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Full Board Meeting
January 31, 2026
9:00 am

- I. **DECLARATION OF QUORUM**
- II. **PUBLIC COMMENTS**
- III. **CONSIDER AND TAKE ACTION**
 - A. FY2025 Annual Audit
(EXHIBIT F-1 Forvis Mazars)
- IV. **EXECUTIVE SESSION**
 - **As authorized by §551.071 of the Texas Government Code, the Board of Trustees reserves the right to adjourn into Executive Session at anytime during the course of this meeting to seek legal advice from its attorney about any matters listed on the agenda.**
- V. **RECONVENE INTO OPEN SESSION**
- VI. **CONSIDER AND TAKE ACTION AS A RESULT OF THE EXECUTIVE SESSION**
- VII. **ADJOURN**



Veronica Franco, Board Liaison
Robin Gearing, Ph.D., Chair, Board of Trustees
The Harris Center for Mental Health and IDD

EXHIBIT F-1

The Harris Center for Mental Health and IDD (A Component Unit of Harris County, Texas)

Annual Comprehensive Financial Report

Fiscal Years Ended August 31, 2025 and 2024

DRAFT 1/27/2026

The Harris Center for Mental Health and IDD
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August 31, 2025 and 2024

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Transforming Lives

Financial Services
9401 Southwest Freeway
Houston, TX 77074
713-970-7000 Office
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January 27, 2026

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) for the fiscal year ended August 31, 2025. 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: the 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 Forvis Mazars, 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, 2025 are free of material misstatement. The independent audit involved examining, on a 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, 2025 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 a full range of effective services and support designed to provide care in the least restrictive manner, to the degree resources permit.

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

The first Board of Trustees for The Harris Center for Mental Health and IDD was established by the Harris County Commissioners Court in 1965. As of August 31, 2025, 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 the Chief Financial Officer prepare a proposed budget for the fiscal year after consultation with division and department leadership and according to instructions of Texas HHSC and other contract payors or grantors. The proposed budget, together with revenue estimates, is submitted to the Board of Trustees of the Center for consideration and approval.

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

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

For Fiscal Year 2024, 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 environments. This geographic area has a diverse employment base heavily dominated by the petrochemical industry, the largest conglomeration of hospitals, medical schools, and research facilities in the country called the Texas Medical Center, and a host of universities and other institutions of learning. Recruitment of skilled individuals for professional and paraprofessional positions in the healthcare field continues to be a challenge as the Center strives to compete with the compensation packages offered by the medical centers, the universities, as well as local governments.

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

The Center's use of the Patient Assistance Program/Drug Sample Program continues to be successful and has provided the Center's people served with "free" medications valued nearly \$13 million in Fiscal Year 2025. 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, and 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 the fiscal year ended August 31, 2024. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Acknowledgements

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

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

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

Respectfully submitted,

Wayne Young, MBA, LPC, FACHE
Chief Executive Officer

Stanley Adams, MBA
Chief Financial Officer

CERTIFICATE OF BOARD

I, Robin E. Gearing Ph.D, Chairperson of the Board of Trustees of The Harris Center for Mental Health and IDD, do hereby certify that this accompanying audit report for the Fiscal Year 2024 from Forvis Mazars, LLP, was reviewed and approved at a meeting of the Board of Trustees held on the 27th day of January 2026.

Chairperson

The Harris Center for Mental Health and IDD Board of Trustees

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, 2024

Christopher P. Morill

Executive Director/CEO

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
LISTING OF OFFICIALS

Board of Trustees

Robin E. Gearing, PH.D	Chairperson
James Lykes	Vice Chairperson
Max A. Miller, Jr, MTH, D.D.	Vice Chairperson
Gerald Womack	Secretary
Resha Thomas, MPPA	Member
Katherine Bacon, PH.D. LPC-S, NCC	Member
Jeremy E. Lankford, M.D.	Member
Quianta Moore, M.D., J.D.	Member
Sheriff Ed Gonazalez	Ex-Officio Member

Executive Leadership

Wayne Young, MBA, LPC, FACHE	Chief Executive Officer
Keena Pace, LCSW	Deputy Chief Executive Officer
Luming Li, MD, MHS	Chief Medical Officer
Kia Walker, PH.D, RN, MSN	Chief Nursing Officer
Stanley C. Adams, MBA	Chief Financial Officer
Mustafa Cochinwala	Chief Information Officer
Kendra Thomas, JD, LPC	Chief General Counsel

The Harris Center for Mental Health and IDD Management's Discussion and Analysis Years Ended August 31, 2025 and 2024

We present the readers the financial statements of The Harris Center for Mental Health and IDD (Center), formerly known as the Mental Health and Mental Retardation Authority of Harris County, along with this narrative overview and analysis of the financial activities for the fiscal years ended August 31, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. During 2025, the Center adopted Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, retroactively restating the amounts reported in the 2024 financial statements. The summarized information for the year ended August 31, 2023, included in management's discussion and analysis, was not restated for this adoption because the 2023 financial statements are not included in the basic financial statements.

Financial Highlights

- The assets of the Center exceeded its liabilities at the close of fiscal year 2025 by \$126,345,265 (net position). Of this amount, \$23,310,236 (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 fiscal year 2024 by \$112,611,905 (net position). Of this amount, \$63,534,622 (unrestricted net position) may be used to meet the Center's ongoing obligations.
- The Center's total net position (government-wide) increased by \$13,733,359 during fiscal year 2025. In fiscal year 2024, the Center's total net position decreased by \$1,510,394.
- The Center's governmental funds increased by \$17,210,799 resulting in an ending fund balance of \$97,631,984 in fiscal year 2025. The Center's governmental funds decreased by \$7,151,803 resulting in an ending fund balance of \$80,421,185 in fiscal year 2024.
- At the end of fiscal year 2025, unassigned fund balance for the General Fund was \$49,575,756 or 13% of total General Fund expenditures. At the end of fiscal year 2024, unassigned fund balance for the General Fund was \$52,534,614 or 15% 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, Forensic Services, 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 Years Ended August 31, 2025 and 2024

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that 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 16–19.

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 26 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 13 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 28–31 of this report.

Notes to 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 financial statements can be found beginning on page 32 of this report.

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

**The Harris Center for Mental Health and IDD
Management's Discussion and Analysis
Years Ended August 31, 2025 and 2024**

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 \$126,345,265 and \$112,611,905 at the close of the fiscal years 2025 and 2024, respectively.

The smaller portions of the Center's net position in the amount of \$23,310,236 (18%) represents the unrestricted financial resources available for future operations and \$18,968,946 (15%) represents the restricted financial resources available for future operations. This compares to last fiscal year's unrestricted financial resources at \$63,534,622 (56%).

The remaining 67% reflects its investment in capital assets, such as land, construction in progress, buildings and improvements, furniture and equipment, vehicles, and right-to-use lease assets 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, 2025 with comparative figures for fiscal year 2024 and 2023:

	Governmental Activities		
	2025	2024 Restated	2023
Assets			
Current and other assets	\$ 124,369,301	\$ 108,288,557	\$ 108,231,024
Capital assets, net	86,567,918	52,763,920	45,231,857
Total Assets	210,937,219	161,052,477	153,462,881
Liabilities			
Current liabilities	41,654,988	42,118,579	20,664,032
Long-term liabilities outstanding	42,936,966	6,321,992	10,090,367
Total Liabilities	84,591,954	48,440,571	30,754,399
Net Position			
Net investment in capital assets	84,066,080	49,077,283	43,405,280
Restricted	18,968,949	-	-
Unrestricted	23,310,236	63,534,623	79,303,202
Total Net Position	\$ 126,345,265	\$ 112,611,906	\$ 122,708,482

The decrease in net position year-over-year in fiscal year 2024, and 2023 was primarily due to an overall increase in expenses that exceeded revenues from operating federal and state grants and Harris County allocations. In addition, the revenue proceeds were used for the purchase of capital assets and operating expenses. There was an increase in net position year-over-year in fiscal year 2025 primarily due a capital contribution on real estate transactions.

**The Harris Center for Mental Health and IDD
Management's Discussion and Analysis
Years Ended August 31, 2025 and 2024**

Governmental Activities

For fiscal year 2025, revenues for the Center's governmental activities were \$382.9 million while total expenses were \$369.2 million. The change in net position of governmental activities was an increase of \$13.7 million. For fiscal year 2024, revenues for the Center's governmental activities were \$348.8 million while total expenses were \$350.3 million. The change in net position of governmental activities was a decrease of \$1.5 million. The revenues and expenses for fiscal year 2023 were \$318.4 million and \$333.6 million, respectively.

The following table reflects a comparison of the governmental activities between fiscal years 2025, 2024, and 2023:

	Governmental Activities		
	2025	2024 Restated	2023
Revenues			
Program Revenues			
Charges for Services			
Intellectual and Developmental Disabilities	\$ 14,919,627	\$ 13,725,923	\$ 14,386,787
Mental Health – Adult	20,769,713	19,335,690	8,816,405
Mental Health – Child and Adolescents	5,332,251	5,297,113	5,379,975
Crisis Center	2,481,071	3,842,121	2,853,560
Community Hospital (HCPC)	-	-	663,681
Forensic Services	22,869,949	21,458,263	-
Total Charges for Services	66,372,611	63,659,110	32,100,408
Operating Grants and Contributions			
Intellectual and Developmental Disabilities	25,464,938	25,347,141	25,332,785
Mental Health – Adult	89,112,976	89,008,141	91,296,281
Mental Health – Child and Adolescents	20,564,110	19,538,679	19,539,846
Crisis Center	82,231,715	74,435,737	57,482,505
Community Hospital (HCPC)	38,704,092	35,011,441	28,093,016
Forensic Services	10,436,911	11,834,145	-
Total Operating Grants and Contributions	266,514,742	255,175,284	221,744,433
General Revenues			
Harris County general allocation	23,983,403	23,067,409	52,891,987
Investment earnings	3,355,943	3,662,619	2,941,559
Other income	2,743,562	3,098,650	8,241,721
Capital contribution on real estate transaction	19,798,005	-	-
Gain (loss) on disposal of capital assets	166,057	128,336	474,132
Total General Revenues	50,046,970	29,957,014	64,549,399
Total Revenues	382,934,323	348,791,408	318,394,240

**The Harris Center for Mental Health and IDD
Management's Discussion and Analysis
Years Ended August 31, 2025 and 2024**

	Governmental Activities (continued)		
	2025	2024 Restated	2023
Expenses			
General administration	\$ 39,475,588	\$ 37,926,524	\$ 47,908,147
Intellectual and Developmental Disabilities	44,450,320	40,767,625	41,923,189
Mental Health – Adult	103,806,461	100,734,994	109,842,041
Mental Health – Child and Adolescents	24,059,071	22,296,267	21,225,225
Crisis Center	86,284,553	82,231,371	83,129,224
Community Hospital (HCPC)	36,123,079	34,444,951	29,569,713
Forensic Services	32,986,686	31,785,374	-
Interest on long-term debt	2,015,206	114,696	47,271
Total Expenses	369,200,964	350,301,802	333,644,810
Changes in Net Position	13,733,359	(1,510,394)	(15,250,570)
Net Position, Beginning of Year	112,611,906	114,122,300	137,959,053
Net Position, End of Year	\$ 126,345,265	\$ 112,611,906	\$ 122,708,483

Changes in Net Position

Total revenues increased year-over-year in fiscal years 2025 and 2024 primarily due to an overall increase in revenues from operating federal and state grants. Total expenses increased year-over-year in fiscal years 2025 and 2024 primarily due to an overall increase in expenses from operating federal and state grants.

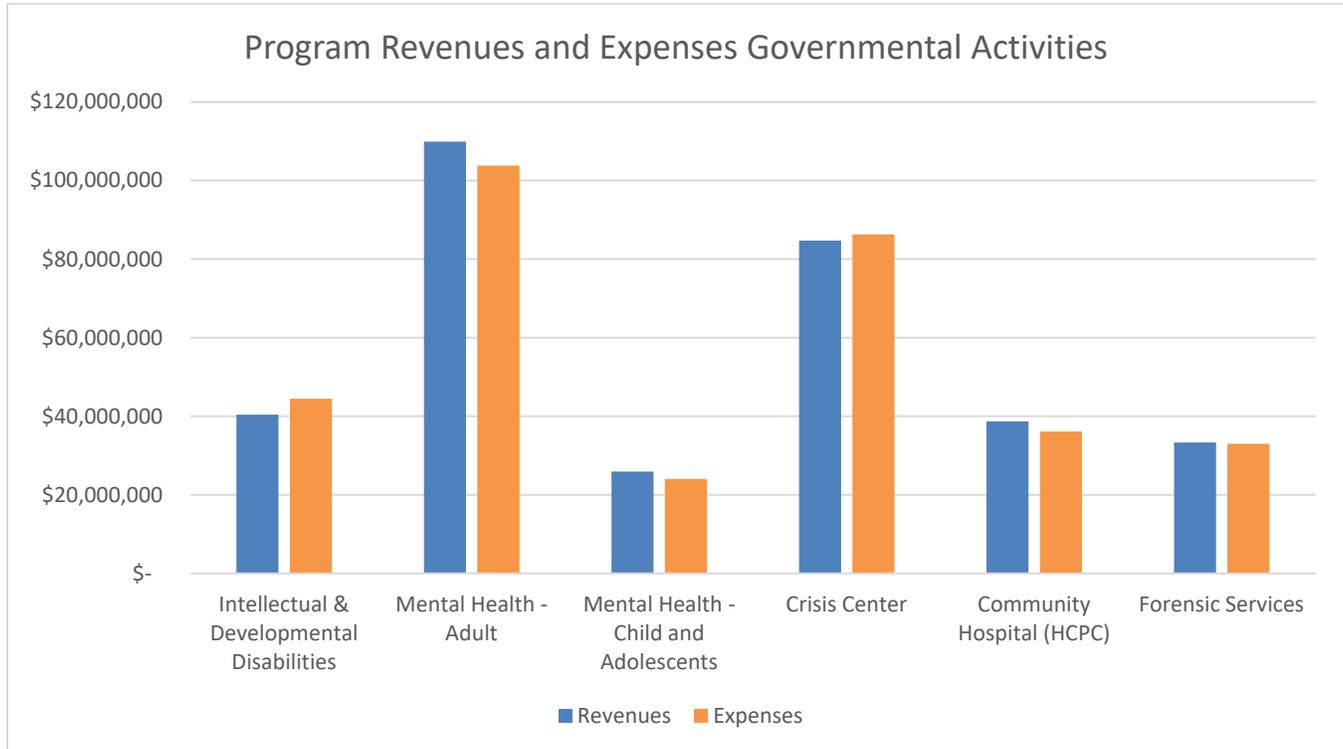
Prior to fiscal year 2024, the Forensic Services revenue and expenses were included within the Mental Health – Adult and Mental Health – Child and Adolescents programs.

The table and chart below present the net revenue (cost) of each of the Center's programs: Adult Mental Health, Child and Adolescents, Intellectual and Development Disabilities, Crisis Center, Community Hospital, and Forensic Services and interest on long-term debt. Forensic Services function was created as a separate function from Mental Health in fiscal year 2024. The net revenue (cost) does not reflect the revenue generated through unrestricted grants and contributions and unrestricted investment earnings.

	Net Cost of Services		
	2025	2024	2023
Intellectual and Developmental Disabilities	\$ (9,415,738)	\$ (6,727,465)	\$ (9,245,030)
Mental Health – Adult	(6,422,636)	(4,366,630)	(28,178,009)
Mental Health – Child and Adolescents	(1,058,429)	(150,173)	123,102
Crisis Center	(11,984,827)	(14,271,889)	(36,653,225)
Community Hospital (HCPC)	(1,766,714)	(3,623,897)	(5,799,536)
Forensic Services	(3,650,061)	(2,212,658)	-
Interest on long-term debt	(2,015,206)	(114,696)	(47,271)
	\$ (36,313,611)	\$ (31,467,408)	\$ (79,799,969)

**The Harris Center for Mental Health and IDD
Management's Discussion and Analysis
Years Ended August 31, 2025 and 2024**

The following chart depicts the major sources of revenues and expenses by function for the fiscal year ended August 31, 2025:



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 2025, its General Fund (as presented in the balance sheet on page 16) reported a fund balance of \$97,631,984. A large portion of this, \$49,575,756, or 51%, is considered to be 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 \$97,631,984 and represent 26% of total General Fund expenditures or the equivalent of 95 days. In fiscal year 2024, the General Fund reported a fund balance of \$80,421,185. A large portion of this, \$52,534,614, or 65%, is considered to be unassigned fund balance. Assigned and unassigned fund balance totals \$80,421,185 and represent 22% of total General Fund expenditures or the equivalent of 82 days.

An analysis of significant balances for both fiscal years 2025 and 2024 follows:

- Compared to the previous year, state grants and programs for fiscal year 2025 increased by \$7.1 million.
- Federal funds increased by \$1.9 million compared to the prior year primarily due to additional Medicaid Administrative Claiming Program revenues.

**The Harris Center for Mental Health and IDD
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- The Harris County allocation and other contracts increased by \$2.5 million and decreased by \$6.3 million for fiscal years 2025 and 2024, respectively.
- In fiscal year 2025, local billings increased by \$2.2 million, while investment earnings decreased by \$0.3 million. The Center only invested in local government investment pools in fiscal year 2025. In fiscal year 2024, local billings increased by \$7.3 million, while investment earnings increased by \$0.7 million. The Center only invested in local government investment pools in fiscal year 2024.

General Fund Budgetary Highlights

The Center's revenue budget was increased by \$24.5 million from the original adopted budget to the final budget. The most notable revenue budget increase was an increase of federal grants revenue by \$17.0 million. In addition, the state grants and program revenue budget increased by \$4.0 million with the addition of several new grants. The local revenue's budget increased by \$3.0 million primarily due to an increase in Harris County contracts.

Actual total revenues exceeded budgeted amounts by \$23.0 million. The most notable drivers of this variance were due to the Center's federal grant revenues, where revenues were more than budget by \$12.1 million followed by state program revenues ending overbudget by \$5.6 million.

The original expenditure budget was amended and increased by \$55.3 million, with notable rises in capital outlay (\$31.7 million) and personnel costs (\$10.7 million). Despite the increase, actual expenditures was \$44.8 million below the budgeted amounts. The most significant positive variances were realized in capital outlay being \$22.5 million underbudget due to ongoing construction projects timing.

Capital Asset and Debt Administration

Capital Assets. The Center's investment in capital assets as of August 31, 2025 amounts to \$86.6 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, furniture and equipment, vehicles, and right-to-use assets (leases and subscription-based information technology arrangements).

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

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

	Fiscal Year 2025	Fiscal Year 2024	Increase (Decrease)	Fiscal Year 2023	Increase (Decrease)
Land	\$21,064,529	\$12,709,144	\$ 8,355,385	\$12,709,144	\$ -
Construction in progress	11,960,561	11,376,400	584,161	3,589,645	7,786,755
Land improvements	177,428	207,000	(29,572)	236,572	(29,572)
Buildings and improvements	49,514,876	23,388,856	26,126,020	25,181,051	(1,792,195)
Furniture and equipment	1,331,351	1,228,768	102,583	1,454,077	(225,309)
Vehicles	(53,296)	14,052	(67,348)	85,294	(71,242)
Right-to-use assets	2,572,469	3,839,700	(1,267,231)	1,976,074	1,863,626
Total capital assets	<u>\$86,567,918</u>	<u>\$52,763,920</u>	<u>\$33,803,998</u>	<u>\$45,231,857</u>	<u>\$ 7,532,063</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 \$57.5 million, an increase of \$28.1 million primarily due to additions related to loans and bonds received in the current year for \$36.9 million. A more extensive discussion about long-term debt is provided in Note 6 of the basic financial statements.

**The Harris Center for Mental Health and IDD
Management’s Discussion and Analysis
Years Ended August 31, 2025 and 2024**

Requests for Information

This financial report is designed to provide a general overview of the finances of the Center 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 officer of The Harris Center for Mental Health and IDD at 9401 Southwest Fwy., Houston, Texas 77074.

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The Harris Center for Mental Health and IDD
Statements of Net Position
August 31, 2025 and 2024

	2025		2024 – Restated	
	Governmental Activities	Component Units	Governmental Activities	Component Units
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 17,981,119	\$ 864,970	\$ 13,294,001	\$ 787,697
Investments	51,980,410	-	55,497,114	-
Accounts receivable, net	29,970,903	72,612	35,230,231	103,782
Inventories	1,063,504	-	984,720	-
Deposits	2,946,180	-	2,912,381	-
Prepaid expenses	460,943	25,147	370,110	20,472
Other assets	-	1,906	-	7,876
Total Current Assets	104,403,059	964,635	108,288,557	919,827
Noncurrent Assets				
Restricted cash and cash equivalents	19,966,242	393,578	-	458,357
Land	21,064,529	-	12,709,144	-
All other capital assets, net	65,503,389	4,240,566	40,054,776	4,293,593
Total Noncurrent Assets	106,534,160	4,634,144	52,763,920	4,751,950
Total Assets	210,937,219	5,598,779	161,052,477	5,671,777
LIABILITIES				
Current Liabilities				
Accounts payable	6,357,582	42,063	8,034,033	74,066
Accrued liabilities	10,485,486	622,174	11,740,003	522,642
Unearned revenue	10,274,741	37,410	8,129,925	14,410
Current portion of long-term obligations	14,537,179	28,536	14,214,618	26,089
Total Current Liabilities	41,654,988	730,183	42,118,579	637,207
Noncurrent Liabilities				
Noncurrent portion of long-term obligations	29,559,632	240,510	6,321,992	269,046
Forgivable long-term obligations	13,377,334	-	-	-
Total Noncurrent Liabilities	42,936,966	240,510	6,321,992	269,046
Total Liabilities	84,591,954	970,693	48,440,571	906,253
NET POSITION				
Net investment in capital assets	84,066,080	3,971,520	49,077,283	4,158,458
Restricted	18,968,949	-	-	-
Unrestricted	23,310,236	656,566	63,534,623	607,066
Total Net Position	\$ 126,345,265	\$ 4,628,086	\$ 112,611,906	\$ 4,765,524

The Harris Center for Mental Health and IDD
Statement of Activities
Year Ended August 31, 2025

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenue		Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Total Governmental Activities	Component Units
Primary Government						
Governmental Activities						
General Administration	\$ 39,475,588	\$ (39,475,588)	\$ -	\$ -	\$ -	\$ -
Mental Health – Adult	103,806,461	12,498,864	20,769,713	89,112,976	(6,422,636)	-
Intellectual and Developmental Disabilities	44,450,320	5,349,983	14,919,627	25,464,938	(9,415,738)	-
Mental Health – Child and Adolescents	24,059,071	2,895,719	5,332,251	20,564,110	(1,058,429)	-
Crisis Center	86,284,553	10,413,060	2,481,071	82,231,715	(11,984,827)	-
Community Hospital (HCPC)	36,123,079	4,347,727	-	38,704,092	(1,766,714)	-
Forensic Services	32,986,686	3,970,235	22,869,949	10,436,911	(3,650,061)	-
Interest on long-term debt	2,015,206	-	-	-	(2,015,206)	-
Total Governmental Activities	\$369,200,964	\$ -	\$ 66,372,611	\$266,514,742	(36,313,611)	-
Component Units						
HUD Programs	\$ 798,421	\$ -	\$ 589,336	\$ 2,588	-	(206,497)
Fund raising activities	503,756	-	320,729	225,000	-	41,973
Total Component Units	\$ 1,302,177	\$ -	\$ 910,065	\$ 227,588	-	(164,524)
General Revenues						
Harris County Allocation					23,983,403	-
Investment earnings					3,355,943	27,086
Other income					2,743,562	-
Capital contribution on real estate transaction					19,798,005	-
Gain on disposal of capital assets					166,057	-
Total General Revenues					50,046,970	27,086
Change in Net Position					13,733,359	(137,438)
Net Position, Beginning of Year, Restated					112,611,906	4,765,524
Net Position, End of Year					\$126,345,265	\$ 4,628,086

The Harris Center for Mental Health and IDD
Statement of Activities
Year Ended August 31, 2024 – Restated

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenue		Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Total Governmental Activities	Component Units
Primary Government						
Governmental Activities						
General Administration	\$ 37,926,524	\$ (37,926,524)	\$ -	\$ -	\$ -	\$ -
Mental Health – Adult	100,734,994	11,975,467	19,335,690	89,008,141	(4,366,630)	-
Intellectual and Developmental Disabilities	40,767,625	5,032,904	13,725,923	25,347,141	(6,727,465)	-
Mental Health – Child and Adolescents	22,296,267	2,689,698	5,297,113	19,538,679	(150,173)	-
Crisis Center	82,231,371	10,318,376	3,842,121	74,435,737	(14,271,889)	-
Community Hospital (HCPC)	34,444,951	4,190,387	-	35,011,441	(3,623,897)	-
Forensic Services	31,785,374	3,719,692	21,458,263	11,834,145	(2,212,658)	-
Interest on long-term debt	114,696	-	-	-	(114,696)	-
Total Governmental Activities	\$350,301,802	\$ -	\$ 63,659,110	\$255,175,284	(31,467,408)	-
Component Units						
HUD Programs	\$ 765,094	\$ -	\$ 593,979	\$ 124,217	-	(46,898)
Fund raising activities	256,204	-	289,580	-	-	33,376
Total Component Units	\$ 1,021,298	\$ -	\$ 883,559	\$ 124,217	-	(13,522)
General Revenues						
Harris County Allocation					23,067,409	-
Investment earnings					3,662,619	30,976
Other					3,098,650	-
Gain on disposal of capital assets					128,336	-
Total General Revenues					29,957,014	30,976
Change in Net Position					(1,510,394)	17,454
Net Position, Beginning of Year					114,122,300	4,748,070
Net Position, End of Year					\$112,611,906	\$ 4,765,524

**The Harris Center for Mental Health and IDD
Balance Sheets – Governmental Funds
August 31, 2025 and 2024**

	General Fund	
	2025	2024 Restated
ASSETS		
Cash and cash equivalents	\$ 17,981,119	\$ 13,294,001
Investments	51,980,410	55,497,114
Accounts receivable, net of allowance for uncollectible accounts	1,743,665	1,448,055
Receivables from other governments	27,537,116	33,163,612
Other receivables	690,122	618,564
Inventories	1,063,504	984,720
Deposits	2,946,180	2,912,381
Prepaid items	460,943	370,110
Restricted cash and cash equivalents	19,966,242	-
Total Assets	\$ 124,369,301	\$ 108,288,557
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 6,357,582	\$ 8,034,033
Accrued liabilities	10,104,994	11,703,414
Unearned revenues	10,274,741	8,129,925
Total Liabilities	26,737,317	27,867,372
Fund Balance		
Nonspendable		
Inventories	1,063,504	984,720
Deposits	2,946,180	2,912,381
Prepaid items	460,943	370,110
Restricted		
Capital projects	19,966,242	-
Assigned		
Current capital projects	2,007,000	2,007,000
Future purchase of real property and IT infrastructure	1,365,842	1,365,842
ECI building use	361,664	361,664
Insurance	2,000,000	2,000,000
Compensated absences	16,849,973	16,849,974
Security and safety	1,034,880	1,034,880
Unassigned	49,575,756	52,534,614
Total Fund Balances	97,631,984	80,421,185
Total Liabilities and Fund Balances	\$ 124,369,301	\$ 108,288,557

The Harris Center for Mental Health and IDD
Reconciliation of Balance Sheets – Governmental Funds to Statements of Net Position
August 31, 2025 and 2024

	2025	2024 Restated
Total Fund Balance	\$ 97,631,984	\$ 80,421,185
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.	86,567,918	52,763,920
Accrued interest on lease, SBITA liabilities, and long-term debt	(380,492)	(36,589)
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. Debt, compensated absences, leases, and SBITA liabilities make up the balance of these items, as described in Note 7 to the financial statements.	(57,474,145)	(20,536,610)
Net Position Governmental Activities	\$ 126,345,265	\$ 112,611,906

**The Harris Center for Mental Health and IDD
Statements of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Years Ended August 31, 2025 and 2024**

	General Fund	
	2025	2024
Revenues		
State grants and programs	\$ 158,976,553	\$ 151,910,634
Federal grants	108,973,805	107,101,684
Harris County allocation and other contracts	48,827,938	46,339,437
Local billings	38,613,764	36,383,805
Investment earnings	3,355,943	3,662,619
Miscellaneous	4,222,258	3,294,681
Total Revenues	362,970,261	348,692,860
Expenditures		
Current		
Mental Health – Adult	103,799,534	101,380,285
Intellectual and developmental disabilities	44,386,855	40,966,652
Mental Health – Child and Adolescents	24,059,071	22,494,002
Crisis Center	93,301,247	83,781,388
Community Hospital (HCPC)	36,123,079	34,867,105
General administration	37,472,391	42,180,024
Forensic Services	32,986,686	32,048,907
Debt Service		
Principal	1,457,432	1,428,013
Interest and other charges	1,651,705	114,696
Total Expenditures	375,238,000	359,261,072
Deficiency of Revenues Over Expenditures	(12,267,739)	(10,568,212)
Other Financing Sources		
Issuance of debt – leases	272,634	2,448,205
Issuance of debt – SBITAs	-	839,868
Issuance of debt – bonds	24,745,000	-
Issuance of debt – loans	4,294,847	-
Sale of capital assets	166,057	128,336
Total Other Financing Sources	29,478,538	3,416,409
Net Changes in Fund Balance	17,210,799	(7,151,803)
Fund Balances, Beginning of Year	80,421,185	87,572,988
Fund Balances, End of Year	\$ 97,631,984	\$ 80,421,185

**The Harris Center for Mental Health and IDD
Reconciliation of Statements of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds to the Statements of Activities
Years Ended August 31, 2025 and 2024**

	2025	2024 Restated
Net Change in Fund Balances – Total Governmental Funds	\$ 17,210,799	\$ (7,151,803)
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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.	4,922,282	7,560,602
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, vehicles, and right-to-use assets written off.	(1,267)	(28,539)
Issuance of new leases and SBITAs	(272,634)	(3,288,073)
Issuance of new long-term debt	(29,039,847)	-
Capital contribution on real estate transaction in the governmental fund, but is not included on the general fund income statement	19,798,005	-
Repayment of leases is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	948,918	730,186
Repayment of SBITAs is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	508,514	697,827
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.	(341,411)	(30,594)
Change in Net Position of Governmental Activities	\$ 13,733,359	\$ (1,510,394)

**The Harris Center for Mental Health and IDD
Budgetary Comparison Statement – General Fund
Year Ended August 31, 2025**

	Budget		Actual (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		
State Program Revenues				
General Revenues	\$ 132,659,450	\$ 134,907,202	\$ 134,017,072	\$ 890,130
Early Childhood Intervention – State	5,272,726	5,272,726	5,384,647	(111,921)
Texas Council on Offenders with Mental Impairments	3,663,664	3,844,942	3,451,799	393,143
Texas Department Justice – Parole of Criminal and Substanc	446,000	446,000	446,004	(4)
Harris County – State Programs	9,015,000	7,268,236	6,798,267	469,969
Other State Programs	738,977	738,977	887,377	(148,400)
Texas Department of Health and Human Services				
House Bill 13	340,032	340,032	324,500	15,532
IDD Nursing Facility Specialized Care	3,681	3,681	16,494	(12,813)
Healthy Community Collaborative	3,495,000	3,495,000	3,430,442	64,558
MH First Aid	210,050	110,000	110,000	-
MH Psych Residential	350,000	350,000	350,110	(110)
Jail-Based Comp	2,318,062	2,318,062	2,068,135	249,927
MH Outpatient Services for IDD	300,000	345,000	319,589	25,411
Supporting Mental Health and Resiliency in Texas Innovation Grant Program	1,761,764	1,673,134	838,499	834,635
Mental Health Grant for Justice-Involved Individuals	-	3,400,000	525,118	2,874,882
PASRR Assistive Technology	-	8,500	8,500	-
Employment Naviga	-	8,881	-	8,881
Total State Program Revenues	\$ 160,574,406	\$ 164,530,373	\$ 158,976,553	\$ 5,553,820
Federal Program Revenues				
Texas Department of State Health Services – HHSC-Assisted				
Outpatient Treatment	\$ 55,872	\$ -	\$ -	\$ -
Texas Department of Family and Protective Services	-	2,619,607	1,063,533	1,556,074
Texas Workforce Commission – Vocational Rehabilitation	-	14,700	-	14,700
The University of Texas at Austin – Advancing the Early Psychosis				
Intervention Network in Texas	20,000	20,000	14,509	5,491
FEMA Relief	-	5,982,217	4,776,261	1,205,956
Mental Health Block Grant	3,081,806	3,081,806	3,456,241	(374,435)
Mental Health Block Grant (CSC)	1,480,626	1,480,626	993,954	486,672
Mental Health Block Grant Supplemental Housing	381,328	381,328	463,635	(82,307)
Social Services Block Grant (Title XX)	580,417	580,417	650,937	(70,520)
TANF Transfer to Title XX Block Grant	1,386,984	1,386,984	1,386,984	-
Opioid Response Program	99,571	99,571	289,579	(190,008)
MH Block Homeless Grant	1,138,725	1,138,725	1,126,620	12,105
Substance Abuse Prevention & Treatment Block Grant	1,431,164	1,431,164	1,070,578	360,586
Enhanced Community Coordination	550,484	550,484	504,993	45,491
Mental Health – First Aid	-	100,050	100,050	-
SAPT SUBS ABUSE Community Health Workers	928,000	928,000	813,592	114,408
Mental Health Suicide Care Pilot ZEST	499,178	479,820	323,324	156,496
Charity Care Pool	40,084,203	45,503,828	45,365,444	138,384
Medicaid Admin Claiming Program	8,000,000	8,000,000	8,410,106	(410,106)
Harris County – Community Wide COVID Housing Program	190,426	177,730	1,601,859	(1,424,129)
Harris County – Independent Living Expansion	-	886,572	466,178	420,394
Community Development Grant – CV	223,479	223,479	120,370	103,109
SAMHSA CHR-P	389,986	389,986	350,322	39,664
TPWD Youth and Family	1,825,845	1,825,845	1,031,144	794,701
ARPA County Rise	1,203,901	1,570,479	1,303,620	266,859
ARPA County Inspire	2,654,955	2,654,955	1,294,384	1,360,571
Federal ARPA COH – Center	166,667	166,667	112,819	53,848
Federal ARPA ECI Rise	786,100	961,894	928,820	33,074
Federal SAMHSA LIFE	399,446	612,383	457,884	154,499
Baylor NIH Grant	12,009	12,009	4,248	7,761
Federal ARPA NBHP CAP	43,448	43,448	41,275	2,173
Federal SAMHSA	705,000	705,000	530,129	174,871
ARPA IDD	373,200	441,891	441,891	-
ARPA County YDC	2,740,905	2,740,905	2,772,538	(31,633)
ARPA JBCR Expansion	58,691	58,691	-	58,691
ARPA IDD Vocational Apprentice	160,644	160,644	101,582	59,062
Medication Opioid Use Disorder(MOUD)	301,150	250,000	174,125	75,875
MH Block Grant – H2H Exp	655,595	655,595	456,016	199,579
MH Block Grant – Detox	1,289,634	1,289,634	555,238	734,396
MH Block Grant – Nav Ctr	499,937	499,937	362,019	137,918
MH Block Grant – Hou Comf	646,085	646,085	466,140	179,945
SAMHSA Stepdown	1,752,031	1,752,031	1,391,461	360,570
CDBG Covid 19 Supplemental	517,640	517,640	472,954	44,686
Outpatient Cap Exp	3,946,739	4,494,054	2,501,814	1,992,240
ARPA Harris County	900,317	294,701	142,244	152,457
ARPA City of Houston MCOT Rapid Response	4,484,343	4,484,343	3,783,336	701,007
ARPA City of Houston CORE HPD	847,876	847,876	659,825	188,051
ARPA City of Houston CIRT Exp	796,035	796,035	737,204	58,831
ARPA City of Houston CCD Exp	272,140	272,140	218,200	53,940
ECI	41,569	-	-	-
Helpline Contracts	5,839,853	6,887,631	6,934,257	(46,626)
Directed Payment Program – Behavioral Health	7,911,100	7,911,100	5,983,110	1,927,990
AWARE	713,626	802,444	530,279	272,165
CCBHC Expansion	1,000,000	1,236,180	1,236,180	-
Total Federal Program Revenues	\$ 104,068,730	\$ 121,049,331	\$ 108,973,805	\$ 12,075,526

**The Harris Center for Mental Health and IDD
Budgetary Comparison Statement – General Fund
Year Ended August 31, 2025**

(Continued)

	Budget		Actual (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		
Local Revenues				
Harris County allocation and other contracts	\$ 49,242,685	\$ 52,196,351	\$ 48,827,938	\$ 3,368,413
Local Billings				
Patient fees and private insurance	14,231,189	14,231,189	15,094,534	(863,345)
Medicare	1,145,460	1,145,460	1,221,575	(76,115)
Medicaid	21,108,848	21,108,848	17,885,083	3,223,765
ICF/MR, HCS and THL waiver	6,544,851	6,544,851	4,412,572	2,132,279
Total Local Billings	43,030,348	43,030,348	38,613,764	4,416,584
Investment earnings	3,601,700	3,601,700	3,355,943	245,757
Miscellaneous	4,181,905	4,807,246	4,222,258	584,988
Total Revenues Before Patient Assistance Program	364,699,774	389,215,349	362,970,261	26,245,088
Patient Assistance Program	10,229,292	10,229,292	13,433,409	(3,204,117)
Total Revenues	374,929,066	399,444,641	376,403,670	23,040,971
Expenditures				
Current				
Personnel costs	253,392,336	264,126,591	252,943,336	(11,183,255)
Contracts with service agencies and professional fees	63,780,310	67,924,023	63,244,374	(4,679,649)
Drug cost and other supplies	17,793,530	18,160,822	18,344,989	184,167
Rental	1,615,375	1,741,217	537,284	(1,203,933)
Repairs and maintenance	7,777,048	11,717,601	8,990,269	(2,727,332)
Travel	3,013,064	3,607,325	3,198,745	(408,580)
Security services	1,599,313	2,708,797	1,001,188	(1,707,609)
Utilities	3,653,957	3,957,902	3,730,837	(227,065)
Other	11,074,839	13,309,205	10,887,289	(2,421,916)
Principal	1,000,000	1,000,000	1,457,432	457,432
Interest and other charges	-	-	1,651,705	1,651,705
Capital outlay	-	31,746,262	9,250,552	(22,495,710)
Total Expenditures Before Patient Assistance Program	364,699,772	419,999,745	375,238,000	(44,761,745)
Patient Assistance Program	10,229,292	10,229,292	13,433,409	3,204,117
Total Expenditures	374,929,064	430,229,037	388,671,409	(41,557,628)
Excess of Revenues Over Expenditures	2	(30,784,396)	(12,267,739)	64,598,599
Other Financing Sources				
Issuance of debt – leases	-	-	272,634	272,634
Sale of capital assets	-	-	166,057	166,057
Total Other Financing Sources	-	-	438,691	438,691
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	\$ 2	\$ (30,784,396)	\$ (11,829,048)	\$ 65,037,290

**The Harris Center for Mental Health and IDD
Budgetary Comparison Statement – General Fund
Year Ended August 31, 2024**

	Budget		Actual (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		
State Program Revenues				
General Revenues	\$ 115,662,665	\$ 131,005,682	\$ 128,367,540	\$ (2,638,142)
Early Childhood Intervention – State	2,712,088	2,791,930	3,639,509	847,579
Texas Council on Offenders with Mental Impairments	4,095,456	4,095,456	3,180,962	(914,494)
Texas Department Justice – Parole of Criminal and Substance Abuse	446,000	446,000	483,167	37,167
Harris County – State Programs	7,115,000	7,164,196	6,731,478	(432,718)
Other State ILA Tablet Program	-	-	65,947	65,947
Other State TCMHCC	255,000	-	327,947	327,947
Other State Programs	-	777,777	224,823	(552,954)
Other State COVID-16	17,250	-	-	-
Texas Department of Health and Human Services House Bill 13	340,032	340,032	309,120	(30,912)
IDD Nursing Facility Specialized Care	3,681	3,681	4,284	603
Healthy Community Collaborative	5,020,007	5,020,007	5,913,138	893,131
MH First Aid	210,050	210,050	125,246	(84,804)
MH Psych Residential	350,000	350,000	325,564	(24,436)
HCBS Pre-Engagement	-	-	3,275	3,275
Jail-Based Comp	1,863,517	1,863,517	1,908,634	45,117
MH Outpatient Services for IDD	300,000	300,000	300,000	-
Total State Program Revenues	\$ 138,390,746	\$ 154,368,328	\$ 151,910,634	\$ (2,457,694)
Federal Program Revenues				
Texas Department of State Health Services – HHSC-Assisted Outpatient Treatment	\$ 716,591	\$ 716,591	\$ 596,221	\$ (120,370)
FEMA Relief	-	542,203	254,290	(287,913)
Mental Health Block Grant	3,081,806	3,081,806	3,081,806	-
Mental Health Block Grant (CSC)	1,480,626	1,480,626	1,086,426	(394,200)
Mental Health Block Grant Supplemental Housing	381,328	381,328	381,328	-
Social Services Block Grant (Title XX)	580,417	580,417	580,417	-
TANF Transfer to Title XX Block Grant	1,386,984	1,386,984	1,386,984	-
Opioid Response Program	99,571	99,571	99,571	-
MH Block Homeless Grant	1,138,726	1,138,726	1,087,917	(50,809)
Substance Abuse Prevention & Treatment Block Grant	967,664	967,891	954,455	(13,436)
Enhanced Community Coordination	550,484	550,484	527,585	(22,899)
Mental Health – First Aid	-	-	82,800	82,800
SAPT SUBS ABUSE Community Health Workers	928,000	928,000	949,603	21,603
Mental Health Suicide Care Pilot ZEST	479,843	479,843	354,554	(125,289)
Charity Care Pool	40,084,203	40,084,203	41,643,774	1,559,571
Medicaid Admin Claiming Program	8,000,000	7,917,462	13,490,644	5,573,182
Harris County-Community Wide COVID Housing Program	642,851	642,851	427,031	(215,820)
Community Development Grant – CV	223,492	223,492	-	(223,492)
SAMHSA CHR-P	389,986	389,986	224,760	(165,226)
TPWD Youth and Family	3,671,777	3,671,777	2,197,407	(1,474,370)
ARPA County Rise	-	328,168	282,895	(45,273)
ARPA County Inspire	-	8,580	5,172	(3,408)
Federal ARPA COH – Center	-	500,000	387,181	(112,819)
Federal ARPA ECI Rise	-	81,277	21,831	(59,446)
Federal SAMHSA LIFE	-	399,432	165,951	(233,481)
Baylor NIH Grant	7,540	7,540	14,084	6,544
Federal ARPA NBHP CAP	-	-	108,725	108,725
Federal SAMHSA	-	2,017,512	-	(2,017,512)
ARPA IDD	374,702	374,702	197,064	(177,638)
ARPA County YDC	3,012,897	3,012,897	2,745,386	(267,511)
ARPA JBCR Expansion	645,608	645,608	360,841	(284,767)
ARPA IDD Vocational Apprentice	222,065	307,337	230,504	(76,833)

**The Harris Center for Mental Health and IDD
Budgetary Comparison Statement – General Fund
Year Ended August 31, 2024**

(Continued)

	Budget		Actual (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		
Federal Program Revenues (continued)				
Be Well Be Connected Program	\$ -	\$ 4,500	\$ 22,500	\$ 18,000
Medication Opioid Use Disorder (MOUD)	331,420	332,570	189,731	(142,839)
MH Block Grant – H2H Exp	701,932	701,932	840,745	138,813
MH Block Grant – Detox	1,235,792	1,235,792	1,100,758	(135,034)
MH Block Grant – Nav Ctr	558,464	558,464	531,661	(26,803)
MH Block Grant – Hou Comf	595,062	595,062	663,573	68,511
SAMHSA Stepdown	1,240,409	1,240,409	1,823,862	583,453
CDBG Covid 19 Supplemental	1,649,978	1,828,549	1,351,108	(477,441)
Outpatient Cap Exp	3,946,739	3,946,739	3,946,739	-
ARPA Harris County	2,960,590	2,960,590	1,673,530	(1,287,060)
ARPA City of Houston MCOT Rapid Response	4,874,659	4,874,659	3,903,743	(970,916)
ARPA City of Houston CORE HPD	847,876	847,876	811,179	(36,697)
ARPA City of Houston CIRT Exp	833,055	833,055	405,824	(427,231)
ARPA City of Houston CCD Exp	272,140	272,140	232,678	(39,462)
ECI	41,569	41,569	2,262,872	2,221,303
Helpline Contracts	5,163,218	5,924,653	5,825,245	(99,408)
Directed Payment Program – Behavioral Health	8,715,000	8,715,000	5,581,015	(3,133,985)
Substance Use Disorder Treatment	-	-	138,870	138,870
MCOT	-	-	276,591	276,591
Community Psychiatric Residency	-	-	247,676	247,676
HR133 Mental Health Services	-	-	117,253	117,253
AWARE	-	-	96,489	96,489
Promoting Integration of Primary and Behavioral Health Care	-	-	367,015	367,015
CCBHC Expansion	-	-	763,820	763,820
Total Federal Program Revenues	\$ 103,035,064	\$ 107,860,853	\$ 107,101,684	\$ (759,169)

**The Harris Center for Mental Health and IDD
Budgetary Comparison Statement – General Fund
Year Ended August 31, 2024**

(Continued)

	Budget		Actual (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		
Local Revenues				
Harris County allocation and other contracts	\$ 49,797,409	\$ 51,743,702	\$ 46,339,437	\$ (5,404,265)
Local Billings				
Patient fees and private insurance	4,331,260	4,310,116	13,937,365	9,627,249
Medicare	880,372	880,372	1,125,950	245,578
Medicaid	21,845,463	21,651,526	17,044,308	(4,607,218)
ICF/MR, HCS and THL waiver	6,209,945	5,979,730	4,276,182	(1,703,548)
Total Local Billings	33,267,040	32,821,744	36,383,805	3,562,061
Investment earnings	2,700,800	2,775,800	3,662,619	886,819
Miscellaneous	6,313,051	7,066,924	3,294,681	(3,772,243)
Total Revenues Before Patient Assistance Program	333,504,110	356,637,351	348,692,860	(7,944,491)
Patient Assistance Program	10,002,937	10,002,937	10,773,136	770,199
Total Revenues	343,507,047	366,640,288	359,465,996	(7,174,292)
Expenditures				
Current				
Personnel costs	239,118,011	243,152,470	243,862,721	(710,251)
Contracts with service agencies and professional fees	53,715,497	64,892,796	58,698,330	6,194,466
Drug cost and other supplies	7,467,668	7,804,718	16,468,944	(8,664,226)
Rental	1,666,496	1,698,199	333,050	1,365,149
Repairs and maintenance	12,854,346	13,740,808	9,136,899	4,603,909
Travel	3,079,653	3,082,505	2,625,855	456,650
Security services	1,243,417	1,275,417	1,337,704	(62,287)
Utilities	3,815,406	3,955,351	3,469,028	486,323
Other	9,543,616	10,530,091	10,190,346	339,745
Principal	1,000,000	1,000,000	1,428,013	(428,013)
Interest and other charges	-	-	114,696	(114,696)
Capital outlay	-	22,072,137	11,595,486	10,476,651
Total Expenditures Before Patient Assistance Program	333,504,110	373,204,492	359,261,072	13,943,420
Patient Assistance Program	10,002,937	10,002,937	10,773,136	(770,199)
Total Expenditures	343,507,047	383,207,429	370,034,208	13,173,221
Excess of Revenues Over Expenditures	-	(16,567,141)	(10,568,212)	5,998,929
Other Financing Sources				
Issuance of debt – leases	-	-	2,448,205	2,448,205
Issuance of debt – SBITAs	-	-	839,868	839,868
Sale of capital assets	-	-	128,336	128,336
Total Other Financing Sources	-	-	3,416,409	3,416,409
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	\$ -	\$ (16,567,141)	\$ (7,151,803)	\$ 9,415,338

**The Harris Center for Mental Health and IDD
Budget-to-GAAP Reconciliation – General Fund
Years Ended August 31, 2025 and 2024**

	Fiscal Year 2025	Fiscal Year 2024
Sources/Inflows of Resources		
Total Revenue as Per Budgetary Comparison Schedule	\$ 376,403,670	\$ 359,465,996
Differences – budget to GAAP		
Value of drugs received by patients from Patient Assistance Program (PAP) are budgetary resources, but are not reported as revenues under GAAP.	(13,433,409)	(10,773,136)
Total Revenue as Per Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	\$ 362,970,261	\$ 348,692,860
Uses/Outflows of Resources		
Total Expenditures as Per Budgetary Comparison Schedule	\$ 388,671,409	\$ 370,034,208
Differences – budget-to-GAAP		
Value of drugs provided under Patient Assistance Program (PAP) are outflows of budgetary resources, but are not recorded as expenditure under GAAP.	(13,433,409)	(10,773,136)
Total Expenditures as Per Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	\$ 375,238,000	\$ 359,261,072

The Harris Center for Mental Health and IDD
Statements of Fiduciary Net Position – Custodial Fund
August 31, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 17,919	\$ 17,267
Total Assets	17,919	17,267
LIABILITIES		
Accounts payable	17,919	17,267
Total Liabilities	17,919	17,267
NET POSITION		
Restricted for clients	\$ 17,919	\$ 17,267

DRAFT 1/27/2026

The Harris Center for Mental Health and IDD
Statements of Changes in Fiduciary Net Position – Custodial Fund
Years Ended August 31, 2025 and 2024

	2025	2024
Additions		
SSI Client related receipts	\$ 130,437	\$ 83,258
Total Additions	130,437	83,258
Deductions		
SSI Client deductions	129,785	89,664
Total Deductions	129,785	89,664
Changes in Net Position	652	(6,406)
Net Position, Beginning of Year	17,267	23,673
Net Position, End of Year	<u>\$ 17,919</u>	<u>\$ 17,267</u>

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The Harris Center for Mental Health and IDD
Combining Statement of Net Position – Discretely Presented Component Units
August 31, 2025

	Pasadena Cottages, Inc. May 31, 2025	Pecan Villages, Inc. August 31, 2025	Villas at Bayou Park, Inc. August 31, 2025	Pear Grove, Inc. August 31, 2025	Acres Homes Garden, Inc. August 31, 2025	Friends of MHMRA August 31, 2025	Total
Assets							
Current Assets							
Cash and cash equivalents	\$ 18,815	\$ 16,882	\$ 8,337	\$ 4,174	\$ 9,449	\$ 807,313	\$ 864,970
Accounts receivable	4,872	17,285	34,183	6,799	1,113	8,360	72,612
Prepaid expenses	25,147	-	-	-	-	-	25,147
Other assets	-	471	834	601	-	-	1,906
Total Current Assets	48,834	34,638	43,354	11,574	10,562	815,673	964,635
Noncurrent Assets							
Restricted cash and cash equivalents	52,231	151,351	109,623	59,109	21,264	-	393,578
Capital assets, net	104,076	513,975	1,240,075	1,041,451	1,340,989	-	4,240,566
Total Noncurrent Assets	156,307	665,326	1,349,698	1,100,560	1,362,253	-	4,634,144
Total Assets	205,141	699,964	1,393,052	1,112,134	1,372,815	815,673	5,598,779
Liabilities							
Current Liabilities							
Accounts payable	12,541	1,112	-	5,078	1,519	21,813	42,063
Accrued management fee payable	1,738	-	-	-	-	-	1,738
Accrued interest payable	818	-	-	-	-	-	818
Unearned revenue	-	21,757	1,552	8,113	2,388	3,600	37,410
Other current liabilities	3,032	15,287	151,772	107,799	328,781	-	606,671
Deposits payable	175	4,238	3,904	2,107	2,523	-	12,947
Current portion of long-term obligations	28,536	-	-	-	-	-	28,536
Total Current Liabilities	46,840	42,394	157,228	123,097	335,211	25,413	730,183
Noncurrent Liabilities							
Noncurrent portion of long-term obligations	80,510	-	90,000	70,000	-	-	240,510
Total Liabilities	127,350	42,394	247,228	193,097	335,211	25,413	970,693
Net Position (Deficit)							
Net investment in capital assets	(4,970)	513,975	1,150,075	971,451	1,340,989	-	3,971,520
Unrestricted net position	82,761	143,595	(4,251)	(52,414)	(303,385)	790,260	656,566
Total Net Position (Deficit)	\$ 77,791	\$ 657,570	\$ 1,145,824	\$ 919,037	\$ 1,037,604	\$ 790,260	\$ 4,628,086

The Harris Center for Mental Health and IDD
Combining Statement of Net Position – Discretely Presented Component Units
August 31, 2024

	Pasadena Cottages, Inc. May 31, 2024	Pecan Villages, Inc. August 31, 2024	Villas at Bayou Park, Inc. August 31, 2024	Pear Grove, Inc. August 31, 2024	Acres Homes Garden, Inc. August 31, 2024	Friends of MHMRA August 31, 2024	Total
Assets							
Current Assets							
Cash and cash equivalents	\$ 28,890	\$ 18,869	\$ -	\$ 1,927	\$ 250	\$ 737,761	\$ 787,697
Accounts receivable	14,382	13,023	48,412	8,026	15,179	4,760	103,782
Prepaid expenses	20,472	-	-	-	-	-	20,472
Other assets	-	5,560	1,715	601	-	-	7,876
Total Current Assets	63,744	37,452	50,127	10,554	15,429	742,521	919,827
Noncurrent Assets							
Restricted cash and cash equivalents	47,606	126,480	109,201	111,035	64,035	-	458,357
Capital assets, net	115,806	543,854	1,261,427	1,031,823	1,340,683	-	4,293,593
Total Noncurrent Assets	163,412	670,334	1,370,628	1,142,858	1,404,718	-	4,751,950
Total Assets	227,156	707,786	1,420,755	1,153,412	1,420,147	742,521	5,671,777
Liabilities							
Current Liabilities							
Accounts payable	27,547	4,168	10,343	2,528	16,830	12,650	74,066
Accrued management fee payable	2,827	870	1,061	710	737	-	6,205
Accrued interest payable	1,014	-	-	-	-	-	1,014
Unearned revenue	-	4,692	-	4,689	1,429	3,600	14,410
Other current liabilities	-	4,401	141,924	83,166	270,436	-	499,927
Deposits payable	175	4,697	3,512	3,974	3,138	-	15,496
Current portion of long-term obligations	26,089	-	-	-	-	-	26,089
Total Current Liabilities	57,652	18,828	156,840	95,067	292,570	16,250	637,207
Noncurrent Liabilities							
Noncurrent portion of long-term obligations	109,046	-	90,000	70,000	-	-	269,046
Total Liabilities	166,698	18,828	246,840	165,067	292,570	16,250	906,253
Net Position (Deficit)							
Net investment in capital assets	(19,329)	543,854	1,261,427	1,031,823	1,340,683	-	4,158,458
Unrestricted net position	79,787	145,104	(87,512)	(43,478)	(213,106)	726,271	607,066
Total Net Position (Deficit)	\$ 60,458	\$ 688,958	\$ 1,173,915	\$ 988,345	\$ 1,127,577	\$ 726,271	\$ 4,765,524

The Harris Center for Mental Health and IDD
Combining Statement of Activities – Discretely Presented Component Units
Year Ended August 31, 2025

	Program Revenues			Net (Expense) Revenue and Changes in Net Position						
	Expenses	Charges for Service	Operating Grants and Contributions	Pasadena Cottages, Inc.	Pecan Village, Inc.	Villas at Bayou Park, Inc.	Pear Grove, Inc.	Acres Homes Garden, Inc.	Friends of MHMRA	Totals
Pasadena Cottages, Inc.										
HUD Section 811 program	\$ 147,208	\$ 158,766	\$ 2,588	\$ 14,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,146
Pecan Village, Inc.										
HUD Section 811 program	164,737	133,026	-	-	(31,711)	-	-	-	-	(31,711)
Villas at Bayou Park, Inc.										
HUD Section 811 program	148,414	119,569	-	-	-	(28,845)	-	-	-	(28,845)
Pear Grove, Inc.										
HUD Section 811 program	161,450	91,559	-	-	-	-	(69,891)	-	-	(69,891)
Acres Homes Garden, Inc.										
HUD Section 811 program	176,612	86,416	-	-	-	-	-	(90,196)	-	(90,196)
Friends of MHMRA										
Fundraising activities	503,756	320,729	225,000	-	-	-	-	-	41,973	41,973
Total Component Units	\$ 1,302,177	\$ 910,065	\$ 227,588	14,146	(31,711)	(28,845)	(69,891)	(90,196)	41,973	(164,524)
General Revenues										
Investment earnings				3,187	323	754	583	223	22,016	27,086
Total General Revenues				3,187	323	754	583	223	22,016	27,086
Change in Net Position				17,333	(31,388)	(28,091)	(69,308)	(89,973)	63,989	(137,438)
Net Position, Beginning of Year				60,458	688,958	1,173,915	988,345	1,127,577	726,271	4,765,524
Net Position, End of Year				\$ 77,791	\$ 657,570	\$ 1,145,824	\$ 919,037	\$ 1,037,604	\$ 790,260	\$ 4,628,086

The Harris Center for Mental Health and IDD
Combining Statement of Activities – Discretely Presented Component Units
Year Ended August 31, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Position						
	Expenses	Charges for Service	Operating Grants and Contributions	Pasadena Cottages, Inc.	Pecan Village, Inc.	Villas at Bayou Park, Inc.	Pear Grove, Inc.	Acres Homes Garden, Inc.	Friends of MHMRA	Totals
Pasadena Cottages, Inc.										
HUD Section 811 program	\$ 152,350	\$ 150,419	\$ 124,217	\$ 122,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,286
Pecan Village, Inc.										
HUD Section 811 program	161,140	133,834	-	-	(27,306)	-	-	-	-	(27,306)
Villas at Bayou Park, Inc.										
HUD Section 811 program	145,648	123,563	-	-	-	(22,085)	-	-	-	(22,085)
Pear Grove, Inc.										
HUD Section 811 program	145,676	99,105	-	-	-	-	(46,571)	-	-	(46,571)
Acres Homes Garden, Inc.										
HUD Section 811 program	160,280	87,058	-	-	-	-	-	(73,222)	-	(73,222)
Friends of MHMRA										
Fundraising activities	256,204	289,580	-	-	-	-	-	-	33,376	33,376
Total Component Units	\$ 1,021,298	\$ 883,559	\$ 124,217	-	-	-	-	-	-	(13,522)
General Revenues										
Investment earnings				3,451	177	57	569	86	26,636	30,976
Total General Revenues				3,451	177	57	569	86	26,636	30,976
Change in Net Position				125,737	(27,129)	(22,028)	(46,002)	(73,136)	60,012	17,454
Net Position, Beginning of Year				(65,279)	716,087	1,195,943	1,034,347	1,200,713	666,259	4,748,070
Net Position, End of Year				\$ 60,458	\$ 688,958	\$ 1,173,915	\$ 988,345	\$ 1,127,577	\$ 726,271	\$ 4,765,524

The Harris Center for Mental Health and IDD
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Note 1. Reporting Entity – Basis of Presentation

Primary Government

The Harris Center for Mental Health and IDD (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* (Act). 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 (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 nonprofit 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. The fiscal year-end for Pasadena Cottages is May 31, 2025.

Pecan Village, Inc., a Texas nonprofit 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 nonprofit corporation (Villas at Bayou) was organized in 2001 to provide homes for persons with mental illness by acquiring and managing residential property under the 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 nonprofit corporation (Pear Grove) was organized in 2004 to provide homes for persons with mental illness by acquiring and managing residential property under the 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 nonprofit corporation (Acres Homes) was organized in 2008 to provide homes for persons with mental illness by acquiring and managing residential property under the 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.

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

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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, to approve 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 Officer, The Harris Center for Mental Health and IDD, 9401 Southwest Freeway, Houston, Texas 77074.

Government-Wide and Fund Financial Statements

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

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

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, 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.

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

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

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

Description of Funds

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

Governmental Fund

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

Fiduciary Funds

Custodial Fund. Used to account for assets held as a custodian for individuals and other governmental entities. These funds are custodial in nature 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.

Budgetary Information

The Center's annual budget for the General Fund is prepared based on estimated expenditures provided on a unit basis summarized by program category. The budget is submitted to the Board of Trustees. The budget must have the Board of Trustees' approval. All annual appropriations lapse at fiscal year-end. Contract and budget terms are determined by the 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.

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. The Center's management is authorized to transfer budgeted amounts within and among programs.

Reclassifications

Certain reclassifications have been made to the 2024 financial statements to conform to the 2025 financial statement presentation. These reclassifications had no effect on the changes in financial position.

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Note 2. Summary of Significant Accounting Policies

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 Federal Deposit Insurance Corporation (FDIC) insurance. The collateral is held in the Federal Reserve account of an independent third-party agent.

Investments

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, 2025 and 2024, 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.

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 right-to-use lease equipment and SBITA assets). Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. The Center capitalizes assets with an initial, individual cost of \$5,000 or more. The Center has established a lease and SBITA recognition threshold of \$5,000. Depreciation and amortization are computed using the straight-line method over the estimated

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useful lives of the assets. No depreciation is calculated on land. Depreciation and amortization expenses on assets specifically identified with a function/program is included in its direct expenses, and the depreciation and amortization on shared capital assets are included ratably. The following lives are used:

Buildings	45 years
Building improvements	20 years
Furniture, machinery, vehicles, and other equipment	5–20 years
Telecommunications and peripheral equipment	10 years
Right-to-use lease assets	Shorter of lease term or 7 years
Right-to-use SBITA assets	Subscription term

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.

Subscription-Based Information Technology Arrangements

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

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

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

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

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

Capital, Lease, and Subscription Asset Impairment

The Center evaluates capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital and lease asset has occurred. If a capital, lease, or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss.

No asset impairment was recognized during the years ended August 31, 2025 and 2024.

Unearned Revenue

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's policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not to be used for time off or settled in cash.

Compensated absence liabilities are computed using the regular pay and termination pay rates, as applicable, in effect at statement of net position date plus an additional amount for salary-related payments, such as Social Security and Medicare taxes, computed using rates in effect at that date. The estimated compensated absences liability expected to be paid more than one year after the statement of net position date is included in other long-term liabilities.

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. As of August 31, 2025, the Center is not aware of any incident or claim that would exceed the limit of liability covered by its insurance in each of the past three fiscal years.

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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

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 chief executive officer.
- 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.

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 Balance Sheet – Governmental Funds to Statement of Net Position.” One element of that reconciliation explains, “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.” The details of this difference for both fiscal years 2025 and 2024 are shown below:

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	2025	2024 Restated
Leases liability	\$ 2,225,946	\$ 2,902,231
SBITAs liability	275,892	784,406
Compensated absences	16,849,973	16,849,973
Net adjustments	<u>\$ 19,351,811</u>	<u>\$ 20,536,610</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes the "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period." The details of differences for both fiscal years 2025 and 2024 are shown below:

	2025	2024
Capital outlay	\$ 9,250,552	\$ 11,595,487
Depreciation and amortization expense	(4,328,270)	(4,034,884)
Net adjustments	<u>\$ 4,922,282</u>	<u>\$ 7,560,603</u>

Prior Year Restatement

The Center implemented GASB 101, *Compensated Absences*, resulting in adjustments and a restatement of fiscal year 2024, in accordance with GASB 100. Note 12, Restatement of Net Position, provides a summary of the effects of the prior period adjustments.

Implementation of New Standards

GASB Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences not be recognized until the leave commences. This Statement also requires that liability for specific types of compensated absences not be recognized until the leave is used. The Center implemented this statement for 2025. Please see impact of implementation in Note 12, Restatement of Net Position.

GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires the Center to disclose essential information about exposure to risks prevalent to the institution not routinely disclosed. The objective of this Statement is to provide users of the financial statements with essential information about risks related to the Center's vulnerabilities due to certain concentrations or constraints. The Center implemented this Statement for 2025. This Statement had no effect on the financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements*. This Statement requires that the information presented in the management's discussion and analysis (MD&A) be limited to related topics discussed in five

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sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. This Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than presenting the amount or percentages by which they changed. Explanations should not be repeated in multiple sections, and “boilerplate” discussions should be avoided. The institution is required to display inflows and outflows of each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in **resource flows** in the government-wide statements of **resource flows**.

Major component units are required to be separately presented in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements. The Statement also requires the institution to present budgetary comparison information using a single method of communication – required supplementary information (RSI). The institution is also required to present (1) variances between the original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The Center will implement this Statement for the fiscal year that ends August 31, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires intangible assets other than Leases, **PPPs**, and SBITAs to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The institution should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Institutions should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical costs and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The Center will implement this Statement for the fiscal year that ends August 31, 2026.

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, 2025 and 2024, the balances per various financial institutions were \$18.8 million and \$14.0 million, respectively. The Center’s deposits are not exposed to custodial credit risk since all deposits are fully collateralized as of year-end.

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. The Center’s securities are fully guaranteed by the government of the United States.

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In fiscal years 2025 and 2024, the Center's investments were solely made up of local government investment funds; custodial credit risk was not a factor since the investments are reported at amortized cost, which approximates fair value. The Center had the following investments as of August 31:

	Weighted-Average Maturity	Rating	Carrying Value
2025			
Local government investment funds			
TexPool Investment Fund	36	AAAm	\$ 24,902,193
Texas CLASS	43	AAAm	27,078,217
			<u>\$ 51,980,410</u>
2024			
Local government investment funds			
TexPool Investment Fund	36	AAAm	\$ 22,124,368
Texas CLASS	35	AAAm	33,372,746
			<u>\$ 55,497,114</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 Statement No. 79, TexPool and Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) are reported at amortized cost.

Interest Rate Risk

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

Credit Risk

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Center's investment policy further limits its investment choices by excluding (1) reverse repurchase agreements, (2) options or future contracts, (3) obligations whose payments represent the coupon payments on the outstanding principle balance for the underlying mortgage-backed security collateral and pays no principal, (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.

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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.

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 (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 for the primary government at August 31:

	2025	2024
Due from other governments		
Harris County	\$ 6,353,821	\$ 7,969,279
State and federal	21,183,295	25,194,333
Third-party billings (net of allowance for uncollectible amounts; 2025 – \$2,957,247. 2024 – \$3,288,040)	1,743,665	1,448,055
Other receivables	690,122	618,564
Total receivables	\$ 29,970,903	\$ 35,230,231

The Harris Center for Mental Health and IDD
Notes to Financial Statements
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Note 5. Capital Assets

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

	Primary Government			
	Beginning Balance	Additions	Transfers/Retirements	Ending Balance
2025				
Governmental activities				
Capital assets, not being depreciated/amortized				
Land	\$12,709,144	\$ 8,355,385	\$ -	\$21,064,529
Construction in progress	11,376,400	6,327,391	(5,743,230)	11,960,561
Total capital assets not being depreciated/amortized	24,085,544	14,682,776	(5,743,230)	33,025,090
Capital assets being depreciated/amortized				
Land improvements	295,715	-	-	295,715
Buildings and improvements	53,027,204	28,532,714	-	81,559,918
Furniture and equipment	7,769,518	388,641	(201,129)	7,957,030
Vehicles	641,387	-	(257,823)	383,564
Right-to-use lease equipment and vehicles	4,332,258	272,634	(828,594)	3,776,298
Right-to-use SBITA assets	1,980,208	-	(491,299)	1,488,909
Total capital assets being depreciated/amortized	68,046,290	29,193,989	(1,778,845)	95,461,434
Total capital assets, at historical cost	92,131,834	43,876,765	(7,522,075)	128,486,524
Less accumulated depreciation/amortization				
Land improvements	88,715	29,572	-	118,287
Buildings and improvements	29,638,348	2,406,694	-	32,045,042
Furniture and equipment	6,540,750	286,058	(201,129)	6,625,679
Vehicles	627,335	67,348	(257,823)	436,860
Right-to-use lease equipment and vehicles	1,516,212	947,623	(827,326)	1,636,509
Right-to-use SBITA assets	956,554	590,975	(491,300)	1,056,229
Total accumulated depreciation/amortization	39,367,914	4,328,270	(1,777,578)	41,918,606
Governmental activities capital assets, net	\$52,763,920	\$39,548,495	\$ (5,744,497)	\$86,567,918

The Harris Center for Mental Health and IDD
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	Primary Government			
	Beginning Balance	Additions	Transfers/Retirements	Ending Balance
2024				
Governmental activities				
Capital assets, not being depreciated/amortized				
Land	\$12,709,144	\$ -	\$ -	\$12,709,144
Construction in progress	3,589,645	7,860,610	(73,855)	11,376,400
Total capital assets not being depreciated/amortized	16,298,789	7,860,610	(73,855)	24,085,544
Capital assets being depreciated/amortized				
Land improvements	295,715	-	-	295,715
Buildings and improvements	52,615,143	338,206	73,855	53,027,204
Furniture and equipment	7,665,868	103,650	-	7,769,518
Vehicles	1,099,040	-	(457,653)	641,387
Right-to-use lease equipment and vehicles	1,942,975	2,453,154	(63,871)	4,332,258
Right-to-use SBITA assets	1,140,341	839,867	-	1,980,208
Total capital assets being depreciated/amortized	64,759,082	3,734,877	(447,669)	68,046,290
Total capital assets, at historical cost	81,057,871	11,595,487	(521,524)	92,131,834
Less accumulated depreciation/amortization				
Land improvements	59,143	29,572	-	88,715
Buildings and improvements	27,434,092	2,204,256	-	29,638,348
Furniture and equipment	6,211,791	328,959	-	6,540,750
Vehicles	1,013,746	71,242	(457,653)	627,335
Right-to-use lease equipment and vehicles	770,930	780,614	(35,332)	1,516,212
Right-to-use SBITA assets	336,312	620,242	-	956,554
Total accumulated depreciation/amortization	35,826,014	4,034,885	(492,985)	39,367,914
Governmental activities capital assets, net	\$45,231,857	\$ 7,560,602	\$ (28,539)	\$52,763,920

Depreciation and amortization expenses for the years ended August 31, 2025 and 2024 were \$4,328,270 and \$4,034,885, respectively.

The Harris Center for Mental Health and IDD
Notes to Financial Statements
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Note 6. Long-Term Liabilities

Long-term liability activity was as follows for the years ended August 31:

	Beginning Balance (Restated)	Additions	Retirements	Ending Balance	Amounts Due Within One Year
2025					
Governmental activities					
Lease liability	\$ 2,902,231	\$ 272,633	\$ 948,918	\$ 2,225,946	\$ 796,209
SBITAs liability	784,406	-	508,514	275,892	275,892
Compensated absences	16,849,973	18,715,347	18,715,347	16,849,973	12,790,078
Loans payable	-	13,377,334	-	13,377,334	-
Bonds payable	-	24,745,000	-	24,745,000	675,000
Governmental activities long-term liabilities	<u>\$20,536,610</u>	<u>\$57,110,314</u>	<u>\$20,172,779</u>	<u>\$57,474,145</u>	<u>\$14,537,179</u>
2024 – Restated					
Governmental Activities					
Lease liability	\$ 1,184,212	\$ 2,448,205	\$ 730,186	\$ 2,902,231	\$ 916,026
SBITAs liability	642,365	839,868	697,827	784,406	508,514
Compensated absences	16,849,973	16,995,628	16,995,628	16,849,973	12,790,078
Governmental activities long-term liabilities	<u>\$18,676,550</u>	<u>\$20,283,701</u>	<u>\$18,423,641</u>	<u>\$20,536,610</u>	<u>\$14,214,618</u>

Bonds Payable

On November 7, 2024, the Center issued \$24,745,000 Tax-Exempt Revenue Bonds Series 2024:

1. to finance and/or reimburse costs (i) for design/construction of a 40,736 square foot building for a mental health clinic with outpatient mental health; children’s mental health; primary medical care; intellectual and developmental disability; and autism, pharmacy, and substance use disorder services on unimproved land consisting of approximately 11.36 acres; (ii) for renovations totaling 17,717 square feet in 37,800 square feet of leased space at the NeuroPsychiatric Center, which provides psychiatric emergency, psychiatric stabilization, pharmacy, and substance use disorder services; (iii) for renovation of a 2,500 square foot coffeehouse clinic to provide day habilitation and social skills training for individuals with Autism Spectrum Disorder or intellectual or developmental disabilities in space expected to be leased; and (iv) for foundation repair and manufacturing of updated signage for a 225,472 square foot building, which serves as the Center’s administration building and Southwest Community Services Clinic.
2. to Fund a Reserve Fund under the Indenture, and
3. to pay the costs related to the issuance of the Bonds.

Per the bond indenture, the Center is required to make quarterly payments to the Trustee, which will be used to pay principal and interest on the bonds when due. The bonds were sold at a discount of \$10,653. The interest accrues semiannually, and the bonds mature in November 2055.

The Harris Center for Mental Health and IDD
Notes to Financial Statements
August 31, 2025 and 2024

Loans Payable

On November 10, 2023, the Center closed on a \$4.5 million forgivable loan from the City of Houston to partially provide for the acquisition and/or construction of a residential housing complex for consumers served by the Center. There were outstanding balances of \$4,294,847 and \$0 due to the City as of August 31, 2025 and 2024, respectively. There is a secondary loan from the City of Houston which has outstanding balances of \$282,487 and \$0 due to the City as of August 31, 2025 and 2024, respectively.

As part of a Real Estate Acquisition Agreement (the Agreement), which is further described in Note 18, the Center assumed a \$4,000,000 loan owed to the City of Houston and a \$1,800,000 loan owed to Harris County related to a building that was constructed to provide transitional housing to low-income households. The loans do not require repayment at this time and will be forgiven 20 years from the original project completion date of 2020, provided the Center continues to lease the units at rents affordable to low-income households, and that 62 units be set-aside for this purpose. At the time the Center acquired the building, there was approximately 15 years left on the loans' compliance requirements.

Also, as part of the Agreement, the Center assumed a \$3,000,000 loan owed to the City of Houston related to a building that was constructed to provide transitional housing to homeless men recovering from addiction. The loan does not require repayment at this time and will be forgiven 20 years from the original project completion date of 2011, provided the Center continues to lease the units at rents affordable to low-income households, and that 31 units be set-aside for this purpose. At the time the Center acquired the building, there was approximately 6 years left on the loan's compliance requirement.

Debt Service Requirements

Debt service requirements on long-term debt other than lease liabilities are as follows as of August 31, 2025:

Year Ending August 31,	Bonds		Notes Payable to City		Notes Payable to County	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 675,000	\$ 1,079,588	\$ -	\$ -	\$ -	\$ -
2027	690,000	1,045,462	-	-	-	-
2028	725,000	1,010,088	-	-	-	-
2029	760,000	972,962	-	-	-	-
2030	795,000	934,088	-	-	-	-
2031-2035	4,630,000	4,014,312	3,000,000 *	-	-	-
2036-2040	2,770,000	3,145,563	4,000,000 *	-	1,800,000 *	-
2041-2045	3,380,000	2,531,962	4,577,334 *	-	-	-
2046-2050	4,110,000	1,769,606	-	-	-	-
2051-2055	5,065,000	799,531	-	-	-	-
2056-2060	1,145,000	24,331	-	-	-	-
	<u>\$ 24,745,000</u>	<u>\$ 17,327,493</u>	<u>\$ 11,577,334</u>	<u>\$ -</u>	<u>\$ 1,800,000</u>	<u>\$ -</u>

* These loans are presented in the debt service requirements above; however, if no default on the respective loan agreements occur prior to maturity, the balances will be forgiven.

Note 7. Leases

The Center leases certain administrative, residential, and outpatient facilities under lease agreements. The Center conducted significant research to determine its incremental borrowing rate to determine the present value of the lease liabilities. The incremental borrowing rate based on the type of lease ranges from 1.55% to 8.168%.

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As of fiscal year 2025, the beginning lease liability was \$2,902,231. The ending lease liability as of August 31, 2025 was \$2,225,946.

As of fiscal year 2025, the Center entered additional lease agreements and recognized debt service payments, which resulted in a net decrease of \$676,285.

Future principal and interest payments are as follows:

Fiscal Year Ending August 31,	Principal	Interest
2026	\$ 796,209	\$ 106,466
2027	764,569	75,564
2028	514,482	24,250
2029	150,686	1,930
	\$ 2,225,946	\$ 208,210

Note 8. Subscription-Based Information Technology Arrangements

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

As of fiscal year 2025, the beginning SBITA liability was \$784,406. The ending lease liability as of August 31, 2025 was \$275,892. As of fiscal year 2025, the Center recognized additional SBITA agreements and recognized debt service payments, which resulted in a decrease of \$508,514.

Future principal and interest payments are as follows:

Fiscal Year Ending August 31,	Principal	Interest
2026	\$ 275,892	\$ 2,759
	\$ 275,892	\$ 2,759

Note 9. Related-Party Transactions

The Center, a component unit of the County, obtains certain community services from the County under contractual agreements. Expenses under such contracts amounted to \$117,635 and \$117,635 for the years ended August 31, 2025 and 2024, respectively. The Center recorded revenue of \$48,827,938 in financial support from the County in fiscal year 2025 and \$46,339,437 in fiscal year 2024.

The Harris Center for Mental Health and IDD
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Note 10. Defined Contribution Plan

The defined contribution retirement plan (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 nonvested 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 2025 and 2024 amounted to \$537,195 and \$671,838, respectively. In years prior to CY2020, the Center provided and funded the contribution and match portions of the Plan on an annual basis. Beginning January 2020, the Center began providing and funding the contribution and match portions of the Plan each pay period. Since 2005, the Center provides a supplemental contribution of any forfeited, nonvested 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 earning and losses thereon, will vest 100% after three service credits. One service credit per year can be earned, with no vesting prior to three 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, 2025 and 2024 amounted to **\$15,550,824** and \$15,550,824, respectively.

Note 11. Voluntary Employee Contribution Tax-Deferred Investment Plans

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

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

Note 12. Restatement of Net Position

As of September 1, 2023, the Center implemented GASB 101, *Compensated Absences*. This Statement supersedes GASB Statement No. 16 and provides updated guidance for the recognition and measurement of liabilities for compensated absences. Prior to the implementation of the Statement, the Center's compensated absences liability only included accrued vacation leave as sick and personal leave were not paid upon termination. The new standard requires the System to recognize a liability for all estimated vacation, sick, and personal leave that has been earned, accumulates, and is more likely than not to be used for time off or otherwise paid.

The Harris Center for Mental Health and IDD
Notes to Financial Statements
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The adoption of GASB 101 has been applied retrospectively and resulted in a restatement of prior year amounts, which has been summarized in the following table:

	Balances		
	Previously	Effect of	Balances
	Stated as of	GASB 101	Restated as of
	August 31, 2024	Implementation	August 31, 2024
Statement of Net Position			
Liabilities			
Noncurrent Liabilities			
Current portion of long-term obligations	\$ 1,674,540	\$ 12,540,078	\$ 14,214,618
Noncurrent portion of long-term obligations	\$ 10,676,973	\$ (4,354,981)	\$ 6,321,992
Total Noncurrent Liabilities	\$ 12,351,513	\$ (6,029,521)	\$ 6,321,992
Total Liabilities	\$ 40,255,474	\$ 8,185,097	\$ 48,440,571
Net Position			
Unrestricted	\$ 71,719,720	\$ (8,185,097)	\$ 63,534,623
Total Net Position	\$ 120,797,003	\$ (8,185,097)	\$ 112,611,906
Statement of Activities			
Primary government			
Governmental Activities – Expenses			
General Administration	\$ 38,535,557	\$ (609,033)	\$ 37,926,524
Mental Health – Adult	\$ 99,633,921	\$ 1,101,073	\$ 100,734,994
Intellectual & Developmental Disabilities	\$ 42,169,447	\$ (1,401,822)	\$ 40,767,625
Mental Health – Child and Adolescents	\$ 22,299,295	\$ (3,028)	\$ 22,296,267
Crisis Center	\$ 82,862,621	\$ (631,250)	\$ 82,231,371
Community Hospital (HCPC)	\$ 34,445,490	\$ (539)	\$ 34,444,951
Forensic Services	\$ 30,641,861	\$ 1,143,513	\$ 31,785,374
Total Governmental Activities	\$ 350,702,888	\$ (401,086)	\$ 350,301,802
Governmental Activities – Indirect Expenses Allocation			
General Administration	\$ (38,535,557)	\$ 609,033	\$ (37,926,524)
Mental Health – Adult	\$ 12,167,771	\$ (192,304)	\$ 11,975,467
Intellectual and Developmental Disabilities	\$ 5,113,724	\$ (80,820)	\$ 5,032,904
Mental Health – Child and Adolescents	\$ 2,732,890	\$ (43,192)	\$ 2,689,698
Crisis Center	\$ 10,484,071	\$ (165,695)	\$ 10,318,376
Community Hospital (HCPC)	\$ 4,257,677	\$ (67,290)	\$ 4,190,387
Forensic Services	\$ 3,779,424	\$ (59,732)	\$ 3,719,692
Governmental Activities – Total			
Mental Health – Adult	\$ (2,546,828)	\$ (1,819,802)	\$ (4,366,630)
Intellectual and Developmental Disabilities	\$ (8,209,999)	\$ 1,482,534	\$ (6,727,465)
Mental Health – Child and Adolescents	\$ (889,508)	\$ 739,335	\$ (150,173)
Crisis Center	\$ (13,549,646)	\$ (722,243)	\$ (14,271,889)
Community Hospital (HCPC)	\$ (3,697,808)	\$ 73,911	\$ (3,623,897)
Forensic Services	\$ (2,860,009)	\$ 647,351	\$ (2,212,658)
Total Governmental Activities	\$ (31,868,494)	\$ 401,086	\$ (31,467,408)
Change in net position	\$ (1,911,480)	\$ 401,086	\$ (1,510,394)
Net Position, Beginning of Year	\$ 122,708,483	\$ (8,586,183)	\$ 114,122,300
Net Position, End of Year	\$ 120,797,003	\$ (8,185,097)	\$ 112,611,906

The Harris Center for Mental Health and IDD
Notes to Financial Statements
August 31, 2025 and 2024

	Balances Previously Stated as of August 31, 2024	Effect of GASB 101 Implementation	Balances Restated as of August 31, 2024
Balance Sheet – Governmental Funds			
Fund Balance			
Compensated absences	\$ 8,665,000	\$ 8,184,974	\$ 16,849,974
Unassigned	\$ 60,719,588	\$ (8,184,974)	\$ 52,534,614
Reconciliation of Balance Sheet – Governmental Funds to Statement of Net Position			
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, leases, and SBITA liabilities make up the balance of these items, as described in Note 7 to the financial statements.	\$ (12,351,513)	\$ (8,185,097)	\$ (20,536,610)
Net Position Governmental Activities	\$ 120,797,003	\$ (8,185,097)	\$ 112,611,906
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities			
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.	\$ (431,680)	\$ 401,086	\$ (30,594)
Change in Net Position of Governmental Activities	\$ (1,911,480)	\$ 401,086	\$ (1,510,394)
Note 6 – Long-Term Liabilities			
Compensated absences, beginning balance	\$ 8,263,790	\$ 8,586,183	\$ 16,849,973
Compensated absences, ending balance	\$ 8,664,875	\$ 8,185,098	\$ 16,849,973
Compensated absences, amounts due within one year	\$ 250,000	\$ 12,540,078	\$ 12,790,078

Note 13. Contingencies

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

The Center receives a significant amount 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

The Harris Center for Mental Health and IDD
Notes to Financial Statements
August 31, 2025 and 2024

with grant provisions. The Center's management believes that any liability for reimbursement that may arise as the result of these audits will not be material to the financial position of the Center.

Note 14. Sample Drugs and Patient Assistance Programs

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

The amounts of free drugs dispensed by the Center for its consumers for the years ended August 31, 2025 and 2024 were \$13,433,409 and \$10,773,136, 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 15. Directed Payment Program for Behavioral Health Services and Public Health Providers – Charity Care Program

The Directed Payment Program for Behavioral Health Services (DPP-BHS) is a directed payment program (DPP) designed as part of the DSRIP Transition Plan and was approved on November 15, 2021 for state fiscal 2022. DPP-BHS is a DPP for community mental health centers to promote and improve access to behavioral health services, care coordination, and successful care transitions for individuals enrolled in the STAR, STAR+PLUS, and STAR Kids Medicaid managed care programs. It also incentivizes continuation of care for these individuals using the Certified Community Behavioral Health Clinic (CCBHC) model of care. The Center recognized approximately \$6,000,000 and \$5,600,000 of revenue from DPP-BHS during the years ended August 31, 2025 and 2024, respectively, which is included in federal grants in the accompanying statements of revenues, expenditures, and changes in fund balances.

On December 22, 2021, the Centers for Medicare and Medicaid Services (CMS) approved the Public Health Providers – Charity Care Program (PHPCCP), which is designed to allow qualified providers to receive reimbursement for the cost of delivering healthcare services, including behavioral health services, when those costs are not reimbursed by another source. The initial approval for the PHP-CCP caps statewide funding availability at \$500,000,000 per year for all eligible providers. The group of eligible providers includes only governmental community mental health centers, local mental, and behavioral health authorities and county health departments. Settlements under this program are estimated and recorded in the period the related services are rendered and are adjusted in future periods as adjustments become known or as the service years are no longer subject to audit. As of August 31, 2025 and 2024, management recognized approximately \$45,400,000 and \$41,600,000, respectively of revenue related to the PHP-CCP program, which is included in federal grants in the accompanying statements of revenues, expenditures, and changes in fund balances.

The DPP, PHP-CCP, and DSRIP programs are subject to review and scrutiny by both the Texas Legislature and CMS; as a result, it is reasonably possible that recorded estimates potentially could change materially in the near term.

The Harris Center for Mental Health and IDD
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Note 16. Real Estate Purchase

The Center and the Men's Center, Incorporated d/b/a recenter Houston (Recenter), a Texas nonprofit corporation, entered into a Real Estate Acquisition Agreement (Agreement), dated November 6, 2024, for the purchase of seven real estate properties and other assets located in Harris County, Texas. The Center recorded the real estate at the acquired value, which was approximately \$31,241,000. The Center's consideration given for the real estate was approximately \$11,031,000, which included cash paid of approximately \$1,948,000 and debt assumed of approximately \$9,083,000 at the date of the purchase. The difference between the acquired value and consideration given approximated \$19,798,000. This was recorded in the statement of activities for the year ended August 31, 2025, under general revenues as a capital contribution on real estate transaction, pursuant to GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Note 17. Subsequent Events

Subsequent events have been evaluated through January __, 2026, which is the date the financial statements were available to be issued.

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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
August 31, 2025

Governmental Funds Capital Assets			
Land			\$ 21,064,529
Construction in progress			11,960,561
Land improvements			295,715
Buildings and improvements			81,559,918
Furniture and equipment			7,957,030
Vehicles			383,564
Right-to-use lease equipment and vehicles			3,776,298
Right-to-use SBITA assets			1,488,909
Total Governmental Fund Capital Assets			\$ 128,486,524
Investment in Governmental Funds Capital Assets by Source			
General Fund			\$ 128,486,524
Total Investment in Governmental Funds Capital Assets			\$ 128,486,524

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The Harris Center for Mental Health and IDD
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function
August 31, 2025

Function	Land	Construction in Progress	Buildings and Improvements	Furniture and Equipment	Vehicles	Right-to-Use Assets	Total
Mental Health	\$ 16,510,064	\$ -	\$ 39,345,689	\$ 1,854,582	\$ 157,870	\$ 104,542	\$ 57,972,747
Intellectual and Developmental Disabilities	916,080	-	5,144,343	509,022	49,860	202,658	6,821,963
Child and Adolescent	174,011	-	2,708,356	551,288	-	-	3,433,655
Crisis Center	588,825	-	12,445,351	530,587	69,300	2,999,120	16,633,183
Administration	2,875,549	11,960,561	22,211,894	4,511,551	106,534	1,958,887	43,624,976
Total governmental fund capital assets	<u>\$ 21,064,529</u>	<u>\$ 11,960,561</u>	<u>\$ 81,855,633</u>	<u>\$ 7,957,030</u>	<u>\$ 383,564</u>	<u>\$ 5,265,207</u>	<u>\$128,486,524</u>

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The Harris Center for Mental Health and IDD
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function
Year Ended August 31, 2025

	Beginning Balance	Additions	Retirements	Ending Balance
Mental Health	\$ 21,255,313	\$ 36,911,706	\$ (194,272)	\$ 57,972,747
Intellectual and Developmental Disabilities	6,821,963	-	-	6,821,963
Child and Adolescent	3,433,655	-	-	3,433,655
Crisis Center	16,671,383	-	(38,200)	16,633,183
Administration	43,949,520	1,221,829	(1,546,373)	43,624,976
Total governmental fund capital assets	<u>\$ 92,131,834</u>	<u>\$ 38,133,535</u>	<u>\$ (1,778,845)</u>	<u>\$ 128,486,524</u>

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Statistical Section (Unaudited)

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**The Harris Center for Mental Health and IDD
Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities										
Net investment in capital assets	\$ 84,066,080	\$ 49,077,283	\$ 43,405,281	\$ 46,097,747	\$ 49,253,423	\$ 28,093,961	\$ 25,480,970	\$ 27,473,237	\$ 29,457,337	\$ 36,369,915
Restricted	18,968,949	-	-	-	-	-	-	-	-	-
Unrestricted	24,904,836	63,534,623	79,303,202	96,669,267	112,933,700	112,760,517	90,318,395	72,502,908	49,448,324	44,756,241
Total Governmental Activities Net Position	\$ 127,939,865	\$ 112,611,906	\$ 122,708,483	\$ 142,767,014	\$ 162,187,123	\$ 140,854,478	\$ 115,799,365	\$ 99,976,145	\$ 78,905,661	\$ 81,126,156

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The Harris Center for Mental Health and IDD
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities										
Mental Health – Adult	\$ 116,305,325	\$ 112,710,461	\$ 128,290,695	\$ 121,380,527	\$ 110,069,455	\$ 102,912,380	\$ 93,469,443	\$ 96,890,848	\$ 94,427,167	\$ 91,091,630
Mental Health – Child and Adolescents	26,954,790	24,985,965	24,796,719	22,803,273	23,333,822	23,544,097	25,693,480	24,622,171	23,608,324	21,301,580
Intellectual and Developmental Disabilities	49,800,303	45,800,529	48,964,602	46,099,819	42,617,692	43,018,877	40,503,803	38,292,658	38,175,764	38,577,809
Crisis Center	96,697,613	92,549,747	96,989,290	82,764,793	60,513,418	57,998,372	53,423,641	43,022,415	45,643,089	41,615,210
Community Hospital	40,470,806	38,635,338	34,556,233	33,570,309	34,381,489	33,846,528	34,546,935	34,215,576	34,900,020	34,458,349
Forensic Services	36,956,921	35,505,066	-	-	-	-	-	-	-	-
Interest on long-term debt	2,015,206	114,696	47,271	27,562	6,709	33,547	60,238	78,698	93,605	119,925
Total Governmental Activities Expenses	369,200,964	350,301,802	333,644,810	306,646,283	270,922,585	261,353,801	247,697,540	237,122,366	236,847,969	227,164,503
Program Revenues										
Governmental activities										
Mental Health – Adult	109,882,689	108,343,831	100,112,686	100,087,211	128,516,819	139,798,674	97,116,386	98,673,597	94,709,224	88,451,372
Mental Health – Child and Adolescents	25,896,361	24,835,792	24,919,821	20,142,432	19,130,532	19,696,195	24,036,880	20,383,462	22,047,046	21,461,922
Intellectual and Developmental Disabilities	40,384,565	39,073,064	39,719,572	39,602,854	35,164,447	37,847,522	40,352,429	42,652,236	39,072,798	36,024,333
Crisis Center	84,712,786	78,277,858	60,336,065	54,520,702	55,585,179	41,259,860	41,780,163	41,989,680	35,709,458	33,418,720
Community Hospital	38,704,092	35,011,441	28,756,697	27,220,510	26,005,371	24,662,929	30,800,495	30,800,496	30,800,496	30,800,496
Forensic Services	33,306,860	33,292,408	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	332,887,353	318,834,394	253,844,841	241,573,709	264,402,348	263,265,180	234,086,353	234,499,471	222,339,022	210,156,843
Net (Expense) Revenue										
Governmental activities	(36,313,611)	(31,467,408)	(79,799,969)	(65,072,574)	(6,520,237)	1,911,379	(13,611,187)	(2,622,895)	(14,508,947)	(17,007,660)
General Revenues and Other Changes in Net Position										
Governmental activities										
Grants and contributions not restricted to specific programs	23,983,403	23,067,409	52,891,987	52,596,663	25,836,665	21,175,605	20,500,000	18,874,878	17,660,928	18,456,922
Unrestricted investment earnings	3,355,943	3,662,619	2,941,559	274,036	119,813	1,093,385	2,084,663	936,214	446,138	295,372
Other income	2,743,562	3,098,650	8,241,721	6,445,529	1,823,779	849,027	154,083	277,879	334,602	602,361
Gain on sale of capital assets	166,057	128,336	474,132	160,955	72,625	25,717	10,751,207	3,604,408	44,862	51,010
Capital contribution on real estate transaction	19,798,005	-	-	-	-	-	-	-	6,198,078	-
Total Governmental Activities General Revenues and Other Changes in Net Position	50,046,970	29,957,014	64,549,399	59,477,183	27,852,882	23,143,734	33,489,953	23,693,379	24,684,608	19,405,665
Change in Net Position										
Governmental activities	\$ 13,733,359	\$ (1,510,394)	\$ (15,250,570)	\$ (5,595,391)	\$ 21,332,645	\$ 25,055,113	\$ 19,878,766	\$ 21,070,484	\$ 10,175,661	\$ 2,398,005

The Harris Center for Mental Health and IDD
Fund Balances – Governmental Funds
Last Ten Fiscal Years (Modified Basis of Accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable										
Inventories	\$ 1,063,504	\$ 984,720	\$ 692,722	\$ 398,223	\$ 293,235	\$ 246,618	\$ 257,786	\$ 235,526	\$ 233,710	\$ 244,856
Prepays and deposits	3,407,123	3,282,491	4,585,059	5,511,578	3,477,674	594,750	597,680	652,300	832,283	785,019
Restricted										
Capital project	19,966,242	-	-	-	-	-	-	-	-	-
Assigned										
Infrastructure development	-	-	-	-	-	-	121,846	121,846	204,866	799,774
Insurance	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,263,196	2,000,000	2,000,000	2,000,000
Current capital projects	2,007,000	2,007,000	2,919,070	9,409,790	23,620,608	7,786,806	-	-	-	-
Future purchase of real property and IT infrastructure	1,365,842	1,365,842	1,365,842	1,365,842	1,365,842	22,927,102	-	-	-	-
ECI building use	361,664	361,664	361,664	361,664	361,664	352,067	-	-	-	-
COVID-19 eFMAP reserve	-	-	904,067	904,067	1,469,158	5,524,745	-	-	-	-
Debt repayment	-	-	14,780,494	-	-	545,715	1,637,140	2,728,571	3,820,000	4,911,428
Compensated absences	16,849,973	16,849,973	4,854,354	4,854,354	4,854,354	4,854,354	5,686,582	5,719,850	6,692,142	6,573,523
Other purposes	1,034,880	1,034,880	-	-	-	-	335,621	374,890	426,944	410,498
Unassigned	49,575,756	52,534,615	55,109,716	81,833,297	83,632,618	71,548,268	57,684,629	49,951,732	35,855,265	29,542,446
Total General Fund	\$ 97,631,984	\$ 80,421,185	\$ 87,572,988	\$ 106,638,815	\$ 121,075,153	\$ 120,634,422	\$ 96,004,977	\$ 76,010,980	\$ 53,960,616	\$ 49,162,950

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**The Harris Center for Mental Health and IDD
Changes in Fund Balances – Governmental Funds
Last Ten Fiscal Years (Accrual Basis of Accounting)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Local	\$ 95,019,903	\$ 89,680,542	\$ 88,948,506	\$ 84,345,109	\$ 87,842,686	\$ 81,067,038	\$ 77,333,059	\$ 75,672,011	\$ 75,768,153	\$ 69,599,303
State	158,976,553	151,910,634	124,573,917	123,996,905	127,906,818	123,312,937	113,228,586	109,389,867	105,272,006	110,851,190
Federal	108,973,805	107,101,684	103,993,065	92,588,905	76,758,103	82,488,389	66,212,036	69,494,638	59,727,494	49,055,292
Total Revenues	362,970,261	348,692,860	317,515,488	300,930,919	292,507,607	286,868,364	256,773,681	254,556,516	240,767,653	229,505,785
Expenditures										
Salaries	197,421,641	188,221,794	191,393,097	178,908,514	155,272,877	145,458,140	135,732,939	131,243,432	127,899,575	124,691,712
Employee benefits	55,521,695	55,640,927	49,704,562	45,709,326	42,665,021	41,588,459	37,961,468	33,557,908	33,125,125	28,011,451
Professional and consultant services	63,244,374	58,698,330	52,345,450	48,234,690	47,637,413	49,374,854	12,222,560	10,673,437	11,043,922	10,575,182
Travel and training	3,198,745	2,625,855	2,301,606	1,591,040	675,980	1,791,377	2,916,317	3,056,125	3,175,896	3,337,267
Debt service										
Principal	1,457,432	1,428,013	712,334	430,704	545,714	1,091,429	1,091,429	1,091,429	1,091,429	1,419,522
Interest	1,651,705	114,696	75,380	31,384	6,709	33,547	60,238	78,698	93,605	119,925
Capital outlay	9,250,552	11,595,486	5,935,793	11,336,852	10,869,497	3,258,276	917,868	2,100,879	1,525,735	4,168,307
Non-capitalized equipment	8,990,269	9,136,899	9,846,514	7,911,778	17,045,389	7,703,176	1,827,915	1,552,041	2,890,221	2,128,168
Pharmaceutical	18,344,989	16,468,944	6,981,215	4,853,250	4,111,680	3,580,896	2,030,053	1,855,120	1,887,370	1,886,395
Other operating expenditures	16,156,598	15,330,128	14,915,246	17,256,830	13,309,221	8,364,482	52,003,976	53,059,028	53,281,971	52,662,782
Total Expenditures	375,238,000	359,261,072	334,211,197	316,264,368	292,139,501	262,264,636	246,764,763	238,268,097	236,014,849	229,000,711
Excess of Revenues Over (Under) Expenditures	(12,267,739)	(10,568,212)	(16,695,709)	(15,333,449)	368,106	24,603,728	10,008,918	16,288,419	4,752,804	505,074
Other Financing Sources (Uses)										
Issuance of debt – leases	272,634	2,448,205	337,846	736,156	-	-	-	-	-	-
Issuance of debt – SBITAs	-	839,868	-	-	-	-	-	-	-	-
Issuance of debt – bonds	24,745,000	-	-	-	-	-	-	-	-	-
Issuance of debt – loans	4,294,847	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	2,263,196	-	-	-
Sale of capital assets	166,057	128,336	136,286	160,955	72,625	25,717	11,777,429	5,761,945	44,862	51,010
Total Other Financing Sources (Uses)	29,478,538	3,416,409	474,132	897,111	72,625	25,717	14,040,625	5,761,945	44,862	51,010
Net Change in Fund Balances	\$ 17,210,799	\$ (7,151,803)	\$ (16,221,577)	\$ (14,436,338)	\$ 440,731	\$ 24,629,445	\$ 24,049,543	\$ 22,050,364	\$ 4,797,666	\$ 556,084
Ratio of total debt service expenditures to total noncapital expenditures	0.84%	0.44%	0.24%	1.15%	0.19%	0.47%	0.47%	0.50%	0.51%	0.68%

**The Harris Center for Mental Health and IDD
Principal Sources of Revenues
Last Ten Fiscal Years (Accrual Basis of Accounting)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Local										
Harris County allocation and other contracts	\$ 48,827,938	\$ 46,339,437	\$ 52,635,562	\$ 52,596,663	\$ 51,260,112	\$ 44,093,032	\$ 40,065,808	\$ 36,375,537	\$ 34,924,970	\$ 34,692,528
Medicaid/Medicare/Third party billing	38,613,764	36,383,805	29,083,609	26,474,154	30,405,246	29,969,735	25,541,194	26,893,423	31,322,850	26,193,236
Other	7,578,201	6,957,300	7,229,335	5,274,292	6,177,328	7,004,271	11,726,057	12,403,051	9,520,333	8,713,539
Total Local Revenue	95,019,903	89,680,542	88,948,506	84,345,109	87,842,686	81,067,038	77,333,059	75,672,011	75,768,153	69,599,303
State										
Texas Department of State Health Services General Revenue	134,017,072	128,367,540	114,789,532	104,594,567	104,594,567	105,056,405	99,985,355	94,201,283	90,760,137	94,957,960
Texas Department of Health and Human Services General Revenue	7,991,387	8,889,261	3,851,178	10,434,969	10,434,969	10,393,281	9,479,061	10,220,288	9,306,535	8,917,182
Early Childhood Intervention	5,384,647	3,639,509	1,708,701	4,552,424	4,552,424	4,552,424	408,084	888,044	1,097,691	2,994,853
Texas Council on Offenders with Mental Impairments	3,451,799	3,180,962	2,459,142	2,850,627	2,850,627	2,850,627	2,910,086	3,193,586	3,303,917	3,116,905
Other state agencies	8,131,648	7,833,362	1,765,364	1,564,318	5,474,231	460,200	446,000	886,666	803,726	864,290
Total State Revenues	158,976,553	151,910,634	124,573,917	123,996,905	127,906,818	123,312,937	113,228,586	109,389,867	105,272,006	110,851,190
Federal										
Mental Health Block Grant	7,879,863	8,774,214	4,955,237	4,230,720	4,194,346	3,812,190	3,181,377	3,081,806	3,081,806	3,081,806
Early Childhood Intervention	-	2,262,872	2,152,351	2,170,758	-	-	2,962,647	3,407,557	3,131,375	1,264,006
*Charity Care Pool	45,365,444	41,643,774	45,148,861	40,766,250	48,842,439	72,278,623	47,857,397	41,080,250	41,080,250	32,782,283
Other federal revenues	55,728,498	54,420,824	51,736,616	45,421,177	23,721,318	6,397,576	12,210,615	21,925,025	12,434,063	11,927,197
Total Federal Revenues	108,973,805	107,101,684	103,993,065	92,588,905	76,758,103	82,488,389	66,212,036	69,494,638	59,727,494	49,055,292
Total	\$ 362,970,261	\$ 348,692,860	\$ 317,515,488	\$ 300,930,919	\$ 292,507,607	\$ 286,868,364	\$ 256,773,681	\$ 254,556,516	\$ 240,767,653	\$ 229,505,785

The Harris Center for Mental Health and IDD
Schedule of Indirect Costs
Year Ended August 31, 2025

	Total Costs	Non-Allowable Costs	Depreciation/Amortization	Total Adjusted Costs	Indirect Costs	Direct Costs
Salaries	\$ 197,421,641	\$ -	\$ -	\$ 197,421,641	\$ 25,664,813	\$ 171,756,828
Employee benefits	55,521,695	-	-	55,521,695	8,819,292	46,702,403
Professional and consultant services	63,244,374	-	-	63,244,374	3,162,319	60,082,055
Debt service	3,109,137	(3,109,137)	-	-	-	-
Capital outlay	9,250,552	(9,250,552)	-	-	-	-
Pharmaceutical	18,344,989	-	-	18,344,989	29,566	18,315,423
Depreciation/amortization	-	-	4,328,270	4,328,270	4,328,270	-
Other operating expenditures	28,345,612	-	-	28,345,612	5,952,579	22,393,033
Total	\$ 375,238,000	\$ (12,359,689)	\$ 4,328,270	\$ 367,206,581	\$ 47,956,839	\$ 319,249,742
Indirect costs						\$ 47,956,839
Direct costs						\$ 319,249,742
Indirect cost rate						15.02%

**The Harris Center for Mental Health and IDD
Demographic Statistics of Local Service Area
Last Ten Calendar Years**

Calendar Year	Population (A)	Unemployment Rate (B)	Total Personal Income (A)	Per Capita Personal Income (C)
2024	4,888,913	4.50%	\$ 357,130,669,000	\$ 73,049
2023	4,826,539	4.40%	\$ 330,617,356,000	68,500
2022	4,780,913	4.50%	\$ 313,193,267,000	65,509
2021	4,728,030	6.50%	\$ 311,430,719,000	65,869
2020	4,746,600	8.00%	\$ 285,664,628,000	60,183
2019	4,713,325	3.80%	\$ 282,809,166,000	60,002
2018	4,698,619	4.40%	\$ 265,351,328,000	56,474
2017	4,652,980	5.00%	\$ 247,482,118,000	53,188
2016	4,589,928	5.30%	\$ 240,752,454,000	52,452
2015	4,538,028	4.60%	\$ 249,989,494,000	55,088

(A) Source: U.S. Bureau of Economic Analysis/World Population Review

(B) Source: Texas Workforce Commission

(C) Source: U.S. Bureau of Labor Statistics

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**The Harris Center for Mental Health and IDD
Ratio of Outstanding Debt
Last Ten Calendar Years**

Fiscal Year	Notes Payable	Lease Liability	SBITA Liability	Total Debt (A)	Personal Income	Percentage of Personal Income	Debt per Capita
2025	\$ 29,322,334	\$ 2,225,946	\$ 275,892	\$ 31,824,172	(B)	(B)	(B)
2024	\$ -	\$ 2,902,231	\$ 784,406	\$ 3,686,637	\$ 357,130,669,000	0.0010%	0.75
2023	\$ -	\$ 1,184,212	\$ 642,365	\$ 1,826,577	\$ 330,617,356,000	0.0004%	0.29
2022	\$ -	\$ 1,364,696	\$ 422,651	\$ 1,787,347	\$ 330,619,257,000	0.0005%	0.37
2021	\$ -	\$ 1,059,244	\$ -	\$ 1,059,244	\$ 311,430,719,000	0.0003%	0.22
2020	\$ 545,714	\$ -	\$ -	\$ 545,714	\$ 291,723,832,000	0.0002%	0.12
2019	\$ 1,637,142	\$ -	\$ -	\$ 1,637,142	\$ 284,905,380,000	0.0006%	0.35
2018	\$ 2,728,571	\$ -	\$ -	\$ 2,728,571	\$ 274,514,924,000	0.0010%	0.58
2017	\$ 3,820,000	\$ -	\$ -	\$ 3,820,000	\$ 255,361,808,000	0.0015%	0.82
2016	\$ 4,911,429	\$ -	\$ -	\$ 4,911,429	\$ 236,747,445,000	0.0021%	1.06
2015	\$ 6,330,951	\$ -	\$ -	\$ 6,330,951	\$ 248,528,847,000	0.0025%	1.39

Notes:

(A) 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.

(B) Unavailable

The Harris Center for Mental Health and IDD
Full-Time Equivalent Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Adult Mental Health	644	662	686	693	585	604	764	825	915	889
Intellectual and Developmental Disabilities	433	321	321	359	356	326	433	419	419	421
Child and Adolescent Mental Health	221	300	296	308	304	331	249	253	253	245
Crisis Center/Access Line	114	114	113	113	82	69	-	-	-	-
Administration	292	268	266	290	247	256	340	281	205	190
Crisis Center/Comprehensive Psychiatric Emergency Program (CPEP)	515	520	560	680	420	396	437	386	371	372
Forensic Services	239	254	261	260	212	195	-	-	-	-
Total	2,458	2,439	2,503	2,703	2,206	2,177	2,223	2,164	2,163	2,117

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**The Harris Center for Mental Health and IDD
Operating Indicators by Function/Program
Last Ten Fiscal Years**

	2025	2024	2023	2022	2021*	2020	2019	2018	2017	2016
Admissions										
Mental Health	27,814	27,942	29,883	31,733	44,723	20,635	21,233	18,586	17,400	16,915
Intellectual Development Disability (IDD)	7,402	6,715	11,234	8,641	14,937	11,558	12,066	11,256	11,275	9,052
Total Admissions	35,217	34,657	41,117	40,374	59,660	32,193	33,299	29,842	28,675	25,967
Total Clients Served (Unduplicated)										
Mental Health	54,083	55,133	57,416	56,114	70,010	41,633	40,739	37,421	35,266	33,716
Intellectual Development Disability (IDD)	22,207	17,350	21,304	15,397	23,315	20,882	21,240	21,437	19,954	18,680
Total Clients Served	76,290	72,483	78,720	71,511	93,325	62,515	61,979	58,858	55,220	52,396
*During FY 2021, the Center transitioned to EPIC from Anasazi. The increase in the number of clients served is due to the impact of the COVID-19 Pandemic.										

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The Harris Center for Mental Health and IDD
General Fund Revenue by Source of Funds
Last Ten Fiscal Years

Fiscal Year	Local Funds	State Funds	Federal Funds	Total
2025	\$ 95,019,903	\$ 158,976,553	\$ 108,973,805	\$ 362,970,261
2024	\$ 89,680,542	\$ 151,910,634	\$ 107,101,684	\$ 348,692,860
2023	\$ 88,948,506	\$ 124,573,917	\$ 103,993,065	\$ 317,515,488
2022	\$ 84,345,109	\$ 123,996,905	\$ 92,588,905	\$ 300,930,919
2021	\$ 87,842,686	\$ 127,906,818	\$ 76,758,103	\$ 292,507,607
2020	\$ 81,067,038	\$ 123,312,937	\$ 82,488,389	\$ 286,868,364
2019	\$ 77,333,059	\$ 113,228,586	\$ 66,212,036	\$ 256,773,681
2018	\$ 75,672,011	\$ 109,389,867	\$ 69,494,638	\$ 254,556,516
2017	\$ 75,768,153	\$ 105,272,006	\$ 59,727,494	\$ 240,767,653
2016	\$ 69,599,303	\$ 110,851,190	\$ 49,055,292	\$ 229,505,785

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**The Harris Center for Mental Health and IDD
General Fund Expenditures by Category
Last Ten Fiscal Years**

Fiscal Year	Mental Health*	Intellectual & Developmental Disabilities	Administration	Total
2025	\$ 290,269,617	\$ 44,386,855	\$ 40,581,528	\$ 375,238,000
2024	\$ 274,571,687	\$ 40,966,652	\$ 43,722,733	\$ 359,261,072
2023	\$ 244,002,591	\$ 40,271,669	\$ 49,936,937	\$ 334,211,197
2022	\$ 230,394,035	\$ 40,348,403	\$ 45,521,930	\$ 316,264,368
2021	\$ 200,648,487	\$ 36,918,943	\$ 54,572,071	\$ 292,139,501
2020	\$ 191,365,084	\$ 37,987,166	\$ 32,912,386	\$ 262,264,636
2019	\$ 186,604,624	\$ 35,685,945	\$ 24,474,194	\$ 246,764,763
2018	\$ 179,460,209	\$ 33,710,989	\$ 25,096,899	\$ 238,268,097
2017	\$ 180,229,346	\$ 33,728,843	\$ 22,056,660	\$ 236,014,849
2016	\$ 177,790,941	\$ 35,208,003	\$ 16,001,767	\$ 229,000,711

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**The Harris Center for Mental Health and IDD
Capital Assets by Governmental Activity
Last Ten Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Adult Mental Health										
Land	\$ 16,510,064	\$ 8,154,679	\$ 8,154,679	\$ 8,114,592	\$ 1,895,148	\$ 1,895,148	\$ 1,895,148	\$ 1,895,149	\$ 1,895,148	\$ 1,895,148
Buildings and improvements	39,345,689	10,812,975	10,812,975	10,812,975	11,197,275	11,078,437	11,065,800	11,065,800	11,065,800	11,065,800
Furniture and equipment	1,854,582	1,830,975	1,830,975	1,830,975	1,824,518	2,381,744	2,365,744	2,365,744	2,365,744	2,059,264
Vehicles	157,870	352,142	811,163	477,700	477,700	477,700	470,669	470,669	433,779	245,114
Right-to-use assets	104,542	104,542	71,366	161,498	107,649	-	-	-	-	-
Total Capital Assets for Adult Mental Health	57,972,747	21,255,313	21,681,158	21,397,740	15,502,290	15,833,029	15,797,361	15,797,362	15,760,471	15,265,326
Intellectual & Developmental Disabilities										
Land	916,080	916,080	916,080	916,080	916,080	916,080	916,080	916,080	916,080	916,080
Buildings and improvements	5,144,343	5,144,343	5,144,343	5,144,343	5,122,368	4,980,370	4,980,370	4,980,370	4,980,370	4,980,370
Furniture and equipment	509,022	509,022	509,022	509,022	509,022	1,111,807	1,111,807	1,111,807	1,111,807	1,111,807
Vehicles	49,860	49,860	105,095	105,095	177,939	177,939	177,939	177,939	177,939	211,828
Right-to-use assets	202,658	202,658	156,065	269,959	242,810	-	-	-	-	-
Total Capital Assets for Intellectual & Developmental Disabilities	6,821,963	6,821,963	6,830,605	6,944,499	6,968,219	7,186,196	7,186,196	7,186,196	7,186,196	7,220,085
Child and Adolescent										
Land	174,011	174,011	174,011	174,011	174,011	174,011	174,011	174,011	174,011	174,011
Buildings and improvements	2,708,356	2,708,356	2,708,356	2,708,356	2,708,356	2,650,328	2,650,328	2,650,328	2,650,328	2,650,328
Furniture and equipment	551,288	551,288	551,288	551,288	551,288	534,677	534,677	534,677	534,677	534,677
Right-to-use assets	-	-	-	-	102,916	-	-	-	-	-
Total Capital Assets for Child and Adolescent	3,433,655	3,433,655	3,433,655	3,433,655	3,536,571	3,359,016	3,359,016	3,359,016	3,359,016	3,359,016
Crisis Center										
Land	588,825	588,825	588,825	588,825	588,825	588,825	588,825	588,825	588,825	588,825
Buildings and improvements	12,445,351	12,445,351	12,445,351	12,445,355	12,445,351	5,380,809	5,380,809	5,380,809	5,380,809	5,380,809
Furniture and equipment	530,587	530,587	530,587	530,587	514,797	447,012	427,882	422,172	422,172	422,172
Vehicles	69,300	107,500	521,816	539,473	862,303	862,303	775,207	756,762	756,762	857,077
Right-to-use assets	2,999,120	2,999,120	1,328,281	1,180,138	809,194	-	-	-	-	-
Total Capital Assets for Crisis Center	16,633,183	16,671,383	15,414,860	15,284,378	15,220,470	7,278,949	7,172,723	7,148,568	7,148,568	7,248,883
Administration										
Land	2,875,549	2,875,549	2,875,549	2,860,685	2,857,972	1,454,050	1,454,050	1,655,596	2,449,346	2,449,346
Buildings and improvements	22,211,894	22,211,894	21,799,833	15,453,684	15,922,439	15,296,306	15,199,654	16,492,213	22,812,238	22,696,643
Furniture and equipment	4,511,551	4,347,646	4,243,996	3,487,810	4,174,938	5,402,954	5,110,699	4,543,552	4,421,756	4,024,171
Vehicles	106,534	131,885	339,034	(72,128)	51,826	87,289	87,289	180,368	180,368	214,016
Right-to-use assets	1,958,887	3,006,146	1,527,604	296,264	200,143	-	-	-	-	6,198,078
Construction in progress	11,960,561	11,376,400	3,589,645	9,188,186	6,028,473	3,163,960	-	-	-	-
Total Capital Assets for Administration	43,624,976	43,949,520	34,375,661	31,214,501	29,235,791	25,404,559	21,851,692	22,871,729	29,863,708	35,582,254
Total Capital Assets	\$ 128,486,524	\$ 92,131,834	\$ 81,735,939	\$ 78,274,773	\$ 70,463,341	\$ 59,061,749	\$ 55,366,988	\$ 56,362,871	\$ 63,317,959	\$ 68,675,564

Other Information Section (Unaudited)

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**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
Year Ended August 31, 2025**

Service Categories (by Funding Source)	Mental Health Adult	Mental Health Child	Intellectual & Developmental Disabilities	Total	Approved Expenditure Budget	Variance
General Revenue – Mental Health	\$ 78,799,980	\$ 9,343,426	\$ -	\$ 88,143,406	\$ 86,557,980	\$ 1,585,426
General Revenue – Intellectual and Developmental Disabilities	-	-	10,956,950	10,956,950	10,557,671	399,279
General Revenue – Permanency Planning	-	-	150,095	150,095	132,715	17,380
General Revenue – Supportive Housing	712,952	-	-	712,952	696,360	16,592
Community Hospitals	35,572,562	-	-	35,572,562	35,040,000	532,562
Mental Health Veteran Services	-	-	-	-	99,286	(99,286)
Mental Health Crisis Services	-	-	-	-	-	-
Psychiatric Emergency Svc Ctr	-	-	-	-	930,168	(930,168)
Peer Support Re-Entry	-	-	-	-	-	-
Behavioral Health Services Education	-	-	-	-	-	-
MH Block Homeless PATH Grant	1,125,714	-	-	1,125,714	1,138,726	(13,012)
Mental Health Block Grant Supplemental Housing	412,762	-	-	412,762	463,635	(50,873)
Title XX Social Services Block Grant	600,381	-	-	600,381	650,937	(50,556)
Mental Health Block Grant	3,227,047	-	-	3,227,047	1,126,620	2,100,427
Mental Health Block Grant - CSC	1,125,714	-	-	1,125,714	993,953	131,761
Mental Health Suicide Care Pilot Project	375,238	-	-	375,238	479,843	(104,605)
TANF to Title XX Block Grant	1,463,428	-	-	1,463,428	1,386,984	76,444
Substance Abuse Prevention & Treatment Block Grant	3,527,237	-	-	3,527,237	1,895,664	1,631,573
SG Jail Based Comp Restoration Pilot	1,988,761	-	-	1,988,761	2,068,136	(79,375)
Federal Opioid	-	-	-	-	289,579	(289,579)
Other Federal	1,313,333	-	-	1,313,333	8,415,630	(7,102,297)
Other State Agencies	4,878,094	-	-	4,878,094	5,745,219	(867,125)
Medicaid Administrative Claiming	-	-	-	-	8,410,107	(8,410,107)
Medicaid	13,471,044	2,739,237	412,762	16,623,043	17,885,078	(1,262,035)
Medicare	900,571	187,619	1,613,523	2,701,714	1,221,582	1,480,132
ICF-MR, HCS and THL Waiver	-	-	4,465,332	4,465,332	4,412,572	52,760
Patient fees and private Insurance	-	-	-	-	15,093,146	(15,093,146)
Charity Care Pool	32,945,896	6,641,713	3,902,475	43,490,084	45,365,442	(1,875,358)
Outpatient Capacity Expansion	4,127,618	-	-	4,127,618	4,127,618	-
Early Childhood Intervention	-	-	5,591,046	5,591,046	5,384,647	206,399
Directed Payment Program – Behavioral Health	5,816,189	-	-	5,816,189	5,983,109	(166,920)
Federal ARPA funding	11,744,949	-	450,286	12,195,235	14,748,474	(2,553,239)
Federal SAMHSA	4,502,856	-	-	4,502,856	4,496,255	6,601
Health Community Collarative	6,191,427	-	-	6,191,427	5,020,007	1,171,420
Helpline Contracts	6,078,856	-	-	6,078,856	6,934,257	(855,401)
CDBG COVID-19 Supplemental	1,425,904	-	-	1,425,904	1,481,488	(55,584)
Harris County State Programs	7,016,951	-	-	7,016,951	7,016,951	(0)
Additional Local Funds and Match	75,085,124	15,347,234	9,005,712	99,438,070	68,679,225	30,758,845
Total Expended Sources	\$ 304,430,589	\$ 34,259,229	\$ 36,548,181	\$ 375,238,000	\$ 374,929,064	\$ 308,936

The Harris Center for Mental Health and IDD
Schedule of Revenues and Expenditures by Source of Funds – General Fund
Year Ended August 31, 2025

Funding Source	Total Revenue	Total Mental Health Adult Expenditures	Total Mental Health Children Expenditures	Total Intellectual & Developmental Disabilities Expenditures	Total Center Expenditures	Excess Revenues Over Expenditures
Expenditures						
Salaries	\$ 197,421,641	\$ 161,081,177	\$ 17,111,596	\$ 19,228,868	\$ 197,421,641	\$ -
Employee benefits	55,120,575	44,719,322	5,032,508	5,368,744	55,120,575	-
Professional and consultant fees	62,878,603	51,013,411	5,740,816	6,124,376	62,878,603	-
Training and travel	3,198,727	2,595,127	292,044	311,556	3,198,727	-
Debt service	3,109,136	2,522,442	283,864	302,830	3,109,136	-
Capital outlay	9,232,222	7,490,102	842,902	899,218	9,232,222	-
Repairs and maintenance	3,378,688	2,741,130	308,474	329,084	3,378,688	-
Pharmaceutical	27,008,906	21,628,329	2,603,321	2,777,256	27,008,906	-
Other operating expenditures	13,889,502	11,268,553	1,268,112	1,352,837	13,889,502	-
Total Expenditures	375,238,000	305,059,594	33,483,637	36,694,769	375,238,000	-
Method of Finance						
General Revenue – Mental Health	88,143,406	78,799,980	9,343,426	-	88,143,406	-
General Revenue – Intellectual and Developmental	10,956,950	-	-	10,956,950	10,956,950	-
General Revenue – Permanency Planning	150,095	-	-	150,095	150,095	-
General Revenue – Supportive Housing	712,952	712,952	-	-	712,952	-
Community Hospitals	35,572,562	35,572,562	-	-	35,572,562	-
Behavioral Health Services Education	1,125,714	1,125,714	-	-	1,125,714	-
Other State HHS Tablet Program	412,762	412,762	-	-	412,762	-
MH Block Homeless PATH Grant	600,381	600,381	-	-	600,381	-
Mental Health Block Grant	3,227,047	3,227,047	-	-	3,227,047	-
Mental Health Block Grant – CSC	1,125,714	1,125,714	-	-	1,125,714	-
Mental Health Block Grant Supplemental Housing	375,238	375,238	-	-	375,238	-
Title XX Social Services Block Grant	1,463,428	1,463,428	-	-	1,463,428	-
Mental Health Suicide Care Pilot Project	3,527,237	3,527,237	-	-	3,527,237	-
TANF to Title XX Block Grant	1,988,761	1,988,761	-	-	1,988,761	-
SG Jail Based Comp Restoration Pilot	1,313,333	1,313,333	-	-	1,313,333	-
Medicaid Administrative Claiming	4,878,094	4,878,094	-	-	4,878,094	-
Other Federal	16,623,043	13,471,044	2,739,237	412,762	16,623,043	-
Other State Agencies	2,701,714	900,571	187,619	1,613,523	2,701,714	-
Patient fees and private Insurance	4,465,332	-	-	4,465,332	4,465,332	-
Medicare	43,490,084	32,945,896	6,641,713	3,902,475	43,490,084	-
Outpatient Capacity Expansion	4,127,618	4,127,618	-	-	4,127,618	-
Early Childhood Intervention	5,591,046	-	-	5,591,046	5,591,046	-
Charity Care Pool	5,816,189	5,816,189	-	-	5,816,189	-
Directed Payment Program - Behavioral Health	12,195,235	11,744,949	-	450,286	12,195,235	-
Federal ARPA funding	4,502,856	4,502,856	-	-	4,502,856	-
Federal SAMHSA	6,191,427	6,191,427	-	-	6,191,427	-
Health Community Collarative	6,078,856	6,078,856	-	-	6,078,856	-
Helpline Contracts	1,425,904	1,425,904	-	-	1,425,904	-
CDBG COVID-19 Supplemental	7,016,951	7,016,951	-	-	7,016,951	-
ICF-MR, HCS and THL Waiver	99,438,070	75,085,124	15,347,234	9,005,712	99,438,070	-
Total Expended Sources	\$ 375,238,000	\$ 304,430,589	\$ 34,259,229	\$ 36,548,181	\$ 375,238,000	\$ -

The Harris Center for Mental Health and IDD
Schedule of Leases in Effect
Year Ended August 31, 2025

Lessor	Location	Terms	Period Covered
Houston Community College System	3200 Main Street, Houston TX 77002	\$22,392 for monthly rent and \$3,415 for monthly parking	2/1/2024–1/31/2027
City of Houston (Acres Homes)	6719 W. Montgomery, Houston, TX 77091	\$ 256	1/30/2015
City of Houston (Fifth Ward MSC)	4014 Market St., Houston, TX 77020	\$ 161	5/26/2010
City of Houston (Magnolia MSC)	7037 Capitol, Houston, TX 77011	\$ 298	5/13/2014
City of Houston (West End MSC)	170 Heights Blvd., Houston, TX 77008	\$ 331	5/26/2010
Enterprise FM Trust	Various agency locations	\$ 40,778	4 year leases
Carefusion Solutions LLC	Various agency locations	\$ 4,362	1/1/2025–12/31/2029
XEROX Financial Services LLC	Various agency locations	\$ 18,619	11/1/2023–10/31/2028

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The Harris Center for Mental Health and IDD
Schedule of Insurance Coverage
Year Ended August 31, 2025

Surety Company	Scope of Coverage	Coverage
Texas Council Risk Management Fund 9/1/2025 – 9/1/2026	Property	
	Buildings – except vacant locations	\$ 154,007,656
	Contents	\$ 43,799,704
	Boiler & Machinery Equipment	\$ 1,808,217
	EDP Equipment	\$ 13,971,685
	Fine Arts	\$ 15,000
	Miscellaneous Property & Equipment	\$ 46,624
	Flood Coverage other than the 100 year flood zones aggregate	\$ 5,000,000
	Deductible Other than Wind & Hail	\$ 10,000
	Deductible Wind & Hail Subject to \$25,000/Building \$100,000 Aggregate	1%
	Named Storm Deductible	\$ 4,424,000
	Named Storm Deductible Harris County and Fort Bend County Windstorm	5%
Mount Vernon Fire Insurance Company 9/1/2025–9/1/2026	Buildings – vacant property	
	612 A Branard St.	\$ 288,834
	Deductible	1000
Underwriters at Lloyds of London 9/1/2025–9/1/2026	Wind & Hail Deductible Buydown	
	Building & Contents Per Occurrence Retention \$100,000	\$ 2,500,000
	Total Insured Values	\$ 154,725,070
	2627 Caroline, 5901 Long Drive, 3737 Dacoma 9401 Southwest Freeway, 7200 N. Loop E 6160 S. Loop E., 3809 Main St, 6168 South Loop East	
Texas Council Risk Management Fund 9/1/2025–9/1/2026	General Liability	
	Per Occurrence Limit	\$ 1,000,000
	Annual Aggregate	\$ 1,000,000
	Deductible	\$ 1,000
	Additional Limit of Liability in Excess of 1,000,000	\$ 4,000,000
Texas Council Risk Management Fund 9/1/2025–9/1/2026	Excess Liability	
	Per Occurrence Limit	\$ 4,000,000
	Annual Aggregate Excess of Auto, GL, Professional, and E&O	\$ 4,000,000
Texas Council Risk Management Fund 9/1/2025–9/1/2026	Auto Liability	
	Per Occurrence of Liability	\$ 1,000,000
	Annual Aggregate	N/A
	Liability Deductible	\$ 1,000
	Additional Limit of Liability in Excess of 1,000,000	\$ 4,000,000
	Auto Physical Damage Deductibles Vary by Vehicle	
Texas Council Risk Management Fund 9/1/2025–9/1/2026	Workers' Compensation	
	Volunteers	Yes
	Elected/Appointed Officials	Yes
	Per Claim Deductible	\$ 100,000
	Annual Aggregate Deductible	\$ 1,000,000
	No. of Employees	2,582
	Estimated Payroll	\$ 192,212,082
Texas Council Risk Management Fund 9/1/2025–9/1/2026	Professional Liability	
	Per Claim Limit of Liability	\$ 1,000,000
	Annual Aggregate	\$ 3,000,000
	Deductible	\$ 1,000
	Retroactive Date	8/28/1989
	Additional Per Claim Limit of Liability in Excess of \$1,000,000	\$ 2,000,000
	Original Inception Date	8/31/2003
	Sexual Misconduct	
	Per Claim Limit of Liability	\$ 100,000
	Annual Aggregate	\$ 300,000
	Primary Care Endorsement	Included In Professional Limit
	Retroactive Date	6/7/2021
	Expanded Professional Liability Professional Defense	
	Per Claim Limit of Liability	\$ 30,000
	Annual Aggregate	\$ 100,000

The Harris Center for Mental Health and IDD
Schedule of Insurance Coverage
Year Ended August 31, 2025

(Continued)

Surety Company	Scope of Coverage	Coverage
Texas Council Risk Management Fund	Errors & Omissions Liability	
9/1/2025–9/1/2026	Per Claim Limit of Liability	\$ 1,000,000
	Annual Aggregate	\$ 3,000,000
	Additional Per Claim Limit of Liability in Excess of \$1,000,000	\$ 4,000,000
	Deductible	\$ 10,000
	Retroactive Date	8/28/2019
	Expanded Employment Practices	
	Per Claim Limit	\$ 50,000
	Annual Aggregate	\$ 100,000
	Retroactive Date	8/28/1989
Texas Council Risk Management Fund	Crime	
9/1/2025–9/1/2026	Public Employee Dishonesty	\$ 5,000
	Theft Disappearance & Destruction	\$ 5,000
	Forgery or Alteration	\$ 5,000
	Employee Theft of Client Property	\$ 5,000
	Computer & Transfer Fraud	\$ 5,000
	Deductible per Occurrence Crime	\$ 1,000
Great American Insurance Co.	Crime	
9/1/2025–9/1/2026	Employee Dishonesty Per Occurrence Limit	\$ 1,000,000
	Forgery or Alteration	\$ 500,000
	Inside Premises	\$ 100,000
	Outside Premises	\$ 100,000
	Computer Hacking	\$ 500,000
	Money Order's and Counterfeit Paper Cash	\$ 1,000,000
	Loss of Clients' Property	Not Covered
	Funds Transfer Fraud	\$ 500,000
	Fraudulently Induced Transfer	Not Covered
	ERISA Fraud or Dishonesty	Not Covered
Underwriters at Lloyd's of London	Cyber Liability	
5/8/2025 to 5/8/2026	Policy Aggregate Limit of Liability	\$ 5,000,000
	Privacy and Security Liability and Regulatory Claims	\$ 5,000,000
	Breach Response Services	\$ 1,000,000
	PCI DSS Assessments	\$ 5,000,000
	PCI Recertification Expenses	\$ 100,000
	Cyber Extortion	\$ 5,000,000
	Business Income Loss	\$ 5,000,000
	Digital Asset Restoration	\$ 5,000,000
	Multimedia Liability	\$ 5,000,000
	Cyber Crime Loss	\$ 250,000
	Invoice Manipulation	\$ 250,000
	System Hijacking	\$ 250,000
	Supplemental Coverages	
	Post Breach Remedial Consulting	100 Hours
	Reputational Harm	\$ 5,000,000
	Claims Preparation Costs	\$ 50,000
	Court Attendance Costs	\$ 2,500
	Criminal Reward Payments	\$ 50,000
	Retentions	
	Breach Response Services	\$ 100,000
	All Other Coverages	\$ 100,000
	Waiting Period (Business Income Loss)	10 Hours

**The Harris Center for Mental Health and IDD
Schedule of Insurance Coverage
Year Ended August 31, 2025**

(Continued)

Surety Company	Scope of Coverage	Coverage
Twin City Fire Insurance Co. 9/1/2025–9/1/2026	Fiduciary Liability	
	Limits of Insurance	\$ 3,000,000
	Settlement Program – Sub-limit of Liability for Settlement Fess	\$ 100,000
	HIPPA – Sub-limit of Liability	\$ 25,000
	Prior & Pending Date	8/23/2017
Voyager Indemnity Insurance Co. 3/28/2025–3/28/2026	Flood–Commercial Flood Zone	
	Location #1: 11511 Bob White Rodd, Houston, 77035	
	Building	\$ 344,900
	Contents	\$ 185,900
	Location #2: 7200 North Loop East, Houston, TX 77028 Building	\$ 1,000,000
	Contents	\$ 500,000
	Location #3: 1200 Baker Street, Houston, TX 77002 Contents	\$ 91,700
	Location #4: 6500 Chimney Rock, Cottage #3, Houston, TX 77081 Contents	\$ 55,800
Underwriters at Lloyd's of London 3/28/2025–3/28/2026	Excess Flood Zone	
	Location #1: 11511 Bob White Rodd, Houston, 77035 Business Income	\$ 22,696
	Location #2: 7200 North Loop East, Houston, TX 77028	
	Building – In excess of \$1,000,000 any one loss or occurrence	\$ 2,463,742
	Contents – In excess of \$500,000 any one loss or occurrence	\$ 754,624
	Business Income	\$ 203,928
	Business Income Waiting Period	30 days
Western Surety Company 11/18/2025–11/18/2026	Notary Errors and Omissions	
	Limit of Liability	\$ 20,000

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The Harris Center for Mental Health and IDD
Schedule of Insurance Coverage
Year Ended August 31, 2025

(Continued)

Surety Company	Scope of Coverage	Expense/Premium
Residential Programs		
Mgmt Company	Non-Profit Housing Corp/TriArc Living Mgt Oct 1, 2025 United Specialty Ins. Co-TX/AMWins Ins Brokerage, LLC TX May 15, 2025 to May 15, 2026	\$ 99,129
Insurer		
	Villas at Bayou Park, Inc.	
	Western World (General Liability): Effective 05/15/2025-05/15/2026 United Specialty Ins-Co TX (Property) Effective 05/15/2025-05/15/2026 Western World Ins Co.(EXLB) Effective 05/15/2025-05/15/2026 Monthly Installment Annual Premium	2,299 27,594
	Acres Homes Garden, Inc.	
	Western World (General Liability): Effective 05/15/2025-05/15/2026 United Specialty Ins-Co TX (Property) Effective 05/15/2025-05/15/2026 Western World Ins Co.(EXLB) Effective 05/15/2025-05/15/2026 Monthly Installment Annual Premium	1,816 21,791
	Pear Grove, Inc.	
	Western World (General Liability): Effective 05/15/2025-05/15/2026 United Specialty Ins-Co TX (Property) Effective 05/15/2025-05/15/2026 Western World Ins Co.(EXLB) Effective 05/15/2025-05/15/2026 Monthly Installment Annual Premium	1,816 21,791
	Pecan Village, Inc.	
	Western World (General Liability): Effective 05/15/2025-05/15/2026 United Specialty Ins-Co TX (Property) Effective 05/15/2025-05/15/2026 Western World Ins Co.(EXLB) Effective 05/15/2025-05/15/2026 Monthly Installment Annual Premium	2,299 26,158

The Harris Center for Mental Health and IDD
Schedule of Bond Coverage
Year Ended August 31, 2025

Surety Company	Scope of Coverage	Amount
Great American Insurance Co.	Commercial Crime Policy	
9/1/2024–9/1/2025	Employee Dishonesty Per Occurrence Limit	\$ 1,000,000
	Deductible Per Occurrence	15,000
	Forgery or Alteration	500,000
	Deductible Per Occurrence	5,000
	Inside Premises	100,000
	Deductible Per Occurrence	5,000
	Outside Premises	100,000
	Deductible Per Occurrence	5,000
	Computer Hacking	500,000
	Deductible Per Occurrence	5,000
	Money Orders and Counterfeit Paper Cash	1,000,000
	Deductible Per Occurrence	15,000
	Funds Transfer Fraud	500,000
	Deductible Per Occurrence	5,000
Texas Council Risk Management Fund	Commercial Crime Coverage	
9/1/2024–9/1/2025	Public Employee Dishonesty	\$ 10,000.00
	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
Lloyds of London	Cyber Liability	
5/8/2025–5/8/2026	Policy Aggregate Limit of Liability	\$ 5,000,000
	Privacy and Security Liability and Regulatory Claims	5,000,000
	Breach Response	5,000,000
	PCI DSS Assessments	5,000,000
	PCI Recertification Expenses	100,000
	Cyber Extortion	5,000,000
	Business Income Loss	5,000,000
	Digital Asset Restoration	5,000,000
	Multimedia Liability	5,000,000
	Cyber Crime Loss	250,000
	Invoice Manipulation	250,000
	System Hijacking	250,000
	Supplemental Coverages	
	Post Breach Remedial Consulting	100 Hours
	Reputational Harm	5,000,000
	Claims Preparation Costs	50,000
	Court Attendance Costs	2,500
	Criminal Reward Payments	50,000
	Retentions	
	Breach Response Services	100,000
	All Other Coverages	100,000
	Waiting Period (Business Income Loss)	10 Hours
CNA Western Surety Company	Notary Errors and Omissions	
11/18/2024–11/18/2025	Limit of Liability (123 Notaries)	\$ 20,000

The Harris Center for Mental Health and IDD
Schedule of Professional and Consulting Fees and Contracted Provider Services
Year Ended August 31, 2025

Name	City	Service	Amount
ADVENTURE PLAYGROUND SYSTEMS, INC.	HOUSTON, TX	CONTRACTS – XRAY SVCS	\$ 61,253
AMY G ROVIRA	HOUSTON, TX	CONTRACT LABOR – COMM. AMBASSA	2,400
ARAMARK CORRECTIONAL SERVICES, LLC	PHILADELPHIA, PA	CONTRACTS – NUTRITION	983,986
ARMANDO CABRAL	HOUSTON, TX	CONTRACTS – SUPP HOME LIVING	100,574
BAYLOR COLLEGE OF MEDICINE	HOUSTON, TX	CONTRACT LABOR-RESIDENCY PROG/EKG/ PHYSICIAN SV	1,011,305
BLOOM CONSULTING, LLC	HUMBLE, TX	CONTRACTS – SITE BASED HAB	17,167
BUTTON'S INVENTORY SERVICE INC	RICHMOND, TX	CONTRACTS – PHYSICAL INVENTORY	26,735
CC ASSESSMENT SERVICES. INC.	HOUSTON, TX	CONTRACT LABOR – PSYCH – LOCUM	502,050
CENTER FOR PURSUIT	HOUSTON, TX	CONTRACTS – RESIDENTIAL/SUPP EMPLOYMENT	64,053
DATA SHREDDING SERVICES OF TEX	HOUSTON, TX	CONTRACTS – DOCUMENT DESTRUCT	17,661
EASTER SEALS OF GREATER	HOUSTON, TX	CONTRACTS – THE ARC	189,165
FMLASOURCE INC.	CHICAGO, IL	CONTRACTS – BENEFITS ADMIN	111,259
FOUNDATION FOR COGNITIVE THERAPY AND RESEARCH	BALA CYNWYD, PA	CONSULTANT	1,177,828
HANEEF ABDULLAH	HOUSTON, TX	CONTRACTS – RESPITE	2,389,558
HARRIS COUNTY HOSPITAL DISTRICT	HOUSTON, TX	CONTRACTS – HCHD MTCE (CPEP)	515,322
HEALTH STREET LLC	HOUSTON, TX	CONTRACTS – PROVIDER TRAINING	45
JWS HEALTH CONSULTANTS INC	HOUSTON, TX	CONTRACT LABOR – NURSES	249,578
LEAFHOUSE FINANCIAL ADVISORS, LLC	AUSTIN, TX	FIDUCIARY FEES	46,000
NATIONAL COUNCIL FOR BEHAVIORAL HEALTH DBA/ NLUC PLLC	ATLANTA, GA	CONTRACTS – MHFA TRAINERS	60,100
OCCUPATIONAL HEALTH CENTERS SW	HOUSTON, TX	CONTRACTS – EMPLOYEE SCREENING	3,660
RYAN GREENE DBA/COMPELLING	ADDISON, TX	CONTRACTS – PRE-EMPLOY TESTING	126,016
RYAN GREENE DBA/COMPELLING	BELLAIRE, TX	CONTRACTS – YES WAIVER SVCS	642,830
STERICYCLE, INC.	LAKE FOREST, IL	CONTRACTS – HAZARDOUS WASTE	6,914
TC PRACTICE MANAGEMENT, LLC	HOUSTON, TX	CONTRACTS – MEDICATION SVCS	18,577
TEXAS TEXTILE SERVICE, LTD.	HOUSTON, TX	CONTRACTS – LINEN SVCS	129,313
TEXAS WEST OAKS HOSPITAL	HOUSTON, TX	CONTRACTS – PP BEDS WEST OAKS	4,540,200
THE BURNETT COMPANIES CONSOLIDATED, INC.	HOUSTON, TX	CONTRACT LABOR – CLERICAL	899,511
THE COUNCIL ON RECOVERY	HOUSTON, TX	CONTRACTS – SUBSTNC ABUSE OSAR	751,017
THE MEN'S CENTER, INC.	HOUSTON, TX	CONTRACT LABOR – RECENTER STAF	111,802
TRANSLATION & INTERPRETATION NETWORK, LLC	FORT WORTH, TX	CONTRACTS – INTERPRETING SVCS	483,031
UNIVERSITY OF HOUSTON -COLLEGE	HOUSTON, TX	CONTRACT LABOR – GENERAL MD	229,048
UT HEALTH SCIENCE CENTER AT HO	HOUSTON, TX	CONTRACTS – CIVIL BEDS I, II, CIVIL COM – HCPC, PSYCH BEDS ICRP 23 B	47,194,365
VACO LLC dba PIVOT POINT CONSULTING	BRENTWOOD, TN	CONSULTANT	169,741
VICKIE BELYEU	HOUSTON, TX	CONTRACT LABOR – APPRENTICESHI	7,915

The Harris Center for Mental Health and IDD
Schedule of Legal Services
Year Ended August 31, 2025

Name	City	Type of Service	Amount
Holland & Knight LLP	Houston, TX	Employment	\$ 5,481
Norton, Rose, Fullbright, U.S. LLP	Dallas, TX	Employee Benefits	31,624
Rogers, Morris & Grover LLP	Houston, TX	General Representation	81,154
Spalding Nichols Lamp Langlois	Houston, TX	General Representation	54,161
The Feldman Firm, P.C.	Houston, TX	General Representation	30,283
Texas Secretary of State	Austin, TX	General Representation	227

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Federal and State Awards

**The Harris Center for Mental Health and IDD
Schedule of Expenditures of Federal and State Awards
Year Ended August 31, 2025**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed-through the Texas Health and Human Services Commission State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP) Cluster SNAP Nutrition	10.561	HHS000640200031	\$ 144,288
Total SNAP Cluster			<u>144,288</u>
Total U.S. Department of Agriculture			<u>144,288</u>
U.S. Department of Housing and Urban Development			
Passed-through the Harris County Community Development Block Grants/Entitlement Grants Cluster Community-wide COVID Houston Program (COVID-19)	14.218	SLFRP1966 (FAIN)	1,601,858
Total CDBG Entitlement Grants Cluster			<u>1,601,858</u>
Total U.S. Department of Housing and Urban Development			<u>1,601,858</u>
U.S. Department of the Treasury			
Passed-through the Texas Health and Human Services Commission Emergency Rental Assistance Program Community-wide COVID Housing Program (COVID-19)	21.023	2023-0284	472,954
Direct Programs			
IDD HHS Vocational Apprentice	21.027		101,581
IDD Eligibility ARPA (COVID-19)	21.027		441,891
Passed-through the City of Houston			
Clinician Officer Remote Evaluation (CORE) (COVID-19)	21.027	2022-0263	659,826
Mobile Crisis Outreach Team-Rapid Response (MCOT-RR) (COVID-19)	21.027	2022-0410	3,783,336
Crisis Intervention Response Team Program (CIRT) (COVID-19)	21.027	2022-0262	737,204
ARPA COH – Crisis Call Diversion (CCD) expansion (COVID-19)	21.027	2022-0271	218,200
Passed-through the Harris County			
Community Initiated Care (COVID-19)	21.027	SLFRP1966 (FAIN)	142,243
Responsive Interventions Services & Engagement Program (RISE) (COVID-19)	21.027	SLFRP1966 (FAIN)	1,303,620
INSPIRE (COVID-19)	21.027	SLFRP1966 (FAIN)	1,294,384
Recenter (COVID-19)	21.027	SLFRP1966 (FAIN)	112,819
ECl Responsive Intervention Services & Engagement Program (RISE) COVID-19)	21.027	SLFRP1966 (FAIN)	928,820
Passed-through the Texas Health and Human Services Commission: Youth Diversion Center ARPA (COVID-19)	21.027	SLFRP1966 (FAIN)	2,772,538
Passed-through the Texas Parks and Wildlife Department: Y & F Wellness Centre (COVID-19)	21.027	2021-CS-21207 (FAIN)	1,031,144
Passed-through the Network of Behavioral Health Providers: Clinical Advancement Program (COVID-19)	21.027	SLFRP1966 (FAIN)	41,275
Total Coronavirus State and Local Fiscal Recovery Funds			<u>13,568,881</u>
Total U.S. Department of the Treasury			<u>14,041,835</u>

**The Harris Center for Mental Health and IDD
Schedule of Expenditures of Federal and State Awards
Year Ended August 31, 2025**

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed-through the Texas Health and Human Services Commission: Special Education Cluster Special Education Grants to States	84.027	HHS000640200031	\$ 154,800
Special Education – Grants for Infants and Families Early Childhood Intervention – IDEA-C	84.181	HHS000640200031	<u>1,413,749</u>
Total U.S. Department of Education			<u>1,568,549</u>
U.S. Department of Health and Human Services:			
Passed-through the Texas Health and Human Services Commission Projects for Assistance in Transition from Homelessness (PATH) Mental Health Block Homeless PATH Grant	93.150	HHS000231500013	1,126,620
Every Student Succeeds Act/Preschool Development Grants Early Childhood Intervention TWC Training (PDG Child Care Training)	93.434	HHS000640200031	113,850
Temporary Assistance for Needy Families (TANF) Cluster TANF Transfer to Title XX Block Grant	93.558	HHS001324500036	1,386,984
Early Childhood Intervention	93.558	HHS000640200031	<u>308,629</u>
Total TANF Cluster			<u>1,695,613</u>
Social Services Block Grant	93.667	HHS001324500036	650,937
Grants to States for Medicaid Cluster Medicaid Administrative Claiming Program	93.778	HHS000537900304	7,970,634
EI Administrative Claiming Program	93.778	HHS000537900304	<u>439,473</u>
Total Grants to States for Medicaid Cluster			<u>8,410,107</u>
Opioid STR Opioid Response Program	93.788	HHS001324500036	289,579
Substance Abuse Outreach Screen Assessment Referral	93.788	HHS000782500006	<u>764,092</u>
Total Opioid STR			<u>1,053,671</u>
Money Follows the Person Rebalancing Demonstration Enhanced Community Coordination	93.791	HHS000994800001	504,993
Block Grants for Community Mental Health Services Mental Health Block Grant	93.958	HHS001324500036	3,410,166
Mental Health Block Grant - Supp Housing	93.958	HHS001324500036	463,635
Mental Health Block Grant (CSC)	93.958	HHS001329300020	993,953
Outpatient Capacity Expansion (OCE)	93.958	HHS001108400036	2,501,813
Housing Complex Supplement	93.958	HHS001108400036	466,141
Hospital to Home Expansion	93.958	HHS001108400036	456,016
Navigation Center	93.958	HHS001108400036	362,019
Crisis Hotline and MCOT	93.958	HHS001108400036	120,370
Community Psychiatric Residency Grant Program	93.958	HHS001351200001	239,751
Hospital Transition Pilot (Stepdown)	93.958	HHS000866900003	1,391,461
Mental Health Suicide Care Pilot Project (ZEST)	93.958	HHS000505700001	323,325
General Revenue-Mental Health First Aid	93.958	HHS001335500036	<u>100,050</u>
Total Block Grants for Community Mental Health Services			<u>10,828,700</u>
Mental Health Disaster Assistance and Emergency Mental Health Crisis Counseling	93.982	HHS001453900036	4,264,778
	97.032	HHS000434500026	511,483

The accompanying notes are an integral part of this Schedule.

**The Harris Center for Mental Health and IDD
Schedule of Expenditures of Federal and State Awards
Year Ended August 31, 2025**

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services (continued)			
Passed-through the University of Texas at Austin Behavioral Therapy for Youth with Autism and Anxiety Advancing the Early Psychosis Intervention Network in Texas	93.242	UTA20-001150	\$ 14,509
Substance Abuse and Mental Health Services Projects of Regional and National Significance Direct Programs Living is for Everyone (LIFE)	93.243		457,884
Passed-through the Texas Health and Human Services Commission Lifeline	93.243	HHS000790600002	6,198,025
Promoting Integration of Primary and Behavioral Health Care	93.243	HHS001462500004	290,379
Passed-through the Harris County Advancing Wellness & Resiliency in Education (AWARE)	93.243	23-7164	530,279
Passed-through the Substance Abuse and Mental Health Services Administration: Early Onset	93.243	H79SM086120	350,322
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			<u>7,826,889</u>
Passed-through the Texas Department of Families and Protective Services MaryLee Allen Promoting Safe and Stable Families Program Family First Protective Services Grant Program	93.556	2001TXFFFTA	1,063,533
Direct Programs Certified Community Behavioral Health Clinic Expansion Grants Certified Community Behavioral Health Clinic Improvement and Advancement Grant Program	93.696		1,236,180
Block Grants for Prevention and Treatment of Substance Abuse Passed-through the Texas Health and Human Services Commission Substance Abuse Prevention & Treatment Abuse Community Health Workers	93.959	HHS000780700004	813,592
Substance Use Disorder Treatment-Treatment for Adult	93.959	HHS001040100008	154,084
Substance Use Disorder Treatment-Treatment for Female	93.959	HHS001040100021	5,180
Substance Abuse Prevention & Treatment Block Grant (COVID-19)	93.959	HHS000782500006	193,296
Supplemental Grant Program (HR133 ARPA) – Substance Use Services (COVID-19)	93.959	HHS001108400036	555,237
Passed-through the Harris County – Housing and Community Development: Independent Living Expansion	93.959	24-7063	465,897
Passed-through the UT Health Science Center at San Antonio: Medication Assisted Treatment Alcohol and Other Substance Use Disorders	93.959	HHS001196700002	174,124
Total Block Grants for Prevention and Treatment of Substance Abuse			<u>2,361,410</u>
Total U.S. Department of Health and Human Services			<u>41,663,273</u>
Total Expenditures of Federal Awards			<u>\$ 59,019,803</u>

The accompanying notes are an integral part of this Schedule.

**The Harris Center for Mental Health and IDD
Schedule of Expenditures of Federal and State Awards
Year Ended August 31, 2025**

(Continued)

State Grantor/Program Title	Contract number	State Expenditures
Texas Health and Human Services Commission		
Direct Programs		
General Revenue – Mental Health	HHS001324500036	\$ 76,908,822
General Revenue – Harris County Psychiatric Intervention	HHS001324500036	314,542
General Revenue – Psychiatric Hospitals	HHS001324500036	46,100,430
<i>Total Contract number HHS001324500036</i>		<u>123,323,794</u>
General Revenue – Nursing Facility Specialized Services	HHS000994800001	16,494
General Revenue – Crisis Respite Services	HHS000994800001	1,162,547
General Revenue – Crisis Intervention Specialist	HHS000994800001	416,221
General Revenue – Intellectual or Developmental Disabilities	HHS000994800001	8,081,013
General Revenue – Intellectual or Developmental Disabilities Admin	HHS000994800001	897,890
General Revenue – Permanency Planning	HHS000994800001	132,715
<i>Total Contract number HHS000994800001</i>		<u>10,706,880</u>
General Revenue – HCBS Pre Engagement	HHS001326200035	2,890
General Revenue – Mental Health Psychiatric Residency	HHS001023400001	350,111
SG Jail Based Comp Restoration Pilot	HHS000789300001	2,068,136
House Bill 13	HHS000477100041	324,500
Health Community Collaborative	HHS000559400001	3,430,442
MH Outpatient services for IDD	HHS000776900005	319,589
General Revenue – Mental Health First Aid	HHS000186700001	110,000
Lifeline – 988 Planning	HHS000790600002	736,232
Multisystemic Therapy Grant Program	HHS001285300015	546,923
Supporting Mental Health and Resiliency in Texas Innovation Grant Program	HHS001513400017	838,499
Mental Health Grant for Justice-Involved Individuals	HHS001545200017	525,118
PASRR Assistive Technology	HHS001367600001	8,500
		<u>143,291,614</u>
Total Direct Programs		
Passed-through the Baylor College of Medicine		
Be Well Be TX Child Mental Healthcare Consortium (TCMHCC)	2024-054	165,777
Total Passed-through Baylor College of Medicine		<u>165,777</u>
Passed-through the Harris County		
Harris County Jail Diversion	HHS001344200001	5,000,000
Community Mental Health	HHS000477100004	1,798,267
Total Passed-through the Harris County		<u>6,798,267</u>
Total Texas Health and Human Services Commission		<u>150,255,658</u>
Texas Higher Education Coordinating Board		
CPWE	2024-054	174,677
Total Texas Higher Education Coordinating Board		<u>174,677</u>
Total Expenditures of State Awards		<u>150,430,335</u>
Total Expenditures of Federal and State Awards		<u>\$ 209,450,138</u>

The accompanying notes are an integral part of this Schedule.

**The Harris Center for Mental Health and IDD
Notes to Schedule of Expenditures of Federal and State Awards
Year Ended August 31, 2025**

Note 1. General

The schedule of expenditures of federal and state awards (Schedule) presents the activity of all applicable federal and state awards of The Harris Center for Mental Health and IDD (Center) for the year ended August 31, 2025. 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 and state financial awards passed through other governmental agencies, are included on the Schedule.

Note 2. Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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 Cost Rate

The Center has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

The Harris Center for Mental Health and IDD
Notes to Schedule of Expenditures of Federal and State Awards
Year Ended August 31, 2025

Note 5. Reconciliation of Federal and State Revenues and the Schedule of Expenditures of Federal and State Awards

The following is a reconciliation of federal and state grant expenditures reported on the Schedule to the federal and state revenues reported in the basic financial statements for the year ended August 31, 2025:

State revenues per the statement of revenues, expenditures, and changes in fund balances – governmental funds	<u>\$ 158,976,553</u>
Less	
Helpline Contracts	736,232
Other State ECI	(5,384,647)
Texas Correctional Office on Offenders With Medical or Mental Impairments (TCOOMI) program	<u>(3,897,803)</u>
	<u>(8,546,218)</u>
State expenditures per the schedule of expenditures of state awards	<u>\$ 150,430,335</u>
Federal revenues per the statement of revenues, expenditures, and changes in fund balances – governmental funds	<u>\$ 108,973,805</u>
Less	
Helpline Contracts	(736,232)
Other State ECI	2,130,784
Charity Care Program and Directed Payment Program	<u>(51,348,553)</u>
	<u>(49,954,002)</u>
State expenditures per the schedule of expenditures of federal awards	<u>\$ 59,019,803</u>

**The Harris Center for Mental Health and IDD
 Schedule of Findings and Questioned Costs
 Year Ended August 31, 2025**

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
 - Unmodified Qualified Adverse Disclaimer
2. Internal control over financial reporting:
 - Significant deficiency(ies) identified? Yes None reported
 - Material weakness(es) identified? Yes No
3. Noncompliance material to the financial statements noted? Yes No

Federal Awards

4. Internal control over major federal awards programs:
 - Significant deficiency(ies) identified? Yes None reported
 - Material weakness(es) identified? Yes No
5. Type of auditor’s report issued on compliance for each of the major federal programs:
 - Unmodified Qualified Adverse Disclaimer
6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? Yes No
7. Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
93.778	Medicaid Cluster
93.958	Block Grants for Community Mental Health Services
93.982	Disaster Crisis Counseling Program

8. Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000.
9. Auditee qualified as a low-risk auditee? Yes No

**The Harris Center for Mental Health and IDD
 Schedule of Findings and Questioned Costs
 Year Ended August 31, 2025**

(Continued)

State Awards

10. Internal control over major state awards program:

- Significant deficiency(ies) identified? Yes None reported
 Material weakness(es) identified? Yes No

11. Type of auditor's report issued on compliance for major state program:

- Unmodified Qualified Adverse Disclaimer

12. Any audit findings disclosed that are required to be reported by Texas Grant Management Standards?

- Yes No

13. Identification of major state program:

Award Number	Name of State Program or Cluster
HHS001324500036	State General Revenue

14. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

Section IV – State Award Findings and Questioned Costs

No matters are reportable.

**The Harris Center for Mental Health and IDD
Summary Schedule of Prior Audit Findings
Year Ended August 31, 2025**

No matters are reportable.

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