



*Transforming Lives*

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For Fiscal Years Ended  
August 31, 2022 and 2021**

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, 2022 and August 31, 2021**

**Prepared by  
Finance Department**

**Vanessa McKeown, CPA  
Chief Financial Officer**



# THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

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## **INTRODUCTORY SECTION**



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January 24, 2023

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, 2022. 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, 2022 are free of material misstatement. The independent audit involved examining, on test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that The Harris Center for Mental Health and IDD's financial statements for the fiscal year ended August 31, 2022 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, 2022, 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 2022, 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 \$9 million in Fiscal Year 2022. 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, 2021. 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*

Wayne Young, MBA, LPC, FACHE  
Chief Executive Officer

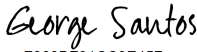
*Vanessa McKeown*

Vanessa McKeown, CPA  
Chief Financial Officer

## CERTIFICATE OF BOARD

I, Dr. George Santos, Secretary 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 2022 from Whitley Penn, LLP, was reviewed and approved at a meeting of the Board of Trustees held on the 24th day of January, 2022.

DocuSigned by:

  
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Secretary

The Harris Center for Mental Health and IDD Board of Trustees

Jan 27 2023

Date



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

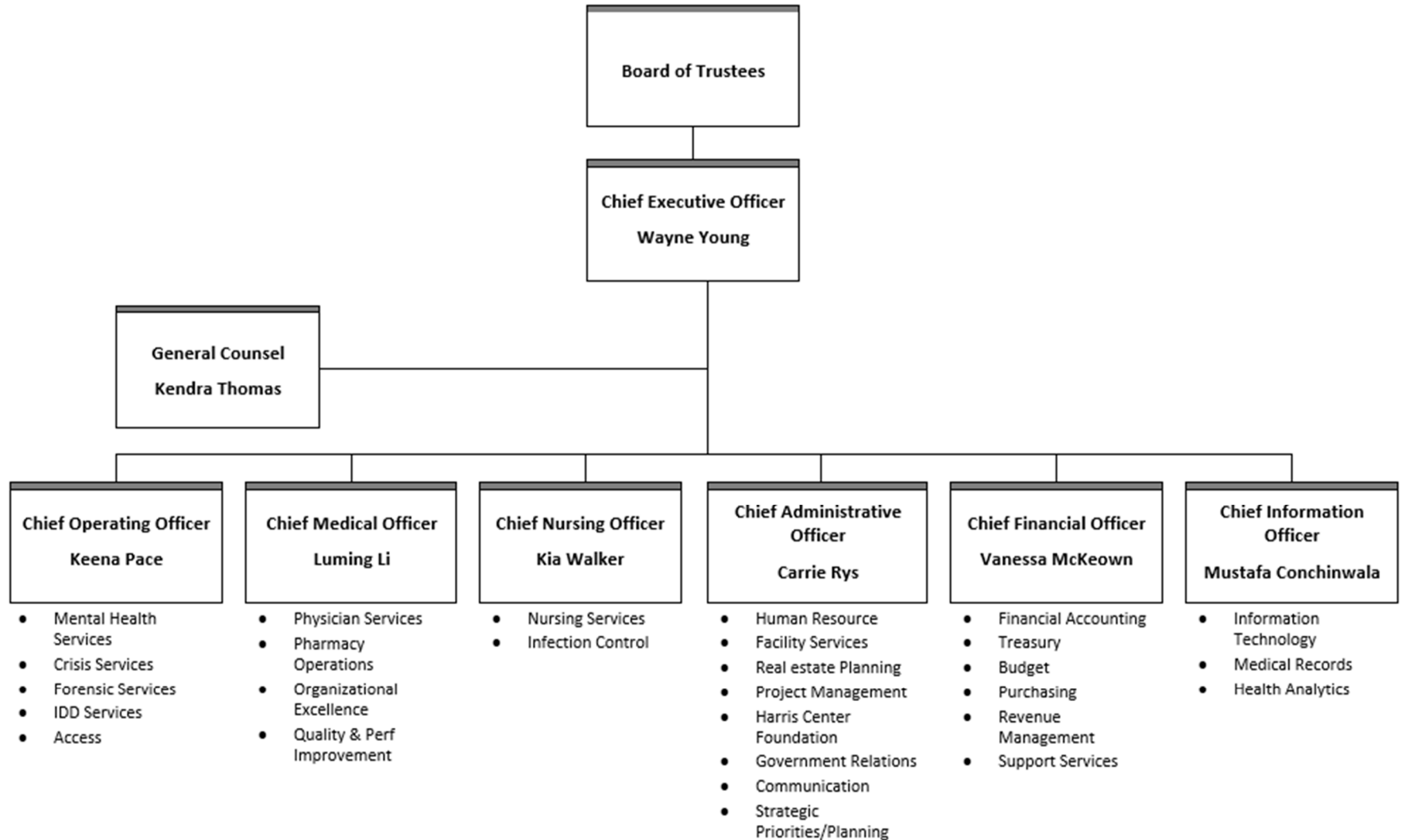
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

August 31, 2021

*Christopher P. Morill*

Executive Director/CEO

# Organizational Chart



# THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

## LISTING OF OFFICIALS

Year Ended August 31, 2022

### ***Board of Trustees***

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

### ***Executive Leadership***

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



## **FINANCIAL SECTION**



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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, 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, 2022 (May 31, 2021 for Pasadena Cottages, Inc.), and August 31, 2021 and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate discretely presented component units, and the remaining fund information of the Center, as of August 31, 2022 and 2021, and the respective changes in financial position, and, where applicable, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. We did not audit the financial statements of Pasadena Cottages, Inc., Pecan Village, Inc., Villas at Bayou Park, Inc., Pear Grove, Inc., or Acres Homes Gardens, Inc., which represent 88 percent, 87 percent, and 71 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Pasadena Cottages, Inc., Pecan Village, Inc., Villas at Bayou Park, Inc., Pear Grove, Inc., or Acres Homes Gardens, Inc. is based solely on the report of other auditors. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. The financial statements of Pasadena Cottages, Inc. were not audited in accordance with *Government Auditing Standards*.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

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

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

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center’s basic financial statements. The other supplementary information (as listed in the accompanying table of contents) and 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 *Grant Management Standards (TxGMS)*, and is also not a required part of the basic financial statements.

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

**Other Information**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2023 on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.



Houston, Texas  
January 24, 2023



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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, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### Financial Highlights

- The assets of the Center exceeded its liabilities at the close of FY 2022 by \$156,591,131 (net position) of this amount, \$97,091,918 (unrestricted net position) may be used to meet the Center's ongoing obligations. The assets of the Center exceeded its liabilities at the close of FY 2021 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) decreased by \$5,595,391 during fiscal year 2022. In fiscal year 2021, the Center's total net position increased by \$21,332,645.
- The Center's governmental funds decreased by \$14,436,338 resulting in an ending fund balance of \$106,638,815 in fiscal year 2022. The Center's governmental funds increased by \$440,731 resulting in an ending fund balance of \$121,075,153 in fiscal year 2021.
- At the end of fiscal year 2022, unassigned fund balance for the General Fund was \$81,833,297 or 26% of total General Fund expenditures. At the end of fiscal year 2021, 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.

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

### Fund Financial Statements

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using a method called *modified accrual accounting*, which measures cash and all other financial assets that can realistically be converted to cash.

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

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

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

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

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

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

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information that is required by the Texas Health and Human Services Commission, OMB's Uniform Guidance and the 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 \$156,591,131 and \$162,187,123 at the close of the fiscal years 2022 and 2021, respectively.

The largest portion of the Center's net position (62%) represents the unrestricted financial resources available for future operations. This compares to last fiscal year's unrestricted financial resources at 112,760,517 .

Another 38% 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, 2022 with comparative figures for FY 2021:

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

	<b>Governmental Activities</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 127,363,010	\$ 157,305,221	\$ 154,150,209
Non-current assets	59,499,213	49,253,423	28,639,674
<b>Total Assets</b>	<b>186,862,223</b>	<b>206,558,644</b>	<b>182,789,883</b>
Current Liabilities	21,491,564	36,480,068	34,311,499
Long-term liabilities outstanding	8,779,528	7,891,453	7,623,906
<b>Total Liabilities</b>	<b>30,271,092</b>	<b>44,371,521</b>	<b>41,935,405</b>
<b>Net Position:</b>			
Net investment in capital assets	59,499,213	49,253,423	28,093,961
Unrestricted	97,091,918	112,933,700	112,760,517
<b>Total Net Position</b>	<b>\$ 156,591,131</b>	<b>\$ 162,187,123</b>	<b>\$ 140,854,478</b>

The decrease in net position in fiscal year 2022 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 increase in net position in fiscal year 2021 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. In fiscal year 2020, the Center's net position increased due to revenues from federal funding such as the Delivery System Reform Incentive Payments.

**Governmental Activities**

For fiscal year 2022, revenues for the Center's governmental activities were \$301.1 million while total expenses were \$306.6 million. The change in net position of governmental activities was a decrease of \$5.6 million. For fiscal year 2021, 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 revenues and expenses for fiscal year 2020 were \$286.4 million and \$261.4 million, respectively.

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

**Governmental Activities (continued)**

The following table reflects a comparison of the governmental activities between FY 2022, FY 2021, and FY 2020:

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

	Governmental Activities		
	2022	2021	2020
<b>Revenues</b>			
<b>Program revenues:</b>			
<b>Charges for services:</b>			
Intellectual and Developmental Disabilities	\$ 16,448,695	\$ 14,638,147	\$ 16,690,170
Mental Health Adult	14,791,584	51,844,430	69,593,797
Mental Health Child and Adolescents	6,921,600	5,809,141	6,507,956
Crisis Center	8,157,231	10,884,133	6,048,908
Community Hospital (payments to HCPC)	1,154,084	53,047	-
<b>Total Charges for Services</b>	<b>47,473,194</b>	<b>83,228,898</b>	<b>98,840,831</b>
<b>Operating Grants and Contributions:</b>			
Intellectual and Developmental Disabilities	23,154,159	20,526,300	21,157,352
Mental Health Adult	85,295,627	76,672,389	70,204,877
Mental Health Child and Adolescents	13,220,832	13,321,391	13,188,239
Crisis Center	46,363,471	44,701,046	35,210,952
Community Hospital	26,066,426	25,952,324	24,662,929
<b>Total Operating Grants and Contributions</b>	<b>194,100,515</b>	<b>181,173,450</b>	<b>164,424,349</b>
<b>General Revenues:</b>			
Payment from Harris County	52,596,663	25,836,665	21,175,605
Investment earnings	274,036	119,813	1,093,385
Other income	6,445,529	1,823,779	849,027
Gain from sale of capital assets	160,955	72,625	25,717
<b>Total General Revenues</b>	<b>59,477,183</b>	<b>27,852,882</b>	<b>23,143,734</b>
<b>Total Revenues</b>	<b>301,050,892</b>	<b>292,255,230</b>	<b>286,408,914</b>
<b>Expenses</b>			
General administration	36,949,558	36,981,723	29,679,016
Intellectual and Developmental Disabilities	40,553,807	36,956,035	38,148,782
Mental Health Adult	106,793,188	95,403,524	91,246,763
Mental Health Child and Adolescents	20,059,934	20,232,482	20,878,283
Crisis Center	72,748,657	51,575,379	51,411,079
Community Hospital	29,513,577	29,766,733	29,956,331
Interest on long-term debt	27,562	6,709	33,547
<b>Total Expenses</b>	<b>306,646,283</b>	<b>270,922,585</b>	<b>261,353,801</b>
Changes in Net Position	(5,595,391)	21,332,645	25,055,113
<b>Net Position Beginning, as restated</b>	<b>162,186,522</b>	<b>140,854,478</b>	<b>115,799,365</b>
<b>Net Position Ending</b>	<b>\$ 156,591,131</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**

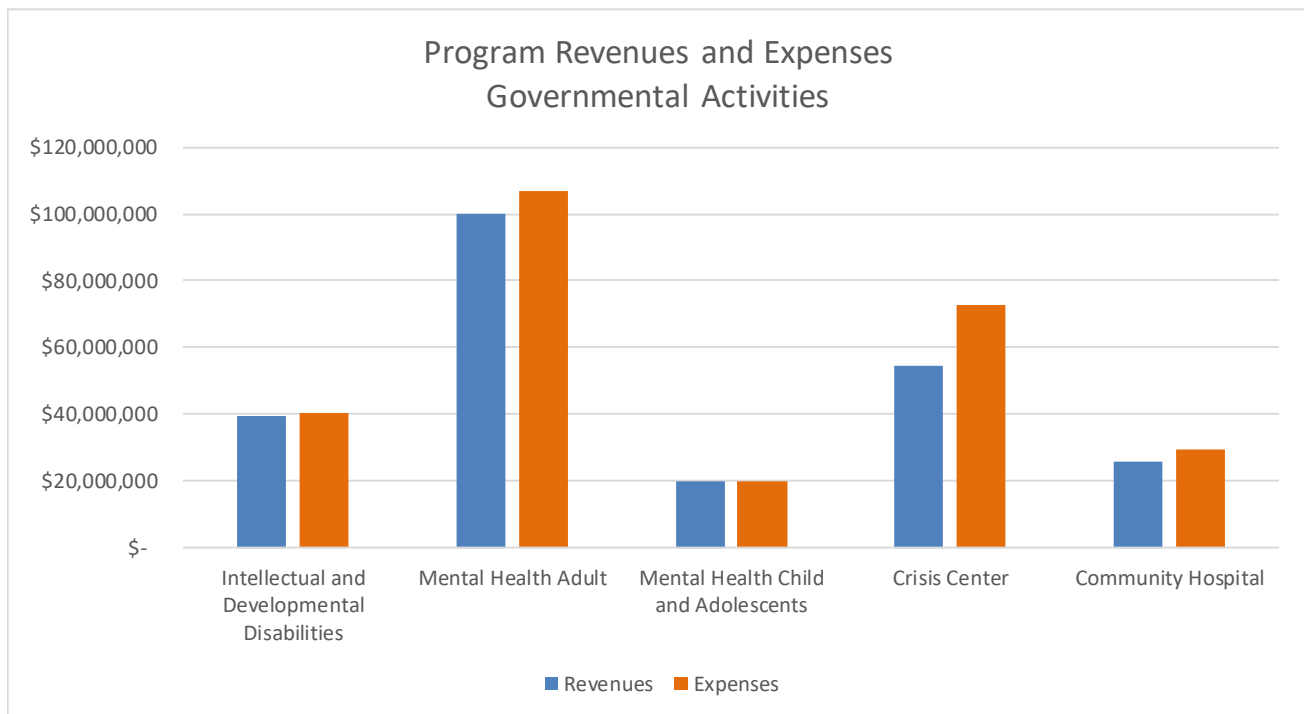
Total revenues increased between FY 2021 and FY 2022 mainly due to the increase in the Harris County Allocation.

For 2022 and 2021, expenses increased from 2020 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 Developmental 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>2022 Net Cost of Services</b>	<b>2021 Net Cost of Services</b>	<b>2020 Net Cost of Services</b>
Intellectual and Developmental Disabilities	\$ (6,496,965)	\$ (7,453,245)	\$ 36,886,294
Mental Health Adult	(21,293,316)	18,447,364	(5,171,355)
Mental Health Child and Adolescents	(2,660,841)	(4,203,290)	(3,847,902)
Crisis Center	(28,244,091)	(4,928,239)	(16,738,512)
Community Hospital	(6,349,799)	(8,376,118)	(9,183,599)
Interest on long-term debt	(27,562)	(6,709)	(33,547)
<b>Total</b>	<u><u>\$ (65,072,574)</u></u>	<u><u>\$ (6,520,237)</u></u>	<u><u>\$ 1,911,379</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 fiscal year 2022, its General Fund (as presented in the balance sheet on page 22) reported a fund balance of \$106,638,815. A large portion of this, or 77%, is labeled as unassigned fund balance. As a measure of the General Fund's liquidity, it may be useful to compare spendable (assigned and unassigned) fund balance to total fund expenditures. Assigned and unassigned fund balance totals \$100,729,014 and represents 32% of total General Fund expenditures or the equivalent of 117 days. In fiscal year 2021, the General Fund 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 for both fiscal years 2022 and 2021 follows:

- Compared to the previous year, State grants and programs for FY 2021 decreased by \$3.9 million.
- Federal funds increased by \$15.8 million compared to the prior year as result of additional COVID-19 funding.
- The Harris County allocation increased by \$1.3 million and \$7.2 million for fiscal year 2022 and 2021, respectively.
- In fiscal year 2022, local billings decreased by \$3.9, while investment earnings increased by \$0.2 million. The Center only invested in local government investment pools in fiscal year 2022. 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 \$23.7 million during fiscal year 2022. The most notable budget increase was in its federal revenue, which increased by \$19.9 million. There were about \$11 million in American Relief Plan Act (ARPA) in the current year, for which the budget increased after adoption.

Actual total revenues were less than budgeted amounts by \$13.8 million. The most notable driver of this variance was due to the Center's local billings, where revenues were less than budget by \$7.0 million. These local billings include revenue streams such as Medicare, Medicaid, etc.

The expenditure budget was amended by \$47.7 million. The most significant increase was in capital outlay and personnel costs of \$26.3 and \$10.2 million, respectively. Actual expenditures were less than budgeted amounts by \$28.9 million. The most significant positive variance was realized in repairs and maintenance and capital outlay of \$9.1 million and \$15.0 million, respectively.

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

**Capital Asset and Debt Administration**

**Capital Assets.** The Center's investment in capital assets as of August 31, 2022, amounts to \$59.5 (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 <u>2022</u>	Fiscal Year <u>2021</u>	Increase (Decrease)
Land	\$ 12,654,193	\$ 6,432,036	\$ 6,222,157
Buildings & improvements	23,005,113	24,939,858	(1,934,745)
Furniture & equipment	1,220,246	1,656,861	(436,615)
Vehicles	85,356	151,046	(65,690)
Construction in progress	21,187,831	16,073,622	5,114,209
Right-to-use assets	1,346,474	-	1,346,474
<b>Total capital assets</b>	<u>\$ 59,499,213</u>	<u>\$ 49,253,423</u>	<u>\$ 10,245,790</u>

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>	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>	<u>\$ 49,253,423</u>	<u>\$ 28,639,674</u>	<u>\$ 20,613,749</u>

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 \$8.2 million , an increase of \$34 thousand. The Center paid off its Notes Payable during fiscal year 2021. The Center's implementation of GASB No. 87 *Leases* resulted in the recognition of a lease liability totaling \$1.4 million. A more extensive discussion about long-term debt is provided in the Notes to the Basic Financial Statements: Note 6 - Long-Term Liabilities.

**Requests for Information**

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



*Transforming Lives*

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

**STATEMENT OF NET POSITION**

**August 31, 2022 and 2021**

	2022		2021	
	Governmental Activities	Component Units	Governmental Activities	Component Units
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 33,227,544	\$ 712,645	\$ 16,946,845	\$ 814,393
Investments	55,402,014	-	110,589,575	-
Investments - restricted	2,300,562	-	2,288,964	-
Accounts receivable, net	30,523,089	4,647	23,708,928	6,199
Inventories	398,223	-	293,235	-
Deposits	5,249,389	-	2,805,150	-
Prepaid expenses	262,189	67,470	672,524	45,752
Other assets	-	1,072	-	9,360
<b>Total Current Assets</b>	<u>127,363,010</u>	<u>785,834</u>	<u>157,305,221</u>	<u>875,704</u>
<b>Noncurrent Assets:</b>				
Restricted cash and cash equivalents	-	417,893	-	388,890
Land	12,654,193	-	6,432,036	-
All other capital assets, net	46,845,020	4,636,333	42,821,387	4,812,659
<b>Total Noncurrent Assets</b>	<u>59,499,213</u>	<u>5,054,226</u>	<u>49,253,423</u>	<u>5,201,549</u>
<b>Total Assets</b>	<u>186,862,223</u>	<u>5,840,060</u>	<u>206,558,644</u>	<u>6,077,253</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	5,616,798	130,278	4,281,337	295,352
Accrued liabilities	11,554,672	420,718	13,780,352	15,981
Unearned revenue	3,558,689	14,640	18,168,379	4,316
Current portion of long-term obligations	761,405	21,805	250,000	19,936
<b>Total Current Liabilities</b>	<u>21,491,564</u>	<u>587,441</u>	<u>36,480,068</u>	<u>335,585</u>
<b>Noncurrent Liabilities</b>				
Noncurrent portion of long-term obligations	8,779,528	318,986	7,891,453	340,791
<b>Total Liabilities</b>	<u>30,271,092</u>	<u>906,427</u>	<u>44,371,521</u>	<u>676,376</u>
<b>Net Position</b>				
Net investment in capital assets	59,499,213	6,583,510	49,253,423	4,510,219
Unrestricted	97,091,918	(1,649,877)	112,933,700	890,658
<b>Total Net Position</b>	<u>\$ 156,591,131</u>	<u>\$ 4,933,633</u>	<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, 2022*

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



**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**STATEMENT OF ACTIVITIES**  
*For The Year Ended August 31, 2022*

<b>Functions/Programs</b>	<b>Net (Expense) Revenue and Changes in Net Position</b>	
	<b>Total Governmental Activities</b>	<b>Component Units</b>
<b>Primary government:</b>		
<b>Governmental Activities</b>		
General Administration	\$ -	\$ -
Adult Mental Health	(21,293,316)	-
Intellectual & Developmental Disabilities	(6,496,965)	-
Child and Adolescent	(2,660,841)	-
Crisis Center	(28,244,091)	-
Community Hospital (payment to HCPC)	(6,349,799)	-
Interest on long-term debt	(27,562)	-
<b>Total Governmental Activities</b>	<b>(65,072,574)</b>	<b>-</b>
<b>Component Units</b>		
HUD Programs	-	(350,917)
Fund raising activities	-	(116,971)
<b>Total Component Units</b>	<b>-</b>	<b>(467,888)</b>
<b>General Revenues</b>		
Payment from Harris County	52,596,663	-
Investment earnings	274,036	644
Other	6,445,529	-
Gain on disposal of capital assets	160,955	-
<b>Total General Revenues</b>	<b>59,477,183</b>	<b>644</b>
Change in net position	(5,595,391)	(467,244)
<b>Net Position - Beginning</b>	<b>162,187,123</b>	<b>5,400,877</b>
Prior period adjustments - Implementation of new standards	(601)	-
<b>Net Position - Ending</b>	<b>\$ 156,591,131</b>	<b>\$ 4,933,633</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*

<b>Functions/Programs</b>	<b>Net (Expense) Revenue and Changes in Net Position</b>	
	<b>Total Governmental Activities</b>	<b>Component Units</b>
<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>	<b>(6,520,237)</b>	<b>-</b>
<b>Component Units</b>		
HUD Programs	-	(199,663)
Fund raising activities	-	(142,447)
<b>Total Component Units</b>	<b>-</b>	<b>(342,110)</b>
<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>	<b>27,852,882</b>	<b>1,227</b>
Change in net position	21,332,645	(340,883)
<b>Net Position - Beginning</b>	<b>140,854,478</b>	<b>5,741,760</b>
<b>Net Position - Ending</b>	<b>\$ 162,187,123</b>	<b>\$ 5,400,877</b>

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

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**August 31, 2022 and 2021**

	<u>General Fund</u>	
	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 33,227,544	\$ 16,946,845
Investments	57,702,576	112,878,539
Accounts Receivable (net of allowance for uncollectible)	3,590,278	3,565,564
Receivables from other governments	21,108,197	16,787,745
Other receivables	5,824,614	3,355,619
Inventories	398,223	293,235
Deposits	5,249,389	2,805,150
Prepaid items	262,189	672,524
<b>Total Assets</b>	<u><u>\$ 127,363,010</u></u>	<u><u>\$ 157,305,221</u></u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities:</b>		
Accounts payable	5,616,798	4,281,337
Accrued liabilities	11,548,706	13,780,350
Unearned revenues	3,558,691	18,168,381
<b>Total Liabilities</b>	<u><u>20,724,195</u></u>	<u><u>36,230,068</u></u>
<b>Fund Balance:</b>		
Nonspendable:		
Inventories	398,223	293,235
Prepaid items	262,189	672,524
Deposits	5,249,389	2,805,150
Assigned:		
Current capital projects	9,409,790	23,620,608
Future purchase of real property and IT infrastructure	1,365,842	1,365,842
ECl building use	361,664	361,664
COVID-19 eFMAP reserve	904,067	1,469,158
Self-insurance	2,000,000	2,000,000
Compensated absences	4,854,354	4,854,354
Unassigned	81,833,297	83,632,618
<b>Total Fund Balances</b>	<u><u>106,638,815</u></u>	<u><u>121,075,153</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 127,363,010</u></u>	<u><u>\$ 157,305,221</u></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, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Total fund balance</b>	\$ 106,638,815	\$ 121,075,153
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.	59,499,213	49,253,423
Accrued interest on lease liabilities	(5,964)	-
Long-term liabilities, current and long-term, are not due and payable with current financial resources and therefore, are not reported in the fund financial statements. Compensated absences and the lease liability make up the balance of these items as described in Note 7 to the financial statements.	<u>(9,540,933)</u>	<u>(8,141,453)</u>
<b>Net position governmental activities</b>	<u>\$ 156,591,131</u>	<u>\$ 162,187,123</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, 2022 and 2021**

	<b>General Fund</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenues</b>		
State grants & programs	\$ 123,996,905	\$ 127,906,818
Federal grants	92,588,905	76,758,103
Harris County allocation	52,596,663	51,260,112
Local billings	26,474,154	30,405,246
Investment earnings	274,036	119,813
Miscellaneous	5,000,256	6,057,515
<b>Total Revenues</b>	<b>300,930,919</b>	<b>292,507,607</b>
<b>Expenditures</b>		
<b>Current:</b>		
Adult mental health	108,377,186	93,088,416
Intellectual & developmental disabilities	40,348,403	36,918,943
Child and adolescent	19,952,890	20,049,869
Crisis center	72,550,918	57,779,675
Community hospital (payment to HCPC)	29,513,041	29,730,527
General administration	45,059,842	54,019,648
<b>Debt service:</b>		
Principal	430,704	545,714
Interest and other charges	31,384	6,709
<b>Total Expenditures</b>	<b>316,264,368</b>	<b>292,139,501</b>
Excess (deficiency) of revenues over expenditures	(15,333,449)	368,106
<b>Other Financing Sources</b>		
Proceeds from new leases	736,156	
Proceeds from sale of capital assets	160,955	72,625
<b>Total Other Financing Sources</b>	<b>897,111</b>	<b>72,625</b>
Net changes in fund balance	(14,436,338)	440,731
<b>Fund Balances - Beginning</b>	<b>121,075,153</b>	<b>120,634,422</b>
<b>Fund Balances - Ending</b>	<b>\$ 106,638,815</b>	<b>\$ 121,075,153</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, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Net change in fund balances - total governmental funds	\$ (14,436,338)	\$ 440,731
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.	9,200,473	20,649,398
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.	(13,326)	(35,649)
Issuance of new leases	(736,156)	-
Repayment of leases is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	430,704	545,713
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount is the net change in accrued compensated absences and interest expense in the government-wide financial statements during the current fiscal year.	(40,748)	(267,548)
<b>Change in net position of governmental activities</b>	<u>\$ (5,595,391)</u>	<u>\$ 21,332,645</u>

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

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



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

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

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

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



*Transforming Lives*

**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>	<b>31,409,730</b>	<b>30,846,685</b>	<b>10,869,497</b>	<b>19,977,188</b>
<b>Total expenditures before Patient Assistance Program</b>	<b>298,478,378</b>	<b>325,916,268</b>	<b>292,139,501</b>	<b>33,776,767</b>
			-	
Patient Assistance Program	19,000,000	19,000,000	13,947,037	5,052,963
<b>Total expenditures</b>	<b>317,478,378</b>	<b>344,916,268</b>	<b>306,086,538</b>	<b>38,829,730</b>
<b>Excess of revenues over expenditures</b>	<b>(37,469,948)</b>	<b>(43,494,914)</b>	<b>368,106</b>	<b>40,731,591</b>
<b>Other Financing Sources</b>				
Sale of capital assets	-	-	72,625	72,625
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>72,625</b>	<b>72,625</b>
<b>Excess of revenues and other financing sources over expenditures</b>	<b>\$ (37,469,948)</b>	<b>\$ (43,494,914)</b>	<b>\$ 440,731</b>	<b>\$ (43,054,183)</b>

**BUDGETARY COMPARISON STATEMENT**  
**BUDGET-TO-GAAP RECONCILIATION – GENERAL FUND**  
**For the Year Ended August 31, 2022 and August 31, 2021**

	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>
<b>Sources / Inflows of Resources</b>		
<b>Total revenue as per Budgetary Comparison Schedule</b>	\$ 310,189,950	\$ 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.	<u>(9,259,031)</u>	<u>(13,947,037)</u>
<b>Total revenue as per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds</b>	<u>\$ 300,930,919</u>	<u>\$ 292,507,607</u>
<b>Uses / Outflows of Resources</b>		
<b>Total expenditures as per Budgetary Comparison Schedule</b>	\$ 325,523,399	\$ 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.	<u>(9,259,031)</u>	<u>(13,947,037)</u>
<b>Total expenditures as per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds</b>	<u>\$ 316,264,368</u>	<u>\$ 292,139,501</u>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
*For the Years Ended August 31, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 24,998	\$ 50,270
<b>Total Assets</b>	<u>24,998</u>	<u>50,270</u>
<b>Liabilities</b>	<u>24,998</u>	<u>-</u>
<b>Net Position</b>		
Restricted for Clients	<u>\$ 24,998</u>	<u>\$ 50,270</u>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
*For the Years Ended August 31, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>Additions</b>		
SSI Client related receipts	\$ 76,928	\$ 124,446
Interest earnings - Deferred Compensation Plan	-	39
<b>Total Additions</b>	<u>76,928</u>	<u>124,485</u>
<b>Deductions</b>		
SSI Client deductions	102,200	107,159
Deferred Compensation Plan	-	70,223
<b>Total Deductions</b>	<u>102,200</u>	<u>177,382</u>
Changes in Net Position	(25,272)	(52,897)
<b>Beginning Net Position</b>	50,270	103,167
<b>Ending Net Position</b>	<u>\$ 24,998</u>	<u>\$ 50,270</u>



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

	Pasadena Cottages, Inc. May 31, 2022	Pecan Village, Inc. August 31, 2022	Villas at Bayou Park, Inc August 31, 2022	Pear Grove, Inc. August 31, 2022	Acres Homes Garden, Inc. August 31, 2022	Friends of MHMRA August 31, 2022	Total
<b>Assets</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 40,143	\$ 7,836	\$ 3,474	\$ 588	\$ 396	\$ 660,208	\$ 712,645
Accounts receivable	-	192	952	398	585	2,520	4,647
Prepaid expenses	18,281	12,803	12,159	9,808	10,919	3,500	67,470
Other assets	-	471	-	601	-	-	1,072
<b>Total current assets</b>	<b>58,424</b>	<b>21,302</b>	<b>16,585</b>	<b>11,395</b>	<b>11,900</b>	<b>666,228</b>	<b>785,834</b>
<b>Noncurrent assets:</b>							
Restricted cash and cash equivalents	38,966	119,722	97,776	100,251	61,178	-	417,893
Capital assets, net	133,857	603,617	1,350,316	1,119,896	1,428,647	-	4,636,333
<b>Total noncurrent assets</b>	<b>172,823</b>	<b>723,339</b>	<b>1,448,092</b>	<b>1,220,147</b>	<b>1,489,825</b>	<b>-</b>	<b>5,054,226</b>
<b>Total Assets</b>	<b>231,247</b>	<b>744,641</b>	<b>1,464,677</b>	<b>1,231,542</b>	<b>1,501,725</b>	<b>666,228</b>	<b>5,840,060</b>
<b>Liabilities</b>							
<b>Current liabilities:</b>							
Accounts payable	86,558	2,036	11,787	5,292	20,855	3,750	130,278
Accrued management fee payable	1,732	886	724	710	563	-	4,615
Accrued interest payable	1,356	-	-	-	-	-	1,356
Unearned revenue	-	-	-	-	-	50,607	50,607
Other current liabilities	-	4,677	91,427	57,104	210,932	-	364,140
Deposits payable	125	4,903	3,260	3,440	2,912	-	14,640
Current portion of long-term obligations	21,805	-	-	-	-	-	21,805
<b>Total current liabilities</b>	<b>111,576</b>	<b>12,502</b>	<b>107,198</b>	<b>66,546</b>	<b>235,262</b>	<b>54,357</b>	<b>587,441</b>
<b>Noncurrent liabilities:</b>							
Noncurrent portion of long-term obligations	158,986	-	90,000	70,000	-	-	318,986
<b>Total Liabilities</b>	<b>270,562</b>	<b>12,502</b>	<b>197,198</b>	<b>136,546</b>	<b>235,262</b>	<b>54,357</b>	<b>906,427</b>
<b>Net Position (Deficit)</b>							
Net investment in capital assets	(46,934)	1,099,700	1,979,210	1,527,300	1,977,300	-	6,536,576
Unrestricted net position	7,619	(367,561)	(711,731)	(432,304)	(710,837)	611,871	(1,602,943)
<b>Total Net Position (Deficit)</b>	<b>\$ (39,315)</b>	<b>\$ 732,139</b>	<b>\$ 1,267,479</b>	<b>\$ 1,094,996</b>	<b>\$ 1,266,463</b>	<b>\$ 611,871</b>	<b>\$ 4,933,633</b>

**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 ACTIVITIES**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**For the Year Ended August 31, 2022**

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

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**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						
	Expenses	Charges for Service	Operating Grants and Contributions	Pasadena Cottages, Inc.	Pecan Village, Inc.	Villas at Bayou Park, Inc.	Pear Grove, Inc.	Acres Homes Garden, Inc.	Friends of MHMRA	Totals
<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>				<u>(59,946)</u>	<u>787,819</u>	<u>1,390,006</u>	<u>1,228,842</u>	<u>1,525,486</u>	<u>869,553</u>	<u>5,741,760</u>
<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

## 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.

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

## THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

### NOTES TO FINANCIAL STATEMENTS (continued)

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

##### Measurement Focus and Basis of Accounting (continued)

###### *Fund Financial Statements (continued)*

###### *Fund Financial Statements*

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

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

Expenditures 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**

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

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

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

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

##### **Budgetary Information**

The Center's annual budget for the General Fund is prepared based on estimated expenditures provided on a unit basis summarized by program category. The budget is submitted to the Board of Trustees. The budget must have the Board of Trustees' approval and that of the Texas Health and Human Services Commission ("HHSC"). All annual appropriations lapse at fiscal year-end. 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, 2022 and 2021, the Center did not own any types of securities other than those permitted by statute. Investments for the Center are reported at fair value, except for the position in investment pools that measure for financial reporting purposes all of their investments at amortized cost. The Center's investment pools are reported at net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

##### **Accounts Receivable**

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



# THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

## NOTES TO FINANCIAL STATEMENTS (continued)

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

#### Inventory

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

#### Prepaid Items

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

#### Capital Assets

Capital assets with useful lives of more than one year are stated at historical cost (except for intangible right-to-use lease assets). Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. The Center capitalizes assets with an initial, individual cost of \$5,000 or more and intangible assets follow the same capitalization policy. 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
Right-to-use assets	3-7 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.

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.

# THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

## NOTES TO FINANCIAL STATEMENTS (continued)

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

#### Leases

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

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

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

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

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

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

#### Fund Balance

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

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

The governmental fund balance sheet includes the "Reconciliation of the Fund Balance of Governmental Funds to the Statement of Net Positions - Governmental Activities". One element of that reconciliation explains, "Long-term liabilities are not due and payable with current financial resources and therefore, are not reported in the fund." The details of this difference for both fiscal years 2022 and 2021 are shown below:

	<b>2022</b>	<b>2021</b>
Lease liability	\$ 1,364,696	\$ -
Compensated absences	8,176,239	8,141,453
<b>Net Adjustments</b>	<b>\$ 9,540,935</b>	<b>\$ 8,141,453</b>

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

**NOTES TO FINANCIAL STATEMENTS (continued)**

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

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

The governmental fund “Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Fund” includes the “Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities.” An element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the state of activities, the costs of those assets are allocated over their useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.” The details of differences for both fiscal years 2022 and 2021 are shown below:

	<u>2022</u>	<u>2021</u>
Capital outlay	\$ 11,870,606	\$ 22,962,401
Depreciation expense	<u>(2,670,133)</u>	<u>(2,313,189)</u>
<b>Net Adjustments</b>	<u>\$ 9,200,473</u>	<u>\$ 20,649,212</u>

**Implementation of New Standards**

**GASB Statement No. 87 Leases**, was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The Center implemented this lease standard and reflects a right-to-use asset and lease liability on its financial statements and in the note disclosures. The net and the gross amounts of the right-to-use asset and the lease liability as of September 1, 2020 was immaterial to restate the prior year.

**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.

**GASB No. 97 Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84**, and a Supersession of GASB Statement No. 32 was issued in June 2020. This Statement provides guidance regarding the financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The Statement will also enhance (1) information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Paragraphs 4 and 5 of the Statement were effective immediately whereas the remaining requirements of this Statement are effective for periods beginning after June 15, 2021. The Center has evaluated the effects of this standard and has determined that this Standard does not impact its financial statements.

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

**NOTES TO FINANCIAL STATEMENTS (continued)**

**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, 2022 and 2021, the balances per various financial institutions were \$33.8 million and \$17.9 million, respectively. The Center’s deposits are not exposed to custodial credit risk since all deposits are fully collateralized as of yearend.

**Custodial Credit Risk - Investments**

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

As of August 31, 2022 the Center had the following investments:

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

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

In fiscal year 2021, 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 2021 investments are shown below:

<u>Security</u>	<u>Weighted Average Maturity</u>	<u>Rating</u>	<u>Fair Value as of 8/31/2021</u>
<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>			<u>\$ 112,878,539</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.

# THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

## NOTES TO FINANCIAL STATEMENTS (continued)

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

#### Credit Risk

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

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

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

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

### Note 4 - Accounts Receivable

Accounts receivable are comprised of the following balances at August 31, 2022 and 2021 for the primary government:

	<u>2022</u>	<u>2021</u>
<b>Due from other governments</b>		
Harris County	\$ 8,221,624	\$ 8,329,009
State and Federal	16,555,394	9,395,688
3rd Party billings (net of allowance for uncollectible amounts of \$6,900,034 and \$6,900,034).	3,141,058	3,559,775
Other receivables	2,605,013	2,424,456
<b>Total receivables</b>	<u>\$ 30,523,089</u>	<u>\$ 23,708,928</u>

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

**NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 5 - Capital Assets**

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

	<b>Primary Government</b>			<b>Balance as of August 31, 2022</b>
	<b>Balance as of September 1, 2021</b>	<b>Additions</b>	<b>Transfers/ Retirements</b>	
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 6,432,036	\$ 6,222,157	\$ -	\$ 12,654,193
Construction in progress	16,073,623	5,114,208	-	21,187,831
Intangible assets - software	42,704	-		42,704
<b>Total Capital Assets, Not Being Depreciated</b>	<b>22,548,363</b>	<b>11,336,365</b>	<b>-</b>	<b>33,884,728</b>
Capital assets being depreciated:				
Buildings and improvements	47,395,789	21,976	(853,053)	46,564,712
Furniture and Equipment	7,531,859	41,208	(706,090)	6,866,977
Vehicles	1,569,768	-	(519,628)	1,050,140
Right-to-use assets	1,462,713	471,057		1,933,770
<b>Total Capital Assets Being Depreciated</b>	<b>57,960,129</b>	<b>534,241</b>	<b>(2,078,771)</b>	<b>56,415,599</b>
<b>Total Capital Assets at Historical Cost</b>	<b>80,508,492</b>	<b>11,870,606</b>	<b>(2,078,771)</b>	<b>90,300,327</b>
Less accumulated depreciation/ amortization for:				
Buildings and improvements	22,455,931	1,956,718	(853,053)	23,559,596
Furniture and Equipment	5,917,703	477,824	(706,090)	5,689,437
Vehicles	1,418,722	52,364	(506,302)	964,784
Right-to-use assets	404,070	183,227		587,297
<b>Total Accumulated Depreciation</b>	<b>30,196,426</b>	<b>2,670,133</b>	<b>(2,065,445)</b>	<b>30,801,114</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 50,312,066</b>	<b>\$ 9,200,473</b>	<b>\$ (13,326)</b>	<b>\$ 59,499,213</b>

**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, 2021, is as follows:

	<b>Primary Government</b>			<b>Balance as of August 31, 2021</b>
	<b>Balance as of September 1, 2020, as restated</b>	<b>Additions</b>	<b>Retirements</b>	
<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
Intangible assets - software	42,704	-	-	42,704
<b>Total Capital Assets, Not Being Depreciated</b>	<b>8,234,778</b>	<b>15,283,981</b>	<b>(970,396)</b>	<b>22,548,363</b>
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
Vehicles	1,605,231	-	(35,463)	1,569,768
Right-to-use asset	1,469,313	-	(6,600)	1,462,713
<b>Total Capital Assets Being Depreciated</b>	<b>50,826,971</b>	<b>7,678,420</b>	<b>(2,007,975)</b>	<b>57,960,129</b>
<b>Total Capital Assets at Historical Cost</b>	<b>59,061,749</b>	<b>22,962,401</b>	<b>(2,978,371)</b>	<b>80,508,492</b>
Less accumulated depreciation/ amortization 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
Right-to-use asset	-	404,070	-	404,070
<b>Total Accumulated Depreciation</b>	<b>30,422,075</b>	<b>2,717,259</b>	<b>(2,942,908)</b>	<b>30,196,426</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 28,639,674</b>	<b>\$ 20,649,212</b>	<b>\$ (35,463)</b>	<b>\$ 50,312,066</b>

Depreciation expense for the years ended August 31, 2022 and 2021 were and \$2,313,189, respectively, and were charged to the following functions and activities:

Depreciation Expense

	<b>2022</b>	<b>2021</b>
<b>Primary government</b>		
<b>Governmental Activities:</b>		
General Administration	\$ 1,278,186	\$ 1,300,745
Adult Mental Health	632,902	644,072
Intellectual and Developmental Disabilities	205,404	103,353
Child and Adolescent	101,561	460,060
Crisis Center	452,081	209,029



**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, 2022 was as follows:

	Balance as of September 01, 2021	Additions	Retirements	Balance as of August 31, 2022	Amounts due within One Year
<b>Governmental Activities</b>					
Lease liability	\$ 1,059,244	\$ 736,156	\$ 430,704	\$ 1,364,696	\$ 511,405
Compensated absences	8,141,453	34,786	-	8,176,239	250,000
<b>Governmental Activities Long-term Liabilities</b>	<b>\$ 9,200,697</b>	<b>\$ 770,942</b>	<b>\$ 430,704</b>	<b>\$ 9,540,935</b>	<b>\$ 761,405</b>

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

	Balance as of September 1, 2020, as restated	Additions	Retirements	Balance as of August 31, 2021	Amounts due within One Year
<b>Governmental activities</b>					
Bank notes payable	\$ 545,713	\$ -	\$ 545,713	\$ -	\$ -
Lease liability	1,469,313	-	410,069	1,059,244	-
Compensated absences	7,873,905	14,177,604	13,910,056	8,141,453	250,000
<b>Governmental Activities Long-term Liabilities</b>	<b>\$ 9,888,931</b>	<b>\$ 14,177,604</b>	<b>\$ 14,865,838</b>	<b>\$ 9,200,697</b>	<b>\$ 250,000</b>

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 - Leases**

The Center leases certain administrative, residential and outpatient facilities under lease agreements. The Center conducted significant research to determine its incremental borrowing rate to determine the present value of the lease liabilities. The implementation of the leases were in effect as of September 1, 2020. The incremental borrowing rate based on the type of lease ranges from 1.55% and 3.33%.

As of fiscal year 2021, the beginning lease liability was \$1,469,313. The ending lease liability as of August 31, 2021 was \$1,059,244. As of fiscal year 2022, the Center entered additional lease agreements, which resulted in a net increase of approximately \$206,000.

Future principal and interest payments are as follows:

Fiscal Year Ending August 31,	Principal	Interest
2023	\$ 511,405	\$ 52,614
2024	374,812	33,993
2025	326,775	17,084
2026	147,633	4,436
2027	4,071	21
	<b>\$ 1,364,696</b>	<b>\$ 108,148</b>

## **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 \$195,094 and \$220,097 for the years ended August 31, 2022 and 2021, respectively. The Center recorded revenue of \$52,596,663 in financial support from the County in fiscal year 2022 and \$51,260,112 in fiscal year 2021.

#### **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 2022 and 2021 amounted to \$885,750 and \$1,129,099, 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, 2022 and 2021 amounted to \$13,393,791 and \$10,470,562, 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.

#### **Note 11 - Prior Period Adjustment – Implementation of New Standards**

The Center implemented GASB No. 87, *Leases* as of September 1, 2020. As a result, the prior period was restated and resulted in a restatement of the beginning net position of \$601 (the difference between the right-to-use asset and the lease liability).

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

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

#### **Note 12 - 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 13 - 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, 2022 and 2021 were \$9,259,031 and \$13,947,037, 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 14 - 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, 2022 and August 31, 2021 \$40,766,250 and \$48,842,441 was recorded as revenue from DSRIP.



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## **OTHER SUPPLEMENTARY INFORMATION**



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**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, 2022**

	<u><b>Total</b></u>
<b>Governmental Funds Capital Assets</b>	
Land	\$ 12,654,193
Construction in Progress	21,187,831
Buildings	25,389,494
Furniture and Equipment	6,866,977
Leasehold Improvements	21,175,215
Vehicles	1,050,140
Right to use assets	<u>1,933,770</u>
<b>Total Governmental Fund Capital Assets</b>	<u><u>\$ 90,257,620</u></u>
<b>Investment in Governmental Funds Capital Assets by Source</b>	
General Fund	<u>\$ 90,257,620</u>
<b>Total Investment in Governmental Funds Capital Assets</b>	<u><u>\$ 90,257,620</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, 2022**

Function	Land	Buildings	Equipment and Furniture
Mental Health	\$ 8,114,592	\$ 10,812,975	\$ 1,830,975
Intellectual and Developmental Disabilities	916,080	5,144,343	509,022
Child and Adolescent	174,011	2,708,356	551,288
Crisis Center	588,825	12,445,351	530,587
Administration	2,860,685	15,453,684	3,487,810
<b>Total Governmental Fund Capital Assets</b>	<b>\$ 12,654,193</b>	<b>\$ 46,564,709</b>	<b>\$ 6,909,682</b>



**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, 2022**

Function	Vehicles	Construction in Progress	Right-to-use Asset	Total
Mental Health	\$ 477,700	\$ -	\$ 161,498	\$ 21,397,740
Intellectual and Developmental Disabilities	105,095	-	269,959	6,944,499
Child and Adolescent		-	25,910	3,459,565
Crisis Center	539,473	-	1,180,138	15,284,374
Administration	(72,128)	21,187,830	296,264	43,214,145
<b>Total Governmental Fund Capital Assets</b>	<b>\$ 1,050,140</b>	<b>\$ 21,187,830</b>	<b>\$ 1,933,769</b>	<b>\$ 90,300,323</b>

**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, 2022**

<u>Function</u>	<u>Governmental Fund Capital Assets August 31, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Governmental Fund Capital Assets August 31, 2022</u>
Mental Health	\$ 15,502,280	\$ 60,306	\$ 5,835,144	\$ 21,397,740
Intellectual and Developmental Disabilities	6,968,219	27,149	(50,869)	6,944,499
Child and Adolescent	3,536,571		(77,006)	3,459,565
Crisis Center	15,220,470	395,018	(331,114)	15,284,374
Administration	39,280,941	11,465,139	(7,531,935)	43,214,145
<b>Total Governmental Fund Capital Assets</b>	<u>\$ 80,508,481</u>	<u>\$ 11,947,612</u>	<u>\$ (2,155,780)</u>	<u>\$ 90,300,323</u>

**STATISTICAL SECTION  
(UNAUDITED)**



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**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**STATISTICAL TABLE OF CONTENTS**

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

	<b>Tables</b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the government’s financial performance and wellbeing have changed over time.</i>	1-4
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	5
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	9
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the government’s current level of outstanding debt and the government’s ability to issue additional debt in the future.</i>	10
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	17-20

**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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Governmental Activities:</b>					
Net investment in capital assets	\$ 59,499,213	\$ 49,253,423	\$ 28,093,961	\$ 25,480,970	\$ 27,473,237
Unrestricted	<u>97,091,918</u>	<u>112,933,700</u>	<u>112,760,517</u>	<u>90,318,395</u>	<u>72,502,908</u>
<b>Total Governmental Activities Net</b>					
<b>Position</b>	<u>\$ 156,591,131</u>	<u>\$ 162,187,123</u>	<u>\$ 140,854,478</u>	<u>\$ 115,799,365</u>	<u>\$ 99,976,145</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Governmental Activities:</b>					
Net investment in capital assets	\$ 29,457,337	\$ 36,369,915	\$ 34,224,927	\$ 21,640,340	\$ 19,361,119
Unrestricted	<u>49,448,324</u>	<u>44,756,241</u>	<u>44,503,224</u>	<u>57,323,346</u>	<u>42,452,145</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 78,905,661</u>	<u>\$ 81,126,156</u>	<u>\$ 78,728,151</u>	<u>\$ 78,963,686</u>	<u>\$ 61,813,264</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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Expenses</b>					
Governmental activities:					
Adult Mental Health	\$ 121,380,527	\$ 110,069,455	\$ 102,912,380	\$ 93,469,443	\$ 96,890,848
Intellectual & Developmental					
Disabilities	46,099,819	42,617,692	43,018,877	40,503,803	38,292,658
Child and Adolescent	22,803,273	23,333,822	23,544,097	25,693,480	24,622,171
Crisis Center	82,764,793	60,513,418	57,998,372	53,423,641	43,022,415
Community Hospital	33,570,309	34,381,489	33,846,528	34,546,935	34,215,576
Interest on long-term debt	27,562	6,709	33,547	60,238	78,698
<b>Total Governmental Activities Expenses</b>	<u>306,646,283</u>	<u>270,922,585</u>	<u>261,353,801</u>	<u>247,697,540</u>	<u>237,122,366</u>
<b>Program Revenues</b>					
Governmental activities:					
Adult Mental Health	100,087,211	128,516,819	139,798,674	97,116,386	98,673,597
Intellectual & Developmental					
Disabilities	39,602,854	35,164,447	37,847,522	40,352,429	42,652,236
Child and Adolescent	20,142,432	19,130,532	19,696,195	24,036,880	20,383,462
Crisis Center	54,520,702	55,585,179	41,259,860	41,780,163	41,989,680
Community Hospital	27,220,510	26,005,371	24,662,929	30,800,495	30,800,496
<b>Total Governmental Activities</b>					
<b>Program Revenues</b>	<u>241,573,709</u>	<u>264,402,348</u>	<u>263,265,180</u>	<u>234,086,353</u>	<u>234,499,471</u>
<b>Net (Expense) Revenue</b>					
Governmental activities	(65,072,574)	(6,520,237)	1,911,379	(13,611,187)	(2,622,895)
<b>General Revenues and Other</b>					
<b>Changes in Net Position</b>					
Governmental activities:					
Grants and contributions not					
restricted to specific programs	52,596,663	25,836,665	21,175,605	20,500,000	18,874,878
Unrestricted investment earnings	274,036	119,813	1,093,385	2,084,663	936,214
Miscellaneous	6,445,529	1,823,779	849,027	154,083	277,879
Gain on sale of capital assets	160,955	72,625	25,717	10,751,207	3,604,408
Special items -					
Impairment of intangible asset	-	-	-	-	-
<b>Total</b>	<u>59,477,183</u>	<u>27,852,882</u>	<u>23,143,734</u>	<u>33,489,953</u>	<u>23,693,379</u>
<b>Change in Net Position</b>					
Governmental activities	<u>\$ (5,595,391)</u>	<u>\$ 21,332,645</u>	<u>\$ 25,055,113</u>	<u>\$ 19,878,766</u>	<u>\$ 21,070,484</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Expenses</b>					
Governmental activities:					
Adult Mental Health	\$ 94,427,166	\$ 91,091,630	\$ 83,226,544	\$ 68,146,563	\$ 52,421,224
Intellectual & Developmental					
Disabilities	38,175,764	38,577,809	42,673,928	41,147,139	39,367,361
Child and Adolescent	23,608,324	21,301,580	21,764,369	18,916,913	17,564,259
Crisis Center	45,643,089	41,615,210	39,378,723	35,956,233	30,768,150
Community Hospital	34,900,020	34,458,349	32,526,192	31,481,431	32,038,969
Interest on long-term debt	93,605	119,925	186,749	179,191	152,415
<b>Total Governmental Activities Expenses</b>	<u>236,847,968</u>	<u>227,164,503</u>	<u>219,756,505</u>	<u>195,827,470</u>	<u>172,312,378</u>
<b>Program Revenues</b>					
Governmental activities:					
Adult Mental Health	94,709,224	88,451,372	81,106,844	79,297,874	54,595,205
Intellectual & Developmental					
Disabilities	39,072,798	36,024,333	37,907,793	37,584,146	35,644,524
Child and Adolescent	22,047,046	21,461,922	22,847,722	16,502,431	15,991,984
Crisis Center	35,709,458	33,418,720	27,720,845	30,519,423	17,947,672
Community Hospital	30,800,496	30,800,496	29,693,696	28,406,319	28,493,696
<b>Total Governmental Activities</b>					
<b>Program Revenues</b>	<u>222,339,022</u>	<u>210,156,843</u>	<u>199,276,900</u>	<u>192,310,193</u>	<u>152,673,081</u>
<b>Net (Expense) Revenue</b>					
Governmental activities	(14,508,946)	(17,007,660)	(20,479,605)	(3,517,277)	(19,639,297)
<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	18,456,922	19,359,773	20,632,988	20,550,038
Unrestricted investment earnings	446,138	295,372	222,109	308,905	(17,127)
Miscellaneous	334,602	602,361	655,615	273,597	1,232,202
Gain on sale of capital assets	44,862	51,010	6,560	24,478	19,520
Special items -					
Impairment of intangible asset	(6,198,078)	-	-	-	-
<b>Total</b>	<u>12,288,452</u>	<u>19,405,665</u>	<u>20,244,057</u>	<u>21,239,968</u>	<u>21,784,633</u>
<b>Change in Net Position</b>					
Governmental activities	<u>\$ (2,220,494)</u>	<u>\$ 2,398,005</u>	<u>\$ (235,548)</u>	<u>\$ 17,722,691</u>	<u>\$ 2,145,336</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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>General fund</b>					
Nonspendable:					
Inventories	\$ 398,223	\$ 293,235	\$ 246,618	\$ 257,786	\$ 235,526
Prepays	5,511,578	3,477,674	594,750	597,680	652,300
Assigned:					
Delivery System Reform Incentive Projects	-	-	4,253,997	27,420,497	14,226,265
Infrastructure development	-	-	-	121,846	121,846
Self-insurance	2,000,000	2,000,000	2,000,000	2,263,196	2,000,000
Current capital projects	9,409,790	23,620,608	7,786,806	-	-
Future purchase of real property and IT infrastructure	1,365,842	1,365,842	22,927,102	-	-
ECI building use	361,664	361,664	352,067	-	-
COVID-19 eFMAP reserve	904,067	1,469,158	5,524,745	-	-
Debt repayment	-	-	545,715	1,637,140	2,728,571
Compensated absences	4,854,354	4,854,354	4,854,354	5,686,582	5,719,850
Other purposes	-	-	-	335,621	374,890
Unassigned:	<u>81,833,297</u>	<u>83,632,618</u>	<u>71,548,268</u>	<u>57,684,629</u>	<u>49,951,732</u>
<b>Total General Fund</b>	<u><u>\$ 106,638,815</u></u>	<u><u>\$ 121,075,153</u></u>	<u><u>\$ 120,634,422</u></u>	<u><u>\$ 96,004,977</u></u>	<u><u>\$ 76,010,980</u></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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>General fund</b>					
Nonspendable:					
Inventories	\$ 233,710	\$ 244,856	\$ 230,342	\$ 195,217	\$ 147,974
Prepays	832,283	785,019	585,604	875,965	408,202
Assigned:					
Delivery System Reform Incentive Projects	3,895,406	3,895,406	10,231,836	16,760,603	2,451,869
Infrastructure development	204,866	799,744	2,994,473	5,800,000	5,800,000
Self-insurance	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Current capital projects	-	-	-	-	-
Future purchase of real property and IT infrastructure	-	-	-	-	-
ECI building use	-	-	-	-	-
COVID-19 eFMAP reserve	-	-	-	-	-
Debt repayment	3,820,000	4,911,428	6,330,951	8,369,816	2,169,977
Compensated absences	6,692,142	6,573,523	6,264,742	5,247,282	3,435,430
Other purposes	426,944	410,498	394,052	404,706	414,460
Unassigned:	<u>35,855,265</u>	<u>29,542,446</u>	<u>19,574,866</u>	<u>20,756,976</u>	<u>26,328,057</u>
<b>Total General Fund</b>	<u>\$ 53,960,616</u>	<u>\$ 49,162,920</u>	<u>\$ 48,606,866</u>	<u>\$ 60,410,565</u>	<u>\$ 43,155,969</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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>					
Local	\$ 84,345,109	\$ 87,842,686	\$ 81,067,038	\$ 77,333,059	\$ 75,672,011
State	123,996,905	127,906,818	123,312,937	113,228,586	109,389,867
Federal	92,588,905	76,758,103	82,488,389	66,212,036	69,494,638
<b>Total Revenues</b>	<u>300,930,919</u>	<u>292,507,607</u>	<u>286,868,364</u>	<u>256,773,681</u>	<u>254,556,516</u>
<b>Expenditures</b>					
Salaries	178,908,514	155,272,877	145,458,140	135,732,939	131,243,432
Employee benefits	45,709,326	42,665,021	41,588,459	37,961,468	33,557,908
Professional and consultant services	48,234,690	47,637,413	49,374,854	12,222,560	10,673,437
Training and travel	1,591,040	675,980	1,791,377	2,916,317	3,056,125
Debt service:					
Principal	430,704	545,714	1,091,429	1,091,429	1,091,429
Interest	31,384	6,709	33,547	60,238	78,698
Capital outlay	11,336,852	10,869,497	3,258,276	917,868	2,100,879
Non-capitalized equipment	7,911,778	17,045,389	7,703,176	1,827,915	1,552,041
Pharmaceutical	4,853,250	4,111,680	3,580,896	2,030,053	1,855,120
Other	17,256,830	13,309,221	8,384,482	52,003,976	53,059,028
<b>Total Expenditures</b>	<u>316,264,368</u>	<u>292,139,501</u>	<u>262,264,636</u>	<u>246,764,763</u>	<u>238,268,097</u>
Excess of Revenues Over (Under) Expenditures	(15,333,449)	368,106	24,603,728	10,008,918	16,288,419
<b>Other Financing Sources (Uses)</b>					
Proceeds from leases	736,156	-	-	-	-
Debt issuance	-	-	-	-	-
Transfers in	-	-	-	2,263,196	-
Sale of capital assets	160,955	72,625	25,717	11,777,429	5,761,945
<b>Total Other Financing Sources (Uses)</b>	<u>897,111</u>	<u>72,625</u>	<u>25,717</u>	<u>14,040,625</u>	<u>5,761,945</u>
<b>Net Change In Fund Balances</b>	<u>\$ (14,436,338)</u>	<u>\$ 440,731</u>	<u>\$ 24,629,445</u>	<u>\$ 24,049,543</u>	<u>\$ 22,050,364</u>
Ratio of total debt service expenditures to total noncapital expenditures	0.15%	0.20%	0.47%	0.47%	0.50%

**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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Revenues</b>					
Local	\$ 75,768,153	\$ 69,599,303	\$ 70,714,740	\$ 66,236,188	\$ 67,052,301
State	105,272,006	110,851,190	102,911,444	104,833,857	94,319,225
Federal	59,727,494	49,055,292	45,887,191	42,454,903	13,159,316
<b>Total Revenues</b>	<u>240,767,653</u>	<u>229,505,785</u>	<u>219,513,375</u>	<u>213,524,948</u>	<u>174,530,842</u>
<b>Expenditures</b>					
Salaries	127,899,575	124,691,712	118,697,865	101,194,770	89,048,998
Employee benefits	33,125,125	28,011,451	29,254,007	25,433,141	22,691,270
Professional and consultant services	11,043,922	10,575,182	10,240,517	10,351,530	7,713,373
Training and travel	3,175,896	3,337,267	3,278,161	2,969,507	2,927,971
Debt service:					
Principal	1,091,429	1,419,522	2,038,866	1,440,160	842,977
Interest	93,605	119,925	186,749	179,191	152,415
Capital outlay	1,525,735	4,168,307	12,002,583	10,551,229	1,560,933
Non-capitalized equipment	2,890,221	2,128,168	3,589,925	1,805,330	1,152,194
Pharmaceutical	1,887,370	1,886,395	1,377,772	1,274,994	1,133,818
Other	53,281,971	52,662,782	50,657,189	48,734,987	46,015,718
<b>Total Expenditures</b>	<u>236,014,849</u>	<u>229,000,711</u>	<u>231,323,634</u>	<u>203,934,839</u>	<u>173,239,667</u>
Excess of Revenues Over (Under) Expenditure:	4,752,804	505,074	(11,810,259)	9,590,109	1,291,175
<b>Other Financing Sources (Uses)</b>					
Debt issuance	-	-	-	7,640,000	-
Transfers in	-	-	-	-	-
Sale of capital assets	44,862	51,010	6,560	24,478	19,520
<b>Total Other Financing Sources (Uses)</b>	<u>44,862</u>	<u>51,010</u>	<u>6,560</u>	<u>7,664,478</u>	<u>19,520</u>
<b>Net Change In Fund Balances</b>	<u>\$ 4,797,666</u>	<u>\$ 556,084</u>	<u>\$ (11,803,699)</u>	<u>\$ 17,254,587</u>	<u>\$ 1,310,695</u>
Ratio of total debt service expenditures to total noncapital expenditures	0.51%	0.68%	0.68%	1.16%	1.00%

**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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Local</b>					
County government	\$ 52,596,663	\$ 51,260,112	\$ 44,093,032	\$ 40,065,808	\$ 36,375,537
Medicaid/Medicare	26,474,154	30,405,246	29,969,735	25,541,194	26,893,423
Other	5,274,292	6,177,328	7,004,271	11,726,057	12,403,051
<b>Total Local Revenue</b>	<u>84,345,109</u>	<u>87,842,686</u>	<u>81,067,038</u>	<u>77,333,059</u>	<u>75,672,011</u>
<b>State</b>					
<b>Texas Department of Health and Human Services</b>					
Texas Department of State Health Services:					
General Revenue	104,594,567	104,594,567	105,056,405	99,985,355	94,201,283
Department of Aging and Disability Services:					
General Revenue	10,434,969	10,434,969	10,393,281	9,479,061	10,220,288
Early Childhood Intervention	4,552,424	4,552,424	4,552,424	408,084	888,044
Texas Council on Offenders with Mental Impairments	2,850,627	2,850,627	2,850,627	2,910,086	3,193,586
Other state agencies	1,564,318	5,474,231	460,200	446,000	886,666
<b>Total State Revenues</b>	<u>123,996,905</u>	<u>127,906,818</u>	<u>123,312,937</u>	<u>113,228,586</u>	<u>109,389,867</u>
<b>Federal</b>					
Mental Health Block Grant	4,230,720	4,194,346	3,812,190	3,181,377	3,081,806
Early Childhood Intervention	2,170,758	-	-	2,962,647	3,407,557
Delivery System Reform Incentive	40,766,250	48,801,898	72,278,623	47,857,397	41,080,250
Other federal revenues	45,421,177	23,721,310	6,397,576	12,210,615	21,925,025
<b>Total Federal Revenues</b>	<u>92,588,905</u>	<u>76,717,554</u>	<u>82,488,389</u>	<u>66,212,036</u>	<u>69,494,638</u>
<b>Total</b>	<u>\$ 300,930,919</u>	<u>\$ 292,467,058</u>	<u>\$ 286,868,364</u>	<u>\$ 256,773,681</u>	<u>\$ 254,556,516</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Local</b>					
County government	\$ 34,924,970	\$ 34,692,528	\$ 35,157,223	\$ 30,412,676	\$ 29,273,302
Medicaid/Medicare	31,322,850	26,193,236	25,428,729	22,121,662	24,152,125
Other	<u>9,520,333</u>	<u>8,713,539</u>	<u>10,128,788</u>	<u>13,701,859</u>	<u>13,626,874</u>
<b>Total Local Revenue</b>	<u>75,768,153</u>	<u>69,599,303</u>	<u>70,714,740</u>	<u>66,236,197</u>	<u>67,052,301</u>
<b>State</b>					
<b>Texas Department of Health and Human Services</b>					
Texas Department of State Health Services:					
General Revenue	90,760,137	94,957,960	87,856,785	90,691,945	80,410,871
Department of Aging and Disability Services:					
General Revenue	9,306,535	8,917,182	9,382,704	8,790,754	8,799,578
Early Childhood Intervention	1,097,691	2,994,853	1,494,851	1,219,655	1,255,837
Texas Council on Offenders with					
Mental Impairments	3,303,917	3,116,905	3,077,654	2,866,406	2,773,939
Other state agencies	<u>803,726</u>	<u>864,290</u>	<u>1,099,450</u>	<u>1,265,097</u>	<u>1,079,000</u>
<b>Total State Revenues</b>	<u>105,272,006</u>	<u>110,851,190</u>	<u>102,911,444</u>	<u>104,833,857</u>	<u>94,319,225</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	3,407,557	1,264,006	3,075,730	2,068,766	2,131,105
Delivery System Reform Incentive	41,080,250	32,782,283	31,166,380	30,532,366	2,837,339
Other federal revenues	<u>21,925,025</u>	<u>11,927,197</u>	<u>8,563,275</u>	<u>6,771,965</u>	<u>7,946,405</u>
<b>Total Federal Revenues</b>	<u>69,494,638</u>	<u>49,055,292</u>	<u>45,887,191</u>	<u>42,454,903</u>	<u>15,996,655</u>
<b>Total</b>	<u>\$ 250,534,797</u>	<u>\$ 229,505,785</u>	<u>\$ 219,513,375</u>	<u>\$ 213,524,957</u>	<u>\$ 177,368,181</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, 2022**

	<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	\$ 177,332,886	\$ -	\$ -	\$ 177,332,886	\$ 24,827,605	\$ 152,505,281
Employee benefits	47,284,954	-	-	47,284,954	6,702,617	40,582,337
Debt service	450,921	(450,921)	-	-	-	-
Capital outlay	11,870,606	(11,870,606)	-	-	-	-
Pharmaceutical	4,111,680	-	-	4,111,680	(1,061,778)	5,173,458
Depreciation	-	-	2,670,133	2,670,133	1,278,186	1,391,947
Other operating expenditures	74,477,165	(91,953)	-	74,385,212	1,892,683	72,492,529
<b>Total</b>	<b>\$ 315,528,212</b>	<b>\$ (12,413,480)</b>	<b>\$ 2,670,133</b>	<b>\$ 305,784,865</b>	<b>\$ 33,639,313</b>	<b>\$ 272,145,552</b>
Indirect Costs						33,639,313
Direct Costs						\$ 272,145,552
Indirect Cost Rate						12.4%



**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF DIRECT AND INDIRECT COSTS**  
**For The Year Ended August 31, 2022**

*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	\$ 177,332,886	\$ -	\$ 24,827,605	\$ 152,505,281
Fringe benefits	47,284,954	-	6,702,617	40,582,337
<b>Consultation and professional fees</b>	48,234,690	-	-	48,234,690
<b>Travel - board and staff</b>	1,591,040	-	-	1,591,040
<b>Consumable supplies:</b>				
Drugs	4,111,680	-	(1,061,778)	5,173,458
<b>Furniture and equipment:</b>				
Capital expenditures	-	(41,209)	-	(41,209)
<b>Building:</b>				
Capital expenditures from general operations	-	(11,358,340)	-	(11,358,340)
<b>Other:</b>				
Payment on note principal	-	(450,921)	-	(450,921)
Miscellaneous	36,972,962	(563,010)	1,892,683	34,517,269
<b>Total Expenditures</b>	<u>315,528,212</u>	<u>(12,413,480)</u>	<u>32,361,127</u>	<u>270,753,605</u>
Equipment and vehicle depreciation		713,415	-	713,415
Buildings and improvements depreciation	-	1,956,718	1,278,186	678,532
<b>Total</b>	<u>\$ 315,528,212</u>	<u>\$ (9,743,347)</u>	<u>33,639,313</u>	<u>\$ 272,145,552</u>
<b>Indirect costs</b>			<u>33,639,313</u>	
<b>Direct costs</b>				<u>\$ 272,145,552</u>

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

*Table 8*

**LOCAL SERVICE AREA POPULATION**

*For The Year Ended August 31, 2022*

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	109,499	109,499
Andrews Center Behavioral Healthcare System	440,512	440,512
Betty Hardwick Center	189,699	189,699
Bluebonnet Trails Community Services	1,081,899	1,081,899
Border Region Behavioral Health Center	352,703	352,703
Burke Center	374,212	374,212
Camino Real Community Services	217,727	217,727
Center for Life Resources	95,406	95,406
Central Counties Services	519,436	519,436
Central Plains Center	83,968	83,968
Coastal Plains Community Center	223,082	223,082
Community Healthcore	452,884	452,884
Denton County MHMR Center	941,647	941,647
Emergence Health Network	867,947	867,947
Gulf Bend Center	180,193	180,193
Gulf Coast Center	734,751	734,751
Heart of Texas Region MHMR Center	377,295	377,295
Helen Farabee Centers	310,254	310,254
Hill Country Mental Health & Developmental Disabilities Center	760,764	760,764
Integral Care	1,305,154	1,305,154
Lakes Regional MHMR Center	158,994	158,994
LifePath Systems	1,109,462	1,109,462
MHMR Authority of Brazos Valley	367,896	367,896
MHMR Services for the Concho Valley	135,327	135,327
My Health My Resources (MHMR) of Tarrant County	2,126,477	2,126,477
North Texas Behavioral Health Authority (NTBHA)	3,219,862	3,219,862
Nueces Center for Mental Health & Intellectual Disabilities	353,079	353,079
Pecan Valley Centers for Behavioral & Developmental HealthCare	489,799	489,799
PermiaCare	367,197	367,197
Spindletop Center	444,284	444,284
StarCare Specialty Health System	349,124	349,124
Texana Center	1,047,383	1,047,383
Texas Panhandle Centers	401,637	401,637
Texoma Community Center	218,149	218,149
The Center for Health Care Services	2,028,236	2,028,236
The Harris Center for Mental Health and IDD	4,728,030	4,728,030
Tri-County Behavioral Healthcare	824,484	824,484
Tropical Texas Behavioral Health	1,323,701	1,323,701
West Texas Centers	215,788	215,788
<b>Total</b>	<b>29,527,941</b>	<b>29,527,941</b>

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

*Table 9*

**DEMOGRAPHIC STATISTICS**

*Last Ten Calendar Years*

<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>
2013	4,350,992	6.1%	\$228,016,378,000	\$ 52,406
2014	4,452,976	5.1%	246,171,390,000	55,282
2015	4,553,991	4.7%	248,528,847,000	54,574
2016	4,619,635	5.3%	236,747,445,000	51,248
2017	4,651,955	5.1%	255,361,808,000	54,893
2018	4,672,445	4.4%	274,514,924,000	58,752
2019	4,704,042	3.9%	284,905,380,000	60,566
2020	4,732,491	9.0%	291,723,832,000	61,643
2021	4,728,030	6.5%	311,430,719,000	65,869
2022	(C)	(C)	(C)	(C)

(A) Source: Bureau of Economic Analysis

(B) Source: Texas Workforce Commission

(C) Unavailable

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

**Table 10**

**RATIO OF OUTSTANDING DEBT**

*Last Ten Calendar Years*

<b>Fiscal Year</b>	<b>Notes Payable</b>	<b>Lease Liability</b>	<b>Total Debt</b>	<b>Personal Income</b>	<b>Percentage of Personal Income</b>	<b>Debt per Capita</b>
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	-	1,059,244	1,059,244	(A)	(A)	(A)
2022	-	1,364,696	1,364,696	(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	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Memorial Hermann Health Systems	35,360	1	1.09%			
Walmart Stores Inc.	29,797	2	0.92%			
H-E-B	29,657	3	0.92%			
Houston Methodist	26,098	4	0.81%			
The University of Texas MD Anderson Cancer Center	21,576	5	0.67%			
HCA Houston Healthcare	15,000	6	0.46%			
Kroger Company	14,868	7	0.46%			
Exxon Mobil Corp	13,000	8	0.40%	13,000	1	0.47%
United Airlines	11,900	9	0.37%			
Schlumberger Limited	11,700	10	0.36%			
Shell Oil Company				12,500	2	0.45%
National Oilwell Varco				11,000	3	0.40%
Chevron Companies				8,000	4	0.29%
Baker Hughes				7,700	5	0.28%
JP Morgan Chase				7,000	6	0.25%
Halliburton				4,955	7	0.18%
CenterPoint Energy				4,800	8	0.17%
KBR Inc.				4,600	9	0.17%
Kinder Morgan Inc.				4,100	10	0.15%
	<u>208,956</u>		<u>6.46%</u>	<u>77,655</u>		<u>2.81%</u>

\* Based on most recently completed calendar year.

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

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

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

*Table 12*  
*Page 1 of 2*

<b>Function/Program</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Adult Mental Health	898	794	793	764	825
IDD	406	453	414	433	419
Child and Adolescent	190	194	236	249	253
Crisis Center	702	571	466	438	385
Administration	302	291	278	340	281
<b>Total</b>	<b>2,498</b>	<b>2,303</b>	<b>2,187</b>	<b>2,224</b>	<b>2,163</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**

<b>Function/Program</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Adult Mental Health	915	889	884	750	591
IDD	419	421	476	450	430
Child and Adolescent	253	245	246	226	194
Crisis Center	371	371	344	302	269
Administration	205	190	182	174	150
<b>Total</b>	<b>2,163</b>	<b>2,116</b>	<b>2,132</b>	<b>1,902</b>	<b>1,634</b>

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

*Table 13*  
*Page 1 of 2*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Admissions:</b>					
Mental Health	13,105	12,081	12,081	12,981	12,861
IDD	1,570	2,201	2,201	2,542	2,277
<b>Total Admissions</b>	<u>14,675</u>	<u>14,282</u>	<u>14,282</u>	<u>15,523</u>	<u>15,138</u>
<b>Total Clients Served (unduplicated):</b>					
Mental Health	43,461	40,066	40,066	38,310	36,221
IDD	15,556	21,802	21,802	22,274	21,904
<b>Total Clients Served</b>	<u>59,017</u>	<u>61,868</u>	<u>61,868</u>	<u>60,584</u>	<u>58,125</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Admissions:</b>					
Mental Health	11,213	13,298	12,646	12,755	10,295
IDD	2,083	2,275	2,272	2,329	1,951
<b>Total admissions</b>	<u>13,296</u>	<u>15,573</u>	<u>14,918</u>	<u>15,084</u>	<u>12,246</u>
<b>Total clients served (unduplicated):</b>					
Mental Health	33,265	30,261	28,197	26,780	30,944
IDD	20,318	18,988	18,222	17,715	15,019
<b>Total clients served</b>	<u>53,583</u>	<u>49,249</u>	<u>46,419</u>	<u>44,495</u>	<u>45,963</u>

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

*Table 14*

<u>Fiscal Year</u>	<u>Local Funds</u>	<u>State Funds</u>	<u>Federal Funds</u>	<u>Total</u>
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
2022	84,345,109	123,996,905	92,588,905	300,930,919

**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>
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
2022	230,856,123	40,348,403	44,323,686	315,528,212

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Adult Mental Health</b>					
Land	\$ 8,114,592	\$ 1,895,148	\$ 1,895,148	\$ 1,895,148	\$ 1,895,149
Buildings and improvements	10,812,975	11,197,275	11,078,437	11,065,800	11,065,800
Equipment and furniture	1,830,975	1,824,518	2,381,744	2,365,744	2,365,744
Vehicles	477,700	477,700	477,700	470,669	470,669
Right-to-use asset	161,498	107,649	-	-	-
<b>Total Capital Assets for Adult Mental Health</b>	<u>21,397,740</u>	<u>15,502,290</u>	<u>15,833,029</u>	<u>15,797,361</u>	<u>15,797,362</u>
<b>Intellectual &amp; Developmental Disabilities</b>					
Land	916,080	916,080	916,080	916,080	916,080
Buildings and improvements	5,144,343	5,122,368	4,980,370	4,980,370	4,980,370
Equipment and furniture	509,022	509,022	1,111,807	1,111,807	1,111,807
Vehicles	105,095	177,939	177,939	177,939	177,939
Right-to-use asset	269,959	242,810	-	-	-
<b>Total Capital Assets for Intellectual &amp; Developmental Disabilities</b>	<u>6,944,499</u>	<u>6,968,219</u>	<u>7,186,196</u>	<u>7,186,196</u>	<u>7,186,196</u>
<b>Child and Adolescent</b>					
Land	174,011	174,011	174,011	174,011	174,011
Buildings and improvements	2,708,356	2,708,356	2,650,328	2,650,328	2,650,328
Equipment and furniture	551,288	551,288	534,677	534,677	534,677
Right-to-use asset	25,910	102,916	-	-	-
<b>Total Capital Assets for Child And Adolescent</b>	<u>3,459,565</u>	<u>3,536,571</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	588,825	588,825	588,825
Buildings and improvements	12,445,355	12,445,351	5,380,809	5,380,809	5,380,809
Equipment and furniture	530,587	514,797	447,012	427,882	422,172
Vehicles	539,473	862,303	862,303	775,207	756,762
Right-to-use asset	1,180,138	809,194	-	-	-
<b>Total Capital Assets for Crisis Center</b>	<u>15,284,378</u>	<u>15,220,470</u>	<u>7,278,949</u>	<u>7,172,723</u>	<u>7,148,568</u>
<b>Administration</b>					
Land	2,860,685	2,857,972	1,454,050	1,454,050	1,655,596
Buildings and improvements	15,453,684	15,922,439	15,296,306	15,199,654	16,492,213
Equipment and furniture	3,487,810	4,174,938	5,402,954	5,110,699	4,543,552
Vehicles	(72,128)	51,826	87,289	87,289	180,368
Intangible assets - software	-	-	-	-	-
Construction in progress	21,187,830	16,073,623	3,163,960	-	-

**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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</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	11,065,800	11,065,800	11,065,800	11,065,800	11,060,635
Equipment and furniture	2,365,744	2,059,264	1,855,258	1,855,258	1,687,157
Vehicles	433,779	245,114	220,527	220,527	220,527
Right-to-use asset	-	-	-	-	-
<b>Total Capital Assets for Adult Mental Health</b>	<u>15,760,471</u>	<u>15,265,326</u>	<u>15,036,733</u>	<u>15,036,733</u>	<u>14,863,467</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	1,111,807	1,111,807	1,111,807	1,111,807	1,117,907
Vehicles	177,939	211,828	447,510	447,510	428,012
Right-to-use asset	-	-	-	-	-
<b>Total Capital Assets for Intellectual &amp; Developmental Disabilities</b>	<u>7,186,196</u>	<u>7,220,085</u>	<u>7,455,767</u>	<u>7,455,767</u>	<u>7,442,369</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	534,677	534,677	534,677	534,677	534,677
	-	-	-	-	-
<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>3,359,016</u>
<b>Crisis Center</b>					
Land	588,825	588,825	588,825	-	-
Buildings and improvements	5,380,809	5,380,809	3,048,836	2,619,061	2,619,061
Equipment and furniture	422,172	422,172	422,172	422,172	428,072
Vehicles	756,762	857,077	850,104	746,952	611,755
	-	-	-	-	-
<b>Total Capital Assets for Crisis Center</b>	<u>7,148,568</u>	<u>7,248,883</u>	<u>4,909,937</u>	<u>3,788,185</u>	<u>3,658,888</u>
<b>Administration</b>					
Land	2,449,346	2,449,346	2,449,346	2,449,346	436,250
Buildings and improvements	22,812,238	22,696,643	21,505,723	11,617,450	4,033,428
Equipment and furniture	4,421,756	4,024,171	3,762,611	2,865,744	2,563,682
Vehicles	180,368	214,016	214,016	214,016	196,203
Intangible assets - software	-	6,198,078	6,184,197	6,142,885	5,928,585
Construction in progress	-	-	-	-	-

**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, 2022**

**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 Expenditure Budget</b>	<b>Variance</b>
General Revenue - Mental Health	\$ 74,444,137	\$ 4,146,189	\$ -	\$ 78,590,326	\$ 81,502,111	\$ 2,911,785
General Revenue - Intellectual & Developmental Disabilities	-	-	8,723,487	8,723,487	8,723,487	-
General Revenue - Permanency Planning	-	-	132,718	132,718	132,718	-
General Revenue - Support Housing	710,053	-	-	710,053	710,053	-
Community Hospitals	24,683,934	-	-	24,683,934	25,146,054	462,120
YES Waiver/ICF-MR	-	-	5,835,495	5,835,495	6,378,492	542,997
MH Block Homeless PATH Grant	1,130,299	-	-	1,130,299	1,130,299	-
Healthy Community Collaborative	3,580,719	-	-	3,580,719	5,157,809	1,577,090
Title XX Social Services Block Grant	580,417	-	-	580,417	577,926	(2,491)
Mental Health Block Grant	4,570,312	1,070,286	-	5,640,598	3,081,798	(2,558,800)
Mental Health Block Grant - CSC	849,053	-	-	849,053	1,123,314	274,261
Mental Health Suicide Care Pilot Project	479,834	-	-	479,834	534,938	55,104
TANF to Title XX Block Grant	35,694	1,351,290	-	1,386,984	1,690,992	304,008
Substance Abuse Prevention & Treatment Block Grant	1,629,869	-	-	1,629,869	1,091,216	(538,653)
Other Federal	4,243,757	-	-	4,243,757	4,243,757	-
Other State Agencies	104,698	-	466,167	570,865	-	(570,865)
Medicaid	13,768,516	1,630,482	2,717,470	18,116,468	24,213,438	6,096,970
Medicaid Administrative Claiming	7,084,361	919,863	2,205,547	10,209,771	1,029,813	(9,179,958)
Delivery System Reform Incentive Payments	38,602,913	2,444,970	1,905,727	42,953,610	33,344,536	(9,609,074)
Enhanced Community Coordination	-	-	478,789	478,789	-	(478,789)
HHS IDD Services	-	-	1,578,769	1,578,769	302,292	(1,276,477)
Texas Department of Criminal Justice	446,000	-	-	446,000	446,000	-
Early Childhood Intervention	-	-	1,942,290	1,942,290	4,288,242	2,345,952
Texas Council on Offenders with Mental Impairments	2,171,484	542,958	-	2,714,442	3,081,689	367,247
Federal Helpline Contracts	1,287,513	-	-	1,287,513	1,774,762	487,249
Directed Payment Program - Behavioral Health	8,977,425	-	-	8,977,425	9,485,255	507,830

**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, 2022**

Table 18

<b>Fund Source</b>	<b>Total Revenue</b>	<b>Total Mental Health Adult Expenditures</b>	<b>Total Mental Health Children Expenditures</b>	<b>Total Intellectual &amp; Developmental Disabilities Expenditures</b>	<b>Total Center Expenditures</b>	<b>Excess Revenues Over Expenditures</b>
<b>Objects of Expense:</b>						
Salaries	\$ 177,332,886	\$ 135,286,112	\$ 15,119,501	\$ 26,927,273	\$ 177,332,886	\$ -
Employee Benefits	47,284,954	34,804,818	4,166,579	8,313,557	47,284,954	-
Professional and Consultant Fees	48,234,690	44,415,744	692,055	3,126,891	48,234,690	-
Training and Travel	1,591,040	1,151,292	106,555	333,193	1,591,040	-
Debt Service	462,088	351,812	40,110	70,166	462,088	-
Capital Outlay	11,336,852	11,336,852	-	-	11,336,852	-
Repairs and maintenance	7,911,778	3,437,407	1,742,993	2,731,378	7,911,778	-
Pharmaceutical (medication and script process)	4,853,250	4,406,359	153,248	293,643	4,853,250	-
Other Operating	16,520,674	12,555,712	1,486,861	2,478,101	16,520,674	-
<b>Total Expenditures</b>	<b>315,528,212</b>	<b>247,746,108</b>	<b>23,507,902.00</b>	<b>44,274,202.00</b>	<b>315,528,212</b>	<b>-</b>
<b>Method of Finance:</b>						
General Revenue - Mental Health	78,590,326	74,444,137	4,146,189	-	78,590,326	-
General Revenue - Intellectual & Developmental Disabilities	8,723,487	-	-	8,723,487	8,723,487	-
General Revenue - Permanency Planning	132,718	-	-	132,718	132,718	-
General Revenue - Support Housing	710,053	710,053	-	-	710,053	-
Community Hospitals	24,683,934	24,683,934	-	-	24,683,934	-
Yes Waiver	5,835,495	-	-	5,835,495	5,835,495	-
MH Block Homeless PATH Grant	1,130,299	1,130,299	-	-	1,130,299	-
Healthy Community Collaborative	3,580,719	3,580,719	-	-	3,580,719	-
Title XX Social Services Block Grant	580,417	580,417	-	-	580,417	-
Mental Health Block Grant	5,640,598	4,570,312	1,070,286	-	5,640,598	-
Mental Health Block Grant - CSC	849,053	849,053	-	-	849,053	-
Mental Health Suicide Care Pilot Project	479,834	479,834	-	-	479,834	-
TANF to Title XX Block Grant	1,386,984	35,694	1,351,290	-	1,386,984	-
Substance Abuse Prevention & Treatment Block Gr	1,629,869	1,629,869	-	-	1,629,869	-
Other Federal	4,243,757	4,243,757	-	-	4,243,757	-
Other State Agencies	570,865	104,698	-	466,167	570,865	-
Medicaid	18,116,468	13,768,516	1,630,482	2,717,470	18,116,468	-
Medicaid Administrative Claiming	10,209,771	7,084,361	919,863	2,205,547	10,209,771	-
Delivery System Reform Incentive Payments	42,953,610	38,602,913	2,444,970	1,905,727	42,953,610	-
Enhanced Community Coordination	478,789	-	-	478,789	478,789	-
HHS IDD Services	1,578,769	-	-	1,578,769	1,578,769	-
Texas Department of Criminal Justice	446,000	446,000	-	-	446,000	-
Early Childhood Intervention	1,942,290	-	-	1,942,290	1,942,290	-
Texas Council on Offenders with Mental Impairmer	2,714,442	2,171,484	542,958	-	2,714,442	-
Federal Helpline Contracts	1,287,513	1,287,513	-	-	1,287,513	-
Directed Payment Program - Behavioral Health	8,977,425	8,977,425	-	-	8,977,425	-
Federal ARPA City of Houston	1,650,928	1,650,928	-	-	1,650,928	-
Federal ARPA Harris County	328,040	328,040	-	-	328,040	-
Federal SAMHSA	3,048,317	3,048,317	-	-	3,048,317	-
Federal CDBG	1,630,364	1,630,364	-	-	1,630,364	-
Additional Local Funds and Match	81,397,078	51,707,471	11,401,864	18,287,743	81,397,078	-
<b>Total Expended Sources</b>	<b>\$ 315,528,212</b>	<b>\$ 247,746,108</b>	<b>\$ 23,507,902</b>	<b>44,274,202.00</b>	<b>\$ 315,528,212</b>	<b>\$ -</b>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF LEASES IN EFFECT**  
**For The Year Ended August 31, 2022**

**Table 19**

<b>Lessor</b>	<b>Address</b>	<b>Monthly Amount</b>	<b>Beginning Date</b>	<b>Termination Date</b>
Carefusion Solutions, LLC	3750 Torrey View Ct., San Diego, CA 92130	\$3,584	1/10/2020	1/9/2024
City of El Lago	411 Tallowood Dr., El Lago, TX 77586	\$800 (room rental for Coffeehouse program one day a week)	9/1/2021	8/31/2022
City of Houston, Acres Homes Multiservice Center	6719 W. Montgomery, Houston, TX 77091	\$256	2/1/2022	1/30/2023
City of Houston, Fifth Ward Multiservice Center	4014 Market St., Houston, TX 77020	\$161	5/27/2022	5/26/2023
City of Houston, Magnolia Multiservice Center	7037 Capital , Suite 103, Houston, TX	\$298	5/14/2022	5/13/2023
City of Houston, West End Multiservice Center	170 Heights Blvd., Houston, TX 77007	\$331	5/27/2022	5/26/2023
Enterprise Fleet Management Trust	10401 Centerpark Dr., #200, Houston, TX 77043	\$26,119	4/12/2021 - 8/10/2022	4/30/2025 - 8/31/2026
Gillett Properties, Ltd.	7171 Highway 6, Suite 206, Houston, TX	\$949	Month-to-month	Month-to-month
Harris County Facilities Property Management Department	5518 Jackson Street, Houston, TX	\$50/ year	4/30/2018	4/30/2028
Harris County Hospital District dba Harris Health System (NPC)	1502 Taub Loop - Houston, TX	PP through 2032	7/1/1997	6/30/2032
Plazer Properties, Ltd.	3600 S. Gessner, Suite 110, Houston, TX	\$14,786	5/26/2020	11/9/2021
RICOH USA, INC.	810 Gears Rd, Houston, TX 77067	\$1,792	9/20/2020	12/31/2021
Shirajp, LP	817 Southmore, Suite 150, Pasadena, TX	\$1,200	9/1/2020	8/31/2022
The Bill Clair Family Mortuary, Inc.	2603 Southmore Street, Houston, TX	\$600	Month-to-month	Month-to-month
Xerox Financial Services LLC	201 Merritt 7, Norwalk, CT 06851	\$10,601	9/1/2018	8/31/2023



**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF INSURANCE COVERAGE**  
**For The Year Ended August 31, 2022**

*Table 20*  
*Page 1 of 4*

<b>Property</b>			
Insurer:	Texas Council Risk Management Fund		
Policy Period:	09/01/21 - 09/01/22		
	Buildings, Contents, including Boiler/Machinery	\$	657,127
<b>General Liability</b>			
Insurer:	Texas Council Risk Management Fund		
Policy Period:	09/01/21 - 09/01/22		
	Commercial General Liability		5,447
<b>Professional Liability including Primary Care</b>			
Insurer:	Texas Council Risk Management Fund		
Policy Period:	09/01/21 - 09/01/22		
	Professional Liability		79,172
<b>Auto Liability</b>			
Insurer:	Texas Council Risk Management Fund		
Policy Period:	09/01/21 - 09/01/22		
	Auto Liability		102,050
	Auto APD		63,324
<b>Workers' Compensation</b>			
Insurer:	Texas Council Risk Management Fund		
Policy Period:	09/01/21 - 09/01/22		
	Workers Compensation		570,575
<b>Excess Liability</b>			
Insurer:	Texas Council Risk Management Fund		
Policy Period:	09/01/21 - 09/01/22		
	Excess Liability		81,690
<b>Directors &amp; Officers E&amp;O</b>			
Insurer:	Texas Council Risk Management Fund		
Policy Period:	09/01/21 - 09/01/22		
	Directors & Officers Liability		<u>260,413</u>
<b>Terrorism Coverage not available from TCRMF</b>			
<b>Total Estimated Premium</b>		\$	<u><u>1,819,798</u></u>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF INSURANCE COVERAGE**  
**For The Year Ended August 31, 2022**

**Crime**

Insurer:	Frost Insurance	
Carrier:	Great American Insurance Group	
Policy Number:	4255858	
Policy Period:	09/01/21 - 09/01/22	
	Annual Premium	\$ 4,426
	Public Employee Dishonesty	\$ 10,000
	Theft, Disappearance and Destruction	\$ 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 21	
Policy Period:	09/01/21 - 09/01/22	
	Annual Premium	7,624
	Limit of Liability	\$ 3,000,000

**Notary E&O**

Insurer:	Frost Insurance	
Carrier:	Western Surety	
Policy Number:	68331591	
Policy Period:	11/18/21 - 11/18/22	
	Annual Premium	1,446
	89 Notaries	

**Cybersecurity Liability**

Insurer:	Frost Insurance	
Carrier:	Beazley Ins. Co	
Policy Number:	PH2007866000	
Policy Period:	05/08/21 - 05/08/22	
	Information Security and Privacy Insurance with Breach Response Services	
	Annual Premium	83,130

**Flood**

Insurer:	Frost Insurance	
Carrier:	Certain Underwriters at Lloyds	
Policy Number:	GRFL2372	
Policy Period:	03/28/21 - 03/28/22	
	Locations:	
	11511 Bob White Road, Houston, TX 77035	
	7200 North Loop East, Houston, TX 77028	
	1200 Baker Street, Houston, TX 77002	
	Premium	<u>52,234</u>

<b>Total Estimated Premium</b>	<u>\$ 148,860</u>
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**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF INSURANCE COVERAGE**  
**For The Year Ended August 31, 2022**

*Table 20*  
*Page 3 of 4*

**Residential Programs**

Mgmt Company	Non-Profit Housing Corp	
Insurer:	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 & Officers Liability)	
	Effective 7/6/21-7/1/22	
	Annual Premium	Paid by Mgmt Company
	Acres Homes Garden, Inc.	
	Acceptance Indemnity (General Liability):	
	Effective 07/01/22 - 07/01/23	
	Annual Premium	2,882
	Lloyds of London (Property and Cyber Coverage):	
	Effective 05/15/22 - 05/15/23	
	Annual Premium	8,548
	James River Insurance Company (Umbrella):	
	Effective 07/01/22 - 07/01/23	
	Annual Premium	1,785
	Selective Insurance Co of the Southeast - Flood (Bldgs. 1 to 4):	
	Effective 12/01/21 - 12/01/22	
	Annual Premium	Paid by Mgmt Company
	Pear Grove. Inc.	
	Acceptance Indemnity (General Liability):	
	Effective 07/01/22 - 07/01/23	
	Annual Premium	2,882
	Lloyds of London (Property and Cyber Coverage):	
	Effective 5/15/22-5/15/23	
	Annual Premium	7,060
	James River (Umbrella):	
	Effective 07/01/22 - 07/01/23	
	Annual Premium	1,785
	USLI (Directors & Officers Liability):	
	Effective 07/01/22 - 07/01/23	
	Annual Premium	Paid by Mgmt Company

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF INSURANCE COVERAGE**  
**For The Year Ended August 31, 2022**

**Residential Programs**

Mgmt Company	Pecan Village, Inc.	
Insurer:	Acceptance Indemnity (General Liability):	
	Effective 07/01/22 - 07/01/23	
	Lloyds of London (Property):	
	Effective 05/15/22 - 05/15/23	
	James River (Umbrella):	
	Effective 07/01/22 - 07/01/23	
	USLI (Directors & Officers Liability):	
	Effective 07/01/22 - 07/01/23	
	Selective Insurance Co of the Southeast - Flood (Bldgs. 1 to 4):	
	Effective 12/01/21 - 12/01/22	
	Annual Premium	Paid by Mgmt Company
	Frost Insurance	
	Pasadena Cottages, Inc.	
	Philadelphia Insurance - Package Policy:	\$ 3,139
	Effective 04/08/22 - 04/08/23	
	Frost Insurance - Directors & Officers Liability:	
	Effective 02/08/22 - 02/08/23	1,229
	Frost Insurance - Property:	
	Effective 04/08/22 - 04/08/23	18,934
	Wright Flood Insurance - Flood (2122 Wichita St):	
	Effective 11/04/21 - 11/04/22	988
	Wright Flood Insurance - Flood (2122B Wichita St):	
	Effective 11/04/21 - 11/04/22	896
	Effective 04/08/20-21	
	Directors & Officers Liability:	1,229
	Effective 02/08/21-02/08/22	
	Property:	8,071
	Effective 4/8/21-04/08/22	
	Wright Flood Insurance - Flood (2122 Wichita St):	819
	Effective 11/4/20-11/4/21	
	Wright Flood Insurance - Flood (2122B Wichita St):	883
	Effective 1/15/20-1/15/21	
	<b>Total Current Premium:</b>	<u>\$ 11,898</u>

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

*Table 21*

**SCHEDULE OF BOND COVERAGE**

*For The Year Ended August 31, 2022*

<b>Surety Company</b>	<b>Scope of Coverage</b>	<b>Amount</b>
Great American 9/1/2021 - 9/1/2022	Commercial Crime Policy	
	Employee Dishonesty Per Occurrence Limit	\$ 1,000,000
	Deductible Per Occurrence	15,000
	Forgery or Alteration	500,000
	Deductible Per Occurrence	5,000
	Inside Premises	100,000
	Outside Premises	100,000
	Outside Premises	100,000
	Computer Hacking	500,000
	Funds Transfer Fraud	500,000
	Deductible Per Occurrence	5,000
	Money Orders and Counterfeit Paper Cash	1,000,000
	Deductible Per Occurrence	15,000
Texas Council 9/1/2021 - 9/1/2022	Commercial Crime Coverage	
	Public Employee Dishonesty	10,000
	Theft Disappearance & Destruction	5,000
	Forgery or Alteration	5,000
	Employee Theft of Client Property	5,000
	Computer & Transfer Fraud	5,000
	Deductible	1,000
Palomar Specialty 5/8/2022 - 5/8/2023	Cyber Liability	5,000,000
	Deductible	100,000
	eCrime	250,000
CNA Western Surety Comp 11/18/2021 - 11/18/2022	Notary Errors and Omissions Limit of Liability (125 Notaries)	20,000

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF PROFESSIONAL AND CONSULTING FEES AND**  
**CONTRACTED PROVIDER SERVICES**  
**For The Year Ended August 31, 2022**

**Table 22**  
**Page 1 of 3**

<b>Name</b>	<b>City</b>	<b>Service</b>	<b>Amount</b>
ABC Affordable Housing Services, LLC	League City, TX	Consultant Services	\$ 4,050
Abdullah, Haneef	Houston, TX	Home Living Support	3,963
Achieve Community Therapy	Houston, TX	Yes Waiver Services	4,763
Adams, Rokeiya	Houston, TX	Yes Waiver Services	32,480
Almanza, Elsa	Houston, TX	Home Living Support	18,465
ANC-D Psychological Svcs	Houston, TX	Yes Waiver Services	141,859
Aramark Correctional Services, LLC	Philadelphia, PA	Nutrition Services	282,040
ARC of Greater Houston	Houston, TX	Vocational & Employment Training	164,457
Arch Staffing and Consulting, LLC	Miami, FL	Consultant Services	139,816
Ascend HR Corp	Houston, TX	Consultant Services	47,000
Barden, Jordan	San Antonio, TX	Home Living Support	5,300
Batiste, Juanita	Katy, TX	Home Living Support	2,213
Baylor College of Medicine	Houston, TX	Residency Program Contract Labor	55,725
BCM - Dept Family-Community Medicine	Houston, TX	Medical Consultation/EKG Services	97,793
Beck Institute	Bala Cynwyd, PA	Consultant Services	14,175
Bethany Living	Houston, TX	Residential Services Contract	5,200
Bivens, Don'Angelo	Milwaukee, WI	Consultant Services	17,000
Blue Mesa Group	Fort Collins, Co	Consultant Services	11,500
Bogany, Tammie	Humble, TX	Home Living Support	10,455
Brown, Kimberly	Houston, TX	Home Living Support	20,326
Burks, Amber	Houston, TX	Temporary Staffing - Psychiatrists	16,000
Button's Inventory Service, Inc.	Richmond, TX	Document Retention Services	13,661
Cabral, Armando	Houston, TX	Home Living Support	16,195
Carf International	Tucson, AZ	Consultant Services	19,020
CC Assessment Services, Inc.	Houston, TX	Temporary Staffing - Psychiatrists	21,300
Center, The	Houston, TX	Residential Services Contract	29,063
Cervantes, Maria	Houston, TX	Home Living Support	17,913
Coalition for the Homeless	Houston, TX	Advocacy Services	20,000
Coche, Angel	Houston, TX	Home Living Support	20,578
Compelling Therapy Services, Inc.	Bellaire, TX	Yes Waiver Services	34,306
Cornerstone Family Resource Center	Pearland, TX	Yes Waiver Services	2,900
Council on Recovery, The	Houston, TX	Substance Abuse Treatment	1,193,508
CTRL Delivery & Transportation Inc.	Houston, TX	Transportation Services	4,797
Data Shredding Services of Texas	Houston, TX	Document Destruction Services	20,482
Deegear, Pamela	San Antonio, TX	Consultant Services	4,200
Degay, Lashun	Houston, TX	Home Living Support	5,798
Disa, Inc.	Houston, TX	Pre-employment Services	44,754
Dispensary of Hope, LLC	Nashville, TN	Consultant Services	43,750
East, Loraine	Houston, TX	Home Living Support	18,318
Easter Seals of Greater Houston, Inc.	Houston, TX	Vocational & Employment Training	2,331,527
Evins Temporaries	Houston, TX	Temporary Staffing - Admin	190,988
Flanagan, Jerome	Houston, TX	Yes Waiver Services	41,778
Fordice Consulting LLC	Cypress, TX	Consultant Services	45,000
Hall, Latoya	Houston, TX	Home Living Support	4,990
Harris County Psychiatric Center	Houston, TX	Inpatient Psychiatric Bed Services	4,347,059
Harris Health System	Houston, TX	Electronic Health Record Consulting	555,918

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF PROFESSIONAL AND CONSULTING FEES AND**  
**CONTRACTED PROVIDER SERVICES**  
**For The Year Ended August 31, 2022**

*Table 22*  
*Page 2 of 3*

<b>Name</b>	<b>City</b>	<b>Service</b>	<b>Amount</b>
Health Mart Atlas, LLC	New Albany, OH	Consultant Services	4,788
Hernandez, Josefa	Houston, TX	Home Living Support	13,348
Hickerson, Joslin	Houston, TX	Home Living Support	7,170
Horses for Life	Anglenton, TX	Yes Waiver Services	22,373
Houston Discovery Community	Houston, TX	Substance Abuse Treatment	2,346
Houston Family Nutrition, Inc.	Houston, TX	Yes Waiver Services	2,446
Houston Recovery Center, LGC	Houston, TX	Advocacy Services	15,466
International Critical Incident Stress Foundation, Inc.	Ellicott City, MD	Consultant Services	10,750
Iris Telehealth Medical Group, PA	Austin, TX	Physician Services	442,828
Jack, John	Friendswood, TX	Yes Waiver Services	10,437
Jackson & Coker Locum Tenens	Alpharetta, GA	Temporary Staffing - Psychiatrists	99,213
JTAYLOR	Fort Worth, TX	Consultant Services	34,081
JW Marriott Houston by The Galleria	Houston, TX	Consultant Services	46,863
Kagen, Ellen	Annapolis, MD	Consultant Services	9,188
Kasprzak, Christina	Chapel Hill, NC	Consultant Services	3,480
KES Care Learning and Developmental Center	Houston, TX	Day Habilitation Services	2,952
Lang, Cassietta	Katy, TX	Yes Waiver Services	18,005
Language Line Services	Monterrey, CA	Interpretation Services	173,526
Leafhouse Financial Advisors, LLC	Austin, TX	Fiduciary Services	34,500
Lemus, Katia	Houston, TX	Home Living Support	22,164
Lice Care Solutions, LLC	Houston, TX	Advocacy Services	1,215
Livingworks Education USA, Inc.	Fayetteville, NC	Consultant Services	68,400
Locum Tenens Holdings, LLC	Atlanta, GA	Temporary Staffing - Psychiatrists	191,510
Lorman Education Services	Eau Claire, WI	Consultant Services	2,990
Lovins, Lori	Maumee, OH	Consultant Services	3,900
Lozano-Tello, Elsa	Houston, TX	Home Living Support	15,800
Magnificat Houses, Inc.	Houston, TX	Residential Services Contract	9,364
Mann, Ph.D., Thomas	Richmond, TX	Medical Services	6,506
Martinez, Peter	Kingwood, TX	Respite Care Services	1,513
Masterword Services, Inc.	Houston, TX	Interpretation Services	4,107
McIntyre, Constance	Tomball, TX	Home Living Support	4,378
Melodic Pathways Music Therapy	Spring, TX	Yes Waiver Services	23,926
Mental Health America of Greater Houston	Houston, TX	Advocacy Services	99,286
Meraki Music, LLC	Houston, TX	Yes Waiver Services	5,614
Modern Psychological & Allied Services, PLLC	Houston, TX	Temporary Staffing - Psychiatrists	24,150
Momentum Behavioral Health	Houston, TX	Yes Waiver Services	9,289
Morales, Laura	Houston, TX	Speech/Language Services	2,964
Morgan & Associates Dental	Houston, TX	Physician Services	2,875
Morning Star Psychiatric Services, PLLC	Sugar Land, TX	Consultant Services	30,000
Muhammad, Nettie	Houston, TX	Yes Waiver Services	16,940
Nami Greater Houston	Houston, TX	Consultant Services	59,490
Next Level Medical, LLC	Houston, TX	Pre-employment Services	1,125
Nightingale Adult Day Center	Houston, TX	Interpretation Services	5,744
Nirvana Behavioral Solutions	Houston, TX	Yes Waiver Services	3,156
Open Minds	Gettysburg, PA	Consultant Services	4,142
Passages, Inc.	Houston, TX	Substance Abuse Treatment	21,909

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF PROFESSIONAL AND CONSULTING FEES AND**  
**CONTRACTED PROVIDER SERVICES**  
**For The Year Ended August 31, 2022**

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

<b>Name</b>	<b>City</b>	<b>Service</b>	<b>Amount</b>
Pathway to Serenity	Houston, TX	Substance Abuse Treatment	124,375
Pearl Meyer	Wellesley, MA	Consultant Services	11,669
Phactory Consulting, LLC	Houston, TX	Consultant Services	4,456
Physician Resources, Inc.	Houston, TX	Temporary Staffing - Psychiatrists	215,888
Powell, Curtis	Houston, TX	Respite Care Services	7,320
Pre-Check, Inc.	Houston, TX	Pre-employment Services	87,615
Prosumers International	San Antonio, TX	Consultant Services	15,700
Psychotherapy by Angelina, LLC	Bellaire, TX	Yes Waiver Services	51,144
Rangel, Kenia	Houston, TX	Home Living Support	3,374
Reach Unlimited, Inc.	Houston, TX	Day Habilitation Services	4,471
Recessability, Inc.	Spring, TX	Yes Waiver Services	54,769
Rekruters	Houston, TX	Consultant Services	403,158
Semine, Karim	Houston, TX	Physician Services	5,281
Simmons & Arnold Services	Houston, TX	Consultant Services	35,857
Smith, Cora	Houston, TX	Home Living Support	15,095
Smith, Kristin	McKinney, TX	Temporary Staffing - Psychiatrists	48,400
Smith, Tracy	Missouri City, TX	Home Living Support	4,223
Snare, Daniel	Houston, TX	Consultant Services	10,200
Southwestern Music Therapy, LLC	Plano, TX	Yes Waiver Services	10,551
Spriggs, Ruth	Houston, TX	Home Living Support	5,368
Stericycle, Inc.	Lake Forest, IL	Hazardous Waste Disposal	4,084
Sunbounce, HCS	Humble, TX	Day Habilitation Services	13,243
Texas Initiative Program	Dallas, TX	Pre-employment Services	5,775
Texas Medical Center Hospital Laundry Co-op	Houston, TX	Linen Services	78,160
Texas Telepsychiatry Solutions, PLLC	Houston, TX	Temporary Staffing - Psychiatrists	152,000
Texas West Oaks Hospital	Houston, TX	Inpatient Psychiatric Bed Services	1,637,025
The University of Texas Health Science Center at Houston	Houston, TX	Consultant Services	3,300
The Visual Influence, LLC	Spring, TX	Consultant Services	26,625
Translation & Interpretation Network	Fort Worth, TX	Interpretation Services	4,377
Udunenwu, Henrietta	Richmond, TX	Yes Waiver Services	115,623
Universe Technical Translation	Houston, TX	Interpretation Services	77,199
University of Houston, The	Houston, TX	Advocacy Services	5,271
University of Houston-College of Medicine, The	Houston, TX	Physician Services	342,012
University of Texas Dept of Psychiatry, The	Houston, TX	Residency Program Contract Labor	104,523
Visual Language Professional, LLC	Houston, TX	Interpretation Services	22,301
Vu, Annie	Houston, TX	Home Living Support	25,116
Ward, Carole	Houston, TX	Home Living Support	18,568
Watkins, Califfa	Houston, TX	Home Living Support	4,510
Watts, Glorious	Houston, TX	Home Living Support	2,000
Westmoreland, Tahiesha	Houston, TX	Home Living Support	10,418
WEX	Fargo, ND	Employee Benefits Administration	39,836
Whitley Penn, LLP	Fort Worth, TX	Audit Services	77,391
X-Ray Mobile Texas, Inc.	Sugar Land, TX	Medical Services	7,150
Younggren, Naomi	Hallock, MN	Consultant Services	1,800



**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF LEGAL SERVICES**  
**For The Year Ended August 31, 2022**

**Table 23**

<b>Name</b>	<b>City</b>	<b>Type of Service</b>	<b>Amount</b>
Anne T. Nguyen, PLLC	Houston, TX	Employment	\$ 7,870
Ballard Spahr, LLP	Washington, DC	General representation	5,303
Feldman & Feldman, PC	Houston, TX	General representation	27,377
Holland & Knight, LLP	Houston, TX	Employment	7,000
Karczewski, Bradshaw, Spalding	Nacogdoches, TX	Employment and general representation	16,697
Norton, Rose, Fulbright, U.S., L.L.P	Dallas, TX	Employee Benefits	58,270
Rogers, Morris,& Grover, L.L.P	Houston, TX	General representation	23,643



*Transforming Lives*

## **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  
Houston, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units and each major fund of The Harris Center for Mental Health and IDD (the “Center”), as of and for the year ended August 31, 2022, 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 24, 2023. 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 style with a large, stylized "P" for "Penn".

Houston, Texas  
January 24, 2023

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

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

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

***Opinion on Each Major Program***

We have audited The Harris Center for Mental Health and IDD's (the "Center") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement*, the Texas Health and Human Services Commission's *Guidelines for Annual Financial and Compliance Audits of Community Mental Health and Mental Retardation Centers (21<sup>st</sup> Revision)* and the *Texas Grant Management Standards (TxGMS)* that could have a direct and material effect on each of the Center's major federal and state programs for the year ended August 31, 2022. The Center's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2022.

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

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the TxGMS we:

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

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

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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



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

**Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Uniform Guidance*, the Texas Health and Human Services Commission's *Guidelines for Annual Financial and Compliance Audits of Community Mental Health and Mental Retardation Centers (21<sup>st</sup> Revision)* and the *Texas Grant Management Standards*. Accordingly, this report is not suitable for any other purpose.

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

Houston, Texas  
January 24, 2023

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended August 31, 2022**

**I. Summary of Auditors' Results**

**Financial Statements**

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

**Federal Awards**

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

**Identification of major programs:**

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

<i>Mental Health Block Grant</i>	93.958
<i>Mental Health Block Grant (CSC)</i>	93.958
<i>General Revenue - Mental Health First Aid</i>	93.958
<i>Supplemental Grant Program (HR133 ARPA) - Mental Health Services (COVID-19)</i>	93.958
<i>Hospital Transition Pilot (Stepdown)</i>	93.958
<i>Mental Health Suicide Care Pilot Project (ZEST)</i>	93.958
<i>COVID Call Center Helpline (COVID-19)</i>	93.958
<i>Lifeline</i>	93.958
<i>Medicaid Cluster</i>	93.778
<i>TANF Transfer to Title XX Block Grant</i>	93.558
<i>Early Childhood Intervention</i>	93.558
<i>Temporary Assistance for Needy Families (TANF) Pandemic Emergency Assistance Funds (PEAF) (COVID-19)</i>	93.558

Dollar Threshold Considered Between Type A and Type B Federal Programs	\$2,777,667
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Auditee qualified as low risk auditee?	Yes
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**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**For the Year Ended August 31, 2022**

**I. Summary of Auditors' Results**

**Financial Statements**

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

**State Awards**

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

**Identification of major programs:**

<u>Name of State Program</u>	<u>State Grant Number(s)</u>
<b>Texas Health and Human Services Commission:</b>	HHS001022200036
General Revenue - Mental Health	HHS001022200036
General Revenue - Psychiatric Hospitals	
General Revenue - Intellectual or Developmental Disabilities	HHS000608700001
General Revenue - Permanency Planning	HHS000608700001
General Revenue - Crisis Respite Services	HHS000608700001
General Revenue - Crisis Intervention Specialist	HHS000608700001
Dollar Threshold Considered Between Type A and Type B State Programs	\$3,000,000
Auditee qualified as low risk auditee?	Yes

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)***  
***For the Year Ended August 31, 2022***

**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, 2022**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Agriculture</b>				
<b>Passed-through the Texas Health and Human Services Commission:</b>				
<i>SNAP Nutrition</i>	10.561	HHS000640200031	\$ 111,498	\$ -
<i>Total SNAP Cluster (ALN 10.561)</i>			<u>111,498</u>	<u>-</u>
<b>Total U.S. Department of Agriculture</b>			<u><b>111,498</b></u>	<u><b>-</b></u>
<b>U.S. Department of Housing and Urban Development</b>				
<b>Passed through the Harris County:</b>				
<i>Community Development Block Grants/Entitlement Grants</i>				
<i>Community Wide COVID Housing Program (COVID-19)</i>	14.218	B-20-UW-48-0002; 2020-0048	1,630,364	-
<i>Total CDBG Entitlement Grants Cluster (ALN 14.218)</i>			<u>1,630,364</u>	<u>-</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u><b>1,630,364</b></u>	<u><b>-</b></u>
<b>U.S. Department of the Treasury</b>				
<b>Passed through the City of Houston:</b>				
<i>Clinician Officer Remote Evaluation (CORE)</i>	21.027	2022-0263	285,787	-
<i>Mobile Crisis Outreach Team-Rapid Response (MCOT-RR)</i>	21.027	2022-0410	1,294,101	-
<i>Crisis Intervention Response Team Program (CIRT)</i>	21.027	2022-0262	4,389	-
<i>ARPA COH - Crisis Call Diversion (CCD) expansion (COVID-19)</i>	21.027	2022-0271	100,589	-
<b>Passed through Harris County</b>				
<i>Community Initiated Care</i>	21.027	SLFRP1966 (FAIN)	328,040	-
<i>Total ALN 21.027</i>			<u>2,012,906</u>	<u>-</u>
<b>Passed through Coalition for the Homeless:</b>				
<i>CHH Navigation Services</i>	21.023	20210000029	936,053	-
<b>Total U.S. Department of the Treasury</b>			<u><b>2,948,959</b></u>	<u><b>-</b></u>
<b>U.S. Department of Education</b>				
<b>Passed-through the Texas Health and Human Services Commission:</b>				
<i>Early Childhood Intervention - IDEA-B</i>	84.027	HHS000640200031	302,040	-
<i>Total Special Education Cluster (ALN 84.027)</i>			<u>302,040</u>	<u>-</u>
<i>Early Childhood Intervention - IDEA-C</i>	84.181	HHS000640200031	1,588,445	-
<b>Total U.S. Department of Education</b>			<u><b>1,890,485</b></u>	<u><b>-</b></u>
<b>U.S. Department of Health and Human Services:</b>				
<b>Passed-through the Texas Health and Human Services Commission:</b>				
<i>Mental Health Block Homeless PATH Grant</i>	93.150	HHS000231500013	1,130,299	-
<i>TANF Transfer to Title XX Block Grant</i>	93.558	529-17-0038-00024	1,386,984	-
<i>Early Childhood Intervention</i>	93.558	HHS000640200031	168,775	-
<i>Temporary Assistance for Needy Families (TANF) Pandemic Emergency Assistance Funds (PEAF) (COVID-19)</i>	93.558	HHS001120200012	2,932,582	-
<i>Total ALN 93.558</i>			<u>4,488,341</u>	<u>-</u>
<i>Social Services Block Grant (Title XX)</i>	93.667	529-17-0038-00024	580,417	-
<i>Opioid Response Program</i>	93.788	N/A	99,571	-
<i>Substance Abuse Prevention &amp; Treatment Block Grant</i>	93.788	HHS000782500006	65,000	65,000
<i>Total ALN 93.788</i>			<u>164,571</u>	<u>65,000</u>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended August 31, 2022**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Health and Human Services: (continued)</b>				
<b>Passed-through the Texas Health and Human Services</b>				
<b>Commission: (continued)</b>				
<i>Delivery System Reform Incentive Payments (DSRIP)</i>	93.778	N/A	40,766,250	-
<i>Directed Payment Program for Behavioral Health Services</i>	93.778	N/A	8,977,425	-
<i>Medicaid Administrative Claiming Program</i>	93.778	529-09-0032-00096	9,178,858	-
<i>ECl Administrative Claiming Program</i>	93.778	529-11-0040-00025	1,090,955	-
<i>Total Medicaid Cluster (ALN 93.778)</i>			60,013,488	-
<i>Enhanced Community Coordination</i>	93.791	HHS000994800001	478,789	-
<i>Mental Health Block Grant</i>	93.958	529-17-0038-00024	3,381,667	-
<i>Mental Health Block Grant (CSC)</i>	93.958	2017-049559-001	849,053	-
<i>General Revenue - Mental Health First Aid</i>	93.958	HHS000186700001	79,926	-
<i>Supplemental Grant Program (HR133 ARPA) - Mental Health Services (COVID-19)</i>	93.958	HHS001108400036	3,895,666	-
<i>Hospital Transition Pilot (Stepdown)</i>	93.958	HHS0008669200003	778,491	-
<i>Mental Health Suicide Care Pilot Project (ZEST)</i>	93.958	HHS000505700001	479,834	-
<i>COVID Call Center Helpline (COVID-19)</i>	93.958	HHS000782600001	240,334	-
<i>Lifeline</i>	93.958	HHS000790600002	1,210,537	-
<i>Total ALN 93.958</i>			10,915,508	-
<i>Substance Abuse Prevention &amp; Treatment Block Grant</i>	93.959	HHS000782500006	752,891	752,891
<i>Substance Abuse Prevention &amp; Treatment Block Grant (COVID-19)</i>	93.959	HHS000782500006	910,762	-
<i>Substance Use Disorder Treatment-Treatment for Adult</i>	93.959	HHS001040100008	52,481	-
<i>Substance Use Disorder Treatment-Treatment for Female</i>	93.959	HHS001040100021	3,167	-
<i>Substance Abuse Prevention &amp; Treatment Abuse Community Health Workers</i>	93.959	HHS000780700004	780,867	-
<i>Supplemental Grant Program (HR133 ARPA) - Substance Use Services (COVID-19)</i>	93.959	HHS001108400036	891,128	-
<i>Total ALN 93.959</i>			3,391,296	752,891
<i>Disaster Assistance - FEMA-DR-4485-TX</i>	93.982	HHS000434500026	1,236,934	-
<i>COVID Call Center Helpline (COVID-19)</i>	93.982	HHS000782600001	246,914	-
<b>Passed-through the University of Texas Health Science Center at San Antonio</b>				
<i>TxMOUD Triage Line Services</i>	93.982	HHS000963100001	211,065	-
<i>Total ALN 93.982</i>			1,694,913	-
<i>Lifeline</i>	93.243	HHS000790600002	76,977	-
<i>Be Well Be Connected Program</i>	93.243	HHS000790600002	54,360	-
<i>Total ALN 93.243</i>			131,337	-
<i>Comprehensive Community Mental Health Services For Children with Serious Emotional Disturbances - System Care</i>	93.104	HHS000815200002	107,764	-
<b>Passed-through the Substance Abuse and Mental Health Services Administration:</b>				
<i>Assisted Outpatient Treatment</i>	93.997	1H79SM082923-01	676,949	-
<i>Certified Community Behavioral Health Clinics Expansion Program</i>	93.829	1H79SM083110-01	2,233,927	-
<b>Total U.S. Department of Health and Human Services</b>			<b>86,007,599</b>	<b>817,891</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 92,588,905</b>	<b>\$ 817,891</b>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended August 31, 2022**

State Grantor/Program Title	Contract number	State Expenditures
<b>Texas Health and Human Services Commission:</b>		
<b>Direct Programs:</b>		
General Revenue - Mental Health	HHS001022200036	\$ 72,824,954
General Revenue - Psychiatric Hospitals	HHS001022200036	30,800,496
<i>Total Contract number HHS001022200036</i>		103,625,450
General Revenue - Intellectual or Developmental Disabilities	HHS000608700001	8,723,486
General Revenue - Permanency Planning	HHS000608700001	132,718
General Revenue - Crisis Respite Services	HHS000608700001	1,162,548
General Revenue - Crisis Intervention Specialist	HHS000608700001	416,221
<i>Total Contract number HHS000608700001</i>		10,434,973
General Revenue - Mental Health First Aid	HHS000186700001	80,300
General Revenue - HCBS Pre Engagement	529-17-0144-0003	3,646
General Revenue - Mental Health Psychiatric Residency	2015-048737-001	299,945
SG Jail Based Comp Restoration Pilot	HHS000789300001	871,500
House Bill 13	HHS000477100041	430,161
IDD Nursing Facility Specialized Services	HHS000608700001	2,292
Healthy Community Collaborative	HHS000559400001	2,265,110
MH Outpatient services for IDD	HHS000776900005	300,000
Lifeline-988 Planning	HHS000790600002	7,097
Early Childhood Intervention	HHS000640200031	2,353,596
<b>Total Direct Programs</b>		120,674,070
<b>Passed through the Texas Council for Developmental Disabilities:</b>		
COVID vaccine stipend	21C01	15,000
<b>Passed through Baylor College of Medicine:</b>		
Be Well Be TX Child Mental Healthcare Consortium (TCMHCC)	BCM REF # 2630156412	148,875
<b>Total Pass through Baylor College of Medicine</b>		163,875
<b>Total Texas Health and Human Services Commission</b>		<b>120,837,945</b>
<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	200,000
<i>Total Contract number 696-TC-14-15-L012</i>		446,000
<b>Total Direct Programs</b>		446,000
<b>Total Texas Department of Criminal Justice</b>		446,000
<b>Total Expenditures of State Awards</b>		<b>121,283,945</b>
<b>Total Expenditures of Federal and State Awards</b>		<b>\$ 213,872,850</b>

**THE HARRIS CENTER FOR MENTAL HEALTH AND IDD**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
*For the Year Ended August 31, 2022*

**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, 2022. 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 *Texas 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 *Texas 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, 2022:

State revenues per the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 123,996,905
Less: Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMI) program	<u>(2,712,960)</u>
State expenditures per the Schedule of Expenditures of State Awards	<u>\$ 121,283,945</u>



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

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

***For the Year Ended August 31, 2022***

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, 2022***

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