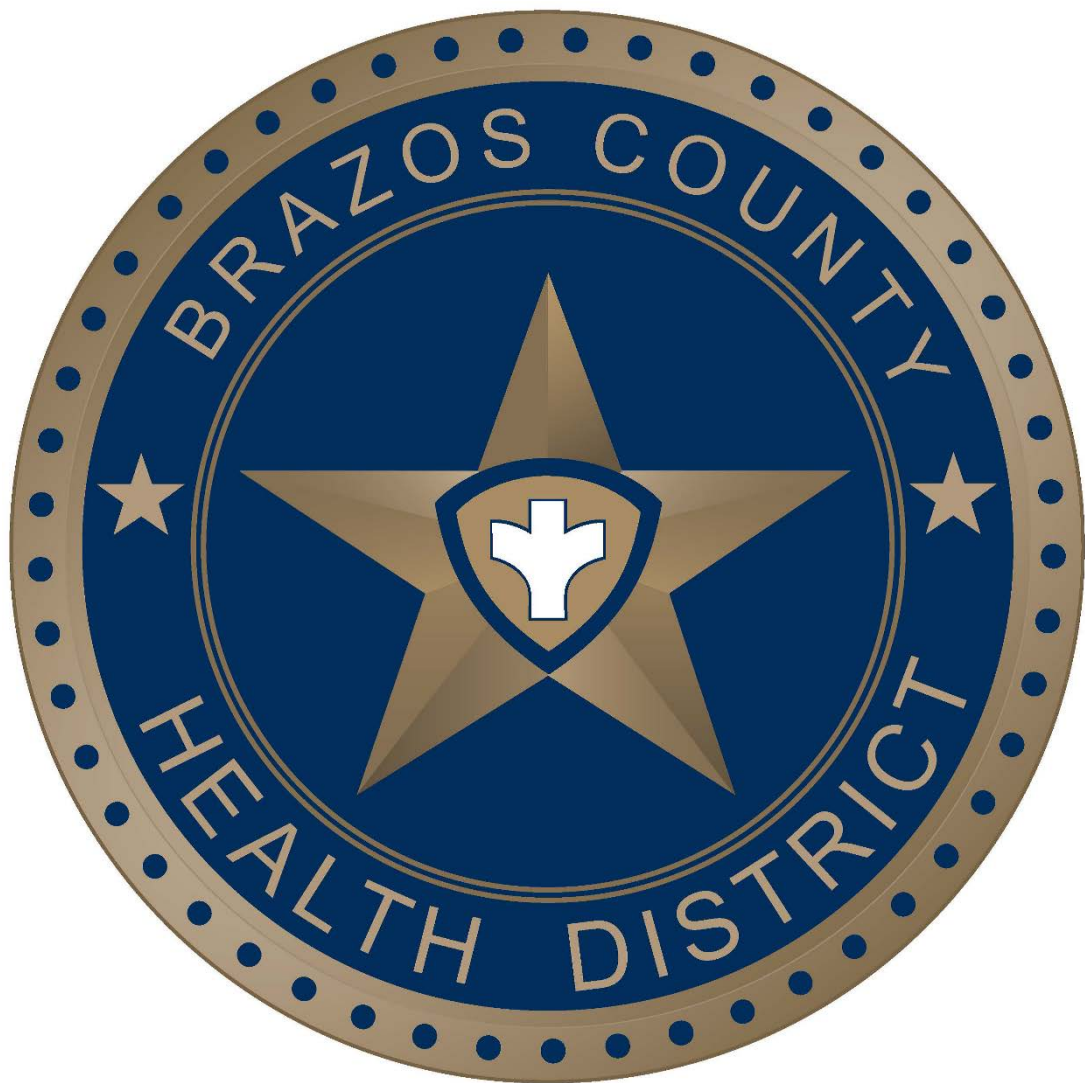
**BRAZOS COUNTY HEALTH DISTRICT**  
Required Supplementary Information  
Schedule of Investment Returns on OPEB Trust  
September 30, 2021

<b>Fiscal Year</b>	<b>Annual Money- Weighted Rate of Return, Net of Investment Expenses</b>
2021	17.86%
2020	11.68%
2019	5.40%
2018	6.97%

NOTE: The schedule represents only the years for which the new GASB statements have been implemented.



**BRAZOS COUNTY HEALTH DISTRICT  
STATISTICAL SECTION**



**BRAZOS COUNTY HEALTH DISTRICT**  
**COMPARATIVE ANALYSIS OF DIVISIONAL EXPENDITURES**  
**For The Twelve Month Period Ended September 30, 2021**  
**With Comparative Totals for Years Ended September 30, 2020 and 2019**  
**(Unaudited)**

<b>Expenditures</b>	<b>Administration</b>	<b>Environmental</b>	<b>Clinic</b>	<b>Lab</b>	<b>Cold Chain Storage</b>	<b>Immunization</b>	<b>BVMAT</b>	<b>Infectious Disease</b>	<b>Public Health Crisis Response</b>	<b>Contact Tracing</b>	<b>Cares CDBG</b>	<b>AFDO</b>	<b>NACCHO Programs</b>	<b>Healthy Communities</b>
<b>Salary and Wages</b>	\$ 123,267	\$ 632,286	\$457,634	\$ 66,849	\$ --	\$ --	\$ 83,652	\$ 64,860	\$ --	\$ 327,586	\$ --	\$ --	\$ --	\$ 39,126
Employment Benefits	182,021	360,339	257,956	32,138	--	--	26,695	34,807	--	25,554	--	--	--	27,502
Departmental Support	18,286	13,845	8,655	5,482	9,966	9,627	5,330	--	76,709	--	--	13,871	--	24,523
Repairs & Maintenance	1,455	12,546	160	745	--	--	255	--	--	--	--	--	--	--
Contract Services	365	--	--	2,343	--	47,953	2,995	--	--	--	--	--	--	--
Facility	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Professional Services	1,845	--	8,117	7,980	--	--	--	--	--	--	--	--	--	--
Community Contracts	--	1,720	--	--	--	--	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--	--	14,400	--	--	--	--	--
<b>TOTALS</b>	<b>\$ 327,239</b>	<b>\$ 1,020,736</b>	<b>\$732,522</b>	<b>\$115,537</b>	<b>\$ 9,966</b>	<b>\$ 57,580</b>	<b>\$ 118,927</b>	<b>\$ 99,667</b>	<b>\$ 91,109</b>	<b>\$ 353,140</b>	<b>\$ --</b>	<b>\$ 13,871</b>	<b>\$ --</b>	<b>\$ 91,151</b>
<b>For the Year Ended:</b>														
September 30, 2020	\$ 461,208	\$ 983,049	\$609,661	\$179,045	\$ 16,729	\$ 132,216	\$ --	\$ 95,448	\$ 1,359	\$ 61,050	\$ 4,440	\$ --	\$ --	\$ 92,045
September 30, 2019	\$ 526,148	\$ 939,019	\$557,436	\$216,534	\$ --	\$ 193,902	\$ --	\$ 95,762	\$ 27,735	\$ --	\$ --	\$ --	\$ 15,932	\$ --

**BRAZOS COUNTY HEALTH DISTRICT**  
**COMPARATIVE ANALYSIS OF DIVISIONAL EXPENDITURES**  
**For The Twelve Month Period Ended September 30, 2021**  
**With Comparative Totals for Years Ended September 30, 2020 and 2019**  
**(Unaudited)**

Expenditures	Regional Health	Health Equity	Public Workforce	HHSC Med Records	HHSC HIV Testing	HHSC Adult Immunization	Bioterrorism Preparedness	COVID Epidemiology	COVID Epidemiology	CARES	Tuberculosis	Totals	In-Kind Support			Health District Totals
													Brazos County	Department of State Health Services		
Salary and Wages	\$ 72,526	\$ 4,015	\$ 14,857	\$ --	\$ --	\$ --	\$ 96,120	\$ 23,951	\$ --	\$ 101,243	\$ --	\$ 2,107,972	\$ 985,266	\$ --	\$ --	\$ 3,093,238
Employment Benefits	37,686	946	4,130	--	--	--	43,188	5,460	--	14,263	--	1,052,685	--	--	--	1,052,685
Departmental Support	9	--	--	--	3,993	7,841	891	21,775	--	--	--	220,803	47,749	458,874	458,874	727,426
Repairs & Maintenance	--	--	--	--	--	--	21	--	--	--	--	15,182	92,408	--	--	107,590
Contract Services	--	--	--	13,482	--	--	--	16,286	54,401	--	--	137,825	--	--	--	137,825
Facility	--	--	--	--	--	--	--	--	--	--	--	--	186,881	--	--	186,881
Professional Services	--	--	--	--	--	--	--	34,200	--	13,800	1,265	67,207	9,200	--	--	76,407
Community Contracts	--	--	--	--	--	11,389	--	--	--	--	--	13,109	--	--	--	13,109
Capital Outlay	--	--	--	--	--	--	--	7,584	--	--	--	21,984	--	--	--	21,984
<b>TOTALS</b>	<b>\$ 110,221</b>	<b>\$ 4,961</b>	<b>\$ 18,987</b>	<b>\$ 13,482</b>	<b>\$ 3,993</b>	<b>\$ 19,230</b>	<b>\$ 140,220</b>	<b>\$ 109,256</b>	<b>\$ 54,401</b>	<b>\$ 129,306</b>	<b>\$ 1,265</b>	<b>\$ 3,636,767</b>	<b>\$ 1,321,504</b>	<b>\$ 458,874</b>	<b>\$ --</b>	<b>\$ 5,417,145</b>
<b>For the Year Ended:</b>																
September 30, 2020	\$ 183,855	\$ --	\$ --	\$ 14,039	\$ 3,559	\$ 9,397	\$ 137,722	\$ 154,822	\$ --	\$ 64,617	\$ 49,498	\$ 3,253,759	\$ 549,666	\$ 437,236	\$ --	\$ 4,240,661
September 30, 2019	\$ 192,271	\$ --	\$ --	\$ 13,367	\$ 11,071	\$ 21,743	\$ 114,417	\$ --	\$ --	\$ --	\$ 54,798	\$ 2,980,135	\$ 525,852	\$ 554,675	\$ --	\$ 4,060,662

**BRAZOS COUNTY HEALTH DISTRICT**  
**COMPARATIVE ANALYSIS OF GRANT FUNDING SUPPORT**  
(Unaudited)

07/01/2020-06/30/2021				09/01/2020-08/31/2021			
DSHS Program: CPS/HAZARDS				DSHS Program: RLSS/LPHS			
	Grant	Grant	Department		Grant	Department	
Expenditures	Budget	Expense	Expense	Expenditures	Budget	Expense	Expense
		Support	Support			Support	Support
Personnel	\$ 97,944	\$ 97,148	\$ --	Personnel	\$ 68,913	\$ 58,072	\$ --
Fringe Benefits	\$ 35,260	\$ 35,260	\$ 8,392	Fringe Benefits	\$ 18,847	\$ 29,687	\$ --
Travel	\$ 4,080	\$ 21	\$ --	Travel	\$ --	\$ --	\$ --
Equipment	\$ --	\$ --	\$ --	Equipment	\$ --	\$ --	\$ --
Supplies	\$ 420	\$ 52	\$ --	Supplies	\$ --	\$ --	\$ --
Contractual	\$ --	\$ --	\$ --	Contractual	\$ --	\$ --	\$ --
Other	\$ 2,056	\$ 864	\$ --	Other	\$ --	\$ --	\$ --
<b>TOTALS</b>	<b>\$ 139,760</b>	<b>\$ 133,345</b>	<b>\$ 8,392</b>	<b>TOTALS</b>	<b>\$ 87,760</b>	<b>\$ 87,759</b>	<b>\$ --</b>
09/01/2020-08/31/2021				01/01/2021-09/30/2021			
DSHS Program: IMM/LOCALS				DSHS Program: TB/PC Federal			
	Grant	Grant	Department		Grant	Department	
Expenditures	Budget	Expense	Expense	Expenditures	Budget	Expense	Expense
		Support	Support			Support	Support
Personnel	\$ 124,667	\$ 124,667	\$ 34,422	Personnel	\$ 14,039	\$ 8,106	\$ --
Fringe Benefits	\$ 56,028	\$ 56,028	\$ 28,033	Fringe Benefits	\$ 5,064	\$ 4,123	\$ --
Travel	\$ --	\$ --	\$ --	Travel	\$ --	\$ --	\$ --
Equipment	\$ --	\$ --	\$ --	Equipment	\$ --	\$ --	\$ --
Supplies	\$ --	\$ --	\$ 2,982	Supplies	\$ --	\$ --	\$ --
Contractual	\$ 69,126	\$ 32,698	\$ --	Contractual	\$ --	\$ --	\$ --
Other	\$ --	\$ --	\$ --	Other	\$ --	\$ --	\$ --
<b>TOTALS</b>	<b>\$ 249,821</b>	<b>\$ 213,393</b>	<b>\$ 65,437</b>	<b>TOTALS</b>	<b>\$ 19,103</b>	<b>\$ 12,229</b>	<b>\$ --</b>
09/01/2020-08/31/2021				09/01/2020-08/31/2021			
DSHS Program: TB/PC State				DSHS Program: IDCU/SUREB			
	Grant	Grant	Department		Grant	Department	
Expenditures	Budget	Expense	Expense	Expenditures	Budget	Expense	Expense
		Support	Support			Support	Support
Personnel	\$ 21,544	\$ 16,080	\$ --	Personnel	\$ 64,524	\$ 54,894	\$ --
Fringe Benefits	\$ 7,614	\$ 7,669	\$ --	Fringe Benefits	\$ 16,422	\$ 27,606	\$ --
Travel	\$ 795	\$ --	\$ --	Travel	\$ 1,554	\$ --	\$ --
Equipment	\$ --	\$ --	\$ --	Equipment	\$ --	\$ --	\$ --
Supplies	\$ --	\$ --	\$ --	Supplies	\$ --	\$ --	\$ --
Contractual	\$ --	\$ --	\$ --	Contractual	\$ --	\$ --	\$ --
Other	\$ --	\$ --	\$ --	Other	\$ --	\$ --	\$ --
<b>TOTALS</b>	<b>\$ 29,953</b>	<b>\$ 23,749</b>	<b>\$ --</b>	<b>TOTALS</b>	<b>\$ 82,500</b>	<b>\$ 82,500</b>	<b>\$ --</b>
01/20/2019-06/30/2021				09/01/2020 - 08/31/2021			
DSHS Program: COAG/LHD				DSHS Program: TX Healthy Communities			
	Grant	Grant	Department		Grant	Department	
Expenditures	Budget	Expense	Expense	Expenditures	Budget	Expense	Expense
		Support	Support			Support	Support
Personnel	\$ 2,049	\$ --	\$ --	Personnel	\$ 45,540	\$ 38,873	\$ --
Fringe Benefits	\$ --	\$ --	\$ --	Fringe Benefits	\$ 18,216	\$ 26,577	\$ --
Travel	\$ 6,506	\$ 864	\$ --	Travel	\$ 4,698	\$ 512	\$ --
Equipment	\$ 60,887	\$ 59,870	\$ --	Equipment	\$ --	\$ --	\$ --
Supplies	\$ 84,082	\$ 85,047	\$ --	Supplies	\$ 31,546	\$ 26,786	\$ --
Contractual	\$ 2,000	\$ --	\$ --	Contractual	\$ --	\$ --	\$ --
Other	\$ --	\$ 615	\$ --	Other	\$ --	\$ --	\$ --
<b>TOTALS</b>	<b>\$ 155,524</b>	<b>\$ 146,396</b>	<b>\$ --</b>	<b>TOTALS</b>	<b>\$ 100,000</b>	<b>\$ 92,748</b>	<b>\$ --</b>

**BRAZOS COUNTY HEALTH DISTRICT**  
**COMPARATIVE ANALYSIS OF GRANT FUNDING SUPPORT**  
(Unaudited)

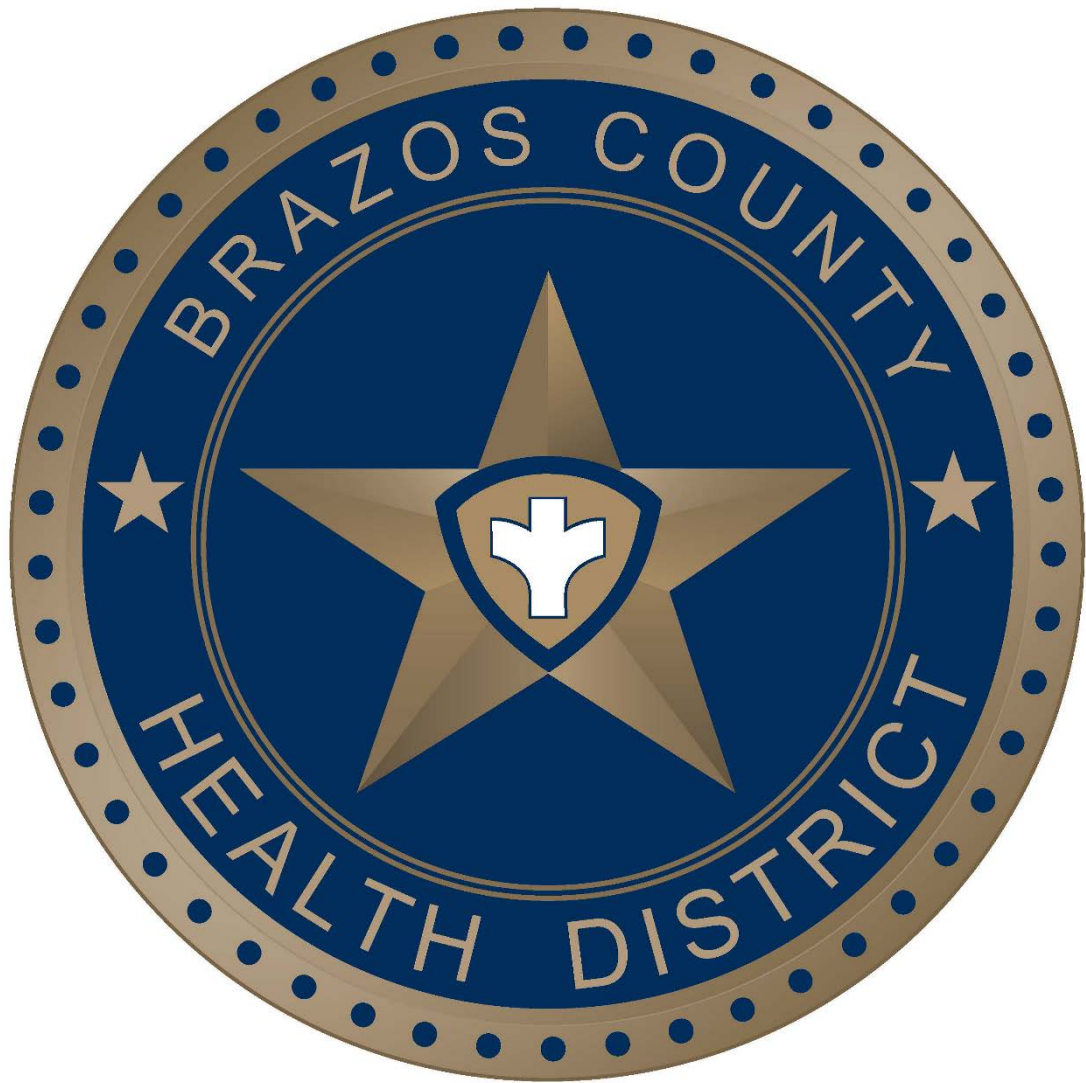
04/20/2020-03/15/2023				04/19/2021 - 06/30/2024		
DSHS Program: CPS COVID				DSHS Program: IMM/COVID-19		
	Grant	Grant	Department	Grant	Grant	Department
Expenditures	Budget	Expense	Expense	Budget	Expense	Expense
		Support	Support		Support	Support
Personnel	\$ 87,004	\$ 87,253	\$ --	\$ 481,320	\$ 74,937	\$ --
Fringe Benefits	\$ 29,581	\$ 19,973	\$ --	\$ 242,730	\$ 24,652	\$ --
Travel	\$ --	\$ --	\$ --	\$ 16,560	\$ --	\$ --
Equipment	\$ --	\$ 7,634	\$ --	\$ 4,456	\$ 1,440	\$ --
Supplies	\$ 28,232	\$ 19,713	\$ --	\$ 18,426	\$ 3,889	\$ --
Contractual	\$ 182,264	\$ 129,719	\$ --	\$ 10,000	\$ 2,995	\$ --
Other	\$ 10,000	\$ --	\$ --	\$ 11,000	\$ 152	\$ --
<b>TOTALS</b>	<b>\$ 337,081</b>	<b>\$ 264,292</b>	<b>\$ --</b>	<b>\$ 784,492</b>	<b>\$ 108,065</b>	<b>\$ --</b>
08/01/2020 - 06/30/2023				07/01/2021 - 06/30/2023		
DSHS Program: IDCU/COVID-19				DSHS Program: PH Workforce		
	Grant	Grant	Department	Grant	Grant	Department
Expenditures	Budget	Expense	Expense	Budget	Expense	Expense
		Support	Support		Support	Support
Personnel	\$ --	\$ --	\$ --	\$ 841,807	\$ 6,968	\$ --
Fringe Benefits	\$ --	\$ --	\$ --	\$ 401,272	\$ 2,275	\$ --
Travel	\$ --	\$ --	\$ --	\$ 27,200	\$ --	\$ --
Equipment	\$ --	\$ --	\$ --	\$ 74,601	\$ --	\$ --
Supplies	\$ --	\$ --	\$ --	\$ 57,000	\$ --	\$ --
Contractual	\$ 247,193	\$ 37,977	\$ --	\$ 73,500	\$ --	\$ --
Other	\$ --	\$ --	\$ --	\$ 24,620	\$ --	\$ --
<b>TOTALS</b>	<b>\$ 247,193</b>	<b>\$ 37,977</b>	<b>\$ --</b>	<b>\$ 1,500,000</b>	<b>\$ 9,243</b>	<b>\$ --</b>
09/01/2021 - 05/31/2023						
DSHS Program: Health Equity						
	Grant	Grant	Department			
Expenditures	Budget	Expense	Expense			
		Support	Support			
Personnel	\$ 215,985	\$ --	\$ --			
Fringe Benefits	\$ 115,250	\$ --	\$ --			
Travel	\$ 19,389	\$ --	\$ --			
Equipment	\$ --	\$ --	\$ --			
Supplies	\$ 11,376	\$ --	\$ --			
Contractual	\$ 25,000	\$ --	\$ --			
Other	\$ 13,000	\$ --	\$ --			
<b>TOTALS</b>	<b>\$ 400,000</b>	<b>\$ --</b>	<b>\$ --</b>			



**BRAZOS COUNTY HEALTH DISTRICT**  
**FUNCTIONAL DEMOGRAPHICS - INTERNAL PROCEDURES**  
**Service Area and Activity**  
**(Unaudited)**

		For The Years Ended September 30				
	Activity	2021	2020	2019	2018	2017
Personal Health Services	Immunizations and Inoculations	9,207	10,252	9,405	7,700	8,541
	TB Tests	861	865	1,115	954	1,032
	STD Clinic	1,289	1,587	2,600	2,357	2,080
	Other Clinic Visits	308	165	--	--	--
	Home Visits	130	451	493	174	166
Environmental Health Services	Inspections:					
	Restaurant	2,995	2,761	3,244	3,129	2,824
	Child Care	76	103	120	133	90
	Septic Systems	587	626	476	693	635
	Swimming Pools	9	13	16	7	8
	Substandard Building	4	4	4	19	3
	Subdivision Reviews	20	17	13	18	23
	Vector Control	192	205	--	--	--
	TCEQ Applications	286	299	228	258	275
	Foodhandlers Registered	103	329	1,052	931	987
	Complaints	323	486	389	505	527
	Letters Issued	2,075	1,863	1,887	2,897	980
Laboratory Services	Water Samples Tested	--	5,063	5,913	5,821	5,950
	STD Testing	4,461	4,216	5,792	6,996	7,148
TOTALS		22,926	29,305	32,747	32,592	31,269

## **COMPLIANCE REPORTS**





## Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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*

Brazos County Board of Health  
Brazos County Health District  
Bryan, Texas

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 and the general fund of the Brazos County Health District (the "District") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 11, 2022.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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.

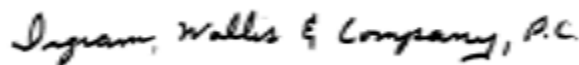
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 District'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 financial statements. 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.

A handwritten signature in black ink that reads "Ingram, Wallis & Company, P.C." is enclosed within a thin black rectangular border.

Bryan, Texas  
May 11, 2022



## Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Brazos County Board of Health  
Brazos County Health District  
Bryan, Texas

#### **Report on Compliance for Each Major Federal and State Program**

We have audited Brazos County Health District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended September 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

## Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

## Report on Internal Control Over Compliance

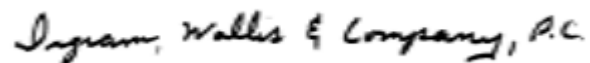
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Bryan, Texas  
May 11, 2022



**BRAZOS COUNTY, TEXAS**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended September 30, 2021**

Federal Assistance Listing Number	Grant Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2020	Expenditures	Amount Provided to Subrecipients	Grant Funds Refunded in 2021	Accounts Receivable (Payable) September 30, 2021
<u>U.S. Department of Health and Human Services</u>							
<u>Passed through Texas Department of State Health Services</u>							
<u>Public Health Emergency Preparedness</u>							
93.074	537-18-0193-00001	\$ 138,403	\$ 16,264	\$ -	\$ -	\$ -	\$ -
	07/01/2019 - 06/30/2020						
93.074	537-18-0193-00001	139,760	38,135	99,549	-	-	-
	07/01/2020 - 06/30/2021						
93.074	537-18-0193-00001	139,760	-	36,661	-	-	21,900
	07/01/2021 - 06/30/2022						
Total - 93.074							
			54,399	136,210	-	-	21,900
<u>Immunization Grants</u>							
93.268	HHS000100300001	238,620	5,582	107,514	-	-	42,682
	09/01/2020 - 08/31/2021						
<u>Immunization Grants</u>							
93.268	HHS000100300001	191,895	-	27,304	-	-	27,304
	09/01/2021 - 08/31/2022						
<u>IMM/COVID-19</u>							
93.268	HHS001019500006	784,492	-	118,823	-	-	118,823
	04/21/2021 - 06/30/2024						
Total - 93.268							
			5,582	253,641	-	-	188,809
<u>Texas Healthy Communities</u>							
93.991	HHS000438400002	100,000	22,772	84,409	-	-	16,015
	09/01/2020 - 08/31/2021						
<u>Texas Healthy Communities</u>							
93.991	HHS000438400002	84,897	-	6,422	-	-	6,422
	09/01/2021 - 08/31/2022						
<u>Region/Local Health</u>							
93.991	HHS000485600033	87,759	-	43,879	-	-	-
	09/01/2020 - 08/31/2021						
<u>Region/Local Health</u>							
93.991	HHS000485600033	87,759	-	5,266	-	-	5,266
	09/01/2021 - 08/31/2022						
Total - 93.991							
			22,772	139,976	-	-	27,703
<u>Hurricane Harvey Crisis Project</u>							
93.354	HHS000371500002	155,524	17,299	101,075	-	-	42,274
	1/20/2019 - 06/30/2021						
<u>Public Health Emergency Response</u>							
93.354	HHS000767400001	337,081	83,067	109,255	-	-	14,969
	04/20/2020 - 03/15/2023						
<u>PH Workforce Development</u>							
93.354	HHS0001078300001	1,500,000	-	18,987	-	-	18,987
	07/01/2021 - 06/30/2023						
Total - 93.354							
			100,366	229,317	-	-	76,230
<u>Tuberculosis - Federal - Prevention and Control</u>							
93.116	HHS000686100004	19,103	6,664	12,088	-	-	2,670
	01/01/2021 - 12/01/2021						
<u>IDCU/COVID-19</u>							
93.323	HHS000812700006	247,193	-	54,401	-	-	27,247
	08/01/2020 - 04/30/2022						
<u>Health Equity</u>							
93.307	HHS001057600007	400,000	-	4,962	-	-	4,962
	09/01/2021 - 05/31/2023						
<u>Passed Through Association of Food and Drug Officials</u>							
<u>Food and Drug Administration Research</u>							
93.103	G-MP-2106-09446	13,871	-	13,871	-	-	-
Total Federal Assistance							
			\$ 189,783	\$ 844,466	\$ -	\$ -	\$ 349,521



**BRAZOS COUNTY, TEXAS**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**For the Year Ended September 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Program/Award Amount	Accounts Receivable (Payable) October 1, 2020	Expenditures	Amount Provided to Subrecipients	Grant Funds Refunded in 2021	Accounts Receivable (Payable) September 30, 2021
<b>Texas Department of State Health Services:</b>								
Tuberculosis - State - Prevention and Control	N/A	HHS000484100006	\$ 29,953	\$ 1,446	\$ 21,344	\$ -	\$ -	\$ 1,661
		09/01/2020 - 08/31/2021						
Tuberculosis - State - Prevention and Control	N/A	HHS000484100006	29,953	-	1,137	-	-	1,137
		09/01/2021 - 08/31/2022						
Total				1,446	22,481	-	-	2,798
Region/Local Health	N/A	HHS000485600033	87,759	10,810	33,070	-	-	-
		09/01/2020 - 08/31/2021						
Region/Local Health	N/A	HHS000485600033	87,759	-	3,470	-	-	3,470
		09/01/2021 - 08/31/2022						
Total				10,810	36,540	-	-	3,470
Infectious Disease	N/A	HHS000436300007	82,500	7,950	74,550	-	-	4,204
		09/01/2020 - 08/31/2021						
Infectious Disease	N/A	HHS000436300007	82,500	-	7,983	-	-	7,983
		09/01/2021 - 08/31/2022						
Total				7,950	82,533	-	-	12,187
Immunization Grants	N/A	HHS000100300001	249,821	6,713	100,298	-	-	21,918
		09/01/2020 - 08/31/2021						
Total State Assistance				26,919	241,852	-	-	40,373
Total Federal and State Assistance				\$ 216,702	\$ 1,086,318	\$ -	\$ -	\$ 389,894

BRAZOS COUNTY HEALTH DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

**General** - The accompanying Schedule of Expenditures of Federal and State Awards presents all federal and state expenditures of the Brazos County Health District (the “District”).

**Basis of Accounting** - The expenditures on the accompanying Schedule of Expenditures of Federal and State Awards are presented on the accrual basis.

**Relationship to Financial Statements** - Expenditures of federal and state awards are reported in the District’s basic financial statements on the accrual basis.

**Relationship to Federal and State Financial Reports** - Amounts reported in the accompanying Schedule of Expenditures of Federal and State Awards agree with the amounts reported in the related federal and state financial reports in all significant respects.

**Indirect Cost Rate** – The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

SUMMARY OF INSURANCE RELATED TO GRANT FUNDS

District employees responsible for or with authority to expend or disburse grant funds are covered by various insurance policies. The amounts of these policies vary from \$5,000 to \$10,000.

SUMMARY OF FEDERAL LOANS OR LOAN GUARANTEES

The District had no Federal loans or loan guarantees during this fiscal year.

SUMMARY OF COVID-19 EXPENDITURES

The District expended the following related to its COVID-19 funding:

Assistance Listing No. 93.268 – IMM/COVID-19	\$ 118,823
Assistance Listing No. 93.268 – Immunization Grants (9/1/2020 – 8/31/2021)	32,698
Assistance Listing No. 93.268 – Immunization Grants (9/1/2021 – 8/31/2022)	11,200
Assistance Listing No. 93.354 – Public Health Emergency Response	109,255
Assistance Listing No. 93.354 – PH Workforce Development	18,987
Assistance Listing No. 93.323 – IDCU/COVID-19	54,401
Assistance Listing No. 93.307 – Health Equity	4,962

BRAZOS COUNTY HEALTH DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

*Financial Statements*

Type of auditor's report issued: *unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ yes     X  no
- Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_ yes     X  no
- Noncompliance material to financial statements noted? \_\_\_ yes     X  no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_ yes     X  no
- Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_ yes     X  no

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 2 CFR 200.516(a)? \_\_\_ yes     X  no

Identification of major programs:

<i>Assistance Listing Number(s)</i>	<i>Name of Federal Program or Cluster</i>
93.268	Immunization Cooperative Agreements
93.354	Public Health Emergency Response

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

Auditee qualified as low-risk auditee for Federal Single Audit? \_\_\_ yes     X  no

BRAZOS COUNTY HEALTH DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal award findings and questioned costs which are required to be reported in accordance with the Uniform Guidance.

BRAZOS COUNTY HEALTH DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021  
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

N/A