



Transforming Lives

(A COMPONENT UNIT OF HARRIS COUNTY, TEXAS)

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
For Fiscal Years Ended
August 31, 2023 and 2022**

Wayne Young, MBA, LPC, FACHE
Chief Executive Officer

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

**For the Fiscal Years Ended
August 31, 2023 and August 31, 2022**

**Prepared by
Finance Department**

**Vanessa McKeown, CPA
Chief Financial Officer**

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

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INTRODUCTORY SECTION



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Transforming Lives

Financial Services
9401 Southwest Freeway
Houston, TX 77074
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February 20, 2024

To the Citizens of Harris County and the Members of The Harris Center for Mental Health and IDD Board of Trustees:

We hereby issue the annual comprehensive financial report for The Harris Center for Mental Health and IDD (Center), formerly known as the Mental Health and Mental Retardation Authority of Harris County, for the fiscal year ended August 31, 2023. The report is published to provide the Board, the people we serve, family members, elected officials, and other interested parties with detailed information concerning our financial condition and activities of the organization. It is also required by our major funding sources: Texas Health and Human Services Commission, Harris County, as well as other federal, state, and local grantors.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of The Harris Center for Mental Health and IDD. We believe said data are accurate in all material respects; that they present fairly the financial position and results of operations of the Center as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the Center's financial activity have been included.

Financial Report

The annual comprehensive financial report consists of four sections: introductory, financial, statistical, and single audit. Particular attention is called to the section entitled Management Discussion and Analysis as it provides an objective and transparent analysis of the Center's financial activities based on currently known facts.

The Center is required to undergo a single audit annually in accordance with the provisions of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of Texas *Uniform Grant Management Standards*. Information related to this single audit includes the Schedule of Federal and State Awards, Findings and Questioned Costs, and the auditors' reports on the internal control structure and compliance with applicable laws and regulations.

Fiscal Year

The Center's fiscal year starts on September 1 of each year and ends on August 31 of the following year, consistent with the fiscal year observed by the State of Texas government.

Accounting Systems and Budgetary Controls

The management of the Center is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Center are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and local financial assistance, the Center is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations. This internal control structure is subject to periodic evaluation by management.

In addition, the Center maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Center's governing body. Activities of the General Fund are included in the annual budget. The level of budgetary control or the level at which expenditures cannot legally exceed the appropriated amount is established at the fund level. Budgetary control is maintained by account at the cost center level through monthly budget-to-actual variance reports.

Independent Audit

The Harris Center for Mental Health and IDD's financial statements were audited by Whitley Penn LLP, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of The Harris Center for Mental Health and IDD for the fiscal year ended August 31, 2023 are free of material misstatement. The independent audit involved examining, on test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that The Harris Center for Mental Health and IDD's financial statements for the fiscal year ended August 31, 2023 are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the Financial Section of this report. The independent audit of the financial statements of The Harris Center for Mental Health and IDD was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on those requirements involving the administration of federal and state awards.

Business Profile

The Harris Center for Mental Health and IDD is an agency of the State government providing Mental Health (MH) and Intellectual and Developmental Disability (IDD) services for the residents of Harris County. These services are designed for those persons who can be effectively treated in their own community and do not require long-term institutional care. To fulfill this objective, The Harris Center for Mental Health and IDD seeks to provide as full a range of effective services and supports designed to provide care in the least restrictive manner, to the degree resources permit.

The Harris Center for Mental Health and IDD was established by Harris County Commissioners Court in response to the passage of the Texas Mental Health and Mental Retardation Act of 1965. This act provided for the creation of local boards of trustees to develop and implement community-based mental health and intellectual and developmental disability services. The Harris Center for Mental Health and IDD contracts with the Texas Department of State Health Services (DSHS) and the Texas Department of Aging and Disability Services (DADS), now consolidated with the Texas Health and Human Services Commission (HHSC), to provide certain mental health and intellectual and developmental disability services for those residents who meet the State's eligibility criteria. Other services and support is provided to eligible persons within the criteria established by a variety of Federal, State, and local payors.

The first Board of Trustees for The Harris Center for Mental Health and IDD was established by the Harris County Commissioners Court in 1965. As of August 31, 2023, the end of the fiscal year, the Board was composed of nine citizens who were appointed to serve two-year terms of office by the Commissioners Court. Members of The Harris Center for Mental Health and IDD's Board of Trustees receive no salary nor compensation for their work on the Board.

The Harris Center for Mental Health and IDD is a separate entity under state law from Harris County, and governed by an independent Board of Trustees, appointed by the Harris County Commissioners Court. There is oversight responsibility exercised by Harris County Commissioners Court, but the financial information of Harris County is not within the scope of the Center's Financial Statement. For financial reporting purposes, and in conformance with generally accepted accounting

principles (GAAP), The Harris Center for Mental Health and IDD is included as a component unit under the general purpose financial statements of Harris County because the County's Commissioners Court appoints the members of the Center's Board of Trustees and a significant financial burden will be incurred by the County in case the Center will discontinue its operations.

Under The Harris Center for Mental Health and IDD's budgeting procedures, the Chief Executive Officer and Chief Financial Officer prepare a proposed budget for the fiscal year after consultation with division and department leadership and according to instructions of Texas HHSC and other contract payors or grantors. The proposed budget, together with revenue estimates, is submitted to the Board of Trustees of the Center for consideration and approval.

During the 78th Legislative Session, House Bill 2292 restructured the Texas Department of Mental Health and Mental Retardation (TDMHMR), along with the other health and human service agencies, and created five new agencies for Texas. All mental health components were moved under the purview of the Department of State Health Services (DSHS). All intellectual and developmental disability components were moved under the oversight of the Department of Aging and Disability Services (DADS).

During the 84th Legislative Session, Senate Bill 200, otherwise known as the Health and Human Services Commission sunset bill, ordered the consolidation of these various agencies to the mother commission. This consolidation process was completed in FY 2018.

For Fiscal Year 2023, The Harris Center for Mental Health and IDD had a contract with each of these two state agencies, HHSC/DSHS, a state Agency created pursuant to Texas Health and Safety Code (THSC), Chapter 1001, and HHSC/DADS, a state Agency created pursuant to Texas Human Resource Code (THRC), Chapter 161.

The administrative offices of the Center are located at 9401 Southwest Freeway, 12 miles southwest of downtown Houston, Texas. The Center has over 80 service locations throughout Harris County and the surrounding area.

Economic and Political Milieu

The Harris Center for Mental Health and IDD was designated as the Mental Health Authority and the Intellectual and Developmental Disabilities Authority for Harris County. It serves an area that is significantly influenced economically by the city of Houston and its immediate environs. This geographic area has a diverse employment base heavily dominated by the petrochemical industry, the largest conglomeration of hospitals, medical schools, and research facilities in the country called the Texas Medical Center, and a host of universities and other institutions of learning. Recruitment of skilled individuals for professional and paraprofessional positions in the healthcare field continues to be a challenge as the Center strives to compete with the compensation packages offered by the medical centers, the universities, as well as local governments.

The Center receives the majority of its funding through contracts with agencies of the State of Texas, Harris County, grants, and various third-party payors. The Center does not routinely receive annual increases from funding sources to fund salary adjustments for staff or other operating expense increases, such as insurance and utilities. Additional funding is oftentimes intended to underwrite the costs of new programs which State agencies may want to pursue. As a result, over the past several years, The Harris Center for Mental Health and IDD continued to develop and refine its strategy and methodology to meet the mental health and intellectual and developmental disability contract requirements with existing funds.

The Center's use of the Patient Assistance Program/Drug Sample Program continues to be successful and has provided the Center's people served with "free" medications in nearly of \$10 million in Fiscal Year 2023. The Agency employs a dedicated team of staff who work with the people served to complete the paperwork required by the various pharmaceutical companies in order for them to obtain these free drugs. Without these programs, the Center would otherwise be forced to purchase these drugs.

Long-term Financial Planning

The Center has a number of projected major capital outlays in the foreseeable future. However, its funding agencies do not allocate funds for capital expenditures, and the Center has to utilize funds from operations or reserves to finance these much needed expenses. To this end therefore, each year, after the excess of revenues over expenditures is determined, it adopts a capital plan utilizing part of that excess to refurbish, repair, or replace, furniture, equipment, as well as maintain existing structures, buildings, and land improvements.

Awards

The Harris Center for Mental Health and IDD was awarded the Government Finance Officers Association’s (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report (ACFR) for fiscal year ended August 31, 2022. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.


Acknowledgements

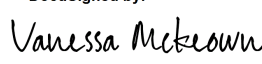
This report could not have been prepared without the exceptional dedication and professional competence of the Center’s Financial Services Department. We express our appreciation to the staff for their invaluable contribution to this effort.

We also recognize our Vice Presidents and their management teams and the Medical Directors and their medical staff for their day-to-day commitment to the people we serve. Their dedicated service to the Center enables us to meet our mission of transforming the lives of people with behavioral health and IDD needs.

We are also deeply grateful to the members of the Center’s Board of Trustees for their devoted interest and steadfast support in maintaining the highest standards of professionalism and competence in the governance of The Harris Center for Mental Health and IDD, as well as the quality and effectiveness of the services and assistance provided to and for the people we serve and their families. The Board of Trustees’ deep commitment to this community is greatly appreciated.

Respectfully submitted,

DocuSigned by:

BFA61FAC67D242A...
Wayne Young, MBA, LPC, FACHE
Chief Executive Officer

DocuSigned by:

0405B3FFFCB4CA...
Vanessa McKeown, CPA
Chief Financial Officer

CERTIFICATE OF BOARD

I, Robin E. Gearing, PH.D, Chairperson of the Board of Trustees of The Harris Center for Mental Health and IDD, do hereby certify that this accompanying audit report for the Fiscal Year 2023 from Whitley Penn, LLP, was reviewed and approved at a meeting of the Board of Trustees held on the 27th day of February, 2024.

DocuSigned by:

Robin E. Gearing

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Chairperson

The Harris Center for Mental Health and IDD Board of Trustees

2/28/2024

Date



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**The Harris Center for Mental Health and IDD
Texas**

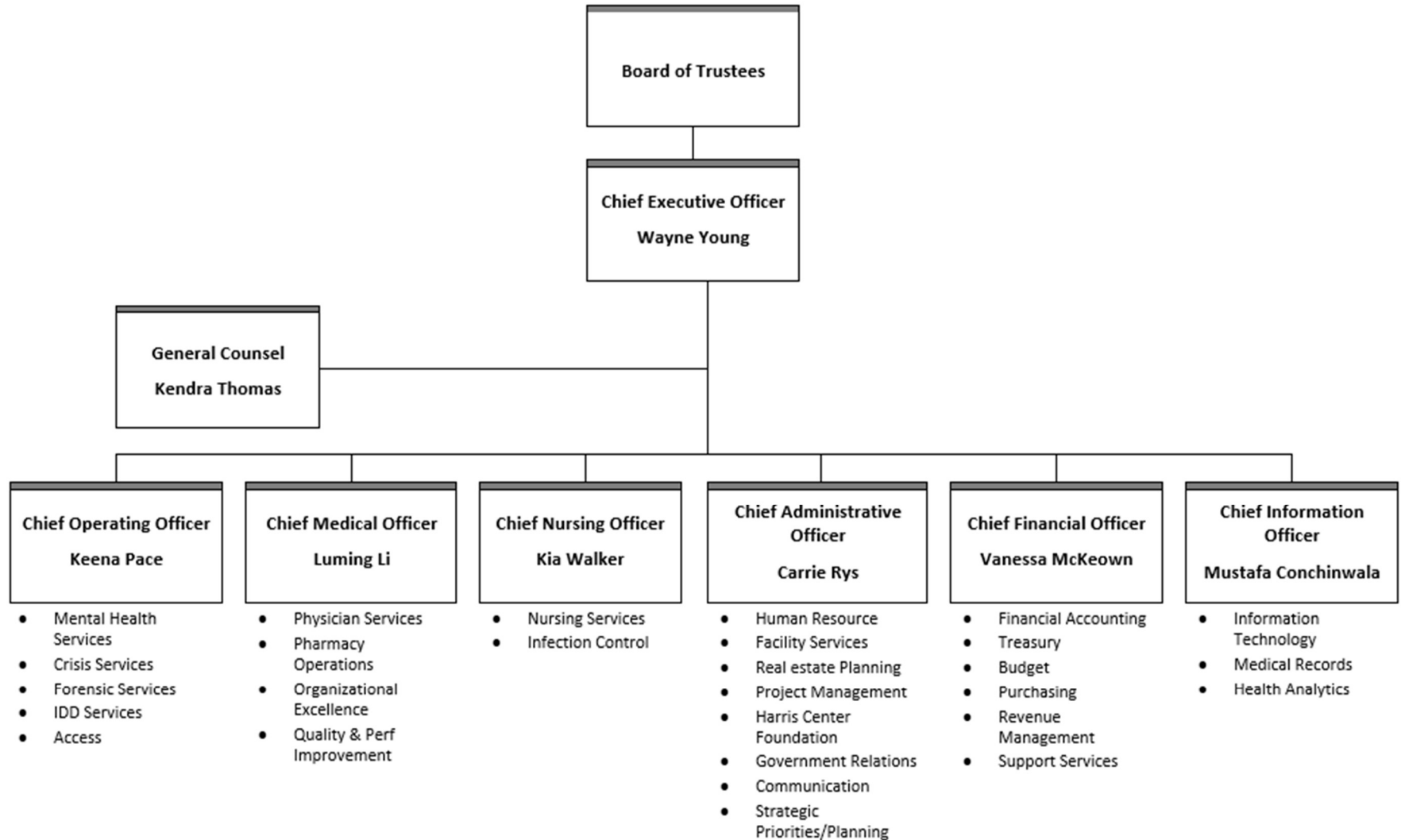
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2022

Christopher P. Morill

Executive Director/CEO

Organizational Chart



THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

LISTING OF OFFICIALS

Year Ended August 31, 2023

Board of Trustees

Shaukat Zakaria	Chairperson
Lois J. Moore, BSN, M. ED., LHD, FACHE	Vice Chairperson
George Santos, MD	Vice Chairperson
Gerald W. Womack	Secretary
Robin E. Gearing, PhD	Member
Sheriff Ed Gonzalez	Member
Bonnie C. Hellums, M. ED., LMFT, LCDC, AAC, JD	Member
Natali Hurtado	Member
James Lykes	Member
Max A. Miller, Jr, MTh, D.D.	Member

Executive Leadership

Wayne Young, MBA, LPC, FACHE <i>Chief Executive Officer</i>	Kia Walker, MSD, RN <i>Chief Nursing Officer</i>
Keena Pace, LCSW DLFAPA <i>Chief Operating Officer</i>	Luming Li, MD, MHS <i>Chief Medical Officer</i>
Carrie Rys, MBA <i>Chief Administrative Officer</i>	Mustafa Cochinwala <i>Chief Information Officer</i>
Vanessa McKeown, CPA <i>Chief Financial Officer</i>	Kendra Thomas, JD, LPC <i>Chief General Counsel</i>

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
The Harris Center for Mental Health and IDD

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of The Harris Center for Mental Health and IDD (the "Center"), a component unit of Harris County, Texas as of and for the years ended August 31, 2023 (May 31, 2023 for Pasadena Cottages, Inc.), and August 31, 2022 and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate discretely presented component units, and the remaining fund information of the Center, as of August 31, 2023 and 2022, and the respective changes in financial position, and, where applicable, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Pasadena Cottages, Inc., Pecan Village, Inc., Villas at Bayou Park, Inc., Pear Grove, Inc., and Acres Homes Garden, Inc., discretely presented component units of the Center, which represents 88%, 98%, and 57%, respectively, of the assets, liabilities, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it related to the amounts included for those discretely presented component units, were based solely on the report of the other auditors. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center, 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.

Substantial Doubt about the Project's Ability to Continue as a Going Concern

As mentioned previously, the financial statements of Pear Grove Apartments, Villas at Bayou Park, Inc. and Acres Homes Gardens, Inc. were audited by other auditors. Their financial statements have been prepared assuming these component units will continue as a going concern. Lack of liquidity raises substantial doubt about their ability to continue as a going concern. Their management's evaluation of the events and conditions and management's plans regarding these matters are described in the note to their financial statements. Our opinion is not modified with respect to this matter.

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 Center'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.

Auditor's 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 auditor's report that includes our opinions. We did not audit the financial statements of Pasadena Cottages, Inc., Pecan Village, Inc., Villas at Bayou Park, Inc., Pear Grove, Inc., or Acres Homes Gardens, Inc., which represent 88 percent, 87 percent, and 71 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Pasadena Cottages, Inc., Pecan Village, Inc., Villas at Bayou Park, Inc., Pear Grove, Inc., or Acres Homes Gardens, Inc. is based solely on the report of other auditors. 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 GAAS 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. The financial statements of Pasadena Cottages, Inc. were not audited in accordance with *Government Auditing Standards*.

In performing an audit in accordance with GAAS 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 Center'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 Center'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 management’s discussion and analysis, 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 Center’s basic financial statements. The other supplementary information (as listed in the accompanying table of contents) and the Schedule of Expenditures of Federal and State Awards as required by the *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas *Grant Management Standards (TxGMS)*, are presented for additional analysis and are 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 other supplementary information (as listed in the accompanying table of contents) and 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 introductory section, and statistical section but does not include the basic financial statements and our auditor’s 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.

To the Board of Trustees
The Harris Center for Mental Health and IDD

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2024 on our consideration of the Center'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 Center'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 Center's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
February 20, 2024

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD MANAGEMENT'S DISCUSSION AND ANALYSIS

We present the readers the financial statements of The Harris Center for Mental Health and IDD (Center), formerly known as the Mental Health and Mental Retardation Authority of Harris County, along with this narrative overview and analysis of the financial activities for the fiscal years ended August 31, 2023 and August 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of the Center exceeded its liabilities at the close of FY 2023 by \$124,674,899 (net position) of this amount, \$79,303,202 (unrestricted net position) may be used to meet the Center's ongoing obligations. The assets of the Center exceeded its liabilities at the close of FY 2022 by \$142,767,014 (net position) of this amount, \$96,669,267 (unrestricted net position) may be used to meet the Center's ongoing obligations.
- The Center's total net position (government-wide) decreased by \$15,250,570 during fiscal year 2023. In fiscal year 2022, the Center's total net position decreased by \$5,595,391.
- The Center's governmental funds decreased by \$16,221,577 resulting in an ending fund balance of \$87,572,988 in fiscal year 2023. The Center's governmental funds decreased by \$14,436,338 resulting in an ending fund balance of \$106,638,815 in fiscal year 2022.
- At the end of fiscal year 2023, unassigned fund balance for the General Fund was \$55,109,716 or 16% of total General Fund expenditures. At the end of fiscal year 2022, unassigned fund balance for the General Fund was \$81,833,297 or 26% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Center's basic financial statements. The Center's financial statements are composed of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Center's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Center's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the Center is improving or deteriorating.

The *statement of activities* presents information showing how the Center's net position changed during the fiscal year. This statement includes all of the revenue and expenses generated by the Center's operations. The accrual basis of accounting is used, which is similar to the method used by most private-sector companies. 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.

The Statement of Net Position and the Statement of Activities include both the Center's basic services including programs for Adult Mental Health, Child and Adolescents Mental Health, Intellectual and Developmental Disabilities, Crisis Center, Community Hospital and General Administration. The Center does not have any business-type activities.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources which have been segregated for specific activities or objectives. The Center uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Center can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *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 how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using a method called *modified accrual accounting*, which measures cash and all other financial assets that can realistically be converted to cash.

The governmental fund statements provide a detailed short-term view of the Center's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Center's programs. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Center maintains one separate governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund.

The Center adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The governmental fund financial statements are found on pages 20-23.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of consumers or employees. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Center's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 31 of this report.

Discretely Presented Component Units. The accompanying financial statements present the Center and its component units, entities for which the Center is considered to be financially accountable. The Center's six discretely presented component units are reported in one combined column in the Center's Statement of Net Position on page 15 to emphasize that they are legally separate from the Center. Combining government-wide financial statements are presented for the Center's six discretely presented component units on pages 33-36 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 37 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information that is required by the Texas Health and Human Services Commission, OMB's Uniform Guidance and the Texas Grant Management Standards. This supplementary information can be found following the notes to the financial statements.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Center's assets exceeded its liabilities by \$124,674,899 and \$142,767,014 at the close of the fiscal years 2023 and 2022, respectively.

The largest portion of the Center's net position in the amount of \$79,303,202 (64%) represents the unrestricted financial resources available for future operations. This compares to last fiscal year's unrestricted financial resources at \$96,669,267 .

Another 36% reflects its investment in capital assets such as land, buildings, vehicles and electronic equipment, less any related debt that are still outstanding. The Center uses these assets to provide services to the consumers that we serve. Consequently, these assets are not available for future spending. Although the Center's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The following chart reflects a summary of net position as of August 31, 2023 with comparative figures for FY 2022:

The Harris Center for Mental Health and IDD's Net Position

	Governmental Activities		
	2023	2022	2021
Current and other assets	\$ 108,231,024	\$ 127,363,010	\$ 157,305,221
Non-current assets	46,784,557	46,097,747	49,253,423
Total Assets	155,015,581	173,460,757	206,558,644
Current Liabilities	21,573,093	21,491,564	36,480,068
Long-term liabilities outstanding	8,767,589	9,202,179	7,891,453
Total Liabilities	30,340,682	30,693,743	44,371,521
Net Position			
Net investment in capital assets	45,371,697	46,097,747	49,253,423
Unrestricted	79,303,202	96,669,267	112,933,700
Total Net Position	\$ 124,674,899	\$ 142,767,014	\$ 162,187,123

The decrease in net position in fiscal year 2023 was primarily due to an increase in overall expenses that exceeded revenues from operating federal and state grants and Harris County allocations and prior period adjustments. In addition, the revenue proceeds were used for the purchase of capital assets versus operating expenses. The decrease in net position in fiscal year 2022 was primarily due to an overall increase in expense that exceeded revenues from operating federal and state grants and Harris County allocations. In addition, the revenue proceeds were used for the purchase of capital assets versus operating expenses. In fiscal year 2021, the Center's net position increased due to revenues from federal funding such as the Delivery System Reform Incentive Payments and an increase of revenues from operating federal and state grants and Harris County allocations that exceeded overall expenses.

Governmental Activities

For fiscal year 2023, revenues for the Center's governmental activities were \$318.3 million while total expenses were \$333.6 million. The change in net position of governmental activities was a decrease of \$15.3 million. The total prior period adjustments of \$16.7 million was primarily due to adjustments to construction-in-progress and removal of debit balances that should have been expenses in the prior years. For fiscal year 2022, revenues for the Center's governmental activities were \$301.1 million while total expenses were \$306.6 million. The change in net position of governmental activities was a decrease of \$5.6 million. The revenues and expenses for fiscal year 2021 were \$292.3 million and \$270.9 million, respectively.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Governmental Activities (continued)

The following table reflects a comparison of the governmental activities between FY 2023, FY 2022, and FY 2021:

The Harris Center for Mental Health and IDD Changes in Net Position

	Governmental Activities		
	2023	2022	2021
Revenues			
Program revenues:			
Charges for services:			
Intellectual and Developmental Disabilities	\$ 14,386,787	\$ 16,448,695	\$ 14,638,147
Mental Health Adult	8,816,405	14,791,584	51,844,430
Mental Health Child and Adolescents	5,379,975	6,921,600	5,809,141
Crisis Center	2,853,560	8,157,231	10,884,133
Community Hospital (payments to HCPC)	663,681	1,154,084	53,047
Total Charges for Services	32,100,408	47,473,194	83,228,898
Operating Grants and Contributions:			
Intellectual and Developmental Disabilities	25,332,785	23,154,159	20,526,300
Mental Health Adult	91,296,281	85,295,627	76,672,389
Mental Health Child and Adolescents	19,539,846	13,220,832	13,321,391
Crisis Center	57,482,505	46,363,471	44,701,046
Community Hospital	28,093,016	26,066,426	25,952,324
Total Operating Grants and Contributions	221,744,433	194,100,515	181,173,450
General Revenues:			
Payment from Harris County	52,891,987	52,596,663	25,836,665
Investment earnings	2,941,559	274,036	119,813
Other income	8,241,721	6,445,529	1,823,779
Gain from sale of capital assets	474,132	160,955	72,625
Total General Revenues	64,549,399	59,477,183	27,852,882
Total Revenues	318,394,240	301,050,892	292,255,230
Expenses			
General administration	47,908,147	36,949,558	36,981,723
Intellectual and Developmental Disabilities	41,923,189	40,553,807	36,956,035
Mental Health Adult	109,842,041	106,793,188	95,403,524
Mental Health Child and Adolescents	21,225,225	20,059,934	20,232,482
Crisis Center	83,129,224	72,748,657	51,575,379
Community Hospital	29,569,713	29,513,577	29,766,733
Interest on long-term debt	47,271	27,562	6,709
Total Expenses	333,644,810	306,646,283	270,922,585
Changes in Net Position	(15,250,570)	(5,595,391)	21,332,645
Net Position Beginning, as restated	139,925,469	148,362,405	140,854,478
Net Position Ending	\$ 124,674,899	\$ 142,767,014	\$ 162,187,123

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Changes in Net Position

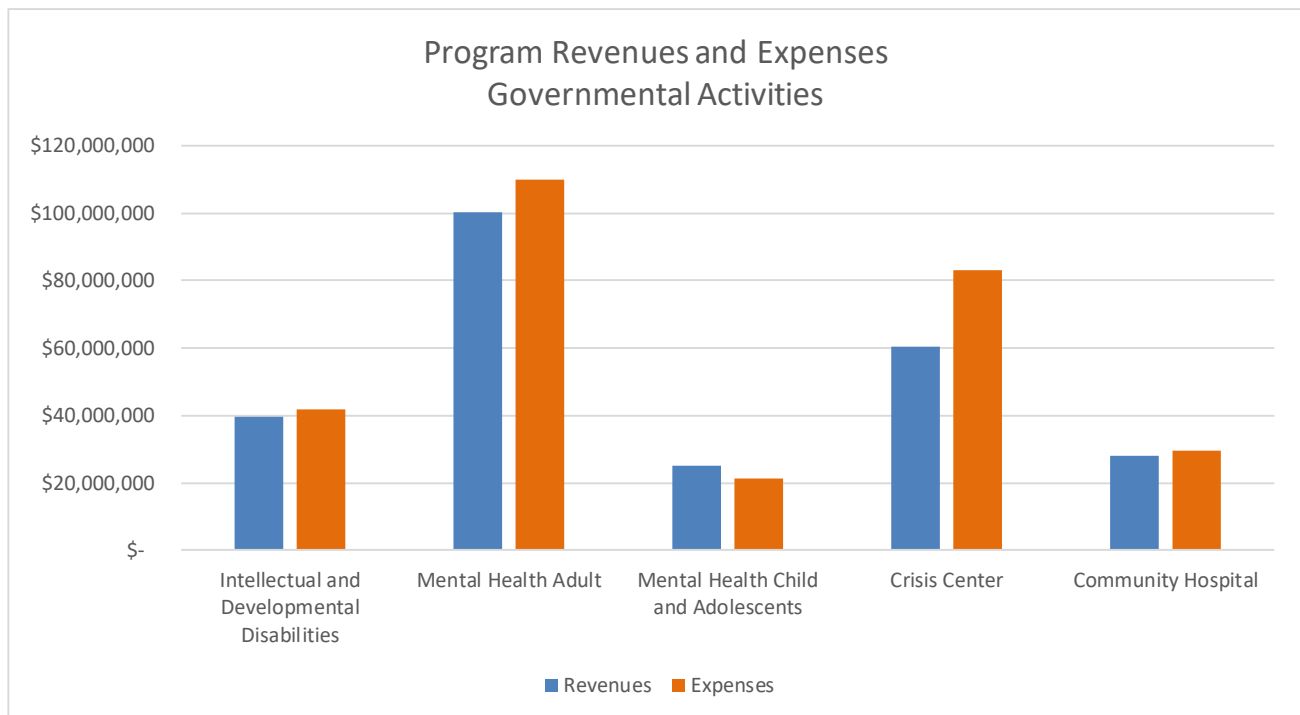
Total revenues increased between FY 2022 and FY 2023 mainly due to the increase in total operating grants and contributions.

For 2023 and 2022, expenses increased from 2021 due to expanded services provided in the Mental Health Adult program and the Crisis Center.

The table and chart below present the net revenue (cost) of each of the Center's programs: Adult Mental Health, Child and Adolescents Mental Health, Intellectual and Development Disabilities, Crisis Center and interest on long-term debt. The net revenue (cost) does not reflect the revenue generated through unrestricted grants and contributions and unrestricted investment earnings.

	<u>2023 Net Cost of Services</u>	<u>2022 Net Cost of Services</u>	<u>2021 Net Cost of Services</u>
Intellectual and Developmental Disabilities	\$ (9,245,030)	\$ (6,496,965)	\$ (7,453,245)
Mental Health Adult	(28,178,009)	(21,293,316)	18,447,364
Mental Health Child and Adolescents	123,102	(2,660,841)	(4,203,290)
Crisis Center	(36,653,225)	(28,244,091)	(4,928,239)
Community Hospital	(5,799,536)	(6,349,799)	(8,376,118)
Interest on long-term debt	(47,271)	(27,562)	(6,709)
Total	<u>\$ (79,799,969)</u>	<u>\$ (65,072,574)</u>	<u>\$ (6,520,237)</u>

The following chart depicts the major sources of revenues and expenses by function:



THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Analysis of the Center's Funds

As noted earlier, the Center uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Center's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Center's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Center's net resources available for spending at the end of the fiscal year.

The General Fund is the primary operating fund of the Center. As the Center completed fiscal year 2023, its General Fund (as presented in the balance sheet on page 22) reported a fund balance of \$87,572,988. A large portion of this, or 63%, is labeled as unassigned fund balance. As a measure of the General Fund's liquidity, it may be useful to compare spendable (assigned and unassigned) fund balance to total fund expenditures. Assigned and unassigned fund balance totals \$82,295,207 and represents 25% of total General Fund expenditures or the equivalent of 90 days. In fiscal year 2022, the General Fund reported a fund balance of \$106,638,815. A large portion of this, or 77%, is labeled as unassigned fund balance. As a measure of the General Fund's liquidity, it may be useful to compare spendable (assigned and unassigned) fund balance to total fund expenditures. Assigned and unassigned fund balance totals \$100,729,014 and represents 32% of total General Fund expenditures or the equivalent of 117 days.

An analysis of significant balances for both fiscal years 2023 and 2022 follows:

- Compared to the previous year, State grants and programs for FY 2023 increased by \$0.6 million.
- Federal funds increased by \$11.4 million compared to the prior year as result of additional COVID-19 funding.
- The Harris County allocation increased by \$0.04 million and \$1.3 million for fiscal year 2023 and 2022, respectively.
- In fiscal year 2023, local billings increased by \$2.6, while investment earnings increased by \$2.7 million. The Center only invested in local government investment pools in fiscal year 2023. In fiscal year 2022, local billings decreased by \$3.9 million, while investment earnings increased by \$0.2 million. The Center only invested in local government investment pools in fiscal year 2022.

General Fund Budgetary Highlights

The Center revenue budget was increased by \$25.1 million during fiscal year 2023. The most notable budget increase was in its federal revenue, which increased by \$12.2 million. There were about \$4.0 million in American Relief Plan Act (ARPA) in the current year, for which the budget increased after adoption.

Actual total revenues were less than budgeted amounts by \$19.0 million. The most notable driver of this variance was due to the Center's miscellaneous revenues and local billings, where revenues were less than budget by \$8.2 million and \$1.2 million, respectively. Local billings include revenue streams such as Medicare, Medicaid, etc. Miscellaneous revenues include various local revenues and drug/PAP samples.

The expenditure budget was amended by \$54.1 million. The most significant increase was in capital outlay and personnel costs of \$32.0 million and \$9.9 million, respectively. Actual expenditures were less than budgeted amounts by \$39.6 million. The most significant positive variance was realized in drug cost and other supplies and capital outlay of \$8.6 million and \$26.1 million, respectively.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Capital Asset and Debt Administration

Capital Assets. The Center's investment in capital assets as of August 31, 2023, amounts to \$46.8 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings and improvements, equipment, vehicles, and right-to-use assets (leases and SBITAs).

The Harris Center for Mental Health and IDD Capital Assets (Net of Depreciation)

Major changes in capital assets during the fiscal year included the following:

	Fiscal Year 2023	Fiscal Year 2022, restated	Increase (Decrease)
Land	\$ 12,709,144	\$ 12,654,193	\$ 54,951
Land improvements	236,572	266,143	(29,571)
Buildings & improvements	25,181,051	27,821,024	(2,639,973)
Furniture & equipment	1,314,525	1,725,381	(410,856)
Vehicles	82,664	85,356	(2,692)
Construction in progress	5,794,164	1,702,087	4,092,077
Right-to-use assets	1,466,437	1,843,563	(377,126)
Total Capital Assets	\$ 46,784,557	\$ 46,097,747	\$ 686,810

	Fiscal Year 2022, restated	Fiscal Year 2021, restated	Increase (Decrease)
Land	\$ 12,654,193	\$ 6,447,396	\$ 6,206,797
Land improvements	266,143	-	266,143
Buildings & improvements	27,821,024	29,749,713	(1,928,689)
Furniture & equipment	1,725,381	2,181,851	(456,470)
Vehicles	85,356	151,046	(65,690)
Construction in progress	1,702,087	-	1,702,087
Right-to-use assets	1,843,563	1,058,643	784,920
Total Capital Assets	\$ 46,097,747	\$ 39,588,649	\$ 6,509,098

Additional information on the Center's capital assets can be found in Note 5 of the basic financial statements.

Long-term debt. At the end of the fiscal year, the Center had total outstanding long-term debt of \$9.7 million, a decrease of \$0.3 million. The Center's implementation of GASB No. 96 SBITAs resulted in the recognition of a SBITA liability totaling \$0.2 million. A more extensive discussion about long-term debt is provided in the Notes to the Basic Financial Statements: Note 6 - Long-Term Liabilities.

Requests for Information

This financial report is designed to provide a general overview of the finances of The Harris Center for Mental Health and IDD and its accountability for the money received. Should you have any questions about this report or need additional financial information, please contact the Chief Financial and Administrative Officer, The Harris Center for Mental Health and IDD, Texas, P.O. Box 25381, Houston, Texas 77265-5381.



Transforming Lives

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

STATEMENT OF NET POSITION

August 31, 2023 and 2022

	2023		2022	
	Governmental Activities	Component Units	Governmental Activities	Component Units
Assets				
Current Assets				
Cash and cash equivalents	\$ 10,459,650	\$ 735,482	\$ 33,227,544	\$ 712,645
Investments	62,552,048	-	55,402,014	-
Investments - restricted	2,401,450	-	2,300,562	-
Accounts receivable, net	27,540,095	5,803	30,523,089	4,647
Inventories	692,722	-	398,223	-
Deposits	4,310,758	-	5,249,389	-
Prepaid expenses	274,301	87,074	262,189	67,470
Other assets	-	13,603	-	1,072
Total Current Assets	108,231,024	841,962	127,363,010	785,834
Noncurrent Assets:				
Restricted cash and cash equivalents	-	432,464	-	417,893
Land	12,709,144	-	12,654,193	-
Land improvements	236,572	-	266,143	-
All other capital assets, net	33,838,841	4,471,447	33,177,411	4,636,333
Total Noncurrent Assets	46,784,557	4,903,911	46,097,747	5,054,226
Total Assets	155,015,581	5,745,873	173,460,757	5,840,060
Liabilities				
Current Liabilities				
Accounts payable	7,139,885	196,995	5,616,798	130,278
Accrued liabilities	10,747,429	466,652	11,554,672	420,718
Unearned revenue	2,776,718	15,170	3,558,689	14,640
Current portion of long-term obligations	909,061	23,851	761,405	21,805
Total Current Liabilities	21,573,093	702,668	21,491,564	587,441
Noncurrent Liabilities				
Noncurrent portion of long-term obligations	8,767,589	295,135	9,202,179	318,986
Total Liabilities	30,340,682	997,803	30,693,743	906,427
Net Position				
Net investment in capital assets	45,371,697	4,471,447	46,097,747	4,636,333
Unrestricted	79,303,202	276,623	96,669,267	297,300
Total Net Position	\$ 124,674,899	\$ 4,748,070	\$ 142,767,014	\$ 4,933,633

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

STATEMENT OF ACTIVITIES

For The Year Ended August 31, 2023

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenue	
			Charges for Services	Operating Grants and Contributions
Primary government:				
Governmental Activities				
General Administration	\$ 47,908,147	\$ (47,908,147)	\$ -	\$ -
Adult Mental Health	109,842,041	18,448,654	8,816,405	91,296,281
Intellectual & Developmental Disabilities	41,923,189	7,041,413	14,386,787	25,332,785
Child and Adolescent	21,225,225	3,571,494	5,379,975	19,539,846
Crisis Center	83,129,224	13,860,066	2,853,560	57,482,505
Community Hospital (payment to HCPC)	29,569,713	4,986,520	663,681	28,093,016
Interest on long-term debt	47,271	-	-	-
Total Governmental Activities	\$ 333,644,810	\$ -	\$ 32,100,408	\$ 221,744,433
Component Units				
HUD Programs	\$ 731,401	\$ -	\$ 489,443	\$ -
Fund raising activities	315,505	-	357,411	-
Total Component Units	\$ 1,046,906	\$ -	\$ 846,854	\$ -

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

STATEMENT OF ACTIVITIES

For The Year Ended August 31, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position	
	Total Governmental Activities	Component Units
Primary government:		
Governmental Activities		
General Administration	\$ -	\$ -
Adult Mental Health	(28,178,009)	-
Intellectual & Developmental Disabilities	(9,245,030)	-
Child and Adolescent	123,102	-
Crisis Center	(36,653,225)	-
Community Hospital (payment to HCPC)	(5,799,536)	-
Interest on long-term debt	(47,271)	-
Total Governmental Activities	(79,799,969)	-
Component Units		
HUD Programs	-	(241,958)
Fund raising activities	-	41,906
Total Component Units	-	(200,052)
General Revenues		
Payment from Harris County	52,891,987	-
Investment earnings	2,941,559	14,489
Other	8,241,721	-
Gain on disposal of capital assets	474,132	-
Total General Revenues	64,549,399	14,489
Change in net position	(15,250,570)	(185,563)
Net Position - Beginning	156,591,131	4,933,633
Prior Period Adjustments - See Note 12	(16,665,662)	-
Net Position - Ending	\$ 124,674,899	\$ 4,748,070

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

STATEMENT OF ACTIVITIES

For The Year Ended August 31, 2022

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenue	
			Charges for Services	Operating Grants and Contributions
Primary government:				
Governmental Activities				
General Administration	\$ 36,949,558	\$ (36,949,558)	\$ -	\$ -
Adult Mental Health	106,793,188	14,587,339	14,791,584	85,295,627
Intellectual & Developmental Disabilities	40,553,807	5,546,012	16,448,695	23,154,159
Child and Adolescent	20,059,934	2,743,339	6,921,600	13,220,832
Crisis Center	72,748,657	10,016,136	8,157,231	46,363,471
Community Hospital (payment to HCPC)	29,513,577	4,056,732	1,154,084	26,066,426
Interest on long-term debt	27,562	-	-	-
Total Governmental Activities	\$ 306,646,283	\$ -	\$ 47,473,194	\$ 194,100,515
Component Units				
HUD Programs	\$ 861,313	\$ -	\$ 510,396	\$ -
Fund raising activities	325,775	-	208,804	-
Total Component Units	\$ 1,187,088	\$ -	\$ 719,200	\$ -

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

STATEMENT OF ACTIVITIES

For The Year Ended August 31, 2022

Functions/Programs	Net (Expense) Revenue and Changes in Net Position	
	Total Governmental Activities	Component Units
Primary government:		
Governmental Activities		
General Administration	\$ -	\$ -
Adult Mental Health	(21,293,316)	-
Intellectual & Developmental Disabilities	(6,496,965)	-
Child and Adolescent	(2,660,841)	-
Crisis Center	(28,244,091)	-
Community Hospital (payment to HCPC)	(6,349,799)	-
Interest on long-term debt	(27,562)	-
Total Governmental Activities	(65,072,574)	-
Component Units		
HUD Programs	-	(350,917)
Fund raising activities	-	(116,971)
Total Component Units	-	(467,888)
General Revenues		
Payment from Harris County	52,596,663	-
Investment earnings	274,036	644
Other	6,445,529	-
Gain on disposal of capital assets	160,955	-
Total General Revenues	59,477,183	644
Change in net position	(5,595,391)	(467,244)
Net Position - Beginning	162,187,123	5,400,877
Prior period adjustments - Implementation of new standards and capital assets	(13,824,718)	-
Net Position - Ending	\$ 142,767,014	\$ 4,933,633

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

BALANCE SHEET

GOVERNMENTAL FUNDS

August 31, 2023 and 2022

	General Fund	
	2023	2022
Assets		
Cash and cash equivalents	\$ 10,459,650	\$ 33,227,544
Investments	64,953,498	57,702,576
Accounts Receivable (net of allowance for uncollectible)	2,590,604	3,590,278
Receivables from other governments	21,611,653	21,108,197
Other receivables	3,337,838	5,824,614
Inventories	692,722	398,223
Deposits	4,310,758	5,249,389
Prepaid items	274,301	262,189
Total Assets	\$ 108,231,024	\$ 127,363,010
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 7,139,883	\$ 5,616,798
Accrued liabilities	10,741,435	11,548,706
Unearned revenues	2,776,718	3,558,691
Total Liabilities	20,658,036	20,724,195
Fund Balance:		
Nonspendable:		
Inventories	692,722	398,223
Prepaid items	274,301	262,189
Deposits	4,310,758	5,249,389
Assigned:		
Current capital projects	2,919,070	9,409,790
Future purchase of real property and IT infrastructure	1,365,842	1,365,842
ECl building use	361,664	361,664
COVID-19 eFMAP reserve	904,067	904,067
Self-insurance	2,000,000	2,000,000
Waiver 1115	14,780,494	-
Compensated absences	4,854,354	4,854,354
Unassigned	55,109,716	81,833,297
Total Fund Balances	87,572,988	106,638,815
Total Liabilities and Fund Balances	\$ 108,231,024	\$ 127,363,010

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS GOVERNMENTAL
FUNDS TO STATEMENT OF NET POSITION
August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Total Fund Balance	\$ 87,572,988	\$ 106,638,815
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore not reported in the fund.	46,784,557	59,499,213
Accrued interest on lease liabilities	(5,996)	(5,964)
Long-term liabilities, current and long-term, are not due and payable with current financial resources and therefore, are not reported in the fund financial statements. Compensated absences and the lease liability make up the balance of these items as described in Note 7 to the financial statements.	<u>(9,676,650)</u>	<u>(9,540,933)</u>
Net Position Governmental Activities	<u>\$ 124,674,899</u>	<u>\$ 156,591,131</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Years Ended August 31, 2023 and 2022

	General Fund	
	2023	2022
Revenues		
State grants & programs	\$ 124,573,917	\$ 123,996,905
Federal grants	103,993,065	92,588,905
Harris County allocation	52,635,562	52,596,663
Local billings	29,083,609	26,474,154
Investment earnings	2,941,559	274,036
Miscellaneous	4,287,776	5,000,256
Total Revenues	317,515,488	300,930,919
Expenditures		
Current:		
Adult mental health	114,070,167	108,377,186
Intellectual & developmental disabilities	40,271,669	40,348,403
Child and adolescent	21,313,442	19,952,890
Crisis center	79,049,229	72,550,918
Community hospital (payment to HCPC)	29,569,753	29,513,041
General administration	49,149,223	45,059,842
Debt service:		
Principal	712,334	430,704
Interest and other charges	75,380	31,384
Total Expenditures	334,211,197	316,264,368
Excess (deficiency) of revenues over expenditures	(16,695,709)	(15,333,449)
Other Financing Sources		
Proceeds from new leases and SBITAs	337,846	736,156
Proceeds from sale of capital assets	136,286	160,955
Total Other Financing Sources	474,132	897,111
Net changes in fund balance	(16,221,577)	(14,436,338)
Fund Balances - Beginning	106,638,815	121,075,153
Prior period adjustment	(2,844,250)	-
Fund Balances - Ending	\$ 87,572,988	\$ 106,638,815

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES
For the Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Net Change in Fund Balances - Total Governmental Funds	\$ (16,221,577)	\$ (14,436,338)
Amounts reported for governmental activities in the statement of activities are different because:		
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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,093,827	9,200,473
In the statement of activities, net book value of equipment and vehicles written off is recorded as expenses, whereas this is not reported in the governmental fund. Thus, the change in net position differs from the change in fund balance by the net book value of the equipment and vehicles written off.	(403,761)	(13,326)
Issuance of new leases and SBITAs	(337,846)	(736,156)
Repayment of leases is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	712,334	430,704
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount is the net change in accrued compensated absences and interest expense in the government-wide financial statements during the current fiscal year.	(93,547)	(40,748)
Change in Net Position of Governmental Activities	<u>\$ (15,250,570)</u>	<u>\$ (5,595,391)</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
For the Year Ended August 31, 2023

	Budget		Actual (Budgetary Basis)	Variance Positive/ (Negative)
	Original	Final		
State Program Revenues				
General Revenues	\$ 114,084,392	\$ 114,084,392	114,789,532	\$ 705,140
Early Childhood Intervention - State	-	2,004,560	1,708,701	(295,859)
Texas Council on Offenders with Mental Impairments	3,081,688	3,153,758	2,459,142	(694,616)
Texas Department of Criminal Justice- Parole and Substance Abuse	446,000	446,000	408,837	(37,163)
Other State Incubator Program	-	871,303	852,401	(18,902)
Other State IDD	-	374,702	177,638	(197,064)
Other State ILA Tablet Program	-	252,318	41,424	(210,894)
Other State ARP Intermediate Care Facility	-	-	17,250	17,250
Other State TCMHCC	-	173,875	173,875	-
ARPA IDD Vocational Apprentice	-	222,065	93,939	(128,126)
Texas Department of Health and Human Services - House Bill 13	340,032	340,032	340,032	-
Texas Department of Health and Human Services - IDD Nursing Facility Specialized Care	1,605	1,605	4,206	2,601
Texas Department of Health and Human Services - Healthy Community Collaborative	4,636,928	4,636,928	1,634,821	(3,002,107)
Texas Department of Health and Human Services - MH First Aid	288,050	288,050	145,149	(142,901)
Texas Department of Health and Human Services - MH Psych Residential	354,000	300,000	284,497	(15,503)
Texas Department of Health and Human Services - HCBS Pre-Engagement	-	-	1,695	1,695
Texas Department of Health and Human Services - Jail Based Comp	784,350	1,400,726	1,140,778	(259,948)
Texas Department of Health and Human Services - MH Outpatient Services for IDD	300,000	300,000	300,000	-
Total State Program Revenues	124,317,045	128,850,314	124,573,917	(4,276,397)

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
For the Year Ended August 31, 2023

	Budget		Actual (Budgetary Basis)	Variance Positive/ (Negative)
	Original	Final		
Federal Program Revenues				
Texas Department of State Health Services -				
HHSC-Assisted Outpatient Treatment	\$ 633,187	\$ 633,187	\$ 696,576	\$ 63,389
HHSC-CCBHC Expansion	988,278	988,278	1,159,961	171,683
Mental Health Block Grant	3,463,134	3,081,806	3,105,510	23,704
Mental Health Block Grant (CSC)	1,074,320	1,400,258	1,468,615	68,357
Mental Health Block Grant Supplemental Housing	-	381,328	343,195	(38,133)
Mental Health Block Grant Homeless	-	38,692	37,917	(775)
Social Services Block Grant (Title XX)	580,417	580,417	580,417	-
TANF Transfer to Title XX Block Grant	1,386,984	1,386,984	1,386,984	-
Opioid Response Program	99,571	99,571	82,977	(16,594)
MH Block Homeless Grant	1,130,299	1,130,299	1,130,299	-
Substance Abuse Prevention & Treatment Block Grant	964,960	964,960	815,262	(149,698)
Enhanced Community Coordination	550,484	550,484	478,873	(71,611)
System Of Care	120,566	120,566	9,944	(110,622)
SAPT SUBS ABUSE Community Health Workers	835,199	835,199	729,331	(105,868)
Mental Health Suicide Care Pilot ZEST	479,834	479,834	364,727	(115,107)
Charity Care Pool	40,396,584	40,396,582	45,148,861	4,752,279
Medicaid Admin Claiming Program	7,832,233	7,941,116	8,022,642	81,526
Harris County-Community Wide COVID Housing Program	1,901,877	1,514,955	1,114,602	(400,353)
Community Development Grant - CV	-	49,999	34,394	(15,605)
SAMHSA CHR-P	-	263,490	115,128	(148,362)
TPWD Youth and Family	-	2,104,956	1,370,717	(734,239)
ARPA YES Waiver	-	24,463	24,463	-
Early Childhood Intervention - Federal	1,989,320	2,391,877	2,152,351	(239,526)
ARPA County YDC	-	3,012,897	1,214,637	(1,798,260)
ARPA JBCR Expansion	-	645,609	284,768	(360,841)
Be Well Be Connected Program	-	-	54,000	54,000
Medication Opioid Use Disorder(MOUD)	231,420	481,420	343,256	(138,164)
Federal TANF PEF	-	-	-	-
H Block Grant-H2H Exp	734,979	764,532	687,825	(76,707)
MH Block Grant - Detox	1,673,166	1,701,044	1,371,488	(329,556)
MH Block Grant - Nav Ctr	804,029	789,117	467,468	(321,649)
MH Block Grant - Hou Comf	605,321	385,713	583,077	197,364
OSAR Services	508,865	-	-	-
SAMHSA Stepdown	1,325,734	1,325,734	1,230,928	(94,806)
CDBG Covid 19 Supplemental	201,142	1,210,000	684,431	(525,569)
CHH Navigation Services	1,800,000	-	-	-
Outpatient Cap Exp	2,089,286	4,484,502	5,257,724	773,222
ARPA Harris County	2,960,590	5,399,372	1,433,768	(3,965,604)
ARPA City of Houston MCOT Rapid Response	4,699,343	4,699,343	3,770,612	(928,731)
ARPA City of Houston CORE HPD	847,876	847,876	786,833	(61,043)
ARPA City of Houston CIRT Exp	728,177	796,035	234,793	(561,242)
ARPA City of Houston CCD Exp	-	272,140	264,921	(7,219)
Helpline Contracts	4,257,445	5,953,018	5,134,711	(818,307)
Directed Payment Program - Behavioral Health	9,814,081	9,814,078	9,814,079	1
Total Federal Program Revenues	97,708,701	109,941,731	103,993,065	(5,948,666)

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
For the Year Ended August 31, 2023

	Budget		Actual (Budgetary Basis)	Variance Positive/ (Negative)
	Original	Final		
Local Revenues				
County funds	\$ 54,141,417	\$ 54,149,202	\$ 52,635,562	\$ (1,513,640)
Local Billings				
Patient fees and private insurance	2,026,483	2,056,130	2,601,185	545,055
Medicare	1,217,567	1,217,567	830,097	(387,470)
Medicaid	20,536,745	20,726,128	20,014,133	(711,995)
ICF/MR, HCS and THL waiver	6,065,726	6,326,206	5,638,194	(688,012)
Total Local Billings	<u>29,846,521</u>	<u>30,326,031</u>	<u>29,083,609</u>	<u>(1,242,422)</u>
Investment Earnings	1,559,285	1,559,285	2,941,559	1,382,274
Miscellaneous	7,742,043	12,483,919	4,287,776	(8,196,143)
Total Revenues before Patient Assistance Program	<u>315,315,012</u>	<u>337,310,482</u>	<u>317,515,488</u>	<u>(19,794,994)</u>
Patient Assistance Program	6,000,000	9,060,000	9,945,944	885,944
Total Revenues	<u>\$ 321,315,012</u>	<u>\$ 346,370,482</u>	<u>\$ 327,461,432</u>	<u>\$ (18,909,050)</u>
Expenditures				
Current:				
Personnel costs	\$ 229,276,648	\$ 239,168,443	\$ 241,097,659	\$ (1,929,216)
Contracts with service agencies and professional fees	52,245,452	55,807,026	52,345,450	3,461,576
Drug cost and other supplies	13,043,202	15,572,657	6,981,215	8,591,442
Rental	1,245,461	1,259,140	153,996	1,105,144
Repairs and maintenance	12,099,471	13,117,973	9,846,514	3,271,459
Travel	1,851,369	1,857,500	2,301,606	(444,106)
Security services	1,217,570	1,396,736	1,200,729	196,007
Utilities	3,445,355	3,492,350	4,023,894	(531,544)
Other	9,209,853	10,966,520	9,536,627	1,429,893
Principal	-	-	712,334	(712,334)
Interest and other charges	-	-	75,380	(75,380)
Capital outlay	-	32,026,700	5,935,793	26,090,907
Total expenditures before Patient Assistance Program	<u>323,634,381</u>	<u>374,665,045</u>	<u>334,211,197</u>	<u>40,453,848</u>
Patient Assistance Program	6,000,000	9,060,000	9,945,944	(885,944)
Total Expenditures	<u>329,634,381</u>	<u>383,725,045</u>	<u>344,157,141</u>	<u>39,567,904</u>
Excess of revenues over expenditures	<u>(8,319,369)</u>	<u>(37,354,563)</u>	<u>(16,695,709)</u>	<u>20,658,854</u>
Other Financing Sources				
Proceeds from new leases and SBITAs	-	-	337,846	337,846
Sale of capital assets	-	-	136,286	136,286
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>474,132</u>	<u>474,132</u>
Excess of Revenues and Other Financing Sources Over Expenditures	<u>\$ (8,319,369)</u>	<u>\$ (37,354,563)</u>	<u>\$ (16,221,577)</u>	<u>\$ 21,132,986</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
For the Year Ended August 31, 2022

	Budget		Actual (Budgetary Basis)	Variance Positive/ (Negative)
	Original	Final		
State Program Revenues				
General Revenues	\$ 118,440,447	\$ 115,752,303	\$ 114,060,424	\$ (1,691,879)
Early Childhood Intervention	4,288,842	4,288,842	2,353,595	(1,935,247)
Texas Council on Offenders with Mental Impairments	3,081,689	3,081,689	2,712,960	(368,729)
Texas Department of Criminal Justice- Parole and Substance Abuse	446,000	446,000	446,000	-
Texas Council for Dev Disability	-	15,000	15,000	-
Other State TCMHCC	-	148,875	148,875	-
Texas Department of Health and Human Services - House Bill 13	340,032	340,032	430,161	90,129
Texas Department of Health and Human Services - IDD Nursing Facility Specialized Care	9,519	9,519	2,292	(7,227)
Texas Department of Health and Human Services - Healthy Community Collaborative	5,157,809	5,157,809	2,272,207	(2,885,602)
Texas Department of Health and Human Services - MH First Aid	288,050	288,050	80,300	(207,750)
Texas Department of Health and Human Services - MH Psych Residential	354,000	354,000	299,945	(54,055)
Texas Department of Health and Human Services - HCBS Pre-Engagement	2,000	2,000	3,646	1,646
Texas Department of Health and Human Services - Jail Based Comp	784,350	871,500	871,500	-
Texas Department of Health and Human Services - MH Outpatient Services for IDD	300,000	300,000	300,000	-
Total State Program Revenues	133,492,738	131,055,619	123,996,905	(7,058,714)

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

BUDGETARY COMPARISON STATEMENT

GENERAL FUND

For the Year Ended August 31, 2022

	Budget		Actual (Budgetary Basis)	Variance Positive/ (Negative)
	Original	Final		
Federal Program Revenues				
Texas Department of State Health Services -				
Zero Suicide in Texas	\$ 534,938	\$ 534,938	\$ 479,834	\$ (55,104)
HHSC-Assisted Outpatient Treatment	629,437	629,437	676,949	47,512
HHSC-CCBHC Expansion	2,514,008	2,514,008	2,233,927	(280,081)
Mental Health Block Grant	3,081,798	3,081,798	3,381,667	299,869
Mental Health Block Grant (CSC)	693,634	1,123,314	849,053	(274,261)
Social Services Block Grant (Title XX)	577,926	577,926	580,417	2,491
TANF Transfer to Title XX Block Grant	1,690,992	1,690,992	1,386,984	(304,008)
Opioid Response Program	-	-	99,571	99,571
MH Block Homeless Grant	1,130,299	1,130,299	1,130,299	-
Substance Abuse Prevention & Treatment Block Grant	1,145,641	1,091,216	873,539	(217,677)
Enhanced Community Coordination	593,147	593,147	478,789	(114,358)
System Of Care	24,196	187,866	107,764	(80,102)
SAPT SUBS ABUSE Community Health Workers	835,199	835,199	780,867	(54,332)
Disaster Assistance - FEMA-DR-4485-TX	2,842,800	1,236,933	1,236,934	1
Delivery System Reform Incentive Payments	33,433,792	33,344,536	40,766,250	7,421,714
Medicaid Admin Claiming Program	7,832,233	7,832,233	10,269,813	2,437,580
Harris County-Community Wide COVID Housing Program	427,134	2,085,536	1,630,364	(455,172)
Coronavirus Aid, Relief, and Economic Security Act	1,082,402	-	-	-
Early Childhood Intervention	-	-	2,170,758	2,170,758
Helpline Contracts	-	-	1,774,762	1,774,762
MH - First Aid	-	-	79,926	79,926
Be Well Be Connected Program	-	54,000	54,360	360
Medication Opioid Use Disorder(MOUD)	-	346,065	211,065	(135,000)
Federal TANF PEAFF	-	2,932,582	2,932,582	-
H Block Grant-H2H Exp	-	535,770	476,388	(59,382)
MH Block Grant - Detox	-	1,674,874	891,128	(783,746)
MH Block Grant - Nav Ctr	-	646,183	154,291	(491,892)
MH Block Grant - Hou Comf	-	234,423	655,657	421,234
OSAR Services	-	910,762	910,762	-
SAMHSA Stepdown	-	1,230,928	778,491	(452,437)
CDBG Covid 19 Supplemental	-	86,056	9,699	(76,357)
CHH Navigation Services	-	1,800,000	936,053	(863,947)
Outpatient Cap Exp	-	3,910,714	2,599,631	(1,311,083)
ARPA Harris County	-	3,010,700	328,040	(2,682,660)
ARPA City of Houston MCOT Rapid Response	-	2,363,791	1,294,101	(1,069,690)
ARPA City of Houston CORE HPD	-	438,048	285,787	(152,261)
ARPA City of Houston CIRT Exp	-	303,407	4,389	(299,018)
ARPA City of Houston CCD Exp	-	-	100,589	100,589
Directed Payment Program - Behavioral Health	9,485,255	9,485,255	8,977,425	(507,830)
Total Federal Program Revenues	68,554,831	88,452,936	92,588,905	4,135,969

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
For the Year Ended August 31, 2022

	Budget		Actual (Budgetary Basis)	Variance Positive/ (Negative)
	Original	Final		
Local Revenues				
County funds	\$ 49,582,897	\$ 54,435,641	\$ 52,596,663	\$ (1,838,978)
Local Billings				
Patient fees and private insurance	1,681,632	1,681,632	1,466,802	(214,830)
Medicare	1,245,059	1,245,059	1,055,389	(189,670)
Medicaid	24,079,858	24,213,438	18,116,468	(6,096,970)
ICF/MR, HCS and THL waiver	6,378,492	6,378,492	5,835,495	(542,997)
Total Local Billings	<u>33,385,041</u>	<u>33,518,621</u>	<u>26,474,154</u>	<u>(7,044,467)</u>
Investment Earnings	50,000	50,000	274,036	224,036
Miscellaneous	6,330,895	7,250,225	5,000,256	(2,249,969)
Total Revenues before Patient				
Assistance Program	291,396,402	314,763,042	300,930,919	(13,832,123)
Patient Assistance Program	12,310,870	12,310,870	9,259,031	(3,051,839)
Total Revenues	<u>\$ 303,707,272</u>	<u>\$ 327,073,912</u>	<u>\$ 310,189,950</u>	<u>\$ (16,883,962)</u>
Expenditures				
Current:				
Personnel costs	\$ 212,574,306	\$ 222,754,216	\$ 224,617,840	\$ (1,863,624)
Contracts with service agencies and professional fees	50,383,670	52,704,413	48,234,690	4,469,723
Drug cost and other supplies	4,151,654	5,005,982	4,853,250	152,732
Rental	497,295	493,283	18,892	474,391
Repairs and maintenance	13,384,632	16,996,285	7,911,778	9,084,507
Travel	2,175,969	2,207,974	1,591,040	616,934
Security services	1,144,530	1,342,511	1,119,716	222,795
Utilities	3,120,642	3,089,187	3,406,089	(316,902)
Other	9,255,305	13,496,658	11,975,977	1,520,681
Principal	-	-	430,704	(430,704)
Interest and other charges	-	-	31,384	(31,384)
Capital outlay	-	26,321,305	12,073,008	14,248,297
Total expenditures before Patient				
Assistance Program	296,688,003	344,411,814	316,264,368	28,147,446
Patient Assistance Program	12,310,870	12,310,870	9,259,031	3,051,839
Total Expenditures	<u>308,998,873</u>	<u>356,722,684</u>	<u>325,523,399</u>	<u>31,199,285</u>
Excess of revenues over expenditures	(5,291,601)	(29,648,772)	(15,333,449)	14,315,323
Other Financing Sources				
Proceeds from new leases	-	-	736,156	736,156
Sale of capital assets	-	-	160,955	160,955
Total Other Financing Sources	-	-	897,111	897,111
Excess of Revenues and Other Financing Sources Over Expenditures	<u>\$ (5,291,601)</u>	<u>\$ (29,648,772)</u>	<u>\$ (14,436,338)</u>	<u>\$ 15,212,434</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
BUDGETARY COMPARISON STATEMENT
BUDGET-TO-GAAP RECONCILIATION – GENERAL FUND
For the Year Ended August 31, 2023 and August 31, 2022

	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>
<i>Sources / Inflows of Resources</i>		
Total Revenue as Per Budgetary Comparison Schedule	\$ 327,461,432	\$ 310,189,950
Differences - budget to GAAP:		
Value of drugs received by patients from Patient Assistance Program (PAP) are budgetary resources, but are not reported as revenues under GAAP.	<u>(9,945,944)</u>	<u>(9,259,031)</u>
Total Revenue as Per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 317,515,488</u>	<u>\$ 300,930,919</u>
<i>Uses / Outflows of Resources</i>		
Total Expenditures as Per Budgetary Comparison Schedule	\$ 344,157,141	\$ 325,523,399
Differences - budget-to-GAAP:		
Value of drugs provided under Patient Assistance Program (PAP) are outflows of budgetary resources, but are not recorded as expenditure under GAAP.	<u>(9,945,944)</u>	<u>(9,259,031)</u>
Total Expenditures as Per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 334,211,197</u>	<u>\$ 316,264,368</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

STATEMENT OF FIDUCIARY NET POSITION

CUSTODIAL FUNDS

For the Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 23,673	\$ 24,998
Total Assets	<u>23,673</u>	<u>24,998</u>
Liabilities	<u>23,673</u>	<u>24,998</u>
Net Position		
Restricted for Clients	<u>\$ 23,673</u>	<u>\$ 24,998</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

CUSTODIAL FUNDS

For the Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Additions		
SSI Client related receipts	\$ 80,817	\$ 76,928
Total Additions	<u>80,817</u>	<u>76,928</u>
Deductions		
SSI Client deductions	82,142	102,200
Total Deductions	<u>82,142</u>	<u>102,200</u>
Changes in Net Position	(1,325)	(25,272)
Beginning Net Position	24,998	50,270
Ending Net Position	<u>\$ 23,673</u>	<u>\$ 24,998</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
August 31, 2023

	Pasadena Cottages, Inc. May 31, 2023	Pecan Village, Inc. August 31, 2023	Villas at Bayou Park, Inc August 31, 2023	Pear Grove, Inc. August 31, 2023	Acres Homes Garden, Inc. August 31, 2023	Friends of MHMRA August 31, 2023	Total
Assets							
Current assets:							
Cash and cash equivalents	\$ 43,504	\$ 5,725	\$ 2,932	\$ 218	\$ 93	\$ 683,010	\$ 735,482
Accounts receivable	-	680	1,470	234	869	2,550	5,803
Prepaid expenses	20,876	22,485	18,296	12,480	12,437	500	87,074
Other assets	-	5,483	3,322	4,798	-	-	13,603
Total Current Assets	64,380	34,373	26,020	17,730	13,399	686,060	841,962
Noncurrent Assets:							
Restricted cash and cash equivalents	42,867	120,772	99,638	101,391	67,796	-	432,464
Capital assets, net	127,821	573,736	1,305,872	1,076,103	1,387,915	-	4,471,447
Total Noncurrent Assets	170,688	694,508	1,405,510	1,177,494	1,455,711	-	4,903,911
Total Assets	235,068	728,881	1,431,530	1,195,224	1,469,110	686,060	5,745,873
Liabilities							
Current Liabilities:							
Accounts payable	136,977	1,734	13,898	8,531	19,654	16,201	196,995
Accrued management fee payable	3,067	868	940	710	709	-	6,294
Accrued interest payable	1,192	-	-	-	-	-	1,192
Unearned revenue	-	1,422	-	606	665	3,600	6,293
Other current liabilities	-	4,401	127,481	77,040	243,951	-	452,873
Deposits payable	125	4,369	3,268	3,990	3,418	-	15,170
Current portion of long-term obligations	23,851	-	-	-	-	-	23,851
Total Current Liabilities	165,212	12,794	145,587	90,877	268,397	19,801	702,668
Noncurrent Liabilities:							
Noncurrent portion of long-term obligations	135,135	-	90,000	70,000	-	-	295,135
Total Liabilities	300,347	12,794	235,587	160,877	268,397	19,801	997,803
Net Position (Deficit)							
Net investment in capital assets	127,821	573,736	1,305,872	1,076,103	1,387,915	-	4,471,447
Unrestricted net position	(193,100)	142,351	(109,929)	(41,756)	(187,202)	666,259	276,623
Total Net Position (Deficit)	\$ (65,279)	\$ 716,087	\$ 1,195,943	\$ 1,034,347	\$ 1,200,713	\$ 666,259	\$ 4,748,070

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
August 31, 2022

	Pasadena Cottages, Inc. May 31, 2022	Pecan Village, Inc. August 31, 2022	Villas at Bayou Park, Inc August 31, 2022	Pear Grove, Inc. August 31, 2022	Acres Homes Garden, Inc. August 31, 2022	Friends of MHMRA August 31, 2022	Total
Assets							
Current assets:							
Cash and cash equivalents	\$ 40,143	\$ 7,836	\$ 3,474	\$ 588	\$ 396	\$ 660,208	\$ 712,645
Accounts receivable	-	192	952	398	585	2,520	4,647
Prepaid expenses	18,281	12,803	12,159	9,808	10,919	3,500	67,470
Other assets	-	471	-	601	-	-	1,072
Total current assets	58,424	21,302	16,585	11,395	11,900	666,228	785,834
Noncurrent assets:							
Restricted cash and cash equivalents	38,966	119,722	97,776	100,251	61,178	-	417,893
Capital assets, net	133,857	603,617	1,350,316	1,119,896	1,428,647	-	4,636,333
Total noncurrent assets	172,823	723,339	1,448,092	1,220,147	1,489,825	-	5,054,226
Total Assets	231,247	744,641	1,464,677	1,231,542	1,501,725	666,228	5,840,060
Liabilities							
Current liabilities:							
Accounts payable	86,558	2,036	11,787	5,292	20,855	3,750	130,278
Accrued management fee payable	1,732	886	724	710	563	-	4,615
Accrued interest payable	1,356	-	-	-	-	-	1,356
Unearned revenue	-	-	-	-	-	50,607	50,607
Other current liabilities	-	4,677	91,427	57,104	210,932	-	364,140
Deposits payable	125	4,903	3,260	3,440	2,912	-	14,640
Current portion of long-term obligations	21,805	-	-	-	-	-	21,805
Total current liabilities	111,576	12,502	107,198	66,546	235,262	54,357	587,441
Noncurrent liabilities:							
Noncurrent portion of long-term obligations	158,986	-	90,000	70,000	-	-	318,986
Total Liabilities	270,562	12,502	197,198	136,546	235,262	54,357	906,427
Net Position (Deficit)							
Net investment in capital assets	133,857	603,617	1,350,316	1,119,896	1,428,647	-	4,636,333
Unrestricted net position	(173,172)	128,522	(82,837)	(24,900)	(162,184)	611,871	297,300
Total Net Position (Deficit)	\$ (39,315)	\$ 732,139	\$ 1,267,479	\$ 1,094,996	\$ 1,266,463	\$ 611,871	\$ 4,933,633

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended August 31, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position						
	Expenses	Charges for Service	Operating Grants and Contributions	Pasadena Cottages, Inc.	Pecan Village, Inc.	Villas at Bayou Park, Inc.	Pear Grove, Inc.	Acres Homes Garden, Inc.	Friends of MHMRA	Totals
Pasadena Cottages, Inc.										
HUD Section 811 program	\$ 165,586	\$ 138,361	\$ -	\$ (27,225)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (27,225)
Pecan Village, Inc.										
HUD Section 811 program	124,809	108,538	-	-	(16,271)	-	-	-	-	(16,271)
Villas at Bayou Park, Inc.										
HUD Section 811 program	155,688	83,638	-	-	-	(72,050)	-	-	-	(72,050)
Pear Grove, Inc.										
HUD Section 811 program	148,015	87,366	-	-	-	-	(60,649)	-	-	(60,649)
Acres Homes Garden, Inc.										
HUD Section 811 program	137,303	71,540	-	-	-	-	-	(65,763)	-	(65,763)
Friends of MHMRA										
Fund raising activities	315,505	357,411	-	-	-	-	-	-	41,906	41,906
Total Component Units	<u>\$ 1,046,906</u>	<u>\$ 846,854</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,052)</u>
General Revenues:										
Investment earnings				1,261	219	514	-	13	12,482	14,489
Total General Revenues And Transfer				<u>1,261</u>	<u>219</u>	<u>514</u>	<u>-</u>	<u>13</u>	<u>12,482</u>	<u>14,489</u>
Change in net position				(25,964)	(16,052)	(71,536)	(60,649)	(65,750)	54,388	(185,563)
Net Assets (Deficit) - Beginning Of Year As Previous				<u>(39,315)</u>	<u>732,139</u>	<u>1,267,479</u>	<u>1,094,996</u>	<u>1,266,463</u>	<u>611,871</u>	<u>4,933,633</u>
Net Assets (Deficit) - Ending				<u>\$ (65,279)</u>	<u>\$ 716,087</u>	<u>\$ 1,195,943</u>	<u>\$ 1,034,347</u>	<u>\$ 1,200,713</u>	<u>\$ 666,259</u>	<u>\$ 4,748,070</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended August 31, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position						
	Expenses	Charges for Service	Operating Grants and Contributions	Pasadena Cottages, Inc.	Pecan Village, Inc.	Villas at Bayou Park, Inc.	Pear Grove, Inc.	Acres Homes Garden, Inc.	Friends of MHMRA	Totals
Pasadena Cottages, Inc.										
HUD Section 811 program	\$ 166,314	\$ 160,133	\$ -	\$ (6,181)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,181)
Pecan Village, Inc.										
HUD Section 811 program	133,510	113,120	-	-	(20,390)	-	-	-	-	(20,390)
Villas at Bayou Park, Inc.										
HUD Section 811 program	161,377	81,863	-	-	-	(79,514)	-	-	-	(79,514)
Pear Grove, Inc.										
HUD Section 811 program	144,249	79,258	-	-	-	-	(64,991)	-	-	(64,991)
Acres Homes Garden, Inc.										
HUD Section 811 program	255,863	76,022	-	-	-	-	-	(179,841)	-	(179,841)
Friends of MHMRA										
Fund raising activities	325,775	208,804	-	-	-	-	-	-	(116,971)	(116,971)
Total Component Units	<u>\$ 1,187,088</u>	<u>\$ 719,200</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(467,888)</u>
General Revenues:										
Investment earnings				7	29	10	11	5	582	644
Total General Revenues And Transfer				<u>7</u>	<u>29</u>	<u>10</u>	<u>11</u>	<u>5</u>	<u>582</u>	<u>644</u>
Change in net position				(6,174)	(20,361)	(79,504)	(64,980)	(179,836)	(116,389)	(467,244)
Net Assets (Deficit) - Beginning Of Year As Previous				<u>(33,141)</u>	<u>752,500</u>	<u>1,346,983</u>	<u>1,159,976</u>	<u>1,446,299</u>	<u>728,260</u>	<u>5,400,877</u>
Net Assets (Deficit) - Ending				<u>\$ (39,315)</u>	<u>\$ 732,139</u>	<u>\$ 1,267,479</u>	<u>\$ 1,094,996</u>	<u>\$ 1,266,463</u>	<u>\$ 611,871</u>	<u>\$ 4,933,633</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS

Note 1 - Reporting Entity - Basis of Presentation

Primary Government

The Harris Center for Mental Health and IDD (the "Center") was the name adopted by the Board of Trustees of the organization which was formerly known as the Mental Health and Mental Retardation Authority of Harris County when it renamed the entity during its meeting on February 24, 2015. The Center is a public agency that was established as a result of the Texas Mental Health and Mental Retardation Act of 1965. This Act provided for the creation of local boards of trustees to develop and implement community-based mental health and mental retardation services. The Center is governed by a Board of Trustees appointed by the Commissioners Court of Harris County (the "County"). The County has the ability to appoint and remove the members of the governing Board of Trustees of the Center. For financial reporting purposes, the Center is considered a component unit of the County.

The accompanying financial statements present the Center's primary government and component units, entities for which the Center is considered to be financially accountable.

Component Units

Pasadena Cottages, Inc., a Texas non-profit corporation ("Pasadena") was organized in 1992 to purchase and maintain property for residential programs for individuals with intellectual and developmental disabilities (IDD). The Center's Board of Trustees appoints the Board of Trustees of Pasadena and has the ability to remove Trustees; thus, the Center is financially accountable for Pasadena. Accordingly, Pasadena has been included in the Center's basic financial statements as a discretely presented component unit.

Pecan Village, Inc., a Texas non-profit corporation ("Pecan Village") was organized in 2000 to provide homes for persons with mental illness by acquiring and managing residential property under the Department of Housing and Urban Development (HUD) Section 811 grant. The Center's Board of Trustees appoints the Board of Trustees of Pecan Village and has the ability to remove Trustees; thus, the Center is financially accountable for Pecan Village. Accordingly, Pecan Village has been included in the Center's basic financial statements as a discretely presented component unit.

Villas at Bayou Park, Inc., a Texas non-profit corporation ("Villas at Bayou") was organized in 2001 to provide homes for persons with mental illness by acquiring and managing residential property under the Department of Housing and Urban Development (HUD) Section 811 grant. The Center's Board of Trustees appoints the Board of Directors of Villas at Bayou and has the ability to remove Directors; thus, the Center is financially accountable for Villas at Bayou. Accordingly, Villas at Bayou has been included in the Center's basic financial statements as a discretely presented component unit.

Pear Grove, Inc., a Texas non-profit corporation ("Pear Grove") was organized in 2004 to provide homes for persons with mental illness by acquiring and managing residential property under the Department of Housing and Urban Development (HUD) Section 811 grant. The Center's Board of Trustees appoints the Board of Trustees of Pear Grove and has the ability to remove Trustees; thus, the Center is financially accountable for Pear Grove. Accordingly, Pear Grove has been included in the Center's basic financial statements as a discretely presented component unit.

Acres Homes Garden, Inc., a Texas non-profit corporation ("Acres Homes") was organized in 2008 to provide homes for persons with mental illness by acquiring and managing residential property under the Department of Housing and Urban Development (HUD) Section 811 grant. The Center's Board of Trustees appoints the Board of Trustees of Acres Homes and has the ability to remove Trustees; thus, the Center is financially accountable for Acres Homes. Accordingly, Acres Homes has been included in the Center's basic financial statements as a discretely presented component unit.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 1 - Reporting Entity - Basis of Presentation (continued)

Component Units (continued)

Friends of MHMRA of Harris County ("Friends of MHMRA") was organized during 2005 to provide charitable services and increase awareness in the community. The Center's Board of Trustees has the ability to appoint and remove directors and officers of Friends of MHMRA and is financially accountable and the corporation operates exclusively for the benefit of the Center and its clients. In keeping with MHMRA of Harris County changing its name to The Harris Center for Mental Health and IDD, the Board of Trustees of the Friends of MHMRA of Harris County adopted at a special meeting on July 21, 2015 the doing business as ("dba") name of the Harris Center Foundation for Mental Health and IDD. Accordingly, Friends of MHMRA has been included in the Center's basic financial statements as a component unit.

Financial statements of these component units may be obtained from the Chief Financial and Administrative Officer, The Harris Center for Mental Health and IDD, P.O. Box 25381, Houston, Texas 77265-5381.

Government-wide and Fund Financial Statements

The financial statements of the Center have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. The Center's significant accounting policies are described below.

Revenue and expenditure classifications in the fund financial statements conform to requirements codified in *Guidelines for Annual Financial and Compliance Audits of Community Mental Health and Mental Retardation Centers (21st Revision)* published by the Texas Health and Human Services Commission (HHSC).

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The statements of net position and statement of activities display information about the Center as a whole. The statements of net position and statements of activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenditures, gains, losses, assets, and liabilities are recognized when the underlying transactions take place. Certain eliminations have been made as prescribed by GASB Statement No. 34 related to interfund activities, payables and receivables. However, there are no interfund services that are included in the consolidation process. All internal balances in the Statement of Net Position have been eliminated. In the Statement of Activities, internal service fund transactions have been eliminated. Government-wide financial statements do not include fiduciary funds or component units that are fiduciary in nature. Program revenues are derived from state and federal grants and third-party billings for services rendered. General revenues are primarily derived from the County budget allocation for the Center. Indirect expenses are allocated to individual functions based on the percentage of actual direct costs in accordance with HHSC reporting guidelines.

However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Center the right-to-use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 1 - Reporting Entity - Basis of Presentation (continued)

Measurement Focus and Basis of Accounting (continued)

Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund financial statements are presented using current financial resources measurement focus and modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Fiduciary fund financial statements are presented using the economic resources measurement focus and accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the fiscal period. "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 Center considers revenue to be available when it is collected within 120 days of the end of the current fiscal period. Significant revenues susceptible to accrual under this method are principally billings on reimbursable type grants and awards where revenue is recognized when services are rendered or when reimbursable expenditures are incurred. Client fees are recorded at the net realizable amounts. Medicaid and Medicare revenue is recognized when the services are provided. Unearned revenue arises when resources are received before there is a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when there is a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription-based technology arrangements (SBITA) liabilities, as well as expenditures related to compensated absences are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Center the right-to-use lease and SBITA assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and SBITAs are reported as other financing sources.

Description of Funds

The Center's accounts are organized on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts. All transactions are accounted for in funds, as follows:

Governmental Fund

General Fund – The General Fund is the general operating fund of the Center. There are no legal requirements to account for financial resources in any governmental fund type other than the General Fund.

Fiduciary Funds

Custodial Fund – Used to account for assets held as a custodian for individuals and other governmental entities. These funds are custodial in nature (assets equal liabilities) and use the economic resources measurement focus. This fund is used to account for the receipts and distribution of the supplemental security income of eligible clients. As invoices are submitted for items such as clients' rent, utilities, and food, clients are reimbursed using the funds available for their account. For purposes of GASB No. 84 *Fiduciary Activities*, these accounts are considered immaterial.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 1 - Reporting Entity - Basis of Presentation (continued)

Budgetary Information

The Center's annual budget for the General Fund is prepared based on estimated expenditures provided on a unit basis summarized by program category. The budget is submitted to the Board of Trustees. The budget must have the Board of Trustees' approval. All annual appropriations lapse at fiscal year-end. Contract and budget terms are determined by the and that of the Texas Health and Human Services Commission ("HHSC") at which time contract performance measures and funding amounts are negotiated. The contract and/or budget are revised to incorporate any modifications agreed upon and resubmitted to HHSC. The final budget is approved by HHSC, generally before the beginning of the new fiscal year.

Budgetary control is maintained at the program level. The Center's management is authorized to transfer budgeted amounts within and among programs.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Note 2 - Summary of Significant Accounting

Cash and Cash Equivalents

The Center's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Center's policy to secure deposits with banks by collateral provided by the institutions, for amounts in excess of the Federal Deposit Insurance Corporation insurance. The collateral is held in the Federal Reserve account of an independent third-party agent.

The Board of Trustees of the Center authorizes management to invest with certain stipulations in obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities; Prime Domestic Bankers Acceptances; obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment firm not less than A or its equivalent; fully collateralized direct repurchase agreements; certificates of deposit issued by a state bank, national bank or savings and loan association domiciled in this state; commercial paper; and SEC-registered, no-load money market mutual funds.

During the years ended August 31, 2023 and 2022, the Center did not own any types of securities other than those permitted by statute. Investments for the Center are reported at fair value, except for the position in investment pools that measure for financial reporting purposes all of their investments at amortized cost. The Center's investment pools are reported at net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

Accounts Receivable

Accounts receivable from patients and insurance carriers (including Medicare and Medicaid) for services rendered are reduced by the amount of such billings deemed by management to be ultimately uncollectible. The Center provides for an amount of uncollectible patient fees using the reserve method based on past collection history.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting (continued)

Inventory

Inventory consists of expendable supplies and drugs held for consumption and are valued at cost (first-in, first-out). Under the system of accounting for inventory, supplies and drugs are charged to budgetary expenditures when consumed.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets with useful lives of more than one year are stated at historical cost (except for intangible right-to-use lease assets). Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. The Center capitalizes assets with an initial, individual cost of \$5,000 or more. The Center has established a lease and SBITA recognition threshold of \$5,000. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. No depreciation is calculated on land. Depreciation and amortization expenses on assets specifically identified with a function/program is included in its direct expenses, and the depreciation and amortization on shared capital assets are included ratably. The following lives are used:

Buildings	45 years
Building Improvements	20 years
Furniture, Machinery, Vehicles and Other Equipment	5-20 years
Telecommunications and Peripheral Equipment	10 years
Right-to-use lease assets	3-7 years
Right-to-use SBITA assets	3-7 years

Subscription-Based Information Technology Arrangements

The Center is under contracts for SBITA for enterprise and network support software. The agreements/contracts are noncancellable and the Center recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. The Center recognizes SBITA liabilities with an initial, individual value of \$5,000 or more.

At the commencement of the SBITA, the Center initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to SBITA include how the Center determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The Center uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the Center generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA and payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the Center is reasonably certain to exercise.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting (continued)

Subscription-Based Information Technology Arrangements (continued)

The Center monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

Unearned Revenues

Unearned revenue arises when resources are received before there is a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures/expenses. In subsequent periods when there is a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Compensated Absences

The Center provides paid time off (PTO) benefits to its employees. Employees are permitted to accumulate accrued PTO, subject to maximum limits based on length of service, and may redeem unused PTO hours for cash upon voluntary termination of employment. Involuntary terminations result in no PTO payout. Payment for unused PTO hours is subject to limits ranging from 0 to 234 hours based on length of service. Any accrued PTO hours in excess of the maximum allowed to be accrued are lost, if not currently used. The liability for such leave is recorded as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

Risk Management

The Center is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; doctors' malpractice; and natural disasters. The Center was covered by insurance for most of these various risks at a cost considered to be economically justifiable. During fiscal year 2003, due to a lack of availability of insurance coverage and the costs of available coverage, the Center stopped purchasing excess insurance coverage for physicians' professional liabilities. The Center has purchased commercial insurance for claims for \$1,000,000 per incident and \$3,000,000 per annum and has increased the umbrella coverage to \$2,000,000 per incident. The Center retains all risk over and above these amounts. During fiscal year 2005, the Center established a Self-Insurance Risk Fund "SIRF" (an internal service fund) to account for and finance this uninsured risk (third level of professional liability coverage). Amounts payable to the SIRF and loss reserves were determined by management in consultation with an independent actuary based on historical claim information to pay prior and current- year claims and to establish a reserve for future catastrophic losses. In 2019, the SIRF was closed and assets transferred to the General Fund.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting (continued)

Use of Estimates (continued)

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The categories are as follows:

- *Nonspendable fund balance* – amounts that are not in a spendable form (such as inventory or prepaid items)
- *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation
- *Committed fund balance* – amounts that can be used only for the specific purposes determined by a formal action of the Center's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the Center that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.
- *Assigned fund balance* – amounts the Center intends to use for a specific purpose; intent can be expressed by the Board of Trustees, board committees or by the executive director.
- *Unassigned fund balance* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

It is the goal of the Center to achieve and maintain an unassigned fund balance in the General Fund equal to a minimum of 300% of monthly expenditures or the equivalent of 90 days operating expenditures. The Center considers a balance of less than 100% of monthly expenditures or the equivalent of 30 days of operating expenditures to be cause for concern, barring unusual or deliberate circumstance.

Leases

Lessee: The Center is a lessee for a noncancellable lease of equipment. The Center recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Center recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Center initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Center determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Center uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Center generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Center is reasonably certain to exercise.

The Center monitors changes in circumstances that would require a measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting (continued)

Fund Balance

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the Board, and unassigned fund balance), the Center will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes the “Reconciliation of the Fund Balance of Governmental Funds to the Statement of Net Positions - Governmental Activities”. One element of that reconciliation explains, “Long-term liabilities are not due and payable with current financial resources and therefore, are not reported in the fund.” The details of this difference for both fiscal years 2023 and 2022 are shown below:

	<u>2023</u>	<u>2022</u>
Leases liability	\$ 1,184,212	\$ 1,364,696
SBITAs liability	228,648	-
Compensated absences	<u>8,263,790</u>	<u>8,176,239</u>
Net Adjustments	<u>\$ 9,676,650</u>	<u>\$ 9,540,935</u>

Explanation of Certain Differences between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund “Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Fund” includes the “Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities.” An element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the state of activities, the costs of those assets are allocated over their useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.” The details of differences for both fiscal years 2023 and 2022 are shown below:

	<u>2023</u>	<u>2022</u>
Capital outlay	\$ 4,832,571	\$ 11,870,606
Depreciation and amortization expense	<u>(3,738,744)</u>	<u>(2,670,133)</u>
Net Adjustments	<u>\$ 1,093,827</u>	<u>\$ 9,200,473</u>

Implementation of New Standards

GASB Statement No. 96 *Subscription-Based Information Technology Arrangements (SBITA)*, was issued in May 2020 and was effective for periods beginning after June 15, 2022. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Center *has evaluated the effects of this standard and has determined that it does impact the financial statements. As such the Center* has incorporated such SBITAs into its capital assets and long-term liabilities on both the face of the financial statements and the note disclosures.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting (continued)

Implementation of New Standards (continued)

GASB Statement No. 101, “Compensated Absences” – This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Center has implemented the Statement as of August 31, 2022.

Note 3 - Deposits and Investments

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. Deposits are exposed to custodial credit risk if they are not insured or collateralized. As of August 31, 2023 and 2022, the balances per various financial institutions were \$33.8 million and \$11.2 million, respectively. The Center’s deposits are not exposed to custodial credit risk since all deposits are fully collateralized as of yearend.

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Center securities are fully guaranteed by the government of the United States.

As of August 31, 2023 the Center had the following investments:

Security	Weighted Average Maturity	Rating	Fair Value as of 8/31/2023
Local Government Investment Funds			
TexPool Investment Fund	23	AAAm	\$ 20,363,002
Texas CLASS	40	AAAm	44,590,495
Total Local Government Investment Funds			<u>\$ 64,953,497</u>

The Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. In accordance with GASB No. 79, TexPool and Texas CLASS are reported at amortized cost.

In fiscal year 2022, the Center’s investments were solely made up of Local Government Investment Funds, custodial credit risk was a not factor since the investments are reported at amortized cost which approximates fair value. The Center’s 2022 investments are shown below:

Security	Weighted Average Maturity	Rating	Fair Value as of 8/31/2022
Local Government Investment Funds			
TexPool Investment Fund	24	AAAm	\$ 28,951,854
Texas CLASS	34	AAAm	28,750,723
Total Local Government Investment Funds			<u>\$ 57,702,577</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 3 - Deposits and Investments (continued)

Interest Rate Risk

The Center’s formal investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Financial assets are invested only in investments whose maturities do not exceed five years at the time of purchase. In addition, the average maturity of the overall portfolio shall not exceed five years.

Credit Risk

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Center’s investment policy further limits its investment choices by excluding (1) reverse repurchase agreements, (2) options or future contracts, (3) obligations whose payments represent the coupon payments on the outstanding principle balance for the underlying mortgage backed security collateral and pays no principle, (4) obligations whose payment represents the principle stream of cash flow from the underlying mortgage backed security and bears no interest, (5) collateralized mortgage obligations the interest rate of which is determined by an index that adjust opposite to the changes in the market index and (6) obligations whose interest payment is derived from changes in a market index.

The investments in TexPool and Texas CLASS do not have any limitation and restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity fees or redemption gates.

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller of Public Accounts has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAM by Standard & Poor’s. As a requirement to maintain the rating, weekly portfolio information is submitted to both Standard & Poor’s and the Office of the State Comptroller of Public Accounts for review. Additional information on TexPool can be obtained by contacting Administrative Offices, TexPool Participant Service, c/o Federated Investors, Inc., 1001 Travis Avenue, Suite 1400, Houston, Texas 77002.

The Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) was created as a local government investment pool (LGIP) pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds, and maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian.

Note 4 - Accounts Receivable

Accounts receivable are comprised of the following balances at August 31, 2023 and 2022 for the primary government:

	<u>2023</u>	<u>2022</u>
Due from Other Governments		
Harris County	\$ 11,590,830	\$ 8,221,624
State and Federal	12,767,053	16,555,394
3rd Party billings (net of allowance for uncollectible amounts of \$3,591,227 and \$6,900,034).	2,085,509	3,141,058
Other receivables	1,096,703	2,605,013
Total Receivables	<u>\$ 27,540,095</u>	<u>\$ 30,523,089</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 5 - Capital Assets

A summary of changes in general capital asset balances for the year ended August 31, 2023, is as follows:

	Primary Government			Balance as of August 31, 2023
	Balance as of September 1, 2022 as Restated	Additions	Transfers/ Retirements	
Governmental Activities				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 12,654,193	\$ 54,951	\$ -	\$ 12,709,144
Land improvements	295,715	-	-	295,715
Construction in progress	1,702,087	4,092,077	-	5,794,164
Total Capital Assets, Not being Depreciated/Amortized	14,651,995	4,147,028	-	18,799,023
Capital Assets being Depreciated/Amortized:				
Buildings and improvements	52,584,596	30,547	-	52,615,143
Furniture and Equipment	7,583,092	15,389	(72,165)	7,526,316
Vehicles	1,050,140	250,589	(204,319)	1,096,410
Right-to-use lease assets	1,933,770	389,018	(379,813)	1,942,975
SBITA assets	497,090	-	-	497,090
Total Capital Assets Being Depreciated/Amortized	63,648,688	685,543	(656,297)	63,677,934
Total Capital Assets at Historical Cost	78,300,683	4,832,571	(656,297)	82,476,957
Less accumulated depreciation/ amortization for:				
Buildings and improvements	24,763,572	2,670,520	-	27,434,092
Land improvements	29,572	29,571	-	59,143
Furniture and Equipment	5,857,711	426,245	(72,165)	6,211,791
Vehicles	964,784	48,962	-	1,013,746
Right-to-use lease assets	587,297	563,446	(379,813)	770,930
SBITA assets	-	202,698	-	202,698
Total Accumulated Depreciation/Amortization	32,202,936	3,738,744	(451,978)	35,692,400
Governmental Activities Capital Assets, Net	\$ 46,097,747	\$ 1,093,827	\$ (204,319)	\$ 46,784,557

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 5 - Capital Assets (continued)

A summary of changes in general capital asset balances for the year ended August 31, 2022, is as follows:

Depreciation and amortization expenses for the years ended August 31, 2023 and 2022 were \$3,738,744, and \$3,393,689, respectively, and were charged to the following functions and activities:

	Primary Government			Balance as of August 31, 2022
	Balance as of September 1, 2021 as Restated	Additions	Retirements	
Governmental Activities				
Capital Assets, Not being Depreciated/Amortized:				
Land	\$ 6,447,396	\$ 6,206,797	\$ -	\$ 12,654,193
Land improvements	-	295,715	-	295,715
Construction in progress	-	1,702,087	-	1,702,087
Total Capital Assets, Not Being Depreciated/Amortized	6,447,396	8,204,599	-	14,651,995
Capital Assets Being Depreciated/Amortized:				
Buildings and improvements	52,807,632	630,017	(853,053)	52,584,596
Furniture and Equipment	8,175,832	41,208	(633,948)	7,583,092
Vehicles	1,569,768	-	(519,628)	1,050,140
Right-to-use lease assets	1,462,713	471,057	-	1,933,770
SBITA assets	-	497,090	-	497,090
Total Capital Assets Being Depreciated/Amortized	64,015,945	1,639,372	(2,006,629)	63,648,688
Total Capital Assets at Historical Cost	70,463,341	9,843,971	(2,006,629)	78,300,683
Less accumulated depreciation/ amortization for:				
Buildings and improvements	23,057,919	2,558,706	(853,053)	24,763,572
Land improvements	-	29,572	-	29,572
Furniture and Equipment	5,993,981	569,820	(706,090)	5,857,711
Vehicles	1,418,722	52,364	(506,302)	964,784
Right-to-use lease assets	404,070	183,227	-	587,297
Total Accumulated Depreciation/Amortized	30,874,692	3,393,689	(2,065,445)	32,202,936
Governmental Activities Capital Assets, Net	\$ 39,588,649	\$ 9,200,473	\$ (13,326)	\$ 46,097,747

Note 6 - Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2023 was as follows:

	Balance as of September 1, 2022 as Restated	Additions	Retirements	Balance as of August 31, 2023	Amounts due within One Year
Governmental Activities					
Lease liability	\$ 1,364,696	\$ 337,846	\$ 518,330	\$ 1,184,212	\$ 461,490
SBITAs liability	422,651	-	194,003	228,648	197,571
Compensated absences	8,176,239	87,551	-	8,263,790	250,000
Governmental Activities Long-term Liabilities	\$ 9,963,586	\$ 425,397	\$ 712,333	\$ 9,676,650	\$ 909,061

Long-term liability activity for the year ended August 31, 2022 was as follows:

	Balance as of September 1, 2021 as Restated	Additions	Retirements	Balance as of August 31, 2022	Amounts due within One Year
Governmental activities					
Lease liability	\$ 1,059,244	\$ 736,156	\$ 430,704	\$ 1,364,696	\$ 511,405
SBITA liability	-	422,651	-	422,651	-
Compensated absences	8,141,453	34,786	-	8,176,239	250,000
Governmental Activities Long-term Liabilities	\$ 9,200,697	\$ 1,193,593	\$ 430,704	\$ 9,963,586	\$ 761,405

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 7 - Leases

The Center leases certain administrative, residential and outpatient facilities under lease agreements. The Center conducted significant research to determine its incremental borrowing rate to determine the present value of the lease liabilities. The incremental borrowing rate based on the type of lease ranges from 1.55% and 8.019%.

As of fiscal year 2023, the beginning lease liability was \$1,364,696. The ending lease liability as of August 31, 2023 was \$1,184,212. As of fiscal year 2023, the Center entered additional lease agreements and recognized debt service payments, which resulted in a net decrease of \$180,485.

Future principal and interest payments are as follows:

<u>Fiscal Year</u> <u>Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 461,489	\$ 56,676
2025	420,442	32,777
2026	248,854	12,575
2027	53,427	1,354
	<u>\$ 1,184,212</u>	<u>\$ 103,382</u>

Note 8 - Subscription-Based Information Technology Arrangements (SBITAs)

The Center is under contract for noncancellable SBITAs that convey control of the right to use software. The Center conducted significant research to determine its incremental borrowing rate to determine the present value of the SBITA liabilities. The implementation of the SBITAs was in effect as of September 1, 2022. The incremental borrowing rate is 3%.

As of fiscal year 2023, the beginning SBITA liability was \$422,651. The ending lease liability as of August 31, 2023 was \$228,648. As of fiscal year 2023, the Center recognized debt service payments, which resulted in a decrease of \$194,003.

Future principal and interest payments are as follows:

<u>Fiscal Year</u> <u>Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 197,571	\$ 3,113
2025	31,077	156
	<u>\$ 228,648</u>	<u>\$ 3,269</u>

Note 9 - Related Party Transactions

The Center, a component unit of the County, obtains certain community services from the County under contractual agreements. Expenses under such contracts amounted to \$285,761 and \$195,095 for the years ended August 31, 2023 and 2022, respectively. The Center recorded revenue of \$52,635,562 in financial support from the County in fiscal year 2023 and \$52,596,663 in fiscal year 2022.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 10 – Defined Contribution Retirement Plan

The defined contribution retirement plan (the “Plan”) was established by the Center for substantially all of its employees, effective January 1, 1989. The plan document was updated and amended effective January 1, 2020.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate on the first pay date of employment. The plan requires that the Center contribute an amount equal to 5% of the eligible employee’s annual base salary. If a participant in the plan terminates employment, the non-vested account balance is forfeited. Effective plan year 2008, the Center instituted an employee matching program. Eligible employees may open and participate in a 403(b) plan. The match is dollar for dollar up to 5% of the employee’s annual base salary, with a minimum of 1%.

The plan allows forfeitures to be applied to reduce sponsor contributions for the plan year in which the forfeitures occurred. Forfeitures for the plan years 2023 and 2022 amounted to \$583,086 and \$885,750, respectively. In years prior to CY2020, the Center provided and funded the Contribution and Match portions of the retirement plan on an annual basis. Beginning January 2020, the Center began providing and funding the Contribution and Match portions of the retirement plan each pay period. Since 2005, the Center provides a Supplemental Contribution of any forfeited, non-vested funds in the Plan, as available and as determined under the Plan rules.

Employees who retire, die or become permanently disabled during the year are entitled to the full contribution for the year. Center contributions made on account of the 2004 plan year or any subsequent plan year, as adjusted by earnings and losses thereon, will vest 100% after 3 service credits. 1 service credit per year can be earned, with no vesting prior to 3 service credits. A favorable determination letter of the defined contribution plan was received on October 10, 2000 from the Internal Revenue Service. Employer contributions for the fiscal years ended August 31, 2023 and 2022 amounted to \$14,328,187 and \$13,393,791, respectively.

Note 11 - Voluntary Employee Contribution Tax Deferred Investment Plans

The Center offers its employees a defined contribution tax deferred investment plan under Internal Revenue Code (IRC) Section 403(b). This plan was established by the Center for all of its employees effective May 1, 1996.

Additionally, the Center offers its employees a defined contribution tax deferred investment plan under Internal Revenue Code (IRC) Section 457. This plan was established by the Center effective July 1, 2006. Under both plans, benefits depend solely on amounts contributed to the plan plus investment earnings. An employee shall become a member of a plan commencing as soon as practicable after the employee completes plan enrollment forms provided by the Center and the custodians. Participation in the plans is completely voluntary and all funding of the plans is by employee salary deferral. Each member may elect to defer a fixed percentage or a fixed amount of compensation not to exceed the maximum specified by the IRC, and for the 403 (b) plan, have the employer contribute such deferred amounts to the custodian(s) selected by the member in accordance with the provisions of the plan, and for the 457 plan, have the employer contribute such deferred amounts to the custodian, Institutional Securities Corporation, located in Dallas, Texas.

Note 12 - Prior Period Adjustments

During the current year, management reviewed some accounts and noted removal of debit balances that should have been expenses in the prior years.

After analyzing several its software subscriptions, only two contracts met the requirements of GASB No. 96 Subscription Based Information Technology. The Center had previously capitalized software subscriptions but the contracts did not meet the requirements of a SBITA and therefore were removed from CIP as the costs were accumulating.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 12 - Prior Period Adjustments (continued)

In addition, one of the SBITAs were prepaid in the prior year and resulted in an increase to net position of \$74,439.

	<u>Statement of Activities</u>	<u>General Fund</u>
Beginning Fund Balance /Net Position, as Originally Presented	\$ 156,591,131	\$ 106,638,815
Removal of debit balances that should have been expenses in the prior years.	(2,872,705)	(2,844,250)
Implementation of new accounting standards GASB 96 SBITAs	74,439	-
Adjustments to Construction-in-Progress and other capital assets	(13,867,396)	-
Beginning Fund Balance/Net Position, as Restated	<u>\$ 139,925,469</u>	<u>\$ 103,794,565</u>

Note 13 - Contingencies

The Center is named defendant in several lawsuits. The Center believes these lawsuits to have meritorious defense and is defending them vigorously. The amount of liability, if any, from the claims cannot be determined with certainty; however, management is of the opinion that the outcome of the claims will not have a material adverse impact on the financial position. The financial statements do not include any adjustments for potential losses that may result from these matters.

The Center receives significant amounts of grants from state and federal agencies and participates in Medicare and Medicaid programs. These programs are subject to audit by the agents for granting agencies for compliance with grant provisions. The Center’s management believes that any liability for reimbursement which may arise as the result of these audits will not be material to the financial position of the Center.

Note 14 - Sample Drugs and Patient Assistance Programs

The Center assists its consumers in participating in a Patient Assistance Program (PAP) and Sample Drug Program where the Center, on behalf of its consumers, receives pharmaceuticals for free and dispenses these drugs to the consumers according to policy.

The amounts of free drugs dispensed by the Center for its consumers for the years ended August 31, 2023 and 2022 were \$9,945,944 and \$9,259,031, respectively. The PAP and sample drugs received and provided to the consumers reduce the total drug expense that the Center would normally incur without the PAP.

The Center is deemed as the payor of last resort for the medications. The Center recognizes the benefits of the PAP program to its consumers and has dedicated staff to assist the consumers in applying for the PAP programs through the various pharmaceutical companies. Through internal policy, Center physicians are required to participate in the PAP program.

The pharmaceutical companies’ PAP and Sample Drug Programs are intended to directly benefit the consumers. Therefore, the amounts listed above are not reflected in the Center’s Statement of Revenue, Expenditures and Changes in Fund Balances or the Government-wide Statement of Activities.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 15 - Public Health Providers Charity Care Pool (CCP), formerly Delivery System Reform Incentive Payments (DSRIP)

In December of 2011, the Centers for Medicare and Medicaid Services (CMS) approved the State of Texas' application called Medicaid Waiver 1115, which aims to redesign healthcare delivery in Texas consistent with CMS' aim to improve the experience of care, to improve the health of populations, and to reduce the cost of healthcare without compromising quality.

This Waiver called for local entities to propose Delivery System Reform Incentive Program (DSRIP) projects categorized either for Infrastructure Development (Category 1), Program Innovation and Redesign (Category 2), or Quality Improvement (Category 3). The entire State of Texas was divided into regions and Community Mental Health programs were allowed 10% of each region's DSRIP allocation. This allocation utilized valuation of the projects rather than cost as the basis for project reimbursement.

Beginning October 1, 2017, a Measure Bundle Protocol (MBP) was implemented to move the reporting from project-based to outcome-based. The MBP implemented four new reporting categories: progress on core activities, alternative payment model arrangements, and costs and savings and collaborative activities (Category A), various measures of system performance to maintain or increase the number of Medicaid and Low-Income or Uninsured individuals served (Category B), information on certain targeted measures provided by to Community Mental Health Center, as selected by the Center (Category C), and reporting on effective crisis response, crisis follow-up, percentage of individuals avoiding inpatient psychiatric care, reduction in juvenile justice involvement, and improvement in indicators of adult criminal justice involvement (Category D).

Since 2011 when the waiver was initially approved, the managed care model in Texas has been expanded statewide and includes more services under capitation. Today, Texas serves over four million Texans through Medicaid and CHIP programs, and 95% are covered under the Medicaid managed care model. This request to extend preserves the innovations, collaboration, and improved value of care through a continuous extension through 2030 of our current demonstration period.

The extension request notes that the DSRIP pool is eliminated and incorporates a new section incorporating planned delivery system and provider payment initiatives within Medicaid Managed Care. The programs include Comprehensive Hospital Increased Reimbursement Program, Texas Incentives for Physician and Professional Services Program, Rural Access to Primary and Preventive Services Program, and Directed Payment Program for Behavioral Health Services. The extension request includes a request to create Public Health Provider-Charity Care Program. The program is proposed to begin on October 1, 2021, as a part of DSRIP transition. The program is designed to defray costs associated with care, including behavioral health, immunizations, chronic disease prevention and other preventive services for the uninsured. The program is limited to publicly-owned and operated community mental health clinics, local behavioral health authorities, and local mental health authorities, local health departments, and public health districts.

For the year ended August 31, 2023 and August 31, 2022 \$45,148,861 and \$40,766,250 was recorded as revenue from CCP and DSRIP, respectively.

Note 16 - Subsequent Event

On November 10, 2023, the Center closed on a \$4.5 million forgivable loan from the City of Houston that will go towards funding the construction of a 26-unit housing complex for consumers served by the Center. Other State and Federal sources will also fund the \$12.6 million project.

OTHER SUPPLEMENTARY INFORMATION



Transforming Lives

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
For the Year Ended August 31, 2023

	<u>Total</u>
Governmental Funds Capital Assets	
Land	\$ 12,709,144
Land improvements	295,715
Construction in Progress	5,794,164
Buildings	25,389,497
Furniture and Equipment	7,526,316
Leasehold Improvements	27,225,646
Vehicles	1,096,410
SBITAs	497,090
Right to use assets	1,942,975
Total Governmental Fund Capital Assets	<u>\$ 82,476,957</u>
Investment in Governmental Funds Capital Assets by Source	
General Fund	<u>\$ 82,476,957</u>
Total Investment in Governmental Funds Capital Assets	<u>\$ 82,476,957</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION
For the Year Ended August 31, 2023

Function	Land	Buildings	Equipment and Furniture	Vehicles
Mental Health	\$ 8,154,679	\$ 10,812,975	\$ 1,830,975	\$ 811,163
Intellectual and Developmental Disabilities	916,080	5,144,343	509,022	105,095
Child and Adolescent	174,011	2,708,356	551,288	-
Crisis Center	588,825	12,445,351	530,587	521,816
Administration	2,875,549	21,799,833	4,104,444	(341,663)
Total Governmental Fund Capital Assets	\$ 12,709,144	\$ 52,910,858	\$ 7,526,316	\$ 1,096,411

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION
For the Year Ended August 31, 2023

Function	Construction in Progress	Right-to-use Asset	Total
Mental Health	\$ -	\$ 71,366	\$ 21,681,158
Intellectual and Developmental Disabilities	-	156,065	6,830,605
Child and Adolescent	-	-	3,433,655
Crisis Center	-	1,328,281	15,414,860
Administration	5,794,164	884,352	35,116,679
Total Governmental Fund Capital Assets	\$ 5,794,164	\$ 2,440,064	\$ 82,476,957

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
For the Year Ended August 31, 2023

Function	Governmental Fund Capital Assets August 31, 2022, restated	Additions	Retirements	Governmental Fund Capital Assets August 31, 2023
Mental Health	\$ 18,554,282	\$ 1,145,135	\$ (155,517)	\$ 19,543,900
Intellectual and Developmental Disabilities	6,021,673	371,646	(50,472)	6,342,847
Child and Adolescent	2,999,838	185,144	(25,144)	3,159,838
Crisis Center	13,253,296	817,969	(111,086)	13,960,179
Administration	37,471,594	2,312,676	(314,078)	39,470,193
Total Governmental Fund Capital Assets	\$ 78,300,683	\$ 4,832,571	\$ (656,297)	\$ 82,476,957

**STATISTICAL SECTION
(UNAUDITED)**



Transforming Lives

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

STATISTICAL TABLE OF CONTENTS

This part of the Government’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

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Revenue Capacity	
<i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	5
Demographic and Economic Information	
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Debt Capacity	
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Operating Information	
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THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**NET POSITION BY COMPONENT***Last Ten Fiscal Year (Accrual Basis of Accounting)**Table 1**Page 1 of 2*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Governmental Activities:					
Net investment in capital assets	\$ 45,371,697	\$ 59,499,213	\$ 49,253,423	\$ 28,093,961	\$ 25,480,970
Unrestricted	79,303,202	97,091,918	112,933,700	112,760,517	90,318,395
Total Governmental Activities Net Position	<u>\$ 124,674,899</u>	<u>\$ 156,591,131</u>	<u>\$ 162,187,123</u>	<u>\$ 140,854,478</u>	<u>\$ 115,799,365</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NET POSITION BY COMPONENT

Last Ten Fiscal Year (Accrual Basis of Accounting)

Table 1

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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities:					
Net investment in capital assets	\$ 27,473,237	\$ 29,457,337	\$ 36,369,915	\$ 34,224,927	\$ 21,640,340
Unrestricted	72,502,908	49,448,324	44,756,241	44,503,224	57,323,346
Total Governmental Activities Net					
Position	<u>\$ 99,976,145</u>	<u>\$ 78,905,661</u>	<u>\$ 81,126,156</u>	<u>\$ 78,728,151</u>	<u>\$ 78,963,686</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
CHANGES IN NET POSITION
Last Ten Fiscal Year (Accrual Basis of Accounting)

Table 2
Page 1 of 2

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenses					
Governmental activities:					
Adult Mental Health	\$ 128,290,695	\$ 121,380,527	\$ 110,069,455	\$ 102,912,380	\$ 93,469,443
Intellectual & Developmental					
Disabilities	48,964,602	46,099,819	42,617,692	43,018,877	40,503,803
Child and Adolescent	24,796,719	22,803,273	23,333,822	23,544,097	25,693,480
Crisis Center	96,989,290	82,764,793	60,513,418	57,998,372	53,423,641
Community Hospital	34,556,233	33,570,309	34,381,489	33,846,528	34,546,935
Interest on long-term debt	47,271	27,562	6,709	33,547	60,238
Total Governmental Activities Expenses	<u>333,644,810</u>	<u>306,646,283</u>	<u>270,922,585</u>	<u>261,353,801</u>	<u>247,697,540</u>
Program Revenues					
Governmental activities:					
Adult Mental Health	100,112,686	100,087,211	128,516,819	139,798,674	97,116,386
Intellectual & Developmental					
Disabilities	39,719,572	39,602,854	35,164,447	37,847,522	40,352,429
Child and Adolescent	24,919,821	20,142,432	19,130,532	19,696,195	24,036,880
Crisis Center	60,336,065	54,520,702	55,585,179	41,259,860	41,780,163
Community Hospital	28,756,697	27,220,510	26,005,371	24,662,929	30,800,495
Total Governmental Activities					
Program Revenues	<u>253,844,841</u>	<u>241,573,709</u>	<u>264,402,348</u>	<u>263,265,180</u>	<u>234,086,353</u>
Net (Expense) Revenue					
Governmental activities	(79,799,969)	(65,072,574)	(6,520,237)	1,911,379	(13,611,187)
General Revenues and Other					
Changes in Net Position					
Governmental activities:					
Grants and contributions not					
restricted to specific programs	52,891,987	52,596,663	25,836,665	21,175,605	20,500,000
Unrestricted investment earnings	2,941,559	274,036	119,813	1,093,385	2,084,663
Miscellaneous	8,241,721	6,445,529	1,823,779	849,027	154,083
Gain on sale of capital assets	474,132	160,955	72,625	25,717	10,751,207
Special items -					
Impairment of intangible asset	-	-	-	-	-
Total	<u>64,549,399</u>	<u>59,477,183</u>	<u>27,852,882</u>	<u>23,143,734</u>	<u>33,489,953</u>
Change in Net Position					
Governmental activities	<u>\$ (15,250,570)</u>	<u>\$ (5,595,391)</u>	<u>\$ 21,332,645</u>	<u>\$ 25,055,113</u>	<u>\$ 19,878,766</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
CHANGES IN NET POSITION
Last Ten Fiscal Year (Accrual Basis of Accounting)

Table 2
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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses					
Governmental activities:					
Adult Mental Health	\$ 96,890,848	\$ 94,427,166	\$ 91,091,630	\$ 83,226,544	\$ 68,146,563
Intellectual & Developmental					
Disabilities	38,292,658	38,175,764	38,577,809	42,673,928	41,147,139
Child and Adolescent	24,622,171	23,608,324	21,301,580	21,764,369	18,916,913
Crisis Center	43,022,415	45,643,089	41,615,210	39,378,723	35,956,233
Community Hospital	34,215,576	34,900,020	34,458,349	32,526,192	31,481,431
Interest on long-term debt	78,698	93,605	119,925	186,749	179,191
Total Governmental Activities Expenses	<u>237,122,366</u>	<u>236,847,968</u>	<u>227,164,503</u>	<u>219,756,505</u>	<u>195,827,470</u>
Program Revenues					
Governmental activities:					
Adult Mental Health	98,673,597	94,709,224	88,451,372	81,106,844	79,297,874
Intellectual & Developmental					
Disabilities	42,652,236	39,072,798	36,024,333	37,907,793	37,584,146
Child and Adolescent	20,383,462	22,047,046	21,461,922	22,847,722	16,502,431
Crisis Center	41,989,680	35,709,458	33,418,720	27,720,845	30,519,423
Community Hospital	30,800,496	30,800,496	30,800,496	29,693,696	28,406,319
Total Governmental Activities					
Program Revenues	<u>234,499,471</u>	<u>222,339,022</u>	<u>210,156,843</u>	<u>199,276,900</u>	<u>192,310,193</u>
Net (Expense) Revenue					
Governmental activities	(2,622,895)	(14,508,946)	(17,007,660)	(20,479,605)	(3,517,277)
General Revenues and Other					
Changes in Net Position					
Governmental activities:					
Grants and contributions not					
restricted to specific programs	18,874,878	17,660,928	18,456,922	19,359,773	20,632,988
Unrestricted investment earnings	936,214	446,138	295,372	222,109	308,905
Miscellaneous	277,879	334,602	602,361	655,615	273,597
Gain on sale of capital assets	3,604,408	44,862	51,010	6,560	24,478
Special items -					
Impairment of intangible asset	-	(6,198,078)	-	-	-
Total	<u>23,693,379</u>	<u>12,288,452</u>	<u>19,405,665</u>	<u>20,244,057</u>	<u>21,239,968</u>
Change in Net Position					
Governmental activities	<u>\$ 21,070,484</u>	<u>\$ (2,220,494)</u>	<u>\$ 2,398,005</u>	<u>\$ (235,548)</u>	<u>\$ 17,722,691</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Year (Accrual Basis of Accounting)

Table 3
Page 1 of 2

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General fund					
Nonspendable:					
Inventories	\$ 692,722	\$ 398,223	\$ 293,235	\$ 246,618	\$ 257,786
Prepays	4,585,059	5,511,578	3,477,674	594,750	597,680
Assigned:					
Delivery System Reform Incentive Projects	-	-	-	4,253,997	27,420,497
Infrastructure development	-	-	-	-	121,846
Self-insurance	2,000,000	2,000,000	2,000,000	2,000,000	2,263,196
Current capital projects	2,919,070	9,409,790	23,620,608	7,786,806	-
Future purchase of real property and IT infrastructure	1,365,842	1,365,842	1,365,842	22,927,102	-
ECI building use	361,664	361,664	361,664	352,067	-
COVID-19 eFMAP reserve	904,067	904,067	1,469,158	5,524,745	-
Debt repayment	14,780,494	-	-	545,715	1,637,140
Compensated absences	4,854,354	4,854,354	4,854,354	4,854,354	5,686,582
Other purposes	-	-	-	-	335,621
Unassigned:	55,109,716	81,833,297	83,632,618	71,548,268	57,684,629
Total General Fund	<u>\$ 87,572,988</u>	<u>\$ 106,638,815</u>	<u>\$ 121,075,153</u>	<u>\$ 120,634,422</u>	<u>\$ 96,004,977</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Year (Accrual Basis of Accounting)

Table 3
Page 2 of 2

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General fund					
Nonspendable:					
Inventories	\$ 235,526	\$ 233,710	\$ 244,856	\$ 230,342	\$ 195,217
Prepays	652,300	832,283	785,019	585,604	875,965
Assigned:					
Delivery System Reform Incentive Projects	14,226,265	3,895,406	3,895,406	10,231,836	16,760,603
Infrastructure development	121,846	204,866	799,744	2,994,473	5,800,000
Self-insurance	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Current capital projects	-	-	-	-	-
Future purchase of real property and IT infrastructure	-	-	-	-	-
ECI building use	-	-	-	-	-
COVID-19 eFMAP reserve	-	-	-	-	-
Debt repayment	2,728,571	3,820,000	4,911,428	6,330,951	8,369,816
Compensated absences	5,719,850	6,692,142	6,573,523	6,264,742	5,247,282
Other purposes	374,890	426,944	410,498	394,052	404,706
Unassigned:	<u>49,951,732</u>	<u>35,855,265</u>	<u>29,542,446</u>	<u>19,574,866</u>	<u>20,756,976</u>
Total General Fund	<u>\$ 76,010,980</u>	<u>\$ 53,960,616</u>	<u>\$ 49,162,920</u>	<u>\$ 48,606,866</u>	<u>\$ 60,410,565</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Year (Accrual Basis of Accounting)

Table 4
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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues					
Local	\$ 88,948,506	\$ 84,345,109	\$ 87,842,686	\$ 81,067,038	\$ 77,333,059
State	124,573,917	123,996,905	127,906,818	123,312,937	113,228,586
Federal	103,993,065	92,588,905	76,758,103	82,488,389	66,212,036
Total Revenues	<u>317,515,488</u>	<u>300,930,919</u>	<u>292,507,607</u>	<u>286,868,364</u>	<u>256,773,681</u>
Expenditures					
Salaries	191,393,097	178,908,514	155,272,877	145,458,140	135,732,939
Employee benefits	49,704,562	45,709,326	42,665,021	41,588,459	37,961,468
Professional and consultant services	52,345,450	48,234,690	47,637,413	49,374,854	12,222,560
Training and travel	2,301,606	1,591,040	675,980	1,791,377	2,916,317
Debt service:					
Principal	712,334	430,704	545,714	1,091,429	1,091,429
Interest	75,380	31,384	6,709	33,547	60,238
Capital outlay	5,935,793	11,336,852	10,869,497	3,258,276	917,868
Non-capitalized equipment	9,846,514	7,911,778	17,045,389	7,703,176	1,827,915
Pharmaceutical	6,981,215	4,853,250	4,111,680	3,580,896	2,030,053
Other	14,915,246	17,256,830	13,309,221	8,384,482	52,003,976
Total Expenditures	<u>334,211,197</u>	<u>316,264,368</u>	<u>292,139,501</u>	<u>262,264,636</u>	<u>246,764,763</u>
Excess of Revenues Over (Under) Expenditures	(16,695,709)	(15,333,449)	368,106	24,603,728	10,008,918
Other Financing Sources (Uses)					
Proceeds from leases	337,846	736,156	-	-	-
Debt issuance	-	-	-	-	-
Transfers in	-	-	-	-	2,263,196
Sale of capital assets	136,286	160,955	72,625	25,717	11,777,429
Total Other Financing Sources (Uses)	<u>474,132</u>	<u>897,111</u>	<u>72,625</u>	<u>25,717</u>	<u>14,040,625</u>
Net Change In Fund Balances	<u>\$ (16,221,577)</u>	<u>\$ (14,436,338)</u>	<u>\$ 440,731</u>	<u>\$ 24,629,445</u>	<u>\$ 24,049,543</u>
Ratio of total debt service expenditures to total noncapital expenditures	0.24%	0.15%	0.20%	0.47%	0.47%

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Year (Accrual Basis of Accounting)

Table 4
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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues					
Local	\$ 75,672,011	\$ 75,768,153	\$ 69,599,303	\$ 70,714,740	\$ 66,236,188
State	109,389,867	105,272,006	110,851,190	102,911,444	104,833,857
Federal	69,494,638	59,727,494	49,055,292	45,887,191	42,454,903
Total Revenues	<u>254,556,516</u>	<u>240,767,653</u>	<u>229,505,785</u>	<u>219,513,375</u>	<u>213,524,948</u>
Expenditures					
Salaries	131,243,432	127,899,575	124,691,712	118,697,865	101,194,770
Employee benefits	33,557,908	33,125,125	28,011,451	29,254,007	25,433,141
Professional and consultant services	10,673,437	11,043,922	10,575,182	10,240,517	10,351,530
Training and travel	3,056,125	3,175,896	3,337,267	3,278,161	2,969,507
Debt service:					
Principal	1,091,429	1,091,429	1,419,522	2,038,866	1,440,160
Interest	78,698	93,605	119,925	186,749	179,191
Capital outlay	2,100,879	1,525,735	4,168,307	12,002,583	10,551,229
Non-capitalized equipment	1,552,041	2,890,221	2,128,168	3,589,925	1,805,330
Pharmaceutical	1,855,120	1,887,370	1,886,395	1,377,772	1,274,994
Other	53,059,028	53,281,971	52,662,782	50,657,189	48,734,987
Total Expenditures	<u>238,268,097</u>	<u>236,014,849</u>	<u>229,000,711</u>	<u>231,323,634</u>	<u>203,934,839</u>
Excess of Revenues Over (Under) Expenditures	16,288,419	4,752,804	505,074	(11,810,259)	9,590,109
Other Financing Sources (Uses)					
Proceeds from leases	-	-	-	-	-
Debt issuance	-	-	-	-	7,640,000
Transfers in	-	-	-	-	-
Sale of capital assets	5,761,945	44,862	51,010	6,560	24,478
Total Other Financing Sources (Uses)	<u>5,761,945</u>	<u>44,862</u>	<u>51,010</u>	<u>6,560</u>	<u>7,664,478</u>
Net Change In Fund Balances	<u>\$ 22,050,364</u>	<u>\$ 4,797,666</u>	<u>\$ 556,084</u>	<u>\$ (11,803,699)</u>	<u>\$ 17,254,587</u>
Ratio of total debt service expenditures to total noncapital expenditures	0.50%	0.51%	0.68%	0.68%	1.16%

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
PRINCIPAL SOURCES OF REVENUES
Last Ten Fiscal Year (Accrual Basis of Accounting)

Table 5
Page 1 of 2

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Local					
County government	\$ 52,635,562	\$ 52,596,663	\$ 51,260,112	\$ 44,093,032	\$ 40,065,808
Medicaid/Medicare	29,083,609	26,474,154	30,405,246	29,969,735	25,541,194
Other	<u>7,229,335</u>	<u>5,274,292</u>	<u>6,177,328</u>	<u>7,004,271</u>	<u>11,726,057</u>
Total Local Revenue	<u>88,948,506</u>	<u>84,345,109</u>	<u>87,842,686</u>	<u>81,067,038</u>	<u>77,333,059</u>
State					
Texas Department of Health and Human Services					
Texas Department of State Health Services:					
General Revenue	114,789,532	104,594,567	104,594,567	105,056,405	99,985,355
Department of Aging and Disability Services:					
General Revenue	3,851,178	10,434,969	10,434,969	10,393,281	9,479,061
Early Childhood Intervention	1,708,701	4,552,424	4,552,424	4,552,424	408,084
Texas Council on Offenders with					
Mental Impairments	2,459,142	2,850,627	2,850,627	2,850,627	2,910,086
Other state agencies	<u>1,765,364</u>	<u>1,564,318</u>	<u>5,474,231</u>	<u>460,200</u>	<u>446,000</u>
Total State Revenues	<u>124,573,917</u>	<u>123,996,905</u>	<u>127,906,818</u>	<u>123,312,937</u>	<u>113,228,586</u>
Federal					
Mental Health Block Grant	4,955,237	4,230,720	4,194,346	3,812,190	3,181,377
Early Childhood Intervention	2,152,351	2,170,758	-	-	2,962,647
*Charity Care Pool	45,148,861	40,766,250	48,801,898	72,278,623	47,857,397
Other federal revenues	<u>51,736,616</u>	<u>45,421,177</u>	<u>23,721,310</u>	<u>6,397,576</u>	<u>12,210,615</u>
Total Federal Revenues	<u>103,993,065</u>	<u>92,588,905</u>	<u>76,717,554</u>	<u>82,488,389</u>	<u>66,212,036</u>
Total	<u>\$ 317,515,488</u>	<u>\$ 300,930,919</u>	<u>\$ 292,467,058</u>	<u>\$ 286,868,364</u>	<u>\$ 256,773,681</u>

*Formerly, Delivery System Reform Incentive

Source: Agency Financial Statements and Notes to the Basic Financial Statements
Due to the fiscal year change there are ten months for the 2010 fiscal period.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
PRINCIPAL SOURCES OF REVENUES
Last Ten Fiscal Year (Accrual Basis of Accounting)

Table 5
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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Local					
County government	\$ 36,375,537	\$ 34,924,970	\$ 34,692,528	\$ 35,157,223	\$ 30,412,676
Medicaid/Medicare	26,893,423	31,322,850	26,193,236	25,428,729	22,121,662
Other	12,403,051	9,520,333	8,713,539	10,128,788	13,701,859
Total Local Revenue	<u>75,672,011</u>	<u>75,768,153</u>	<u>69,599,303</u>	<u>70,714,740</u>	<u>66,236,197</u>
State					
Texas Department of Health and Human Services					
Texas Department of State Health Services:					
General Revenue	94,201,283	90,760,137	94,957,960	87,856,785	90,691,945
Department of Aging and Disability Services:					
General Revenue	10,220,288	9,306,535	8,917,182	9,382,704	8,790,754
Early Childhood Intervention	888,044	1,097,691	2,994,853	1,494,851	1,219,655
Texas Council on Offenders with					
Mental Impairments	3,193,586	3,303,917	3,116,905	3,077,654	2,866,406
Other state agencies	886,666	803,726	864,290	1,099,450	1,265,097
Total State Revenues	<u>109,389,867</u>	<u>105,272,006</u>	<u>110,851,190</u>	<u>102,911,444</u>	<u>104,833,857</u>
Federal					
Mental Health Block Grant	3,081,806	3,081,806	3,081,806	3,081,806	3,081,806
Early Childhood Intervention	3,407,557	3,407,557	1,264,006	3,075,730	2,068,766
Delivery System Reform Incentive	41,080,250	41,080,250	32,782,283	31,166,380	30,532,366
Other federal revenues	21,925,025	21,925,025	11,927,197	8,563,275	6,771,965
Total Federal Revenues	<u>69,494,638</u>	<u>69,494,638</u>	<u>49,055,292</u>	<u>45,887,191</u>	<u>42,454,903</u>
Total	<u>\$ 254,556,516</u>	<u>\$ 250,534,797</u>	<u>\$ 229,505,785</u>	<u>\$ 219,513,375</u>	<u>\$ 213,524,957</u>

Source: Agency Financial Statements and Notes to the Basic Financial Statements
Due to the fiscal year change there are ten months for the 2010 fiscal period.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

Table 6

SCHEDULE OF INDIRECT COSTS

For The Year Ended August 31, 2023

	<u>Total Costs</u>	<u>Non-Allowable Costs</u>	<u>Depreciation</u>	<u>Total Adjusted Costs</u>	<u>Indirect Costs</u>	<u>Direct Costs</u>
Salaries	\$ 187,214,019	\$ -	\$ -	\$ 187,214,019	\$ 30,538,896	\$ 156,675,123
Employee benefits	53,883,640	-	-	53,883,640	9,082,127	44,801,513
Debt service	787,714	(787,714)	-	-	-	-
Capital outlay	11,432,563	(11,432,563)	-	-	-	-
Pharmaceutical	4,552,401	-	-	4,552,401	257,196	4,295,205
Depreciation	-	-	3,175,298	3,175,298	1,333,630	1,841,668
Other operating expenditures	76,340,860	(207,710)	-	76,133,150	2,737,849	73,395,301
Total	<u>\$ 334,211,197</u>	<u>\$ (12,427,987)</u>	<u>\$ 3,175,298</u>	<u>\$ 324,958,508</u>	<u>\$ 43,949,698</u>	<u>\$ 281,008,810</u>
Indirect Costs						43,949,698
Direct Costs						\$ 281,008,810
Indirect Cost Rate						15.6%

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

Table 7

LOCAL SERVICE AREA POPULATION

For The Year Ended August 31, 2023

Center	Mental Health Population	Intellectual & Developmental
ACCESS	108,901	108,901
Andrews Center Behavioral Healthcare System	434,945	434,945
Betty Hardwick Center	189,050	189,050
Bluebonnet Trails Community Services	1,047,327	1,047,327
Border Region Behavioral Health Center	351,724	351,724
Burke Center	339,772	339,772
Camino Real Community Services	216,553	216,553
Center for Life Resources	95,348	95,348
Central Counties Services	510,901	510,901
Central Plains Center	84,529	84,529
Coastal Plains Community Center	222,396	222,396
Community Healthcore	452,578	452,578
Denton County MHMR Center	5,278	5,278
Emergence Health Network	863,832	863,832
Gulf Bend Center	1,075,405	1,075,405
Gulf Coast Center	725,401	725,401
Heart of Texas Region MHMR Center	374,466	374,466
Helen Farabee Centers	307,884	307,884
Hill Country Mental Health & Developmental Disabilities Center	737,501	737,501
Integral Care	1,289,054	1,289,054
Lakes Regional MHMR Center	172,024	172,024
LifePath Systems	1,079,153	1,079,153
MHMR Authority of Brazos Valley	364,151	364,151
MHMR Services for the Concho Valley	135,026	135,026
My Health My Resources (MHMR) of Tarrant County	2,113,854	2,113,854
North Texas Behavioral Health Authority (NTBHA)	3,214,396	3,214,396
Nueces Center for Mental Health & Intellectual Disabilities	353,245	353,245
Pecan Valley Centers for Behavioral & Developmental HealthCare	477,031	477,031
PermiaCare	369,931	369,931
Spindletop Center	476,348	476,348
StarCare Specialty Health System	346,309	346,309
Texana Center	1,018,923	1,018,923
Texas Panhandle Centers	403,560	403,560
Texoma Community Center	214,920	214,920
The Center for Health Care Services	2,014,059	2,014,059
The Harris Center for Mental Health and IDD	4,726,177	4,726,177
Tri-County Behavioral Healthcare	800,694	800,694
Tropical Texas Behavioral Health	1,315,329	1,315,329
West Texas Centers	215,367	215,367
Total	29,243,342	29,243,342

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
DEMOGRAPHIC STATISTICS OF LOCAL SERVICE AREA
Last Ten Calendar Years

Table 8

Calendar Year	Population (A)	Unemployment Rate (B)	Total Personal Income (A)	Per Capita Personal Income (C)
2014	4,452,976	5.1%	\$ 246,171,390,000	\$ 55,282
2015	4,553,991	4.7%	248,528,847,000	54,574
2016	4,619,635	5.3%	236,747,445,000	51,248
2017	4,651,955	5.1%	255,361,808,000	54,893
2018	4,672,445	4.4%	274,514,924,000	58,752
2019	4,704,042	3.9%	284,905,380,000	60,566
2020	4,732,491	9.0%	291,723,832,000	61,643
2021	4,728,030	6.5%	311,430,719,000	65,869
2022	4,780,913	4.3%	330,619,257,000	69,154
2023	(D)	4.9%	(D)	(D)

- (A) Source: U.S. Census Bureau
- (B) Source: U.S. Bureau of Labor Statistics
- (C) Source: Bureau of Economic Analysis
- (D) Unavailable

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

Table 9

RATIO OF OUTSTANDING DEBT

Last Ten Calendar Years

<u>Fiscal Year</u>	<u>Notes Payable</u>	<u>Lease Liability</u>	<u>SBITA Liability</u>	<u>Total Debt</u>	<u>Personal Income</u>	<u>Percentage of Personal Income</u>
2014	\$ 8,369,816	\$ -	\$ -	\$ 8,369,816	\$ 230,462,963,000	0.0036%
2015	6,330,951	-	-	6,330,951	252,694,912,000	0.0025%
2016	4,911,429	-	-	4,911,429	249,989,494,000	0.0020%
2017	3,820,000	-	-	3,820,000	247,482,118,000	0.0015%
2018	2,728,571	-	-	2,728,571	(A)	(A)
2019	1,637,142	-	-	1,637,142	(A)	(A)
2020	545,714	-	-	545,714	(A)	(A)
2021	-	1,059,244	-	1,059,244	(A)	(A)
2022	-	1,364,696	-	1,364,696	(A)	(A)
2023	-	1,184,212	228,648	1,412,860	(A)	(A)

Note: Details regarding the Center's outstanding debt can be found in the notes to the financial statements. See Demographic Statistics schedule for personal income and population data. These ratios are calculated using the personal income and population for the prior year calendar year.

(A) Unavailable



Transforming Lives

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
PRINCIPAL CORPORATE EMPLOYERS IN THE CATCHMENT AREA
Current Year and Nine Years Ago

Table 10

Employer	2023			2014		
	Employees (A)	Rank (B)	Percentage of Total County Employment	Employees (B)	Rank (B)	Percentage of Total County Employment
Memorial Hermann Health Systems	29,130	3	0.87%			
Walmart Stores Inc.	34,000	1	1.01%			
H-E-B	32,635	2	0.97%			
Houston Methodist	28,304	4	0.84%			
The University of Texas MD Anderson Cancer Center	22,088	5	0.66%			
Amazon	20,000	6	0.60%			
Kroger	15,000	7	0.45%			
Texas Children's Hospital	14,378	8	0.43%			
HCA Houston Healthcare	12,614	9	0.38%			
United Airlines	11,834	10	0.35%			
National Oilwell Varco				14,581	1	0.51%
Exxon Mobil				13,200	2	0.46%
Shell Oil Company				12,500	3	0.44%
Cameron International Corp				11,000	4	0.39%
Halliburton				8,600	5	0.30%
Schlumberger Ltd.				8,400	6	0.29%
Baker Hughes				8,000	7	0.28%
JP Morgan Chase				7,500	8	0.26%
BP America Inc.				7,000	9	0.25%
Chevron Companies				7,000	9	0.25%
Diamond Offshore				5,300	10	0.19%
	<u>219,983</u>		<u>6.56%</u>	<u>103,081</u>		<u>3.62%</u>

* Based on most recently completed calendar year.

Source: Table sourced from Harris County FY22 Comprehensive Annual Financial Report.

Note: Total County Employment for 2021 was an estimated 3,230,500 (based on prior year employment figures) and for 2012 was 2,759,000.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 11
Page 1 of 2

Function/Program	2023	2022	2021	2020	2019
Adult Mental Health	943	898	794	793	764
IDD	424	406	453	414	433
Child and Adolescent	242	190	194	236	249
Crisis Center	712	702	571	466	438
Administration	317	302	291	278	340
Total	2,638	2,498	2,303	2,187	2,224

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 11
Page 2 of 2

Function/Program	2018	2017	2016	2015	2014
Adult Mental Health	825	915	889	884	750
IDD	419	419	421	476	450
Child and Adolescent	253	253	245	246	226
Crisis Center	385	371	371	344	302
Administration	281	205	190	182	174
Total	2,163	2,163	2,116	2,132	1,902

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 12
Page 1 of 2

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Admissions:					
Mental Health	18,047	13,105	12,081	12,081	12,981
IDD	6,180	1,570	2,201	2,201	2,542
Total Admissions	<u>24,227</u>	<u>14,675</u>	<u>14,282</u>	<u>14,282</u>	<u>15,523</u>
Total Clients Served (unduplicated):					
Mental Health	51,497	43,461	40,066	40,066	38,310
IDD	12,723	15,556	21,802	21,802	22,274
Total Clients Served	<u>64,220</u>	<u>59,017</u>	<u>61,868</u>	<u>61,868</u>	<u>60,584</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Table 12
Page 2 of 2

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Admissions:					
Mental Health	12,861	11,213	13,298	12,646	12,755
IDD	<u>2,277</u>	<u>2,083</u>	<u>2,275</u>	<u>2,272</u>	<u>2,329</u>
Total Admissions	<u><u>15,138</u></u>	<u><u>13,296</u></u>	<u><u>15,573</u></u>	<u><u>14,918</u></u>	<u><u>15,084</u></u>
Total Clients Served (unduplicated):					
Mental Health	36,221	33,265	30,261	28,197	26,780
IDD	<u>21,904</u>	<u>20,318</u>	<u>18,988</u>	<u>18,222</u>	<u>17,715</u>
Total Clients Served	<u><u>58,125</u></u>	<u><u>53,583</u></u>	<u><u>49,249</u></u>	<u><u>46,419</u></u>	<u><u>44,495</u></u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD*Table 13***GENERAL FUND REVENUE BY SOURCE OF FUNDS***Last Ten Fiscal Years*

Fiscal Year	Local Funds	State Funds	Federal Funds	Total
2014	\$ 66,236,197	\$ 104,833,857	\$ 42,454,903	\$ 213,524,957
2015	70,714,740	102,911,444	45,887,191	219,513,375
2016	69,599,303	110,851,190	49,055,292	229,505,785
2017	75,768,153	105,272,006	59,727,494	240,767,653
2018	75,672,011	109,389,867	69,494,638	254,556,516
2019	77,333,059	113,228,586	66,212,036	256,773,681
2020	81,067,038	123,312,937	82,488,389	286,868,364
2021	87,842,686	127,906,818	76,758,103	292,507,607
2022	74,105,966	94,464,750	67,619,080	236,189,796
2023	88,948,506	124,573,917	103,993,065	317,515,488

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD*Table 14***GENERAL FUND EXPENDITURES BY CATEGORY***Last Ten Fiscal Years*

Fiscal Year	Mental Health	Intellectual & Developmental Disabilities	Administration	Total
2014	\$ 141,307,371	\$ 36,663,301	\$ 25,964,167	\$ 203,934,839
2015	160,659,800	37,534,988	33,128,846	231,323,634
2016	177,790,941	35,208,003	16,001,767	229,000,711
2017	180,229,346	33,728,843	22,056,660	236,014,849
2018	179,460,209	33,710,989	25,096,899	238,268,097
2019	186,604,624	35,685,945	24,474,194	246,764,763
2020	191,365,084	37,987,166	32,912,386	262,264,636
2021	200,648,487	36,918,943	54,572,071	292,139,501
2022	230,856,123	40,348,403	44,323,686	315,528,212
2023	244,002,591	40,271,669	49,936,937	334,211,197

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
CAPITAL ASSETS BY GOVERNMENTAL ACTIVITY
Last Ten Fiscal Years

Table 15
Page 1 of 2

	2023	2022	2021	2020	2019
Adult Mental Health					
Land	\$ 8,154,679	\$ 8,114,592	\$ 1,895,148	\$ 1,895,148	\$ 1,895,148
Buildings and improvements	10,812,975	10,812,975	11,197,275	11,078,437	11,065,800
Equipment and furniture	1,830,975	1,830,975	1,824,518	2,381,744	2,365,744
Vehicles	811,163	477,700	477,700	477,700	470,669
Right-to-use asset	71,366	161,498	107,649	-	-
Total Capital Assets for Adult Mental Health	21,681,158	21,397,740	15,502,290	15,833,029	15,797,361
Intellectual & Developmental Disabilities					
Land	916,080	916,080	916,080	916,080	916,080
Buildings and improvements	5,144,343	5,144,343	5,122,368	4,980,370	4,980,370
Equipment and furniture	509,022	509,022	509,022	1,111,807	1,111,807
Vehicles	105,095	105,095	177,939	177,939	177,939
Right-to-use asset	156,065	269,959	242,810	-	-
Total Capital Assets for Intellectual & Developmental Disabilities	6,830,605	6,944,499	6,968,219	7,186,196	7,186,196
Child and Adolescent					
Land	174,011	174,011	174,011	174,011	174,011
Buildings and improvements	2,708,356	2,708,356	2,708,356	2,650,328	2,650,328
Equipment and furniture	551,288	551,288	551,288	534,677	534,677
Right-to-use asset	-	25,910	102,916	-	-
Total Capital Assets for Child and Adolescent	3,433,655	3,459,565	3,536,571	3,359,016	3,359,016
Crisis Center					
Land	588,825	588,825	588,825	588,825	588,825
Buildings and improvements	12,445,351	12,445,355	12,445,351	5,380,809	5,380,809
Equipment and furniture	530,587	530,587	514,797	447,012	427,882
Vehicles	521,816	539,473	862,303	862,303	775,207
Right-to-use asset	1,328,281	1,180,138	809,194	-	-
Total Capital Assets for Crisis Center	15,414,860	15,284,378	15,220,470	7,278,949	7,172,723
Administration					
Land	2,875,549	2,860,685	2,857,972	1,454,050	1,454,050
Buildings and improvements	21,799,833	15,453,684	15,922,439	15,296,306	15,199,654
Equipment and furniture	4,104,444	3,487,810	4,174,938	5,402,954	5,110,699
Vehicles	(341,663)	(72,128)	51,826	87,289	87,289
Intangible assets - software	-	-	-	-	-
Construction in progress	5,794,164	21,187,830	16,073,623	3,163,960	-
Right-to-use asset	884,352	296,264	200,143	-	-
Total Capital Assets for Administration	35,116,679	43,214,145	39,280,941	25,404,559	21,851,692
Total Capital Assets	\$ 82,476,957	\$ 90,300,327	\$ 80,508,491	\$ 59,061,749	\$ 55,366,988

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
CAPITAL ASSETS BY GOVERNMENTAL ACTIVITY
Last Ten Fiscal Years

Table 15
Page 2 of 2

	2018	2017	2016	2015	2014
Adult Mental Health					
Land	\$ 1,895,149	\$ 1,895,148	\$ 1,895,148	\$ 1,895,148	\$ 1,895,148
Buildings and improvements	11,065,800	11,065,800	11,065,800	11,065,800	11,065,800
Equipment and furniture	2,365,744	2,365,744	2,059,264	1,855,258	1,855,258
Vehicles	470,669	433,779	245,114	220,527	220,527
Right-to-use asset	-	-	-	-	-
Total Capital Assets for Adult Mental Health	15,797,362	15,760,471	15,265,326	15,036,733	15,036,733
Intellectual & Developmental Disabilities					
Land	916,080	916,080	916,080	916,080	916,080
Buildings and improvements	4,980,370	4,980,370	4,980,370	4,980,370	4,980,370
Equipment and furniture	1,111,807	1,111,807	1,111,807	1,111,807	1,111,807
Vehicles	177,939	177,939	211,828	447,510	447,510
Right-to-use asset	-	-	-	-	-
Total Capital Assets for Intellectual & Developmental Disabilities	7,186,196	7,186,196	7,220,085	7,455,767	7,455,767
Child and Adolescent					
Land	174,011	174,011	174,011	174,011	174,011
Buildings and improvements	2,650,328	2,650,328	2,650,328	2,650,328	2,650,328
Equipment and furniture	534,677	534,677	534,677	534,677	534,677
Right-to-use asset	-	-	-	-	-
Total Capital Assets for Child and Adolescent	3,359,016	3,359,016	3,359,016	3,359,016	3,359,016
Crisis Center					
Land	588,825	588,825	588,825	588,825	-
Buildings and improvements	5,380,809	5,380,809	5,380,809	3,048,836	2,619,061
Equipment and furniture	422,172	422,172	422,172	422,172	422,172
Vehicles	756,762	756,762	857,077	850,104	746,952
Right-to-use asset	-	-	-	-	-
Total Capital Assets for Crisis Center	7,148,568	7,148,568	7,248,883	4,909,937	3,788,185
Administration					
Land	1,655,596	2,449,346	2,449,346	2,449,346	2,449,346
Buildings and improvements	16,492,213	22,812,238	22,696,643	21,505,723	11,617,450
Equipment and furniture	4,543,552	4,421,756	4,024,171	3,762,611	2,865,744
Vehicles	180,368	180,368	214,016	214,016	214,016
Intangible assets - software	-	-	6,198,078	6,184,197	6,142,885
Construction in progress	-	-	-	-	-
Right-to-use asset	-	-	-	-	-
Total Capital Assets for Administration	22,871,729	29,863,708	35,582,254	34,115,893	23,289,441
Total Capital Assets	\$ 56,362,871	\$ 63,317,959	\$ 68,675,564	\$ 64,877,346	\$ 52,929,142

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SUMMARY SCHEDULE OF MENTAL HEALTH ADULT, MENTAL HEALTH CHILDREN,
AND INTELLECTUAL AND DEVELOPMENTAL DISABILITIES EXPENDITURES BY
SERVICE CATEGORY AND SOURCE OF FUNDS
For The Year Ended August 31, 2023

Table 16

Service Categories (by Funding Source)	Mental Health Adult	Mental Health Children	Intellectual & Developmental Disabilities	Total	Approved Expenditure Budget	Variance
General Revenue - Mental Health	\$ 70,345,155	\$ 8,105,804	\$ -	\$ 78,450,959	\$ 74,632,595	\$ (3,818,364)
General Revenue - Intellectual & Developmental Disabilities	-	-	10,484,100	10,484,100	9,973,818	(510,282)
General Revenue - Permanency Planning	-	-	132,718	132,718	126,258	(6,460)
General Revenue - Supportive Housing	626,724	-	-	626,724	596,220	(30,504)
Community Hospitals	30,967,911	-	-	30,967,911	29,460,641	(1,507,270)
YES Waiver/ICF-MR	-	-	24,463	24,463	24,463	-
MH Block Homeless PATH Grant	37,917	-	-	37,917	38,962	1,045
Mental Health Block Grant Supplemental Housing	343,195	-	-	343,195	381,328	38,133
Title XX Social Services Block Grant	580,417	-	-	580,417	580,417	-
Mental Health Block Grant	3,105,510	-	-	3,105,510	3,081,806	(23,704)
Mental Health Block Grant - CSC	1,468,615	-	-	1,468,615	1,400,258	(68,357)
Mental Health Suicide Care Pilot Project	364,727	-	-	364,727	479,834	115,107
TANF to Title XX Block Grant	-	-	-	-	-	-
Substance Abuse Prevention & Treatment Block Grant	815,262	-	-	815,262	964,960	149,698
Other Federal	2,267,202	-	-	2,267,202	13,823,987	11,556,785
Other State Agencies	3,517,566	-	393,939	3,911,505	14,060,782	10,149,277
Medicaid	14,809,419	1,741,351	3,463,363	20,014,133	20,726,128	711,995
Medicaid Administrative Claiming	5,936,339	698,019	1,388,284	8,022,642	7,941,116	(81,526)
Charity Care Pool	33,407,813	3,928,225	7,812,822	45,148,860	40,396,582	(4,752,278)
Outpatient Capacity Expansion	5,257,723	-	-	5,257,723	4,484,502	(773,221)
Early Childhood Intervention	-	-	2,152,351	2,152,351	3,228,336	1,075,985
Directed Payment Program - Behavioral Health	9,814,079	-	-	9,814,079	9,814,078	(1)
Federal ARPA funding	7,990,332	-	-	7,990,332	15,673,272	7,682,940
Federal SAMHSA Stepdown	1,230,928	-	-	1,230,928	1,325,734	94,806
Helpline Contracts	5,134,711	-	-	5,134,711	5,953,018	818,307
CDBG COVID-19 Supplemental	684,431	-	-	684,431	1,210,000	525,569
ICF-MR, HCS and THL Waiver	-	-	5,638,194	5,638,194	6,326,206	688,012
Additional Local Funds and Match	61,214,671	12,004,819	16,322,097	89,541,587	67,505,896	(22,035,691)
Total Expended Sources	\$ 259,920,648	\$ 26,478,218	\$ 47,812,331	\$ 334,211,197	\$ 334,211,197	\$ -

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF REVENUES AND EXPENDITURES BY SOURCE OF FUNDS
GENERAL FUND
For The Year Ended August 31, 2023

Table 17

Fund Source	Total Revenue	Total Mental Health Adult Expenditures	Total Mental Health Children Expenditures	Total Intellectual & Developmental Disabilities Expenditures	Total Center Expenditures	Excess Revenues Over Expenditures
Objects of Expense:						
Salaries	\$ 187,214,019	\$ 142,797,853	\$ 16,343,999	\$ 28,072,167	\$ 187,214,019	\$ -
Employee Benefits	53,883,640	39,871,097	4,688,204	9,324,339	53,883,640	-
Professional and Consultant Fees	52,345,450	47,250,733	1,036,098	4,058,619	52,345,450	-
Training and Travel	2,301,606	1,396,336	153,617	751,653	2,301,606	-
Debt Service	787,714	374,253	344,693	68,768	787,714	-
Capital Outlay	5,935,793	5,935,793	-	-	5,935,793	-
Repairs and maintenance	9,846,514	4,526,499	2,064,268	3,255,747	9,846,514	-
Pharmaceutical (medication and script process)	4,552,401	3,967,662	213,597	371,142	4,552,401	-
Other Operating	17,344,060	13,181,486	1,560,965	2,601,609	17,344,060	-
Total Expenditures	334,211,197	259,301,712	26,405,441	48,504,044	334,211,197	-
Method of Finance:						
General Revenue - Mental Health	78,450,959	70,345,155	8,105,804	-	78,450,959	-
General Revenue - Intellectual & Developmental Disabilities	10,484,100	-	-	10,484,100	10,484,100	-
General Revenue - Permanency Planning	132,718	-	-	132,718	132,718	-
General Revenue - Supportive Housing	626,724	626,724	-	-	626,724	-
Community Hospitals	30,967,911	30,967,911	-	-	30,967,911	-
YES Waiver/ICF-MR	24,463	-	-	24,463	24,463	-
MH Block Homeless PATH Grant	37,917	37,917	-	-	37,917	-
Mental Health Block Grant Supplemental Housing	343,195	343,195	-	-	343,195	-
Title XX Social Services Block Grant	580,417	580,417	-	-	580,417	-
Mental Health Block Grant	3,105,510	3,105,510	-	-	3,105,510	-
Mental Health Block Grant - CSC	1,468,615	1,468,615	-	-	1,468,615	-
Mental Health Suicide Care Pilot Project	364,727	364,727	-	-	364,727	-
TANF to Title XX Block Grant	-	-	-	-	-	-
Substance Abuse Prevention & Treatment Block Grant	815,262	815,262	-	-	815,262	-
Other Federal	2,267,202	2,267,202	-	-	2,267,202	-
Other State Agencies	3,911,505	3,517,566	-	393,939	3,911,505	-
Medicaid	20,014,133	14,809,419	1,741,351	3,463,363	20,014,133	-
Medicaid Administrative Claiming	8,022,642	5,936,339	698,019	1,388,284	8,022,642	-
Charity Care Pool	45,148,860	33,407,813	3,928,225	7,812,822	45,148,860	-
Outpatient Capacity Expansion	5,257,723	5,257,723	-	-	5,257,723	-
Early Childhood Intervention	2,152,351	-	-	2,152,351	2,152,351	-
Directed Payment Program - Behavioral Health	9,814,079	9,814,079	-	-	9,814,079	-
Federal ARPA funding	7,990,332	7,990,332	-	-	7,990,332	-
Federal SAMHSA Stepdown	1,230,928	1,230,928	-	-	1,230,928	-
Helpline Contracts	5,134,711	5,134,711	-	-	5,134,711	-
CDBG COVID-19 Supplemental	684,431	684,431	-	-	684,431	-
ICF-MR, HCS and THL Waiver	5,638,194	-	-	5,638,194	5,638,194	-
Additional Local Funds and Match	89,541,587	60,595,735	11,932,042	17,013,810	89,541,587	-
Total Expended Sources	\$ 334,211,197	\$ 259,301,712	\$ 26,405,441	\$ 48,504,044	\$ 334,211,197	\$ -

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

Table 18

SCHEDULE OF LEASES IN EFFECT

For The Year Ended August 31, 2023

Number	Lessor	Address	Monthly Amount	Beginning Date
6048	Carefusion Solutions, LLC	3750 Torrey View Ct., San Diego, CA 92130	\$4,435	1/10/2020
6186	City of Houston, Acres Homes Multiservice Center	6719 W. Montgomery, Houston, TX 77091	\$256	2/1/2023
5156	City of Houston, Fifth Ward Multiservice Center	4014 Market St., Houston, TX 77020	\$161	5/27/2023
6111	City of Houston, Magnolia Multiservice Center	7037 Capital , Suite 103, Houston, TX	\$298	5/14/2023
5157	City of Houston, West End Multiservice Center	170 Heights Blvd., Houston, TX 77007	\$331	5/27/2023
7827	Enterprise Fleet Management Trust	10401 Centerpark Dr., #200, Houston, TX 77043	\$26,119	4/12/2021 - 8/10/2022
5159	Harris County Facilities Property Management Department	5518 Jackson Street, Houston, TX	\$50/ year	4/30/2018
2020-0033	Harris County Hospital District dba Harris Health System (NPC)	1502 Taub Loop - Houston, TX	PP through 2032	7/1/1997
6681	Shirajp, LP	817 Southmore, Suite 150, Pasadena, TX	\$1,200	9/1/2018
6541	The Bill Clair Family Mortuary, Inc.	2603 Southmore Street, Houston, TX	\$600	Month-to-month
7130	XEROX Financial Services LLC	201 Merritt 7, Norwalk, CT 06851	\$10,601	9/1/2018



Transforming Lives

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF INSURANCE COVERAGE
For The Year Ended August 31, 2023

Table 19
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<u>Surety Company</u>	<u>Scope of Coverage</u>	<u>Coverage</u>	<u>Expense/ Premium</u>
Texas Council Risk Management Fund 9/1/2022 - 9/1/2023	Property Buildings Contents Boiler & Machinery Equipment EDP Equipment Fine Arts	\$ 101,454,417 30,416,824 670,262 10,957,529 15,000	\$ 821,030
Texas Council Risk Management Fund 9/1/2022 - 9/1/2023	Boiler Machinery Boiler & Machinery Equipment	\$ 670,262	
Texas Council Risk Management Fund 9/1/2022 - 9/1/2023	General Liability Per Occurrence Limit Annual Aggregate	\$ 1,000,000 1,000,000	282,273
Texas Council Risk Management Fund 9/1/2022 - 9/1/2023	Auto Liability Per Occurrence of Liability Annual Aggregate Deductible Additional Limit of Liability in Excess of \$1,000,000.00	\$ 1,000,000 N/A 1,000 4,000,000	181,182
Texas Council Risk Management Fund 9/1/2022 - 9/1/2023	Workers' Compensation Volunteers Elected/Appointed Officials Per Claim Deductible Annual Aggregate Deductible No. of Employees Estimated Payroll	Yes Yes \$ 100,000 1,000,000 2,491 142,867,737	528,848
Texas Council Risk Management Fund 9/1/2022 - 9/1/2023	Professional Liability Per Claim Limit of Liability Annual Aggregate Retroactive Date Additional Limit of Liability in Excess of \$1,000,000.00	\$ 1,000,000 3,000,000 8/28/1989 2,000,000	144,443
Texas Council Risk Management Fund 9/1/2022 - 9/1/2023	Sexual Misconduct Per Claim Limit of Liability Annual Aggregate Retroactive Date	\$ 100,000 300,000 8/28/1989	
Texas Council Risk Management Fund 9/1/2022 - 9/1/2023	Malpractice Primary Care Per Claim Limit of Liability Annual Aggregate Retroactive Date	\$ 1,000,000 3,000,000 8/31/1996	

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF INSURANCE COVERAGE
For The Year Ended August 31, 2023

Table 19
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Surety Company	Scope of Coverage	Coverage	Expense/Premium
Texas Council Risk Management Fund 9/1/2022 - 9/1/2023	Errors & Omissions Liability Per Claim Limit of Liability Annual Aggregate Retroactive Date Additional Limit of Liability in Excess of \$1,000,000.00	\$ 50,000 100,000 8/28/1989 4,000,000	\$ 291,081
Texas Council Risk Management Fund 9/1/2022 - 9/1/2023	Expanded Employment Practices Per Claim Limit Annual Aggregate Retroactive Date	\$ 50,000 100,000 8/28/1989	
Texas Council Risk Management Fund 9/1/2022 - 9/1/2023	Crime Public Employee Dishonesty Theft Disappearance & Destruction Forgery or Alteration Employee Theft of Client Property Computer & Transfer Fraud Deductible per Occurrence	\$ 10,000 5,000 5,000 5,000 5,000 1,000	6,000
Great American Insurance Co. 9/1/2022 - 9/1/2023	Crime Employee Dishonesty Per Occurrence Limit Forgery or Alteration Inside Premises Outside Premises Computer Hacking Money Orders and Counterfeit Paper Cash Loss of Clients' Property Funds Transfer Fraud Fraudulently Induced Transfer ERISA Fraud or Dishonesty	\$ 1,000,000 500,000 100,000 100,000 500,000 1,000,000 Not Covered 500,000 Not Covered Not Covered	
Palomar Excess and Surplus Insurance Co. 9/1/2022-9/1/2023	Breach Fund Data Restoration Extortion Cost Business Impersonation Costs Reputational Harm Expense Business Interruption Loss Contingent Business Interruption Loss System Failure Business Interruption Loss System Failure Contingent Business Interruption Loss Cyber Crime Loss Bricking Costs Criminal Reward Costs Liability Costs PCI Costs Regulatory Costs	\$ 5,000,000 5,000,000 5,000,000 5,000,000 2,500,000 5,000,000 5,000,000 5,000,000 5,000,000 250,000 1,000,000 100,000 5,000,000 5,000,000 5,000,000	
Twin City Fire Insurance Co 9/1/2022-9/1/2023	Fiduciary Liability Limits of Insurance Settlement Program - Sub limit of Liability for Settlement Fees HIPAA - Sub limit of liability	\$ 3,000,000 100,000 25,000	

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF INSURANCE COVERAGE
For The Year Ended August 31, 2023

Table 19
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<u>Surety Company</u>	<u>Scope of Coverage</u>	<u>Coverage</u>	<u>Expense/Premium</u>
Voyager Indemnity Insurance Co. 3/28/2022-3/28/2023	Flood - Commercial Location #1: 11511 BobWhite Road, Houston, TX 77035 Building Contents Location #2: 7200 North Loop East, Houston, TX 77028 Building BPP Location #3: 1200 Baker Street, Houston, TX 77002 BPP	\$ 262,600 156,300 1,000,000 500,000 137,500	\$ 78,555
Certain Underwriters at Lloyds 3/28/2022-3/28/2023	Excess Flood Location #1: 11511 BobWhite Road, Houston, TX 77035 Business Income Location #2: 7200 North Loop East, Houston, TX 77028 Building - Only to pay in excess of \$1,000,000.00 Location #3: 1200 Baker Street, Houston, TX 77002 Business Income	\$ 22,696 1,722,476 203,928	
Western Surety Company 11/18/2022 - 11/18/2023	Notary Errors and Omissions Limit of Liability (125 Notaries)	\$ 20,000	
		Total	\$ 2,333,411

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF INSURANCE COVERAGE
For The Year Ended August 31, 2023

Table 19
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Residential Programs

Mgmt Company
 Insurer:

Non-Profit Housing Corp		
Moon Shepherd Baker Insurance Agency		
Villas at Bayou Park, Inc.		
Acceptance Indemnity (General Liability):		
Effective 7/1/22-7/1/23		
Lloyds of London (Property):		
Effective 5/15/22-5/15/23		
James River (Umbrella):		
Effective 7/1/22-7/1/23		
Travelers Casualty (Directors & Officers Liability)		
Effective 7/6/22-7/1/23		
Annual Premium		Paid by Mgmt Company
Acres Homes Garden, Inc.		
Acceptance Indemnity (General Liability):		
Effective 07/01/23 - 07/01/24		
Annual Premium	\$	2,882
Lloyds of London (Property and Cyber Coverage):		
Effective 05/15/23 - 05/15/24		
Annual Premium		8,548
James River Insurance Company (Umbrella):		
Effective 07/01/23 - 07/01/24		
Annual Premium		1,785
Selective Insurance Co of the Southeast - Flood (Bldgs. 1 to 4):		
Effective 12/01/22 - 12/01/23		
Annual Premium		Paid by Mgmt Company
Pear Grove, Inc.		
Acceptance Indemnity (General Liability):		
Effective 07/01/22 - 07/01/24		
Annual Premium		2,882
Lloyds of London (Property and Cyber Coverage):		
Effective 5/15/23 - 5/15/24		
Annual Premium		7,060
James River (Umbrella):		
Effective 07/01/22 - 07/01/24		
Annual Premium		1,785
USLI (Directors & Officers Liability):		
Effective 07/01/23 - 07/01/24		
Annual Premium		Paid by Mgmt Company
Pecan Village, Inc.		
Acceptance Indemnity (General Liability):		
Effective 07/01/23 - 07/01/24		
Lloyds of London (Property):		
Effective 05/15/23 - 05/15/24		
James River (Umbrella):		
Effective 07/01/23 - 07/01/24		
USLI (Directors & Officers Liability):		
Effective 07/01/23 - 07/01/24		
Selective Insurance Co of the Southeast - Flood (Bldgs. 1 to 4):		
Effective 12/01/22 - 12/01/23		
Annual Premium		Paid by Mgmt Company
Frost Insurance		
Pasadena Cottages, Inc.		
Philadelphia Insurance - Package Policy:		3,139
Effective 04/08/23 - 04/08/24		
Frost Insurance - Directors & Officers Liability:		
Effective 02/08/23 - 02/08/24		1,229
Frost Insurance - Property:		
Effective 04/08/23 - 04/08/24		18,934
Wright Flood Insurance - Flood (2122 Wichita St):		
Effective 11/04/22 - 11/04/23		988
Wright Flood Insurance - Flood (2122B Wichita St):		
Effective 11/04/22 - 11/04/23		896
Total Estimated Premium:	\$	50,128

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

Table 20

SCHEDULE OF BOND COVERAGE

For The Year Ended August 31, 2023

Surety Company	Scope of Coverage	Amount
Great American Insurance Co. 9/1/2022 - 9/1/2023	Commercial Crime Policy:	
	Employee Dishonesty Per Occurrence Limit	\$ 1,000,000
	Deductible Per Occurrence	15,000
	Forgery or Alteration	500,000
	Deductible Per Occurrence	5,000
	Inside Premises	100,000
	Deductible Per Occurrence	5,000
	Outside Premises	100,000
	Deductible Per Occurrence	5,000
	Computer Hacking	500,000
	Deductible Per Occurrence	5,000
	Money Orders and Counterfeit Paper Cash	1,000,000
	Deductible Per Occurrence	15,000
	Funds Transfer Fraud	500,000
	Deductible Per Occurrence	5,000
Texas Council Risk Management Fund 9/1/2022 - 9/1/2023	Commercial Crime Coverage:	
	Public Employee Dishonesty	\$ 10,000
	Theft Disappearance & Destruction	5,000
	Forgery or Alteration	5,000
	Employee Theft of Client Property	5,000
	Computer & Transfer Fraud	5,000
Deductible	1,000	
Palomar Excess and Surplus Insurance Co. 9/1/2022 - 9/1/2023	Cyber Liability:	
	Breach Fund	\$ 5,000,000
	Deductible/Waiting Period	100,000
	Data Restoration	5,000,000
	Deductible/Waiting Period	100,000
	Extortion Costs	5,000,000
	Deductible/Waiting Period	100,000
	Business Impersonation Costs	5,000,000
	Deductible/Waiting Period	100,000
	Reputational Harm Expense	2,500,000
	Deductible/Waiting Period	12 hours
	Business Interruption Loss	5,000,000
	Deductible/Waiting Period	Greater of: 100,000 or 12 hours
	Contingent Business Interruption Loss	5,000,000
	Deductible/Waiting Period	Greater of: 100,000 or 12 hours
	System Failure Business Interruption Loss	5,000,000
	Deductible/Waiting Period	Greater of: 100,000 or 12 hours
	System Failure Contingent Business Interruption Loss	5,000,000
	Deductible/Waiting Period	Greater of: 100,000 or 12 hours
	Cyber Crime Loss	250,000
	Deductible/Waiting Period	100,000
	Bricking Costs	1,000,000
	Deductible/Waiting Period	100,000
Criminal Reward Costs	100,000	
Deductible/Waiting Period	n/a	
Liability Costs	5,000,000	
Deductible/Waiting Period	100,000	
PCI Costs	5,000,000	
Deductible/Waiting Period	100,000	
Regulatory Costs	5,000,000	
Deductible/Waiting Period	100,000	
CNA Western Surety Company 11/18/2022 - 11/18/2023	Notary Errors and Omissions:	
	Limit of Liability (125 Notaries)	\$ 20,000



Transforming Lives

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF PROFESSIONAL AND CONSULTING FEES AND
CONTRACTED PROVIDER SERVICES
For The Year Ended August 31, 2023

Table 21
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<u>Name</u>	<u>City</u>	<u>Service</u>	<u>Amount</u>
A TIME 4 MARKETING	HOUSTON, TX	CONSULTANT SERVICES	\$ 19,559
ACHIEVE COMMUNITY THERAPY	HOUSTON, TX	YES WAIVER SERVICES	1,316
ALVIN PARKER	HOUSTON, TX	RESPIRE CARE SERVICES	5,665
AMAZING GRACE	HOUSTON, TX	RESPIRE CARE SERVICES	64,690
AMBER BURKS	HOUSTON, TX	TEMPORARY STAFFING - PSYCHIATRISTS	172,000
ANC-D PSYCHOLOGICAL	HOUSTON, TX	YES WAIVER SERVICES	156,684
ANGEL R COCHE	HOUSTON, TX	HOME LIVING SUPPORT	21,018
ANGELA ARNOLD DBA/SIMMONS & ARNOLD SERVICES	HOUSTON, TX	CONSULTANT SERVICES	27,368
ANNIE VU	HOUSTON, TX	RESPIRE CARE SERVICES	19,960
ARAMARK CORRECTIONAL SERVICES, LLC	PHILADELPHIA, PA	NUTRITION SERVICES	388,386
ARCH STAFFING AND CONSULTING	MIAMI, FL	RESPIRE CARE SERVICES	63,444
ARMANDO CABRAL	HOUSTON, TX	HOME LIVING SUPPORT	17,820
BAYLOR COLLEGE OF MEDICINE	HOUSTON, TX	RESIDENCY PROGRAM CONTRACT LABOR	260,300
BEHAVIORAL TECH INSTITUTE	SEATTLE, WA	CONSULTANT SERVICES	25,510
BURNETT SPECIALISTS	HOUSTON, TX	TEMPORARY STAFFING - ADMIN	119,568
BUTTON'S INVENTORY SERVICE INC	RICHMOND, TX	DOCUMENT RETENTION SERVICES	16,539
CALIFFA WATKINS	HOUSTON, TX	HOME LIVING SUPPORT	4,093
CARAHSOFT TECHNOLOGY CORPORATION	RESTON, VA	CONSULTANT SERVICES	9,549
CARCO GROUP INC. DBA/PRECHECK	HOLTSVILLE, NY	PRE-EMPLOYMENT SERVICES	92,017
CAROLE WARD	HOUSTON, TX	RESPIRE CARE SERVICES	20,410
CASSIETTA LANG	KATY, TX	YES WAIVER SERVICES	4,879
CBIZ RISK & ADVISORY SERVICES, LLC	INDEPENDENCE, OH	CONSULTANT SERVICES	8,850
CC ASSESSMENT SERVICES. INC.	HUMBLE, TX	TEMPORARY STAFFING - PSYCHIATRISTS	87,200
CENTER, THE	HOUSTON, TX	RESIDENTIAL SERVICES CONTRACT	43,609
CENTER FOR RECOVERY AND WELLNESS RESOURCES	HOUSTON, TX	YES WAIVER SERVICES	4,391
CENTRE TECHNOLOGIES	HOUSTON, TX	CONSULTANT SERVICES	30,000
CHRISTINA KASPRZAK	CHAPEL HILL, NC	CONSULTANT SERVICES	(1,740)
CIVIC INITIATIVES, LLC	AUSTIN, TX	CONSULTANT SERVICES	1,316
CLARISSA FAYE SMITH	HOUSTON, TX	HOME LIVING SUPPORT	4,935
COALITION FOR THE HOMELESS	HOUSTON, TX	ADVOCACY SERVICES	20,000
COMPELLING THERAPY SERVICES, INC.	BELLAIRE, TX	YES WAIVER SERVICES	86,675
COMPSYS, INC. DBA/DATACORP	HOUSTON, TX	CONSULTANT SERVICES	3,360
CORA SMITH	HOUSTON, TX	HOME LIVING SUPPORT	11,278
CORNERSTONE FAMILY RESOURCE CENTER	PEARLAND, TX	YES WAIVER SERVICES	6,320
CTRL DELIVERY & TRANSPORTATION INC.	HOUSTON, TX	TRANSPORTATION SERVICES	5,812
DANIEL W SNARE	HOUSTON, TX	CONSULTANT SERVICES	4,800
DATA SHREDDING SERVICES	HOUSTON, TX	DOCUMENT DESTRUCTION SERVICES	17,145
DATACORP	HOUSTON, TX	CONSULTANT SERVICES	3,360
DENTAL CARE 2000	HOUSTON, TX	PHYSICIAN SERVICES	452
DISA, INC.	HOUSTON, TX	PRE-EMPLOYMENT SERVICES	44,779
DISCOVERY COMMUNITY OF HOUSTON	HOUSTON, TX	SUBSTANCE ABUSE TREATMENT	2,646
DISPENSARY OF HOPE	ASHVILLE, TN	CONSULTANT SERVICES	26,250
DON'ANGELO GENE BIVENS	ATLANTA, GA	CONSULTANT SERVICES	42,500
EASTER SEALS OF GREATER HOUSTON, INC.	HOUSTON, TX	VOCATIONAL & EMPLOYMENT TRAINING	2,509,824
ELLEN B. KAGEN	ANNAPOLIS, MD	CONSULTANT SERVICES	42,523
ELSA ALMANZA	HOUSTON, TX	RESPIRE CARE SERVICES	16,428

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF PROFESSIONAL AND CONSULTING FEES AND
CONTRACTED PROVIDER SERVICES
For The Year Ended August 31, 2023

<u>Name</u>	<u>City</u>	<u>Service</u>	<u>Amount</u>
ELSA LOZANO-TELLO	HOUSTON, TX	RESPIRE CARE SERVICES	\$ 18,475
EMBRACE THERAPY SERVICES	PEARLAND, TX	YES WAIVER SERVICES	62,897
EPLUS TECHNOLOGY, INC.	HERNDON, VA	CONSULTANT SERVICES	15,750
EVINS GROUP LLC DBA OPENWORK	AUSTIN, TX	RESIDENTIAL SERVICES CONTRACT	167,881
FAMILY TO FAMILY NETWORK	HOUSTON, TX	CONSULTANT SERVICES	3,500
FMLASOURCE INC.	CHICAGO, IL	BENEFITS ADMINISTRATION	32,876
FORDICE CONSULTING LLC	CYPRESS, TX	CONSULTANT SERVICES	48,750
FOUNDATION FOR COGNITIVE THERAPY /DBA BECK INSTITUTE	BALA CYNWYD, PA	CONSULTANT SERVICES	19,350
GERMAIN & CO., INC. DBA/GERMANE SOLUTIONS	DAYTON, OH	CONSULTANT SERVICES	5,000
HANEEF ABDULLAH	HOUSTON, TX	RESPIRE CARE SERVICES	4,305
HARRIS COUNTY HOSPITAL DISTRICT/ DBA HARRIS HEALTH	HOUSTON, TX	ELECTRONIC HEALTH RECORD CONSULTING	782,522
HARRIS COUNTY PSYCHIATRIC CENTER - HCPC	HOUSTON, TX	IN-PATIENT PSYCHIATRIC BED SERVICES	32,197,985
HEALING SPECIES OF TEXAS	MONTGOMERY, TX	CONSULTANT SERVICES	5,000
HEALTH MANAGEMENT ASSOCIATES, INC.	LANSING, MI	CONSULTANT SERVICES	218,864
HEALTH STREET LLC	HOUSTON, TX	TEMPORARY STAFFING - ADMIN	180
HENRIETTA UDUNENWU DBA/ CITRUS	RICHMOND, TX	YES WAIVER SERVICES	107,940
HORSES FOR LIFE	ANGLENTON, TX	YES WAIVER SERVICES	17,134
HOUSTON RECOVERY CENTER, LGC	HOUSTON, TX	ADVOCACY SERVICES	86,647
HUAN BUI	HOUSTON, TX	RESPIRE CARE SERVICES	10,313
INDIGO BEAM LLC	HOUSTON, TX	CONSULTANT SERVICES	30,000
INMAR RX SOLUTIONS INC	WINSTON SALEM, NC	CONSULTANT SERVICES	17,312
JAMES MICHAEL SMITH DBA/MORNING STAR PSYCHIATRIC SERVICES, PLLC	SUGAR LAND, TX	CONSULTANT SERVICES	15,000
JEROME FLANAGAN	HOUSTON, TX	YES WAIVER SERVICES	34,480
JERRY ELLISON DBA/THE BLACK MAN PROJECT INC.	HOUSTON, TX	CONSULTANT SERVICES	1,500
JOHN JACK	FRIENDSWOOD, TX	YES WAIVER SERVICES	13,871
JOSEFA YANEZ HERNANDEZ	HOUSTON, TX	RESPIRE CARE SERVICES	18,998
JTAYLOR	FORT WORTH, TX	CONSULTANT SERVICES	43,980
JUSTICE SYSTEM PARTNERS	SOUTH EASTON, MA	CONSULTANT SERVICES	48,000
KAREN ITZEL BLACK GROUP	GARLAND, TX	CONSULTANT SERVICES	2,883
KARIME SEMINE	HOUSTON, TX	TEMPORARY STAFFING - PSYCHIATRISTS	5,321
KATIA RUBI LEMUS	HOUSTON, TX	HOME LIVING SUPPORT	25,685
KES CARE LEARNING & DEVELOPMENTAL CENTER	HOUSTON, TX	YES WAIVER SERVICES	1,784
KIMBERLY BROWN	HOUSTON, TX	HOME LIVING SUPPORT	1,578
LANGRAND AND COMPANY LLC	HOUSTON, TX	YES WAIVER SERVICES	270,649
LANGUAGE LINE	MONTEREY, CA	INTERPRETATION SERVICES	169,865
LAURA MORALES	HOUSTON, TX	SPEECH/LANGUAGE SERVICES	3,420
LAWRENCE BELL	HOUSTON, TX	TEMPORARY STAFFING - ADMIN	16,500
LICE CARE SOLUTIONS LLC	HOUSTON, TX	ADVOCACY SERVICES	1,895
LISA ANN MIDDLEBROOK	WEBSTER, TX	RESPIRE CARE SERVICES	713
LOCUMTENENS HOLDINGS, LLC	ATLANTA, GA	PHYSICIAN SERVICES	10,600
LORAIN EAST	HOUSTON, TX	HOME LIVING SUPPORT	14,610
MAGNIFICAT HOUSES, INC.	HOUSTON, TX	RESIDENTIAL SERVICES CONTRACT	7,361
MARIA CERVANTES	HOUSTON, TX	HOME LIVING SUPPORT	16,973
MARK STEPHENSON DDS PC	CONROE, TX	TEMPORARY STAFFING - PSYCHIATRISTS	1,000
MASTERWORD SERVICES INC	HOUSTON, TX	TRANSLATION AND INTERPRETATION SERVICES	3,409
MEADOWS MENTAL HEALTH POLICY INSTITUTE FOR TEXAS	DALLAS, TX	CONSULTANT SERVICES	125,000

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF PROFESSIONAL AND CONSULTING FEES AND
CONTRACTED PROVIDER SERVICES
For The Year Ended August 31, 2023

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<u>Name</u>	<u>City</u>	<u>Service</u>	<u>Amount</u>
MEDICAL PRACTICE CONSULTANTS, INC.	OKLAHOMA CITY, OK	CONSULTANT SERVICES	\$ 116,595
MELODIC PATHWAYS MUSIC THERAPY	SPRING, TX	YES WAIVER SERVICES	31,979
MENTAL HEALTH AMERICA OF GREATER HOUSTON	HOUSTON, TX	ADVOCACY SERVICES	99,286
MERAKI MUSIC, LLC	HOUSTON, TX	YES WAIVER SERVICES	1,878
MODERN PSYCHOLOGICAL & ALLIED SERVICES, PLLC	HOUSTON, TX	TEMPORARY STAFFING - PSYCHIATRISTS	21,000
MOMENTUM BEHAVIORAL HEALTH CONCEPTS, LLC	HOUSTON, TX	YES WAIVER SERVICES	10,133
MORGAN & ASSOCIATES DENTAL OFFICE	HOUSTON, TX	PHYSICIAN SERVICES	1,981
NAMI GREATER HOUSTON	HOUSTON, TX	CONSULTANT SERVICES	60,000
NANCY'S HOUSE	HOUSTON, TX	YES WAIVER SERVICES	4,088
NATIONAL COUNCIL FOR BEHAVIORAL HEALTH	ATLANTA, GA	CONSULTANT SERVICES	24,800
NETTIE MUHAMMAD	HOUSTON, TX	YES WAIVER SERVICES	12,740
NEXT LEVEL URGENT CARE	HOUSTON, TX	PRE-EMPLOYMENT SERVICES	4,015
NIGHTINGALE INTERPRETING SVCS	SUGAR LAND, TX	TRANSLATION AND INTERPRETATION SERVICES	11,013
NIRVANA BEHAVIORAL SOLUTIONS	HOUSTON, TX	YES WAIVER SERVICES	140
NIXON HOME CARE, INC.	HOUSTON, TX	TRANSLATION AND INTERPRETATION SERVICES	3,365
PATHWAY TO SERENITY	HOUSTON, TX	SUBSTANCE ABUSE TREATMENT	88,257
PEARL MEYER AND PARTNERS, LLC	WELLESLEY, MA	CONSULTANT SERVICES	11,700
PET PARTNERS	BELLEVUE, WA	CONSULTANT SERVICES	10,000
PETRA TREJO MARTINEZ	KINGWOOD, TX	RESPIRE CARE SERVICES	1,533
PHACTORY CONSULTING, LLC	HOUSTON, TX	CONSULTANT SERVICES	1,936
PHYSICIAN RESOURCES, INC	HOUSTON, TX	TEMPORARY STAFFING - PSYCHIATRISTS	243,060
PIVOT POINT CONSULTING	BRENTWOOD, TN	CONSULTANT SERVICES	611,974
PRE CHECK INC.	HOUSTON, TX	PRE-EMPLOYMENT SERVICES	2,352
PROSUMERS	SAN ANTONIO, TX	CONSULTANT SERVICES	18,000
PSYCHOTHERAPY BY ANGELINA, LLC	BELLAIRE, TX	YES WAIVER SERVICES	55,010
REACH LEARNING ACTIVITY CENTER	CYPRESS, TX	DAY HABILITATION SERVICES	6,915
RECESSABILITY, INC.	SPRING, TX	YES WAIVER SERVICES	33,667
RUBICONMD, INC	PALATINE, IL	CONSULTANT SERVICES	3,240
SAINT THOMAS HEALTH DBA/DISPENSARY OF HOPE, LLC	NASHVILLE, TN	CONSULTANT SERVICES	3,750
SANTA MARIA HOSTEL, INC.	HOUSTON, TX	RESPIRE CARE SERVICES	982
SOUTHWESTERN MUSIC THERAPY LLC	PLANO, TX	YES WAIVER SERVICES	10,745
ST ANNA'S TENDER CARE INC.	HOUSTON, TX	CONSULTANT SERVICES	10,181
STACIE PARKER	HOUSTON, TX	HOME LIVING SUPPORT	13,195
STEPHANIE BUI	CYPRESS, TX	HOME LIVING SUPPORT	7,945
STERICYCLE, INC.	LAKE FOREST, IL	HAZARDOUS WASTE DISPOSAL	9,856
SUGARLAND MODERN DENTISTRY	SUGAR LAND, TX	PHYSICIAN SERVICES	184
SVANACO DBA/AMERICANEAGLE.COM	DES PLAINES, IL	CONSULTANT SERVICES	69,825
TAMMIE BOGANY	HUMBLE, TX	HOME LIVING SUPPORT	11,760
TEXAS DEPARTMENT OF PUBLIC SAFETY	AUSTIN, TX	PRE-EMPLOYMENT SERVICES	1,303
TEXAS MEDICAL CENTER HOSPITAL	HOUSTON, TX	LINEN SERVICES	108,676
TEXAS SUICIDE PREVENTION COLLABORATIVE	AUSTIN, TX	CONSULTANT SERVICES	39,900
TEXAS TELEPSYCHIATRY SOLUTIONS PLLC	HOUSTON, TX	TEMPORARY STAFFING - PSYCHIATRISTS	16,000
TEXAS WEST OAKS HOSPITAL	HOUSTON, TX	IN-PATIENT PSYCHIATRIC BED SERVICES	2,156,875
THE ARC OF HARRIS COUNTY	HOUSTON, TX	VOCATIONAL & EMPLOYMENT TRAINING	191,062
THE COUNCIL ON RECOVERY	HOUSTON, TX	SUBSTANCE ABUSE TREATMENT	690,910
THE MCMILLAN BARLOW GROUP, LLC DBA/BLUE MESA GROUP	FORT COLLINS, CO	CONSULTANT SERVICES	7,750

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF PROFESSIONAL AND CONSULTING FEES AND
CONTRACTED PROVIDER SERVICES
For The Year Ended August 31, 2023

Table 21
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<u>Name</u>	<u>City</u>	<u>Service</u>	<u>Amount</u>
THE RESERVES NETWORK, INC. DBA/RESOURCE STAFFING	CLEVELAND, OH	TEMPORARY STAFFING	\$ 136,568
THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER	HOUSTON, TX	RESIDENCY PROGRAM CONTRACT LABOR	475,912
THE VISUAL INFLUENCE, LLC	SPRING, TX	CONSULTANT SERVICES	2,250
THE WARRING GROUP	MISSOURI CITY, TX	CONSULTANT SERVICES	72,000
THOMAS H.MANN PH.D.	HOUSTON, TX	PHYSICIAN SERVICES	6,656
TRANSLATION & INTERPRETATION NETWORK, LLC	FORT WORTH, TX	TRANSLATION AND INTERPRETATION SERVICES	4,989
UNIVERSE TECHNICAL TRANSLATION INC.	HOUSTON, TX	HOME LIVING SUPPORT	223,696
UNIVERSITY OF HOUSTON	HOUSTON, TX	TEMPORARY STAFFING - PSYCHIATRISTS	610,719
VC5 PARTNERS LLC DBA/REKRUITERS	HOUSTON, TX	CONSULTANT SERVICES	225,125
VISUAL LANGUAGE PROFESSIONAL,LLC	HOUSTON, TX	TRANSLATION AND INTERPRETATION SERVICES	26,157
WEI GUO	HOUSTON, TX	CONSULTANT SERVICES	26,838
WEX HEALTH, INC.	FARGO, ND	EMPLOYEE BENEFITS ADMINISTRATION	53,253
WHITLEY PENN LLP	FORT WORTH, TX	AUDIT SERVICES	136,803
X-RAY MOBILE TEXAS, INC.	SUGAR LAND, TX	MEDICAL SERVICES	10,900

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD*Table 22***SCHEDULE OF LEGAL SERVICES***For The Year Ended August 31, 2023*

Name	City	Type of Service	Amount
Feldman & Feldman, PC	Houston, TX	General representation	\$ 18,311
Holland & Knight, LLP	Houston, TX	Employment	14,772
Norton, Rose, Fulbright, U.S., L.L.P	Dallas, TX	Employee Benefits	30,261
Rogers, Morris, & Grover, L.L.P	Houston, TX	General representation	42,074
Spalding Nichols Lamp Langlois	Houston, TX	General representation	16,211

FEDERAL AND STATE AWARDS



Transforming Lives

**INDEPENDENT AUDITOR’S 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**

To the Board of Trustees
The Harris Center for Mental Health and IDD

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund of The Harris Center for Mental Health and IDD (the “Center”), as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the Center’s basic financial statements, and have issued our report thereon dated February 20, 2024. Our report includes a reference to other auditors who audited the financial statements of Pasadena Cottages, Inc., Pecan Village, Inc., Villas at Bayou Park, Inc., Pear Grove, Inc., and Acres Homes Gardens, Inc., as described in our report on the Center’s financial statements. This report does not include the results of the other auditor’s testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Pasadena Cottages were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center’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 Center’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Center’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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 the 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.

To the Board of Trustees
The Harris Center for Mental Health and IDD

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination 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 result 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 Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive style with a large, stylized "P" for "Penn".

Houston, Texas
February 20, 2024

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees
The Harris Center for Mental Health and IDD

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Program

We have audited The Harris Center for Mental Health and IDD’s (the “Center”) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement*, the Texas Health and Human Services Commission’s *Guidelines for Annual Financial and Compliance Audits of Community Mental Health and Mental Retardation Centers (21st Revision)* and the *Texas Grant Management Standards (TxGMS)* that could have a direct and material effect on each of the Center’s major federal and state programs for the year ended August 31, 2023. The Center’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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) and the TxGMS. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Center 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 and state program. Our audit does not provide a legal determination of the Center’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 Center’s federal and state programs.

Auditor's 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 Center'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 GAAS, *Government Auditing Standards*, the Uniform Guidance, and the TxGMS 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 Center's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the TxGMS 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 Center'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 Center'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 Center'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 or state 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 or state 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 or state 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.

To the Board of Trustees
The Harris Center for Mental Health and IDD

Purpose of this Report

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*, the Texas Health and Human Services Commission's *Guidelines for Annual Financial and Compliance Audits of Community Mental Health and Mental Retardation Centers (21st Revision)* and the *Texas Grant Management Standards*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
February 20, 2024



Transforming Lives

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2023

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a) ?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
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U.S. Department of Health and Human Services

<i>Clinician Officer Remote Evaluation (CORE) (COVID-19)</i>	21.027
<i>Mobile Crisis Outreach Team-Rapid Response (MCOT-RR) (COVID-19)</i>	21.027
<i>Crisis Intervention Response Team Program (CIRT) (COVID-19)</i>	21.027
<i>ARPA COH - Crisis Call Diversion (CCD) expansion (COVID-19)</i>	21.027
<i>Community Initiated Care (COVID-19)</i>	21.027
<i>Community wide COVID Houston Program (COVID-19)</i>	21.027
<i>Youth Diversion Center ARPA (COVID-19)</i>	21.027
<i>Y & F Wellness Centre (COVID-19)</i>	21.027
<i>Jail Based Competency Restoration ARPA - (COVID-19)</i>	21.027
<i>Medicaid Cluster</i>	93.778
<i>Lifeline</i>	93.243
<i>Be Well Be Connected Program</i>	93.243
<i>Early Onset</i>	93.243

Dollar Threshold Considered Between Type A and Type B Federal Programs	\$3,000,000
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Auditee qualified as low risk auditee?	Yes
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THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended August 31, 2023

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

State Awards

Internal control over major programs:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with with the Texas <i>Uniform Grant Management Standards</i> Section 510(a)?	No

Identification of major programs:

<u>Name of State Program</u>	<u>State Grant Number(s)</u>
Texas Health and Human Services Commission:	
General Revenue - Mental Health	HHS001022200036
General Revenue - Psychiatric Hospitals	HHS001022200036
General Revenue - Harris County Psychiatric Intervention	HHS001022200036
General Revenue - Intellectual or Developmental Disabilities	HHS000994800001
General Revenue - Permanency Planning	HHS000994800001
General Revenue - Crisis Respite Services	HHS000994800001
General Revenue - Crisis Intervention Specialist	HHS000994800001
State IDD Eligibility	HHS000994800001
General Revenue - Specialized Services	HHS000994800001
Dollar Threshold Considered Between Type A and Type B State Programs	\$3,000,000
Auditee qualified as low risk auditee?	Yes

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended August 31, 2023

Section II - Financial Statement Findings

The audit disclosed no findings to be reported.

Section III - Federal Award Findings and Questioned Costs

The audit disclosed no findings to be reported.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended August 31, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed-through the Texas Health and Human Services Commission:			
SNAP Nutrition	10.561	HHS000640200031	\$ 146,995
Total SNAP Cluster (ALN 10.561)			<u>146,995</u>
Total U.S. Department of Agriculture			<u>146,995</u>
U.S. Department of the Treasury			
Passed-through the City of Houston:			
Clinician Officer Remote Evaluation (CORE) (COVID-19)	21.027	2022-0263	786,833
Mobile Crisis Outreach Team-Rapid Response (MCOT-RR) (COVID-19)	21.027	2022-0410	3,770,613
Crisis Intervention Response Team Program (CIRT) (COVID-19)	21.027	2022-0262	234,793
ARPA COH - Crisis Call Diversion (CCD) expansion (COVID-19)	21.027	2022-0271	264,920
Passed-through Harris County:			
Community Initiated Care (COVID-19)	21.027	SLFRP1966 (FAIN)	1,433,768
Community wide COVID Houston Program (COVID-19)	21.027	SLFRP1966 (FAIN)	1,114,602
Youth Diversion Center ARPA (COVID-19)	21.027	SLFRP1966 (FAIN)	1,214,637
Passed-through the Texas Health and Human Services Commission:			
Jail Based Competency Restoration ARPA - (COVID-19)	21.027	HHS000789300001	284,769
Passed-through Texas Parks and Wildlife Department:			
Y & F Wellness Centre (COVID-19)	21.027	2021-CS-21207 (FAIN)	1,370,717
Total ALN 21.027			<u>10,475,652</u>
Passed-through Harris County:			
Community wide COVID Housing Program	21.023	2023-0284	378,331
Total U.S. Department of the Treasury			<u>10,853,983</u>
U.S. Department of Education			
Passed-through the Texas Health and Human Services Commission:			
Early Childhood Intervention - IDEA-B	84.027	HHS000640200031	257,676
Total Special Education Cluster (ALN 84.027)			<u>257,676</u>
Early Childhood Intervention - IDEA-C	84.181	HHS000640200031	2,397,663
Total U.S. Department of Education			<u>2,655,339</u>
U.S. Department of Health and Human Services:			
Passed-through the Texas Health and Human Services Commission:			
Every Student Succeeds Act/Preschool Development Grants	93.434	HHS000640200031	272,794
Mental Health Block Homeless PATH Grant	93.150	HHS000231500013	1,130,299
TANF Transfer to Title XX Block Grant	93.558	HHS001022200036	1,386,984
Early Childhood Intervention	93.558	HHS000640200031	172,745
Total ALN 93.558			<u>1,559,729</u>
Social Services Block Grant (Title XX)	93.667	HHS001022200036	580,417
Opioid Response Program	93.788	HHS001022200036	82,977
Substance Abuse Outreach Screen Assessment Referral	93.788	HHS000782500006	712,278
Total ALN 93.788			<u>795,255</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended August 31, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services: (continued)			
Passed-through the Texas Health and Human Services Commission: (continued)			
Public Health Provided - Charity Care Program (PHP-CCP)	93.778	N/A	\$ 45,148,863
Directed Payment Program for Behavioral Health Services	93.778	N/A	9,814,077
Medicaid Administrative Claiming Program	93.778	2205TX5MAP	7,147,498
ECl Administrative Claiming Program	93.778	2205TX5MAP	477,614
Total Medicaid Cluster (ALN 93.778)			<u>62,588,052</u>
Enhanced Community Coordination	93.791	HHS000994800001	478,873
Mental Health Block Grant	93.958	HHS001108400036	3,448,705
Mental Health Block Grant (CSC)	93.958	HHS001108400036	1,089,445
General Revenue - Mental Health First Aid	93.958	HHS000186700001	56,911
Outpatient Capacity Expansion (OCE)	93.958	HHS001108400036	5,257,723
Housing Complex Supplement	93.958	HHS001108400036	583,077
Hospital to Home Expansion	93.958	HHS001108400036	687,824
Navigation Center	93.958	HHS001108400036	467,468
Crisis Hotline and MCOT	93.958	HHS001108400036	166,928
HR133 ARPA Mental Health Services (COVID-19)	93.958	HHS001108400036	417,087
Hospital Transition Pilot (Stepdown)	93.958	HHS000866900003	1,230,928
Mental Health Suicide Care Pilot Project (ZEST)	93.958	HHS000505700001	364,727
Total ALN 93.958			<u>13,770,823</u>
Substance Abuse Prevention & Treatment Block Grant (COVID-19)	93.959	HHS000782500006	173,567
Substance Use Disorder Treatment-Treatment for Adult	93.959	HHS000782500006	99,911
Substance Use Disorder Treatment-Treatment for Female	93.959	HHS000782500006	3,073
Substance Abuse Prevention & Treatment Abuse Community Health Workers	93.959	HHS000780700004	729,331
Supplemental Grant Program (HR133 ARPA) - Substance Use Services (COVID-19)	93.959	HHS001108400036	1,371,488
Total ALN 93.959			<u>2,377,370</u>
COVID Call Center Helpline (COVID-19)	93.982	HHS000782600001	262,671
Passed-through the University of Texas Health Science Center at San Antonio:			
TxMOUD Triage Line Services	93.982	HHS000843300001	343,256
Total ALN 93.982			<u>605,927</u>
Lifeline	93.243	HHS000790600002	4,141,600
Be Well Be Connected Program	93.243	HHS000790600002	54,000
Passed-through the Substance Abuse and Mental Health Services Administration:			
Early Onset	93.243	H79SM086120	115,128
Total ALN 93.243			<u>4,310,728</u>
Comprehensive Community Mental Health Services For Children with Serious Emotional Disturbances - System Care	93.104	HHS000815200002	9,944
Passed-through the Substance Abuse and Mental Health Services Administration:			
Assisted Outpatient Treatment	93.997	1H79SM082923-01	696,576
Certified Community Behavioral Health Clinics Expansion Program	93.829	1H79SM083110-01	1,159,961
Total U.S. Department of Health and Human Services			<u><u>90,336,748</u></u>
Total Expenditures of Federal Awards			<u><u>\$ 103,993,065</u></u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended August 31, 2023

State Grantor/Program Title	Contract number	State Expenditures
Texas Health and Human Services Commission:		
Direct Programs:		
General Revenue - Mental Health	HHS001022200036	\$ 73,124,526
General Revenue - Psychiatric Hospitals	HHS001022200036	30,967,911
<i>Total Contract number HHS001022200036</i>		<u>104,092,437</u>
General Revenue - Intellectual or Developmental Disabilities	HHS000994800001	7,851,138
General Revenue - Intellectual or Developmental Disabilities Admin	HHS000994800001	872,349
General Revenue - Specialized Services	HHS000994800001	4,206
General Revenue - Permanency Planning	HHS000994800001	132,718
General Revenue - Crisis Respite Services	HHS000994800001	1,162,548
General Revenue - Crisis Intervention Specialist	HHS000994800001	416,221
State IDD Eligibility	HHS000994800001	177,638
<i>Total Contract number HHS000994800001</i>		<u>10,616,818</u>
General Revenue - Mental Health First Aid	HHS000186700001	88,238
General Revenue - HCBS Pre Engagement	529-19-0144-0003	1,695
General Revenue - Mental Health Psychiatric Residency	HHS001023400001	284,497
SG Jail Based Comp Restoration Pilot	HHS000789300001	1,140,778
House Bill 13	HHS000477100041	340,032
Healthy Community Collaborative	HHS000559400001	1,634,821
MH Outpatient services for IDD	HHS000776900005	300,000
Early Childhood Intervention	HHS000640200031	1,765,613
General Revenue - Harris County Psychiatric Intervention	HHS001022200036	262,120
IDD Tablet Program	HHS001367600001	41,424
IDD HHS Vocational Apprentice	HHS000559400001	93,939
Total Direct Programs		<u>120,662,412</u>
Passed through the Health and Human Services Commission:		
<i>ARPA ICF COVID-19 Relief</i>	HHS0011334	17,250
<i>Federal Quality Health Center Incubator</i>	HHS001223300034	852,401
<i>Total Passed through the Health and Human Services Commission</i>		<u>869,651</u>
Passed through Baylor College of Medicine:		
Be Well Be TX Child Mental Healthcare Consortium (TCMHCC)	HHS001351200001	173,875
Total Texas Health and Human Services Commission		<u>121,705,938</u>
Texas Department of Criminal Justice:		
Direct Programs:		
Parole - MH Offenders Program	696-TC-18-19-L026	225,500
Substance Abuse - MH Offenders Program	696-TC-18-19-L026	183,337
<i>Total Contract number 696-TC-18-19-L026</i>		<u>408,837</u>
Total Direct Programs		<u>408,837</u>
Total Texas Department of Criminal Justice		<u>408,837</u>
Total Expenditures of State Awards		<u>122,114,775</u>
Total Expenditures of Federal and State Awards		<u>\$ 226,107,840</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended August 31, 2023

Note 1 - General

The Schedule of Expenditures of Federal and State Awards presents the activity of all applicable state and federal awards of The Harris Center for Mental Health and IDD (the “Center”) for the year ended August 31, 2023. The Center’s reporting entity is defined in Note 1 of the basic financial statements. Federal and state financial awards received directly from federal and state agencies, as well as federal financial awards passed through other governmental agencies, are included on the Schedule of Expenditures of Federal and State Awards.

Note 2 - Basis of Accounting

The Schedule of Expenditures of Federal and State Awards is prepared using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 of the basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and *the State of Texas Uniform Grant Management Standards*. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 3 - State Financial Assistance Guidelines

State financial assistance is subject to the Texas Health and Human Services Commission’s *Guidelines for Annual Financial and Compliance Audits of Community Mental Health and Mental Retardation Centers (21st Revision)*. Such guidelines are consistent with those required under the *Uniform Guidance* and *the State of Texas Uniform Grant Management Standards*.

Note 4 - Indirect Costs

The Center has elected not to use the 10% de minimis indirect cost rate as allowed in the *Uniform Guidance*.

Note 5 - Reconciliation of state revenues and the Schedule of Expenditures of State Awards

The following is a reconciliation of state grant expenditures reported on the Schedule of Expenditures of State Awards to the state revenues reported in the basic financial statements for the year ended August 31, 2023:

State revenues per the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 124,573,917
Less: Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMI) program	<u>(2,459,142)</u>
State expenditures per the Schedule of Expenditures of State Awards	<u>\$ 122,114,775</u>

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended August 31, 2023

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

None reported.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

CORRECTIVE ACTION PLAN

For the Year Ended August 31, 2023

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, “At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports.”

I. Corrective Action Plan

Not applicable.