



*Transforming Lives*

**(A COMPONENT UNIT OF HARRIS COUNTY, TEXAS)**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For Fiscal Years Ended  
August 31, 2021 and 2020**

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, 2021 and August 31, 2020**

**Prepared by  
Finance Department**

**Sean Kim, MBA, CPA  
Chief Financial and Administrative Officer**



# THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

## TABLE OF CONTENTS

	<u>Page</u>	<u>Table</u>
<b>Introductory Section</b>		
Letter of Transmittal	i	
Certificate of Board	v	
GFOA Certificate of Achievement	vi	
Organizational Chart	vii	
Listing of Officials	viii	
<b>Financial Section</b>		
<b>Independent Auditor’s Report</b>	3	
<b>Management’s Discussion and Analysis</b>	7	
<b>Basic Financial Statements:</b>		
Government-wide Financial Statements:		
Statement of Net Position	15	
Statement of Activities -2021	16	
Statement of Activities - 2020	18	
Fund Financial Statements:		
Balance Sheet - Governmental Funds	20	
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net position	21	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	22	
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23	
Budgetary Comparison Statement – General Fund	24	
Budget-To-GAAP Reconciliation – General Fund	26	
Statement of Changes in Assets and Liabilities – Custodial Fund	27	
Statement of Changes in Fiduciary Net Position – Custodial Fund	28	
Combining Statement of Discretely Presented Component Units:		
Combining Statement of Net Position - 2021	29	
Combining Statement of Net Position - 2020	30	
Combining Statement of Discretely Presented Component Units:		
Combining Statement of Activities – 2021	31	
Combining Statement of Activities - 2020	32	
Notes to Financial Statements	33	
<b>Other Supplementary Information:</b>		
Capital Assets Used in the Operation of Governmental Funds:		
Schedule by Source	51	
Schedule by Function	52	
Schedule of Changes by Function	54	

# THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

## TABLE OF CONTENTS (continued)

	<u>Page</u>	<u>Table</u>
<b>Statistical Section (Unaudited) (continued)</b>		
Net Position by Component	56	1
Changes in Net Position	58	2
Fund Balances, Governmental Funds	60	3
Changes in Fund Balances, Governmental Funds	62	4
Principal Sources of Revenues	64	5
Summary Schedule of Indirect Costs	66	6
Detail Schedule of Direct and Indirect Costs	67	7
Local Service Area Population	68	8
Demographic Statistics of Local Service Area	69	9
Ratio of Outstanding Debt	70	10
Principal Corporate Employers in the Catchment Area	71	11
Full-Time Equivalent Employees by Function/Program	72	12
Operating Indicators by Function/Program	74	13
General Fund Revenue by Source of Funds	76	14
General Fund Expenditures by Category	77	15
Capital Assets by Governmental Activity	78	16
Summary Schedule of Mental Health Adult, Mental Health Children and Intellectual and Developmental Disabilities Expenditures by Service Category and Source of Funds	80	17
Schedule of Revenues and Expenditures by Source of Funds, General Fund	81	18
Schedule of Leases in Effect	82	19
Schedule of Insurance Coverage	83	20
Schedule of Bond Coverage	87	21
Schedule of Professional and Consulting Fees and Contracted Provided Services	88	22
Schedule of Legal Services	92	23
<b>Federal and State Awards</b>		
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 <i>Government Auditing Standards</i>	95	
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance required by the Uniform Guidance	97	
Schedule of Findings and Questioned Costs	99	
Schedule of Expenditures of Federal and State Awards	102	
Notes to Schedule of Expenditures of Federal and State Awards	104	
Summary Schedule of Prior Audit Findings	105	
Corrective Action Plan	106	

## **INTRODUCTORY SECTION**



*Transforming Lives*



January 26, 2022

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, 2021. 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, 2021 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 unqualified opinion that The Harris Center for Mental Health and IDD's financial statements for the fiscal year ended August 31, 2021 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 supports are 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, 2021, 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 and Administrative 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 2021, 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 are 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 \$14 million in Fiscal Year 2021. 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, 2020. 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.

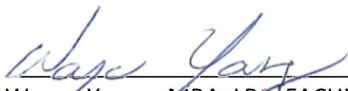
**Acknowledgements**

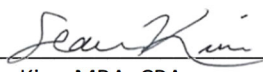
This report could not have been prepared without the exceptional dedication and professional competence of the Center’s Financial Services Department. We express our appreciation to the staff for their invaluable contribution to this effort.

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,

  
\_\_\_\_\_  
Wayne Young, MBA, LPC, FACHE  
Chief Executive Officer

  
\_\_\_\_\_  
Sean Kim, MBA, CPA  
Chief Financial and Administrative Officer

**CERTIFICATE OF BOARD**

I, Shaukat Zakaria, 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 2021 from Whitley Penn, LLP, was reviewed and approved at a meeting of the Board of Trustees held on the 26th day of January, 2022.



\_\_\_\_\_  
Chairperson  
The Harris Center for Mental Health and IDD Board of Trustees

1/26/22

\_\_\_\_\_  
Date



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

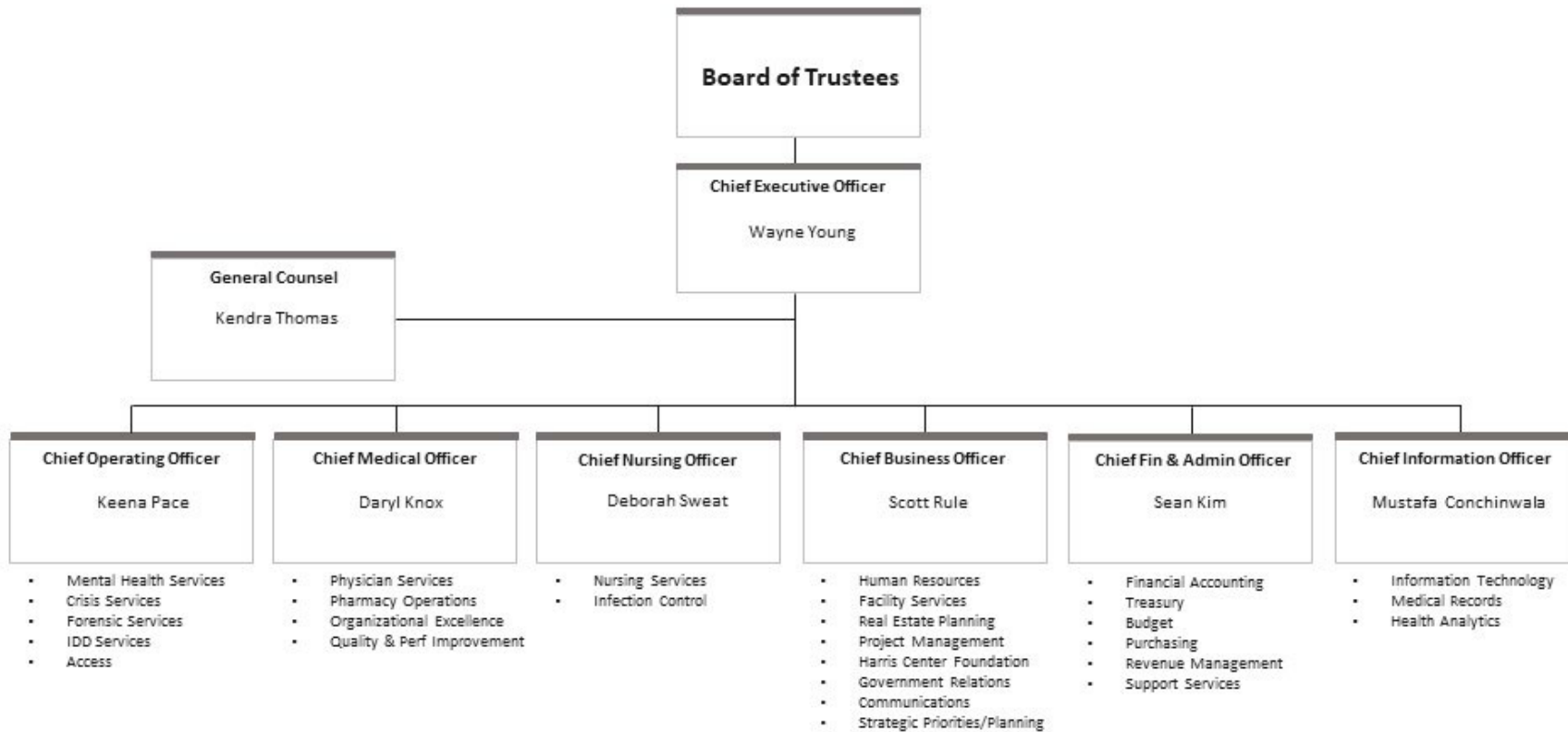
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

August 31, 2020

*Christopher P. Morill*

Executive Director/CEO

# Organizational Chart



# THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

## LISTING OF OFFICIALS

Year Ended August 31, 2021

### *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
Taseer Badar	Member
Robin E. Gearing, PhD	Member
Sheriff Ed Gonzalez	Member
Bonnie C. Hellums, M. ED., LMFT, LCDC, AAC, JD	Member
James Lykes	Member
Elizabeth McIngvale, PhD, LCSW	Member

### *Executive Leadership*

Wayne Young, MBA, LPC, FACHE <i>Chief Executive Officer</i>	Deborah Sweat, RN <i>Chief Nursing Officer</i>
Keena Pace, LCSW DLFAPA <i>Chief Operating Officer</i>	Daryl K. Knox, MD, <i>Chief Medical Officer</i>
Scott Rule, MBA, JD <i>Chief Business Officer</i>	Mustafa Cochinwala <i>Chief Information Officer</i>
Sean Kim, MBA, CPA <i>Chief Financial and Administrative Officer</i>	Kendra Thomas, JD, LPC-S <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  
Houston, Texas

### **Report on the Financial Statements**

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, 2021 (May 31, 2021 for Pasadena Cottages, Inc.), and August 31, 2020 and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We 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, 85 percent, and 93 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Pasadena Cottages, Inc., were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

### ***Opinions***

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 aggregate remaining fund information of the Center, as of August 31, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof 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.

### ***Emphasis on Matter Going Concern***

As mentioned in the previous paragraph, the financial statements of 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.

### ***Other Matters***

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

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The other supplementary information (as listed in the accompanying table of contents) and other information, such as the introductory and statistical section, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal and State Awards is 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 *Uniform Grant Management Standards*, and is also not a required part of the basic financial statements.

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

The other supplementary information (as listed in the accompanying table of contents) and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2022 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 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 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.

The image shows a handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, professional style.

Houston, Texas  
January 26, 2022



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## 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 year ended August 31, 2021. 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 2020 by \$162,187,123 (net position) of this amount, \$112,933,700 (unrestricted net position) may be used to meet the Center's ongoing obligations.
- The Center's total net position (government-wide) increased by \$21,332,645 during the year.
- The Center's governmental funds increased by \$440,731 resulting in an ending fund balance of \$121,075,153.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$83,632,618 or 29% 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.

### 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.

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

**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 27 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 29-32 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 33 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 State of Texas Single Audit Circular. 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 \$162,187,123 at the close of the fiscal year.

The largest portion of the Center's net position (70%) represents the unrestricted financial resources available for future operations. This compares to last fiscal year's unrestricted financial resources at 80%.

Another 30% 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, 2021 with comparative figures for FY 2020:

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

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 157,305,221	\$ 154,150,209
Non-current assets	49,253,423	28,639,674
<b>Total assets</b>	<u>206,558,644</u>	<u>182,789,883</u>
<b>Current liabilities</b>	36,480,068	34,311,499
Long-term liabilities outstanding	7,891,453	7,623,906
<b>Total liabilities</b>	<u>44,371,521</u>	<u>41,935,405</u>
<b>Net position:</b>		
Net investment in capital assets	49,253,423	28,093,961
Unrestricted	112,933,700	112,760,517
<b>Total net position</b>	<u>\$ 162,187,123</u>	<u>\$ 140,854,478</u>

The increase in net position was primarily due to an increase of revenues from operating federal and state grants and Harris County allocations that exceeded overall expenses. In addition, the revenue proceeds were used for the purchase of capital assets versus operating expenses.

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

**Governmental Activities**

Revenues for the Center's governmental activities were \$292.3 million while total expenses were \$270.9 million. The change in net position of governmental activities was \$21.3 million. The following table reflects a comparison of the governmental activities between FY 2021 and FY 2020:

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

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
<b>Program revenues:</b>		
Charges for services:		
Intellectual and Developmental Disabilities	\$ 14,638,147	\$ 16,690,170
Mental Health Adult	51,844,430	69,593,797
Mental Health Child and Adolescents	5,809,141	6,507,956
Crisis Center	10,884,133	6,048,908
Community Hospital (payments to HCPC)	53,047	
<b>Total Charges for Services</b>	<b>83,228,898</b>	<b>98,840,831</b>
<b>Operating Grants and Contributions:</b>		
Intellectual and Developmental Disabilities	20,526,300	21,157,352
Mental Health Adult	76,672,389	70,204,877
Mental Health Child and Adolescents	13,321,391	13,188,239
Crisis Center	44,701,046	35,210,952
Community Hospital	25,952,324	24,662,929
<b>Total Operating Grants and Contributions</b>	<b>181,173,450</b>	<b>164,424,349</b>
<b>General Revenues:</b>		
Payment from Harris County	25,836,665	21,175,605
Investment earnings	119,813	1,093,385
Other income	1,823,779	849,027
Gain from sale of capital assets	72,625	25,717
<b>Total general revenues</b>	<b>27,852,882</b>	<b>23,143,734</b>
<b>Total Revenues</b>	<b>292,255,230</b>	<b>286,408,914</b>
<b>Expenses</b>		
General administration	36,981,723	29,679,016
Intellectual and Developmental Disabilities	36,956,035	38,148,782
Mental Health Adult	95,403,524	91,246,763
Mental Health Child and Adolescents	20,232,482	20,878,283
Crisis Center	51,575,379	51,411,079
Community Hospital	29,766,733	29,956,331
Interest on long-term debt	6,709	33,547
<b>Total Expenses</b>	<b>270,922,585</b>	<b>261,353,801</b>
Changes in Net Position	21,332,645	25,055,113
<b>Net Position Beginning</b>	<b>140,854,478</b>	<b>115,799,365</b>
<b>Net Position Ending</b>	<b>\$ 162,187,123</b>	<b>\$ 140,854,478</b>

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

**Changes in Net Position**

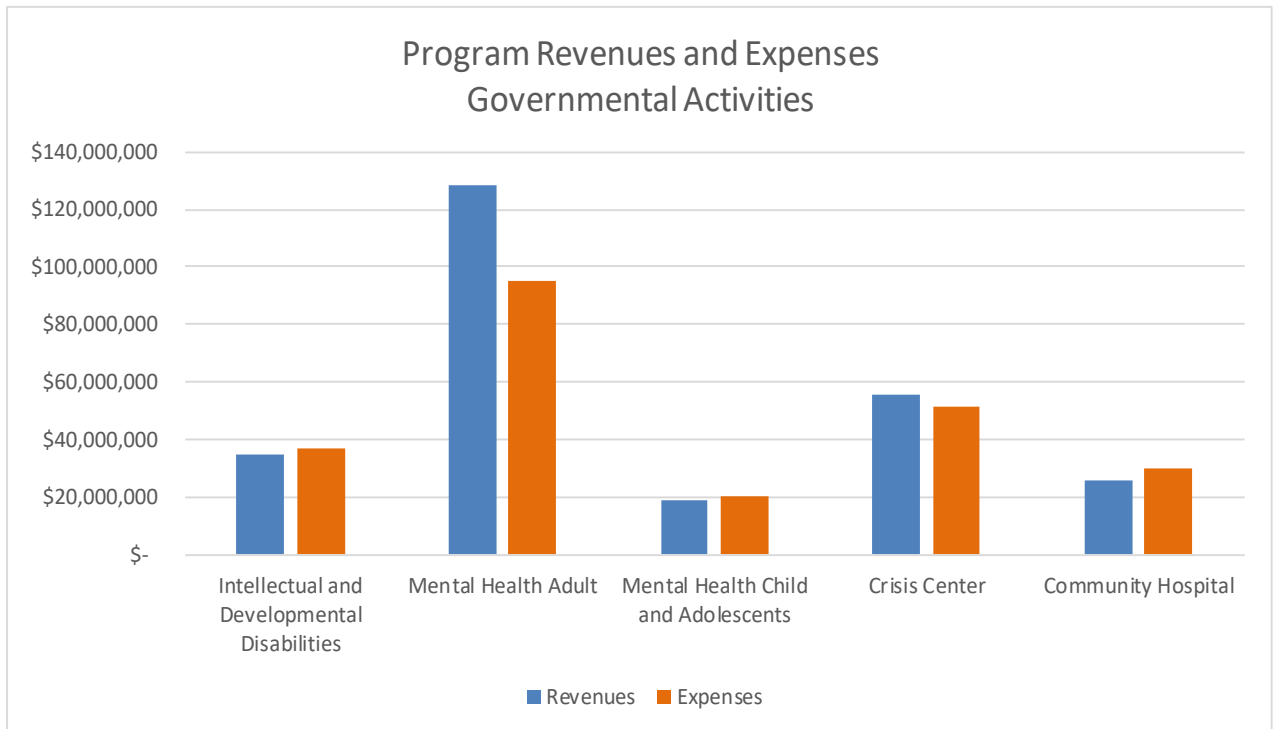
Total revenues increased between FY 2020 and FY 2021 mainly due to the increase the Harris County Allocation

Expenses increased 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.

	<b>Net Cost of Services</b>
Intellectual and Developmental Disabilities	\$ (7,453,245)
Mental Health Adult	18,447,364
Mental Health Child and Adolescents	(4,203,290)
Crisis Center	(4,928,239)
Community Hospital	(8,376,118)
Interest on long-term debt	(6,709)
<b>Total</b>	<u><u>\$ (6,520,237)</u></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 the year, its General Fund (as presented in the balance sheet on page 22) reported a fund balance of \$121,075,153. A large portion of this, or 69%, 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 \$117,304,244 and represents 40% of total General Fund expenditures or the equivalent of 147 days.

An analysis of significant balances follows:

- Compared to the previous year, State grants and programs for FY 2020 increased by \$4,593,881, primarily as a result of an increase in funding from HHSC/DSHS.
- Federal funds decreased by \$5,730,286 compared to the prior year as result of a reduction in DSRIP funding offset by new COVID-19 funding and FEMA reimbursements.
- The Harris County allocation increased by \$7,167,080.
- In fiscal year 2021, local billings increased by \$435,511, while investment earnings decreased by \$973,572. The Center only invested in local government investment pools in fiscal year 2021.

#### **General Fund Budgetary Highlights**

The Center revenue budget was increased by \$21.7 million during fiscal year 2021. The most notable increases affect the County fund budget which was increased by \$9.1 million. The federal programs budget was increased by \$7.9 million. Federal funds passed through from the City of Houston for the Respite, Rehab and Re-Entry Center increased by \$5.0 million.

Actual total revenues exceeded budgeted amounts by \$5.8 million. The most notable driver of this positive variance was Delivery System Reform Incentive Payments. Actual revenues totaled \$48.8 million, while the original budget estimate was \$26.0 million.

This positive variance was offset by negative variances. That is, there were certain actual revenues that were less than the budgeted amounts. These revenue streams include County funds \$5.9 million, and Medicaid \$5.7 million.

The expenditure budget was amended by \$27.4 million, including capital. The most significant increase was in the repairs and maintenance \$16.0 million and personnel costs of \$8.6 million. Actual expenditures were less than budgeted amounts by \$38.6 million. The most significant positive variance was realized in repairs and maintenance for \$6.2 million and capital outlay of \$19.9 million.

**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, 2021, amounts to \$49,253,423 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, and vehicles.

**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 2021	Fiscal Year 2020	Increase (Decrease)
Land	\$ 6,432,036	\$ 5,028,114	\$ 1,403,922
Buildings & improvements	24,939,858	18,831,705	6,108,153
Furniture & equipment	1,656,861	1,353,158	303,703
Vehicles	151,046	262,737	(111,691)
Construction in progress	16,073,622	3,163,960	12,909,662
<b>Total capital assets</b>	<b>\$ 49,253,423</b>	<b>\$ 28,639,674</b>	<b>\$ 20,613,749</b>

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 \$8,141,453, a decrease of \$278,166. The Center paid off its Notes Payable during fiscal year 2021 while compensated absences increased. 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, 2021 and 2020**

	2021		2020	
	Governmental Activities	Component Units	Governmental Activities	Component Units
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 16,946,845	\$ 814,393	\$ 9,695,827	\$ 1,019,694
Investments	110,589,575	-	117,821,795	-
Investments - restricted	2,288,964	-	2,287,604	-
Accounts receivable, net	23,708,928	6,199	23,503,615	5,943
Inventories	293,235	-	246,618	-
Deposits	2,805,150	-	3,290	-
Prepaid expenses	672,524	45,752	591,460	40,796
Other assets	-	9,360	-	10,671
<b>Total Current Assets</b>	<b>157,305,221</b>	<b>875,704</b>	<b>154,150,209</b>	<b>1,077,104</b>
<b>Noncurrent Assets:</b>				
Restricted cash and cash equivalents	-	388,890	-	374,697
Land	6,432,036	-	5,028,114	-
All other capital assets, net	42,821,387	4,812,659	23,611,560	4,991,331
<b>Total Noncurrent Assets</b>	<b>49,253,423</b>	<b>5,201,549</b>	<b>28,639,674</b>	<b>5,366,028</b>
<b>Total Assets</b>	<b>206,558,644</b>	<b>6,077,253</b>	<b>182,789,883</b>	<b>6,443,132</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	4,281,337	295,352	4,176,471	301,476
Accrued liabilities	13,780,352	15,981	10,887,237	7,418
Unearned revenue	18,168,379	4,316	18,452,078	13,525
Current portion of long-term obligations	250,000	19,936	795,713	18,226
<b>Total Current Liabilities</b>	<b>36,480,068</b>	<b>335,585</b>	<b>34,311,499</b>	<b>340,645</b>
<b>Noncurrent Liabilities</b>				
Noncurrent portion of long-term obligations	7,891,453	340,791	7,623,906	360,727
<b>Total liabilities</b>	<b>44,371,521</b>	<b>676,376</b>	<b>41,935,405</b>	<b>701,372</b>
<b>Net Position</b>				
Net investment in capital assets	49,253,423	4,510,219	28,093,961	4,612,378
Unrestricted	112,933,700	890,658	112,760,517	1,129,382
<b>Total Net Position</b>	<b>\$ 162,187,123</b>	<b>\$ 5,400,877</b>	<b>\$ 140,854,478</b>	<b>\$ 5,741,760</b>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended August 31, 2021**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenue	
			Charges for Services	Operating Grants and Contributions
<b>Primary government:</b>				
<b>Governmental activities</b>				
General Administration	\$ 36,981,723	\$ (36,981,723)	\$ -	\$ -
Adult Mental Health	95,403,524	14,665,931	51,844,430	76,672,389
Intellectual & Developmental Disabilities	36,956,035	5,661,657	14,638,147	20,526,300
Child and Adolescent	20,232,482	3,101,340	5,809,141	13,321,391
Crisis Center	51,575,379	8,938,039	10,884,133	44,701,046
Community Hospital (payment to HCPC)	29,766,733	4,614,756	53,047	25,952,324
Interest on long-term debt	6,709	-	-	-
<b>Total governmental activities</b>	<b>\$ 270,922,585</b>	<b>\$ -</b>	<b>\$ 83,228,898</b>	<b>\$ 181,173,450</b>
<b>Component Units</b>				
HUD Programs	\$ 693,073	\$ -	\$ 493,410	\$ -
Fund raising activities	178,029	-	-	35,582
<b>Total component units</b>	<b>\$ 871,102</b>	<b>\$ -</b>	<b>\$ 493,410</b>	<b>\$ 35,582</b>



**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**

**STATEMENT OF ACTIVITIES**

**For The Year Ended August 31, 2021**

<u>Functions/Programs</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Total Governmental Activities</u>	<u>Component Units</u>
<b>Primary government:</b>		
<b>Governmental activities</b>		
General administration	-	\$ -
Adult Mental Health	18,447,364	-
Intellectual & Developmental Disabilities	(7,453,245)	-
Child and Adolescent	(4,203,290)	-
Crisis Center	(4,928,239)	-
Community Hospital (payment to HCPC)	(8,376,118)	-
Interest on long-term debt	(6,709)	-
<b>Total governmental activities</b>	<u>(6,520,237)</u>	<u>-</u>
<b>Component Units</b>		
HUD Programs	-	(199,663)
Fund raising activities	-	(142,447)
<b>Total component units</b>	<u>-</u>	<u>(342,110)</u>
<b>General revenues</b>		
Payment from Harris County	25,836,665	-
Investment earnings	119,813	1,227
Other	1,823,779	-
Gain on disposal of capital assets	72,625	-
<b>Total general revenues</b>	<u>27,852,882</u>	<u>1,227</u>
Change in net position	21,332,645	(340,883)
<b>Net position - beginning</b>	<u>140,854,478</u>	<u>5,741,760</u>
<b>Net position - ending</b>	<u>\$ 162,187,123</u>	<u>\$ 5,400,877</u>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended August 31, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Revenue</u>	
			<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<b>Primary government:</b>				
<b>Governmental activities</b>				
General Administration	29,679,016	\$ (29,679,016)	-	-
Adult Mental Health	91,246,763	11,665,617	69,593,797	70,204,877
Intellectual & Developmental Disabilities	38,148,782	4,870,095	16,690,170	21,157,352
Child and Adolescent	20,878,283	2,665,814	6,507,956	13,188,239
Crisis Center	51,411,079	6,587,293	6,048,908	35,210,952
Community Hospital (payment to HCPC)	29,956,331	3,890,197	-	24,662,929
Interest on long-term debt	33,547	-	-	-
<b>Total governmental activities</b>	<u>\$ 261,353,801</u>	<u>\$ -</u>	<u>\$ 98,840,831</u>	<u>\$ 164,424,349</u>
<b>Component Units</b>				
HUD Programs	680,402	-	999,322	\$ -
Fund raising activities	26,284	-	-	69,648
<b>Total component units</b>	<u>\$ 706,686</u>	<u>\$ -</u>	<u>\$ 999,322</u>	<u>\$ 69,648</u>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended August 31, 2020**

<u>Functions/Programs</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Total Governmental Activities</u>	<u>Component Units</u>
<b>Primary government:</b>		
<b>Governmental activities</b>		
General administration	\$ -	\$ -
Adult Mental Health	36,886,294	-
Intellectual & Developmental Disabilities	(5,171,355)	-
Child and Adolescent	(3,847,902)	-
Crisis Center	(16,738,512)	-
Community Hospital (payment to HCPC)	(9,183,599)	-
Interest on long-term debt	(33,547)	-
<b>Total governmental activities</b>	<u>1,911,379</u>	<u>-</u>
<b>Component Units</b>		
HUD Programs	-	318,920
Fund raising activities	-	43,364
<b>Total component units</b>	<u>-</u>	<u>362,284</u>
<b>General revenues and transfers</b>		
Payment from Harris County	21,175,605	-
Investment earnings	1,093,385	12,073
Other	849,027	-
Gain on disposal of capital assets	25,717	-
<b>Total general revenues</b>	<u>23,143,734</u>	<u>12,073</u>
Change in net position	25,055,113	374,357
<b>Net position - beginning</b>	<u>115,799,365</u>	<u>5,367,403</u>
<b>Net position - ending</b>	<u>\$ 140,854,478</u>	<u>\$ 5,741,760</u>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**August 31, 2021 and 2020**

	<u>General Fund</u>	
	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 16,946,845	\$ 9,695,827
Investments	112,878,539	120,109,399
Accounts Receivable (net of allowance for uncollectible)	3,565,564	2,149,444
Receivables from other governments	16,787,745	17,929,384
Other receivables	3,355,619	3,424,787
Inventories	293,235	246,618
Deposits	2,805,150	3,290
Prepaid items	672,524	591,460
<b>Total Assets</b>	<u>\$ 157,305,221</u>	<u>\$ 154,150,209</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities:</b>		
Accounts payable	4,281,337	4,176,471
Accrued liabilities	13,780,350	10,887,238
Unearned revenues	18,168,381	18,452,078
<b>Total Liabilities</b>	<u>36,230,068</u>	<u>33,515,787</u>
<b>Fund Balance:</b>		
Nonspendable:		
Inventories	293,235	246,618
Prepaid items	672,524	591,460
Deposits	2,805,150	3,290
Assigned:		
Delivery system reform incentive projects	-	4,253,997
Current capital projects	23,620,608	7,786,806
Future purchase of real property and IT infrastructure	1,365,842	22,927,102
ECI building use	361,664	352,067
COVID-19 eFMAP reserve	1,469,158	5,524,745
Self-insurance	2,000,000	2,000,000
Debt repayment	-	545,715
Compensated absences	4,854,354	4,854,354
Unassigned	83,632,618	71,548,268
<b>Total Fund Balances</b>	<u>121,075,153</u>	<u>120,634,422</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 157,305,221</u>	<u>\$ 154,150,209</u>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS GOVERNMENTAL**  
**FUNDS TO STATEMENT OF NET POSITION**  
**August 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Total fund balance</b>	\$ 121,075,153	\$ 120,634,422
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the fund.	49,253,423	28,639,674
Long-term liabilities, current and long-term, are not due and payable with current financial resources and therefore, are not reported in the fund.	<u>(8,141,453)</u>	<u>(8,419,618)</u>
<b>Net position governmental activities</b>	<u>\$ 162,187,123</u>	<u>\$ 140,854,478</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, 2021 and 2020**

	<b>General Funds</b>	
	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
State grants & programs	\$ 127,906,818	\$ 123,312,937
Federal grants	76,758,103	82,488,389
Harris County allocation	51,260,112	44,093,032
Local billings	30,405,246	29,969,735
Investment earnings	119,813	1,093,385
Miscellaneous	6,057,515	5,910,886
<b>Total revenues</b>	<b>292,507,607</b>	<b>286,868,364</b>
<b>Expenditures</b>		
<b>Current:</b>		
Adult mental health	93,088,416	90,121,966
Intellectual & developmental disabilities	36,918,943	37,987,166
Child and adolescent	20,049,869	20,528,013
Crisis center	57,779,675	50,480,041
Community hospital (payment to HCPC)	29,730,527	30,201,517
General administration	54,019,648	31,820,957
<b>Debt service:</b>		
Principal	545,714	1,091,429
Interest and other charges	6,709	33,547
<b>Total Expenditures</b>	<b>292,139,501</b>	<b>262,264,636</b>
Excess (deficiency) of revenues over expenditures	368,106	24,603,728
<b>Other Financing Sources</b>		
Proceeds from sale of capital assets	72,625	25,717
<b>Total other financing sources</b>	<b>72,625</b>	<b>25,717</b>
Net changes in fund balance	440,731	24,629,445
<b>Fund balances - beginning</b>	<b>120,634,422</b>	<b>96,004,977</b>
<b>Fund balances - ending</b>	<b>\$ 121,075,153</b>	<b>\$ 120,634,422</b>

**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, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Net change in fund balances - total governmental funds	\$ 440,731	\$ 24,629,445
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.	20,649,398	1,521,562
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.	(35,649)	-
Repayment of bonds, notes payable and capital leases is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	545,713	1,091,429
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 in the government-wide financial statements during the current fiscal year.	<u>(267,548)</u>	<u>(2,187,323)</u>
<b>Change in net position of governmental activities</b>	<u>\$ 21,332,645</u>	<u>\$ 25,055,113</u>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**BUDGETARY COMPARISON STATEMENT**  
**GENERAL FUND**  
**For the Year Ended August 31, 2021**

	Budget		Actual (Budgetary Basis)	Variance Positive/ (Negative)
	Original	Final		
<b>State Program Revenues</b>				
General Revenues	\$ 115,822,893	\$ 116,488,753	\$ 115,029,536	\$ (1,459,217)
Early Childhood Intervention	5,544,089	5,523,314	5,250,080	(273,234)
Texas Council on Offenders with Mental Impairments	3,139,897	3,284,693	3,055,858	(228,835)
Texas Department of Criminal Justice- Parole and Substance Abuse	460,200	460,200	460,200	-
Texas Department of State Health Services- Zero Suicide in Texas	534,938	774,041	446,745	(327,296)
Texas Department of Health and Human Services - House Bill 13	340,032	340,032	249,903	(90,129)
Texas Department of Health and Human Services - IDD Nursing Facility Specialized Care	9,519	9,519	2,713	(6,806)
Texas Department of Health and Human Services - Healthy Community Collaborative	-	1,440,000	3,054,742	1,614,742
Texas Department of Health and Human Services - MH Outpatient Services for IDD	225,000	525,000	357,041	(167,959)
<b>Total State Program Revenues</b>	<b>126,076,568</b>	<b>128,845,552</b>	<b>127,906,818</b>	<b>(938,734)</b>
<b>Federal Program Revenues</b>				
HHSC-Assisted Outpatient Treatment	623,143	612,469	574,946	(37,523)
HHSC-CCBHC Expansion	-	1,029,149	523,351	(505,798)
Federal Communications Commission-COVID Telehealth	315,000	315,000	150,616	(164,384)
Mental Health Block Grant	3,081,798	3,081,798	3,463,134	381,336
Mental Health Block Grant (CSC)	752,148	752,148	731,212	(20,936)
Social Services Block Grant (Title XX)	580,417	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	-	-	172,459	172,459
MH Block Homeless Grant	1,130,299	1,131,498	1,131,498	-
Substance Abuse Prevention & Treatment Block Grant	834,655	834,655	817,891	(16,764)
Enhanced Community Coordination	456,729	550,484	511,967	(38,517)
System Of Care	449,340	290,346	204,137	(86,209)
SAPT SUBS ABUSE Community Health Workers	-	835,199	744,007	(91,192)
Disaster Assistance - FEMA-DR-4485-TX	2,842,800	2,842,800	2,997,401	154,601
Delivery System Reform Incentive Payments	26,009,876	26,009,876	48,842,439	22,832,563
Medicaid Admin Claiming Program	8,271,797	8,351,400	7,980,012	(371,388)
City of Houston-Respite, Rehab and Re-Entry Center	-	5,000,000	5,000,000	-
Harris County-Community Wide COVID Housing Program	-	826,764	531,502	(295,262)
Coronavirus Aid, Relief, and Economic Security Act	-	177,350	177,350	-
Be Well Be Connected Program	-	-	111,780	111,780
Medication Opioid Use Disorder(MOUD)	-	125,000	125,000	-
<b>Total Federal Program Revenues</b>	<b>47,038,994</b>	<b>55,034,854</b>	<b>76,758,103</b>	<b>21,723,249</b>
<b>Local Revenues</b>				
County funds	48,063,226	57,211,207	51,260,112	(5,951,095)
<b>Local Billings</b>				
Patient fees and private insurance	1,503,909	1,493,787	6,375,505	4,881,718
Medicare	1,267,401	1,267,401	1,317,536	50,135
Medicaid	22,373,457	22,681,375	16,752,504	(5,928,871)
ICF/MR, HCS and THL waiver	8,570,459	8,685,703	5,959,701	(2,726,002)
<b>Total Local Billings</b>	<b>33,715,226</b>	<b>34,128,266</b>	<b>30,405,246</b>	<b>(3,723,020)</b>
Investment Earnings	500,000	500,000	119,813	(380,187)
Miscellaneous	2,418,074	3,505,133	6,057,515	2,552,382
<b>Total Revenues before Patient Assistance Program</b>	<b>257,812,088</b>	<b>279,225,012</b>	<b>292,507,607</b>	<b>13,282,595</b>
Patient Assistance Program	22,196,342	22,196,342	13,947,037	-
<b>Total Revenues</b>	<b>\$ 280,008,430</b>	<b>\$ 301,421,354</b>	<b>\$ 306,454,644</b>	<b>\$ -</b>



**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**BUDGETARY COMPARISON STATEMENT**  
**GENERAL FUND**  
**For the Year Ended August 31, 2021**

	Budget		Actual (Budgetary Basis)	Variance Positive/ (Negative)
	Original	Final		
<b>Expenditures</b>				
<b>Current:</b>				
Personnel costs	\$ 191,138,713	\$ 199,785,954	\$ 197,937,898	\$ 1,848,056
Contracts with service agencies and professional fees	50,120,181	50,899,296	47,637,413	3,261,883
Drug cost and other supplies	3,837,260	4,469,125	4,111,680	357,445
Rental	755,384	732,701	906,282	(173,581)
Repairs and maintenance	7,463,512	23,492,768	17,045,389	6,447,379
Travel	2,074,392	2,021,796	675,980	1,345,816
Security services	1,019,027	1,089,829	915,210	174,619
Utilities	2,675,839	2,747,952	2,850,203	(102,251)
Other	7,395,743	9,277,738	8,637,526	640,212
Principal	545,715	545,715	545,714	1
Interest and other charges	42,882	6,709	6,709	-
<b>Capital outlay</b>	<u>31,409,730</u>	<u>30,846,685</u>	<u>10,869,497</u>	<u>19,977,188</u>
<b>Total expenditures before Patient Assistance Program</b>	<u>298,478,378</u>	<u>325,916,268</u>	<u>292,139,501</u>	<u>33,776,767</u>
			-	
Patient Assistance Program	<u>19,000,000</u>	<u>19,000,000</u>	<u>13,947,037</u>	<u>5,052,963</u>
<b>Total expenditures</b>	<u>317,478,378</u>	<u>344,916,268</u>	<u>306,086,538</u>	<u>38,829,730</u>
<b>Excess of revenues over expenditures</b>	(37,469,948)	(43,494,914)	368,106	40,731,591
<b>Other Financing Sources</b>				
Sale of capital assets	-	-	72,625	72,625
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>72,625</u>	<u>72,625</u>
<b>Excess of revenues and other financing sources over expenditures</b>	<u>\$ (37,469,948)</u>	<u>\$ (43,494,914)</u>	<u>\$ 440,731</u>	<u>\$ (43,054,183)</u>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**BUDGETARY COMPARISON STATEMENT**  
**BUDGET-TO-GAAP RECONCILIATION – GENERAL FUND**  
**For the Year Ended August 31, 2021**

*Sources / Inflows of Resources*

**Total revenue as per Budgetary Comparison Schedule** \$ 306,454,644

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. (13,947,037)

**Total revenue as per Statement of Revenues, Expenditures and Changes  
in Fund Balances - Governmental Funds** \$ 292,507,607

*Uses / Outflows of Resources*

**Total expenditures as per Budgetary Comparison Schedule** \$ 306,086,538

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. (13,947,037)

**Total expenditures as per Statement of Revenues, Expenditures and Changes  
in Fund Balances - Governmental Funds** \$ 292,139,501

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
*For the Years Ended August 31, 2021 and 2020*

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 50,270	\$ 103,167
<b>Total Assets</b>	<u>50,270</u>	<u>103,167</u>
<b>Liabilities</b>	<u>-</u>	<u>-</u>
<b>Net Position</b>		
Restricted for Clients	<u>\$ 50,270</u>	<u>\$ 103,167</u>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
*For the Years Ended August 31, 2021 and 2020*

	<u>2021</u>	<u>2020</u>
<b>Additions</b>		
SSI Client related receipts	\$ 124,446	
Interest earnings - Deferred Compensation Plan	39	\$ 43,281
<b>Total Additions</b>	<u>124,485</u>	<u>43,281</u>
<b>Deductions</b>		
SSI Client deductions	107,159	
Deferred Compensation Plan	70,223	35,000
<b>Total Deductions</b>	<u>177,382</u>	<u>35,000</u>
Changes in Net Position	(52,897)	8,281
Beginning Net Position	103,167	-
<b>Prior Period Adjustment</b>	-	94,886
Ending Net Position	<u>\$ 50,270</u>	<u>\$ 103,167</u>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**COMBINING STATEMENT OF NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**August 31, 2021**

	Pasadena Cottages, Inc. May 31, 2021	Pecan Village, Inc. August 31, 2021	Villas at Bayou Park, Inc August 31, 2021	Pear Grove, Inc. August 31, 2021	Acres Homes Garden, Inc. August 31, 2021	Friends of MHMRA August 31, 2021	Total
<b>Assets</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 55,432	\$ 3,464	\$ 5,919	\$ 804	\$ 299	\$ 748,475	\$ 814,393
Accounts receivable	-	1,112	1,464	325	663	2,635	6,199
Prepaid expenses	8,553	10,915	8,910	8,338	9,036	-	45,752
Other assets	-	5,189	3,570	601	-	-	9,360
<b>Total current assets</b>	<b>63,985</b>	<b>20,680</b>	<b>19,863</b>	<b>10,068</b>	<b>9,998</b>	<b>751,110</b>	<b>875,704</b>
<b>Noncurrent assets:</b>							
Restricted cash and cash equivalents	35,986	109,989	89,704	96,284	56,927	-	388,890
Capital assets, net	142,440	634,837	1,394,760	1,164,664	1,475,958	-	4,812,659
<b>Total noncurrent assets</b>	<b>178,426</b>	<b>744,826</b>	<b>1,484,464</b>	<b>1,260,948</b>	<b>1,532,885</b>	<b>-</b>	<b>5,201,549</b>
<b>Total assets</b>	<b>242,411</b>	<b>765,506</b>	<b>1,504,327</b>	<b>1,271,016</b>	<b>1,542,883</b>	<b>751,110</b>	<b>6,077,253</b>
<b>Liabilities</b>							
<b>Current liabilities:</b>							
Accounts payable	68,974	2,259	3,621	6,618	16,172	19,250	116,894
Accrued management fee payable	4,196	692	724	563	563	-	6,738
Accrued interest payable	1,505	-	-	-	-	-	1,505
Unearned revenue	-	164	42	228	282	3,600	4,316
Other current liabilities	-	5,222	59,579	30,479	76,440	-	171,720
Deposits payable	150	4,669	3,378	3,152	3,127	-	14,476
Current portion of long-term obligations	19,936	-	-	-	-	-	19,936
<b>Total current liabilities</b>	<b>94,761</b>	<b>13,006</b>	<b>67,344</b>	<b>41,040</b>	<b>96,584</b>	<b>22,850</b>	<b>335,585</b>
<b>Noncurrent liabilities:</b>							
Noncurrent portion of long-term obligations	180,791	-	90,000	70,000	-	-	340,791
<b>Total liabilities</b>	<b>275,552</b>	<b>13,006</b>	<b>157,344</b>	<b>111,040</b>	<b>96,584</b>	<b>22,850</b>	<b>676,376</b>
<b>Net position (deficit)</b>							
Net investment in capital assets	-	634,837	1,304,760	1,094,664	1,475,958	-	4,510,219
Unrestricted net position	(33,141)	117,663	42,223	65,312	(29,659)	728,260	890,658
<b>Total net position (deficit)</b>	<b>\$ (33,141)</b>	<b>\$ 752,500</b>	<b>\$ 1,346,983</b>	<b>\$ 1,159,976</b>	<b>\$ 1,446,299</b>	<b>\$ 728,260</b>	<b>\$ 5,400,877</b>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**COMBINING STATEMENT OF NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**August 31, 2020**

	Pasadena Cottages, Inc. May 31, 2020	Pecan Village, Inc. August 31, 2020	Villas at Bayou Park, Inc August 31, 2020	Pear Grove, Inc. August 31, 2020	Acres Homes Garden, Inc. August 31, 2020	Friends of MHMRA August 31, 2020	Total
<b>Assets</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 57,424	\$ 14,719	\$ 11,369	\$ 12,446	\$ 924	\$ 922,812	\$ 1,019,694
Accounts receivable	-	2,591	1,424	958	518	452	5,943
Prepaid expenses	5,556	9,803	9,276	7,666	8,495	-	40,796
Other assets	27	3,575	3,242	3,827	-	-	10,671
<b>Total current assets</b>	<b>63,007</b>	<b>30,688</b>	<b>25,311</b>	<b>24,897</b>	<b>9,937</b>	<b>923,264</b>	<b>1,077,104</b>
<b>Noncurrent assets:</b>							
Restricted cash and cash equivalents	32,862	105,210	84,757	93,331	58,537	-	374,697
Capital assets, net	152,912	666,189	1,439,205	1,209,432	1,523,593	-	4,991,331
<b>Total noncurrent assets</b>	<b>185,774</b>	<b>771,399</b>	<b>1,523,962</b>	<b>1,302,763</b>	<b>1,582,130</b>	<b>-</b>	<b>5,366,028</b>
<b>Total assets</b>	<b>248,781</b>	<b>802,087</b>	<b>1,549,273</b>	<b>1,327,660</b>	<b>1,592,067</b>	<b>923,264</b>	<b>6,443,132</b>
<b>Liabilities</b>							
<b>Current liabilities:</b>							
Accounts payable	82,919	10,118	66,027	25,810	62,891	53,711	301,476
Accrued management fee payable	5,213	-	-	-	563	-	5,776
Accrued interest payable	1,642	-	-	-	-	-	1,642
Deposits payable	-	4,150	3,240	3,008	3,127	-	13,525
Current portion of long-term obligations	18,226	-	-	-	-	-	18,226
<b>Total current liabilities</b>	<b>108,000</b>	<b>14,268</b>	<b>69,267</b>	<b>28,818</b>	<b>66,581</b>	<b>53,711</b>	<b>340,645</b>
<b>Noncurrent liabilities:</b>							
Noncurrent portion of long-term obligations	200,727	-	90,000	70,000	-	-	360,727
<b>Total liabilities</b>	<b>308,727</b>	<b>14,268</b>	<b>159,267</b>	<b>98,818</b>	<b>66,581</b>	<b>53,711</b>	<b>701,372</b>
<b>Net position (deficit)</b>							
Net investment in capital assets	(66,041)	666,189	1,349,205	1,139,432	1,523,593	-	4,612,378
Unrestricted net position	6,095	121,630	40,801	89,410	1,893	869,553	1,129,382
<b>Total net position (deficit)</b>	<b>\$ (59,946)</b>	<b>\$ 787,819</b>	<b>\$ 1,390,006</b>	<b>\$ 1,228,842</b>	<b>\$ 1,525,486</b>	<b>\$ 869,553</b>	<b>\$ 5,741,760</b>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**COMBINING STATEMENT OF ACTIVITIES**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**For the Year Ended August 31, 2021**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position						Totals
	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	
<b>Pasadena Cottages, Inc.</b>										
HUD Section 811 program	\$ 131,445	\$ 158,250	\$ -	\$ 26,805	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,805
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
<b>Total -Pasadena Cottage, Inc</b>	<u>131,445</u>	<u>158,250</u>	<u>-</u>	<u>26,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,805</u>
<b>Pecan Village, Inc.</b>										
HUD Section 811 program	143,274	107,927	-	-	(35,347)	-	-	-	-	(35,347)
<b>Villas at Bayou Park, Inc.</b>										
HUD Section 811 program	124,042	80,993	-	-	-	(43,049)	-	-	-	(43,049)
<b>Pear Grove, Inc.</b>										
HUD Section 811 program	142,168	73,297	-	-	-	-	(68,871)	-	-	(68,871)
<b>Acres Homes Garden, Inc.</b>										
HUD Section 811 program	152,144	72,943	-	-	-	-	-	(79,201)	-	(79,201)
<b>Friends of MHMRA</b>										
Fund raising activities	178,029	-	35,582	-	-	-	-	-	(142,447)	(142,447)
<b>Total component units</b>	<u>\$ 871,102</u>	<u>\$ 493,410</u>	<u>\$ 35,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(342,110)</u>
<b>General revenues:</b>										
Investment earnings	-	-	-	-	28	26	5	14	1,154	1,227
<b>Total general revenues and transfer</b>	-	-	-	-	<u>28</u>	<u>26</u>	<u>5</u>	<u>14</u>	<u>1,154</u>	<u>1,227</u>
Change in net position				26,805	(35,319)	(43,023)	(68,866)	(79,187)	(141,293)	(340,883)
<b>Net assets (deficit) - beginning of year as previous</b>				(59,946)	787,819	1,390,006	1,228,842	1,525,486	869,553	5,741,760
<b>Net assets (deficit) - ending</b>	<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>			

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**COMBINING STATEMENT OF ACTIVITIES**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**For the Year Ended August 31, 2020**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position						Totals
	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	
<b>Pasadena Cottages, Inc.</b>										
HUD Section 811 program	\$ 130,934	\$ 148,200	\$ -	\$ 17,266	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,266
Interest on long-term debt	20,404	-	-	(20,404)	-	-	-	-	-	(20,404)
<b>Total -Pasadena Cottage, Inc</b>	<b>151,338</b>	<b>148,200</b>	<b>-</b>	<b>(3,138)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,138)</b>
<b>Pecan Village, Inc.</b>										
HUD Section 811 program	144,613	204,951	-	-	60,338	-	-	-	-	60,338
<b>Villas at Bayou Park, Inc.</b>										
HUD Section 811 program	134,137	214,423	-	-	-	80,286	-	-	-	80,286
<b>Pear Grove, Inc.</b>										
HUD Section 811 program	124,420	296,894	-	-	-	-	172,474	-	-	172,474
<b>Acres Homes Garden, Inc.</b>										
HUD Section 811 program	125,894	134,854	-	-	-	-	-	8,960	-	8,960
<b>Friends of MHMRA</b>										
Fund raising activities	26,284	-	69,648	-	-	-	-	-	43,364	43,364
<b>Total component units</b>	<b>\$ 706,686</b>	<b>\$ 999,322</b>	<b>\$ 69,648</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>362,284</b>
<b>General revenues:</b>										
Investment earnings				67	47	64	76	23	11,796	12,073
<b>Total general revenues and transfer</b>				<b>67</b>	<b>47</b>	<b>64</b>	<b>76</b>	<b>23</b>	<b>11,796</b>	<b>12,073</b>
Change in net position				(3,071)	60,385	80,350	172,550	8,983	55,160	374,357
<b>Net assets (deficit) - beginning of year as previous</b>				<b>(56,875)</b>	<b>727,434</b>	<b>1,309,656</b>	<b>1,056,292</b>	<b>1,516,503</b>	<b>814,393</b>	<b>5,367,403</b>
<b>Net assets (deficit) - ending</b>	<b>\$ (59,946)</b>	<b>\$ 787,819</b>	<b>\$ 1,390,006</b>	<b>\$ 1,228,842</b>	<b>\$ 1,525,486</b>	<b>\$ 869,553</b>	<b>\$ 5,741,760</b>			



# 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 (21<sup>st</sup> 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.

###### *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.

## **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 (continued)*

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 are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

##### **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**

*Agency Fund* – Used to account for assets held as an agent for individuals and other governmental entities. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. 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. This fund also contains non-vested, compensation amounts earned by employees.

##### **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 and that of the Texas Health and Human Services Commission ("HHSC"). All annual appropriations lapse at fiscal year-end.

## **THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**

### **NOTES TO FINANCIAL STATEMENTS (continued)**

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

##### **Budgetary Information (continued)**

Contract and budget terms are determined by the 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, 2021 and 2020, 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 cost. 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. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. No depreciation is calculated on land. Depreciation expense on assets specifically identified with a function/program is included in its direct expenses, and the depreciation 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

#### 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.

## THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

### NOTES TO FINANCIAL STATEMENTS (continued)

#### Note 2 - Summary of Significant Accounting (continued)

##### 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.

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.

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 2 - Summary of Significant Accounting (continued)**

**Use of Estimates (continued)**

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.

**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 \$8,141,455 difference are as follows:

Notes Payable	\$ -
Compensated absences	8,141,453
<b>Net Adjustments</b>	<b>\$ 8,141,453</b>

**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 the \$20,649,212 difference are as follows:

Capital outlay	\$ 22,962,401
Depreciation expense	(2,313,189)
<b>Net Adjustments</b>	<b>\$ 20,649,212</b>

**Implementation of New Standards**

**GASB No. 84 Fiduciary Activities** was issued in January 2017 and effective for periods beginning December 15, 2019. This standard establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities.

**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)**

This standard must be applied retroactively and as such beginning net position and/or fund balance have been restated. The Center has evaluated the effects of this standard and has restated its beginning net position in the Statement of Changes in Fiduciary Net Position, accordingly.

**GASB No. 90** *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61* was issued in August 2018 and effective for periods beginning December 15, 2019. The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. An equity interest is a financial interest in a legally separate organization evidenced by the ownership of shares of the organization’s stock or by otherwise having an explicit, measurable right to the net resources of the organization that is usually based on an investment of financial or capital resources by a government. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government’s share of the entity’s net resources is determinable. The Center has determined that this Statement does not have an effect on the financial statements as of August 31, 2021.

**GASB Statement No. 98** *The Annual Comprehensive Financial Report*. This statement was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This statement is effective for fiscal years ending after December 15, 2021 but earlier application is encouraged. The Center implemented this statement in fiscal year 2021.

**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, 2021 and 2020, the balances per various financial institutions were \$17,878,948 and 11,544,783, 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, 2021 the Center had the following investments:

Security	Weighted Average Maturity	Rating	Fair Value as of 8/31/2021
<b>Local Government Investment Funds</b>			
TexPool Investment Fund	30	AAAm	\$ 55,353,900
Texas CLASS	53	AAAm	57,524,639
<b>Total Local Government Investment Funds</b>			<b>\$ 112,878,539</b>



# THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

## NOTES TO FINANCIAL STATEMENTS (continued)

### Note 3 - Deposits and Investments (continued)

#### Custodial Credit Risk - Investments (continued)

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 2020, 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 2020 investments are shown below:

<u>Security</u>	<u>Weighted Average Maturity</u>	<u>Rating</u>	<u>Fair Value as of 8/31/2020</u>
<b>Local Government Investment Funds</b>			
TexPool Investment Fund	27	AAAm	\$ 23,069,701
Texas CLASS	54	AAAm	97,039,698
<b>Total Local Government Investment Funds</b>			<u>\$ 120,109,399</u>

#### 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 HARRIS CENTER FOR MENTAL HEALTH AND IDD**

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 3 - Deposits and Investments (continued)**

**Credit Risk (continued)**

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, 2021 and 2020 for the primary government:

	<u>2021</u>	<u>2020</u>
<b>Due from other governments</b>		
Harris County	\$ 8,329,009	\$ 3,691,990
State and Federal	9,395,688	17,044,358
3rd Party billings (net of allowance for uncollectible amounts of \$6,900,034 and \$2,881,920).	3,559,775	2,149,444
Other receivables	2,424,456	617,823
<b>Total receivables</b>	<u>\$ 23,708,928</u>	<u>\$ 23,503,615</u>

**Note 5 - Capital Assets**

A summary of changes in general capital asset balances for the year ended August 31, 2021, is as follows:

	<u>Primary Government</u>			
	<u>Balance as of September 1, 2020</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 5,028,114		\$ 1,403,922	\$ 6,432,036
Construction in progress	3,163,960	15,283,981	(2,374,318)	16,073,623
<b>Total capital assets, not being depreciated</b>	<u>8,192,074</u>	<u>15,283,981</u>	<u>(970,396)</u>	<u>22,505,659</u>
Capital assets being depreciated:				
Buildings and improvements	39,386,250	7,339,948	669,591	47,395,789
Furniture and Equipment	9,835,490	338,472	(2,642,103)	7,531,859
Intangible assets - software	42,704	-	-	42,704
Vehicles	1,605,231	-	(35,463)	1,569,768
<b>Total capital assets being depreciated</b>	<u>50,869,675</u>	<u>7,678,420</u>	<u>(2,007,975)</u>	<u>56,540,120</u>
<b>Total capital assets at historical cost</b>	<u>59,061,749</u>	<u>22,962,401</u>	<u>(2,978,371)</u>	<u>79,045,779</u>
Less accumulated depreciation for				
Buildings and improvements	20,554,545	1,901,386	-	22,455,931
Furniture and Equipment	8,525,036	335,575	(2,942,908)	5,917,703
Vehicles	1,342,494	76,228	-	1,418,722
<b>Total accumulated depreciation</b>	<u>30,422,075</u>	<u>2,313,189</u>	<u>(2,942,908)</u>	<u>29,792,356</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 28,639,674</u>	<u>\$ 20,649,212</u>	<u>\$ (35,463)</u>	<u>\$ 49,253,423</u>

**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, 2020, is as follows:

	<b>Primary Government</b>			<b>Balance as of August 31, 2020</b>
	<b>Balance as of September 1, 2019</b>	<b>Additions</b>	<b>Retirements</b>	
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 5,028,114	\$ -	\$ -	\$ 5,028,114
Construction in progress	-	3,163,960	-	3,163,960
<b>Total capital assets, not being depreciated</b>	<b>5,028,114</b>	<b>3,163,960</b>	<b>-</b>	<b>8,192,074</b>
Capital assets being depreciated:				
Buildings and improvements	39,276,961	109,289	-	39,386,250
Furniture and Equipment	9,550,809	525,727	(241,046)	9,835,490
Intangible assets - software	-	42,704	-	42,704
Vehicles	1,511,104	114,531	(20,404)	1,605,231
<b>Total capital assets being depreciated</b>	<b>50,338,874</b>	<b>792,251</b>	<b>(261,450)</b>	<b>50,869,675</b>
<b>Total capital assets at historical cost</b>	<b>55,366,988</b>	<b>3,956,211</b>	<b>(261,450)</b>	<b>59,061,749</b>
Less accumulated depreciation for				
Buildings and improvements	18,676,350	1,878,195	-	20,554,545
Furniture and Equipment	8,303,371	462,711	(241,046)	8,525,036
Vehicles	1,269,155	93,743	(20,404)	1,342,494
<b>Total accumulated depreciation</b>	<b>28,248,876</b>	<b>2,434,649</b>	<b>(261,450)</b>	<b>30,422,075</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 27,118,112</b>	<b>\$ 1,521,562</b>	<b>\$ -</b>	<b>\$ 28,639,674</b>

Depreciation expense for the years ended August 31, 2021 and 2020 were \$2,313,189 and \$2,975,342, respectively, and were charged to the following functions and activities:

	<b>2021</b>	<b>2020</b>
<b>Primary government</b>		
<b>Governmental Activities:</b>		
General Administration	\$ 971,543	\$ 1,022,556
Adult Mental Health	624,561	657,355
Intellectual and Developmental Disabilities	277,580	292,155
Child and Adolescent	138,791	146,079
Crisis Center	300,714	316,504
<b>Total governmental activities</b>	<b>\$ 2,313,189</b>	<b>\$ 2,434,649</b>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 6 - Long-Term Liabilities**

Long-term liability activity for the year ended August 31, 2021 was as follows:

	Balance as of September 01, 2020	Additions	Retirements	Balance as of August 31, 2021	Amounts due within One Year
<b>Governmental activities</b>					
Notes Payable:					
Bank notes payable	\$ 545,713	\$ -	\$ 545,713	\$ -	
Other liabilities:					
Compensated Absences	7,873,905	14,177,604	13,910,056	8,141,453	250,000
<b>Governmental activities long-term liabilities</b>	<u>\$ 8,419,618</u>	<u>\$ 14,177,604</u>	<u>\$ 14,455,769</u>	<u>\$ 8,141,453</u>	<u>\$ 250,000</u>

Long-term liability activity for the year ended August 31, 2020 was as follows:

	Balance as of September 01, 2019	Additions	Retirements	Balance as of August 31, 2020	Amounts due within One Year
<b>Governmental activities</b>					
Notes Payable:					
Bank notes payable	\$ 1,637,142	\$ -	\$ 1,091,429	\$ 545,713	\$ 545,713
Other liabilities:					
Compensated Absences	5,686,582	3,744,714	1,557,391	7,873,905	250,000
<b>Governmental activities long-term liabilities</b>	<u>\$ 7,323,724</u>	<u>\$ 3,744,714</u>	<u>\$ 2,648,820</u>	<u>\$ 8,419,618</u>	<u>\$ 795,713</u>

The Center has issued notes payable to provide funds for the acquisition of capital assets. In fiscal year 2014, the Center entered into a note payable to JPMorgan Chase Bank that carries an interest rate of 1.99%, is payable in semi-annual payments of \$545,714 plus interest, and is secured by a security and deed of trust on related property through December 2021. The note payable was paid off during fiscal year 2021.

**Note 7 - Operating Leases**

The Center leases certain administrative, residential and outpatient facilities under operating lease agreements. Rent expenditures/expense under operating leases, including annually renewable operating leases for equipment and vehicles, amounted to \$906,282 and \$822,483 in for the years ended August 31, 2021 and 2020, respectively.

The future minimum rental payments required under non-cancelable operating leases having remaining terms in excess of one year as of August 31, 2021 are as follows:

Year ending Aug 31,	
2022	\$ 209,456
2023	188,776
2024	178,436
2025	74,378
	<u>\$ 651,046</u>

## **THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**

### **NOTES TO FINANCIAL STATEMENTS (continued)**

#### **Note 8 - 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 \$99,286 for both years ended August 31, 2021 and 2020, respectively.

The Center recorded revenue of \$21,355,433 in financial support from the County in fiscal year 2021 and \$21,175,605 in fiscal year 2020.

#### **Note 9 - Pension 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 2020 and 2019 amounted to \$1,129,099 and \$1,021,401, 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, 2021 and 2020 amounted to \$10,470,562 and \$8,524,292, respectively.

#### **Note 10 - 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.

## **THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**

### **NOTES TO FINANCIAL STATEMENTS (continued)**

#### **Note 11 - 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 12 - 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, 2021 and 2020 were \$13,947,037 and \$21,686,363, 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.

#### **Note 13 - Delivery System Reform Incentive Payments**

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).

For the year ended August 31, 2021 and August 31, 2019 \$48,842,439 and \$64,900,615 was recorded as revenue from DSRIP.

## THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

### NOTES TO FINANCIAL STATEMENTS (continued)

#### Note 14 - New COVID-19 Homeless Respite and Rehabilitation Center

On September 30, 2020, The Harris Center purchased a facility located at 6160 South Loop East in Houston, TX. The purpose is for Respite, Rehabilitation, and Re-Entry. The purchase price of the facility was \$7,251,151 and dollars are being spent now on renovations, furniture purchases, etc. The funding came from \$5 million of City of Houston COVID-19 dollars and \$4.25 million of Harris County dollars. \$750,000 of County dollars will be spent operating the Re-Entry program for the next 12 months.

#### Note 15 - Prior Period Adjustment

The Center implemented GASB No. 84, *Fiduciary Activities* and established beginning net position for its custodial funds. The net position as of fiscal year 2020 was restated by \$94,886.



*Transforming Lives*



## **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, 2021**

	<u><b>Total</b></u>
<b>Governmental Funds Capital Assets</b>	
Land	\$ 6,432,036
Construction in Progress	16,073,623
Buildings	25,773,794
Furniture and Equipment	7,574,563
Leasehold Improvements	21,621,995
Vehicles	1,569,768
<b>Total Governmental Fund Capital Assets</b>	<u><u>\$ 79,045,779</u></u>
<b>Investment in Governmental Funds Capital Assets by Source</b>	
General Fund	<u>\$ 79,045,779</u>
<b>Total Investment in Governmental Funds Capital Assets</b>	<u><u>\$ 79,045,779</u></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, 2021**

<u>Function</u>	<u>Land</u>	<u>Buildings</u>	<u>Equipment and Furniture</u>
Mental Health	\$ 1,895,148	\$ 5,901,717	\$ 1,824,518
Intellectual and Developmental Disabilities	916,080	2,895,662	509,022
Child and Adolescent	174,011	1,274,669	551,288
Crisis Center	588,825	9,669,221	514,797
Administration	<u>2,857,972</u>	<u>6,032,525</u>	<u>4,174,938</u>
<b>Total Governmental Fund Capital Assets</b>	<u><u>\$ 6,432,036</u></u>	<u><u>\$ 25,773,794</u></u>	<u><u>\$ 7,574,563</u></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, 2021**

<u>Function</u>	<u>Leasehold Improvements</u>	<u>Vehicles</u>	<u>Construction in Progress</u>	<u>Total</u>
Mental Health	\$ 5,295,558	\$ 477,700	\$ -	\$ 15,394,641
Intellectual and Developmental Disabilities	2,226,706	177,939	-	6,725,409
Child and Adolescent	1,433,687	-	-	3,433,655
Crisis Center	2,776,130	862,303	-	14,411,276
Administration	9,889,914	51,826	16,073,623	39,080,798
<b>Total Governmental Fund Capital Assets</b>	<u>\$ 21,621,995</u>	<u>\$ 1,569,768</u>	<u>\$ 16,073,623</u>	<u>\$ 79,045,779</u>

**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, 2021**

<u>Function</u>	<u>Governmental Fund Capital Assets August 31, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Governmental Fund Capital Assets August 31, 2021</u>
Mental Health	\$ 15,833,029	\$ 239,873	\$ (678,261)	\$ 15,394,641
Intellectual and Developmental Disabilities	7,186,196	184,330	(645,117)	6,725,409
Child and Adolescent	3,359,016	74,639	-	3,433,655
Crisis Center	7,278,949	7,132,327	-	14,411,276
Administration	25,404,559	17,670,087	(3,993,848)	39,080,798
<b>Total Governmental Fund Capital Assets</b>	<u>\$ 59,061,749</u>	<u>\$ 25,301,256</u>	<u>\$ (5,317,226)</u>	<u>\$ 79,045,779</u>

**STATISTICAL SECTION  
(UNAUDITED)**

**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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 18,340,667	\$ 19,361,119	\$ 21,640,340	\$ 34,224,927	\$ 36,369,915
Unrestricted	<u>41,232,357</u>	<u>42,452,145</u>	<u>57,323,346</u>	<u>44,503,224</u>	<u>44,756,241</u>
<b>Total governmental activities net position</b>	<u>\$ 59,573,024</u>	<u>\$ 61,813,264</u>	<u>\$ 78,963,686</u>	<u>\$ 78,728,151</u>	<u>\$ 81,126,156</u>



**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD****NET POSITION BY COMPONENT***Last Ten Fiscal Year (Accrual Basis of Accounting)**Table 1**Page 2 of 2*

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 29,457,337	\$ 27,473,237	\$ 25,480,970	\$ 28,093,961	\$ 49,253,423
Unrestricted	<u>49,448,324</u>	<u>72,502,908</u>	<u>90,318,395</u>	<u>112,760,517</u>	<u>112,933,700</u>
<b>Total governmental activities net position</b>	<u>\$ 78,905,661</u>	<u>\$ 99,976,145</u>	<u>\$ 115,799,365</u>	<u>\$ 140,854,478</u>	<u>\$ 162,187,123</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Expenses</b>					
Governmental activities:					
Adult Mental Health	\$ 51,359,838	\$ 52,421,224	\$ 68,146,563	\$ 83,226,544	\$ 91,091,630
Intellectual & Developmental Disabilities	39,042,871	39,367,361	41,147,139	42,673,928	38,577,809
Child and Adolescent	16,891,756	17,564,259	18,916,913	21,764,369	21,301,580
Crisis Center	29,822,983	30,768,150	35,956,233	39,378,723	41,615,210
Community Hospital	27,060,660	32,038,969	31,481,431	32,526,192	34,458,349
Interest on long-term debt	200,251	152,415	179,191	186,749	119,925
<b>Total governmental activities expenses</b>	<u>164,378,359</u>	<u>172,312,378</u>	<u>195,827,470</u>	<u>219,756,505</u>	<u>227,164,503</u>
<b>Program Revenues</b>					
Governmental activities:					
Adult Mental Health	51,391,116	54,595,205	79,297,874	81,106,844	88,451,372
Intellectual & Developmental Disabilities	35,821,059	35,644,524	37,584,146	37,907,793	36,024,333
Child and Adolescent	16,699,140	15,991,984	16,502,431	22,847,722	21,461,922
Crisis Center	15,019,426	17,947,672	30,519,423	27,720,845	33,418,720
Community Hospital	23,529,696	28,493,696	28,406,319	29,693,696	30,800,496
<b>Total governmental activities program revenues</b>	<u>142,460,437</u>	<u>152,673,081</u>	<u>192,310,193</u>	<u>199,276,900</u>	<u>210,156,843</u>
<b>Net (Expense) Revenue</b>					
Governmental activities	(21,917,922)	(19,639,297)	(3,517,277)	(20,479,605)	(17,007,660)
<b>General Revenues and Other</b>					
<b>Changes in Net Position</b>					
Governmental activities:					
Grants and contributions not restricted to specific programs	20,371,022	20,550,038	20,632,988	19,359,773	18,456,922
Unrestricted investment earnings	386,127	(17,127)	308,905	222,109	295,372
Miscellaneous	452,334	1,232,202	273,597	655,615	602,361
Gain on sale of capital assets	26,240	19,520	24,478	6,560	51,010
Special items -					
Impairment of intangible asset	-	-	-	-	-
<b>Total</b>	<u>21,235,723</u>	<u>21,784,633</u>	<u>21,239,968</u>	<u>20,244,057</u>	<u>19,405,665</u>
<b>Change in Net Position</b>					
Governmental activities	<u>\$ (682,199)</u>	<u>\$ 2,145,336</u>	<u>\$ 17,722,691</u>	<u>\$ (235,548)</u>	<u>\$ 2,398,005</u>

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

**Table 2**  
**Page 2 of 2**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Expenses</b>					
Governmental activities:					
Adult Mental Health	\$ 94,427,166	\$ 96,890,848	\$ 93,469,443	\$ 102,912,380	\$ 110,069,455
Intellectual & Developmental Disabilities	38,175,764	38,292,658	40,503,803	43,018,877	42,617,692
Child and Adolescent	23,608,324	24,622,171	25,693,480	23,544,097	23,333,822
Crisis Center	45,643,089	43,022,415	53,423,641	57,998,372	60,513,418
Community Hospital	34,900,020	34,215,576	34,546,935	33,846,528	34,381,489
Interest on long-term debt	93,605	78,698	60,238	33,547	6,709
<b>Total governmental activities expenses</b>	<u>236,847,968</u>	<u>237,122,366</u>	<u>247,697,540</u>	<u>261,353,801</u>	<u>270,922,585</u>
<b>Program Revenues</b>					
Governmental activities:					
Adult Mental Health	94,709,224	98,673,597	97,116,386	139,798,674	128,516,819
Intellectual & Developmental Disabilities	39,072,798	42,652,236	40,352,429	37,847,522	35,164,447
Child and Adolescent	22,047,046	20,383,462	24,036,880	19,696,195	19,130,532
Crisis Center	35,709,458	41,989,680	41,780,163	41,259,860	55,585,179
Community Hospital	30,800,496	30,800,496	30,800,495	24,662,929	26,005,371
<b>Total governmental activities program revenues</b>	<u>222,339,022</u>	<u>234,499,471</u>	<u>234,086,353</u>	<u>263,265,180</u>	<u>264,402,348</u>
<b>Net (Expense) Revenue</b>					
Governmental activities	(14,508,946)	(2,622,895)	(13,611,187)	1,911,379	(6,520,237)
<b>General Revenues and Other</b>					
<b>Changes in Net Position</b>					
Governmental activities:					
Grants and contributions not restricted to specific programs	17,660,928	18,874,878	20,500,000	21,175,605	25,836,665
Unrestricted investment earnings	446,138	936,214	2,084,663	1,093,385	119,813
Miscellaneous	334,602	277,879	154,083	849,027	1,823,779
Gain on sale of capital assets	44,862	3,604,408	10,751,207	25,717	72,625
Special items -					
Impairment of intangible asset	(6,198,078)	-	-	-	-
<b>Total</b>	<u>12,288,452</u>	<u>23,693,379</u>	<u>33,489,953</u>	<u>23,143,734</u>	<u>27,852,882</u>
<b>Change in Net Position</b>					
Governmental activities	<u>\$ (2,220,494)</u>	<u>\$ 21,070,484</u>	<u>\$ 19,878,766</u>	<u>\$ 25,055,113</u>	<u>\$ 21,332,645</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General fund</b>					
Nonspendable:					
Inventories	\$ 138,908	\$ 147,974	\$ 195,217	\$ 230,342	\$ 244,856
Prepays	315,871	408,202	875,965	585,604	785,019
Assigned:					
Delivery System Reform Incentive Projects	-	2,451,869	16,760,603	10,231,836	3,895,406
Infrastructure development	5,800,000	5,800,000	5,800,000	2,994,473	799,744
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	3,012,954	2,169,977	8,369,816	6,330,951	4,911,428
Compensated absences	3,342,268	3,435,430	5,247,282	6,264,742	6,573,523
Other purposes	409,768	414,460	404,706	394,052	410,498
Unassigned:	<u>27,397,775</u>	<u>26,328,057</u>	<u>20,756,976</u>	<u>19,574,866</u>	<u>29,542,446</u>
<b>Total General Fund</b>	<u>\$ 42,417,544</u>	<u>\$ 43,155,969</u>	<u>\$ 60,410,565</u>	<u>\$ 48,606,866</u>	<u>\$ 49,162,920</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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>General fund</b>					
Nonspendable:					
Inventories	\$ 233,710	\$ 235,526	\$ 257,786	\$ 246,618	\$ 293,235
Prepays	832,283	652,300	597,680	594,750	3,477,674
Assigned:					
Delivery System Reform Incentive Projects	3,895,406	14,226,265	27,420,497	4,253,997	-
Infrastructure development	204,866	121,846	121,846	-	-
Self-insurance	2,000,000	2,000,000	2,263,196	2,000,000	2,000,000
Current capital projects	-	-	-	7,786,806	23,620,608
Future purchase of real property and IT infrastructure	-	-	-	22,927,102	1,365,842
ECI building use	-	-	-	352,067	361,664
COVID-19 eFMAP reserve	-	-	-	5,524,745	1,469,158
Debt repayment	3,820,000	2,728,571	1,637,140	545,715	-
Compensated absences	6,692,142	5,719,850	5,686,582	4,854,354	4,854,354
Other purposes	426,944	374,890	335,621	-	-
Unassigned:	<u>35,855,265</u>	<u>49,951,732</u>	<u>57,684,629</u>	<u>71,548,268</u>	<u>83,632,618</u>
<b>Total General Fund</b>	<u>\$ 53,960,616</u>	<u>\$ 76,010,980</u>	<u>\$ 96,004,977</u>	<u>\$ 120,634,422</u>	<u>\$ 121,075,153</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**  
**Page 1 of 2**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Revenues</b>					
Local	\$ 64,363,140	\$ 67,052,301	\$ 66,236,188	\$ 70,714,740	\$ 69,599,303
State	89,622,892	94,319,225	104,833,857	102,911,444	110,851,190
Federal	9,681,399	13,159,316	42,454,903	45,887,191	49,055,292
<b>Total revenues</b>	<u>\$ 163,667,431</u>	<u>\$ 174,530,842</u>	<u>\$ 213,524,948</u>	<u>\$ 219,513,375</u>	<u>\$ 229,505,785</u>
<b>Expenditures</b>					
Salaries	86,527,045	89,048,998	101,194,770	118,697,865	124,691,712
Employee benefits	22,239,368	22,691,270	25,433,141	29,254,007	28,011,451
Professional and consultant services	7,384,814	7,713,373	10,351,530	10,240,517	10,575,182
Training and travel	2,979,031	2,927,971	2,969,507	3,278,161	3,337,267
Debt service:					
Principal	796,229	842,977	1,440,160	2,038,866	1,419,522
Interest	200,251	152,415	179,191	186,749	119,925
Capital outlay	2,375,254	1,560,933	10,551,229	12,002,583	4,168,307
Non-capitalized equipment	1,037,372	1,152,194	1,805,330	3,589,925	2,128,168
Pharmaceutical	1,471,468	1,133,818	1,274,994	1,377,772	1,886,395
Other	41,058,750	46,015,718	48,734,987	50,657,189	52,662,782
<b>Total expenditures</b>	<u>166,069,582</u>	<u>173,239,667</u>	<u>203,934,839</u>	<u>231,323,634</u>	<u>229,000,711</u>
<b>Excess of revenues over (under) expenditures</b>	(2,402,151)	1,291,175	9,590,109	(11,810,259)	505,074
<b>Other financing sources (uses)</b>					
Debt issuance	-	-	7,640,000	-	-
Transfers in	-	-	-	-	-
Sale of capital assets	26,240	19,520	24,478	6,560	51,010
<b>Total other financing sources (uses)</b>	<u>26,240</u>	<u>19,520</u>	<u>7,664,478</u>	<u>6,560</u>	<u>51,010</u>
<b>Net change in fund balances</b>	<u>\$ (2,375,911)</u>	<u>\$ 1,310,695</u>	<u>\$ 17,254,587</u>	<u>\$ (11,803,699)</u>	<u>\$ 556,084</u>
Ratio of total debt service expenditures to total noncapital expenditures	0.61%	1.00%	1.16%	0.68%	0.68%

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

**Table 4**  
**Page 2 of 2**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Revenues</b>					
Local	\$ 75,768,153	\$ 75,672,011	\$ 77,333,059	\$ 81,067,038	\$ 87,842,686
State	105,272,006	109,389,867	113,228,586	123,312,937	127,906,818
Federal	59,727,494	69,494,638	66,212,036	82,488,389	76,758,103
<b>Total revenues</b>	<u>\$ 240,767,653</u>	<u>\$ 254,556,516</u>	<u>\$ 256,773,681</u>	<u>\$ 286,868,364</u>	<u>\$ 292,507,607</u>
<b>Expenditures</b>					
Salaries	127,899,575	131,243,432	135,732,939	145,458,140	155,272,877
Benefits	33,125,125	33,557,908	37,961,468	41,588,459	42,665,021
Professional and consultant services	11,043,922	10,673,437	12,222,560	49,374,854	47,637,413
Training and travel	3,175,896	3,056,125	2,916,317	1,791,377	675,980
Debt service:					
Principal	1,091,429	1,091,429	1,091,429	1,091,429	545,714
Interest	93,605	78,698	60,238	33,547	6,709
Capital outlay	1,525,735	2,100,879	917,868	3,258,276	10,869,497
Non-capitalized equipment	2,890,221	1,552,041	1,827,915	7,703,176	17,045,389
Pharmaceutical	1,887,370	1,855,120	2,030,053	3,580,896	4,111,680
Other	53,281,971	53,059,028	52,003,976	8,384,482	13,309,221
<b>Total expenditures</b>	<u>236,014,849</u>	<u>238,268,097</u>	<u>246,764,763</u>	<u>262,264,636</u>	<u>292,139,501</u>
<b>Excess of revenues over (under) expenditures</b>	4,752,804	16,288,419	10,008,918	24,603,728	368,106
<b>Other financing sources (uses)</b>					
Debt issuance	-	-	-	-	-
Transfers in	-	-	2,263,196	-	-
Sale of capital assets	44,862	5,761,945	11,777,429	25,717	72,625
<b>Total other financing sources (uses)</b>	<u>44,862</u>	<u>5,761,945</u>	<u>14,040,625</u>	<u>25,717</u>	<u>72,625</u>
<b>Net change in fund balances</b>	<u>\$ 4,797,666</u>	<u>\$ 22,050,364</u>	<u>\$ 24,049,543</u>	<u>\$ 24,629,445</u>	<u>\$ 440,731</u>
Ratio of total debt service expenditures to total noncapital expenditures	0.51%	0.50%	0.47%	0.47%	0.00%

**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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Local</b>					
County government	\$ 28,132,939	\$ 29,273,302	\$ 30,412,676	\$ 35,157,223	\$ 34,692,528
Medicaid/Medicare	21,780,636	24,152,125	22,121,662	25,428,729	26,193,236
Other	14,449,720	13,626,874	13,701,859	10,128,788	8,713,539
<b>Total local revenue</b>	<u>64,363,295</u>	<u>67,052,301</u>	<u>66,236,197</u>	<u>70,714,740</u>	<u>69,599,303</u>
<b>State</b>					
Texas Department of Health and Human Services					
Texas Department of State Health Services					
General Revenue	75,919,706	80,410,871	90,691,945	87,856,785	94,957,960
Department of Aging and Disability Services					
General Revenue	8,803,727	8,799,578	8,790,754	9,382,704	8,917,182
Early Childhood Intervention	1,073,474	1,255,837	1,219,655	1,494,851	2,994,853
Texas Council on Offenders with Mental Impairments	2,787,591	2,773,939	2,866,406	3,077,654	3,116,905
Other state agencies	1,038,394	1,079,000	1,265,097	1,099,450	864,290
<b>Total state revenues</b>	<u>89,622,892</u>	<u>94,319,225</u>	<u>104,833,857</u>	<u>102,911,444</u>	<u>110,851,190</u>
<b>Federal</b>					
Mental Health Block Grant	3,081,806	3,081,806	3,081,806	3,081,806	3,081,806
Early Childhood Intervention	2,746,242	2,131,105	2,068,766	3,075,730	1,264,006
Delivery System Reform Incentive	-	2,837,339	30,532,366	31,166,380	32,782,283
Other federal revenues	3,853,351	7,946,405	6,771,965	8,563,275	11,927,197
<b>Total federal revenues</b>	<u>9,681,399</u>	<u>15,996,655</u>	<u>42,454,903</u>	<u>45,887,191</u>	<u>49,055,292</u>
<b>Total</b>	<u>\$ 163,667,586</u>	<u>\$ 177,368,181</u>	<u>\$ 213,524,957</u>	<u>\$ 219,513,375</u>	<u>\$ 229,505,785</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**  
**PRINCIPAL SOURCES OF REVENUES**  
**Last Ten Fiscal Year (Accrual Basis of Accounting)**

**Table 5**  
**Page 2 of 2**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Local</b>					
County government	\$ 34,924,970	\$ 36,375,537	\$ 40,065,808	\$ 44,093,032	\$ 51,260,112
Medicaid/Medicare	31,322,850	26,893,423	25,541,194	29,969,735	30,405,246
Other	9,520,333	12,403,051	11,726,057	7,004,271	6,177,328
<b>Total local revenue</b>	<u>75,768,153</u>	<u>75,672,011</u>	<u>77,333,059</u>	<u>81,067,038</u>	<u>87,842,686</u>
<b>State</b>					
Texas Department of Health and Human Services					
Texas Department of State Health Services					
General Revenue	90,760,137	94,201,283	99,985,355	105,056,405	104,594,567
Department of Aging and Disability Services					
General Revenue	9,306,535	10,220,288	9,479,061	10,393,281	10,434,969
Early Childhood Intervention	1,097,691	888,044	408,084	4,552,424	4,552,424
Texas Council on Offenders with Mental Impairments	3,303,917	3,193,586	2,910,086	2,850,627	2,850,627
Other state agencies	803,726	886,666	446,000	460,200	5,474,231
<b>Total state revenues</b>	<u>105,272,006</u>	<u>109,389,867</u>	<u>113,228,586</u>	<u>123,312,937</u>	<u>127,906,818</u>
<b>Federal</b>					
Mental Health Block Grant	3,081,806	3,081,806	3,181,377	3,812,190	4,194,346
Early Childhood Intervention	3,407,557	3,407,557	2,962,647	-	-
Delivery System Reform Incentive	41,080,250	41,080,250	47,857,397	72,278,623	48,801,898
Other federal revenues	21,925,025	21,925,025	12,210,615	6,397,576	23,721,310
<b>Total federal revenues</b>	<u>69,494,638</u>	<u>69,494,638</u>	<u>66,212,036</u>	<u>82,488,389</u>	<u>76,717,554</u>
<b>Total</b>	<u>\$ 250,534,797</u>	<u>\$ 254,556,516</u>	<u>\$ 256,773,681</u>	<u>\$ 286,868,364</u>	<u>\$ 292,467,058</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, 2021**

	<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	\$ 155,261,187	\$ -	\$ -	\$ 155,261,187	\$ 27,476,844	\$ 127,784,343
Employee benefits	42,676,711	-	-	42,676,711	6,792,890	35,883,821
Debt service	552,423	(545,714)	-	6,709	-	6,709
Capital outlay	22,962,401	(22,962,401)	-	-	-	-
Pharmaceutical	4,111,680	-	-	4,111,680	-	4,111,680
Depreciation	-	-	2,313,189	2,313,189	971,543	1,341,646
Other operating expenditures	66,575,099	(2,037,078)	-	64,538,021	2,793,483	61,744,538
<b>Total</b>	<u>\$ 292,139,501</u>	<u>\$ (25,545,193)</u>	<u>\$ 2,313,189</u>	<u>\$ 268,907,497</u>	<u>\$ 38,034,760</u>	<u>\$ 230,872,737</u>
Indirect Costs					37,063,217	38,034,760
Direct Costs						\$ 230,872,737
Indirect Cost Rate						16.5%

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF DIRECT AND INDIRECT COSTS**  
**For The Year Ended August 31, 2021**

*Table 7*

	<u>Total Costs</u>	<u>Adjustments/ Exclusions</u>	<u>Indirect Cost</u>	<u>Direct Cost</u>
<b>EXPENDITURES:</b>				
<b>Personnel costs:</b>				
Salaries and wages	\$ 155,261,187	\$ -	\$ 27,476,844	\$ 127,784,343
Fringe benefits	42,676,711	-	6,792,890	35,883,821
<b>Consultation and professional fees</b>	785,821	-	507,378	278,443
<b>Travel - board and staff</b>	1,719,566	-	84,543	1,635,023
<b>Consumable supplies:</b>				
Drugs	3,939,499	-	-	3,939,499
Food	30,288	-	30,288	-
Other	141,893	-	-	141,893
<b>Furniture and equipment:</b>				
Capital expenditures	338,472	(338,472)	-	-
Rental	288,555	-	92,618	195,937
Repair and maintenance	2,238,826	-	-	2,238,826
<b>Building:</b>				
Capital expenditures from general operations	22,623,929	(22,623,929)	-	-
Rental	506,004	-	17,663	488,341
Repair and maintenance	1,573,815	-	-	1,573,815
<b>Vehicles:</b>				
Capital expenditures	114,531	-	-	114,531
Rental	111,723	-	-	111,723
Repair and maintenance	185,945	-	2,267	183,678
<b>Contracts with service agencies</b>	47,637,413	-	543,709	47,093,704
<b>Other:</b>				
Utilities, postage and telephone	2,850,203	-	773,664	2,076,539
Client transportation	37,677	-	-	37,677
Audit and legal fees	256,250	-	256,250	-
Insurance	1,798,837	-	418,110	1,380,727
Meetings	43,185	-	5,318	37,867
Transfer and storage	87,128	-	26,707	60,421
Dues and subscriptions	651,355	-	-	651,355
Payment on note principal	545,714	(545,714)	-	-
Interest charges	33,547	-	126	33,421
Laboratory	331,748	-	-	331,748
Security	915,210	-	34,842	880,368
Miscellaneous	4,414,469	(2,037,078)	-	2,377,391
<b>Total expenditures</b>	<u>292,139,501</u>	<u>(25,545,193)</u>	<u>37,063,217</u>	<u>229,531,091</u>
Equipment and vehicle depreciation	-	411,803	-	411,803
Buildings and improvements depreciation	-	1,901,386	971,543	929,843
<b>Total</b>	<u>\$ 292,139,501</u>	<u>\$ (23,232,004)</u>	<u>38,034,760</u>	<u>\$ 230,872,737</u>
<b>Indirect costs</b>			<u>38,034,760</u>	
<b>Direct costs</b>			<u>\$ 230,872,737</u>	

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**

**Table 8**

**LOCAL SERVICE AREA POPULATION**

**For The Year Ended August 31, 2021**

Population of local service areas for which the following centers are the local Mental Health and IDD Authority.

<b>Center</b>	<b>Mental Health Population</b>	<b>Intellectual &amp; Developmental</b>
ACCESS	110,680	110,680
Andrews Center Behavioral Healthcare System	435,974	435,974
Betty Hardwick Center	185,819	185,819
Bluebonnet Trails Community Services	1,037,588	1,037,588
Border Region Behavioral Health Center	361,303	361,303
Burke Center	385,613	385,613
Camino Real Community Services	228,052	228,052
Center for Life Resources	96,573	96,573
Central Counties Services	501,718	501,718
Central Plains Center	84,763	84,763
Coastal Plains Community Center	224,911	224,911
Community Healthcore	455,607	455,607
Denton County MHMR Center	919,324	919,324
Emergence Health Network	841,286	841,286
Gulf Bend Center	182,684	182,684
Gulf Coast Center	725,607	725,607
Heart of Texas Region MHMR Center	375,828	375,828
Helen Farabee Centers	314,908	314,908
Hill Country Mental Health & Developmental Disabilities Center	747,112	747,112
Integral Care	1,300,503	1,300,503
Lakes Regional MHMR Center	161,624	161,624
LifePath Systems	1,072,069	1,072,069
MHMR Authority of Brazos Valley	365,529	365,529
MHMR Services for the Concho Valley	136,385	136,385
My Health My Resources (MHMR) of Tarrant County	2,123,347	2,123,347
North Texas Behavioral Health Authority (NTBHA)	3,231,235	3,231,235
Nueces Center for Mental Health & Intellectual Disabilities	363,148	363,148
Pecan Valley Centers for Behavioral & Developmental HealthCare	472,983	472,983
PermiaCare	386,302	386,302
Spindletop Center	436,900	436,900
StarCare Specialty Health System	352,182	352,182
Texana Center	1,027,150	1,027,150
Texas Panhandle Centers	399,418	399,418
Texoma Community Center	215,624	215,624
The Center for Health Care Services	2,026,823	2,026,823
The Harris Center for Mental Health and IDD	4,738,253	4,738,253
Tri-County Behavioral Healthcare	790,062	790,062
Tropical Texas Behavioral Health	1,320,541	1,320,541
West Texas Centers	225,331	225,331
<b>Total</b>	<b>29,360,759</b>	<b>29,360,759</b>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**DEMOGRAPHIC STATISTICS**  
*Last Ten Calendar Years*

*Table 9*

<u>Calendar Year</u>	<u>Population (A)</u>	<u>Unemployment Rate (B)</u>	<u>Total Personal Income (C)</u>	<u>Per Capita Personal Income</u>
2012	4,262,549	6.6%	228,608,056,000	53,632
2013	4,352,419	6.1%	228,016,378,000	52,388
2014	4,454,951	5.1%	246,157,945,000	55,255
2015	4,556,559	4.7%	248,496,185,000	54,536
2016	4,622,836	5.3%	236,705,929,000	51,204
2017	4,655,798	5.1%	255,326,930,000	54,841
2018	4,676,913	4.4%	274,466,325,000	58,685
2019	4,709,243	3.9%	278,821,655,000	59,207
2020	4,738,253	8.9%	285,160,839,000	60,183
2021	(D)	(D)	(D)	(D)

- (A) Source: Bureau of the Census
- (B) Source: Texas Workforce Commission
- (C) Source: Bureau of Economic Analysis
- (D) Unavailable

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**

*Table 10*

**RATIO OF OUTSTANDING DEBT**

*Last Ten Calendar Years*

<u>Fiscal Year</u>	<u>Notes Payable</u>	<u>Total Debt</u>	<u>Personal Income</u>	<u>Percentage of Personal Income</u>	<u>Debt per Capita</u>
2012	\$ 3,012,954	\$ 3,012,954	204,593,445,000	0.0015%	0.72
2013	2,169,977	2,169,977	224,617,980,000	0.0010%	0.51
2014	8,369,816	8,369,816	230,462,963,000	0.0036%	1.93
2015	6,330,951	6,330,951	252,694,912,000	0.0025%	1.43
2016	4,911,429	4,911,429	249,989,494,000	0.0020%	1.08
2017	3,820,000	3,820,000	247,482,118,000	0.0015%	0.82
2018	2,728,571	2,728,571	(A)	(A)	(A)
2019	1,637,142	1,637,142	(A)	(A)	(A)
2020	545,714	545,714	(A)	(A)	(A)
2021	-	-	(A)	(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

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

**Table 11**

Employer	2021*			2012*		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Memorial Hermann Health Systems	35,360	1	1.11%			
Walmart Stores Inc.	29,797	2	0.93%			
H-E-B	29,657	3	0.93%			
Houston Methodist	26,098	4	0.82%			
The University of Texas MD Anderson Cancer Center	21,576	5	0.68%			
HCA Houston Healthcare	15,000	6	0.47%			
Kroger Company	14,868	7	0.47%			
Exxon Mobil Corp	13,000	8	0.41%	11,000	1	0.41%
Texas Children's Hospital	13,000	9	0.41%			0.00%
University of Houston	12,696	10	0.40%			0.00%
Shell Oil Company				10,750	2	0.40%
National Oilwell Varco				8,000	3	0.30%
Chevron Companies				7,000	4	0.26%
JP Morgan Chase				6,750	5	0.25%
Jacobs Technology				6,500	6	0.24%
Halliburton				6,200	7	0.23%
CenterPoint Energy				4,776	8	0.18%
KBR Inc.				4,557	9	0.17%
Conoco Phillips				3,750	10	0.14%
Walgreens				3,750	10	0.14%
	<u>211,052</u>		<u>6.63%</u>	<u>73,033</u>		<u>2.72%</u>

\* Based on calendar year.

Source: GHP Houston Facts - 2020; Houston Chronicle.

Note: Total County Employment for 2020 was an estimated 3,192,200 (based on prior year employment figures) and for 2011 was 2,665,000.

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

**Table 12**  
**Page 1 of 2**

<b>Function/Program</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Adult Mental Health	579	591	750	884	889
IDD	458	430	450	476	421
Child and Adolescent	200	194	226	246	245
Crisis Center	284	269	302	344	371
Administration	148	150	174	182	190
<b>Total</b>	<b>1,669</b>	<b>1,634</b>	<b>1,902</b>	<b>2,132</b>	<b>2,116</b>



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

*Table 12*  
*Page 2 of 2*

<u>Function/Program</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Adult Mental Health	915	825	764	793	794
IDD	419	419	433	414	453
Child and Adolescent	253	253	249	236	194
Crisis Center	371	385	438	466	571
Administration	205	281	340	278	291
<b>Total</b>	<u>2,163</u>	<u>2,163</u>	<u>2,224</u>	<u>2,187</u>	<u>2,303</u>

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

**Table 13**  
**Page 1 of 2**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Admissions:</b>					
Mental Health	11,305	10,295	12,755	12,646	13,298
IDD	2,241	1,951	2,329	2,272	2,275
<b>Total admissions</b>	<u>13,546</u>	<u>12,246</u>	<u>15,084</u>	<u>14,918</u>	<u>15,573</u>
<b>Total clients served (unduplicated):</b>					
Mental Health	26,384	30,944	26,780	28,197	30,261
IDD	17,185	15,019	17,715	18,222	18,988
<b>Total clients served</b>	<u>43,569</u>	<u>45,963</u>	<u>44,495</u>	<u>46,419</u>	<u>49,249</u>

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

**Table 13**  
**Page 2 of 2**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Admissions:</b>					
Mental Health	11,213	12,861	12,981	12,081	12,081
IDD	2,083	2,277	2,542	2,201	2,201
<b>Total admissions</b>	<u>13,296</u>	<u>15,138</u>	<u>15,523</u>	<u>14,282</u>	<u>14,282</u>
<b>Total clients served (unduplicated):</b>					
Mental Health	33,265	36,221	38,310	40,066	40,066
IDD	20,318	21,904	22,274	21,802	21,802
<b>Total clients served</b>	<u>53,583</u>	<u>58,125</u>	<u>60,584</u>	<u>61,868</u>	<u>61,868</u>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**

*Table 14*

**GENERAL FUND REVENUE BY SOURCE OF FUNDS**

*Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>Local Funds</b>	<b>State Funds</b>	<b>Federal Funds</b>	<b>Total</b>
2012	\$ 64,363,140	\$ 89,622,891	\$ 9,681,399	\$ 163,667,430
2013	67,052,301	94,319,225	13,159,316	174,530,842
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

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

*Table 15*

<b>Fiscal Year</b>	<b>Mental Health</b>	<b>Intellectual &amp; Developmental Disabilities</b>	<b>Administration</b>	<b>Total</b>
2012	\$ 113,918,759	\$ 34,616,488	\$ 17,532,335	\$ 166,067,582
2013	120,985,289	34,821,433	17,432,945	173,239,667
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

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

**Table 16**  
**Page 1 of 2**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Adult Mental Health</b>					
Land	\$ 1,895,148	\$ 1,895,148	\$ 1,895,148	\$ 1,895,148	\$ 1,895,148
Buildings and improvements	11,060,635	11,060,635	11,065,800	11,065,800	11,065,800
Equipment and furniture	2,169,897	1,687,157	1,855,258	1,855,258	2,059,264
Vehicles	129,551	220,527	220,527	220,527	245,114
<b>Total capital assets for Adult Mental Health</b>	<u>15,255,231</u>	<u>14,863,467</u>	<u>15,036,733</u>	<u>15,036,733</u>	<u>15,265,326</u>
<b>Intellectual &amp; Developmental Disabilities</b>					
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	1,469,196	1,117,907	1,111,807	1,111,807	1,111,807
Vehicles	374,226	428,012	447,510	447,510	211,828
<b>Total capital assets for Intellectual &amp; Developmental Disabilities</b>	<u>7,739,872</u>	<u>7,442,369</u>	<u>7,455,767</u>	<u>7,455,767</u>	<u>7,220,085</u>
<b>Child and Adolescent</b>					
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	705,321	534,677	534,677	534,677	534,677
<b>Total capital assets for Child and Adolescent</b>	<u>3,529,660</u>	<u>3,359,016</u>	<u>3,359,016</u>	<u>3,359,016</u>	<u>3,359,016</u>
<b>Crisis Center</b>					
Land	-	-	-	588,825	588,825
Buildings and improvements	2,619,061	2,619,061	2,619,061	3,048,836	5,380,809
Equipment and furniture	566,869	428,072	422,172	422,172	422,172
Vehicles	452,679	611,755	746,952	850,104	857,077
<b>Total capital assets for Crisis Center</b>	<u>3,638,609</u>	<u>3,658,888</u>	<u>3,788,185</u>	<u>4,909,937</u>	<u>7,248,883</u>
<b>Administration</b>					
Land	436,250	436,250	2,449,346	2,449,346	2,449,346
Buildings and improvements	4,033,428	4,033,428	11,617,450	21,505,723	22,696,643
Equipment and furniture	2,984,690	2,563,682	2,865,744	3,762,611	4,024,171
Vehicles	173,516	196,203	214,016	214,016	214,016
Intangible assets - software	5,102,008	5,928,585	6,142,885	6,184,197	6,198,078
Construction in progress	-	-	-	-	-
<b>Total capital assets for Administration</b>	<u>12,729,892</u>	<u>13,158,148</u>	<u>23,289,441</u>	<u>34,115,893</u>	<u>35,582,254</u>
<b>Total capital assets</b>	<u>\$ 42,893,264</u>	<u>\$ 42,481,888</u>	<u>\$ 52,929,142</u>	<u>\$ 64,877,346</u>	<u>\$ 68,675,564</u>

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

**Table 16**  
**Page 2 of 2**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Adult Mental Health</b>					
Land	\$ 1,895,148	\$ 1,895,149	\$ 1,895,148	\$ 1,895,148	\$ 1,895,148
Buildings and improvements	11,065,800	11,065,800	11,065,800	11,078,437	11,197,275
Equipment and furniture	2,365,744	2,365,744	2,365,744	2,381,744	1,824,518
Vehicles	433,779	470,669	470,669	477,700	477,700
<b>Total capital assets for Adult Mental Health</b>	<u>15,760,471</u>	<u>15,797,362</u>	<u>15,797,361</u>	<u>15,833,029</u>	<u>15,394,641</u>
<b>Intellectual &amp; Developmental Disabilities</b>					
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	5,122,368
Equipment and furniture	1,111,807	1,111,807	1,111,807	1,111,807	509,022
Vehicles	177,939	177,939	177,939	177,939	177,939
<b>Total capital assets for Intellectual &amp; Developmental Disabilities</b>	<u>7,186,196</u>	<u>7,186,196</u>	<u>7,186,196</u>	<u>7,186,196</u>	<u>6,725,409</u>
<b>Child and Adolescent</b>					
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	2,708,356
Equipment and furniture	534,677	534,677	534,677	534,677	551,288
<b>Total capital assets for Child and Adolescent</b>	<u>3,359,016</u>	<u>3,359,016</u>	<u>3,359,016</u>	<u>3,359,016</u>	<u>3,433,655</u>
<b>Crisis Center</b>					
Land	588,825	588,825	588,825	588,825	588,825
Buildings and improvements	5,380,809	5,380,809	5,380,809	5,380,809	12,445,351
Equipment and furniture	422,172	422,172	427,882	447,012	514,797
Vehicles	756,762	756,762	775,207	862,303	862,303
<b>Total capital assets for Crisis Center</b>	<u>7,148,568</u>	<u>7,148,568</u>	<u>7,172,723</u>	<u>7,278,949</u>	<u>14,411,276</u>
<b>Administration</b>					
Land	2,449,346	1,655,596	1,454,050	1,454,050	2,857,972
Buildings and improvements	22,812,238	16,492,213	15,199,654	15,296,306	15,922,439
Equipment and furniture	4,421,756	4,543,552	5,110,699	5,402,954	4,174,938
Vehicles	180,368	180,368	87,289	87,289	51,826
Intangible assets - software	-	-	-	-	-
Construction in progress	-	-	-	3,163,960	16,073,623
<b>Total capital assets for Administration</b>	<u>29,863,708</u>	<u>22,871,729</u>	<u>21,851,692</u>	<u>25,404,559</u>	<u>39,080,798</u>
<b>Total capital assets</b>	<u>\$ 63,317,959</u>	<u>\$ 56,362,871</u>	<u>\$ 55,366,988</u>	<u>\$ 59,061,749</u>	<u>\$ 79,045,779</u>

**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, 2021**

**Table 17**

<b>Service Categories (by Funding Source)</b>	<b>Mental Health Adult</b>	<b>Mental Health Children</b>	<b>Intellectual &amp; Developmental Disabilities</b>	<b>Total</b>	<b>Approved Revenue Budget</b>	<b>Variance</b>
General Revenue - Mental Health	\$ 68,880,215	\$ 8,347,046	\$ -	\$ 77,227,261	\$ 80,144,345	\$ 2,917,084
General Revenue - Intellectual & Developmental Disabilities						
Disabilities		-	10,302,254	10,302,254	8,814,512	(1,487,742)
General Revenue - Permanency Planning		-	132,718	132,718	132,718	-
Community Hospitals	27,367,306	-	-	27,367,306	25,146,054	(2,221,252)
YES Waiver	-	-	-	-	1,282,903	1,282,903
ICF-MR	-	-	2,307,218	2,307,218	1,965,540	(341,678)
Texas Home Living Waiver (THL Waiver)	-	-	1,129,361	1,129,361	1,817,983	688,622
MH Block Homeless PATH Grant	1,131,498	-	-	1,131,498	1,130,299	(1,199)
Title XX Social Services Block Grant	580,417	-	-	580,417	580,417	-
Mental Health Block Grant	2,197,118	1,266,016	-	3,463,134	3,081,798	(381,336)
Mental Health Block Grant - CSC	2,420	728,823	-	731,243	752,148	20,905
Mental Health Suicide Care Pilot Project	446,745	-	-	446,745	534,938	88,193
TANF to Title XX Block Grant	29,285	1,357,699	-	1,386,984	1,690,992	304,008
Substance Abuse Prevention & Treatment Block Grant	817,891	-	-	817,891	834,655	16,764
Other Federal	3,629,876	4,841,481	-	8,471,357	-	(8,471,357)
Other State Agencies	3,054,742	-	-	3,054,742	3,915,283	860,541
Medicaid	7,997,397	891,978	8,180,858	17,070,233	22,373,457	5,303,224
Medicaid Administrative Claiming	2,637,469	3,436,430	1,906,106	7,980,005	8,271,797	291,792
Delivery System Reform Incentive Payments	45,129,669	2,299,945	1,412,826	48,842,440	26,009,876	(22,832,564)
Enhanced Community Coordination	-	-	511,967	511,967	456,729	(55,238)
HHS IDD Services			207,041	207,041	-	(207,041)
Texas Department of Criminal Justice	460,200	-	586,799	1,046,999	1,930,464	883,465
Early Childhood Intervention	491,378	-	5,250,080	5,741,458	9,366,284	3,624,826
Texas Council on Offenders with Mental Impairments	2,399,366	656,491	-	3,055,857	3,139,897	84,040
FCC Telehealth Program				-	315,000	315,000
Additional Local Funds and Match	61,214,564	-	7,918,808	69,133,372	54,123,999	(15,009,373)
<b>Total Expended Sources</b>	<b>\$ 228,467,556</b>	<b>\$ 23,825,909</b>	<b>\$ 39,846,036</b>	<b>\$ 292,139,501</b>	<b>\$ 257,812,088</b>	<b>\$ (34,327,413)</b>



**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, 2021**

Table 18

<u>Fund Source</u>	<u>Total Revenue</u>	<u>Total Mental Health Adult Expenditures</u>	<u>Total Mental Health Children Expenditures</u>	<u>Total Intellectual &amp; Developmental Disabilities Expenditures</u>	<u>Total Center Expenditures</u>	<u>Excess Revenues Over Expenditures</u>
<b>Objects of Expense:</b>						
Salaries	\$ 154,237,469	\$ 114,179,227	\$ 15,817,493	\$ 24,240,749	\$ 154,237,469	\$ -
Employee Benefits	42,928,230	30,622,712	4,498,101	7,807,417	42,928,230	-
Professional and Consultant Fees	48,668,379	44,265,344	823,630	3,579,405	48,668,379	-
Training and Travel	676,187	599,617	36,565	40,005	676,187	-
Debt Service	552,549	552,549	-	-	552,549	-
Capital Outlay	20,644,504	20,619,796	24,708	-	20,644,504	-
Non-capitalized Equipment	1,704,181	1,626,157	22,679	55,345	1,704,181	-
Pharmaceutical (medication and script process)	1,844,550	1,703,667	140,804	79	1,844,550	-
Other Operating	20,883,452	14,298,487	2,461,929	4,123,036	20,883,452	-
<b>Total Expenditures</b>	<b>292,139,501</b>	<b>228,467,556</b>	<b>23,825,909</b>	<b>39,846,036</b>	<b>292,139,501</b>	<b>-</b>
<b>Method of Finance:</b>						
General Revenue - Mental Health	77,227,261	\$ 68,880,215	8,347,046	-	77,227,261	-
General Revenue - Intellectual & Developmental Disabilities	10,302,254	-	-	10,302,254	10,302,254	-
General Revenue - Permanency Planning	132,718	-	-	132,718	132,718	-
Community Hospitals	27,367,306	27,367,306	-	-	27,367,306	-
Yes Waiver	-	-	-	-	-	-
ICF-MR	2,307,218	-	-	2,307,218	2,307,218	-
Texas Home Living Waiver (THL Waiver)	1,129,361	-	-	1,129,361	1,129,361	-
MH Block Homeless PATH Grant	1,131,498	1,131,498	-	-	1,131,498	-
Title XX Social Services Block Grant	580,417	580,417	-	-	580,417	-
Mental Health Block Grant	3,463,134	2,197,118	1,266,016	-	3,463,134	-
Mental Health Block Grant - CSC	731,243	2,420	728,823	-	731,243	-
Mental Health Suicide Care Pilot Project	446,745	446,745	-	-	446,745	-
TANF to Title XX Block Grant	1,386,984	29,285	1,357,699	-	1,386,984	-
Substance Abuse Prevention & Treatment Block Grant	817,891	817,891	-	-	817,891	-
Other Federal	8,471,357	3,629,876	4,841,481	-	8,471,357	-
Other State Agencies	3,054,742	3,054,742	-	-	3,054,742	-
Medicaid	17,070,233	7,997,397	891,978	8,180,858	17,070,233	-
Medicaid Administrative Claiming	7,980,005	2,637,469	3,436,430	1,906,106	7,980,005	-
Delivery System Reform Incentive Payments	48,842,440	45,129,669	2,299,945	1,412,826	48,842,440	-
Enhanced Community Coordination	511,967	-	-	511,967	511,967	-
HHS IDD Services	207,041	-	-	207,041	207,041	-
Texas Department of Criminal Justice	1,046,999	460,200	-	586,799	1,046,999	-
Early Childhood Intervention	5,741,458	491,378	-	5,250,080	5,741,458	-
Texas Council on Offenders with Mental Impairments	3,055,857	2,399,366	656,491	-	3,055,857	-
FCC Telehealth Program	-	-	-	-	-	-
Additional Local Funds and Match	69,133,372	61,214,564	-	7,918,808	69,133,372	-
<b>Total Expended Sources</b>	<b>\$ 292,139,501</b>	<b>\$ 228,467,556</b>	<b>\$ 23,825,909</b>	<b>\$ 39,846,036</b>	<b>\$ 292,139,501</b>	<b>\$ -</b>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**

*Table 19*

**SCHEDULE OF LEASES IN EFFECT**

**For The Year Ended August 31, 2021**

<u>Lessor</u>	<u>Address</u>	<u>Monthly Amount</u>	<u>Beginning Date</u>	<u>Termination Date</u>
City of Houston, Magnolia Multiservice Center	7037 Capital , Suite 103, Houston, Texas	\$298	4/30/2014	8/31/2021
City of Houston, Acres Homes Multiservice Center	6719 W. Montgomery, Houston, Texas	\$256	1/30/2015	8/31/2021
City of Houston, Fifth Ward Multiservice Center	4014 Market St., Houston, Texas	\$161	5/26/2010	8/31/2021
City of Houston, West End Multiservice Center	170 Heights Blvd., Houston, Texas	\$331	5/26/2010	8/31/2021
Harris County Facilities Property Management Department	5518 Jackson Street, Houston, Texas	\$50/ year	4/30/2018	4/30/2028
Plazer Properties, Ltd.	3600 S. Gessner, Suite 110, Houston, Texas	\$14,786	11/10/2016	11/9/2021
Spring Branch District Plaza II, LTD.	9610 Long Point, Suite 351, Houston, Texas	\$214	11/1/2017	11/30/2020
Ashford-Houston Investment Co., LLC	1500 S. Dairy Ashford, Suite 448, Houston, Texas	\$950	2/1/2020	1/31/2021
Gillett Properties, Ltd.	7171 Highway 6, Suite 206, Houston, Texas	\$949	Month-to-month	Month-to-month
The Bill Clair Family Mortuary, Inc.	2603 Southmore Street, Houston, Texas	\$600	Month-to-month	Month-to-month
Shirajp, LP	817 Southmore, Suite 150, Pasadena, Texas	\$1,200	9/1/2020	8/31/2021
City of El Lago	411 Tallowood, El Lago, Texas 77586	\$800 (room rental for Coffeehouse program one day a week)	9/1/2020	8/31/2021
Center for Pursuit dba The Center	3550 West Dallas Street, Houston, Texas 77019	\$350 (3rd floor space for Agency's Coffeehouse program)	9/1/2020	8/31/2021
Harris County Hospital District dba Harris Health System (NPC)	1502 Taub Loop - Houston, TX	\$1/year (floors 1-3)	PP for 25 Year	2024
Pasadena Cottages	2212 Wichita - Pasadena, TX	\$1,404	Month-to-month	Month-to-month

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF INSURANCE COVERAGE**  
**For The Year Ended August 31, 2021**

*Table 20*  
*Page 1 of 3*

<b>Property</b>			
Insurer:		Texas Council Risk Management Fund	
Policy Period:		09/01/20 - 09/01/21	
		Buildings, Contents, including Boiler/Machinery	\$ 510,998
<b>General Liability</b>			
Insurer:		Texas Council Risk Management Fund	
Policy Period:		09/01/20 - 09/01/21	
		Commercial General Liability	6,030
<b>Professional Liability including Primary Care</b>			
Insurer:		Texas Council Risk Management Fund	
Policy Period:		09/01/20 - 09/01/21	
		Professional Liability	83,725
<b>Auto Liability</b>			
Insurer:		Texas Council Risk Management Fund	
Policy Period:		09/01/20 - 09/01/21	
		Auto Liability	93,704
		Auto APD	22,673
<b>Workers' Compensation</b>			
Insurer:		Texas Council Risk Management Fund	
Policy Period:		09/01/20 - 09/01/21	
		Workers Compensation	476,696
<b>Excess Liability</b>			
Insurer:		Texas Council Risk Management Fund	
Policy Period:		09/01/20 - 09/01/21	
		Excess Liability	95,886
<b>Directors &amp; Officers E&amp;O</b>			
Insurer:		Texas Council Risk Management Fund	
Policy Period:		09/01/20 - 09/01/21	
		Directors & Officers Liability	289,435
<b>Terrorism Coverage not available from TCRMF</b>			
<b>Total Estimated Premium</b>			<u><u>\$ 1,579,147</u></u>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF INSURANCE COVERAGE**  
**For The Year Ended August 31, 2021**

**Crime**

Insurer: Frost Insurance  
Carrier: Texas Council Risk Mgt Fund  
Policy Number: CONTRACT TC00043  
Policy Period: 09/01/20 - 09/01/21

Annual Premium		\$	4,098
Public Employee Dishonesty	\$	10,000	
Theft, Disappearance and Destruc	\$	5,000	
Forgery or Alteration	\$	5,000	
Employee Theft of Client Property	\$	5,000	
Computer and Transfer Fraud	\$	5,000	
Fraudulent Instruction	\$	100,000	
Funds Transfer Fraud	\$	100,000	
Telephone Fraud	\$	100,000	

**Fiduciary Liability**

Insurer: Frost Insurance  
Carrier: Hartford Insurance  
Policy Number: 61HC 0324311 20  
Policy Period: 09/01/20 - 09/01/21

Annual Premium			7,592
Limit of Liability	\$	3,000,000	

**Notary E&O**

Insurer: Frost Insurance  
Carrier: Western Surety  
Policy Number: 68331591  
Policy Period: 11/18/20 - 11/18/21

Annual Premium			1,491
89 Notaries			

**Cybersecurity Liability**

Insurer: Frost Insurance  
Carrier: Beazley Ins. Co  
Policy Number: PH2007866000  
Policy Period: 04/24/20 - 05/08/21

Information Security and Privacy Insurance  
with Breach Response Services

Annual Premium			78,750
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**Flood**

Insurer: Frost Insurance  
Carrier: Certain Underwriters at Lloyds  
Policy Number: GRFL2372  
Policy Period: 03/28/2020 - 03/28/2021

Locations:  
11511 Bob White Road, Houston, TX 77035  
7200 North Loop East, Houston, TX 77028  
1200 Baker Street, Houston, TX 77002

Premium			30,058
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**Total Estimated Premium**

			<u>30,058</u>
	\$		<u>121,989</u>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF INSURANCE COVERAGE**  
**For The Year Ended August 31, 2021**

**Residential Programs**

Insurer:	<p>Non-Profit Housing Corp  Moon Shepherd Baker Insurance Agency  Villas at Bayou Park, Inc.  Acceptance Indemnity (General Liability):  Effective 7/1/21-7/1/22  Lloyds of London (Property):  Effective 5/15/21-5/15/22  James River (Umbrella): 7/1/21-7/1/22  Effective 7/1/21-7/1/22  Travelers Casualty (Directors &amp; Officers Liability)  Effective 7/6/21-7/1/22</p> <p style="text-align: right;">Premium Paid by Management Company</p> <p>Acres Homes Garden, Inc.  Acceptance Indemnity (General Liability):  Effective 7/1/21-7/1/22  Lloyds of London (Property):  Effective 5/15/21-5/15/22  James River (Umbrella):  Effective 7/1/21-7/1/22  USLI (Directors &amp; Officers Liability):  Effective 7/6/21-7/1/22</p> <p style="text-align: right;">Premium Paid by Management Company</p> <p>Pear Grove, Inc.  Acceptance Indemnity (General Liability):  Effective 7/1/21-7/1/22  Lloyds of London (Property):  Effective 5/15/21-5/15/22  James River (Umbrella):  Effective 7/1/21-7/1/22  USLI (Directors &amp; Officers Liability):  Effective 7/6/21-7/1/22</p> <p style="text-align: right;">Premium Paid by Management Company</p> <p>Pecan Village, Inc.  Acceptance Indemnity (General Liability):  Effective 7/1/21-7/1/22  Lloyds of London (Property):  Effective 5/15/21-5/15/22  James River (Umbrella):  Effective 7/1/21-7/1/22  USLI (Directors &amp; Officers Liability):  Effective 7/6/21-7/1/22  Selective Insurance Co of the Southeast - Flood (Bldgs. 1 to 4):  Effective 12/1/19-21</p> <p style="text-align: right;">Premium Paid by Management Company</p>										
Insurer:	<p>Multifamily Management Ministries  Swain &amp; Baldwin Insurance  Villages of Hickory Glen  Lexington Insurance - Commercial Package:  Effective 05/15/21-22  Westchester Fire Ins. Co. - Directors &amp; Officers Liability:  Effective 09/08/20-21  James River Ins - Umbrella:  Effective 5/15/21-22  Wright National Flood Ins - Flood (Bldg. 1- 4):  Effective 3/14/21-22  Admiral Insurance - Hired &amp; Non-Owned Auto:  Effective 5/15/21-22</p> <p style="text-align: right;">Premium Paid by Management Company</p>										
Insurer:	<p>Frost Insurance  Pasadena Cottages, Inc.</p> <table border="0" style="width: 100%;"> <tr> <td>Philadelphia Insurance - Package Policy: Effective 04/08/20-21</td> <td style="text-align: right;">\$ 2,725</td> </tr> <tr> <td>Directors &amp; Officers Liability: Effective 02/08/21-02/08/22</td> <td style="text-align: right;">1,229</td> </tr> <tr> <td>Property: Effective 4/8/21-04/08/22</td> <td style="text-align: right;">8,071</td> </tr> <tr> <td>Wright Flood Insurance - Flood (2122 Wichita St): Effective 11/4/20-11/4/21</td> <td style="text-align: right;">819</td> </tr> <tr> <td>Wright Flood Insurance - Flood (2122B Wichita St): Effective 1/15/20-1/15/21</td> <td style="text-align: right;">883</td> </tr> </table> <p><b>Total Current Premium:</b></p> <hr style="border: 1px solid black;"/> <p style="text-align: right;"><b>\$ 13,727</b></p>	Philadelphia Insurance - Package Policy: Effective 04/08/20-21	\$ 2,725	Directors & Officers Liability: Effective 02/08/21-02/08/22	1,229	Property: Effective 4/8/21-04/08/22	8,071	Wright Flood Insurance - Flood (2122 Wichita St): Effective 11/4/20-11/4/21	819	Wright Flood Insurance - Flood (2122B Wichita St): Effective 1/15/20-1/15/21	883
Philadelphia Insurance - Package Policy: Effective 04/08/20-21	\$ 2,725										
Directors & Officers Liability: Effective 02/08/21-02/08/22	1,229										
Property: Effective 4/8/21-04/08/22	8,071										
Wright Flood Insurance - Flood (2122 Wichita St): Effective 11/4/20-11/4/21	819										
Wright Flood Insurance - Flood (2122B Wichita St): Effective 1/15/20-1/15/21	883										



*Transforming Lives*

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**

*Table 21*

**SCHEDULE OF BOND COVERAGE**

*For The Year Ended August 31, 2021*

<u>Surety Company</u>	<u>Scope of Coverage</u>	<u>Amount</u>
Frost Insurance 9/1/2020 - 9/1/2021	Commercial Crime Policy	
	Public Employee Dishonesty Per Occurrence Limit	\$ 10,000
	Deductible Per Occurrence	1,000
	Theft, Disappearance and Destruction	5,000
	Deductible Per Occurrence	1,000
	Forgery or Alteration	5,000
	Deductible Per Occurrence	1,000
	Employee Theft of Client Property	5,000
	Deductible Per Occurrence	1,000
	Computer and Transfer Fraud	5,000
	Deductible Per Occurrence	1,000
	Cyber Liability	7,500,000
	Deductible	75,000
	eCrime	
	Fraudulent Instruction	100,000
	Funds Transfer Fraud	100,000
	Telephone Fraud	100,000
Criminal Reward	50,000	
Reputational Loss	1,000,000	
 Frost Insurance 11/18/2020 - 11/18/2021	 Notary Errors and Omissions Limit of Liability (89 Notaries)	

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF PROFESSIONAL AND CONSULTING FEES AND**  
**CONTRACTED PROVIDER SERVICES**  
**For The Year Ended August 31, 2021**

**Table 22**  
**Page 1 of 4**

<b>Name</b>	<b>City</b>	<b>Service</b>	<b>Amount</b>
Abdullah, Haneef	Houston, TX	Home Living Support	\$ 4,068
Adams, Rokeiya	Houston, TX	Yes Waiver Services	2,246
Adan, Amada	Houston, TX	Home Living Support	2,926
Almanza, Elsa	Houston, TX	Home Living Support	17,343
ANC-D Psychological Svcs	Houston, TX	Yes Waiver Services	176,303
Aramark Correctional Services, LLC	Philadelphia, PA	Nutrition Services	154,205
ARC of Greater Houston	Houston, TX	Vocational & Employment Training	217,751
Audimation Services, Inc.	Houston, TX	Consultant Services	2,250
Barden, Jordan	San Antonio, TX	Home Living Support	12,181
Baylor College of Medicine	Houston, TX	Residency Program Contract Labor	53,151
BCM - Dept Family-Community Medicine	Houston, TX	Medical Consultation/EKG Services	145,796
Bethany Living	Houston, TX	Residential Services Contract	11,050
Bivens, Don'Angelo	Milwaukee, WI	Consultant Services	8,500
Bogany, Tammie	Humble, TX	Home Living Support	10,292
Bradley, Deborah	Katy, TX	Home Living Support	9,246
Brown, Tanitra	Houston, TX	Home Living Support	19,560
Buchholz, Michele	Cypress, TX	Home Living Support	6,795
Burks, Amber	Houston, TX	Temporary Staffing - Psychiatrists	234,000
Cabral, Armando	Houston, TX	Home Living Support	15,733
Carahsoft Technology Corporation	Reston, VA	Consultant Services	6,452
CC Assessment Services, Inc.	Houston, TX	Temporary Staffing - Psychiatrists	26,600
Center for Recovery and Wellness Resource	Houston, TX	Residential Services Contract	11,141
Center, The	Houston, TX	Residential Services Contract	39,183
Centre Technologies	Houston, TX	Consultant Services	30,000
Cervantes, Maria	Houston, TX	Home Living Support	18,825
Chefs Catering	Houston, TX	Nutrition Services	25,443
Civic Initiatives, LLC	Austin, TX	Consultant Services	49,000
Coalition for the Homeless	Houston, TX	Advocacy Services	21,629
Coche, Angel	Houston, TX	Home Living Support	24,368
Compelling Therapy Services, Inc.	Bellaire, TX	Yes Waiver Services	99,178
Council on Recovery, The	Houston, TX	Substance Abuse Treatment	1,329,116
Creelgroup, Inc., The	Omaha, NE	Consultant Services	8,000
CTRL Delivery & Transportation Inc.	Houston, TX	Transportation Services	2,904
Dalton, Takahata	Houston, TX	Home Living Support	4,740
Data Shredding Services of Texas	Houston, TX	Document Destruction Services	18,936
Degay, Lashun	Houston, TX	Home Living Support	15,964
Demas, Evelyn	Houston, TX	Respite Care Services	3,087
Disa, Inc.	Houston, TX	Pre-employment Services	40,559
Discovery Benefits, Inc.	Fargo, ND	Employee Benefits Administration	17,482
Dunaway, Sonja	Houston, TX	Home Living Support	4,860
Dunbar, Karen	Houston, TX	Respite Care Services	8,608
East, Loraine	Houston, TX	Home Living Support	19,292
Easter Seals of Greater Houston, Inc.	Houston, TX	Vocational & Employment Training	2,542,464
El Centro De Corazon	Houston, TX	Physician Services	163,368
Epic Dental Associates	Houston, TX	Physician Services	1,150
Evins Temporaries	Houston, TX	Temporary Staffing - Admin	207,748



**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF PROFESSIONAL AND CONSULTING FEES AND**  
**CONTRACTED PROVIDER SERVICES**  
**For The Year Ended August 31, 2021**

**Table 22**  
**Page 2 of 4**

<b>Name</b>	<b>City</b>	<b>Service</b>	<b>Amount</b>
Flanagan, Jerome	Houston, TX	Yes Waiver Services	\$ 43,689
Fordice Consulting LLC	Cypress, TX	Consultant Services	33,750
Germane Solutions	Miamisburg, OH	Consultant Services	2,500
Gomez, Cecilia	Houston, TX	Respite Care Services	7,371
Hall, Latoya	Houston, TX	Home Living Support	13,890
Hardaway, Vanessa	Houston, TX	Home Living Support	1,692
Harris County Psychiatric Center	Houston, TX	Inpatient Psychiatric Bed Services	635,810
Harris Health System	Houston, TX	Electronic Health Record Consulting	619,362
Health Mart Atlas, LLC	New Albany, OH	Consultant Services	4,280
Hernandez, Josefa	Houston, TX	Home Living Support	14,076
Hickerson, Joslin	Houston, TX	Home Living Support	14,351
Horses for Life	Anglenton, TX	Yes Waiver Services	28,033
Houston Discovery Community	Houston, TX	Substance Abuse Treatment	10,823
Houston Family Nutrition, Inc.	Houston, TX	Yes Waiver Services	4,079
Hua, Nancy	Houston, TX	Home Living Support	13,989
Huff, Stephanie	Houston, TX	Home Living Support	14,346
Iris Telehealth Medical Group, PA	Austin, TX	Physician Services	57,120
Jack, John	Friendswood, TX	Yes Waiver Services	8,903
Jordan, PH.D., John	Pawtucket, RI	Consultant Services	2,500
JTAYLOR	Fort Worth, TX	Consultant Services	46,950
Justice System Partners	South Easton, MA	Consultant Services	35,000
Kagen, Ellen	Annapolis, MD	Consultant Services	4,375
Kasprzak, Christina	Chapel Hill, NC	Consultant Services	4,988
KES Care Learning and Developmental Cent	Houston, TX	Day Habilitation Services	2,890
Knight, Delores	Houston, TX	Home Living Support	6,215
Lang, Cassietta	Katy, TX	Yes Waiver Services	17,889
Language Line Services	Monterrey, CA	Interpretation Services	147,796
Lemus, Katia	Houston, TX	Home Living Support	24,421
Lichota, Jazmine	Baytown, TX	Home Living Support	15,417
Liu, Shanchuan	Katy, TX	Home Living Support	5,814
Livingworks Education USA, Inc.	Fayetteville, NC	Consultant Services	68,400
Locum Tenens Holdings, LLC	Atlanta, GA	Temporary Staffing - Psychiatrists	96,590
Lovins, Lori	Maumee, OH	Consultant Services	6,255
Lozano-Tello, Elsa	Houston, TX	Home Living Support	15,514
Mark Stephenson DDS PC	Conroe, TX	Physician Services	1,000
Martinez, Peter	Kingwood, TX	Respite Care Services	2,371
Masterword Services, Inc.	Houston, TX	Interpretation Services	6,873
McIntyre, Constance	Tomball, TX	Home Living Support	14,517
Medical Practice Consultants, Inc.	Oklahoma City, OK	Consultant Services	11,343
Melodic Pathways Music Therapy	Spring, TX	Yes Waiver Services	26,062
Mental Health America of Greater Houston	Houston, TX	Advocacy Services	107,560
Meraki Music, LLC	Houston, TX	Yes Waiver Services	6,535
Mitchell, Suketer	Houston, TX	Home Living Support	2,268
MOBILEXUSA	Baltimore, MD	Medical Services	3,291
Modern Psychological & Allied Services, PLL	Houston, TX	Temporary Staffing - Psychiatrists	22,050
Momentum Behavioral Health	Houston, TX	Yes Waiver Services	12,001

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF PROFESSIONAL AND CONSULTING FEES AND**  
**CONTRACTED PROVIDER SERVICES**  
**For The Year Ended August 31, 2021**

**Table 22**  
**Page 3 of 4**

<b>Name</b>	<b>City</b>	<b>Service</b>	<b>Amount</b>
Morales, Laura	Houston, TX	Speech/Language Services	7,448
Moran-Coleman, Laverne	Houston, TX	Home Living Support	1,377
Morgan & Associates Dental	Houston, TX	Physician Services	4,694
Morning Star Psychiatric Services, PLLC	Sugar Land, TX	Consultant Services	30,000
Muhammad, Nettie	Houston, TX	Yes Waiver Services	7,050
Mui, leong	Katy, TX	Home Living Support	21,236
Nami Greater Houston	Houston, TX	Consultant Services	37,460
Nguyen, Mai-Houng	Houston, TX	Home Living Support	7,396
Nightingale Adult Day Center	Houston, TX	Interpretation Services	22,022
Nirvana Behavioral Solutions	Houston, TX	Yes Waiver Services	1,510
Nixon Adult Day Center	Houston, TX	Respite Care Services	5,969
Open Minds	Gettysburg, PA	Consultant Services	29,872
Passages, Inc.	Houston, TX	Substance Abuse Treatment	35,267
Pathway to Serenity	Houston, TX	Substance Abuse Treatment	96,171
Perez, Elizabeth	Houston, TX	Home Living Support	8,179
Perez, Janie	Houston, TX	Respite Care Services	3,872
Phactory Consulting, LLC	Houston, TX	Consultant Services	7,751
Physician Resources, Inc.	Houston, TX	Temporary Staffing - Psychiatrists	18,592
Pixel Studio Productions, LLC	Houston, TX	Consultant Services	5,550
Policy Research Associates, Inc.	Delmar, NY	Consultant Services	13,500
Powell, Curtis	Houston, TX	Respite Care Services	18,252
Pre-Check, Inc.	Houston, TX	Pre-employment Services	19,495
Prosumers International	San Antonio, TX	Consultant Services	16,450
Psychotherapy by Angelina, LLC	Bellaire, TX	Yes Waiver Services	28,924
Rangel, Kenia	Houston, TX	Home Living Support	16,769
Reach Unlimited, Inc.	Houston, TX	Day Habilitation Services	3,785
Recessability, Inc.	Spring, TX	Yes Waiver Services	107,048
Rekruters	Houston, TX	Consultant Services	213,291
Rise Psychological Services, PLLC	Houston, TX	Consultant Services	2,000
Robert Half International, Inc.	Houston, TX	Temporary Staffing - Admin	42,647
Semine, Karim	Houston, TX	Physician Services	4,653
Simmons & Arnold Services	Houston, TX	Consultant Services	22,407
Smith, Clarissa	Houston, TX	Home Living Support	18,439
Smith, Cora	Houston, TX	Home Living Support	11,225
Smith, Destinee	Houston, TX	Home Living Support	7,934
Smith, Tracy	Missouri City, TX	Home Living Support	21,229
Southwestern Music Therapy, LLC	Plano, TX	Yes Waiver Services	10,938
Spriggs, Ruth	Houston, TX	Home Living Support	20,873
Stericycle, Inc.	Lake Forest, IL	Hazardous Waste Disposal	4,546
Sun, Qi	Katy, TX	Respite Care Services	4,059
Texas Initiative Program	Dallas, TX	Pre-employment Services	3,756
Texas Medical Center Hospital Laundry Co-c	Houston, TX	Linen Services	92,790
Texas Suicide Prevention Collaborative	Austin, TX	Consultant Services	19,950
Texas West Oaks Hospital	Houston, TX	Inpatient Psychiatric Bed Services	1,875,625
Timmons, Deborah	Houston, TX	Home Living Support	3,762
Translation & Interpretation Network	Fort Worth, TX	Interpretation Services	2,157

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF PROFESSIONAL AND CONSULTING FEES AND**  
**CONTRACTED PROVIDER SERVICES**  
**For The Year Ended August 31, 2021**

**Table 22**  
**Page 4 of 4**

<b>Name</b>	<b>City</b>	<b>Service</b>	<b>Amount</b>
Udunenwu, Henrietta	Richmond, TX	Yes Waiver Services	86,826
Universe Technical Translation	Houston, TX	Interpretation Services	106,540
University of Houston, The	Houston, TX	Advocacy Services	85,385
University of Houston-Clear Lake, The	Houston, TX	Therapy Services	23,038
University of Houston-College of Medicine,	Houston, TX	Physician Services	401,775
University of Texas Dept of Psychiatry, The	Houston, TX	Residency Program Contract Labor	258,227
Valdez, Mirian	Houston, TX	Home Living Support	1,836
Velasquez, Celia	Houston, TX	Home Living Support	14,045
Visual Language Professional, LLC	Houston, TX	Interpretation Services	16,354
Vu, Annie	Houston, TX	Home Living Support	27,652
Vu, Trinh	Houston, TX	Respite Care Services	1,152
Wahab, Maria	Houston, TX	Home Living Support	13,001
Ward, Carole	Houston, TX	Home Living Support	7,127
Ward, Sheree	Stafford, TX	Home Living Support	1,450
Watkins, Kamala	Katy, TX	Home Living Support	2,567
Watkins, Leah	Houston, TX	Home Living Support	3,049
Watts, Glorious	Houston, TX	Home Living Support	31,037
Westmoreland, Tahiesha	Houston, TX	Home Living Support	7,812
WEX	Fargo, ND	Employee Benefits Administration	33,482
Whitley Penn, LLP	Fort Worth, TX	Audit Services	128,867
Williams, Romina	Houston, TX	Home Living Support	4,374
X-Ray Mobile Texas, Inc.	Sugar Land, TX	Medical Services	7,675
Younggren, Naomi	Hallock, MN	Consultant Services	7,800

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF LEGAL SERVICES**  
*For The Year Ended August 31, 2021*

**Table 23**

<b>Name</b>	<b>City</b>	<b>Type of Service</b>	<b>Amount</b>
Karczewski, Bradshaw, Spalding	Nacogdoches, TX	Employment and general representation	\$ 15,639
Rogers, Morris, & Grover, L.L.P	Houston, TX	General representation	23,912
Norton, Rose, Fulbright, U.S., L.L.P	Dallas, TX	Employee Benefits	129,048
Feldman & Feldman, PC	Houston, TX	General representation	63,799

## **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 information of The Harris Center for Mental Health and IDD (the “Center”), as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the Center’s basic financial statements, and have issued our report thereon dated January 26, 2022. 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 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Houston, Texas  
January 26, 2022



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND 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**

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 (21<sup>st</sup> Revision)* and the *State of Texas Uniform Grant Management Standards* 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, 2021. 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.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of the Center’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 (21<sup>st</sup> Revision)* and the *State of Texas Uniform Grant Management Standards*. Those standards, 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 (21<sup>st</sup> Revision)* and the *State of Texas Uniform Grant Management Standards* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Center’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

**Opinion on Each Major Federal and State Program**

In our opinion, the Center complied, in all material respects, with the types of 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, 2021.

**Report on Internal Control over Compliance**

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center’s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance 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 (21<sup>st</sup> Revision)* and the *State of Texas Uniform Grant Management Standards*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center’s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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 (21<sup>st</sup> Revision)* and the *State of Texas Uniform Grant Management Standards*. Accordingly, this report is not suitable for any other purpose.



Houston, Texas  
January 26, 2022

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended August 31, 2021**

**Section I - Summary of Auditors' Results**

**Financial Statements**

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

**Federal Awards**

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

Identification of major programs:

<b><u>Name of Federal Program or Cluster</u></b>	<b><u>Assistance Listing Numbers</u></b>
U.S. Department of Health and Human Services:	
Substance Abuse Prevention & Treatment Block Grant	93.959
Substance Abuse Prevention & Treatment Abuse Community Health Worker	93.959
Medicaid Cluster:	
Delivery System Reform Incentive Payments (DSRIP)	93.778
Delivery System Reform Incentive Payments (DSRIP) Transition	93.778
Medicaid Administrative Claiming Program	93.778
Disaster Assistance – FEMA- DR-4485-TX	93.982
Medication Opioid Use Disorder (MOUD)	93.982
Coronavirus Relief Fund	
Respite, Rehabilitation, and Re-Entry Center located at 6160 South Loop (COVID-19)	21.019
PSH Dennis Street Project	21.019
Dollar threshold used to distinguish between type A and type B federal programs:	\$2,302,743
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, 2021**

**Section I - Summary of Auditors' Results**

**Financial Statements**

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

**State Awards**

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

Identification of major programs:

<b><u>Name of State Program</u></b>	<b><u>State Grant Number(s)</u></b>
Texas Health and Human Services Commission:	
General Revenue:	
Mental Health	HHS000525600001
Psychiatric Hospitals	HHS000525600001
General Revenue:	
Intellectual Development Disabilities	HHS000608700001
Healthy Community Collaborative	HHS000559400001
Dollar threshold used to distinguish between type A and type B federal 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, 2021***

**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, 2021**

Federal Grantor/Pass-Through Grantor/ Program Title	*Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>Federal Communications Commission:</b>				
<b>Direct Award:</b>				
COVID-19 Telehealth Program	32.006	N/A	\$ 150,616	\$ -
<b>Total Federal Communications Commission</b>			<b>150,616</b>	<b>-</b>
<b>U.S. Department of Housing and Urban Development</b>				
<b>Passed through the Harris County:</b>				
Community Development Block Grants/Entitlement Grants				
Community Wide COVID Housing Program (COVID-19)	14.218	B-20-UW-48-0002; 2020-0048	531,502	-
<b>Total CDBG Entitlement Grants Cluster (ALN 14.218)</b>			<b>531,502</b>	<b>-</b>
<b>Total U.S. Department of Housing and Urban Development</b>			<b>531,502</b>	<b>-</b>
<b>U.S. Department of the Treasury</b>				
<b>Passed through the City of Houston:</b>				
Coronavirus Relief Fund - Respite, Rehabilitation, and Re-Entry Center located at 6160 South Loop East (COVID-19)	21.019	N/A	5,000,000	-
<b>Passed through Coalition for the Homeless:</b>				
Coronavirus Relief Fund - PSH Dennis Street Project	21.019	SPD-JSA-08132020-005	177,350	-
<b>Total ALN 21.019</b>			<b>5,177,350</b>	<b>-</b>
<b>Total U.S. Department of the Treasury</b>			<b>5,177,350</b>	<b>-</b>
<b>U.S. Department of Health and Human Services:</b>				
<b>Passed-through the Texas Health and Human Services Commission:</b>				
Mental Health Block Homeless PATH Grant	93.150	2016-048164	1,131,498	-
TANF Transfer to Title XX Block Grant	93.558	529-17-0038-00024	1,386,984	-
Temporary Assistance for Needy Families (TANF)	93.558	HHS000191200006		-
Social Services Block Grant (Title XX)	93.667	529-17-0038-00024	580,417	-
Opioid Response Program	93.788	N/A	172,459	-
Delivery System Reform Incentive Payments (DSRIP)	93.778	N/A	26,009,896	-
Delivery System Reform Incentive Payments (DSRIP) Transition	93.778	N/A	22,832,543	-
Medicaid Administrative Claiming Program	93.778	HHS000191200006	7,980,012	-
<b>Total CFDA 93.778</b>			<b>56,822,451</b>	<b>-</b>
<b>Total Medicaid Cluster (ALN 93.778)</b>			<b>56,822,451</b>	<b>-</b>
Enhanced Community Coordination	93.791	HHS000608700001	511,967	-
Mental Health Block Grant	93.958	529-17-0038-00024	3,463,134	-
Mental Health Block Grant (CSC)	93.958	2017-049559	731,212	-
<b>Total ALN 93.958</b>			<b>4,194,346</b>	<b>-</b>
Substance Abuse Prevention & Treatment Block Grant	93.959	HHS000782500006	817,891	817,891
Substance Abuse Prevention & Treatment Abuse Community Health Workers	93.959	HHS000780700004	744,007	-
<b>Total ALN 93.959</b>			<b>1,561,898</b>	<b>817,891</b>
Disaster Assistance - FEMA-DR-4485-TX	93.982	H07SM083662	2,997,401	-
<b>Passed-through the University of Texas Health Science Center at San Antonio</b>				
Medication Opioid Use Disorder (MOUD)	93.982	H79FG000626	125,000	-
<b>Total ALN 93.982</b>			<b>3,122,401</b>	<b>-</b>
Be Well Be Connected Program	93.243	H79-SM082256	111,780	-
Comprehensive Community Mental Health Services For Children with Serious Emotional Disturbances - System Care	93.104	HHS000815200001	204,137	-
<b>Passed-through the Substance Abuse and Mental Health Services Administration:</b>				
Assisted Outpatient Treatment	93.997	1H79SM082923-01	574,946	-
Certified Community Behavioral Health Clinics Expansion Program	93.829	1H79SM083110-01	523,351	-
<b>Total U.S. Department of Health and Human Services</b>			<b>70,898,635</b>	<b>817,891</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 76,758,103</b>	<b>\$ 817,891</b>

\*ALN Formerly known as CFDA

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended August 31, 2021**

State Grantor/Program Title	Contract number	State Expenditures
<b>Texas Health and Human Services Commission:</b>		
<b>Direct Programs:</b>		
General Revenue - Mental Health	HHS000525600001	\$ 72,674,945
General Revenue - Psychiatric Hospitals	HHS000525600001	30,800,506
<i>Total Contract number HHS000525600001</i>		<u>103,475,451</u>
General Revenue - Intellectual or Developmental Disabilities	HHS000608700001	8,723,486
General Revenue - Permanency Planning	HHS000608700001	132,715
General Revenue - Crisis Respite Services	HHS000608700001	1,162,547
General Revenue - Crisis Intervention Specialist	HHS000608700001	416,221
<i>Total Contract number HHS000608700001</i>		<u>10,434,969</u>
General Revenue - Mental Health First Aid	HHS000186700001	144,118
General Revenue - HCBS Pre Engagement	N/A	2,380
General Revenue - Mental Health Psychiatric Residency	2015-048737	282,261
Jail-Based Competency Restoration Pilot Program	HHS000789300001	690,357
House Bill 13	HHS000477100041	249,903
Mental Health Suicide Care Pilot (ZEST)	HHS000505700001	446,745
IDD Nursing Facility Specialized Services	N/A	2,713
Healthy Community Collaborative	HHS000559400001	3,054,742
MH Outpatient services for IDD	HHS000776900005 (Phase 1)	225,000
MH Outpatient services for IDD	HHS000776900005-Amd1 (Phase 2)	132,041
Early Childhood Intervention	640200031	5,250,080
<b>Total Direct Programs</b>		<u>10,480,340</u>
<b>Total Texas Health and Human Services Commission</b>		<u>124,390,760</u>
<b>Texas Department of Criminal Justice:</b>		
<b>Direct Programs:</b>		
Parole - MH Offenders Program	696-TC-14-15-L012	246,000
Substance Abuse - MH Offenders Program	696-TC-14-15-L012	214,200
<i>Total Contract number 696-TC-14-15-L012</i>		<u>460,200</u>
<b>Total Texas Department of Criminal Justice</b>		<u>460,200</u>
<b>Total Expenditures of State Awards</b>		<u>124,850,960</u>
<b>Total Expenditures of Federal and State Awards</b>		<u>\$ 201,609,063</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, 2021*

**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, 2021. 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, 2021:

State revenues per the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 127,906,818
Less: Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMI) program	<u>(3,055,858)</u>
State expenditures per the Schedule of Expenditures of State Awards	<u><u>\$ 124,850,960</u></u>



## **THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**

### ***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS***

***For the Year Ended August 31, 2021***

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, 2021***

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