

BRAZOS COUNTY, TEXAS HEALTH DISTRICT

**Financial Statements
September 30, 2025**



Prepared by:

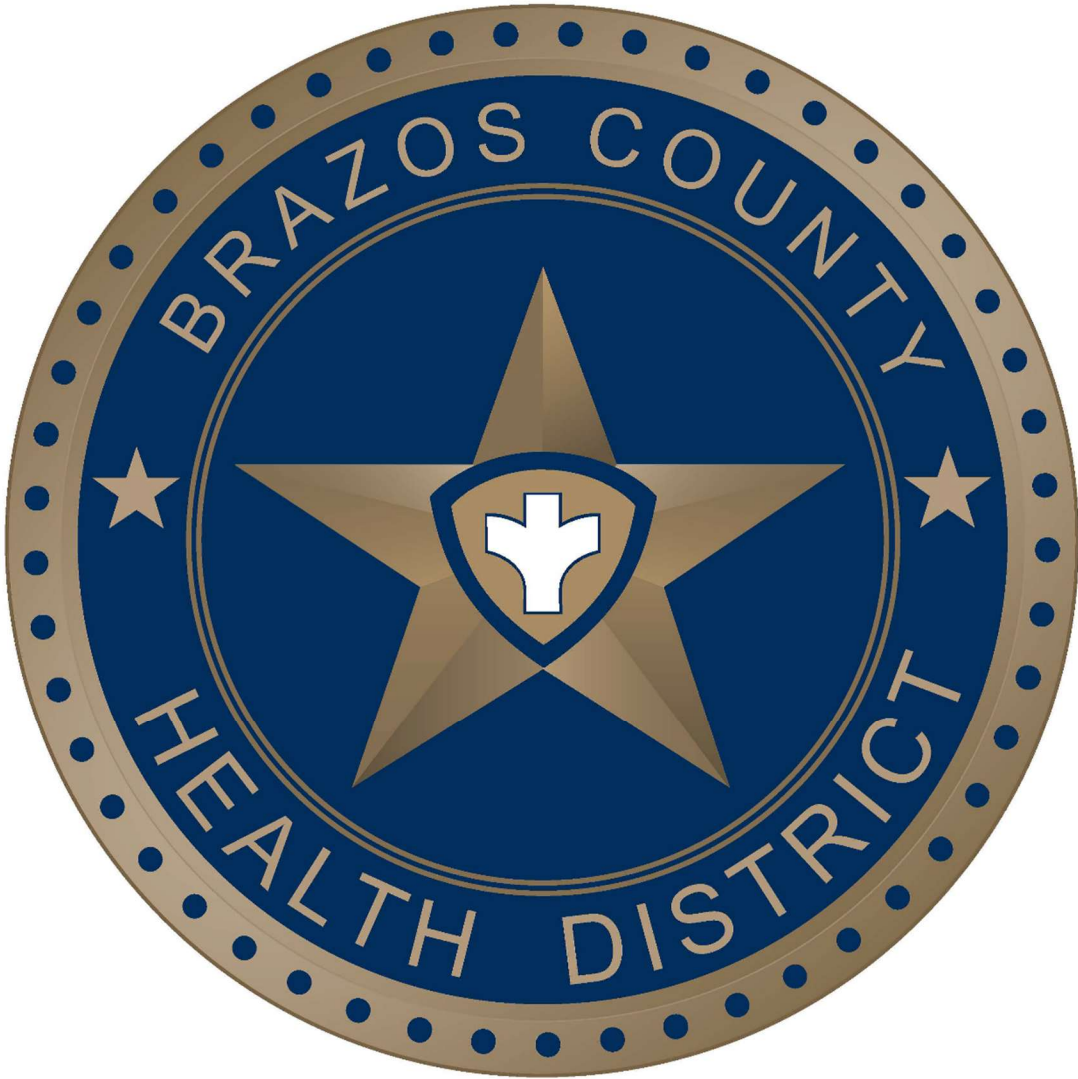
Marci Turner, C.P.A.
County Auditor

Santos Navarrette
Director

BRAZOS COUNTY HEALTH DISTRICT
For the Year Ended September 30, 2025

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Ingram, Wallis & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

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, 2025, 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, 2025, 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 43-47 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.

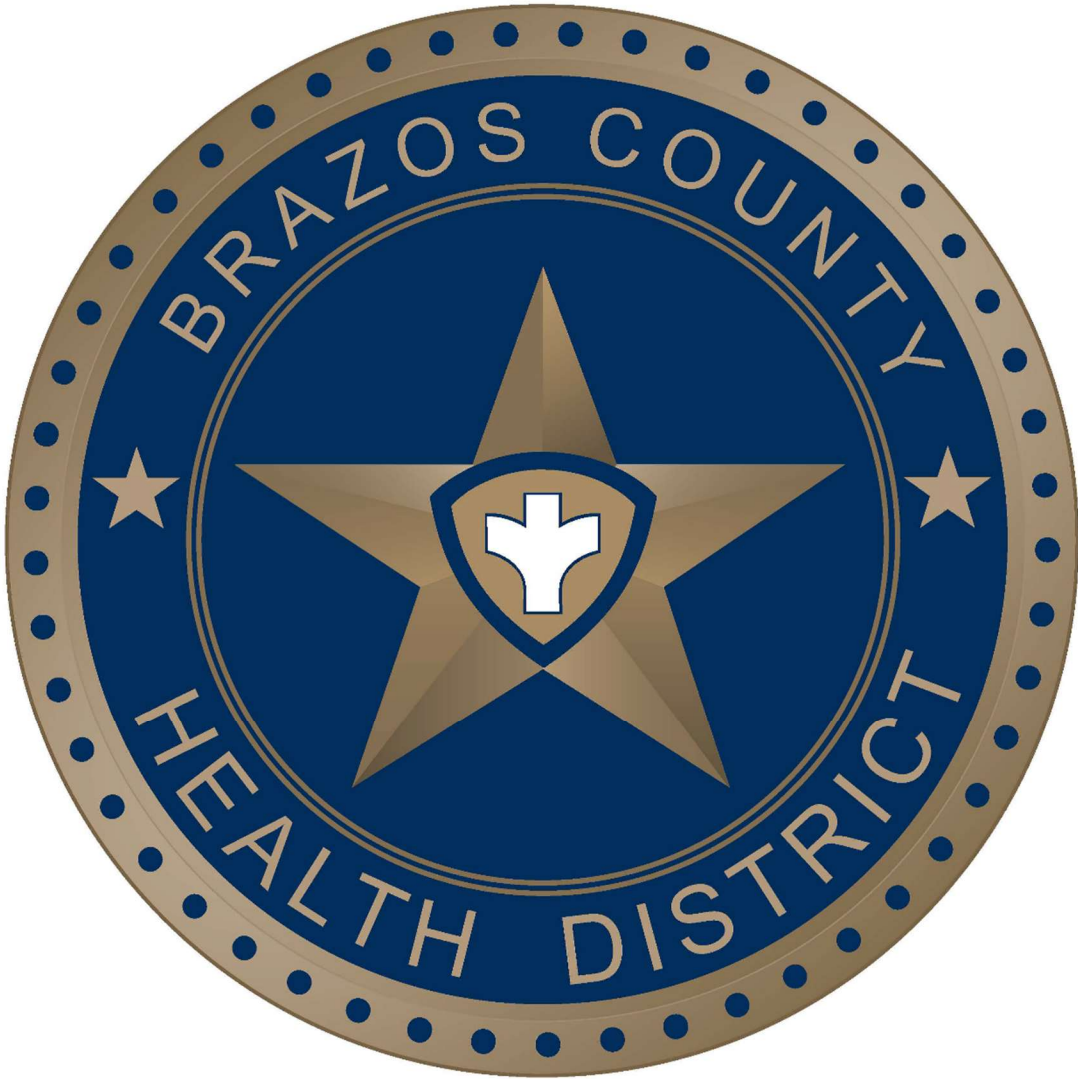
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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 May 8, 2026, 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
May 8, 2026



MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

For the Year Ended September 30, 2025

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, 2025. Please read the MD&A in conjunction with the District’s basic financial statements following this section.

As discussed in Note 12 to the financial statements, the District implemented GASB Statement No. 101 during fiscal year 2025. Prior Year information presented in this MD&A has not been restated for this change in accounting principle.

FINANCIAL HIGHLIGHTS

- The total government-wide assets (and deferred outflows of resources) of the District exceeded the liabilities (and deferred inflows of resources) at September 30, 2025, by \$1,379,786 and are reported as the net position of the primary government.
- As of September 30, 2025, the District governmental fund reported fund balance of \$3,994,049, 100% of which is available to meet the District’s current and future needs (unassigned fund balance). The fund balance represents 62.19% 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, public health emergency preparedness, healthy community promotion, epidemiology, public health infrastructure, the 340B drug program, and mental health services.

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 18-42 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 43-47 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, assets (and deferred outflows of resources) exceeded liabilities (and deferred inflows of resources) by \$1,379,786 at the close of the most recent fiscal year. Comparative information for fiscal year 2025 and 2024 is presented in the following table.

Condensed Statement of Net Position
September 30, 2025
With Comparative Totals September 30, 2024

	2025	2024
	Governmental <u>Activities</u>	Governmental <u>Activities</u>
Current assets	\$ 4,170,430	\$ 3,723,780
Capital assets	<u>405,534</u>	<u>439,250</u>
Total assets	4,575,964	4,163,030
Deferred outflows of resources	<u>1,591,379</u>	<u>1,580,363</u>
Total deferred outflows of resources	1,591,379	1,580,363
Current liabilities	176,925	224,197
Other liabilities	<u>2,675,995</u>	<u>2,956,617</u>
Total liabilities	2,852,920	3,180,814
Deferred inflows of resources	<u>1,934,637</u>	<u>2,243,733</u>
Total deferred inflows of resources	1,934,637	2,243,733
Net position (deficit):		
Net investment in capital assets	405,534	274,677
Unrestricted	<u>974,252</u>	<u>44,169</u>
Total net position (deficit)	<u>\$ 1,379,786</u>	<u>\$ 318,846</u>

The District has a current fiscal year investment of \$405,534 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 \$130,857 increase in the balance of capital assets net of accumulated depreciation from the previous fiscal year. The remaining balance of the District’s current fiscal

Brazos County Health District
MD&A(Unaudited) – For Year Ended September 30, 2025 (Continued)

year net position represents unrestricted net position, which is a \$930,083 increase from the previous year ending September 30, 2024.

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:

	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services	\$ 1,127,529	\$ 961,128
Operating grants and contributions	2,314,084	3,285,994
General revenues:		
Funding from Brazos County	2,010,882	1,708,372
Funding from City of Bryan	478,029	478,029
Funding from City of College Station	478,029	478,029
Unrestricted investment earnings	190,020	168,381
Miscellaneous	106,821	83,637
Total revenues	<u>6,705,394</u>	<u>7,163,570</u>
Expenses:		
Administration	615,536	628,523
Environmental	1,399,088	1,338,785
Clinic	513,895	544,680
C4 Clinic	505,046	-
Lab	230,854	219,009
Immunization	715,390	1,130,659
Brazos Valley Mobile Action Team	47,122	94,380
Infectious Disease	131,386	132,778
NACCHO	34,297	8,512
Texas A&M Vaccination Project	76,752	61,690
Texas Healthy Communities	108,314	108,133
Regional Health	143,801	125,073
Health Equity	32,245	213,669
Public Workforce	(18,434)	765,212
Public Health Infrastructure	645,314	220,537
Bioterrorism Preparedness	183,343	202,808
COVID-19	1,517	1,517
COVID-19 Epidemiology	86,566	59,749
Tuberculosis	100,540	105,674
Adult Immunization	-	8,335
Total expenses	<u>5,552,572</u>	<u>5,969,723</u>
Change in net position (deficit)	1,152,822	1,193,847
Net position - beginning, as previously reported at 9/30/2024	318,846	(875,001)
Change in accounting principle	(91,882)	-
Net position - beginning, as restated	<u>226,964</u>	<u>(875,001)</u>
Net position (deficit) - ending	<u>\$ 1,379,786</u>	<u>\$ 318,846</u>

In fiscal year 2025, the District’s revenues decreased by \$458,176 (6.40%). The decrease in revenue was primarily from decreased grant revenue from the Department of State Health Services of \$971,910 and was offset by increased in-kind support from Brazos County of \$302,510.

For the year ended September 30, 2025, the decrease in expenses for the District of \$417,151 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, 2025, the District’s general fund reported fund balances of \$3,994,049, an increase of \$430,519 in comparison with the prior year. The fund balance constitutes unassigned fund balance, which is available to meet the District’s current and future needs.

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 2024 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 2025 was 50.25%.

At the end of the fiscal year, actual revenues were \$765,502 less than the final amended budgeted amount (which includes all in-kind support).

At the end of the fiscal year, actual expenditures were \$1,797,357 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, 2025, amounted to \$405,534 (net of accumulated depreciation). This investment in capital assets includes leasehold improvements, buildings, equipment, vehicles, and computer software. The total increase in the District’s investment in capital assets for the current period was \$130,857 or 47.64%.

ECONOMIC FACTORS

The Brazos County Board of Health (“the Board”) adopted the 2025-2026 budget on September 18, 2025. The budget was adopted based on estimated balances that would be available at the end of fiscal year 2025 and estimated revenues to be received in fiscal year 2026. The Board considered the following factors:

- Grant support from DSHS was projected to decrease by \$552,357 for 2026.
- Personnel costs will increase due to a 4% COLA.
- Capital outlay costs would decrease by \$25,000

REQUESTS FOR INFORMATION

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

**BRAZOS COUNTY HEALTH DISTRICT
BASIC FINANCIAL STATEMENTS**



BRAZOS COUNTY HEALTH DISTRICT
STATEMENT OF NET POSITION
September 30, 2025

	Governmental Activities
ASSETS	
Current Assets:	
Cash	\$ 3,819,146
Receivables:	
Texas Department of State Health Services	173,572
340B Drug Program	43,463
Medicare Administrative Claiming	59,364
Charity Care Program	57,881
Interest	17,004
Total Current Assets	4,170,430
Noncurrent Assets:	
Capital Assets:	
Leasehold Improvements	846,563
Buildings	48,000
Machinery and equipment	569,117
Computer Software	274,534
Less: Accumulated depreciation	(1,332,680)
Total Noncurrent Assets	405,534
Total Assets	4,575,964
DEFERRED OUTFLOWS OF RESOURCES	
Pension contributions after the measurement date	225,970
Difference between projected and actual earnings on pension plan	797,329
Differences between expected and actual pension experience	118,380
Change in OPEB allocated shares	30,128
Difference between projected and actual earnings on OPEB plan	662
Differences between expected and actual OPEB experience	23,815
Change in OPEB assumptions or inputs	139,526
OPEB contributions after the measurement date	255,569
Total Deferred Outflows of Resources	1,591,379
LIABILITIES	
Current Liabilities:	
Accounts payable	41,613
Accrued salaries and benefits	129,768
Accrued interest payable	544
Unearned Revenue	5,000
Noncurrent Liabilities	
Due within one year	
Subscription Based Information Technology Subscriptions	54,833
Compensated Absences	120,981
Due in more than one year	
Subscription Based Information Technology Subscriptions	56,878
Compensated Absences	43,966
Net Pension Liability	589,404
Net OPEB Liability	1,809,933
Total Liabilities	2,852,920
DEFERRED INFLOWS OF RESOURCES	
Differences between expected and actual OPEB experience	61,682
Change in OPEB assumptions or inputs	25,158
Difference between projected and actual earnings on pension plan	928,088
Differences between expected and actual pension experience	19,529
Change in OPEB allocated shares	900,180
Total Deferred Inflows of Resources	1,934,637
NET POSITION (DEFICIT)	
Net investment in capital assets	405,534
Unrestricted	974,252
Total Net Position (Deficit)	\$ 1,379,786

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

**BRAZOS COUNTY HEALTH DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Primary Government				
Governmental activities:				
Administration	\$ 615,536	\$ --	\$ --	\$ (615,536)
Environmental	1,399,088	865,496	--	(533,592)
Clinic	513,895	80,739	--	(433,156)
C4 Clinic	505,046	99,806	--	(405,240)
Lab	230,854	--	--	(230,854)
Immunization	715,390	64,768	653,069	2,447
Brazos Valley Mobile Action Team	47,122	--	40,064	(7,058)
Infectious Disease	131,386	--	84,629	(46,757)
NACCHO	34,297	--	20,000	(14,297)
TAMU Vaccination Project	76,752	--	45,000	(31,752)
Texas Healthy Communities	108,314	--	84,178	(24,136)
Regional Health	143,801	--	86,755	(57,046)
Health Equity	32,245	--	27,712	(4,533)
Public Workforce	(18,434)	--	--	18,434
Public Health Infrastructure	645,314	--	518,400	(126,914)
Bioterrorism Preparedness	183,343	--	123,715	(59,628)
COVID-19	1,517	--	--	(1,517)
COVID-19 Epidemiology	86,566	--	75,300	(11,266)
Tuberculosis	100,540	16,720	66,943	(16,877)
340B Drug Program	-	--	488,319	488,319
Total	<u>\$ 5,552,572</u>	<u>\$ 1,127,529</u>	<u>\$ 2,314,084</u>	<u>\$ (2,110,959)</u>

General revenues:

Funding from Brazos County	2,010,882
Funding from City of Bryan	478,029
Funding from City of College Station	478,029
Unrestricted investment earnings	190,020
Miscellaneous	106,821
Total general revenues	<u>\$ 3,263,781</u>

Change in net position (deficit)	1,152,822
Net position - beginning, as previously reported at 9/30/2024	318,846
Change in accounting principle	<u>(91,882)</u>
Net position - beginning, as restated	226,964
Net position (deficit) - ending	<u>\$ 1,379,786</u>

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

**BRAZOS COUNTY HEALTH DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
September 30, 2025**

	Total Governmental Fund
ASSETS	
Cash	\$ 3,819,146
Receivables:	
Texas Department of State Health Services	173,572
340B Drug Program	43,463
Medicare Administrative Claiming	59,364
Charity Care Program	57,881
Interest	17,004
TOTAL ASSETS	\$ 4,170,430
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	41,613
Accrued Salaries and Benefits	129,768
Unearned Revenue	5,000
Total Liabilities	176,381
Fund Balance	
Unassigned	3,994,049
Total Fund Balance	3,994,049
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,170,430

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, 2025**

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

Total fund balance--governmental fund		\$ 3,994,049
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		405,534
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	225,970	
Difference between projected and actual earnings on pension plan	797,329	
Differences between expected and actual pension experience	118,380	
Change in OPEB allocated shares	30,128	
Difference between projected and actual earnings on OPEB plan	662	
Differences between expected and actual OPEB experience	23,815	
Change in OPEB assumptions or inputs	139,526	
OPEB contributions after the measurement date	255,569	1,591,379
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds:		
Accrued Interest Payable		(544)
Subscription Based Information Technology Liability		(111,711)
Net OPEB liability		(1,809,933)
Net Pension Liability		(589,404)
Compensated Absences		(164,947)
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	(61,682)	
Change in OPEB assumptions or inputs	(25,158)	
Difference between projected and actual earnings on pension plan	(928,088)	
Differences between expected and actual pension experience	(19,529)	
Change in OPEB allocated share	(900,180)	(1,934,637)
Total net position--governmental activities		\$ 1,379,786

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, 2025**

	Total Governmental Fund
REVENUES	
Intergovernmental	
Brazos County	2,010,882
City of Bryan	478,029
City of College Station	478,029
Texas Department of State Health Services	1,760,765
Texas Health and Human Services Commission	104,114
Program Income	
Health Service Fees	862,856
Clinic	262,033
Environmental	2,640
340B Drug Program	488,319
Texas A&M University	45,000
Interest	190,020
National Association City and County Health Officials	20,000
Other	2,707
TOTAL REVENUES	6,705,394
EXPENDITURES	
Salary and Wages	3,768,111
Employee Benefits	1,262,644
Departmental Support	790,829
Repairs and Maintenance	20,417
Contract Services	14,563
Facility	186,881
Professional Services	116,110
Capital Outlay	56,320
Debt Service	59,000
TOTAL EXPENDITURES	6,274,875
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	430,519
Net Change in Fund Balance	430,519
FUND BALANCE, BEGINNING OF YEAR	3,563,530
FUND BALANCE, END OF YEAR	\$ 3,994,049

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, 2025**

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

Net change in fund balances--governmental fund **\$ 430,519**

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	56,320	
Depreciation expense	<u>(90,036)</u>	(33,716)

The liabilities for compensated absences are accrued at the government-wide level but not at the fund level. This is the current year net change in those liabilities, reported as expense in the statement of activities. (10,459)

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. 415,352

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. 297,467

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. 53,659

Change in net position of governmental activities **\$ 1,152,822**

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

**BRAZOS COUNTY HEALTH DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
September 30, 2025**

ASSETS	<u>OPEB Trust Fund</u>
Cash and Cash Equivalents	\$ 2,694
Investments	
Fixed Income	77,169
Domestic Equities	183,949
Total Assets	<u>\$ 263,812</u>
NET POSITION	
Restricted for OPEB	\$ 263,812
Total Net Position	<u>\$ 263,812</u>

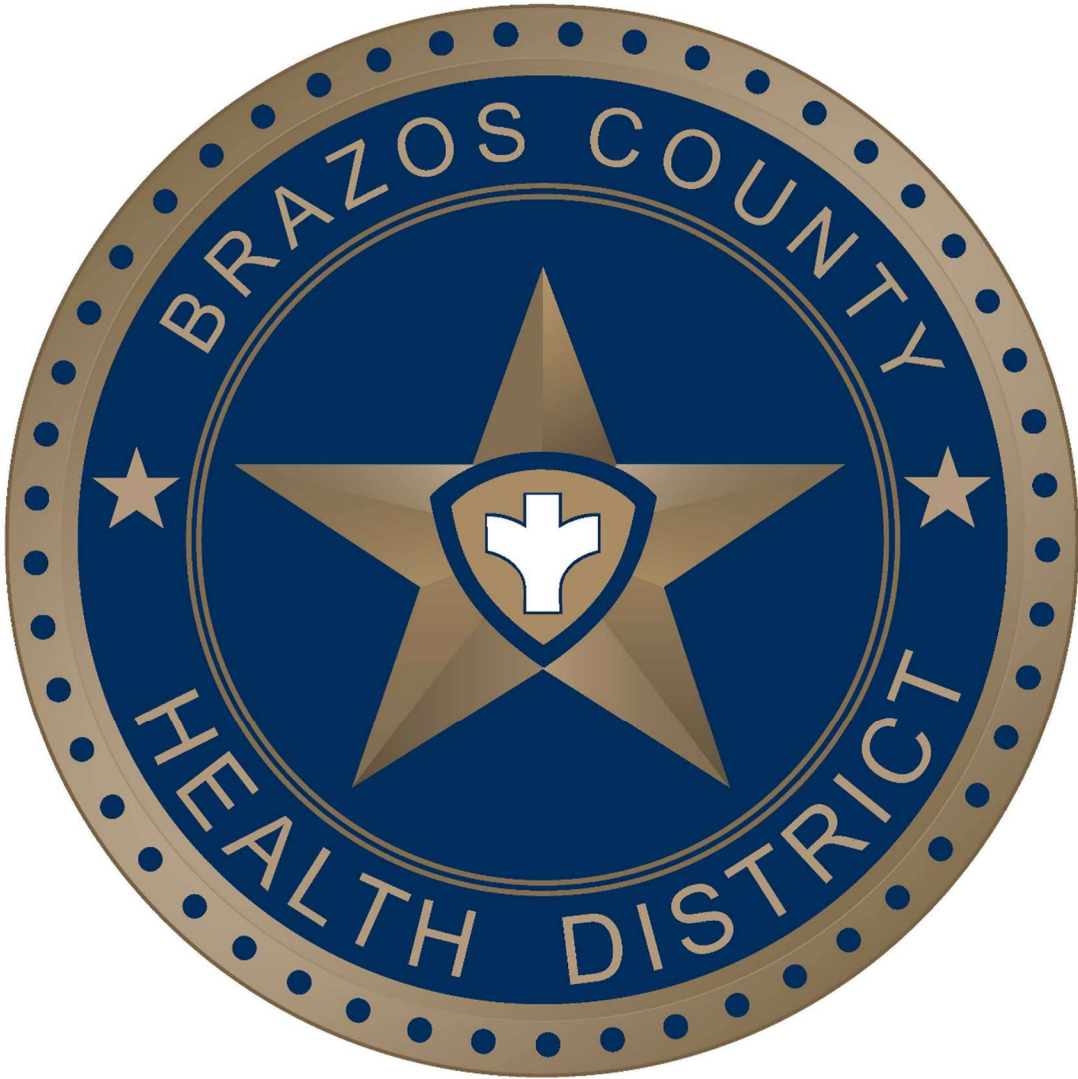
The accompanying notes are an integral part of the financial statements.

**BRAZOS COUNTY HEALTH DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Year Ended September 30, 2025**

	OPEB Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 20,000
Investment Earnings:	
Interest and Dividends	6,179
Net Appreciation in the Fair Value of Investments	20,319
Total Additions	46,498
 DEDUCTIONS	
Administrative Expenses	1,099
Total Deductions	1,099
 Net Increase (Decrease) in Fiduciary Net Position	 45,399
Net Position - Beginning	218,413
Net Position - Ending	\$ 263,812

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, 2025**

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. Implementation of New Standards

In fiscal year 2025, the District evaluated and/or implemented the following new standards:

The GASB issued Statement No. 101, “Compensated Absences”. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. This Statement requires a liability for certain types of compensated absences not be recognized until the leave commences and a liability for specific types of compensated absences not be recognized until the leave is used. Expenditures would be recognized for the amount that normally would be liquidated with expendable available financial resources. The required changes due to the implementation of GASB 101 are reflected in Note 5.

The GASB issued Statement No. 102, “Certain Risk Disclosures”. This statement’s objective is to provide users of the government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations and constraints. The Statement requires a government to assess whether a concentration or constraint makes a primary government reporting unit(s) that report a liability for revenue debt at risk of a substantial impact. GASB 102 did not have an impact on the District’s financial statements for the year ended September 30, 2025.

E. 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.

F. Capital Assets

The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Buildings and building improvements with an estimated cost to exceed \$25,000 are capitalized while infrastructure assets with an estimated cost to exceed \$50,000 are capitalized. Computer Software with an estimated cost to exceed \$75,000 is capitalized and classified as a Subscription-Based Information Technology Arrangement.

When capital assets are purchased, they 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. Capital assets are capitalized and depreciated in the government-wide financial statements.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized. Capital assets, except for land and infrastructure, are depreciated over the useful lives of the assets or classes of assets on a straight-line basis as follows:

Buildings and improvements	20 - 40 years
Machinery and equipment	3 - 10 years
Leases – Right to Use – Machinery and Equipment	5 – 10 years
Intangible assets – computer software	2.5 - 10 years

G. 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.

- 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 7.2328 year period.

G. Deferred Inflows/Outflows of Resources

continued

- Difference between expected and actual OPEB experience – This difference is deferred and recognized over a closed 7.2328 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.
- 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.
- 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.

- 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 7.2328 year period.
- Difference between expected and actual OPEB experience – This difference is deferred and recognized over a closed 7.2328 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.

H. Compensated Absences

Compensated absences represent leave for which employees receive cash payment when the leave is (a) used for time off, (b) paid during employment or upon termination, or (c) settled through noncash means, such as conversion to postemployment benefits. Common forms of compensated absences include sick leave, vacation leave, and compensatory time.

Compensated absences are accounted for in the government-wide financial statements. Prior to the implementation of GASB 101, only vacation and compensatory time were included in the compensated absences calculation. In accordance with GASB Statement No. 101, sick leave and sick leave pool balances are included in compensated absences to the extent that it is more likely than not that such balances will be used by employees. The County accounts for compensated absences using the first-in, first-out (FIFO) method. The liability for compensated absences includes salary related benefits where applicable.

All non-exempt employees, excluding temporary employees, may earn compensatory time in accordance with the Fair Labor Standards Act (FLSA). Compensatory time earned during the year must be used by the last pay period in December of each calendar year. Upon termination, all accrued compensatory time is paid at the employee's current rate of pay.

All regular employees of the District, excluding temporary employees, earn vacation leave in varying annual amounts, up to a maximum allowable accumulation of 240 hours per year. District policy allows employees to carry over one-half of the vacation hours earned in the previous year, which must be used first in the current year. Upon termination, employees are paid for any accumulated vacation leave.

All employees, excluding temporary employees, earn sick leave at a rate of up to twelve days per year, with no limit on accumulation. Sick leave benefits are recognized as used. Upon termination, employees are not compensated for accumulated sick leave.

All regular employees, excluding temporary employees, who earn sick leave and have sufficient accrued hours to donate at least one day to the sick leave pool during October are eligible to request sick leave pool hours. A sick leave pool board reviews all requests to determine whether the eligibility criteria are met and, if approved, establishes the number of hours to be granted. Employees approved to receive sick leave pool hours are required to exhaust all regular sick leave, compensatory time, and vacation leave prior to using sick leave pool hours. Upon an employee's return to work or termination of employment, any unused sick leave pool hours granted are returned to the sick leave pool.

I. Pensions

For purposes of measuring 1) the net pension liability, 2) pension related deferred inflows/outflows of resources, and 3) pension expense, District specific information about its fiduciary net position in the Texas County and District Retirement System ("TCDRS") and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by TCDRS, administrator of the statewide agent multiple-employer pension plan system. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally

I. Pensions

continued

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.

J. 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.

K. 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.

K. 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, 2025, the District had fully spent all restricted balances.. There are no restricted fund balances for the current fiscal year.

Net Position Classifications

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

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

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

K. Fund Balances and Net Position

continued

- 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 classification level basis and this report details compliance at the classification level. The Director monitors the budget at the required level of legal compliance and will not approve requisitions, purchase orders, or invoices unless appropriated funds are available within the departmental classification.

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

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

ORIGINAL BUDGET AS AMENDED			
Classification	Original		
	Budgeted Expenditures	Supplemental Appropriations	Original As Amended
Salary and wages	\$ 2,864,807	\$ 405	\$ 2,865,212
Employee benefits	1,620,334	(405)	1,619,929
Departmental support	523,587	43,150	566,737
Contingency	199,975	-	199,975
Repairs and maintenance	29,200	2,100	31,300
Contract services	95,450	-	95,450
Professional services	167,200	-	167,200
Community contracts	2,300	-	2,300
Capital outlay	77,000	-	77,000
TOTALS	\$ 5,579,853	\$ 45,250	\$ 5,625,103

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

IN-KIND BUDGETARY SUPPORT SCHEDULE

Classification	Original Budgeted Expenditures	Supplemental Appropriations	Original As Amended
Salary and wages	\$ 1,439,566	\$ -	\$ 1,439,566
Departmental support	779,875	17,307	797,182
Professional services	23,500	-	23,500
Facility & equipment rental	186,881	-	186,881
TOTALS	\$ 2,429,822	\$ 17,307	\$ 2,447,129

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
Monetary	\$ 478,029	\$ 478,029	\$ 478,029	\$ 1,286,381	\$ 104,114	\$ 2,824,582
In-Kind						
Salary and wages	1,260,217	-	-	-	-	1,260,217
Departmental support	67,325	-	-	474,384	-	541,709
Professional services	18,430	-	-	-	-	18,430
Repairs & Maintenance	-	-	-	-	-	-
Facility	186,881	-	-	-	-	186,881
Subtotal In-Kind	1,532,853	-	-	474,384	-	2,007,237
TOTALS	\$ 2,010,882	\$ 478,029	\$ 478,029	\$ 1,760,765	\$ 104,114	\$ 4,831,819

The District received \$474,384 in immunization and pharmacy supplies from DSHS for the year. This amount is \$245,619 less than originally budgeted for 2025.

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.

A. Cash and Cash Equivalents

continued

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 Truist Bank requires collateralization with a fair value of at least 110% of County funds in excess of the FDIC coverage of \$250,000. At September 30, 2025, the carrying amount of the District’s deposits were \$3,819,146 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, 2025, 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 2025, the Board approved contributing into the County’s OPEB Trust Fund to partially fund the District’s OPEB plan. The County created a board of trustees comprised of the current members of the Brazos County Commissioners Court. The County also appointed an OPEB Investment Plan Committee to oversee certain policies and procedures related to the operation and administration of the Trust. All OPEB Trust investments will be held by its trustee, US Bank. The trustee is contracted to manage the portfolio in accordance with the trust documents as approved by the Commissioners Court. The investment policy statement mandates a diversified portfolio in growth assets and income assets. The funds contributed by the District are accounted for separately from the County as well as the earnings.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025 was as follows:

Governmental activities:	Balance at October 1, 2024	Additions	Deletions	Balance at September 30, 2024
Capital assets, being depreciated:				
Leasehold improvements	\$ 846,563	\$ -	\$ -	\$ 846,563
Building	48,000	-	-	48,000
Machinery and equipment	524,552	56,320	(11,755)	569,117
Subscription-Based Information Technology Arrangements activities(SBITA)	274,534	-	-	274,534
Total Governmental activities and SBITA	\$ 1,693,649	\$ 56,320	\$ (11,755)	\$ 1,738,214
Less accumulated depreciation for:				
Leasehold improvements	(846,563)	-	-	(846,563)
Building	(42,800)	(2,400)	-	(45,200)
Machinery and equipment	(305,553)	(32,729)	11,755	(326,527)
Subscription-Based Information Technology Arrangements activities(SBITA)	(59,483)	(54,907)	-	(114,390)
Total accumulated depreciation	(1,254,399)	(90,036)	11,755	(1,332,680)
Total capital assets, being depreciated, net	\$ 439,250	\$ (33,716)	\$ -	\$ 405,534

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Administration	\$ 7,747
Environmental	69,118
Clinic	1,451
Lab	3,550
Public Health Workforce	4,253
Bioterrorism Preparedness	2,400
COVID-19	1,517
Total depreciation expense – governmental activities	<u>\$ 90,036</u>

NOTE 5 – COMPENSATED ABSENCES

GASB Statement 101 changes how the District calculates the liability for compensated absences at fiscal year-end. Compensated absences are classified into two categories: (1) vested time, which includes vacation and compensatory time, and (2) non-vested time, which includes sick leave and the sick leave pool.

Vested time is calculated using the employee’s pay rate and accumulated vacation and compensatory time earned but not taken at fiscal year-end and is reported as a noncurrent liability in the District’s government-wide financial statements as due within one year. The District functions under the first-in, first-out (FIFO) method for vested time.

Non-vested sick leave is measured using the days-used approach. Under this approach, a sample of eligible employees with accrued sick leave is used to determine the average number of sick leave days taken over the most recent five fiscal years. The average number of days used is compared to the twelve days awarded annually to determine the percentage of sick leave that is more likely than not to be used. This percentage is applied to accrued but unused sick leave to determine the portion expected to be used for time off.

The resulting non-vested days are converted to hours, and the average employee pay rate at fiscal year-end is used to calculate the sick leave liability for use as time off. The liability is then allocated between due in one year and due in more than one year based on historical usage patterns. The amount due in one year is calculated using the average of the two prior fiscal year-end sick leave balances divided by the amount of sick leave taken in the most recent fiscal year. For fiscal year 2025, 32 percent of the liability was classified as due in one year and 68 percent as due in more than one year.

Non-vested sick leave pool balances were excluded from the fiscal year 2025 compensated absences calculation because the likelihood of sick leave pool used for time off was less than 50 percent. Historical utilization of the sick leave pool was less than 5 percent.

The salary-related liability associated with compensated absences includes employer-paid Social Security and Medicare taxes. Retirement contributions are excluded from the calculation of the salary-related liability for compensated absences. The employer contribution rates are 6.2 percent for Social Security and 1.45 percent for Medicare, and the resulting liability is included in the total compensated absences balance.

NOTE 5 – COMPENSATED ABSENCES

continued

The total liability for compensated absences is \$164,947. This is a net change in compensated absences for the year of \$10,458.

The change in compensated absences for fiscal year 2025 was as follows:

	Compensated Absences as of September 30, 2024	Change in Compensated Absences	Restated Compensated Absences as of September 30, 2024	Net Change	September 30, 2025	Amount Due Within a Year
Governmental	\$ 62,607	\$ 91,882	\$ 154,489	\$ 10,458	\$ 164,947	\$ 120,981
Total	\$ 62,607	\$ 91,882	\$ 154,489	\$ 10,458	\$ 164,947	\$ 120,981

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 2025.

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

Year Ended September 30,	Scheduled Payment	Principal	Interest
2026	59,000	54,833	4,167
2027	59,000	56,878	2,122
Total	\$ 118,000	\$ 111,711	\$ 6,289

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

	October 1, 2024	Additions	Reductions	September 30, 2025	Due within one year
SBITA	\$ 164,573	\$ -	\$ (52,862)	\$ 111,711	\$ 54,833

The total cost for the contract was \$274,534 and accumulated amortization was \$114,390 as of September 30, 2025.

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 County has purchased reinsurance that provides a \$200,000 per individual specific stop loss deductible. After the \$200,000 per individual deductible has been met, the County is reimbursed by the reinsurer for claims over the deductibles. There is also aggregate protection included in the policy which means if the County exceeds the aggregate attachment point, the County will be reimbursed up to a maximum of \$1,000,000. 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, 2024, 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 non-traditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial

A. Plan Description

continued

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, 2024, 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	21
Active employees	40
	73

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.

D. Contributions

continued

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 17% for calendar year 2025 and will remain the same for calendar year 2026. The employee's member contribution rate remained at 7.00% for 2025. Contributions to the pension plan from the District were \$423,145 for the year ended September 30, 2025.

E. Net Pension Liability/(Asset)

The District's net pension liability/(Asset) was measured as of December 31, 2024, 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, 2024 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, 2023, 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.

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:

E. Net Pension Liability/(Asset)

continued

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Geometric Real Rate of Return (Expected - Inflation) (2)</u>
US Equities	13.00%	5.35%
Private Equity (5)	25.00%	8.15%
Global Equities	4.00%	5.15%
International Equities - Developed Markets	6.00%	4.75%
International Equities - Emerging Markets	0.00%	4.75%
Investment-Grade Bonds	3.00%	2.55%
Strategic Credit	9.00%	3.70%
Direct Lending	16.00%	6.85%
Distressed Debt (3)	4.00%	6.80%
REIT Equities	2.00%	3.95%
Master Limited Partnerships (MLPs)	2.00%	4.95%
Commodities	2.00%	1.00%
Private Real Estate Partnerships (4)	6.00%	5.75%
Hedge Funds	6.00%	3.60%
Cash Equivalents	2.00%	1.10%
	<u>100.00%</u>	

(1) Target asset allocation adopted at the March 2025 TCDRS Board meeting.

(2) Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.35%, per Cliffwater's 2025 capital market assumptions.

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

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

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

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)		
	Total Pension Liability (a)	Increase (Decrease)	
		Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2023	\$13,329,485	\$12,306,192	\$1,023,293
Changes for the year:			
Service cost	360,551	-	360,551
Interest on total pension liability	1,055,594	-	1,055,594
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	104,092	-	104,092
Refund of contributions	(24,575)	(24,575)	-
Benefit payments	(611,494)	(611,494)	-
Administrative expenses	-	(7,695)	7,695
Member contributions	-	189,695	(189,695)
Net investment income	-	1,306,852	(1,306,852)
Employer contributions	-	460,691	(460,691)
Other	-	4,583	(4,583)
Net Changes	884,168	1,318,057	(433,889)
Balances as of December 31, 2024	\$14,213,653	\$13,624,249	\$589,404

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)	\$ 2,579,493	\$589,404	\$ (1,073,205)

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

For the year ended September 30, 2025, the District recognized pension expense of \$423,145 at September 30, 2025, 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
Differences between expected and actual pension experience	\$ 118,380	\$ 19,529
Difference between projected and actual earnings on pension plan	797,329	928,088
Pension contributions made after the measurement date	225,970	-
Total	\$ 1,141,679	\$ 947,617

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:

Year ended September 30,	
2025	\$ (78,661)
2026	232,551
2027	(119,341)
2028	(66,457)
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, 2025, 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, 2024, Membership consisted of:	
Retirees and Beneficiaries Receiving Benefits	10
Active Employees	37
Total	<u><u>47</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

B. Funding Policy

continued

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 \$120,472 in total towards its OPEB obligation for the calendar year ended December 31, 2024, 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, 2025, was determined by an actuarial valuation using a measurement date of December 31, 2023.

D. Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2024, 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 7.20 percent declining to an ultimate rate of 4.25 percent after 15 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 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.

D. Actuarial Methods and Assumptions

continued

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%	4.90%
International Equity	21%	5.00%
Income Assets		
Fixed Income	40%	2.00%
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 4.08% (based on the daily rate closest to but not later than the measurement date of the Bond Buyer “20-Bond GO 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, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 15.75%. 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	Plan Fiduciary Net Position	Net OPEB Liability / (Asset)
	(a)	(b)	(a) – (b)
Balances as of December 31, 2023	<u>\$1,971,427</u>	<u>\$202,676</u>	<u>\$1,768,751</u>
Changes for the year:			
Service cost	27,082	-	27,082
Interest on total OPEB liability	126,513	-	126,513
Difference between expected and actual experience	6,563	-	6,563
Changes of assumptions	-	-	-
Benefit payments	(77,183)	(77,183)	-
Administrative expenses	-	(1,019)	1,019
Employer contributions	-	97,583	(97,583)
Net investment income	-	22,412	(22,412)
Net Changes	<u>82,975</u>	<u>41,793</u>	<u>41,182</u>
Balances as of December 31, 2024	<u><u>\$2,054,402</u></u>	<u><u>\$244,469</u></u>	<u><u>\$1,809,933</u></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 2023 actuarial report based on total contribution amounts of both entities. The Changes in Net OPEB liability schedule for fiscal year ending September 30, 2025, reflect ending balances as of the measurement date of December 31, 2024.

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	\$ 2,104,205	\$ 1,809,933	\$ 1,567,935

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:

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

continued

E. Changes in the Net OPEB Liability

continued

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
District's net OPEB liability	\$ 1,536,376	\$ 1,809,933	\$ 2,146,947

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

For the year ended September 30, 2025, the District recognized OPEB expense of \$99,528. At September 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in OPEB plan allocated share	\$ 30,128	\$ 900,180
Difference between projected and actual earnings on OPEB plan	662	-
Differences between expected and actual OPEB experience	23,815	61,682
Changes in Assumptions	139,526	25,158
OPEB contributions made after the measurement date	255,569	-
Total	<u>\$ 449,700</u>	<u>\$ 987,020</u>

Deferred outflows of resources related to OPEB resulting from OPEB contributions made after the measurement date of \$255,569 will be recognized as a reduction of the net OPEB liability in the District's financial statements for the fiscal year ending September 30, 2025. 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,	
2026	(869,879)
2027	1,331
2028	16,814
2029	22,180
2030	29,005
Thereafter	7,660

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, 2025, 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
TOTALS	<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, 2025, 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, 2025, 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	\$ 142,939
City of Bryan	260,000	285,985
City of College Station	330,700	433,932
TOTALS	<u>\$ 730,700</u>	<u>\$ 862,856</u>

NOTE 12 – CHANGE IN ACCOUNTING PRINCIPLE

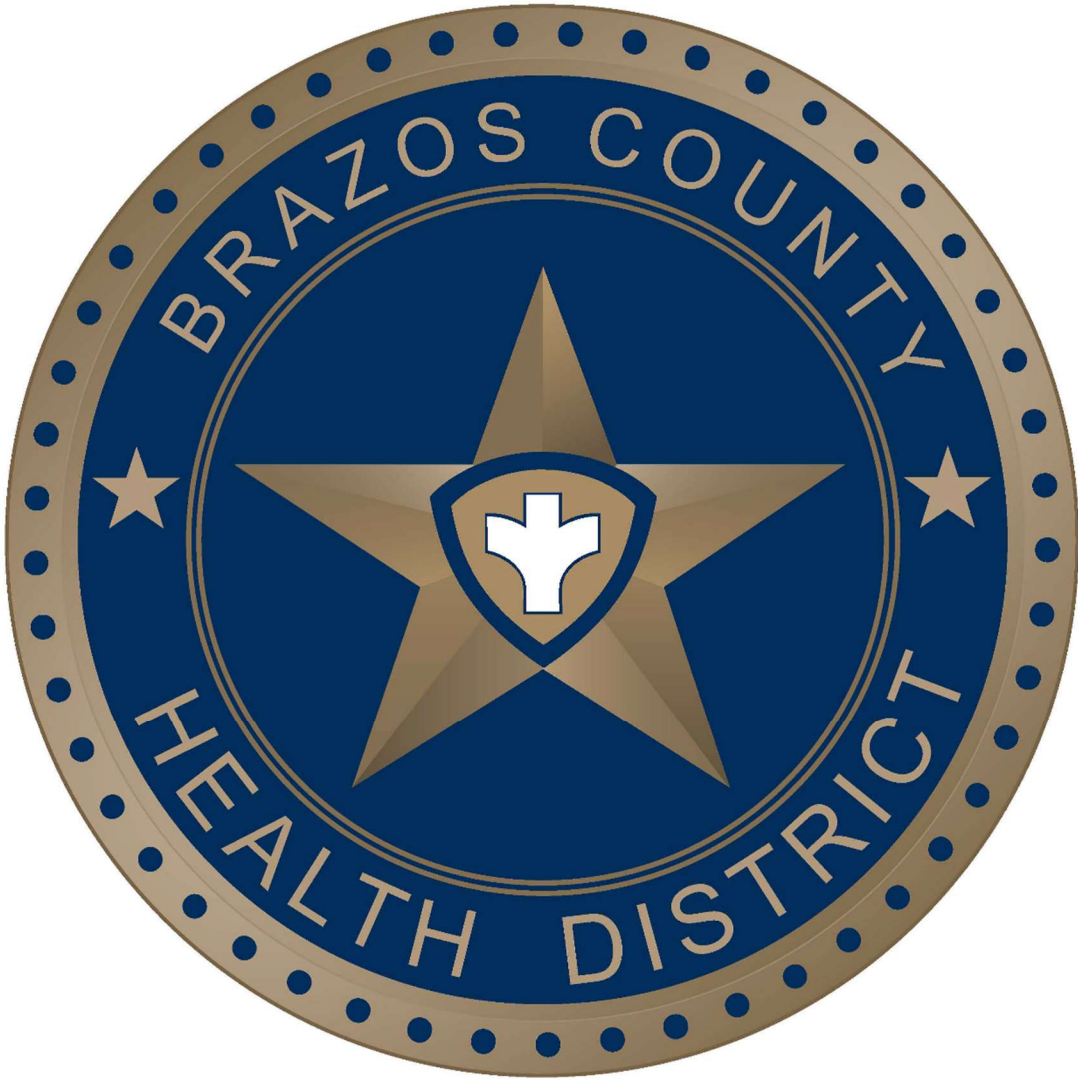
During the fiscal year ended September 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB Statement No. 101 establishes new guidance for the recognition and measurement of compensated absences.

The requirements of GASB Statement No. 101 were applied retroactively by restating beginning net position for fiscal year 2025. As a result of this implementation, beginning net position was decreased in the government-wide financial statements. The net change as of September 30, 2024, for governmental activities and business-type activities is reflected below:

	Governmental Activities
Net position - beginning, as previously reported at 9/30/2024	\$ 318,846
Change in accounting principle	<u>(91,882)</u>
Net position - beginning, as restated	<u><u>\$ 226,964</u></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, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Intergovernmental			
Brazos County	\$ 2,187,851	\$ 2,205,158	\$ 2,010,882
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	2,564,730	2,564,730	1,760,765
Texas Health and Human Services Commission	60,000	60,000	104,114
Program Income			
Health Service Fees	730,700	730,700	862,856
Clinic	154,000	154,000	262,033
Environmental	3,000	3,000	2,640
340B Drug Program	605,000	605,000	488,319
Episcopal Health Foundation	--	--	--
Interest	100,000	100,000	190,020
National Association City and County Health Officials	--	--	20,000
Texas A&M Health Science Center	45,000	90,000	45,000
Other	2,000	2,250	2,707
TOTAL REVENUES	<u>7,408,339</u>	<u>7,470,896</u>	<u>6,705,394</u>
EXPENDITURES			
Salary and Wages	4,304,373	4,304,778	3,768,111
Employee Benefits	1,620,334	1,619,929	1,262,644
Departmental Support	1,303,462	1,363,919	790,829
Contingency	199,975	199,975	--
Repairs and Maintenance	29,200	31,300	20,417
Contract Services	95,450	95,450	14,563
Facility	186,881	186,881	186,881
Professional Services	190,700	190,700	116,110
Community Contracts	2,300	2,300	--
Capital Outlay	77,000	77,000	56,320
Debt Service	--	--	59,000
TOTAL EXPENDITURES	<u>8,009,675</u>	<u>8,072,232</u>	<u>6,274,875</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(601,336)	(601,336)	430,519
Net Change in Fund Balance	(601,336)	(601,336)	430,519
FUND BALANCE AT OCTOBER 1, 2024	<u>1,469,502</u>	<u>1,469,502</u>	<u>3,563,530</u>
FUND BALANCE AT SEPTEMBER 30, 2025	<u>\$ 868,166</u>	<u>\$ 868,166</u>	<u>3,994,049</u>

BRAZOS COUNTY HEALTH DISTRICT
 Required Supplementary Information
 Schedule of Changes in the District's Net Pension Liability and Related Ratios
 September 30, 2025

	Year Ended December 31, 2024	Year Ended December 31, 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
Total pension liability										
Service cost	\$ 360,551	\$ 312,564	\$ 302,081	\$ 317,245	\$ 276,297	\$ 258,290	\$ 254,529	\$ 243,434	\$ 239,918	\$ 211,535
Interest on total pension liability	1,055,594	993,521	924,053	875,365	817,232	763,820	716,969	669,885	614,986	562,710
Effect of plan changes	-	-	321,833	-	-	-	-	-	-	(42,724)
Effect of economic/demographic gains or losses	104,092	80,620	(78,114)	(31,728)	69,833	33,265	(16,779)	(9,097)	19,157	(70,214)
Effect of assumptions changes or inputs	-	-	-	6,187	683,553	-	-	20,359	-	76,363
Benefit payments/refunds of contributions	(636,069)	(600,465)	(533,341)	(489,992)	(429,006)	(399,514)	(361,384)	(347,654)	(297,550)	(263,552)
Net change in total pension liability	884,168	786,240	936,512	677,077	1,417,909	655,861	593,335	576,927	576,511	474,118
Total pension liability - beginning	13,329,485	12,543,245	11,606,733	10,929,656	9,511,747	8,855,886	8,262,551	7,685,624	7,109,113	6,634,995
Total pension liability - ending (a)	\$ 14,213,653	\$ 13,329,485	\$ 12,543,245	\$ 11,606,733	\$ 10,929,656	\$ 9,511,747	\$ 8,855,886	\$ 8,262,551	\$ 7,685,624	\$ 7,109,113
Plan fiduciary net position										
Contributions - employer	\$ 460,691	\$ 390,453	\$ 348,666	\$ 310,525	\$ 316,449	\$ 282,592	\$ 261,774	\$ 241,053	\$ 265,863	\$ 205,969
Contributions - employee	189,695	163,174	145,849	138,016	145,243	136,424	128,590	120,527	113,496	104,206
Net investment income	1,306,852	1,273,854	(721,073)	2,229,874	950,115	1,295,149	(148,927)	1,019,512	474,795	(81,668)
Benefit payments/refunds of contributions	(636,069)	(600,465)	(533,341)	(489,992)	(429,006)	(399,514)	(361,384)	(347,654)	(297,550)	(263,552)
Administrative expenses	(7,695)	(6,693)	(6,795)	(6,685)	(7,444)	(7,008)	(6,335)	(5,328)	(5,165)	(4,519)
Effect of change in proportion	-	-	-	-	-	-	-	-	(30,013)	(30,500)
Other	4,583	2,300	4,860	1,651	1,835	1,949	1,668	215	11,498	4,001
Net change in plan fiduciary net position	1,318,057	1,222,623	(761,834)	2,183,389	977,192	1,309,592	(124,614)	1,028,325	532,924	(66,063)
Plan fiduciary net position - beginning	12,306,192	11,083,569	11,845,403	9,662,014	8,684,822	7,375,230	7,499,844	6,471,519	5,938,595	6,004,658
Plan fiduciary net position - ending (b)	\$ 13,624,249	\$ 12,306,192	\$ 11,083,569	\$ 11,845,403	\$ 9,662,014	\$ 8,684,822	\$ 7,375,230	\$ 7,499,844	\$ 6,471,519	\$ 5,938,595
District's net pension liability/(asset) - ending (a) - (b)	\$ 589,404	\$ 1,023,293	\$ 1,459,676	\$ (238,670)	\$ 1,267,642	\$ 826,925	\$ 1,480,656	\$ 762,707	\$ 1,214,105	\$ 1,170,518
Plan fiduciary net position as a percentage of the total pension liability	95.85%	92.32%	88.36%	102.06%	88.40%	91.31%	83.28%	90.77%	84.20%	83.53%
Covered payroll	\$ 2,709,942	\$ 2,331,057	\$ 2,081,457	\$ 1,971,658	\$ 2,074,896	\$ 1,948,910	\$ 1,837,007	\$ 1,721,807	\$ 1,625,812	\$ 1,374,391
District's net pension liability/(asset) as a percentage of covered payroll	21.75%	43.90%	70.13%	-12.11%	61.09%	42.43%	80.60%	44.30%	74.68%	85.17%

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, 2025

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%
2024	377,864	390,453	(12,589)	2,324,125	16.8%
2025	434,133	426,588	7,545	2,509,341	17.0%

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:

Actuarial cost method	Entry Age (level percentage of pay)
Amortization method	Level percentage of payroll, closed
Remaining amortization period	9.8 years (based on contribution rate calculated in 12/31/2024 valuation)
Asset valuation method	5-year smoothed fair value
Inflation	2.50%
Salary increases	Varies by age and service. 4.7% average over career including inflation
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	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.
 2023: Employer contributions reflect that a 7% flat COLA was adopted.

BRAZOS COUNTY HEALTH DISTRICT

Required Supplementary Information

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

September 30, 2025

	Year Ended December 31, 2024	Year Ended December 31, 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
Total OPEB liability								
Service cost	\$ 27,082	\$ 21,461	\$ 25,981	\$ 25,166	\$ 60,400	\$ 65,684	\$ 73,329	\$ 71,193
Interest on total OPEB liability	126,513	110,311	106,841	107,857	206,477	222,275	210,713	198,857
Difference between expected and actual experience	6,563	10,368	11,322	(35,848)	20,547	(347,631)	4,993	-
Changes of assumptions	-	192,854	-	(36,686)	-	(58,555)	-	-
Benefit payments	(77,183)	(99,862)	(77,129)	(75,919)	(128,741)	(115,606)	(99,071)	(78,364)
Net change in total OPEB liability	82,975	235,132	67,015	(15,430)	158,683	(233,833)	189,964	191,686
Total OPEB liability - beginning	1,971,427	1,736,295	1,669,280	1,684,710	3,210,736	3,444,569	3,254,605	3,062,919
Total OPEB liability - ending (a)	\$ 2,054,402	\$ 1,971,427	\$ 1,736,295	\$ 1,669,280	\$ 3,369,419	\$ 3,210,736	\$ 3,444,569	\$ 3,254,605
Plan fiduciary net position								
Employer contributions	\$ 97,583	\$ 120,662	\$ 97,129	\$ 96,319	\$ 149,541	\$ 156,406	\$ 139,871	\$ 159,964
Net investment income	22,412	23,391	(29,468)	16,627	36,242	29,844	(7,505)	6,343
Benefit payments	(77,183)	(99,862)	(77,129)	(75,919)	(128,741)	(115,606)	(99,071)	(78,364)
Administrative expense	(1,019)	(817)	(760)	(698)	(1,097)	(806)	(584)	(271)
Net change in plan fiduciary net position	41,793	43,374	(10,228)	36,329	55,945	69,838	32,711	87,672
Plan fiduciary net position - beginning	202,676	159,302	169,530	133,201	210,455	140,617	107,906	202,234
Plan fiduciary net position - ending (b)	\$ 244,469	\$ 202,676	\$ 159,302	\$ 169,530	\$ 266,400	\$ 210,455	\$ 140,617	\$ 107,906
District's net OPEB liability - ending (a) - (b)	\$ 1,809,933	\$ 1,768,751	\$ 1,576,993	\$ 1,499,750	\$ 3,103,019	\$ 3,000,281	\$ 3,303,952	\$ 3,146,699
Plan fiduciary net position as a percentage of the total OPEB liability	11.90%	10.28%	9.17%	10.16%	7.91%	6.55%	4.08%	3.32%
Covered-employee payroll	\$ 1,241,073	\$ 1,063,152	\$ 940,778	\$ 951,501	\$ 1,866,733	\$ 1,774,211	\$ 1,644,250	\$ 1,547,426
District's net OPEB liability as a percentage of covered-employee payroll	145.84%	166.37%	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.

NOTE: 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.

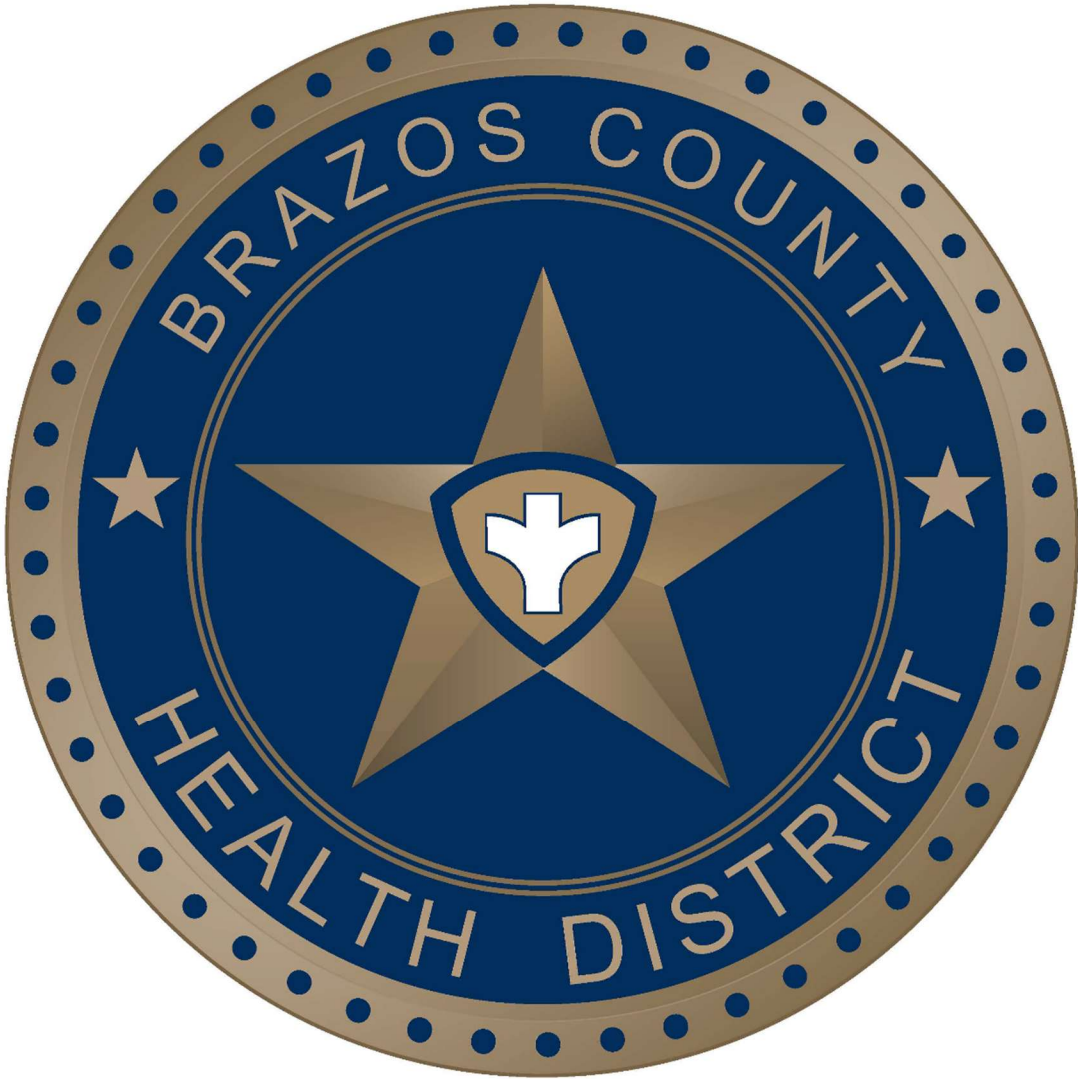
NOTE: The beginning balances for the year ending December 31, 2021 have been adjusted to reflect the decreased percentage change of the total OPEB liability for the District from 4% to 2%.

BRAZOS COUNTY HEALTH DISTRICT

Required Supplementary Information
Schedule of Investment Returns on OPEB Trust
September 30, 2025

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expenses
2025	15.75%
2024	12.79%
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, 2025
 With Comparative Totals for Years Ended September 30, 2024 and 2023
 (Unaudited)

Expenditures	Administration	Environmental	Clinic Admin	CH Clinic	Lab	Immunization	BVMAT	Infectious Disease	MCAH TAMU Grant	TAMU Vaccination Grant	Contact Tracing	NACCHO	AFDO	Healthy Communities
Salary and Wages	\$ 218,904	\$ 699,522	\$ 262,217	\$ 260,247	\$ 103,306	\$ 137,725	\$ 26,489	\$ 74,872	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 59,166
Employment Benefits	252,709	345,220	142,470	97,155	42,204	42,970	9,328	31,256	--	--	--	--	--	25,669
Departmental Support	20,807	29,974	1,314	22,215	33,148	15,278	4,247	275	34,297	76,752	--	--	--	4,291
Repairs & Maintenance	3,160	13,868	--	--	914	--	--	--	--	--	--	--	--	--
Contract Services	455	--	--	9,749	4,359	--	--	--	--	--	--	--	--	--
Facility	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Professional Services	36,875	--	14,697	15,087	7,423	--	--	--	--	--	--	--	--	--
Community Contracts	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Capital Outlay	--	45,780	--	--	10,540	--	--	--	--	--	--	--	--	--
Debt Service	--	59,000	--	--	--	--	--	--	--	--	--	--	--	--
TOTALS	\$ 532,910	\$ 1,193,364	\$ 420,698	\$ 404,453	\$ 201,894	\$ 195,973	\$ 40,064	\$ 106,403	\$ 34,297	\$ 76,752	\$ --	\$ --	\$ --	\$ 89,126
For the Year Ended:														
September 30, 2024	\$ 556,378	\$ 1,118,484	\$ 463,083	\$ --	\$ 187,763	\$ 197,220	\$ 76,035	\$ 110,888	\$ 8,512	\$ 61,690	\$ --	\$ --	\$ --	\$ 89,221
September 30, 2023	\$ 446,156	\$ 1,354,241	\$ 468,601	\$ --	\$ 190,274	\$ 205,972	\$ 166,598	\$ 110,407	\$ --	\$ --	\$ --	\$ 16,987	\$ --	\$ 87,241

BRAZOS COUNTY HEALTH DISTRICT
COMPARATIVE ANALYSIS OF DIVISIONAL EXPENDITURES
 For The Twelve Month Period Ended September 30, 2025
 With Comparative Totals for Years Ended September 30, 2024 and 2023
 (Unaudited)

Expenditures	Regional Health	Health Equity	Public Workforce	Public Infrastructure	HHSC Adult Immunization	Bioterrorism Preparedness	COVID Epidemiology	Tuberculosis	Totals	In-Kind Support			Health District Totals
										Brazos County	Department of State Health Services	Health Services	
Salary and Wages	\$ 89,286	\$ 22,001	--	\$ 353,915	\$ --	\$ 96,419	\$ 53,393	\$ 50,452	\$ 2,507,894	\$ 1,260,217	\$ --	\$ --	\$ 3,768,111
Employment Benefits	21,986	5,435	--	154,712	--	50,001	21,503	20,026	1,262,644	--	--	--	1,262,644
Departmental Support	1,071	275	--	1,973	--	1,002	408	1,793	249,120	67,325	474,384	--	790,829
Repairs & Maintenance	--	--	--	--	--	2,475	--	--	20,417	--	--	--	20,417
Contract Services	--	--	--	--	--	--	--	--	14,563	--	--	--	14,563
Facility	--	--	--	--	--	--	--	--	--	186,881	--	--	186,881
Professional Services	--	--	--	11,800	--	--	--	11,798	97,680	18,430	--	--	116,110
Community Contracts	--	--	--	--	--	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--	--	56,320	--	--	--	56,320
Debt Service	--	--	--	--	--	--	--	--	59,000	--	--	--	59,000
TOTALS	\$ 112,343	\$ 27,711	\$ --	\$ 522,400	\$ --	\$ 149,897	\$ 75,304	\$ 84,049	\$ 4,267,638	\$ 1,532,853	\$ 474,384	\$ --	\$ 6,274,875
For the Year Ended:													
September 30, 2024	\$ 98,273	\$ 174,450	\$ 615,644	\$ 175,672	\$ 8,335	\$ 160,748	\$ 48,011	\$ 86,628	\$ 4,237,035	\$ 1,230,343	\$ 886,848	\$ --	\$ 6,354,226
September 30, 2023	\$ 101,046	\$ 188,144	\$ 644,467	\$ 31,154	\$ 23,705	\$ 131,067	\$ 85,848	\$ 72,583	\$ 4,334,108	\$ 813,792	\$ 717,096	\$ --	\$ 5,864,996

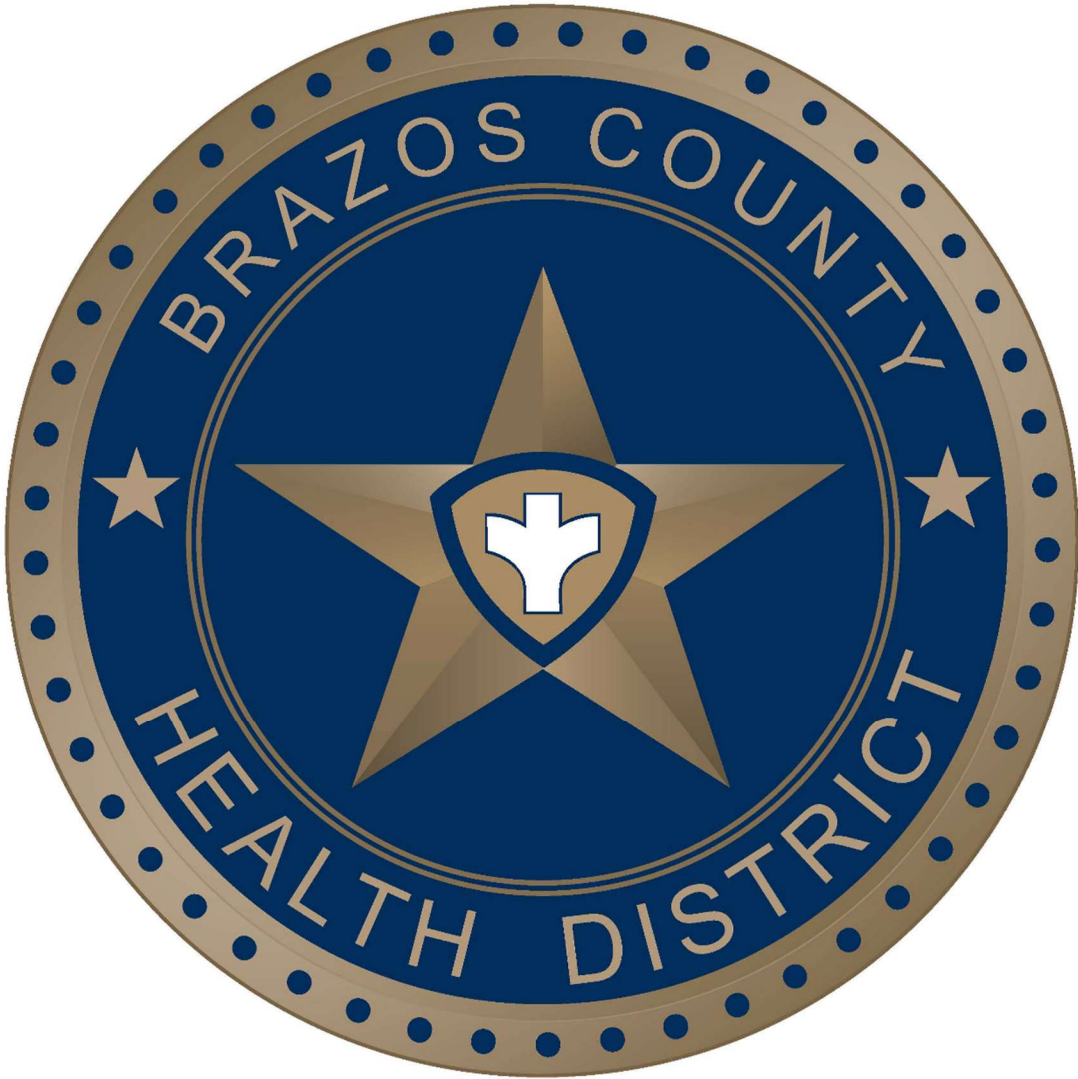
BRAZOS COUNTY HEALTH DISTRICT
COMPARATIVE ANALYSIS OF TEXAS DEPARTMENT OF HEALTH GRANT FUNDING SUPPORT
(Unaudited)

Expenditures	07/01/2024-06/30/2025			09/01/2024-08/31/2025		
	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	\$ 102,827	\$ 97,477		\$ 71,881	\$ 88,603	\$ 16,722
Fringe Benefits	34,293	52,799	12,252	15,878	21,825	5,947
Travel	2,640	1,736	-	-	275	275
Equipment	-	-	-	-	-	-
Supplies	-	-	-	-	796	796
Contractual	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTALS	\$ 139,760	\$ 152,012	\$ 12,252	\$ 87,759	\$ 111,499	\$ 23,740
Expenditures	09/01/2022-08/31/2025			09/01/2024-08/31/2025		
	DSHS Program: IMM/LOCALS			DSHS Program: TB/PC Combo		
	Grant Budget	Grant Expense Support	Department Expense Support	Grant Budget	Grant Expense Support	Department Expense Support
Personnel	\$ 159,329	\$ 249,166	\$ 89,837	\$ 55,686	\$ 138,184	\$ 82,498
Fringe Benefits	21,366	107,425	86,059	12,509	69,351	56,842
Travel	-	-	-	-	373	373
Equipment	-	-	-	-	-	-
Supplies	-	-	-	713	879	166
Contractual	-	-	-	-	-	-
Other	-	-	-	-	8,654	8,654
TOTALS	\$ 180,695	\$ 356,591	\$ 175,896	\$ 68,908	\$ 217,441	\$ 148,533
Expenditures	09/01/2024-08/31/2025			09/01/2023-03/24/25		
	DSHS Program: IDCU/SUREB			DSHS Program: Health Equity		
	Grant Budget	Grant Expense Support	Department Expense Support	Grant Budget	Grant Expense Support	Department Expense Support
Personnel	\$ 75,000	\$ 74,297	\$ -	\$ 426,204	\$ 410,605	\$ -
Fringe Benefits	7,500	29,702	21,499	220,987	160,833	-
Travel	-	275	275	10,490	8,572	-
Equipment	-	-	-	-	-	-
Supplies	-	-	-	11,319	15,398	-
Contractual	-	-	-	25,000	25,000	-
Other	-	123	123	11,000	8,224	-
TOTALS	\$ 82,500	\$ 104,397	\$ 21,897	\$ 705,000	\$ 628,632	\$ -
Expenditures	09/01/2024 - 08/31/2025			04/01/2021 - 03/24/25		
	DSHS Program: TX Healthy Communities			DSHS Program: IMM/COVID-19		
	Grant Budget	Grant Expense Support	Department Expense Support	Grant Budget	Grant Expense Support	Department Expense Support
Personnel	\$ 52,908	\$ 58,738	\$ 4,948	\$ 481,320	\$ 491,788	\$ -
Fringe Benefits	24,449	26,946	-	242,730	197,839	-
Travel	580	658	-	16,560	-	-
Equipment	-	-	-	4,456	3,854	-
Supplies	4,423	1,609	-	18,426	17,233	-
Contractual	2,575	2,182	-	10,000	15,429	-
Other	250	-	-	11,000	1,313	-
TOTALS	\$ 85,185	\$ 90,133	\$ 4,948	\$ 784,492	\$ 727,456	\$ -
Expenditures	08/17/2020 - 03/24/25			03/29/2023-05/31/25		
	DSHS Program: IDCU/COVID-19			DSHS Program: Public Health Infrastructure		
	Grant Budget	Grant Expense Support	Department Expense Support	Grant Budget	Grant Expense Support	Department Expense Support
Personnel	\$ 201,500	\$ 74,090	\$ -	\$ 1,296,578	\$ 372,767	\$ -
Fringe Benefits	102,402	30,031	-	517,213	157,875	-
Travel	9,763	792	-	41,771	2,396	-
Equipment	9,300	-	-	1,200	1,112	-
Supplies	-	-	-	20,120	2,711	-
Contractual	247,193	245,424	-	74,001	10,299	-
Other	-	-	-	-	-	-
TOTALS	\$ 570,158	\$ 350,337	\$ -	\$ 1,950,883	\$ 547,160	\$ -

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

		For The Years Ended September 30,				
Activity		2025	2024	2023	2022	2021
Personal Health Services	Immunizations and					
	Inoculations	4,333	5,039	4,620	6,503	9,207
	TB Tests	1,373	1,580	1,133	1,020	861
	STD Clinic	--	1,159	1,216	1,677	1,289
	Other Clinic Visits	--	897	961	890	308
	Home Visits	648	1,096	659	282	130
Environmental Health Services	Inspections:					
	Restaurant	3,260	3,501	3,185	3,085	2,995
	Child Care	46	62	65	71	76
	Septic Systems	546	590	748	625	587
	Swimming Pools	110	8	2	6	9
	Substandard Building	18	17	7	15	4
	Subdivision Reviews	24	21	18	20	20
	Vector Control	216	179	41	111	192
	TCEQ Applications	290	294	377	314	286
	Foodhandlers Registered	249	317	365	350	103
	Complaints	314	309	267	282	323
	Letters Issued	844	3,265	3,126	1,841	2,075
Laboratory Services	Water Samples Tested	--		--	--	--
	STD Testing	8,678	7,457	6,396	11,799	4,461
TOTALS		20,949	25,791	23,186	28,891	22,926

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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 8, 2026.

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
May 8, 2026



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, 2025. 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, 2025.

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
May 8, 2026

**BRAZOS COUNTY HEALTH DISTRICT
Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2025**

Federal Grantor/Pass - Through Grantor/Program Title	Federal Assistance Listing Number	Federal Grant Number	Program/ Award Amount	Accounts Receivable (Payable) October 1, 2024	Receipts	Expenditures	Amount Provided to Subrecipients	Grant Funds Refunded in 2025	Accounts Receivable (Payable) September 30, 2025
<u>U.S. Department of Health and Human Services</u>									
<u>Passed through Texas Health and Human Services</u>									
Medicaid Administrative Claiming	93.778	HHS000537900116 08/22/2019-08/31/2025	-	\$ 55,032	\$ 41,902	\$ 46,234	\$ -	\$ -	\$ 59,364
Public Health Provider Charity Program	93.778	N/A 01/01/2025-09/30/2025	-	-	-	57,881	-	-	57,881
Total - 93.778				55,032	41,902	104,115	-	-	117,245
<u>Passed Through Texas A&M University Health Science Center</u>									
Special Programs for Aging	93.048	M2401271 8/15/2023 - 04/15/2025	150,000	-	45,000	45,000	-	-	-
Total - 93.048				-	45,000	45,000	-	-	-
<u>Passed through National Association of County and City Health Officials</u>									
Improving the Health of Young Children: Increasing Vaccination Coverage through Partnerships with Early Care and Education Programs	93.318	5NUSOC K006587-03-00 11/15/2022-03/31/2025	120,000	20,000	40,000	20,000	-	-	-
Total - 93.318				20,000	40,000	20,000	-	-	-
<u>Medical Reserve Corps Program</u>									
	93.008	MRC 36-2872 5/3/RE/23/07/18-02-00 4/18/2025-9/30/2025	5,000	-	5,000	-	-	-	(5,000)
Total - 93.008				-	5,000	-	-	-	(5,000)
<u>Passed through Texas Department of State Health Services</u>									
Public Health Emergency Preparedness	93.069	HHS001439500035 07/01/2024 - 06/30/2025	139,760	30,041	130,186	100,145	-	-	-
Public Health Emergency Preparedness	93.069	HHS001439500035 07/01/2025 - 06/30/2026	100,627	-	4,827	23,571	-	-	18,744
Total - 93.069				30,041	135,013	123,716	-	-	18,744
<u>Immunization Grants</u>									
	93.268	HHS001331300009 09/01/2024 - 08/31/2025	180,695	28,926	80,398	51,472	-	-	-
<u>Immunization Grants</u>									
	93.268	HHS001331300009 09/01/2025 - 08/31/2026	180,695	-	-	26,915	-	-	26,915
<u>IMM/COVID-19</u>									
	93.268	HHS001019500006 04/21/2021 - 03/31/25	784,492	18,260	58,324	40,064	-	-	-
Total - 93.268				47,186	138,722	118,451	-	-	26,915
<u>Texas Healthy Communities</u>									
	93.991	HHS000438400002 09/01/2023 - 08/31/2024	84,897	6,142	6,142	-	-	-	-
<u>Texas Healthy Communities</u>									
	93.991	HHS001455600001 09/01/2024 - 08/31/2025	85,185	7,043	81,865	78,142	-	-	3,320
<u>Texas Healthy Communities</u>									
	93.991	HHS001455600001 09/01/2025 - 08/31/2026	85,185	-	-	6,037	-	-	6,037
<u>Region/Local Health</u>									
	93.991	HHS001324900009 09/01/2023 - 08/31/2024	87,759	8,669	8,669	-	-	-	-
<u>Region/Local Health</u>									
	93.991	HHS001324900009 09/01/2024 - 08/31/2025	87,759	8,523	53,173	44,650	-	-	-
<u>Region/Local Health</u>									
	93.991	HHS001588400009 09/01/2025 - 08/31/2026	87,759	-	-	7,518	-	-	7,518
Total - 93.991				30,377	149,849	136,347	-	-	16,875
<u>Tuberculosis - Federal - Prevention and Control</u>									
	93.116	HHS001437400006 09/01/2024-08/31/2025	19,104	7,573	19,104	11,531	-	-	-
<u>Tuberculosis - Federal - Prevention and Control</u>									
	93.116	HHS001437400006 09/01/2025-08/31/2026	18,984	-	-	6,835	-	-	6,835
Total 93.116				7,573	19,104	18,366	-	-	6,835
<u>IDCU/COVID-19</u>									
	93.323	HHS000812700006 08/01/2020 - 05/31/2025	247,193	32,129	107,428	75,299	-	-	-
Total 93.323				32,129	107,428	75,299	-	-	-
<u>Health Equity</u>									
	93.591	HHS001057600007 09/01/2021 - 05/31/2025	625,000	30,674	58,385	27,711	-	-	-
Total 93.591				30,674	58,385	27,711	-	-	-
<u>Public Health Infrastructure</u>									
	93.967	HHS001306800001 03/23/2023 - 11/30/2027	1,950,883	89,786	520,032	518,400	-	-	88,154
Total 93.967				89,786	520,032	518,400	-	-	88,154
Total Federal Assistance				\$ 342,998	\$ 1,260,455	\$ 1,187,405	\$ -	\$ -	\$ 267,708

BRAZOS COUNTY HEALTH DISTRICT
Schedule of Expenditures of Federal and State Awards (Continued)
For the Year Ended September 30, 2025

State Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Program/Award Amount	Accounts Receivable (Payable) October 1, 2024	Receipts	Expenditures	Amount Provided to Subrecipients	Grant Funds Refunded in 2025	Accounts Receivable (Payable) September 30, 2025
Department of State Health Services									
Tuberculosis - State - Prevention and Control	N/A	HHS001437400006 09012024 - 08312025	49,779	7,974	49,804	41,830	-	-	-
Tuberculosis - State - Prevention and Control	N/A	HHS001437400006 09012025 - 08312026	49,804	-	-	6,750	-	-	6,750
Total			87,759	7,974	49,804	48,580	-	-	6,750
Region/Local Health	N/A	HHS001324900009 09012024 - 08312025	87,759	-	34,586	34,586	-	-	-
Total			87,759	-	34,586	34,586	-	-	-
Infectious Disease	N/A	HHS001315700005 09012024 - 08312025	82,500	7,170	82,500	75,330	-	-	-
Infectious Disease	N/A	HHS001315700005 09012025 - 08312026	82,500	-	-	9,299	-	-	9,299
Total			165,000	7,170	82,500	84,629	-	-	9,299
Immunization Grants	N/A	HHS001331300009 09012024 - 08312025	180,695	-	100,298	100,298	-	-	-
Immunization Grants	N/A	HHS001331300009 09012025 - 08312026	180,695	-	-	-	-	-	-
Total			361,390	-	100,298	100,298	-	-	-
Total State Assistance			361,390	15,144	267,188	268,093	-	-	16,049
Total Federal and State Assistance			357,942	15,144	1,527,623	1,455,498	-	-	285,817

BRAZOS COUNTY HEALTH DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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 15% de minimis indirect cost rate allowed under the Uniform Guidance revision issued April 2024.

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	\$ 40,064
Assistance Listing No. 93.268 – Immunization Grants (9/1/2024 – 8/31/2025)	51,472
Assistance Listing No. 93.268 – Immunization Grants (9/1/2025 – 8/31/2026)	26,915
Assistance Listing No. 93.967 – PH Infrastructure	518,400
Assistance Listing No. 93.323 – IDCU/COVID-19	75,299
Assistance Listing No. 93.391 – Health Equity	27,711

BRAZOS COUNTY HEALTH DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

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>
93.967	Public Health Infrastructure

Dollar threshold used to distinguish between type A and type B federal programs: \$1,000,000

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, 2025

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, 2025
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.