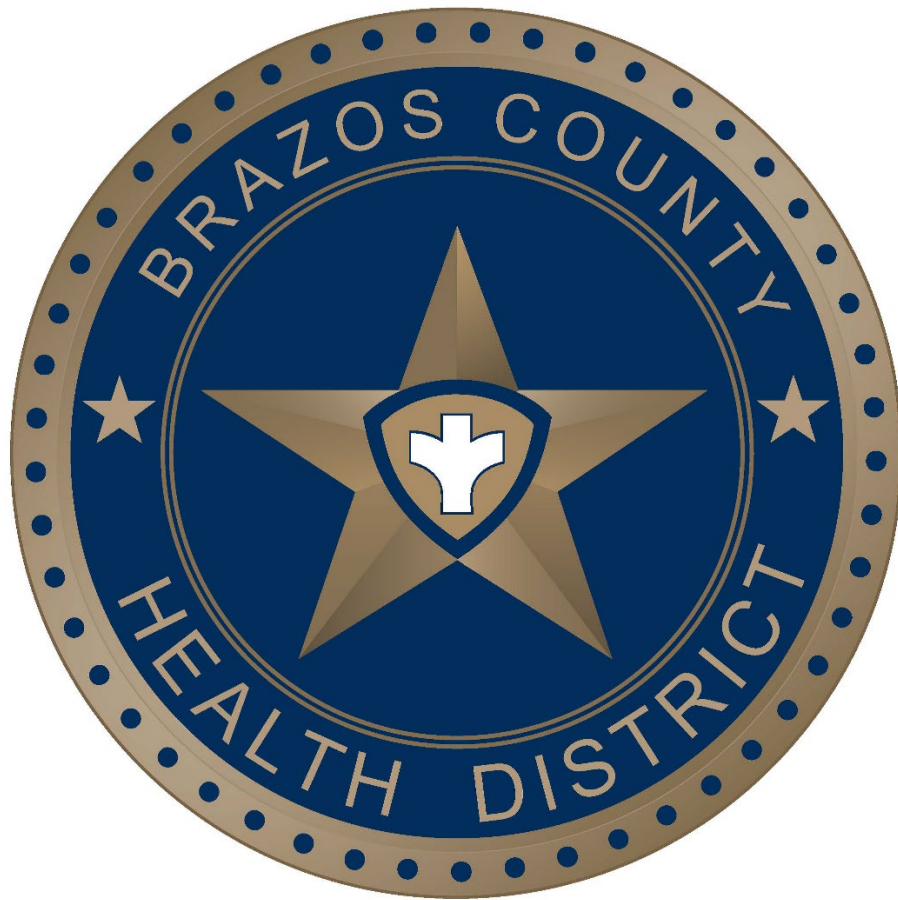


# **BRAZOS COUNTY, TEXAS HEALTH DISTRICT**

**Financial Statements  
September 30, 2023**



Prepared by:

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

**Santos Navarrette**  
Director



**BRAZOS COUNTY HEALTH DISTRICT**  
**For the Year Ended September 30, 2023**

**TABLE OF CONTENTS**

	<u>Page No.</u>
Independent Auditors’ Report.....	1-3
Management’s Discussion and Analysis (unaudited) .....	4-9
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	10
Statement of Activities.....	11
Fund Financial Statements:	
Balance Sheet – Governmental Fund.....	12
Reconciliation of Balance Sheet – Governmental Fund to	
Statement of Net Position .....	13
Statement of Revenues, Expenditures, and Changes in Fund Balance	
- Governmental Fund .....	14
Reconciliation of Changes in Fund Balance – Governmental Fund to	
Changes in Net Position – Governmental Activities .....	15
Statement of Fiduciary Net Position – Fiduciary Fund.....	16
Statement of Change in Fiduciary Net Position – Fiduciary Fund.....	17
Notes to the Basic Financial Statements .....	18-40
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
- Budget and Actual .....	41
Schedule of Changes in the District’s Net Pension Liability and.....	
Related Ratios .....	42
Schedule of District Pension Contributions.....	43
Schedule of Changes in the District’s Net OPEB Liability and.....	
Related Ratios .....	44
Schedule of Investment Returns on OPEB Trust.....	45
Statistical Section (unaudited) .....	46-50
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 <i>Government Auditing Standards</i> .....	51-52
Independent Auditors’ Report on Compliance for Each Major Program	
and on Internal Control Over Compliance Required by the Uniform Guidance.....	53-55
Schedule of Expenditures of Federal and State Awards	
For the Year Ended September 30, 2023.....	56-57
Notes to the Schedule of Expenditures of Federal and State Awards	
For the year Ended September 30, 2023.....	58
Schedule of Findings and Questioned Costs	
For the Year Ended September 30, 2023.....	59-60
Schedule of Findings and Questioned Costs	
For the Year Ended September 30, 2023 – Status of Prior	
Year Findings and Questioned Costs .....	61





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

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the general fund, and the remaining fund information of the Brazos County Health District (the "District") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, and the remaining fund information of the District, as of September 30, 2023, 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.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *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.

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2024, 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.

*Ingram, Wallis + Company, P.C.*

Bryan, Texas  
March 15, 2024





# MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

## For the Year Ended September 30, 2023

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, 2023. 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, 2023 by \$875,001 and are reported as a net deficit of the primary government.
- As of September 30, 2023, the District governmental fund reported fund balance of \$2,754,186, 99.99% of which is available to meet the District’s current and future needs (unassigned fund balance). The remaining 0.01% are prepaid expenditures. The fund balance represents 46.96% 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, infectious disease, tuberculosis services,

regional health programs, bioterrorism preparedness, healthy community promotion, COVID-19 response, COVID-19 epidemiology, health equity, public health workforce, public health infrastructure, the 340B drug program, and adult immunization.

**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 18-40 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 41-45 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve as a useful indicator of a government’s financial position over time. In the case of the District, liabilities (and deferred inflows of resources) exceeded assets (and deferred outflows of resources) by \$875,001 at the close of the most recent fiscal year. Comparative information for fiscal year 2023 and 2022 is presented in the following table.

Condensed Statement of Net Position  
September 30, 2023  
With Comparative Totals September 30, 2022

	2023 Governmental Activities	2022 Governmental Activities
Current assets	\$ 2,888,155	\$ 2,120,202
Net Pension assets	-	238,670
Capital assets	<u>496,214</u>	<u>177,931</u>
Total assets	3,384,369	2,536,803
Deferred outflows of resources	<u>789,679</u>	<u>623,175</u>
Total deferred outflows of resources	789,679	623,175
Current liabilities	251,829	193,387
Other liabilities	<u>3,201,243</u>	<u>1,499,750</u>
Total liabilities	3,453,072	1,693,137
Deferred inflows of resources	<u>1,595,978</u>	<u>3,217,315</u>
Total deferred inflows of resources	1,595,978	3,217,315
Net position (deficit):		
Net investment in capital assets	280,680	177,931
Restricted	-	85,707
Unrestricted	<u>(1,155,681)</u>	<u>(2,014,112)</u>
Total net position (deficit)	<u>\$ (875,001)</u>	<u>\$ (1,750,474)</u>

The District has a current fiscal year investment of \$496,214 in capital assets (e.g. leasehold improvements, equipment, vehicles, and computer software). 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 \$318,283 increase in the balance of capital assets net of accumulated depreciation from the previous fiscal year. There was a decrease in restricted funds of \$85,707 which can be attributed to use of all remaining Adult Immunization funds and Medicare Administrative Claiming funds. The remaining balance of the District’s current fiscal year net deficit represents unrestricted net position, which is a \$858,431 decrease from the previous year ending September 30, 2022.

At the end of the current fiscal year, the District reported an increase of net position in its governmental activities. The principal component of this increase 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, 2023 (Continued)

Changes in Net Position (Deficit)

	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 948,581	\$ 830,956
Operating grants and contributions	3,000,628	2,933,088
General revenues:		
Funding from Brazos County	1,291,821	1,327,528
Funding from City of Bryan	478,029	478,029
Funding from City of College Station	478,029	478,029
Unrestricted investment earnings	52,935	4,938
Miscellaneous	97,381	19,136
Total revenues	<u>6,347,404</u>	<u>6,071,704</u>
Expenses:		
Administration	508,278	372,719
Environmental	1,243,142	1,069,283
Clinic	553,870	772,990
Lab	208,553	155,713
Immunization	970,242	549,673
Brazos Valley Mobile Action Team	203,179	357,155
Infectious Disease	139,467	109,042
NACCHO	16,987	-
Contact Tracing	-	57,391
Texas Healthy Communities	102,810	97,700
Regional Health	126,300	120,137
Health Equity	233,191	256,934
Public Workforce	748,560	657,123
Public Health Infrastructure	39,607	-
Bioterrorism Preparedness	167,201	167,168
COVID-19	11,134	20,083
COVID-19 Epidemiology	85,848	89,678
Tuberculosis	89,857	6,101
Association of Food & Drug Official	-	10,252
Adult Immunization	23,705	15,428
Total expenses	<u>5,471,931</u>	<u>4,884,570</u>
Change in net position (deficit)	875,473	1,187,134
Net position (deficit) - beginning	(1,750,474)	(2,937,608)
Net position (deficit) - ending	<u>\$ (875,001)</u>	<u>\$ (1,750,474)</u>

In fiscal year 2023, the District’s revenues increased by \$275,500 (4.54%). The increase in revenue was primarily from increased fee revenue of \$117,625 and increased grant revenue of \$67,540.

For the year ended September 30, 2023, the increase in expenses for the District of \$587,361 was primarily due to supply expenditures for the Immunizations Division.

## **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, 2023, the District's general fund reported fund balances of \$2,754,186, an increase of \$756,941 in comparison with the prior year. The majority (99.99%) of fund balance constitutes unassigned fund balance, which is available to meet the District's current and future needs. The remaining .01% is restricted.

## **BUDGETARY HIGHLIGHTS**

The District received in-kind support from Brazos County 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 2022 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 2023 was 23.93%.

At the end of the fiscal year, actual revenues were \$69,298 less than the final amended budgeted amount (which includes all in-kind support).

At the end of the fiscal year, actual expenditures were \$617,322 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, 2023, amounted to \$280,680 (net of accumulated depreciation). This investment in capital assets includes leasehold improvements, equipment, vehicles, and computer software. The total increase in the District's investment in capital assets for the current period was \$102,749 or 57.75%.

## **ECONOMIC FACTORS**

The Brazos County Board of Health ("the Board") adopted the 2023-2024 budget on September 21, 2023. The budget was adopted based on estimated balances that would be available at the end of fiscal year 2023 and estimated revenues to be received in fiscal year 2024. The Board considered the following factors:

- Grant support from DSHS was projected to decrease by \$272,373 for 2024.
- Personnel costs will increase due to a 4.5% COLA.
- Capital outlay costs would decrease by \$40,573.

**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, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 2,459,523
Prepaid Expenses	390
Receivables:	
Texas Department of State Health Services	297,576
340B Drug Program	39,965
City of Bryan	39,836
Medicare Administrative Claiming	44,167
Interest	6,698
Total Current Assets	2,888,155
Noncurrent Assets:	
Capital Assets:	
Leasehold Improvements	846,563
Buildings	48,000
Machinery and equipment	574,933
Computer Software	274,534
Less: Accumulated depreciation	(1,247,816)
Total Noncurrent Assets	496,214
<b>Total Assets</b>	<b>3,384,369</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension contributions after the measurement date	231,967
Difference between projected and actual earnings on pension plan	239,094
Differences between expected and actual pension experience	24,111
Change in pension assumptions or inputs	173,981
Change in OPEB allocated shares	21,508
Difference between projected and actual earnings on OPEB plan	22,168
Differences between expected and actual OPEB experience	17,080
OPEB contributions after the measurement date	59,770
<b>Total Deferred Outflows of Resources</b>	<b>789,679</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	27,316
Accrued salaries and benefits	106,653
Compensated absences	66,899
Current - SBITA	50,960
Total Current Liabilities	251,828
Noncurrent Liabilities	
Due in more than one year	3,201,243
Total Noncurrent Liabilities	3,201,243
<b>Total Liabilities</b>	<b>3,453,071</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Differences between expected and actual OPEB experience	114,104
Change in OPEB assumptions or inputs	41,928
Differences between expected and actual pension experience	74,449
Change in OPEB allocated shares	1,365,497
<b>Total Deferred Inflows of Resources</b>	<b>1,595,978</b>
<b>NET POSITION (DEFICIT)</b>	
Net investment in capital assets	280,680
Unrestricted	(1,155,681)
<b>Total Net Position (Deficit)</b>	<b>\$ (875,001)</b>

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

**BRAZOS COUNTY HEALTH DISTRICT  
STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Primary Government</b>				
Governmental activities:				
Administration	\$ 508,278	\$ --	\$ --	\$ (508,278)
Environmental	1,243,142	814,334	--	(428,808)
Clinic	553,870	67,907	--	(485,963)
Lab	208,553	--	--	(208,553)
Immunization	970,242	38,206	900,866	(31,170)
Brazos Valley Mobile Action Team	203,179	--	166,558	(36,621)
Infectious Disease	139,467	--	82,928	(56,539)
NACCHO	16,987	--	20,000	3,013
Texas Healthy Communities	102,810	--	86,342	(16,468)
Regional Health	126,300	--	85,880	(40,420)
Health Equity	233,191	--	188,024	(45,167)
Public Workforce	748,560	--	644,467	(104,093)
Public Health Infrastructure	39,607	--	31,154	(8,453)
Bioterrorism Preparedness	167,201	--	125,331	(41,870)
COVID-19	11,134	--	9,617	(1,517)
COVID-19 Epidemiology	85,848	--	85,848	--
Tuberculosis	89,857	28,134	71,745	10,022
Adult Immunization	23,705	--	--	(23,705)
340B Drug Program	-	--	501,868	501,868
Total	<u>\$ 5,471,931</u>	<u>\$ 948,581</u>	<u>\$ 3,000,628</u>	<u>\$ (1,522,722)</u>

**General revenues:**

Funding from Brazos County	1,291,821
Funding from City of Bryan	478,029
Funding from City of College Station	478,029
Unrestricted investment earnings	52,935
Miscellaneous	97,381
Total general revenues	<u>\$ 2,398,195</u>
Change in net position (deficit)	875,473
Net position (deficit) - beginning	<u>(1,750,474)</u>
Net position (deficit) - ending	<u>\$ (875,001)</u>

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

**BRAZOS COUNTY HEALTH DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUND  
September 30, 2023**

	<b>Total Governmental Fund</b>
<b>ASSETS</b>	
Cash	\$ 2,459,523
Prepaid Expenditures	390
Receivables:	
Texas Department of State Health Services	297,576
340B Drug Program	39,965
City of Bryan	39,836
Medicare Administrative Claiming	44,167
Interest	6,698
<b>TOTAL ASSETS</b>	<b>\$ 2,888,155</b>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts Payable	27,316
Accrued Salaries and Benefits	106,653
<b>Total Liabilities</b>	<b>133,969</b>
<b>Fund Balance</b>	
Nonspendable	390
Unassigned	2,753,796
<b>Total Fund Balance</b>	<b>2,754,186</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,888,155</b>

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, 2023**

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

<b>Total fund balance--governmental fund</b>		<b>\$ 2,754,186</b>
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		496,214
Deferred outflows of resources and the net pension asset 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 and the net pension asset are not reported in the governmental funds:		
Pension contributions after the measurement date	231,967	
Difference between projected and actual earnings on pension plan	239,094	
Differences between expected and actual pension experience	24,111	
Change in pension assumptions or inputs	173,981	
Change in OPEB allocated shares	21,508	
Difference between projected and actual earnings on OPEB plan	22,168	
Differences between expected and actual OPEB experience	17,080	
OPEB contributions after the measurement date	59,770	789,679
Liabilities for compensated absences are due within one year, but are not reported as liabilities in the funds.		(66,899)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds:		
Subscription Based Information Technology Liability		(215,534)
Net OPEB liability		(1,576,993)
Net Pension Liability		(1,459,676)
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:		
Differences between expected and actual OPEB experience	(114,104)	
Change in OPEB assumptions or inputs	(41,928)	
Differences between expected and actual pension experience	(74,449)	
Change in OPEB allocated share	(1,365,497)	
		(1,595,978)
<b>Total net position--governmental activities</b>		<b>\$ (875,001)</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, 2023**

	<u>Total Governmental Fund</u>
<b>REVENUES</b>	
Intergovernmental	
Brazos County	1,291,821
City of Bryan	478,029
City of College Station	478,029
Texas Department of State Health Services	2,478,760
Texas Health and Human Services Commission	84,440
Program Income	
Health Service Fees	810,695
Clinic	134,247
Environmental	3,639
340B Drug Program	501,868
Episcopal Health Foundation	10,000
Interest	52,935
National Association City and County Health Official	20,000
Other	2,941
<b>TOTAL REVENUES</b>	<b>6,347,404</b>
<b>EXPENDITURES</b>	
Salary and Wages	2,900,112
Employee Benefits	1,175,842
Departmental Support	990,212
Repairs and Maintenance	30,106
Contract Services	105,441
Facility	186,881
Professional Services	56,264
Community Contracts	1,685
Capital Outlay	359,454
Debt Service	59,000
<b>TOTAL EXPENDITURES</b>	<b>5,864,997</b>
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	482,407
<b>OTHER FINANCING SOURCES (USES)</b>	
Subscription-Based Information Technology	
Arrangement	274,534
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>274,534</b>
<b>Net Change in Fund Balance</b>	<b>756,941</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>1,997,245</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 2,754,186</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, 2023**

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

**Net change in fund balances--governmental fund** **\$ 756,941**

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	359,454	
Depreciation expense	<u>(34,948)</u>	
		324,506

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) affecting net position. (280,755)

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. 3,531

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. 280,443

The net pension liability/(asset) 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/(assets), reported as expense in the statement of activities. (268,193)

The issuance of long-term debt (e.g., SBITA) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long term debt. 59,000

**Change in net position of governmental activities** **\$ 875,473**

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

**BRAZOS COUNTY HEALTH DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
September 30, 2023**

<b>ASSETS</b>	<b><u>OPEB Trust Fund</u></b>
Cash and Cash Equivalents	\$ 960
Investments	
Fixed Income	61,307
Domestic Equities	96,208
Total Assets	<u>\$ 158,475</u>
<b>NET POSITION</b>	
Restricted for OPEB	\$ 158,475
Total Net Position	<u>\$ 158,475</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, 2023**

	<b>OPEB Trust Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 20,000
Investment Earnings:	
Interest and Dividends	4,281
Net Appreciation in the Fair Value of Investments	10,492
Total Additions	34,773
 <b>DEDUCTIONS</b>	
Administrative Expenses	724
Total Deductions	724
 <b>Net Increase (Decrease) in Fiduciary Net Position</b>	 34,049
 <b>Net Position - Beginning</b>	 124,426
 <b>Net Position - Ending</b>	 \$ 158,475

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, 2023**

**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.

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

**E. Capital Assets**

continued

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
Intangible assets – computer software	2.5 - 5 years

**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.

- Change in pension assumptions about future economic or demographic factors or of other inputs – This difference is deferred and amortized over a closed 5 year period.
- Difference between projected and actual earnings on pension plan – This difference is deferred and amortized over a closed 5 year period.
- Change in pension allocated share – This change results from the disaggregation of the aggregated County results. It is deferred and recognized over a closed 5 year period.
- 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.
- Pension contributions after the measurement date – These contributions are deferred and recognized in the following fiscal year.
- Change in OPEB allocated share – This change results from the disaggregation of the aggregated County results. It is deferred and recognized over a closed 7.7196 year period.
- Difference between expected and actual OPEB experience – This difference is deferred and recognized over a closed 7.7196 year period.
- Difference between projected and actual earnings on OPEB benefit plan – This difference is deferred and amortized over a closed 5 year period.
- OPEB contributions after the measurement date – These contributions are deferred and recognized in the following fiscal year.
- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

- Unavailable revenues – The unavailable revenues which arise only under the modified accrual basis of accounting qualify for reporting in this category in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and court-assessed fines and costs.
- Difference between projected and actual earnings on pension plan – This difference is deferred and amortized over a closed 5 year period.
- 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 allocated share – This change results from the disaggregation of the aggregated County results. It is deferred and recognized over a closed 5 year period.
- Difference between projected and actual earnings on OPEB benefit 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 County results. It is deferred and recognized over a closed 7.7196 year period.
- Difference between expected and actual OPEB experience – This difference is deferred and recognized over a closed 7.7196 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.

**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

**H. Pensions** **continued**

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.

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. 68, Accounting and Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 27.

**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.



**J. Fund Balances and Net Position**

continued

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).

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, 2023 the District spent the restricted balances from the prior fiscal year. The Medicare Administrative Claiming program is the only ongoing restriction and has spent the prior balance and expenditures for the current year have offset new revenue.

***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.

**J. Fund Balances and Net Position**

continued

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 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

<b>Classification</b>	<b>Original Budgeted Expenditures</b>	<b>Supplemental Appropriations</b>	<b>Original As Amended</b>
Salary and wages	\$ 3,148,214	\$ 50,716	\$ 3,198,930
Employee benefits	1,514,771	20,873	1,535,644
Departmental support	978,536	36,201	1,014,737
Repairs and maintenance	34,300	7,547	41,847
Minor acquisitions	226,900	(4,508)	222,392
Contract services	186,881	-	186,881
Professional services	118,200	25,000	143,200
Community contracts	-	1,685	1,685
Capital outlay	127,573	304,430	432,003
<b>TOTALS</b>	<b>\$ 6,335,375</b>	<b>\$ 441,944</b>	<b>\$ 6,777,319</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

<b>Classification</b>	<b>Original Budgeted Expenditures</b>	<b>Supplemental Appropriations</b>	<b>Original As Amended</b>
Salary and wages	\$ 607,899	\$ -	\$ 607,899
Departmental support	609,350	-	609,350
Professional services	18,000	-	18,000
Facility & equipment rental	186,881	-	186,881
<b>TOTALS</b>	<b>\$ 1,422,130</b>	<b>\$ -</b>	<b>\$ 1,422,130</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>Monetary</b>	\$ 478,029	\$ 478,029	\$ 478,029	\$ 1,761,664	\$ 84,440	\$ 3,280,191
<b>In-Kind</b>						
Salary and wages	559,991	-	-	-	-	559,991
Departmental support	49,808	-	-	717,096	-	766,904
Professional services	17,112	-	-	-	-	17,112
Repairs & Maintenance	-	-	-	-	-	-
Facility	186,881	-	-	-	-	186,881
<b>Subtotal In-Kind</b>	813,792	-	-	717,096	-	1,530,888
<b>TOTALS</b>	<b>\$ 1,291,821</b>	<b>\$ 478,029</b>	<b>\$ 478,029</b>	<b>\$ 2,478,760</b>	<b>\$ 84,440</b>	<b>\$ 4,811,079</b>

The District received \$717,096 in immunization and pharmacy supplies from DSHS for the year. This amount is \$162,421 more than originally budgeted for 2023.

**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 PNC 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, 2023, the carrying amount of the District’s deposits were \$2,459,523 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, 2023, 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 2023, 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

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS****continued****B. Investments of OPEB Trust Fund****continued**

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, 2023 was as follows:

Governmental activities:	Balance at October 1, 2022	Additions	Deletions	Balance at September 30, 2023
Capital assets, being depreciated:				
Leasehold improvements	\$ 846,563	\$ -	\$ -	\$ 846,563
Building	48,000	-	-	48,000
Machinery and equipment	740,982	84,920	(250,969)	574,933
Total capital assets being depreciated	1,635,545	84,920	(250,969)	1,469,496
Subscription-Based Information Technology Arrangements activities				
Intangible assets - computer software	-	274,534	-	274,534
Total SBITA assets, being amortized	-	274,534	-	274,534
Total Governmental activities and SBITA	\$ 1,635,545	\$ 359,454	\$ (250,969)	\$ 1,744,030
Less accumulated depreciation for:				
Leasehold improvements	(846,563)	-	-	(846,563)
Building	(38,000)	(2,400)	-	(40,400)
Machinery and equipment	(573,051)	(27,972)	244,746	(356,277)
Total accumulated depreciation	(1,457,614)	(30,372)	244,746	(1,243,240)
Less amortization for:				
Intangible assets - computer software	-	(4,576)	-	(4,576)
Total amortization	-	(4,576)	-	(4,576)
Total capital assets, being depreciated, net	\$ 177,931	\$ 324,506	\$ (6,223)	\$ 496,214

**NOTE 4 – CAPITAL ASSETS****continued**

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Administration	\$ 4,772
Environmental	21,216
Clinic	1,451
Lab	1,111
Public Health Workforce	2,481
Bioterrorism Preparedness	2,400
COVID-19	<u>1,517</u>
Total depreciation expense – governmental activities	<u>\$ 34,948</u>

**NOTE 5 – 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.

The amount of compensated absences due within one year of the date of the Statement of Net Position of fiscal year 2023 is \$66,899. Changes in compensated absences in the governmental activities for the year ended September 30, 2023 were as follows:

	Balance at October 1, 2022	Earned	Taken/Paid	Balance at September 30, 2023
Governmental Activities	<u>\$ 70,430</u>	<u>\$ 167,432</u>	<u>\$ (170,963)</u>	<u>\$ 66,899</u>
Total	<u>\$ 70,430</u>	<u>\$ 167,432</u>	<u>\$ (170,963)</u>	<u>\$ 66,899</u>

**NOTE 6 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The District entered into a new “cloud” or subscription-based integrated software contract. The new contract is five years with the final payment due on September 13, 2027. The implementation of this project was initiated in fiscal year 2023. In accordance with GASB Statement 96 “Subscription-Based Information Technology Arrangements”, the District has added the initial cost of the software plus expected future payments of \$274,534 as a capital asset and recorded a liability for the future principal payments on the government-wide statements. The table below reflects the subscription-based integrated software contract the District has in fiscal year 2023.

**NOTE 6 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

**continued**

Below is the expected payment and amortization schedule for the term of the contracts.

Year Ended September 30,	Scheduled Payment	Principal	Interest
2024	59,000	50,961	8,039
2025	59,000	52,862	6,138
2026	59,000	54,833	4,167
2027	59,000	56,878	2,122
Total	<u>236,000</u>	<u>215,534</u>	<u>20,466</u>

Changes in the subscription based information technology arrangement for the year were as follows:

	October 1, 2022	Additions	Reductions	September 30, 2023
SBITA	\$ -	\$ 274,534	\$ (59,000)	\$ 215,534

The total cost for the contract was \$274,534 and accumulated amortization was \$4,576 as of September 30, 2023.

**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, 2023, 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	12
Inactive employees entitled to but not yet receiving benefits	28
Active employees	37
	77

**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 16.75% for calendar year 2023 and is 17% for calendar year 2024. The employee's member contribution rate remained at 7.00% for 2023. Contributions to the pension plan from the District were \$376,063 for the year ended September 30, 2023.

**E. Net Pension Liability/(Asset)**

The District's net pension liability/(Asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

***Actuarial Assumptions***

The total pension liability in the December 31, 2022 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	7.50 percent

The mortality assumptions in the actuarial valuation are 135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate Scale after 2010.

All other actuarial assumptions used in the December 31, 2022, valuation were based on the results of an actuarial experience study for the period January 1, 2017– December 31, 2020, 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.

**E. Net Pension Liability/(Asset)**

continued

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 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%	4.95%
Private Equity	25.00%	7.95%
Global Equities	2.50%	4.95%
International Equities - Developed Markets	5.00%	4.95%
International Equities - Emerging Markets	6.00%	4.95%
Investment-Grade Bonds	3.00%	2.40%
Strategic Credit	9.00%	3.39%
Direct Lending	16.00%	6.95%
Distressed Debt	4.00%	7.60%
REIT Equities	2.00%	4.15%
Master Limited Partnerships (MLPs)	2.00%	5.30%
Private Real Estate Partnerships	6.00%	5.70%
Hedge Funds	6.00%	2.90%
Cash Equivalents	2.00%	0.20%
	100.00%	

(1) Target asset allocation adopted at the March 2023 TCDRS Board meeting.

(2) Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.3 %, per Cliffwater's 2022 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/(Asset)**

continued

	Changes in Net Pension Liability / (Asset)		
		Increase (Decrease)	
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) – (b)
<b>Balances as of December 31, 2021</b>	\$11,606,733	\$11,845,403	(\$238,670)
<b>Changes for the year:</b>			
Service cost	302,081	-	302,081
Interest on total pension liability	924,053	-	924,053
Effect of plan changes	321,833	-	321,833
Effect of economic/demographic gains or losses	(78,114)	-	(78,114)
Refund of contributions	(23,086)	(23,086)	-
Benefit payments	(510,255)	(510,255)	-
Administrative expenses	-	(6,795)	6,795
Member contributions	-	145,849	(145,849)
Net investment income	-	(721,073)	721,073
Employer contributions	-	348,666	(348,666)
Other	-	4,860	(4,860)
<b>Net Changes</b>	<u>936,512</u>	<u>(761,834)</u>	<u>1,698,346</u>
<b>Balances as of December 31, 2022</b>	<u>\$12,543,245</u>	<u>\$11,083,569</u>	<u>\$1,459,676</u>

***Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate***

The following presents the net pension liability/(asset) of the District, calculated using the discount rate of 7.60 percent, as well as what the District's net pension liability/(asset) 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/(asset)	\$ 3,261,865	\$1,459,676	\$ (40,462)

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

For the year ended September 30, 2023, the District recognized pension expense of \$376,063. At September 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions or inputs	\$ 173,981	\$ -
Differences between expected and actual pension experience	24,111	74,449
Difference between projected and actual earnings on pension plan	239,094	-
Pension contributions made after the measurement date	231,967	-
<b>Total</b>	<u>\$ 669,153</u>	<u>\$ 74,449</u>

**E. Net Pension Liability/(Asset)**

continued

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:

<b>Year ended September 30,</b>	
2024	\$ 37,163
2025	(26,687)
2026	20,525
2027	331,736
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, 2023, 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, 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, 2022, Membership consisted of:	
Retirees and Beneficiaries Receiving Benefits	9
Active Employees	40
Total	<u><u>49</u></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 \$128,654 in total towards its OPEB obligation for the year ended September 30, 2023, including \$20,000 to the OPEB Trust.

**C. Net OPEB Liability**

The District's net OPEB liability and the total OPEB liability calculated for fiscal year ending September 30, 2023 was determined by an actuarial valuation using a measurement date of December 31, 2022.

**D. Actuarial Methods and Assumptions**

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.50 percent
Salary Increases	0.40 to 5.25 percent, not including wage inflation of 3.00 percent
Investment Rate of Return	6.50 percent
Healthcare Cost Trend Rate	initial rate of 7.00 percent declining to an ultimate rate of 4.15 percent after 13 years.

For healthy retirees, the gender-distinct Pub-2010 Healthy Retiree tables are used with male rates multiplied by 135% and female rates multiplied by 120%. Those rates are projected on fully generational mortality projections based on 100% of the ultimate rates of mortality improvement scale MP-2021.

For disabled retirees, the gender-distinct Pub-2010 Disabled Retiree tables are used with male rates multiplied by 160% and female rates multiplied by 125%. Those rates are projected on fully generational mortality projections based on 100% of the ultimate rates of mortality improvement scale MP-2021.

For active employees, the gender-distinct Pub-2010 Employee tables are used for male rates

**D. Actuarial Methods and Assumptions**

continued

multiplied by 135% and females multiplied by 120%. Those rates are projected on fully generational mortality projections based on 100% of the ultimate rates of mortality improvement scale MP-2021.

The demographic assumptions were based on the assumptions that were developed for the defined benefit plan in which the County participates. The assumptions were based on the experience study covering the four-year period ending December 31, 2020 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%	5.20%
International Equity	21%	5.00%
Income Assets		
Fixed Income	40%	2.10%
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 4.05% (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 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, 2022, the annual money-weighted rate of return on investments, net of investment expense, was 11.61%. 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, 2021</b>	<u>\$1,669,280</u>	<u>\$169,530</u>	<u>\$1,499,750</u>
<b>Changes for the year:</b>			
Service cost	25,981	-	25,981
Interest on total OPEB liability	106,841	-	106,841
Changes of assumptions	11,322	-	11,322
Benefit payments	(77,129)	(77,129)	-
Administrative expenses	-	(760)	760
Employer contributions	-	97,129	(97,129)
Net investment income	-	(29,468)	29,468
<b>Net Changes</b>	<u>67,015</u>	<u>(10,228)</u>	<u>77,243</u>
<b>Balances as of December 31, 2022</b>	<u>\$1,736,295</u>	<u>\$159,302</u>	<u>\$1,576,993</u>

The percentage for calculating OPEB is split between Brazos County and the Brazos County Health District. Since reporting of OPEB began, the District has allocated 4% of the total OPEB. The allocation decreased to 2% with the fiscal year 2022 actuarial report based on total contribution amounts of both entities. The Changes in Net OPEB liability schedule for fiscal year ending September 30, 2022, reflect ending balances as of the measurement date of December 31, 2021.

***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:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
District's net OPEB liability	\$ 1,817,441	\$ 1,576,993	\$ 1,378,796

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	\$ 1,350,071	\$ 1,576,993	\$ 1,856,534

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

continued

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

For the year ended September 30, 2023, the District recognized OPEB expense of \$94,759. At September 30, 2023, 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
Change in OPEB plan allocated share	\$ 21,508	\$ 1,365,497
Difference between projected and actual earnings on OPEB plan	22,168	-
Differences between expected and actual OPEB experience	17,080	114,104
Changes in Assumptions	-	41,928
OPEB contributions made after the measurement date	59,770	-
Total	<u>\$ 120,526</u>	<u>\$ 1,521,529</u>

Deferred outflows of resources related to OPEB resulting from OPEB contributions made after the measurement date of \$59,770 will be recognized as a reduction of the net OPEB liability in the District's financial statements for the fiscal year ending September 30, 2023. 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:

Year ended September 30,	
2024	\$ (1,372,749)
2025	(26,820)
2026	(24,633)
2027	(23,475)
2028	(7,992)
Thereafter	(5,104)

**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, 2023, the monetary support by jurisdiction was as follows:

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

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, 2023, 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, 2023, the health service fees collected by the District for each jurisdiction were as follows:

<u>Entity</u>	<u>Budget</u>	<u>Actual</u>
Brazos County	\$ 140,000	\$ 184,910
City of Bryan	295,700	276,700
City of College Station	359,700	349,085
<b>TOTALS</b>	<u>\$ 795,400</u>	<u>\$ 810,695</u>



**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, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Intergovernmental			
Brazos County	\$ 1,345,484	\$ 1,345,484	\$ 1,291,821
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	2,489,460	2,605,404	2,478,760
Texas Health and Human Services Commission	30,000	30,000	84,440
Program Income			
Health Service Fees	795,400	795,400	810,695
Clinic	229,890	229,890	134,247
Environmental	2,000	2,000	3,639
340B Drug Program	400,000	400,000	501,868
Episcopal Health Foundation	--	10,000	10,000
Interest	--	--	52,935
National Association City and County Health Officials	--	20,000	20,000
Other	1,000	2,000	2,941
<b>TOTAL REVENUES</b>	<u>6,249,292</u>	<u>6,396,236</u>	<u>6,347,404</u>
<b>EXPENDITURES</b>			
Salary and Wages	3,148,214	3,198,930	2,900,112
Employee Benefits	1,514,771	1,535,644	1,175,842
Departmental Support	978,536	1,014,737	990,212
Repairs and Maintenance	34,300	41,847	30,106
Contract Services	226,900	163,392	105,441
Facility	186,881	186,881	186,881
Professional Services	118,200	143,200	56,264
Community Contracts	--	1,685	1,685
Capital Outlay	127,573	137,003	359,454
Debt Service	--	59,000	59,000
<b>TOTAL EXPENDITURES</b>	<u>6,335,375</u>	<u>6,482,319</u>	<u>5,864,997</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(86,083)	(86,083)	482,407
<b>OTHER FINANCING SOURCES (USES)</b>			
Subscription-Based Information Technology Arrangement	--	295,000	274,534
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	--	295,000	274,534
<b>Net Change in Fund Balance</b>	(86,083)	208,917	756,941
<b>FUND BALANCE AT OCTOBER 1, 2022</b>	<u>1,997,245</u>	<u>1,997,245</u>	<u>1,997,245</u>
<b>FUND BALANCE AT SEPTEMBER 30, 2023</b>	<u>\$ 1,911,162</u>	<u>\$ 1,911,162</u>	<u>2,754,186</u>

**BRAZOS COUNTY HEALTH DISTRICT**

Required Supplementary Information

Schedule of Changes in the District's Net Pension Liability and Related Ratios  
September 30, 2023

	Year Ended December 31, 2022	Year Ended December 31, 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	\$ 302,081	\$ 317,245	\$ 276,297	\$ 258,290	\$ 254,529	\$ 243,434	\$ 239,918	\$ 211,535	\$ 196,938
Interest on total pension liability	924,053	875,365	817,232	763,820	716,969	669,885	614,986	562,710	499,832
Effect of plan changes	321,833	-	-	-	-	-	-	(42,724)	-
Effect of economic/demographic gains or losses	(78,114)	(31,728)	69,833	33,265	(16,779)	(9,097)	19,157	(70,214)	(20,895)
Effect of assumptions changes or inputs	-	6,187	683,553	-	-	20,359	-	76,363	-
Benefit payments/refunds of contributions	(533,341)	(489,992)	(429,006)	(399,514)	(361,384)	(347,654)	(297,550)	(263,552)	(225,789)
<b>Net change in total pension liability</b>	<u>936,512</u>	<u>677,077</u>	<u>1,417,909</u>	<u>655,861</u>	<u>593,335</u>	<u>576,927</u>	<u>576,511</u>	<u>474,118</u>	<u>450,086</u>
<b>Total pension liability - beginning</b>	<u>11,606,733</u>	<u>10,929,656</u>	<u>9,511,747</u>	<u>8,855,886</u>	<u>8,262,551</u>	<u>7,685,624</u>	<u>7,109,113</u>	<u>6,634,995</u>	<u>6,184,909</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 12,543,245</u>	<u>\$ 11,606,733</u>	<u>\$ 10,929,656</u>	<u>\$ 9,511,747</u>	<u>\$ 8,855,886</u>	<u>\$ 8,262,551</u>	<u>\$ 7,685,624</u>	<u>\$ 7,109,113</u>	<u>\$ 6,634,995</u>
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 348,666	\$ 310,525	\$ 316,449	\$ 282,592	\$ 261,774	\$ 241,053	\$ 265,863	\$ 205,969	\$ 185,708
Contributions - employee	145,849	138,016	145,243	136,424	128,590	120,527	113,496	104,206	92,830
Net investment income	(721,073)	2,229,874	950,115	1,295,149	(148,927)	1,019,512	474,795	(81,668)	376,031
Benefit payments/refunds of contributions	(533,341)	(489,992)	(429,006)	(399,514)	(361,384)	(347,654)	(297,550)	(263,552)	(225,789)
Administrative expenses	(6,795)	(6,685)	(7,444)	(7,008)	(6,335)	(5,328)	(5,165)	(4,519)	(4,466)
Effect of change in proportion	-	-	-	-	-	-	(30,013)	(30,500)	-
Other	4,860	1,651	1,835	1,949	1,668	215	11,498	4,001	(5,127)
<b>Net change in plan fiduciary net position</b>	<u>(761,834)</u>	<u>2,183,389</u>	<u>977,192</u>	<u>1,309,592</u>	<u>(124,614)</u>	<u>1,028,325</u>	<u>532,924</u>	<u>(66,063)</u>	<u>419,187</u>
<b>Plan fiduciary net position - beginning</b>	<u>11,845,403</u>	<u>9,662,014</u>	<u>8,684,822</u>	<u>7,375,230</u>	<u>7,499,844</u>	<u>6,471,519</u>	<u>5,938,595</u>	<u>6,004,658</u>	<u>5,585,471</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 11,083,569</u>	<u>\$ 11,845,403</u>	<u>\$ 9,662,014</u>	<u>\$ 8,684,822</u>	<u>\$ 7,375,230</u>	<u>\$ 7,499,844</u>	<u>\$ 6,471,519</u>	<u>\$ 5,938,595</u>	<u>\$ 6,004,658</u>
<b>District's net pension liability/(asset) - ending (a) - (b)</b>	\$ 1,459,676	\$ (238,670)	\$ 1,267,642	\$ 826,925	\$ 1,480,656	\$ 762,707	\$ 1,214,105	\$ 1,170,518	\$ 630,337
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	88.36%	102.06%	88.40%	91.31%	83.28%	90.77%	84.20%	83.53%	90.50%
<b>Covered payroll</b>	\$ 2,081,457	\$ 1,971,658	\$ 2,074,896	\$ 1,948,910	\$ 1,837,007	\$ 1,721,807	\$ 1,625,812	\$ 1,374,391	\$ 1,326,371
<b>District's net pension liability/(asset) as a percentage of covered payroll</b>	70.13%	-12.11%	61.09%	42.43%	80.60%	44.30%	74.68%	85.17%	47.52%

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, 2023

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
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%
2022	277,215	310,525	(33,310)	1,977,866	15.7%
2023	316,590	348,666	(32,076)	2,075,393	16.8%

**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 ( level percentage of pay)
<b>Amortization method</b>	Level percentage of payroll, closed
<b>Remaining amortization period</b>	15.1 years (based on contribution rate calculated in 12/31/2022 valuation)
<b>Asset valuation method</b>	5-year smoothed fair value
<b>Inflation</b>	2.50%
<b>Salary increases</b>	Varies by age and service. 4.7% 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>	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

**Changes in assumptions and methods reflected in the schedule of employer contributions**

2015: New inflation, mortality and other assumptions were reflected.  
 2017: New mortality assumptions were reflected.  
 2019: New inflation, mortality and other assumptions were reflected.  
 2022: New investment return and inflation assumptions were reflected

**Changes in plan provisions reflected in the schedule**

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.  
 2021: No changes in plan provisions were reflected in the Schedule.  
 2022: No changes in plan provisions were reflected in the Schedule.

**BRAZOS COUNTY HEALTH DISTRICT**

Required Supplementary Information

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

September 30, 2023

	<u>Year Ended December 31, 2022</u>	<u>Year Ended December 31, 2021</u>	<u>Year Ended December 31, 2020</u>	<u>Year Ended December 31, 2019</u>	<u>Year Ended December 31, 2018</u>	<u>Year Ended December 31, 2017</u>
<b>Total OPEB liability</b>						
Service cost	\$ 25,981	\$ 25,166	\$ 60,400	\$ 65,684	\$ 73,329	\$ 71,193
Interest on total OPEB liability	106,841	107,857	206,477	222,275	210,713	198,857
Difference between expected and actual experience	11,322	(35,848)	20,547	(347,631)	4,993	-
Changes of assumptions	-	(36,686)	-	(58,555)	-	-
Benefit payments	(77,129)	(75,919)	(128,741)	(115,606)	(99,071)	(78,364)
<b>Net change in total OPEB liability</b>	<u>67,015</u>	<u>(15,430)</u>	<u>158,683</u>	<u>(233,833)</u>	<u>189,964</u>	<u>191,686</u>
<b>Total OPEB liability - beginning</b>	<u>1,669,280</u>	<u>1,684,710</u>	<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>\$ 1,736,295</u>	<u>\$ 1,669,280</u>	<u>\$ 3,369,419</u>	<u>\$ 3,210,736</u>	<u>\$ 3,444,569</u>	<u>\$ 3,254,605</u>
<b>Plan fiduciary net position</b>						
Employer contributions	\$ 97,129	\$ 96,319	\$ 149,541	\$ 156,406	\$ 139,871	\$ 159,964
Net investment income	(29,468)	16,627	36,242	29,844	(7,505)	6,343
Benefit payments	(77,129)	(75,919)	(128,741)	(115,606)	(99,071)	(78,364)
Administrative expense	(760)	(698)	(1,097)	(806)	(584)	(271)
<b>Net change in plan fiduciary net position</b>	<u>(10,228)</u>	<u>36,329</u>	<u>55,945</u>	<u>69,838</u>	<u>32,711</u>	<u>87,672</u>
<b>Plan fiduciary net position - beginning</b>	<u>169,530</u>	<u>133,201</u>	<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>\$ 159,302</u>	<u>\$ 169,530</u>	<u>\$ 266,400</u>	<u>\$ 210,455</u>	<u>\$ 140,617</u>	<u>\$ 107,906</u>
<b>District's net OPEB liability - ending (a) - (b)</b>	\$ 1,576,993	\$ 1,499,750	\$ 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>	9.17%	10.16%	7.91%	6.55%	4.08%	3.32%
<b>Covered-employee payroll</b>	\$ 940,778	\$ 951,501	\$ 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>	165.74%	157.62%	166.23%	169.11%	200.94%	203.35%

NOTE: The schedule represents only the years for which the new GASB statements have been implemented. The contributions to the OPEB plan are based on covered-employee payroll as the measure of payroll.

NOTE: The County does not calculate an actuarially determined contribution. Contribution requirements are not established statutorily or contractually.

NOTE: The beginning balances for the year ending December 31, 2021 have been adjusted to reflect the decreased percentage change of the total OPEB liability for the District from 4% to 2%.



**BRAZOS COUNTY HEALTH DISTRICT**  
 Required Supplementary Information  
 Schedule of Investment Returns on OPEB Trust  
 September 30, 2023

<b>Fiscal Year</b>	<b>Annual Money- Weighted Rate of Return, Net of Investment Expenses</b>
2023	11.61%
2022	-19.85%
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, 2023  
 With Comparative Totals for Years Ended September 30, 2022 and 2021  
 (Unaudited)

Expenditures	Administration	Environmental	Clinic	Lab	Cold Chain Storage	Inmunization	BYMAT	Infectious Disease	Public Health Crisis Response	Contact Tracing	NACCHO	AFDO	Healthy Communities
Salary and Wages	\$ 162,378	\$ 652,974	\$ 260,031	\$ 95,015	\$ --	\$ 137,725	\$ 112,096	\$ 75,908	\$ --	\$ --	\$ --	\$ --	\$ 51,834
Employment Benefits	223,851	299,023	169,597	39,345	--	42,970	47,190	34,499	--	--	--	--	28,774
Departmental Support	49,942	23,067	19,662	29,962	--	25,115	1,923	--	--	--	16,987	--	6,633
Repairs & Maintenance	1,189	15,871	--	709	--	162	369	--	--	--	--	--	--
Contract Services	567	450	--	2,691	--	--	5,020	--	--	--	--	--	--
Facility	--	--	--	--	--	--	--	--	--	--	--	--	--
Professional Services	8,229	--	19,311	7,799	--	--	--	--	--	--	--	--	--
Community Contracts	--	1,685	--	--	--	--	--	--	--	--	--	--	--
Capital Outlay	--	302,171	--	14,753	--	--	--	--	--	--	--	--	--
Debt Service	--	59,000	--	--	--	--	--	--	--	--	--	--	--
<b>TOTALS</b>	<b>\$ 446,156</b>	<b>\$ 1,354,241</b>	<b>\$ 468,601</b>	<b>\$ 190,274</b>	<b>\$ --</b>	<b>\$ 205,972</b>	<b>\$ 166,598</b>	<b>\$ 110,407</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 16,987</b>	<b>\$ --</b>	<b>\$ 87,241</b>
<b>For the Year Ended:</b>													
September 30, 2022	\$ 347,909	\$ 971,034	\$ 710,113	\$ 147,610	\$ --	\$ 24,405	\$ 326,376	\$ 101,003	\$ --	\$ 57,392	\$ --	\$ 10,252	\$ 89,116
September 30, 2021	\$ 327,239	\$ 1,020,736	\$ 732,522	\$ 115,537	\$ 9,966	\$ 57,580	\$ 118,927	\$ 99,667	\$ 91,109	\$ 353,140	\$ --	\$ 13,871	\$ 91,151

**BRAZOS COUNTY HEALTH DISTRICT  
COMPARATIVE ANALYSIS OF DIVISIONAL EXPENDITURES  
For The Twelve Month Period Ended September 30, 2023  
With Comparative Totals for Years Ended September 30, 2022 and 2021  
(Unaudited)**

Expenditures	Regional Health	Health Equity	Public Workforce	Public Infrastructure	HHSC Med Records	HHSC HIV Testing	HHSC Adult Immunization	Bioterrorism Preparedness	COVID Epidemiology	CARES	Tuberculosis	Totals	In-Kind Support		Health District Totals	
													Brazos County	Department of State Health Services		
Salary and Wages	\$ 75,156	\$ 133,060	\$ 413,220	\$ 21,106	\$ --	\$ --	\$ --	\$ 99,185	\$ --	\$ --	\$ 50,432	\$ 2,340,120	\$ 559,991	\$ --	\$ 2,900,111	
Employment Benefits	25,890	49,280	162,219	7,889	--	--	27,735	--	--	--	17,580	1,175,842	--	--	1,175,842	
Departmental Support	--	5,804	4,690	2,159	--	--	3,879	6,022	--	--	3,758	223,308	49,808	717,096	990,212	
Repairs & Maintenance	--	--	11,538	--	--	--	268	--	--	--	--	30,106	--	--	30,106	
Contract Services	--	--	10,270	--	--	--	--	595	85,848	--	--	105,441	--	--	105,441	
Facility	--	--	--	--	--	--	--	--	--	--	--	--	186,881	--	186,881	
Professional Services	--	--	--	--	--	--	--	3,000	--	--	813	39,152	17,112	--	56,264	
Community Contracts	--	--	--	--	--	--	--	--	--	--	--	1,685	--	--	1,685	
Capital Outlay	--	--	42,530	--	--	--	--	--	--	--	--	359,454	--	--	359,454	
Debt Service	--	--	--	--	--	--	--	--	--	--	--	59,000	--	--	59,000	
<b>TOTALS</b>	<b>\$ 101,046</b>	<b>\$ 188,144</b>	<b>\$ 644,467</b>	<b>\$ 31,154</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 131,067</b>	<b>\$ 9,617</b>	<b>\$ 85,848</b>	<b>\$ --</b>	<b>\$ 72,583</b>	<b>\$ 4,334,108</b>	<b>\$ 813,792</b>	<b>\$ 717,096</b>	<b>\$ 5,864,996</b>	
<b>For the Year Ended:</b>																
September 30, 2022	\$ 110,807	\$ 224,339	\$ 593,318	\$ --	\$ --	\$ --	\$ 149,069	\$ 18,566	\$ 89,678	\$ --	\$ 6,101	\$ 4,002,415	\$ 849,498	\$ 525,269	\$ 5,377,182	
September 30, 2021	\$ 110,221	\$ 4,961	\$ 18,987	\$ --	\$ 13,482	\$ 3,993	\$ 140,220	\$ 109,256	\$ 54,401	\$ 129,306	\$ 1,265	\$ 3,636,767	\$ 1,321,504	\$ 458,874	\$ 5,417,145	

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

Expenditures	07/01/2022-06/30/2023			09/01/2022-08/31/2023		
	DSHS Program: CPS/HAZARDS			DSHS Program: RLSS/LPHS		
	Grant Budget	Grant Expense Support	Department Expense Support	Grant Budget	Grant Expense Support	Department Expense Support
Personnel	\$ 101,712	\$ 105,107	\$ 1,876	\$ 71,881	\$ 71,881	\$ 3,725
Fringe Benefits	36,616	33,601	-	15,878	15,878	11,442
Travel	736	736	558	-	-	-
Equipment	-	-	-	-	-	-
Supplies	-	-	3,436	-	-	-
Contractual	-	-	-	-	-	-
Other	696	316	-	-	-	-
<b>TOTALS</b>	<b>\$ 139,760</b>	<b>\$ 139,760</b>	<b>\$ 5,870</b>	<b>\$ 87,759</b>	<b>\$ 87,759</b>	<b>\$ 15,167</b>
Expenditures	09/01/2022-08/31/2023			01/01/2023-08/31/2023		
	DSHS Program: IMM/LOCALS			DSHS Program: TB/PC Federal		
	Grant Budget	Grant Expense Support	Department Expense Support	Grant Budget	Grant Expense Support	Department Expense Support
Personnel	\$ 137,725	\$ 137,725	\$ 74,691	\$ 10,316	\$ 10,316	\$ 11,452
Fringe Benefits	42,970	42,970	62,120	2,420	2,420	8,285
Travel	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Supplies	-	-	17,802	-	-	-
Contractual	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 180,695</b>	<b>\$ 180,695</b>	<b>\$ 154,613</b>	<b>\$ 12,736</b>	<b>\$ 12,736</b>	<b>\$ 19,737</b>
Expenditures	09/01/2022-08/31/2023			09/01/2022-08/31/2023		
	DSHS Program: TB/PC State			DSHS Program: IDCU/SUREB		
	Grant Budget	Grant Expense Support	Department Expense Support	Grant Budget	Grant Expense Support	Department Expense Support
Personnel	\$ 36,369	\$ 35,418	\$ -	\$ 65,102	\$ 65,842	\$ 9,767
Fringe Benefits	12,540	13,491	4,365	16,569	16,658	17,712
Travel	-	-	-	740	-	-
Equipment	-	-	-	-	-	-
Supplies	870	870	710	89	-	-
Contractual	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>TOTALS</b>	<b>\$ 49,779</b>	<b>\$ 49,779</b>	<b>\$ 5,075</b>	<b>\$ 82,500</b>	<b>\$ 82,500</b>	<b>\$ 27,479</b>
Expenditures	09/01/2021 - 05/31/2023			09/01/2022 - 08/31/2023		
	DSHS Program: Health Equity			DSHS Program: TX Healthy Communities		
	Grant Budget	Grant Expense Support	Department Expense Support	Grant Budget	Grant Expense Support	Department Expense Support
Personnel	\$ 359,804	\$ 216,501	\$ -	\$ 50,628	\$ 50,628	\$ 740
Fringe Benefits	180,532	96,900	-	29,197	27,952	-
Travel	28,524	6,553	-	630	1,492	474
Equipment	-	-	-	-	-	-
Supplies	16,140	15,398	-	2,097	2,920	-
Contractual	25,000	25,000	-	2,345	-	-
Other	15,000	7,974	-	-	1,905	-
<b>TOTALS</b>	<b>\$ 625,000</b>	<b>\$ 368,326</b>	<b>\$ -</b>	<b>\$ 84,897</b>	<b>\$ 84,897</b>	<b>\$ 1,214</b>

**BRAZOS COUNTY HEALTH DISTRICT  
COMPARATIVE ANALYSIS OF TEXAS DEPARTMENT OF HEALTH GRANT FUNDING SUPPORT**

(Unaudited)

Expenditures	04/20/2020-03/15/2023			04/19/2021 - 06/30/2023		
	DSHS Program: CPS COVID			DSHS Program: IMM/COVID-19		
	Grant Budget	Grant Expense Support	Department Expense Support	Grant Budget	Grant Expense Support	Department Expense Support
Personnel	\$ 87,004	\$ 87,253	\$ -	\$ 481,320	\$ 388,422	\$ -
Fringe Benefits	29,581	19,973	-	242,730	164,128	-
Travel	-	-	-	16,560	-	-
Equipment	-	7,584	-	4,456	3,854	-
Supplies	28,232	32,501	-	18,426	9,624	-
Contractual	182,264	145,163	-	10,000	15,969	-
Other	10,000	-	-	11,000	1,313	-
<b>TOTALS</b>	<b>\$ 337,081</b>	<b>\$ 292,474</b>	<b>\$ -</b>	<b>\$ 784,492</b>	<b>\$ 583,310</b>	<b>\$ -</b>

Expenditures	08/01/2020 - 08/31/2023			07/01/2021 - 09/30/2023		
	DSHS Program: IDCU/COVID-19			DSHS Program: PH Workforce		
	Grant Budget	Grant Expense Support	Department Expense Support	Grant Budget	Grant Expense Support	Department Expense Support
Personnel	\$ -	\$ -	\$ -	\$ 841,807	\$ 832,598	\$ -
Fringe Benefits	-	-	-	401,272	321,441	-
Travel	-	-	-	27,200	1,391	-
Equipment	-	-	-	74,601	57,444	-
Supplies	-	-	-	57,000	8,743	-
Contractual	247,193	222,919	-	73,500	25,009	-
Other	-	-	-	24,620	10,145	-
<b>TOTALS</b>	<b>\$ 247,193</b>	<b>\$ 222,919</b>	<b>\$ -</b>	<b>\$ 1,500,000</b>	<b>\$ 1,256,771</b>	<b>\$ -</b>

Expenditures	03/23/2023-5/31/2023		
	DSHS Program: Public Health Infrastructure		
	Grant Budget	Grant Expense Support	Department Expense Support
Personnel	\$ 50,116	\$ -	\$ -
Fringe Benefits	20,873	-	-
Travel	3,311	-	-
Equipment	1,200	-	-
Supplies	1,030	-	-
Contractual	6,299	-	-
Other	-	-	-
<b>TOTALS</b>	<b>\$ 82,829</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		2023	2022	2021	2020	2019
<b>Personal Health Services</b>	Immunizations and Inoculations	4,620	6,503	9,207	10,252	9,405
	TB Tests	1,133	1,020	861	865	1,115
	STD Clinic	1,216	1,677	1,289	1,587	2,600
	Other Clinic Visits	961	890	308	165	--
	Home Visits	659	282	130	451	493
<b>Environmental Health Services</b>	Inspections:					
	Restaurant	3,185	3,085	2,995	2,761	3,244
	Child Care	65	71	76	103	120
	Septic Systems	748	625	587	626	476
	Swimming Pools	2	6	9	13	16
	Substandard Building	7	15	4	4	4
	Subdivision Reviews	18	20	20	17	13
	Vector Control	41	111	192	205	--
	TCEQ Applications	377	314	286	299	228
	Foodhandlers Registered	365	350	103	329	1,052
Complaints	267	282	323	486	389	
Letters Issued	3,126	1,841	2,075	1,863	1,887	
<b>Laboratory Services</b>	Water Samples Tested	--	--	--	5,063	5,913
	STD Testing	6,396	11,799	4,461	4,216	5,792
<b>TOTALS</b>		<b><u>23,186</u></b>	<b><u>28,891</u></b>	<b><u>22,926</u></b>	<b><u>29,305</u></b>	<b><u>32,747</u></b>



# **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, the general fund, and the remaining fund information of the Brazos County Health District (the "District") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 15, 2024.

### **Report on 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 District'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 or significant deficiencies may exist that have not been identified.

## **Report on 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ingram, Wallis + Company, P.C.*

Bryan, Texas  
March 15, 2024



# 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 Program**

#### ***Opinion on Each Major Federal Program***

We have audited Brazos County Health District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended September 30, 2023. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 its major federal program for the year ended September 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

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

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

#### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant



deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Ingram, Wallis + Company, P.C.

Bryan, Texas  
March 15, 2024

**BRAZOS COUNTY HEALTH DISTRICT**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended September 30, 2023**

Federal Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program Title	Federal Listing Number	Grant Number	Program/Award Amount	Accounts Receivable (Payable) October 1, 2022	Receipts	Expenditures	Amount Provided to Subrecipients	Grant Funds Refunded in 2023	Accounts Receivable (Payable) September 30, 2023
	<u>U.S. Department of Health and Human Services</u> Medicaid Administrative Claiming									
		93.778	HHS000537900116 08/22/2019-08/24/2024	-	43,216	47,379	48,330	-	-	44,167
	Total - 93.778				43,216	47,379	48,330	-	-	44,167
	<u>Passed through National Association of County and City Health Officials</u> Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health									
		93.421	5NLU380T00306-05-00 11/15/22-07/31/23	\$ 20,000	\$ -	\$ 20,000	\$ 20,000	-	-	-
	Total - 93.421				-	20,000	20,000	-	-	-
	<u>Passed through Texas Department of State Health Services</u> Public Health Emergency Preparedness									
		93.069	537-18-0193-00001 07/01/2022 - 06/30/2023	139,760	26,818	120,724	93,906	-	-	-
		93.069	HHS0001311200016 07/01/2023 - 06/30/2024	139,760	-	8,063	31,424	-	-	23,371
	Total - 93.069				26,818	128,777	125,330	-	-	23,371
		93.268	HHS000100300001 09/01/2021 - 08/31/2022	180,695	1,445	1,445	-	-	-	-
		93.268	HHS000100300001 09/01/2022 - 08/31/2023	180,695	22,984	80,397	57,413	-	-	-
		93.268	HHS0001331300009 09/01/2023 - 08/31/2024	180,695	-	-	26,058	-	-	26,058
	IMM/COVID-19	93.268	HHS0001019500006 04/21/2021 - 06/30/2024	784,492	108,879	251,999	166,558	-	-	23,438
	Total - 93.268				133,308	333,841	250,029	-	-	49,496
	<u>Texas Healthy Communities</u>									
		93.991	HHS000438400002 09/01/2021 - 08/31/2022	84,897	4,830	4,830	-	-	-	-
		93.991	HHS000438400002 09/01/2022 - 08/31/2023	84,897	5,141	77,284	79,756	-	-	7,613
		93.991	HHS000438400002 09/01/2023 - 08/31/2024	85,185	-	-	6,586	-	-	6,586
	Region/Local Health	93.991	HHS0001018000001 09/01/2022 - 08/31/2023	87,759	8,027	41,872	33,845	-	-	-
	Region/Local Health	93.991	HHS0001324900009 09/01/2023 - 08/31/2024	87,759	-	-	7,372	-	-	7,372
	Total - 93.991				17,998	123,986	127,559	-	-	21,571
	<u>Public Health Emergency Response</u>									
		93.354	HHS000767400001 04/20/2020 - 03/15/2023	337,081	7,911	17,528	9,617	-	-	-
	PH Workforce Development	93.354	HHS0001078300001 07/01/2021 - 06/30/2024	1,800,000	212,338	744,871	644,468	-	-	111,935
	Total - 93.354				220,249	762,399	654,085	-	-	111,935
	<u>Tuberculosis - Federal - Prevention and Control</u>									
		93.116	HHS001096400007 01/01/2022 - 08/31/23	12,736	-	12,736	12,736	-	-	-
	Tuberculosis - Federal - Prevention and Control	93.116	HHS001096400007 9/1/23-8/31/24	19,103	-	-	7,426	-	-	7,426
	IDCU/COVID-19	93.323	HHS000812700006 08/01/2020 - 07/31/2024	247,193	37,877	108,210	85,848	-	-	15,515
	Health Equity	93.391	HHS001057600007 09/01/2021 - 05/31/2024	625,000	108,568	270,021	188,024	-	-	26,571
	Public Health Infrastructure	93.967	HHS00030800001 3/23/23 - 1/30/27	1,950,883	-	10,860	31,154	-	-	20,294
	Total Federal Assistance				\$ 588,034	\$ 1,818,209	\$ 1,550,521	\$ -	\$ -	\$ 320,346

**BRAZOS COUNTY HEALTH DISTRICT**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**For the Year Ended September 30, 2023**

State Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Program/Award Amount	Accounts Receivable (Payable)		Receipts	Expenditures	Amount Provided to Subrecipients	Grant Funds Refunded in 2023	Accounts Receivable (Payable) September 30, 2023
				October 1, 2022	September 30, 2023					
<b>Department of State Health Services</b>										
Tuberculosis - State - Prevention and Control	N/A	HHS000484100006 09/01/2021 - 08/31/2022	\$ 32,970	\$ 10,460	\$ 10,460	\$ -	\$ -	\$ -	\$ -	\$ -
Tuberculosis - State - Prevention and Control	N/A	HHS00118200004 09/01/2022 - 08/31/2023	49,779	2,528	41,477	47,251	-	-	-	8,302
Tuberculosis - State - Prevention and Control	N/A	HHS00118200004 09/01/2023 - 08/31/2024	49,804	-	-	4,212	-	-	-	4,212
<b>Total</b>				<u>12,988</u>	<u>51,937</u>	<u>51,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,514</u>
Region/Local Health	N/A	HHS001018000001 09/01/2022 - 08/31/2023	87,759	1,224	45,887	44,663	-	-	-	-
<b>Total</b>				<u>1,224</u>	<u>45,887</u>	<u>44,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Infectious Disease	N/A	HHS000456300007 09/01/2022 - 08/31/2023	82,500	8,456	82,500	74,044	-	-	-	-
Infectious Disease	N/A	HHS001315700005 09/01/2023 - 08/31/2024	82,500	-	-	8,883	-	-	-	8,883
<b>Total</b>				<u>8,456</u>	<u>82,500</u>	<u>82,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,883</u>
Immunization Grants	N/A	HHS000100300001 09/01/2021 - 08/31/2022	180,695	44,144	44,144	-	-	-	-	-
Immunization Grants	N/A	HHS000100300001 09/01/2022 - 08/31/2023	180,695	-	100,298	100,298	-	-	-	-
<b>Total</b>				<u>44,144</u>	<u>144,442</u>	<u>100,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total State Assistance</b>				<u>\$ 66,812</u>	<u>\$ 324,766</u>	<u>\$ 279,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,397</u>
<b>Total Federal and State Assistance</b>				<u>\$ 654,846</u>	<u>\$ 2,142,975</u>	<u>\$ 1,829,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 341,743</u>

BRAZOS COUNTY HEALTH DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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	\$ 166,558
Assistance Listing No. 93.268 – Immunization Grants (9/1/2022 – 8/31/2023)	57,413
Assistance Listing No. 93.268 – Immunization Grants (9/1/2023 – 8/31/2024)	26,058
Assistance Listing No. 93.354 – Public Health Emergency Response	9,617
Assistance Listing No. 93.354 – PH Workforce Development	644,468
Assistance Listing No. 93.323 – IDCU/COVID-19	85,848
Assistance Listing No. 93.307 – Health Equity	188,024

BRAZOS COUNTY HEALTH DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

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>
93.354	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?  X  yes    \_\_\_ no

BRAZOS COUNTY HEALTH DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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, 2023  
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

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