



Transforming Lives

(A COMPONENT UNIT OF HARRIS COUNTY, TEXAS)

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Years Ended

August 31, 2020 and 2019

Wayne Young, MBA, LPC, FACHE
Chief Executive Officer

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

**For the fiscal years ended
August 31, 2020 and August 31, 2019**

**Prepared by
Finance Department**

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

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

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INTRODUCTORY SECTION



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Financial Services
9401 Southwest Freeway
Houston, TX 77074
713-970-7000 Office
713-970-7000 Fax

January 27, 2021

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 comprehensive annual financial report for The Harris Center for Mental Health and IDD (Center), formerly known as the Mental Health and Mental Retardation Authority of Harris County, for the fiscal year ended August 31, 2020. The report is published to provide the Board, the people we serve, family members, elected officials, and other interested parties with detailed information concerning our financial condition and activities of the organization. It is also required by our major funding sources: Texas Health and Human Services Commission, Harris County, as well as other federal, state, and local grantors.

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

Financial Report

The comprehensive annual 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 easily readable analysis of the Center's financial activities based on currently known facts.

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

Fiscal Year

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

Accounting Systems and Budgetary Controls

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

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

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

Independent Audit

The Harris Center for Mental Health and IDD's financial statements were audited by Whitley Penn LLP, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of The Harris Center for Mental Health and IDD for the fiscal year ended August 31, 2020 are free of material misstatement. The independent audit involved examining, on test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that The Harris Center for Mental Health and IDD's financial statements for the fiscal year ended August 31, 2020 are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the Financial Section of this report. The independent audit of the financial statements of The Harris Center for Mental Health and IDD was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on those requirements involving the administration of federal and state awards.

Business Profile

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

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

The first Board of Trustees for The Harris Center for Mental Health and IDD was established by the Harris County Commissioners Court in 1965. As of August 31, 2020, the end of the fiscal year, the Board was composed of nine citizens who were appointed to serve two-year terms of office by the Commissioners Court. Members of The Harris Center for Mental Health and IDD's Board of Trustees receive no salary nor compensation for their work on the Board.

The Harris Center for Mental Health and IDD is a separate entity under state law from Harris County, and governed by an independent Board of Trustees, appointed by the Harris County Commissioners Court. There is oversight responsibility exercised by Harris County Commissioners Court, but the financial information of Harris County is not within the scope of the Center's Financial Statement. For financial reporting purposes, and in conformance with generally accepted accounting principles (GAAP), The Harris Center for Mental Health and IDD is included as a component unit under the general purpose financial statements of Harris County because the County's Commissioners Court appoints the members of the Center's Board of Trustees and a significant financial burden will be incurred by the County in case the Center will discontinue its operations.

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

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

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

For Fiscal Year 2020, The Harris Center for Mental Health and IDD had a contract with each of these two state agencies, HHSC/DSHS, a state Agency created pursuant to Texas Health and Safety Code (THSC), Chapter 1001, and HHSC/DADS, a state Agency created pursuant to Texas Human Resource Code (THRC), Chapter 161.

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

Economic and Political Milieu

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

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

The Center's use of the Patient Assistance Program/Drug Sample Program continues to be successful and has provided the Center's people served with "free" medications in nearly of \$22 million in Fiscal Year 2020. The Agency employs a dedicated team of staff who work with the people served to complete the paperwork required by the various pharmaceutical companies in order for them to obtain these free drugs. Without these programs, the Center would otherwise be forced to purchase these drugs.

Long-term Financial Planning

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

Awards

As of the date of this report, GFOA had not completed its review of the Center's CAFR. As such, the GFOA award for 2018 was included instead.

Acknowledgements

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

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

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

Respectfully submitted,



Wayne Young, MBA, LPC, FACHE
Chief Executive Officer



Sean Kim, MBA, CPA
Chief Financial and Administrative Officer

CERTIFICATE OF BOARD

I, Shaukat Zakaria, Chairperson of the Board of Trustees of The Harris Center for Mental Health and IDD, do hereby certify that this accompanying audit report for the Fiscal Year 2020 from Whitley Penn, LLP, was reviewed and approved at a meeting of the Board of Trustees held on the 27th day of January, 2021.



Chairperson
The Harris Center Board of Trustees

1/27/21

Date



Government Finance Officers Association

**Certificate of
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for Excellence
in Financial
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Presented to

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

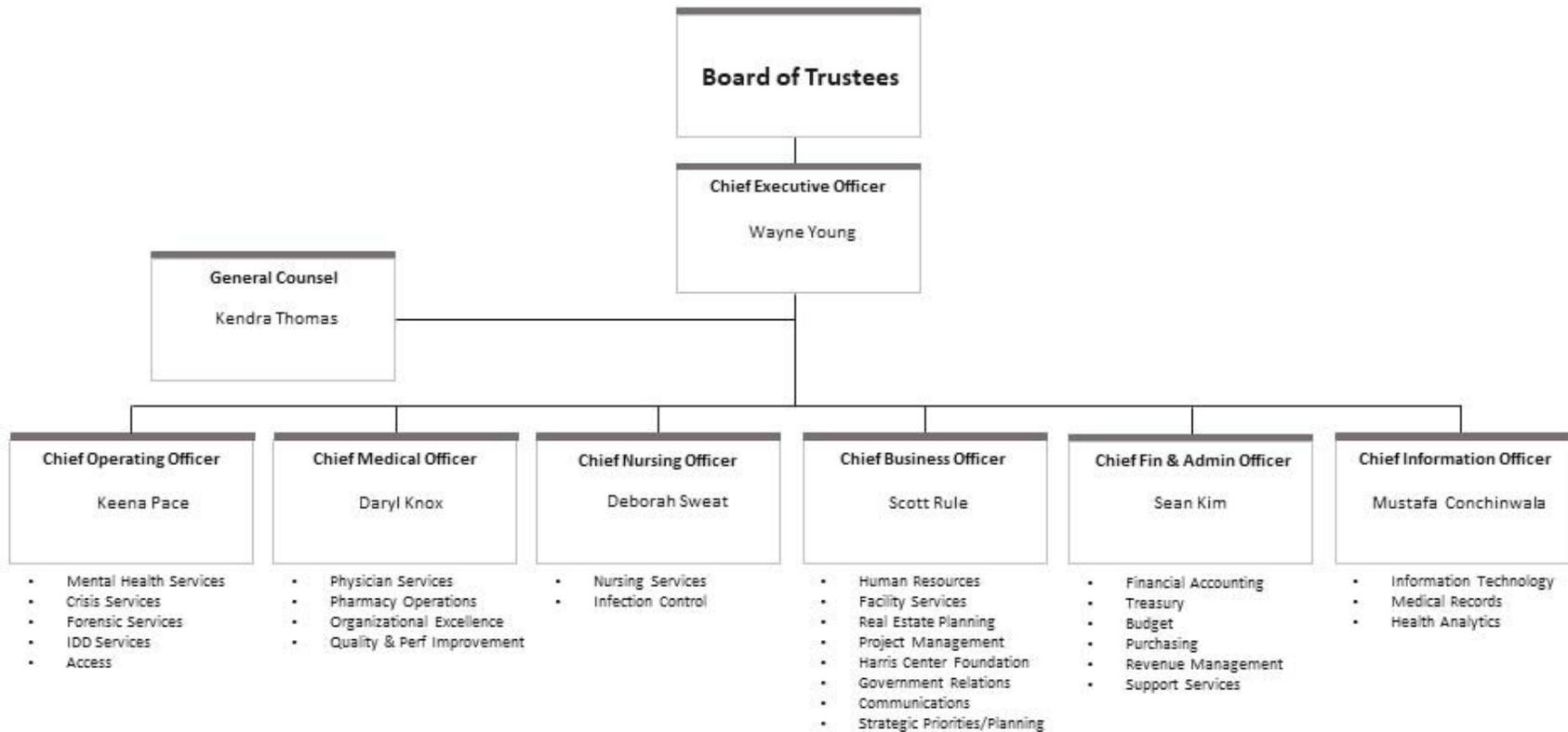
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2018

Christopher P. Morill

Executive Director/CEO

Organizational Chart



THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

LISTING OF OFFICIALS

Year Ended August 31, 2020

Board of Trustees

| | |
|--|------------------|
| Jon R. Keeney | Chairperson |
| Lois J. Moore, BSN, M. ED., LHD, FACHE | Vice Chairperson |
| George Santos, MD | Vice Chairperson |
| Shaukat Zakaria | Secretary |
| Sheriff Ed Gonzalez | Member |
| Bonnie C. Hellums, M. ED., LMFT, LCDC, AAC, JD | Member |
| Wesley P. Hunt | Member |
| James Lykes | Member |
| Gerald W. Womack | Member |
| Robin E. Gearing, PhD | Member |

Executive Leadership

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



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FINANCIAL SECTION



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REPORT OF INDEPENDENT AUDITORS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of The Harris Center for Mental Health and IDD (the “Center”), a component unit of Harris County, Texas as of and for the year ended August 31, 2020 (May 31, 2020 for Pasadena Cottages, Inc.), and the related notes to the financial statements, which collectively comprise the Center’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Pasadena Cottages, Inc., Pecan Village, Inc., Villas at Bayou Park, Inc., Pear Grove, Inc., or Acres Homes Gardens, Inc., which represent 86 percent, 85 percent, and 92 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Pasadena Cottages, Inc., Pecan Village, Inc., Villas at Bayou Park, Inc., Pear Grove, Inc., or Acres Homes Gardens, Inc. is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Pasadena Cottages, Inc., were not audited in accordance with *Government Auditing Standards*.

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

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of the Center, as of August 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis on Matter Going Concern

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

Report on Comparative Information

The comparative information presented herein as of and for the year ended August 31, 2019, was derived from financial statements audited by a predecessor auditor and, accordingly, we express no opinion or provide no assurance on it. In their report, dated January 28, 2020, the predecessor auditor expressed an unmodified opinion on those audited financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11 and budgetary comparison for the General Fund pages 20 through 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center’s basic financial statements. The other supplementary information (as listed in the accompanying table of contents) and other information, such as the introductory and statistical section, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal and State Awards is required by the *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas *Uniform Grant Management Standards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2021, on our consideration of the Center’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center’s internal control over financial reporting and compliance.



Houston, Texas
January 27, 2021



Transforming Lives

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

We present the readers the financial statements of The Harris Center for Mental Health and IDD (Center), formerly known as the Mental Health and Mental Retardation Authority of Harris County, along with this narrative overview and analysis of the financial activities for the fiscal year ended August 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of the Center exceeded its liabilities at the close of FY 2020 by \$140,854,478 (net position) of this amount, \$112,760,517 (unrestricted net position) may be used to meet the Center's ongoing obligations.
- The Center's total net position (government-wide) increased by \$25,055,113 during the year.
- The Center's governmental funds increased by \$24,629,445 resulting in an ending fund balance of \$120,634,422.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$71,548,268 or 27% of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the Center's net position changed during the fiscal year. This statement includes all of the revenue and expenses generated by the Center's operations. The accrual basis of accounting is used, which is similar to the method used by most private-sector companies. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources which have been segregated for specific activities or objectives. The Center uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Center can be divided into three categories: governmental funds, proprietary 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 statement can be found on page 23 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 24-27 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 29 of this report.

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

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

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 \$140,854,478 at the close of the fiscal year.

The largest portion of the Center's net position (80%) represents the unrestricted financial resources available for future operations. This compares to last fiscal year's unrestricted financial resources at 78%.

Another 20% reflects its investment in capital assets such as land, buildings, vehicles and electronic equipment, less any related debt that are still outstanding. The Center uses these assets to provide services to the consumers that we serve. Consequently, these assets are not available for future spending. Although the Center's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The following chart reflects a summary of net position as of August 31, 2020 with comparative figures for FY 2019:

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

| | Governmental Activities | |
|-----------------------------------|--------------------------------|-----------------------|
| | 2020 | 2019 |
| Current and other assets | \$ 154,150,209 | \$ 122,032,555 |
| Non-current assets | 28,639,674 | 27,118,112 |
| Total assets | 182,789,883 | 149,150,667 |
| Current liabilities | 34,311,499 | 27,369,007 |
| Long-term liabilities outstanding | 7,623,906 | 5,982,295 |
| Total liabilities | 41,935,405 | 33,351,302 |
| Net position: | | |
| Net investment in capital assets | 28,093,961 | 25,480,970 |
| Unrestricted | 112,760,517 | 90,318,395 |
| Total net position | \$ 140,854,478 | \$ 115,799,365 |

The increase in net position was primarily due to revenues from federal funding such as the Delivery System Reform Incentive Payments exceeding related expenses.

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

Governmental Activities

Revenues for the Center's governmental activities were \$286,408,914 while total expenses were \$261,353,801. The change in net position of governmental activities was \$25,055,113. The following table reflects a comparison of the governmental activities between FY 2020 and FY 2019:

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

| | Governmental Activities | |
|---|--------------------------------|-----------------------|
| | 2020 | 2019 |
| Revenues | | |
| Program revenues: | | |
| Charges for services: | | |
| Intellectual and Developmental | \$ 16,690,170 | \$ 20,004,135 |
| Mental Health Adult | 69,593,797 | 21,370,559 |
| Mental Health Child and Adolescents | 6,507,956 | 10,641,505 |
| Crisis Center | 6,048,908 | 4,064,573 |
| Total Charges for Services | 98,840,831 | 56,080,772 |
| Operating Grants and Contributions: | | |
| Intellectual and Developmental | 21,157,352 | 20,348,294 |
| Mental Health Adult | 70,204,877 | 75,745,827 |
| Mental Health Child and Adolescents | 13,188,239 | 13,395,375 |
| Crisis Center | 35,210,952 | 37,715,590 |
| Community Hospital | 24,662,929 | 30,800,495 |
| Total Operating Grants and Contributions | 164,424,349 | 178,005,581 |
| General Revenues: | | |
| Payment from Harris County | 21,175,605 | 20,500,000 |
| Investment earnings | 1,093,385 | 2,084,663 |
| Other income | 849,027 | 154,083 |
| Gain from sale of capital assets | 25,717 | 10,751,207 |
| Total general revenues | 23,143,734 | 33,489,953 |
| Total Revenues | 286,408,914 | 267,576,306 |
| Expenses | | |
| General administration | 29,679,016 | 25,346,733 |
| Intellectual and Developmental Disabilities | 38,148,782 | 35,685,945 |
| Mental Health Adult | 91,246,763 | 82,351,413 |
| Mental Health Child and Adolescents | 20,878,283 | 22,637,285 |
| Crisis Center | 51,411,079 | 44,068,994 |
| Community Hospital | 29,956,331 | 34,546,935 |
| Interest on long-term debt | 33,547 | 60,238 |
| Total Expenses | 261,353,801 | 244,697,543 |
| Changes in Net Position | 25,055,113 | 19,878,766 |
| Net Position Beginning | 115,799,365 | 99,976,145 |
| Prior period adjustment | - | (4,055,546) |
| Net Position Ending | \$ 140,854,478 | \$ 115,799,365 |

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

Changes in Net Position

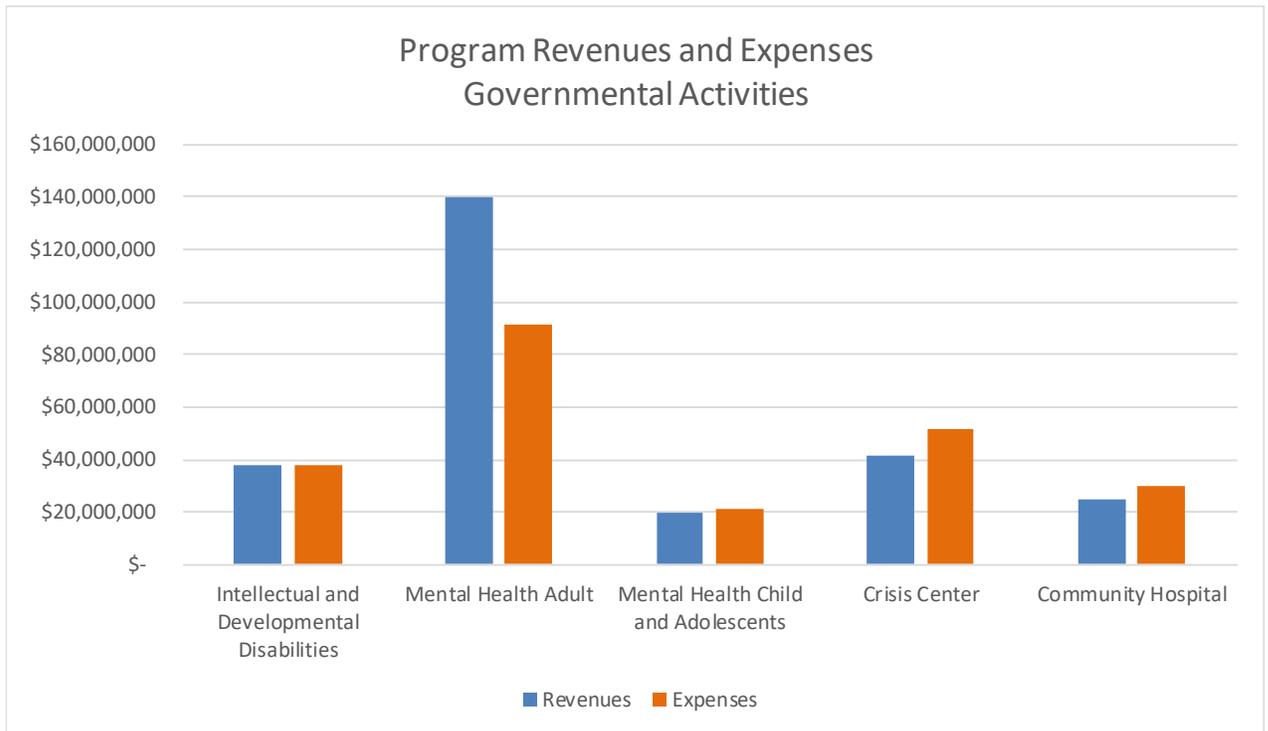
Total revenues increased between FY 2019 and FY 2020 mainly due to the increase in funding for the Delivery System Reform Incentive Payments received from the Texas Health and Human Services Commission

Expenses increased due to expanded services provided in the Mental Health Adult program and the Crisis Center.

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

| | Net Cost of Services |
|---|---------------------------------|
| Intellectual and Developmental Disabilities | \$ (5,171,355) |
| Mental Health Adult | 36,886,294 |
| Mental Health Child and Adolescents | (3,847,902) |
| Crisis Center | (16,738,512) |
| Community Hospital | (9,183,599) |
| Interest on long-term debt | (33,547) |
| Total | <u><u>\$ 1,911,379</u></u> |

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



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

Financial Analysis of the Center's Funds

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

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

The General Fund is the primary operating fund of the Center. As the Center completed the year, its General Fund (as presented in the balance sheet on page 18) reported a fund balance of \$120,634,422. A large portion of this, or 59%, is labeled as unassigned fund balance. As a measure of the General Fund's liquidity, it may be useful to compare spendable (assigned and unassigned) fund balance to total fund expenditures. Assigned and unassigned fund balance totals \$119,793,054 and represents 46% of total General Fund expenditures or the equivalent of 167 days.

An analysis of significant balances follows:

- Compared to the previous year, State grants and programs for FY 2020 increased by \$10,084,351, primarily as a result of an increase in funding from HHSC/DSHS.
- Federal funds increased by \$16,276,353 compared to the prior year as result of additional DSRIP funding.
- The Harris County allocation increased by \$4,027,224.
- In fiscal year 2020, local billings decreased by \$1,489,689. Investment earnings decreased by \$939,859.

General Fund Budgetary Highlights

The Center original revenue budget was increased by \$6.6 million during fiscal year 2020. The most notable increases affect the County fund budget which was increased by \$3.6 million. The federal programs budget was increased by \$1.7 million. The Disaster Assistance and Substance Abuse and Mental Health Services and Prevention and Treatment budgets were each increased by \$0.8 million, 0.5 million, and \$0.4 million.

Actual total revenues exceeded budgeted amounts by \$27.4 million. The most notable positive variance of \$38.9 million was seen in Delivery System Reform Incentive Payments. Actual revenues totaled \$64.9 million, while the amended budget was \$26.0 million.

This positive variance was offset by negative variances. That is, there were certain actual revenues that were less than the budgeted amounts. These revenue streams include County funds (\$2.5 million), patient fees and private insurance (\$6.2 million), and Medicaid (\$7.1 million).

The expenditure budget was amended by \$19.1 million. The most increase was in the repairs and maintenance (\$8.3 million), contracts with service agencies and professional fees (\$3.8 million) and capital outlay (\$3.8 million). Actual expenditures were less than budgeted amounts by \$13.3 million. The most significant positive variance was realized in repairs and maintenance (\$5.8 million), drug cost and other supplies (\$3.5 million) and contracts with service agencies and professional fees (\$2.3 million).

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

Capital Asset and Debt Administration

Capital Assets. The Center's investment in capital assets as of August 31, 2020, amounts to \$28,639,674 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, and vehicles.

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

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

| | <u>Fiscal Year</u> <u>2020</u> | <u>Fiscal Year</u> <u>2019</u> | <u>Increase</u> <u>(Decrease)</u> |
|-----------------------------|-----------------------------------|-----------------------------------|--------------------------------------|
| Land | \$ 5,028,114 | \$ 5,028,114 | \$ - |
| Buildings & improvements | 18,831,705 | 20,600,611 | (1,768,906) |
| Furniture & equipment | 1,353,158 | 1,247,438 | 105,720 |
| Vehicles | 262,737 | 241,949 | 20,788 |
| Construction in progress | 3,163,960 | - | 3,163,960 |
| Total capital assets | <u>\$ 28,639,674</u> | <u>\$ 27,118,112</u> | <u>\$ 1,521,562</u> |

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

Long-term debt. At the end of the fiscal year, the Center had total outstanding long-term debt of \$8,419,619. A more extensive discussion about long-term debt is provided in the Notes to the Basic Financial Statements: Note 6 - Long-Term Liabilities.

Requests for Information

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



Transforming Lives

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

STATEMENT OF NET POSITION

August 31, 2020 and 2019

| | 2020 | | 2019 | |
|---|----------------------------|---------------------|----------------------------|---------------------|
| | Governmental Activities | Component Units | Governmental Activities | Component Units |
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ 9,695,827 | \$ 1,019,694 | \$ 5,498,872 | \$ 892,074 |
| Investments | 117,821,795 | - | 70,685,641 | - |
| Investments - restricted | 2,287,604 | - | 2,263,196 | - |
| Accounts receivable, net | 23,503,615 | 5,943 | 42,729,380 | 34,969 |
| Inventories | 246,618 | - | 257,786 | - |
| Deposits | 3,290 | - | 3,290 | - |
| Prepaid expenses | 591,460 | 40,796 | 594,390 | 10,301 |
| Other assets | - | 10,671 | - | 12,472 |
| Total Current Assets | 154,150,209 | 1,077,104 | 122,032,555 | 949,816 |
| Noncurrent Assets: | | | | |
| Restricted cash and cash equivalents | - | 374,697 | - | 361,959 |
| Land | 5,028,114 | - | 5,028,114 | - |
| All other capital assets, net | 23,611,560 | 4,991,331 | 22,089,998 | 5,168,027 |
| Total Noncurrent Assets | 28,639,674 | 5,366,028 | 27,118,112 | 5,529,986 |
| Total Assets | 182,789,883 | 6,443,132 | 149,150,667 | 6,479,802 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Accounts payable | 4,176,471 | 301,476 | 3,773,582 | 657,272 |
| Accrued liabilities | 10,887,237 | 7,418 | 9,188,638 | 15,780 |
| Unearned revenue | 18,452,078 | 13,525 | 13,065,358 | - |
| Current portion of long-term obligations | 795,713 | 18,226 | 1,341,429 | 60,394 |
| Total Current Liabilities | 34,311,499 | 340,645 | 27,369,007 | 733,446 |
| Noncurrent Liabilities | | | | |
| Noncurrent portion of long-term obligations | 7,623,906 | 360,727 | 5,982,295 | 378,953 |
| Total liabilities | 41,935,405 | 701,372 | 33,351,302 | 1,112,399 |
| Net Position | | | | |
| Net investment in capital assets | 28,093,961 | 4,612,378 | 25,480,970 | 4,728,680 |
| Unrestricted | 112,760,517 | 1,129,382 | 90,318,395 | 638,723 |
| Total Net Position | \$ 140,854,478 | \$ 5,741,760 | \$ 115,799,365 | \$ 5,367,403 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

STATEMENT OF ACTIVITIES

For The Year Ended August 31, 2020

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

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

STATEMENT OF ACTIVITIES

For The Year Ended August 31, 2020

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

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

BALANCE SHEET

GOVERNMENTAL FUNDS

August 31, 2020 and 2019

| | General Fund | |
|---|-----------------------|-----------------------|
| | 2020 | 2019 |
| Assets | | |
| Cash and cash equivalents | \$ 9,695,827 | \$ 5,498,872 |
| Investments | 120,109,399 | 72,948,837 |
| Accounts Receivable (net of allowance for uncollectible) | 2,149,444 | 2,117,218 |
| Receivables from other governments | 17,929,384 | 34,490,551 |
| Other receivables | 3,424,787 | 6,121,611 |
| Inventories | 246,618 | 257,786 |
| Deposits | 3,290 | 3,290 |
| Prepaid items | 591,460 | 594,390 |
| Total Assets | \$ 154,150,209 | \$ 122,032,555 |
| Liabilities and Fund Balances | | |
| Liabilities: | | |
| Accounts payable | 4,176,471 | 3,773,582 |
| Accrued liabilities | 10,887,238 | 9,188,638 |
| Unearned revenues | 18,452,078 | 13,065,358 |
| Total Liabilities | 33,515,787 | 26,027,578 |
| Fund Balance: | | |
| Nonspendable: | | |
| Inventories | 246,618 | 257,786 |
| Prepaid items | 591,460 | 594,390 |
| Deposits | 3,290 | 3,290 |
| Assigned: | | |
| Delivery system reform incentive projects | 4,253,997 | 27,420,497 |
| Infrastructure development | - | 121,846 |
| Current capital projects | 7,786,806 | - |
| Future purchase of real property and IT infrastructure | 22,927,102 | - |
| ECI building use | 352,067 | - |
| COVID-19 eFMAP reserve | 5,524,745 | - |
| Self-insurance | 2,000,000 | 2,263,196 |
| Debt repayment | 545,715 | 1,637,140 |
| Compensated absences | 4,854,354 | 5,686,582 |
| Other purposes | - | 335,621 |
| Unassigned | 71,548,268 | 57,684,629 |
| Total Fund Balances | 120,634,422 | 96,004,977 |
| Total Liabilities and Fund Balances | \$ 154,150,209 | \$ 122,032,555 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS GOVERNMENTAL
FUNDS TO STATEMENT OF NET POSITION
August 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|------------------------------|------------------------------|
| Total fund balance | \$ 120,634,422 | \$ 96,004,977 |
| 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. | 28,639,674 | 27,118,112 |
| Long-term liabilities, current and long-term, are not due and payable with current financial resources and therefore, are not reported in the fund. | <u>(8,419,618)</u> | <u>(7,323,724)</u> |
| Net position governmental activities | <u><u>\$ 140,854,478</u></u> | <u><u>\$ 115,799,365</u></u> |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - GOVERNMENTAL FUNDS

For the Years Ended August 31, 2020 and 2019

| | General Funds | |
|---|-----------------------|----------------------|
| | 2020 | 2019 |
| Revenues | | |
| State grants & programs | \$ 123,312,937 | \$ 113,228,586 |
| Federal grants | 82,488,389 | 66,212,036 |
| Harris County allocation | 44,093,032 | 40,065,808 |
| Local billings | 29,969,735 | 31,459,424 |
| Investment earnings | 1,093,385 | 2,033,244 |
| Miscellaneous | 5,910,886 | 3,774,583 |
| Total revenues | 286,868,364 | 256,773,681 |
| Expenditures | | |
| Current: | | |
| Adult mental health | 90,121,966 | 82,351,413 |
| Intellectual & developmental disabilities | 37,987,166 | 35,685,945 |
| Child and adolescent | 20,528,013 | 22,637,285 |
| Crisis center | 50,480,041 | 47,068,991 |
| Community hospital (payment to HCPC) | 30,201,517 | 34,546,935 |
| General administration | 31,820,957 | 23,322,527 |
| Debt service: | | |
| Principal | 1,091,429 | 1,091,429 |
| Interest and other charges | 33,547 | 60,238 |
| Total Expenditures | 262,264,636 | 246,764,763 |
| Excess (deficiency) of revenues over expenditures | 24,603,728 | 10,008,918 |
| Other Financing Sources | | |
| Transfers in | - | 2,263,196 |
| Proceeds from sale of capital assets | 25,717 | 11,777,429 |
| Total other financing sources | 25,717 | 14,040,625 |
| Net changes in fund balance | 24,629,445 | 24,049,543 |
| Fund balances - beginning | 96,004,977 | 76,010,980 |
| Prior period adjustment | - | (4,055,546) |
| Fund balances - ending | \$ 120,634,422 | \$ 96,004,977 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES
For the Years Ended August 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|----------------------|----------------------|
| Net change in fund balances - total governmental funds | \$ 24,629,445 | \$ 24,049,543 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | 1,521,562 | (2,057,474) |
| In the statement of activities, net book value of equipment and vehicles written off is recorded as expenses, whereas this is not reported in the governmental fund. Thus, the change in net position differs from the change in fund balance by the net book value of the equipment and vehicles written off. | - | (1,026,222) |
| Income generated from the internal service fund is reported in governmental activities. | - | (2,211,778) |
| Repayment of bonds, notes payable and capital leases is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position. | 1,091,429 | 1,091,429 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount is the net change in accrued compensated absences in the government-wide financial statements during the current fiscal year. | <u>(2,187,323)</u> | <u>33,268</u> |
| Change in net position of governmental activities | <u>\$ 25,055,113</u> | <u>\$ 19,878,766</u> |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

BUDGETARY COMPARISON STATEMENT

GENERAL FUND

For the Year Ended August 31, 2020

| | Budget | | Actual (Budgetary Basis) | Variance Positive/ (Negative) |
|--|-----------------------|-----------------------|-------------------------------------|--|
| | Original | Final | | |
| State Program Revenues | | | | |
| General Revenues | \$ 113,551,756 | \$ 113,631,274 | \$ 114,533,980 | \$ 902,706 |
| Early Childhood Intervention | 4,382,852 | 4,382,852 | 4,552,424 | 169,572 |
| Services to Children with Autism | 445,000 | 445,000 | 530,276 | 85,276 |
| Texas Council on Offenders with Mental Impairments | 3,461,333 | 3,139,897 | 2,850,627 | (289,270) |
| Texas Department of Criminal Justice- Parole and Substance Abuse | 446,000 | 460,200 | 460,200 | - |
| Texas Department of State Health Services- Zero Suicide in Texas | 534,938 | 534,938 | 303,472 | (231,466) |
| Office of the Texas Governor Crime Victims Assistance Grant Program | 1,518,441 | 1,354,837 | - | (1,354,837) |
| Other State Grants | 4,383 | 451,546 | 81,958 | (369,588) |
| Total State Program Revenues | 124,344,703 | 124,400,544 | 123,312,937 | (1,087,607) |
| Federal Program Revenues | | | | |
| Mental Health Block Grant | 3,081,806 | 3,081,806 | 3,081,806 | - |
| Mental Health Block Grant - CSC | 750,000 | 750,000 | 730,384 | 19,616 |
| Social Services Block Grant (Title XX) | 580,417 | 580,417 | 580,417 | - |
| TANF to Title XX Block Grant | 1,690,992 | 1,690,992 | 1,386,984 | 304,008 |
| MH Block Homeless PATH Grant | 1,130,299 | 1,130,299 | 1,130,299 | - |
| Disaster Assistance | - | 768,192 | 734,794 | 33,398 |
| Delivery System Reform Incentive Payments | 26,009,876 | 26,009,876 | 64,900,615 | (38,890,739) |
| Substance Abuse and Mental Health Services | - | 462,934 | 158,182 | 304,752 |
| Substance Abuse Prevention & Treatment Block Grant | 834,655 | 1,252,255 | 1,522,328 | (270,073) |
| Enhanced Community Coordination | 387,798 | 468,440 | 427,600 | 40,840 |
| Medicaid Administrative Claiming | - | - | 7,834,980 | (7,834,980) |
| Total Federal Program Revenues | 34,465,843 | 36,195,211 | 82,488,389 | (46,293,178) |
| Local Revenues | | | | |
| County funds | 42,987,517 | 46,599,118 | 44,093,032 | (2,506,086) |
| Local Billings | | | | |
| Patient fees and private insurance | 7,137,077 | 7,137,077 | 895,437 | (6,241,640) |
| Medicare | 1,215,694 | 1,215,694 | 1,265,255 | 49,561 |
| Medicaid | 30,476,385 | 30,212,467 | 23,068,120 | (7,144,347) |
| ICF/MR, HCS and THL waiver | 5,080,336 | 5,480,336 | 4,740,923 | (739,413) |
| Administrative claiming | 3,396,783 | 3,396,783 | - | (3,396,783) |
| Total Local Billings | 47,306,275 | 47,442,357 | 29,969,735 | (17,472,622) |
| Investment Earnings | 1,300,548 | 1,300,548 | 1,093,385 | (207,163) |
| Miscellaneous | 2,418,074 | 3,505,133 | 5,910,886 | 2,405,753 |
| Total Revenues before Patient Assistance Program | | | | |
| Assistance Program | 252,822,960 | 259,442,911 | 286,868,364 | 27,425,453 |
| Patient Assistance Program | 22,196,342 | 22,196,342 | 21,686,363 | - |
| Total Revenues | \$ 275,019,302 | \$ 281,639,253 | \$ 308,554,727 | \$ - |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

BUDGETARY COMPARISON STATEMENT

GENERAL FUND

For the Year Ended August 31, 2020

| | Budget | | Actual (Budgetary Basis) | Variance Positive/ (Negative) |
|---|-----------------------|------------------------|-------------------------------------|--|
| | Original | Final | | |
| Expenditures | | | | |
| Current: | | | | |
| Personnel costs | \$ 181,785,290 | \$ 183,057,047 | \$ 187,046,599 | \$ (3,989,552) |
| Contracts with service agencies and professional fees | 47,888,235 | 51,709,461 | 49,374,854 | 2,334,607 |
| Drug cost and other supplies | 7,181,661 | 7,058,475 | 3,580,896 | 3,477,579 |
| Rental | 756,199 | 798,481 | 790,917 | 7,564 |
| Repairs and maintenance | 5,254,144 | 13,515,306 | 7,703,176 | 5,812,130 |
| Travel | 2,635,434 | 2,918,755 | 1,791,377 | 1,127,378 |
| Security services | 715,301 | 738,337 | 725,895 | 12,442 |
| Utilities | 2,577,359 | 2,803,510 | 2,871,589 | (68,079) |
| Other | 4,690,151 | 6,308,493 | 3,996,081 | 2,312,412 |
| Debt service: | | | | |
| Principal | 84,351 | 78,351 | 33,547 | 44,804 |
| Interest and other charges | 1,091,430 | 1,091,430 | 1,091,429 | 1 |
| Capital outlay | <u>1,724,440</u> | <u>5,493,128</u> | <u>3,258,276</u> | <u>2,234,852</u> |
| Total expenditures before Patient | <u>256,383,995</u> | <u>275,570,774</u> | <u>262,264,636</u> | <u>13,306,138</u> |
| Assistance Program | | | | |
| Patient Assistance Program | <u>22,196,342</u> | <u>22,196,342</u> | <u>21,686,363</u> | <u>509,979</u> |
| Total expenditures | <u>278,580,337</u> | <u>297,767,116</u> | <u>283,950,999</u> | <u>13,816,117</u> |
| Excess of revenues over expenditures | (3,561,035) | (16,127,863) | 24,603,728 | 40,731,591 |
| Other Financing Sources | | | | |
| Sale of capital assets | - | - | 25,717 | 25,717 |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>25,717</u> | <u>25,717</u> |
| Excess of revenues and other financing sources over expenditures | <u>\$ (3,561,035)</u> | <u>\$ (16,127,863)</u> | <u>\$ 24,629,445</u> | <u>\$ 8,501,582</u> |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
BUDGETARY COMPARISON STATEMENT
BUDGET-TO-GAAP RECONCILIATION – GENERAL FUND
For the Year Ended August 31, 2020

Sources / Inflows of Resources

| | |
|---|------------------------------|
| Total revenue as per Budgetary Comparison Schedule | \$ 308,554,727 |
| 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. | (21,686,363) |
| Total revenue as per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | <u><u>\$ 286,868,364</u></u> |

Uses / Outflows of Resources

| | |
|---|------------------------------|
| Total expenditures as per Budgetary Comparison Schedule | \$ 283,950,999 |
| 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. | (21,686,363) |
| Total revenue as per Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | <u><u>\$ 262,264,636</u></u> |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

For the Years Ended August 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---------------------------|-------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 103,167 | \$ 59,886 |
| Due from government | - | 35,000 |
| Total Assets | <u>\$ 103,167</u> | <u>\$ 94,886</u> |
| Liabilities | | |
| Due to clients | <u>\$ 103,167</u> | <u>\$ 94,886</u> |

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

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

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
August 31, 2019

| | Pasadena Cottages, Inc. May 31, 2019 | Pecan Village, Inc. August 31, 2019 | Villas at Bayou Park, Inc. August 31, 2019 | Pear Grove, Inc. August 31, 2019 | Acres Homes Garden, Inc. August 31, 2019 | Friends of MHMRA August 31, 2019 | Total |
|---|---|--|--|---|---|---|---------------------|
| Assets | | | | | | | |
| Current assets: | | | | | | | |
| Cash and cash equivalents | \$ 22,414 | \$ 8,339 | \$ 1,898 | \$ 35,529 | \$ 211 | \$ 823,683 | \$ 892,074 |
| Accounts receivable | - | 3,472 | 1,619 | - | - | 29,878 | 34,969 |
| Prepaid expenses | 6,538 | 2,294 | 1,469 | - | - | - | 10,301 |
| Other assets | 151 | 5,072 | 3,423 | 3,826 | - | - | 12,472 |
| Total current assets | <u>29,103</u> | <u>19,177</u> | <u>8,409</u> | <u>39,355</u> | <u>211</u> | <u>853,561</u> | <u>949,816</u> |
| Noncurrent assets: | | | | | | | |
| Restricted cash and cash equivalents | 29,915 | 117,144 | 79,785 | 87,535 | 47,580 | - | 361,959 |
| Capital assets, net | 164,288 | 693,340 | 1,484,352 | 1,254,622 | 1,571,425 | - | 5,168,027 |
| Total noncurrent assets | <u>194,203</u> | <u>810,484</u> | <u>1,564,137</u> | <u>1,342,157</u> | <u>1,619,005</u> | <u>-</u> | <u>5,529,986</u> |
| Total assets | <u>223,306</u> | <u>829,661</u> | <u>1,572,546</u> | <u>1,381,512</u> | <u>1,619,216</u> | <u>853,561</u> | <u>6,479,802</u> |
| Liabilities | | | | | | | |
| Current liabilities: | | | | | | | |
| Accounts payable | 42,673 | 98,509 | 169,234 | 208,276 | 99,412 | 39,168 | 657,272 |
| Accrued interest payable | 1,767 | - | - | - | - | - | 1,767 |
| Deposits payable | 125 | 3,718 | 3,656 | 3,213 | 3,301 | - | 14,013 |
| Current portion of long-term obligations | 16,663 | - | - | 43,731 | - | - | 60,394 |
| Total current liabilities | <u>61,228</u> | <u>102,227</u> | <u>172,890</u> | <u>255,220</u> | <u>102,713</u> | <u>39,168</u> | <u>733,446</u> |
| Noncurrent liabilities: | | | | | | | |
| Noncurrent portion of long-term obligations | 218,953 | - | 90,000 | 70,000 | - | - | 378,953 |
| Total liabilities | <u>280,181</u> | <u>102,227</u> | <u>262,890</u> | <u>325,220</u> | <u>102,713</u> | <u>39,168</u> | <u>1,112,399</u> |
| Net position (deficit) | | | | | | | |
| Net investment in capital assets | (71,328) | 693,340 | 1,394,352 | 1,140,891 | 1,571,425 | - | 4,728,680 |
| Unrestricted net position | 14,453 | 34,094 | (84,696) | (84,599) | (54,922) | 814,393 | 638,723 |
| Total net position (deficit) | <u>(56,875)</u> | <u>727,434</u> | <u>1,309,656</u> | <u>1,056,292</u> | <u>1,516,503</u> | <u>814,393</u> | <u>5,367,403</u> |
| Total liabilities and net position (deficit) | <u>\$ 223,306</u> | <u>\$ 829,661</u> | <u>\$ 1,572,546</u> | <u>\$ 1,381,512</u> | <u>\$ 1,619,216</u> | <u>\$ 853,561</u> | <u>\$ 6,479,802</u> |

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

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

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended August 31, 2019

| | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | | | | Totals |
|---|--------------------|---------------------|------------------------------------|---|---------------------|----------------------------|---------------------|--------------------------|------------------|------------------|
| | Expenses | Charges for Service | Operating Grants and Contributions | Pasadena Cottages, Inc.* | Pecan Village, Inc. | Villas at Bayou Park, Inc. | Pear Grove, Inc. | Acres Homes Garden, Inc. | Friends of MHMRA | |
| Pasadena Cottages, Inc. | | | | | | | | | | |
| HUD Section 811 program | \$ 119,882 | \$ 145,080 | \$ - | \$ 25,198 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,198 |
| Interest on long-term debt | 21,844 | - | - | (21,844) | - | - | - | - | - | (21,844) |
| Total -Pasadena Cottage, Inc | 141,726 | 145,080 | - | 3,354 | - | - | - | - | - | 3,354 |
| Pecan Village, Inc. | | | | | | | | | | |
| HUD Section 811 program | 135,256 | 104,949 | - | - | (30,307) | - | - | - | - | (30,307) |
| Villas at Bayou Park, Inc. | | | | | | | | | | |
| HUD Section 811 program | 143,383 | 72,926 | - | - | - | (70,457) | - | - | - | (70,457) |
| Pear Grove, Inc. | | | | | | | | | | |
| HUD Section 811 program | 132,443 | 65,724 | - | - | - | (66,719) | - | - | - | (66,719) |
| Acres Homes Garden, Inc. | | | | | | | | | | |
| HUD Section 811 program | 134,037 | 71,234 | - | - | - | - | (62,803) | - | - | (62,803) |
| Friends of MHMRA | | | | | | | | | | |
| Fund raising activities | 22,824 | - | 14,954 | - | - | - | - | - | (7,870) | (7,870) |
| Total component units | \$ 709,669 | \$ 459,913 | \$ 14,954 | - | - | - | - | - | - | (234,802) |
| General revenues: | | | | | | | | | | |
| Investment earnings | | | | 88 | 67 | 118 | 159 | 54 | 19,473 | 19,959 |
| Total general revenues and transfer | | | | 88 | 67 | 118 | 159 | 54 | 19,473 | 19,686 |
| Change in net assets | | | | 3,442 | (30,240) | (70,339) | (66,560) | (62,749) | 11,603 | (214,843) |
| Net assets (deficit) - beginning of year as previous | | | | (59,925) | 757,674 | 1,379,995 | 1,122,852 | 1,579,252 | 802,790 | 5,582,638 |
| Prior period adjustment | | | | (392) | - | - | - | - | - | (392) |
| Net assets (deficit) - ending | \$ (56,875) | \$ 727,434 | \$ 1,309,656 | \$ 1,056,292 | \$ 1,516,503 | \$ 814,393 | \$ 5,367,403 | | | |

* Pasadena Cottages, Inc. is reported for the year ended May 31, 2019



Transforming Lives

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
NOTES TO FINANCIAL STATEMENTS

Note 1 - Reporting Entity - Basis of Presentation

Primary Government

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

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

Component Units

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

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

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

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

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

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

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

Component Units (continued)

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

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

Government-wide and Fund Financial Statements

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

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

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The statements of net position and statement of activities display information about the Center as a whole. The statements of net position and statements of activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenditures, gains, losses, assets, and liabilities are recognized when the underlying transactions take place. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated. In the Statement of Activities, internal service fund transactions have been eliminated. Government-wide financial statements do not include fiduciary funds or component units that are fiduciary in nature.

Program revenues are derived from state and federal grants and third-party billings for services rendered. General revenues are primarily derived from the County budget allocation for the Center. Indirect expenses are allocated to individual functions based on the percentage of actual direct costs in accordance with HHSC reporting guidelines.

Fund Financial Statements

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

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

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

Measurement Focus and Basis of Accounting (continued)

Fund Financial Statements (continued)

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

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

Description of Funds

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

Governmental Fund

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

Fiduciary Funds

Agency Fund – Used to account for assets held as an agent for individuals and other governmental entities. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. This fund is used to account for the receipts and distribution of the supplemental security income of eligible clients. As invoices are submitted for items such as clients’ rent, utilities, and food, clients are reimbursed using the funds available for their account. This fund also contains non-vested, compensation amounts earned by employees.

Budgetary Information

The Center’s annual budget for the General Fund is prepared based on estimated expenditures provided on a unit basis summarized by program category. The budget is submitted to the Board of Trustees. The budget must have the Board of Trustees’ approval and that of the Texas Health and Human Services Commission (“HHSC”). All annual appropriations lapse at fiscal year-end.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

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

Budgetary Information (continued)

Contract and budget terms are determined by the HHSC at which time contract performance measures and funding amounts are negotiated. The contract and/or budget are revised to incorporate any modifications agreed upon and resubmitted to HHSC. The final budget is approved by HHSC, generally before the beginning of the new fiscal year.

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

Reclassifications

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

Note 2 - Summary of Significant Accounting

Cash and Cash Equivalents

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

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

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

During the years ended August 31, 2020 and 2019, the Center did not own any types of securities other than those permitted by statute. Investments for the Center are reported at fair value, except for the position in investment pools that measure for financial reporting purposes all of their investments at amortized cost. The Center's investment pools are reported at net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

Accounts Receivable

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

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting (continued)

Inventory

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

Prepaid Items

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

Capital Assets

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

| | |
|--|------------|
| Buildings | 45 years |
| Building Improvements | 20 years |
| Furniture, Machinery, Vehicles and Other Equipment | 5-20 years |
| Telecommunications and Peripheral Equipment | 10 years |

Unearned Revenues

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

Compensated Absences

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

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting (continued)

Risk Management

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

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

Use of Estimates

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

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

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

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting (continued)

Use of Estimates (continued)

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

Fund Balance

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

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

The governmental fund balance sheet includes the “Reconciliation of the Fund Balance of Governmental Funds to the Statement of Net Positions - Governmental Activities”. One element of that reconciliation explains, “Long-term liabilities are not due and payable with current financial resources and therefore, are not reported in the fund.” The details of this \$8,419,618 difference are as follows:

| | |
|------------------------|----------------------------|
| Notes Payable | \$ 545,713 |
| Compensated absences | <u>7,873,905</u> |
| Net Adjustments | <u><u>\$ 8,419,618</u></u> |

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

The governmental fund “Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Fund” includes the “Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities.” An element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the state of activities, the costs of those assets are allocated over their useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.” The details of the \$1,521,562 difference are as follows:

| | |
|------------------------|----------------------------|
| Capital outlay | \$ 3,956,211 |
| Depreciation expense | <u>(2,434,649)</u> |
| Net Adjustments | <u><u>\$ 1,521,562</u></u> |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 3 - Deposits and Investments

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. Deposits are exposed to custodial credit risk if they are not insured or collateralized. As of August 31, 2020 and 2019, the balances per various financial institutions were \$11,544,783 and \$6,656,568, respectively. The Center’s deposits are not exposed to custodial credit risk since all deposits are fully collateralized as of yearend.

Custodial Credit Risk - Investments

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

As of August 31, 2020 the Center had the following investments:

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

In fiscal year 2019, the Center’s investments were as follows:

| <u>Security</u> | <u>Weighted Average Maturity</u> | <u>Rating</u> | <u>Fair Value</u> |
|--|--------------------------------------|---------------|----------------------|
| U.S. Government Agency Securities | | | |
| Federal Farm Credit Bank | 22 days | AA+ | \$ 5,025,415 |
| Federal Home Loan Bank | 11 days | AA+ | 4,982,000 |
| Federal Home Loan Bank | 37 days | AA+ | 10,484,936 |
| Federal Home Loan Bank | 11 days | AA+ | 7,585,460 |
| Total U.S. Government Agency Securities | | | <u>\$ 28,077,811</u> |
| Local Government Investment Funds | | | |
| TexPool Investment Fund | 36 | AAAm | \$ 12,928,602 |
| Texas CLASS | 52 | AAAm | 31,942,424 |
| Total Local Government Investment Funds | | | <u>\$ 44,871,026</u> |

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

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 3 - Deposits and Investments (continued)

Custodial Credit Risk - Investments (continued)

In fiscal year 2020, the Center’s investments were solely made up of Local Government Investment Funds, custodial credit risk was a not factor since the investments are reported at amortized cost which approximates fair value. However, in fiscal year 2019, the effect of the change in fair value on investments was as follows:

| | Primary Government | Component Units |
|---|-------------------------------|----------------------------|
| Interest Income – General Fund | \$ 1,909,341 | \$ 19,959 |
| Interest Income – Proprietary Fund | 51,418 | - |
| Unrealized gain (loss) on temporary investments | 123,904 | - |
| Investment Earnings | \$ 2,084,663 | \$ 19,959 |

In fiscal year 2019, the Center’s investment at Level 1 and Level 2 were \$5,000,295 and \$28,007,811 respectively.

Interest Rate Risk

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

Credit Risk

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

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

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 3 - Deposits and Investments (continued)

Credit Risk (continued)

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

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

Note 4 - Accounts Receivable

Accounts receivable are comprised of the following balances at August 31, 2020 and 2019 for the primary government:

| | <u>2020</u> | <u>2019</u> |
|---|----------------------|----------------------|
| Due from other governments | | |
| Harris County | \$ 3,691,990 | \$ 4,501,150 |
| State and Federal | 17,044,358 | 35,589,208 |
| 3rd Party billings (net of allowance for uncollectible amounts of \$3,574,834 and \$4,407,238). | 2,149,444 | 2,117,218 |
| Other receivables | 617,823 | 521,804 |
| Total receivables | <u>\$ 23,503,615</u> | <u>\$ 42,729,380</u> |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 5 - Capital Assets

A summary of changes in general capital asset balances for the year ended August 31, 2020, is as follows:

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

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 5 - Capital Assets (continued)

A summary of changes in general capital asset balances for the year ended August 31, 2019, is as follows:

| | Primary Government | | | Balance as of August 31, 2019 |
|--|--|-----------------------|---------------------|--|
| | Balance as of September 1, 2018 | Additions | Retirements | |
| Governmental activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 5,229,660 | \$ - | \$ 201,546 | \$ 5,028,114 |
| Total capital assets, not being depreciated | <u>5,229,660</u> | <u>-</u> | <u>201,546</u> | <u>5,028,114</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 40,569,520 | 318,951 | 1,611,510 | 39,276,961 |
| Furniture and Equipment | 8,977,953 | 580,472 | 7,616 | 9,550,809 |
| Vehicles | 1,585,738 | 18,445 | 93,079 | 1,511,104 |
| Total capital assets being depreciated | <u>51,133,211</u> | <u>917,868</u> | <u>1,712,205</u> | <u>50,338,874</u> |
| Total capital assets at historical cost | <u>56,362,871</u> | <u>917,868</u> | <u>1,913,751</u> | <u>55,366,988</u> |
| Less accumulated depreciation for | | | | |
| Buildings and improvements | 17,447,458 | 2,015,726 | 786,834 | 18,676,350 |
| Furniture and Equipment | 7,482,888 | 828,099 | 7,616 | 8,303,371 |
| Vehicles | 1,230,717 | 131,517 | 93,079 | 1,269,155 |
| Total accumulated depreciation | <u>26,161,063</u> | <u>2,975,342</u> | <u>887,529</u> | <u>28,248,876</u> |
| Governmental activities capital assets, net | <u>\$ 30,201,808</u> | <u>\$ (2,057,474)</u> | <u>\$ 1,026,222</u> | <u>\$ 27,118,112</u> |

Depreciation expense for the years ended August 31, 2020 and 2019 were \$2,434,649 and \$2,975,342, respectively, and were charged to the following functions and activities:

| | 2020 | 2019 |
|---|---------------------|---------------------|
| Primary government | | |
| Governmental Activities: | | |
| General Administration | \$ 1,022,556 | \$ 1,241,361 |
| Adult Mental Health | 657,355 | 808,863 |
| Intellectual and Developmental Disabilities | 292,155 | 364,152 |
| Child and Adolescent | 146,079 | 181,579 |
| Crisis Center | 316,504 | 379,387 |
| Total governmental activities | <u>\$ 2,434,649</u> | <u>\$ 2,975,342</u> |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 6 - Long-Term Liabilities

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

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

Long-term liability activity for the year ended August 31, 2019 was as follows:

| | <u>Balance as of September 01, 2018</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance as of August 31, 2019</u> | <u>Amounts due within One Year</u> |
|--|---|-------------------|---------------------|--|--|
| Governmental activities | | | | | |
| Notes Payable: | | | | | |
| Bank notes payable | \$ 2,728,571 | \$ - | \$ 1,091,429 | \$ 1,637,142 | \$ 1,091,429 |
| Other liabilities: | | | | | |
| Compensated Absences | 5,719,850 | 794,721 | 827,989 | 5,686,582 | 250,000 |
| Governmental activities long-term liabilities | <u>\$ 8,448,421</u> | <u>\$ 794,721</u> | <u>\$ 1,919,418</u> | <u>\$ 7,323,724</u> | <u>\$ 1,341,429</u> |

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

Debt service for notes payable as of August 31, 2020 are as follows:

| Year ending August 31 | Principal | Interest | Total |
|----------------------------------|-------------------|-----------------|-------------------|
| 2021 | \$ 545,713 | \$ 5,490 | \$ 551,203 |
| | <u>\$ 545,713</u> | <u>\$ 5,490</u> | <u>\$ 551,203</u> |

Provisions of the loan agreement relating to a note payable contain certain covenants requiring or restricting: (1) the Center’s cash and investments in the general fund equal, at a minimum, to six weeks of “current operating expenses”, (2) the Center to maintain a “Debt Service Coverage Ratio” of 1.0x for each consecutive two fiscal years, (3) the Center’s ability to pledge or mortgage assets without prior written consent and (4) the Center’s ability to enter into new lease obligations in excess of \$1,000,000. The “current operating expenses” and “Debt Service Coverage Ratio” are defined in the debt indenture. The Center was in compliance with these requirements at August 31, 2020.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 7 - Operating Leases

The Center leases certain administrative, residential and outpatient facilities under operating lease agreements. Rent expenditures/expense under operating leases, including annually renewable operating leases for equipment and vehicles, amounted to \$822,483 and \$822,483 in for the years ended August 31, 2020 and 2019, respectively.

The future minimum rental payments required under non-cancelable operating leases having remaining terms in excess of one year as of August 31, 2020 are as follows:

| Year ending Aug 31, | |
|---------------------|-------------------|
| 2021 | \$ 258,164 |
| 2022 | 76,863 |
| 2023 | 16,849 |
| 2024 | 16,849 |
| | <u>\$ 368,725</u> |

Note 8 - Related Party Transactions

The Center, a component unit of the County, obtains certain community services from the County under contractual agreements. Expenses under such contracts amounted to \$89,355 and \$99,286 for the years ended August 31, 2020 and 2019, respectively.

The Center recorded revenue of \$21,175,605 in financial support from the County in fiscal year 2020 and \$20,500,000 in fiscal year 2019.

Note 9 - Pension Plan

The defined contribution retirement plan (the "Plan") was established by the Center for substantially all of its employees, effective January 1, 1989. The plan document was updated and amended effective January 1, 2004.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate at the next entry date as defined by the plan after working 1,560 hours and being employed on December 31 of the plan year. The plan requires that the Center contribute an amount equal to 5% of the eligible employee's annual base salary. If a participant in the plan terminates employment, the non-vested account balance is forfeited. Effective plan year 2008, the Center instituted an employee matching program. Eligible employees must 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 2019 and 2018 amounted to \$1,021,401 and \$900,000, respectively, of which \$1,021,401 and \$900,000, respectively, was used against the Center's contributions for the year ended August 31, 2019 and 2018, respectively.

In years prior to CY2020, the Center provided and funded the Contribution and Match portions of the retirement plan on an annual basis. Beginning January 2020, the Center began providing and funding the Contribution and Match portions of the retirement plan each pay period. Since 2005, the Center provides a Supplemental Contribution of any forfeited, non-vested funds in the Plan, as available and as determined under the Plan rules.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 9 - Pension Plan (continued)

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 5 years of service with no vesting prior to 5 years. A favorable determination letter of the defined contribution plan was received on October 10, 2000 from the Internal Revenue Service. Employer contributions for the

Note 10 - Voluntary Employee Contribution Tax Deferred Investment Plans

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

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

Note 11 - Contingencies

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

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

Note 12 - Sample Drugs and Patient Assistance Programs

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

The amounts of free drugs dispensed by the Center for its consumers for the years ended August 31, 2020 and 2019 were \$21,686,363 and \$21,924,344, 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 HARRIS CENTER FOR MENTAL HEALTH AND IDD

NOTES TO FINANCIAL STATEMENTS (continued)

Note 12 - Sample Drugs and Patient Assistance Programs (continued)

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

Note 13 - Delivery System Reform Incentive Payments

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

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

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

For the year ended August 31, 2020 and August 31, 2019 \$64,900,615 and \$47,857,399 was recorded as revenue from DSRIP.

Note 14 – Subsequent Event

New COVID-19 Homeless Respite and Rehabilitation Center

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

OTHER SUPPLEMENTARY INFORMATION



Transforming Lives

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
For the Year Ended August 31, 2020

| | <u>Total</u> |
|--|-----------------------------|
| Governmental Funds Capital Assets | |
| Land | \$ 5,028,114 |
| Construction in Progress | 3,163,960 |
| Buildings | 39,386,250 |
| Furniture and Equipment | 9,878,194 |
| Leasehold Improvements | - |
| Vehicles | 1,605,231 |
| Total Governmental Fund Capital Assets | <u><u>\$ 59,061,749</u></u> |
| Investment in Governmental Funds Capital Assets by Source | |
| General Fund | <u>\$ 59,061,749</u> |
| Total Investment in Governmental Funds Capital Assets | <u><u>\$ 59,061,749</u></u> |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION
For the Year Ended August 31, 2020

| <u>Function</u> | <u>Land</u> | <u>Buildings</u> | <u>Equipment and Furniture</u> |
|---|---------------------|----------------------|------------------------------------|
| Mental Health | \$ 1,895,148 | \$ 5,901,717 | \$ 2,381,744 |
| Intellectual and Developmental Disabilities | 916,080 | 2,895,662 | 1,111,807 |
| Child and Adolescent | 174,011 | 1,274,669 | 534,677 |
| Crisis Center | 588,825 | 2,761,748 | 447,012 |
| Administration | 1,454,050 | 5,785,497 | 5,402,954 |
| Total Governmental Fund Capital Assets | <u>\$ 5,028,114</u> | <u>\$ 18,619,293</u> | <u>\$ 9,878,194</u> |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION
For the Year Ended August 31, 2020

| Function | Leasehold Improvements | Vehicles | Construction in Progress | Total |
|---|---------------------------|---------------------|-----------------------------|----------------------|
| Mental Health | \$ 5,176,720 | \$ 477,700 | \$ - | \$ 15,833,029 |
| Intellectual and Developmental Disabilities | 2,084,708 | 177,939 | - | 7,186,196 |
| Child and Adolescent | 1,375,659 | - | - | 3,359,016 |
| Crisis Center | 2,619,061 | 862,303 | - | 7,278,949 |
| Administration | 9,510,809 | 87,289 | 3,163,960 | 25,404,559 |
| Total Governmental Fund Capital Assets | \$ 20,766,957 | \$ 1,605,231 | \$ 3,163,960 | \$ 59,061,749 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
For the Year Ended August 31, 2020

| Function | Governmental Fund Capital Assets August 31, 2019 | Additions | Retirements | Governmental Fund Capital Assets August 31, 2020 |
|---|---|---------------------|---------------------|---|
| Mental Health | \$ 15,797,361 | \$ 63,060 | \$ (27,392) | \$ 15,833,029 |
| Intellectual and Developmental Disabilities | 7,186,196 | - | - | 7,186,196 |
| Child and Adolescent | 3,359,016 | - | - | 3,359,016 |
| Crisis Center | 7,172,723 | 126,630 | (20,404) | 7,278,949 |
| Administration | 21,851,692 | 3,766,521 | (213,654) | 25,404,559 |
| Total Governmental Fund Capital Assets | \$ 55,366,988 | \$ 3,956,211 | \$ (261,450) | \$ 59,061,749 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

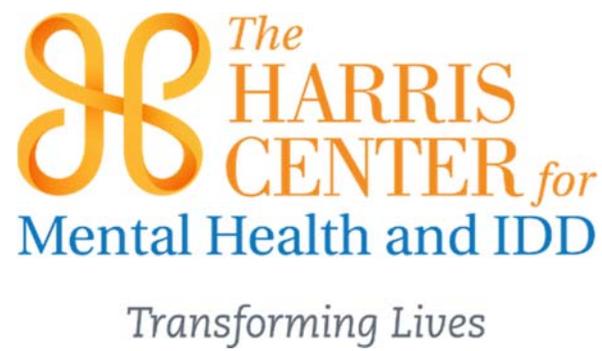
COMPARATIVE SCHEDULE OF CHANGES IN FIDUCIARY ASSETS

AGENCY FUND

For the Year Ended August 31, 2020 and 2019

| | Balance September 1, 2019 | Additions | Deductions | Balance August 31, 2020 |
|---------------------------|--|------------------|-------------------|--|
| Assets | | | | |
| Cash and cash equivalents | \$ 59,886 | \$ 43,281 | \$ - | \$ 103,167 |
| Due from government | 35,000 | - | 35,000 | - |
| Total Assets | \$ 94,886 | \$ 43,281 | \$ 35,000 | \$ 103,167 |
| Liabilities | | | | |
| Due to clients | \$ 94,886 | \$ 43,281 | \$ 35,000 | \$ 103,167 |

| | Balance September 1, 2018 | Additions | Deductions | Balance August 31, 2019 |
|---------------------------|--|------------------|-------------------|--|
| Assets | | | | |
| Cash and cash equivalents | \$ 22,178 | \$ 37,708 | \$ - | \$ 59,886 |
| Due from governments | - | 35,000 | - | 35,000 |
| Total Assets | \$ 22,178 | \$ 72,708 | \$ - | \$ 94,886 |
| Liabilities | | | | |
| Due to clients | \$ 22,178 | \$ 72,708 | \$ - | 94,886 |



**STATISTICAL SECTION
(UNAUDITED)**

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

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities: | | | | | |
| Net investment in capital assets | \$ 13,105,363 | \$ 18,340,667 | \$ 19,361,119 | \$ 21,640,340 | \$ 34,224,927 |
| Unrestricted | <u>47,149,860</u> | <u>41,232,357</u> | <u>42,452,145</u> | <u>57,323,346</u> | <u>44,503,224</u> |
| Total governmental activities net position | <u>\$ 60,255,223</u> | <u>\$ 59,573,024</u> | <u>\$ 61,813,264</u> | <u>\$ 78,963,686</u> | <u>\$ 78,728,151</u> |

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

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| Governmental activities: | | | | | |
| Net investment in capital assets | \$ 36,369,915 | \$ 29,457,337 | \$ 27,473,237 | \$ 25,480,970 | \$ 28,093,961 |
| Unrestricted | <u>44,756,241</u> | <u>49,448,324</u> | <u>72,502,908</u> | <u>90,318,395</u> | <u>112,760,517</u> |
| Total governmental activities net position | <u>\$ 81,126,156</u> | <u>\$ 78,905,661</u> | <u>\$ 99,976,145</u> | <u>\$ 115,799,365</u> | <u>\$ 140,854,478</u> |

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

Table 2
Page 1 of 2

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|---------------------|---------------------|---------------------|----------------------|---------------------|
| Expenses | | | | | |
| Governmental activities: | | | | | |
| Adult Mental Health | \$ 48,335,141 | \$ 51,359,838 | \$ 52,421,224 | \$ 68,146,563 | \$ 83,226,544 |
| Intellectual & Developmental Disabilities | 42,563,470 | 39,042,871 | 39,367,361 | 41,147,139 | 42,673,928 |
| Child and Adolescent | 16,955,321 | 16,891,756 | 17,564,259 | 18,916,913 | 21,764,369 |
| Crisis Center | 30,217,489 | 29,822,983 | 30,768,150 | 35,956,233 | 39,378,723 |
| Community Hospital | 27,227,020 | 27,060,660 | 32,038,969 | 31,481,431 | 32,526,192 |
| Interest on long-term debt | 244,779 | 200,251 | 152,415 | 179,191 | 186,749 |
| Total governmental activities expenses | <u>165,543,220</u> | <u>164,378,359</u> | <u>172,312,378</u> | <u>195,827,470</u> | <u>219,756,505</u> |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Adult Mental Health | 54,026,517 | 51,391,116 | 54,595,205 | 79,297,874 | 81,106,844 |
| Intellectual & Developmental Disabilities | 39,980,786 | 35,821,059 | 35,644,524 | 37,584,146 | 37,907,793 |
| Child and Adolescent | 15,680,291 | 16,699,140 | 15,991,984 | 16,502,431 | 22,847,722 |
| Crisis Center | 14,251,271 | 15,019,426 | 17,947,672 | 30,519,423 | 27,720,845 |
| Community Hospital | 27,227,020 | 23,529,696 | 28,493,696 | 28,406,319 | 29,693,696 |
| Total governmental activities program revenues | <u>151,165,885</u> | <u>142,460,437</u> | <u>152,673,081</u> | <u>192,310,193</u> | <u>199,276,900</u> |
| Net (Expense) Revenue | | | | | |
| Governmental activities | (14,377,335) | (21,917,922) | (19,639,297) | (3,517,277) | (20,479,605) |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental activities: | | | | | |
| Grants and contributions not restricted to specific programs | 17,710,874 | 20,371,022 | 20,550,038 | 20,632,988 | 19,359,773 |
| Unrestricted investment earnings | 216,198 | 386,127 | (17,127) | 308,905 | 222,109 |
| Miscellaneous | 360,534 | 452,334 | 1,232,202 | 273,597 | 655,615 |
| Gain on sale of capital assets | 12,464 | 26,240 | 19,520 | 24,478 | 6,560 |
| Special items - Impairment of intangible asset | - | - | - | - | - |
| Total | <u>18,300,070</u> | <u>21,235,723</u> | <u>21,784,633</u> | <u>21,239,968</u> | <u>20,244,057</u> |
| Change in Net Position | | | | | |
| Governmental activities | <u>\$ 3,922,735</u> | <u>\$ (682,199)</u> | <u>\$ 2,145,336</u> | <u>\$ 17,722,691</u> | <u>\$ (235,548)</u> |

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

Table 2
Page 2 of 2

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--|---------------------|-----------------------|----------------------|----------------------|----------------------|
| Expenses | | | | | |
| Governmental activities: | | | | | |
| Adult Mental Health | \$ 91,091,630 | \$ 94,427,166 | \$ 96,890,848 | \$ 93,469,443 | \$ 102,912,380 |
| Intellectual & Developmental Disabilities | 38,577,809 | 38,175,764 | 38,292,658 | 40,503,803 | 43,018,877 |
| Child and Adolescent | 21,301,580 | 23,608,324 | 24,622,171 | 25,693,480 | 23,544,097 |
| Crisis Center | 41,615,210 | 45,643,089 | 43,022,415 | 53,423,641 | 57,998,372 |
| Community Hospital | 34,458,349 | 34,900,020 | 34,215,576 | 34,546,935 | 33,846,528 |
| Interest on long-term debt | 119,925 | 93,605 | 78,698 | 60,238 | 33,547 |
| Total governmental activities expenses | <u>227,164,503</u> | <u>236,847,968</u> | <u>237,122,366</u> | <u>247,697,540</u> | <u>261,353,801</u> |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Adult Mental Health | 88,451,372 | 94,709,224 | 98,673,597 | 97,116,386 | 139,798,674 |
| Intellectual & Developmental Disabilities | 36,024,333 | 39,072,798 | 42,652,236 | 40,352,429 | 37,847,522 |
| Child and Adolescent | 21,461,922 | 22,047,046 | 20,383,462 | 24,036,880 | 19,696,195 |
| Crisis Center | 33,418,720 | 35,709,458 | 41,989,680 | 41,780,163 | 41,259,860 |
| Community Hospital | 30,800,496 | 30,800,496 | 30,800,496 | 30,800,495 | 24,662,929 |
| Total governmental activities program revenues | <u>210,156,843</u> | <u>222,339,022</u> | <u>234,499,471</u> | <u>234,086,353</u> | <u>263,265,180</u> |
| Net (Expense) Revenue | | | | | |
| Governmental activities | (17,007,660) | (14,508,946) | (2,622,895) | (13,611,187) | 1,911,379 |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental activities: | | | | | |
| Grants and contributions not restricted to specific programs | 18,456,922 | 17,660,928 | 18,874,878 | 20,500,000 | 21,175,605 |
| Unrestricted investment earnings | 295,372 | 446,138 | 936,214 | 2,084,663 | 1,093,385 |
| Miscellaneous | 602,361 | 334,602 | 277,879 | 154,083 | 849,027 |
| Gain on sale of capital assets | 51,010 | 44,862 | 3,604,408 | 10,751,207 | 25,717 |
| Special items - | | | | | |
| Impairment of intangible asset | - | (6,198,078) | - | - | - |
| Total | <u>19,405,665</u> | <u>12,288,452</u> | <u>23,693,379</u> | <u>33,489,953</u> | <u>23,143,734</u> |
| Change in Net Position | | | | | |
| Governmental activities | <u>\$ 2,398,005</u> | <u>\$ (2,220,494)</u> | <u>\$ 21,070,484</u> | <u>\$ 19,878,766</u> | <u>\$ 25,055,113</u> |

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

Table 3
Page 1 of 2

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| General fund | | | | | |
| Nonspendable: | | | | | |
| Inventories | \$ 163,914 | \$ 138,908 | \$ 147,974 | \$ 195,217 | \$ 230,342 |
| Prepays | 271,022 | 315,871 | 408,202 | 875,965 | 585,604 |
| Assigned: | | | | | |
| Delivery System Reform Incentive Projects | - | - | 2,451,869 | 16,760,603 | 10,231,836 |
| Infrastructure development | 5,800,000 | 5,800,000 | 5,800,000 | 5,800,000 | 2,994,473 |
| Self-insurance | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Current capital projects | - | - | - | - | - |
| Future purchase of real property and IT infrastructure | - | - | - | - | - |
| ECI building use | - | - | - | - | - |
| COVID-19 eFMAP reserve | - | - | - | - | - |
| Debt repayment | 3,809,183 | 3,012,954 | 2,169,977 | 8,369,816 | 6,330,951 |
| Compensated absences | 3,219,676 | 3,342,268 | 3,435,430 | 5,247,282 | 6,264,742 |
| Other purposes | 405,876 | 409,768 | 414,460 | 404,706 | 394,052 |
| Unassigned: | <u>29,123,629</u> | <u>27,397,775</u> | <u>26,328,057</u> | <u>20,756,976</u> | <u>19,574,866</u> |
| Total General Fund | <u>\$ 44,793,300</u> | <u>\$ 42,417,544</u> | <u>\$ 43,155,969</u> | <u>\$ 60,410,565</u> | <u>\$ 48,606,866</u> |

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

Table 3
Page 2 of 2

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------|
| General fund | | | | | |
| Nonspendable: | | | | | |
| Inventories | \$ 244,856 | \$ 233,710 | \$ 235,526 | \$ 257,786 | \$ 246,618 |
| Prepays | 785,019 | 832,283 | 652,300 | 597,680 | 594,750 |
| Assigned: | | | | | |
| Delivery System Reform Incentive Projects | 3,895,406 | 3,895,406 | 14,226,265 | 27,420,497 | 4,253,997 |
| Infrastructure development | 799,744 | 204,866 | 121,846 | 121,846 | - |
| Self-insurance | 2,000,000 | 2,000,000 | 2,000,000 | 2,263,196 | 2,000,000 |
| Current capital projects | - | - | - | - | 7,786,806 |
| Future purchase of real property and IT infrastructure | - | - | - | - | 22,927,102 |
| ECI building use | - | - | - | - | 352,067 |
| COVID-19 eFMAP reserve | - | - | - | - | 5,524,745 |
| Debt repayment | 4,911,428 | 3,820,000 | 2,728,571 | 1,637,140 | 545,715 |
| Compensated absences | 6,573,523 | 6,692,142 | 5,719,850 | 5,686,582 | 4,854,354 |
| Other purposes | 410,498 | 426,944 | 374,890 | 335,621 | - |
| Unassigned: | <u>29,542,446</u> | <u>35,855,265</u> | <u>49,951,732</u> | <u>57,684,629</u> | <u>71,548,268</u> |
| Total General Fund | <u>\$ 49,162,920</u> | <u>\$ 53,960,616</u> | <u>\$ 76,010,980</u> | <u>\$ 96,004,977</u> | <u>\$ 120,634,422</u> |

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

Table 4
Page 1 of 2

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Revenues | | | | | |
| Local | \$ 62,937,932 | \$ 64,363,140 | \$ 67,052,301 | \$ 66,236,188 | \$ 70,714,740 |
| State | 94,597,104 | 89,622,892 | 94,319,225 | 104,833,857 | 102,911,444 |
| Federal | 11,915,483 | 9,681,399 | 13,159,316 | 42,454,903 | 45,887,191 |
| Total revenues | <u>\$ 169,450,519</u> | <u>\$ 163,667,431</u> | <u>\$ 174,530,842</u> | <u>\$ 213,524,948</u> | <u>\$ 219,513,375</u> |
| Expenditures | | | | | |
| Salaries | 88,266,962 | 86,527,045 | 89,048,998 | 101,194,770 | 118,697,865 |
| Employee benefits | 21,811,119 | 22,239,368 | 22,691,270 | 25,433,141 | 29,254,007 |
| Professional and consultant services | 9,226,159 | 7,384,814 | 7,713,373 | 10,351,530 | 10,240,517 |
| Training and travel | 2,759,524 | 2,979,031 | 2,927,971 | 2,969,507 | 3,278,161 |
| Debt service: | | | | | |
| Principal | 751,518 | 796,229 | 842,977 | 1,440,160 | 2,038,866 |
| Interest | 244,779 | 200,251 | 152,415 | 179,191 | 186,749 |
| Capital outlay | 2,857,896 | 2,375,254 | 1,560,933 | 10,551,229 | 12,002,583 |
| Non-capitalized equipment | 418,692 | 1,037,372 | 1,152,194 | 1,805,330 | 3,589,925 |
| Pharmaceutical | 1,683,525 | 1,471,468 | 1,133,818 | 1,274,994 | 1,377,772 |
| Other | 39,761,742 | 41,058,750 | 46,015,718 | 48,734,987 | 50,657,189 |
| Total expenditures | <u>167,781,916</u> | <u>166,069,582</u> | <u>173,239,667</u> | <u>203,934,839</u> | <u>231,323,634</u> |
| Excess of revenues over (under) expenditures | 1,668,603 | (2,402,151) | 1,291,175 | 9,590,109 | (11,810,259) |
| Other financing sources (uses) | | | | | |
| Debt issuance | - | - | - | 7,640,000 | - |
| Transfers in | - | - | - | - | - |
| Sale of capital assets | 12,464 | 26,240 | 19,520 | 24,478 | 6,560 |
| Total other financing sources (uses) | <u>12,464</u> | <u>26,240</u> | <u>19,520</u> | <u>7,664,478</u> | <u>6,560</u> |
| Net change in fund balances | <u>\$ 1,681,067</u> | <u>\$ (2,375,911)</u> | <u>\$ 1,310,695</u> | <u>\$ 17,254,587</u> | <u>\$ (11,803,699)</u> |
| Ratio of total debt service expenditures to total noncapital expenditures | 0.60% | 0.61% | 1.00% | 1.16% | 0.68% |

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

Table 4
Page 2 of 2

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenues | | | | | |
| Local | \$ 69,599,303 | \$ 75,768,153 | \$ 75,672,011 | \$ 77,333,059 | \$ 81,067,038 |
| State | 110,851,190 | 105,272,006 | 109,389,867 | 113,228,586 | 123,312,937 |
| Federal | 49,055,292 | 59,727,494 | 69,494,638 | 66,212,036 | 82,488,389 |
| Total revenues | <u>\$ 229,505,785</u> | <u>\$ 240,767,653</u> | <u>\$ 254,556,516</u> | <u>\$ 256,773,681</u> | <u>\$ 286,868,364</u> |
| Expenditures | | | | | |
| Salaries | 124,691,712 | 127,899,575 | 131,243,432 | 135,732,939 | 145,458,140 |
| Benefits | 28,011,451 | 33,125,125 | 33,557,908 | 37,961,468 | 41,588,459 |
| Professional and consultant services | 10,575,182 | 11,043,922 | 10,673,437 | 12,222,560 | 49,374,854 |
| Training and travel | 3,337,267 | 3,175,896 | 3,056,125 | 2,916,317 | 1,791,377 |
| Debt service: | | | | | |
| Principal | 1,419,522 | 1,091,429 | 1,091,429 | 1,091,429 | 1,091,429 |
| Interest | 119,925 | 93,605 | 78,698 | 60,238 | 33,547 |
| Capital outlay | 4,168,307 | 1,525,735 | 2,100,879 | 917,868 | 3,258,276 |
| Non-capitalized equipment | 2,128,168 | 2,890,221 | 1,552,041 | 1,827,915 | 7,703,176 |
| Pharmaceutical | 1,886,395 | 1,887,370 | 1,855,120 | 2,030,053 | 3,580,896 |
| Other | 52,662,782 | 53,281,971 | 53,059,028 | 52,003,976 | 8,384,482 |
| Total expenditures | <u>229,000,711</u> | <u>236,014,849</u> | <u>238,268,097</u> | <u>246,764,763</u> | <u>262,264,636</u> |
| Excess of revenues over (under) expenditures | 505,074 | 4,752,804 | 16,288,419 | 10,008,918 | 24,603,728 |
| Other financing sources (uses) | | | | | |
| Debt issuance | - | - | - | - | - |
| Transfers in | - | - | - | 2,263,196 | - |
| Sale of capital assets | 51,010 | 44,862 | 5,761,945 | 11,777,429 | 25,717 |
| Total other financing sources (uses) | <u>51,010</u> | <u>44,862</u> | <u>5,761,945</u> | <u>14,040,625</u> | <u>25,717</u> |
| Net change in fund balances | <u>\$ 556,084</u> | <u>\$ 4,797,666</u> | <u>\$ 22,050,364</u> | <u>\$ 24,049,543</u> | <u>\$ 24,629,445</u> |
| Ratio of total debt service expenditures to total noncapital expenditures | 0.68% | 0.51% | 0.50% | 0.47% | 0.00% |

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

Table 5
Page 1 of 2

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Local | | | | | |
| County government | \$ 28,681,523 | \$ 28,132,939 | \$ 29,273,302 | \$ 30,412,676 | \$ 35,157,223 |
| Medicaid/Medicare | 21,637,710 | 21,780,636 | 24,152,125 | 22,121,662 | 25,428,729 |
| Other | 12,618,699 | 14,449,720 | 13,626,874 | 13,701,859 | 10,128,788 |
| Total local revenue | <u>62,937,932</u> | <u>64,363,295</u> | <u>67,052,301</u> | <u>66,236,197</u> | <u>70,714,740</u> |
| State | | | | | |
| Texas Department of Health and Human Services | | | | | |
| Texas Department of State Health Services | | | | | |
| General Revenue | 74,500,636 | 75,919,706 | 80,410,871 | 90,691,945 | 87,856,785 |
| Department of Aging and Disability Services | | | | | |
| General Revenue | 13,654,580 | 8,803,727 | 8,799,578 | 8,790,754 | 9,382,704 |
| Early Childhood Intervention | 2,115,314 | 1,073,474 | 1,255,837 | 1,219,655 | 1,494,851 |
| Texas Council on Offenders with Mental Impairments | 3,354,574 | 2,787,591 | 2,773,939 | 2,866,406 | 3,077,654 |
| Other state agencies | 972,000 | 1,038,394 | 1,079,000 | 1,265,097 | 1,099,450 |
| Total state revenues | <u>94,597,104</u> | <u>89,622,892</u> | <u>94,319,225</u> | <u>104,833,857</u> | <u>102,911,444</u> |
| Federal | | | | | |
| Mental Health Block Grant | 3,081,806 | 3,081,806 | 3,081,806 | 3,081,806 | 3,081,806 |
| Early Childhood Intervention | 4,607,965 | 2,746,242 | 2,131,105 | 2,068,766 | 3,075,730 |
| Delivery System Reform Incentive | - | - | 2,837,339 | 30,532,366 | 31,166,380 |
| Other federal revenues | 4,225,712 | 3,853,351 | 7,946,405 | 6,771,965 | 8,563,275 |
| Total federal revenues | <u>11,915,483</u> | <u>9,681,399</u> | <u>15,996,655</u> | <u>42,454,903</u> | <u>45,887,191</u> |
| Total | <u>\$ 169,450,519</u> | <u>\$ 163,667,586</u> | <u>\$ 177,368,181</u> | <u>\$ 213,524,957</u> | <u>\$ 219,513,375</u> |

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

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

Table 5
Page 2 of 2

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Local | | | | | |
| County government | \$ 34,692,528 | \$ 34,924,970 | \$ 36,375,537 | \$ 40,065,808 | \$ 44,093,032 |
| Medicaid/Medicare | 26,193,236 | 31,322,850 | 26,893,423 | 25,541,194 | 29,969,735 |
| Other | 8,713,539 | 9,520,333 | 12,403,051 | 11,726,057 | 7,004,271 |
| Total local revenue | <u>69,599,303</u> | <u>75,768,153</u> | <u>75,672,011</u> | <u>77,333,059</u> | <u>81,067,038</u> |
| State | | | | | |
| Texas Department of Health and Human Services | | | | | |
| Texas Department of State Health Services | | | | | |
| General Revenue | 94,957,960 | 90,760,137 | 94,201,283 | 99,985,355 | 115,449,686 |
| Department of Aging and Disability Services | | | | | |
| General Revenue | 8,917,182 | 9,306,535 | 10,220,288 | 9,479,061 | - |
| Early Childhood Intervention | 2,994,853 | 1,097,691 | 888,044 | 408,084 | 4,552,424 |
| Texas Council on Offenders with Mental Impairments | 3,116,905 | 3,303,917 | 3,193,586 | 2,910,086 | 2,850,627 |
| Other state agencies | 864,290 | 803,726 | 886,666 | 446,000 | 460,200 |
| Total state revenues | <u>110,851,190</u> | <u>105,272,006</u> | <u>109,389,867</u> | <u>113,228,586</u> | <u>123,312,937</u> |
| Federal | | | | | |
| Mental Health Block Grant | 3,081,806 | 3,081,806 | 3,081,806 | 3,181,377 | 3,812,190 |
| Early Childhood Intervention | 1,264,006 | 3,407,557 | 3,407,557 | 2,962,647 | - |
| Delivery System Reform Incentive | 32,782,283 | 41,080,250 | 41,080,250 | 47,857,397 | 72,278,623 |
| Other federal revenues | 11,927,197 | 21,925,025 | 21,925,025 | 12,210,615 | 6,397,576 |
| Total federal revenues | <u>49,055,292</u> | <u>69,494,638</u> | <u>69,494,638</u> | <u>66,212,036</u> | <u>82,488,389</u> |
| Total | <u>\$ 229,505,785</u> | <u>\$ 250,534,797</u> | <u>\$ 254,556,516</u> | <u>\$ 256,773,681</u> | <u>\$ 286,868,364</u> |

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

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

Table 6

SCHEDULE OF INDIRECT COSTS

For The Year Ended August 31, 2020

| | <u>Total Costs</u> | <u>Non-Allowable Costs</u> | <u>Depreciation</u> | <u>Total Adjusted Costs</u> | <u>Indirect Costs</u> | <u>Direct Costs</u> |
|------------------------------|-----------------------|--------------------------------|---------------------|---------------------------------|-----------------------|-----------------------|
| Salaries | \$ 145,458,140 | \$ - | \$ - | \$ 145,458,140 | \$ 21,732,748 | \$ 123,725,392 |
| Employee benefits | 41,588,459 | - | - | 41,588,459 | 6,582,222 | 35,006,237 |
| Debt service | 1,124,976 | (1,091,429) | - | 33,547 | - | 33,547 |
| Capital outlay | 3,956,211 | (3,956,211) | - | - | - | - |
| Pharmaceutical | 3,580,896 | - | - | 3,580,896 | - | 3,580,896 |
| Depreciation | - | - | 2,434,649 | 2,434,649 | 1,022,533 | 1,412,116 |
| Other operating expenditures | 66,555,954 | - | - | 66,555,954 | 3,866,156 | 62,689,798 |
| Total | <u>\$ 262,264,636</u> | <u>\$ (5,047,640)</u> | <u>\$ 2,434,649</u> | <u>\$ 259,651,645</u> | <u>\$ 33,203,659</u> | <u>\$ 226,447,986</u> |
| Indirect Costs | | | | | | 33,203,659 |
| Direct Costs | | | | | | \$ 226,447,986 |
| Indirect Cost Rate | | | | | | 14.7% |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

Table 7

SCHEDULE OF DIRECT AND INDIRECT COSTS

For The Year Ended August 31, 2020

| | <u>Total Costs</u> | <u>Adjustments/ Exclusions</u> | <u>Indirect Cost</u> | <u>Direct Cost</u> |
|--|-----------------------|------------------------------------|-----------------------|-----------------------|
| EXPENDITURES: | | | | |
| Personnel costs: | | | | |
| Salaries and wages | \$ 145,458,140 | \$ - | \$ 21,732,748 | \$ 123,725,392 |
| Fringe benefits | 41,588,459 | - | 6,582,222 | 35,006,237 |
| Consultation and professional fees | 1,365,168 | - | - | 1,365,168 |
| Travel - board and staff | 1,719,566 | - | 108,742 | 1,610,824 |
| Consumable supplies: | | | | |
| Drugs | 1,773,827 | - | - | 1,773,827 |
| Food | 141,893 | - | 36,054 | 105,839 |
| Other | 1,661,714 | - | 435,709 | 1,226,005 |
| Furniture and equipment: | | | | |
| Capital expenditures | 568,431 | (568,431) | - | - |
| Rental | 202,359 | - | 66,741 | 135,618 |
| Repair and maintenance | 2,238,826 | - | - | 2,238,826 |
| Building: | | | | |
| Capital expenditures from general operations | 3,273,249 | (3,273,249) | - | - |
| Rental | 605,355 | - | 23,712 | 581,643 |
| Repair and maintenance | 1,573,815 | - | 768,928 | 804,887 |
| Vehicles: | | | | |
| Capital expenditures | 114,531 | (114,531) | - | - |
| Repair and maintenance | 185,945 | - | 21,614 | 164,331 |
| Contracts with service agencies | 47,167,625 | - | 121,932 | 47,045,693 |
| Other: | | | | |
| Utilities, postage and telephone | 2,871,589 | - | 680,964 | 2,190,625 |
| Client transportation | 37,677 | - | - | 37,677 |
| Audit and legal fees | 256,250 | - | 256,250 | - |
| Insurance | 842,061 | - | 601,049 | 241,012 |
| Meetings | 43,185 | - | 5,318 | 37,867 |
| Transfer and storage | 87,128 | - | 26,707 | 60,421 |
| Dues and subscriptions | 651,355 | - | 589,789 | 61,566 |
| Payment on note principal | 1,091,429 | (1,091,429) | - | - |
| Interest charges | 33,547 | - | 33,547 | - |
| Laboratory | 331,748 | - | - | 331,748 |
| Security | 725,895 | - | 34,842 | 691,053 |
| Miscellaneous | 5,653,869 | - | 54,258 | 5,599,611 |
| Total expenditures | <u>262,264,636</u> | <u>(5,047,640)</u> | <u>32,181,126</u> | <u>225,035,870</u> |
| Equipment and vehicle depreciation | - | 556,454 | - | 556,454 |
| Buildings and improvements depreciation | - | 1,878,195 | 1,022,533 | 855,662 |
| Total | <u>\$ 262,264,636</u> | <u>\$ (2,612,991)</u> | <u>33,203,659</u> | <u>\$ 226,447,986</u> |
| Indirect costs | | | <u>33,203,659</u> | |
| Direct costs | | | <u>\$ 226,447,986</u> | |
| | | | 14.7% | |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

Table 8

LOCAL SERVICE AREA POPULATION

For The Year Ended August 31, 2020

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

| <u>Center</u> | <u>Mental Health Population</u> | <u>Intellectual & Developmental</u> |
|---------------------------------|---------------------------------|---|
| ACCESS | 119,908 | 119,908 |
| Alamo Local Authority | - | - |
| Andrews Center | 447,229 | 447,229 |
| Austin-Travis County | 1,277,007 | 1,277,007 |
| Betty Hardwick (Abilene) | 189,364 | 189,364 |
| Bluebonnet Trails | 1,088,584 | 1,088,584 |
| Border Region | 409,389 | 409,389 |
| Brazos Valley | 382,528 | 382,528 |
| Burke Center | 418,106 | 418,106 |
| Camino Real | 245,831 | 245,831 |
| Center for Health Care Services | 2,062,088 | 2,062,088 |
| Center for Life Resources | 105,365 | 105,365 |
| Central Counties | 540,134 | 540,134 |
| Central Plains | 100,533 | 100,533 |
| Coastal Plains Center | 240,317 | 240,317 |
| Community Healthcare | - | - |
| Concho Valley | 133,305 | 133,305 |
| Dallas Metrocare Services | - | - |
| Denton County | 943,020 | 943,020 |
| El Paso | 952,366 | 952,366 |
| Gulf Bend | 189,263 | 189,263 |
| Gulf Coast Center | 745,577 | 745,577 |
| Harris County | 4,885,616 | 4,885,616 |
| HEALTHCORE | 495,380 | 495,380 |
| Heart of Texas | 382,710 | 382,710 |
| Helen Farabee Center | 329,660 | 329,660 |
| Hill Country | 756,326 | 756,326 |
| Lakes Regional Center | 175,432 | 175,432 |
| LifePath Systems | 1,150,398 | 1,150,398 |
| NorthStar | 3,262,630 | 3,262,630 |
| Nueces County | 376,623 | 376,623 |
| PANHANDLE | 445,830 | 445,830 |
| Pecan Valley | 491,077 | 491,077 |
| Permian Basin | 363,893 | 363,893 |
| Spindletop | 466,041 | 466,041 |
| Starcare Lubbock | 355,798 | 355,798 |
| Tarrant County | 2,127,850 | 2,127,850 |
| Texana | 1,088,794 | 1,088,794 |
| Texas Panhandle | - | - |
| Texoma | 213,118 | 213,118 |
| Tri-County | 824,039 | 824,039 |
| Tropical Texas | 1,525,927 | 1,525,927 |
| West Texas | 234,922 | 234,922 |
| Total | 30,541,978 | 30,541,978 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

Table 9

DEMOGRAPHIC STATISTICS

Last Ten Calendar Years

| <u>Calendar Year</u> | <u>Population (A)</u> | <u>Unemployment Rate (B)</u> | <u>Total Personal Income (C)</u> | <u>Per Capita Personal Income</u> |
|----------------------|-----------------------|------------------------------|----------------------------------|-----------------------------------|
| 2011 | 4,092,459 | 8.3% | 183,899,347,000 | 44,936 |
| 2012 | 4,178,574 | 7.2% | 204,593,445,000 | 48,963 |
| 2013 | 4,253,700 | 6.0% | 224,617,980,000 | 52,805 |
| 2014 | 4,336,853 | 5.5% | 230,462,963,000 | 53,141 |
| 2015 | 4,441,370 | 4.0% | 252,694,912,000 | 56,896 |
| 2016 | 4,538,028 | 4.6% | 249,989,494,000 | 55,088 |
| 2017 | 4,589,928 | 5.3% | 247,482,118,000 | 53,188 |
| 2018 | 4,652,980 | 5.0% | 265,351,328,000 | 60,241 |
| 2019 | 4,698,619 | 5.6% | (D) | (D) |
| 2020 | 4,885,616 | 8.0% | (D) | (D) |

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

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD*Table 10***RATIO OF OUTSTANDING DEBT***Last Ten Calendar Years*

| Fiscal Year | Notes Payable | Total Debt | Personal Income | Percentage of Personal Income | Debt per Capita |
|--------------------|----------------------|-------------------|------------------------|--------------------------------------|------------------------|
| 2011 | 3,809,183 | 3,809,183 | 183,899,347,000 | 0.0021% | 0.93 |
| 2012 | 3,012,954 | 3,012,954 | 204,593,445,000 | 0.0015% | 0.72 |
| 2013 | 2,169,977 | 2,169,977 | 224,617,980,000 | 0.0010% | 0.51 |
| 2014 | 8,369,816 | 8,369,816 | 230,462,963,000 | 0.0036% | 1.93 |
| 2015 | 6,330,951 | 6,330,951 | 252,694,912,000 | 0.0025% | 1.43 |
| 2016 | 4,911,429 | 4,911,429 | 249,989,494,000 | 0.0020% | 1.08 |
| 2017 | 3,820,000 | 3,820,000 | 247,482,118,000 | 0.0015% | 0.82 |
| 2018 | 2,728,571 | 2,728,571 | (A) | (A) | (A) |
| 2019 | 1,637,142 | 1,637,142 | (A) | (A) | (A) |
| 2020 | 545,714 | 545,714 | (A) | (A) | (A) |

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

(A) Unavailable

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

Table 11

| Employer | 2020* | | | 2011* | | |
|---|----------------|------|---------------------------------------|----------------|------|---------------------------------------|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Walmart | 37,000 | 1 | 1.57% | - | - | - |
| Memorial Hermann Health Systems | 24,108 | 2 | 1.03% | - | - | - |
| HEB | 23,732 | 3 | 1.01% | - | - | - |
| The University of Texas MD Anderson Cancer Center | 21,086 | 4 | 0.90% | - | - | - |
| McDonalds | 20,918 | 5 | 0.89% | - | - | - |
| United/Continental Airlines | 14,941 | 6 | 0.64% | 15,522 | 2 | 0.56% |
| Houston Methodist | 20,000 | 7 | 0.85% | - | - | 0.00% |
| Exxon Mobil | - | - | - | 15,340 | 3 | 0.56% |
| UTMB Health | - | - | - | - | - | 0.00% |
| Kroger Company | 16,000 | 8 | 0.68% | - | - | 0.00% |
| Shell Oil Company | 11,507 | 9 | 0.49% | - | - | 0.00% |
| National Oilwell Varco | - | 0 | - | 7,400 | 6 | 0.27% |
| Schlumberger | 12,069 | 10 | 0.51% | - | - | 0.00% |
| Adminstaff Inc. | - | - | - | 22,475 | 1 | 0.81% |
| CenterPoint Energy (former Houston Industries) | - | - | - | 8,568 | 4 | 0.31% |
| Baker Hughes Inc. | - | - | - | 8,500 | 5 | 0.31% |
| AT&T Inc. (former SBC/Southwestern Bell) | - | - | - | 7,018 | 7 | 0.25% |
| Chevron/Texaco | - | - | - | 7,011 | 8 | 0.25% |
| JP Morgan Chase (former Texas Commerce Bank) | - | - | - | 5,900 | 9 | 0.21% |
| BP America, Inc. | - | - | - | 5,500 | 10 | 0.20% |
| | <u>201,361</u> | | <u>8.57%</u> | <u>103,234</u> | | <u>3.74%</u> |

* Based on calendar year.

Source: <http://www.HereisHouston.com/houstons-largest-employers>

Note: Total County Employment for 2020 was estimated 2,350,400 (based on prior year employment figures) and 2,759,000 in 2011.

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

Table 12
Page 1 of 2

| Function/Program | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------------|-------------|--------------|--------------|--------------|--------------|
| Adult Mental Health | 569 | 579 | 591 | 750 | 884 |
| IDD | 472 | 458 | 430 | 450 | 476 |
| Child and Adolescent | 191 | 200 | 194 | 226 | 246 |
| Crisis Center | 268 | 284 | 269 | 302 | 344 |
| Administration | 142 | 148 | 150 | 174 | 182 |
| Total | 1642 | 1,669 | 1,634 | 1,902 | 2,132 |

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

Table 12
Page 2 of 2

| Function/Program | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| Adult Mental Health | 889 | 915 | 825 | 764 | 793 |
| IDD | 421 | 419 | 419 | 433 | 414 |
| Child and Adolescent | 245 | 253 | 253 | 249 | 236 |
| Crisis Center | 371 | 371 | 385 | 438 | 466 |
| Administration | 190 | 205 | 281 | 340 | 278 |
| Total | 2,116 | 2,163 | 2,163 | 2,224 | 2,187 |

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

Table 13
Page 1 of 2

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Admissions: | | | | | |
| Mental Health | 22,758 | 11,305 | 10,295 | 12,755 | 12,646 |
| IDD | <u>9,551</u> | <u>2,241</u> | <u>1,951</u> | <u>2,329</u> | <u>2,272</u> |
| Total admissions | <u><u>32,309</u></u> | <u><u>13,546</u></u> | <u><u>12,246</u></u> | <u><u>15,084</u></u> | <u><u>14,918</u></u> |
| Total clients served (unduplicated): | | | | | |
| Mental Health | 36,112 | 26,384 | 30,944 | 26,780 | 28,197 |
| IDD | <u>16,631</u> | <u>17,185</u> | <u>15,019</u> | <u>17,715</u> | <u>18,222</u> |
| Total clients served | <u><u>52,743</u></u> | <u><u>43,569</u></u> | <u><u>45,963</u></u> | <u><u>44,495</u></u> | <u><u>46,419</u></u> |

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

Table 13
Page 2 of 2

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Admissions: | | | | | |
| Mental Health | 13,298 | 11,213 | 12,861 | 12,981 | 12,081 |
| IDD | <u>2,275</u> | <u>2,083</u> | <u>2,277</u> | <u>2,542</u> | <u>2,201</u> |
| Total admissions | <u><u>15,573</u></u> | <u><u>13,296</u></u> | <u><u>15,138</u></u> | <u><u>15,523</u></u> | <u><u>14,282</u></u> |
| Total clients served (unduplicated): | | | | | |
| Mental Health | 30,261 | 33,265 | 36,221 | 38,310 | 40,066 |
| IDD | <u>18,988</u> | <u>20,318</u> | <u>21,904</u> | <u>22,274</u> | <u>21,802</u> |
| Total clients served | <u><u>49,249</u></u> | <u><u>53,583</u></u> | <u><u>58,125</u></u> | <u><u>60,584</u></u> | <u><u>61,868</u></u> |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD*Table 14***GENERAL FUND REVENUE BY SOURCE OF FUNDS***Last Ten Fiscal Years*

| Fiscal Year | Local Funds | State Funds | Federal Funds | Total |
|------------------------|--------------------|--------------------|----------------------|----------------|
| 2011 | \$ 62,937,932 | \$ 94,597,104 | \$ 11,915,483 | \$ 169,450,519 |
| 2012 | 64,363,140 | 89,622,891 | 9,681,399 | 163,667,430 |
| 2013 | 67,052,301 | 94,319,225 | 13,159,316 | 174,530,842 |
| 2014 | 66,236,197 | 104,833,857 | 42,454,903 | 213,524,957 |
| 2015 | 70,714,740 | 102,911,444 | 45,887,191 | 219,513,375 |
| 2016 | 69,599,303 | 110,851,190 | 49,055,292 | 229,505,785 |
| 2017 | 75,768,153 | 105,272,006 | 59,727,494 | 240,767,653 |
| 2018 | 75,672,011 | 109,389,867 | 69,494,638 | 254,556,516 |
| 2019 | 77,333,059 | 113,228,586 | 66,212,036 | 256,773,681 |
| 2020 | 81,067,038 | 123,312,937 | 82,488,389 | 286,868,364 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD*Table 15***GENERAL FUND EXPENDITURES BY CATEGORY***Last Ten Fiscal Years*

| Fiscal Year | Mental Health | Intellectual & Developmental Disabilities | Administration | Total |
|------------------------|----------------------|--|-----------------------|----------------|
| 2011 | \$ 111,906,905 | \$ 37,819,392 | \$ 18,055,619 | \$ 167,781,916 |
| 2012 | 113,918,759 | 34,616,488 | 17,532,335 | 166,067,582 |
| 2013 | 120,985,289 | 34,821,433 | 17,432,945 | 173,239,667 |
| 2014 | 141,307,371 | 36,663,301 | 25,964,167 | 203,934,839 |
| 2015 | 160,659,800 | 37,534,988 | 33,128,846 | 231,323,634 |
| 2016 | 177,790,941 | 35,208,003 | 16,001,767 | 229,000,711 |
| 2017 | 180,229,346 | 33,728,843 | 22,056,660 | 236,014,849 |
| 2018 | 179,460,209 | 33,710,989 | 25,096,899 | 238,268,097 |
| 2019 | 186,604,624 | 35,685,945 | 24,474,194 | 246,764,763 |
| 2020 | 191,365,084 | 37,987,166 | 32,912,386 | 262,264,636 |

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

Table 16
Page 1 of 2

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Adult Mental Health | | | | | |
| Land | \$ 1,895,148 | \$ 1,895,148 | \$ 1,895,148 | \$ 1,895,148 | \$ 1,895,148 |
| Buildings and improvements | 11,047,650 | 11,060,635 | 11,060,635 | 11,065,800 | 11,065,800 |
| Equipment and furniture | 2,160,381 | 2,169,897 | 1,687,157 | 1,855,258 | 1,855,258 |
| Vehicles | 129,551 | 129,551 | 220,527 | 220,527 | 220,527 |
| Total capital assets for Adult Mental Health | <u>15,232,730</u> | <u>15,255,231</u> | <u>14,863,467</u> | <u>15,036,733</u> | <u>15,036,733</u> |
| Intellectual & Developmental Disabilities | | | | | |
| Land | 916,080 | 916,080 | 916,080 | 916,080 | 916,080 |
| Buildings and improvements | 4,963,058 | 4,980,370 | 4,980,370 | 4,980,370 | 4,980,370 |
| Equipment and furniture | 1,462,270 | 1,469,196 | 1,117,907 | 1,111,807 | 1,111,807 |
| Vehicles | 394,576 | 374,226 | 428,012 | 447,510 | 447,510 |
| Total capital assets for Intellectual & Developmental Disabilities | <u>7,735,984</u> | <u>7,739,872</u> | <u>7,442,369</u> | <u>7,455,767</u> | <u>7,455,767</u> |
| Child and Adolescent | | | | | |
| Land | 174,011 | 174,011 | 174,011 | 174,011 | 174,011 |
| Buildings and improvements | 2,637,343 | 2,650,328 | 2,650,328 | 2,650,328 | 2,650,328 |
| Equipment and furniture | 701,957 | 705,321 | 534,677 | 534,677 | 534,677 |
| Total capital assets for Child and Adolescent | <u>3,513,311</u> | <u>3,529,660</u> | <u>3,359,016</u> | <u>3,359,016</u> | <u>3,359,016</u> |
| Crisis Center | | | | | |
| Land | - | - | - | - | 588,825 |
| Buildings and improvements | 2,619,061 | 2,619,061 | 2,619,061 | 2,619,061 | 3,048,836 |
| Equipment and furniture | 564,375 | 566,869 | 428,072 | 422,172 | 422,172 |
| Vehicles | 436,938 | 452,679 | 611,755 | 746,952 | 850,104 |
| Total capital assets for Crisis Center | <u>3,620,374</u> | <u>3,638,609</u> | <u>3,658,888</u> | <u>3,788,185</u> | <u>4,909,937</u> |
| Administration | | | | | |
| Land | 436,250 | 436,250 | 436,250 | 2,449,346 | 2,449,346 |
| Buildings and improvements | 4,033,428 | 4,033,428 | 4,033,428 | 11,617,450 | 21,505,723 |
| Equipment and furniture | 2,861,455 | 2,984,690 | 2,563,682 | 2,865,744 | 3,762,611 |
| Vehicles | 173,516 | 173,516 | 196,203 | 214,016 | 214,016 |
| Intangible assets - software | 3,113,739 | 5,102,008 | 5,928,585 | 6,142,885 | 6,184,197 |
| Construction in progress | - | - | - | - | - |
| Total capital assets for Administration | <u>10,618,388</u> | <u>12,729,892</u> | <u>13,158,148</u> | <u>23,289,441</u> | <u>34,115,893</u> |
| Total capital assets | <u>\$ 40,720,787</u> | <u>\$ 42,893,264</u> | <u>\$ 42,481,888</u> | <u>\$ 52,929,142</u> | <u>\$ 64,877,346</u> |

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

Table 16
Page 2 of 2

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Adult Mental Health | | | | | |
| Land | \$ 1,895,148 | \$ 1,895,148 | \$ 1,895,149 | \$ 1,895,148 | \$ 1,895,148 |
| Buildings and improvements | 11,065,800 | 11,065,800 | 11,065,800 | 11,065,800 | 11,078,437 |
| Equipment and furniture | 2,059,264 | 2,365,744 | 2,365,744 | 2,365,744 | 2,381,744 |
| Vehicles | 245,114 | 433,779 | 470,669 | 470,669 | 477,700 |
| Total capital assets for Adult Mental Health | <u>15,265,326</u> | <u>15,760,471</u> | <u>15,797,362</u> | <u>15,797,361</u> | <u>15,833,029</u> |
| Intellectual & Developmental Disabilities | | | | | |
| Land | 916,080 | 916,080 | 916,080 | 916,080 | 916,080 |
| Buildings and improvements | 4,980,370 | 4,980,370 | 4,980,370 | 4,980,370 | 4,980,370 |
| Equipment and furniture | 1,111,807 | 1,111,807 | 1,111,807 | 1,111,807 | 1,111,807 |
| Vehicles | 211,828 | 177,939 | 177,939 | 177,939 | 177,939 |
| Total capital assets for Intellectual & Developmental Disabilities | <u>7,220,085</u> | <u>7,186,196</u> | <u>7,186,196</u> | <u>7,186,196</u> | <u>7,186,196</u> |
| Child and Adolescent | | | | | |
| Land | 174,011 | 174,011 | 174,011 | 174,011 | 174,011 |
| Buildings and improvements | 2,650,328 | 2,650,328 | 2,650,328 | 2,650,328 | 2,650,328 |
| Equipment and furniture | 534,677 | 534,677 | 534,677 | 534,677 | 534,677 |
| Total capital assets for Child and Adolescent | <u>3,359,016</u> | <u>3,359,016</u> | <u>3,359,016</u> | <u>3,359,016</u> | <u>3,359,016</u> |
| Crisis Center | | | | | |
| Land | 588,825 | 588,825 | 588,825 | 588,825 | 588,825 |
| Buildings and improvements | 5,380,809 | 5,380,809 | 5,380,809 | 5,380,809 | 5,380,809 |
| Equipment and furniture | 422,172 | 422,172 | 422,172 | 427,882 | 447,012 |
| Vehicles | 857,077 | 756,762 | 756,762 | 775,207 | 862,303 |
| Total capital assets for Crisis Center | <u>7,248,883</u> | <u>7,148,568</u> | <u>7,148,568</u> | <u>7,172,723</u> | <u>7,278,949</u> |
| Administration | | | | | |
| Land | 2,449,346 | 2,449,346 | 1,655,596 | 1,454,050 | 1,454,050 |
| Buildings and improvements | 22,696,643 | 22,812,238 | 16,492,213 | 15,199,654 | 15,296,306 |
| Equipment and furniture | 4,024,171 | 4,421,756 | 4,543,552 | 5,110,699 | 5,402,954 |
| Vehicles | 214,016 | 180,368 | 180,368 | 87,289 | 87,289 |
| Intangible assets - software | 6,198,078 | - | - | - | - |
| Construction in progress | - | - | - | - | 3,163,960 |
| Total capital assets for Administration | <u>35,582,254</u> | <u>29,863,708</u> | <u>22,871,729</u> | <u>21,851,692</u> | <u>25,404,559</u> |
| Total capital assets | <u>\$ 68,675,564</u> | <u>\$ 63,317,959</u> | <u>\$ 56,362,871</u> | <u>\$ 55,366,988</u> | <u>\$ 59,061,749</u> |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SUMMARY SCHEDULE OF MENTAL HEALTH ADULT, MENTAL HEALTH CHILDREN,
AND INTELLECTUAL AND DEVELOPMENTAL DISABILITIES EXPENDITURES BY
SERVICE CATEGORY AND SOURCE OF FUNDS
For The Year Ended August 31, 2020

Table 17

| <u>Service Categories (by Funding Source)</u> | <u>Mental Health Adult</u> | <u>Mental Health Children</u> | <u>Intellectual & Developmental Disabilities</u> | <u>Total</u> | <u>Approved Budget</u> | <u>Variance</u> |
|--|--------------------------------|-----------------------------------|--|-----------------------|----------------------------|----------------------|
| General Revenue - Mental Health | \$ 58,689,583 | \$ 13,766,692 | \$ - | \$ 72,456,275 | \$ 72,019,861 | \$ (436,414) |
| General Revenue - Intellectual & Developmental Disabilities | | | 8,681,794 | 8,681,794 | 8,686,177 | 4,383 |
| General Revenue - Permanency Planning | | | 132,718 | 132,718 | 134,033 | 1,315 |
| Community Hospitals | 30,800,506 | | | 30,800,506 | 31,030,496 | 229,990 |
| YES Waiver | | 938,785 | | 938,785 | 1,250,000 | 311,215 |
| ICF-MR | | | 2,021,924 | 2,021,924 | 2,173,121 | 151,197 |
| Texas Home Living Waiver (THL Waiver) | | | 1,780,214 | 1,780,214 | 1,657,215 | (122,999) |
| MH Block Homeless PATH Grant | 1,130,299 | | | 1,130,299 | 1,130,299 | - |
| Title XX Social Services Block Grant | 580,417 | | | 580,417 | 580,417 | - |
| Mental Health Block Grant | 3,081,806 | | | 3,081,806 | 3,081,806 | - |
| Mental Health Block Grant - CSC | | 730,384 | | 730,384 | 750,000 | 19,616 |
| Mental Health Suicide Care Pilot Project | 303,472 | | | 303,472 | 534,938 | 231,466 |
| TANF to Title XX Block Grant | | 1,386,984 | | 1,386,984 | 1,690,992 | 304,008 |
| Substance Abuse Prevention & Treatment Block Grant | 869,848 | | | 869,848 | 834,655 | (35,193) |
| Texas DSHS Disaster Assistance (Crisis Counseling) | 734,794 | | | 734,794 | 1,915,572 | 1,180,778 |
| Medicaid | 20,221,757 | | | 20,221,757 | 24,257,376 | 4,035,619 |
| Medicaid Administrative Claiming | 7,110,926 | | 724,054 | 7,834,980 | 7,434,703 | (400,277) |
| Delivery System Reform Incentive Payments | 59,162,353 | 1,966,413 | 3,771,849 | 64,900,615 | 52,462,814 | (12,437,801) |
| Enhanced Community Coordination | 427,600 | | | 427,600 | 387,798 | (39,802) |
| Texas Department of Criminal Justice | 460,200 | | | 460,200 | 1,964,441 | 1,504,241 |
| Early Childhood Intervention | | | 4,552,424 | 4,552,424 | 4,827,852 | 275,428 |
| Texas Council on Offenders with Mental Impairments | 2,850,627 | | | 2,850,627 | 3,461,333 | 610,706 |
| Additional Local Funds and Match | 29,124,144 | 2,899,142 | 3,362,927 | 35,386,213 | 56,314,439 | 20,928,226 |
| Total Expended Sources | \$ 215,548,332 | \$ 21,688,401 | \$ 25,027,904 | \$ 262,264,636 | \$ 278,580,338 | \$ 16,315,702 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF REVENUES AND EXPENDITURES BY SOURCE OF FUNDS
GENERAL FUND
For The Year Ended August 31, 2020

Table 18

| <u>Fund Source</u> | <u>Total Revenue</u> | <u>Total Mental Health Adult Expenditures</u> | <u>Total Mental Health Children Expenditures</u> | <u>Total Intellectual & Developmental Disabilities Expenditures</u> | <u>Total Center Expenditures</u> | <u>Excess Revenues Over Expenditures</u> |
|---|-----------------------|---|--|---|----------------------------------|--|
| Objects of Expense: | | | | | | |
| Salaries | \$ 145,458,140 | \$ 122,048,930 | \$ 12,028,897 | \$ 13,165,653 | \$ 145,458,140 | \$ - |
| Employee Benefits | 41,588,459 | 32,599,653 | 3,439,225 | 3,764,239 | 41,588,459 | - |
| Professional and Consultant Fees | 49,374,854 | 40,822,722 | 4,083,134 | 4,468,999 | 49,374,854 | - |
| Training and Travel | 1,791,377 | 1,481,095 | 148,141 | 162,140 | 1,791,377 | - |
| Debt Service | 1,124,976 | 930,120 | 93,032 | 101,823 | 1,124,976 | - |
| Capital Outlay | 3,258,276 | 2,693,916 | 269,448 | 294,912 | 3,258,276 | - |
| Non-capitalized Equipment | 7,703,176 | 6,368,922 | 637,027 | 697,227 | 7,703,176 | - |
| Pharmaceutical (medication and script process) | 3,580,896 | 2,960,655 | 296,128 | 324,113 | 3,580,896 | - |
| Other Operating | 8,384,482 | 5,642,319 | 693,368 | 2,048,797 | 8,384,482 | - |
| Total Expenditures | 262,264,636 | 215,548,332 | 21,688,400 | 25,027,904 | 262,264,636 | - |
| Method of Finance: | | | | | | |
| General Revenue - Mental Health | 72,456,275 | 58,689,583 | 13,766,692 | - | 72,456,275 | - |
| General Revenue - Intellectual & Developmental Disabilities | 8,681,794 | - | - | 8,681,794 | 8,681,794 | - |
| General Revenue - Permanency Planning | 132,718 | - | - | 132,718 | 132,718 | - |
| Community Hospitals | 30,800,506 | 30,800,506 | - | - | 30,800,506 | - |
| YES Waiver | 938,785 | - | 938,785 | - | 938,785 | - |
| ICF-MR | 2,021,924 | - | - | 2,021,924 | 2,021,924 | - |
| Texas Home Living Waiver (THL Waiver) | 1,780,214 | - | - | 1,780,214 | 1,780,214 | - |
| MH Block Homeless PATH Grant | 1,130,299 | 1,130,299 | - | - | 1,130,299 | - |
| Title XX Social Services Block Grant | 580,417 | 580,417 | - | - | 580,417 | - |
| Mental Health Block Grant | 3,081,806 | 3,081,806 | - | - | 3,081,806 | - |
| Mental Health Block Grant - CSC | 730,384 | - | 730,384 | - | 730,384 | - |
| Mental Health Suicide Care Pilot Project | 303,472 | 303,472 | - | - | 303,472 | - |
| TANF to Title XX Block Grant | 1,386,984 | - | 1,386,984 | - | 1,386,984 | - |
| Substance Abuse Prevention & Treatment Block Grant | 869,848 | 869,848 | - | - | 869,848 | - |
| Texas DSHS Disaster Assistance (Crisis Counseling) | 734,794 | 734,794 | - | - | 734,794 | - |
| Medicaid | 20,221,757 | 20,221,757 | - | - | 20,221,757 | - |
| Medicaid Administrative Claiming | 7,834,980 | 7,110,926 | - | 724,054 | 7,834,980 | - |
| Delivery System Reform Incentive Payments | 64,900,615 | 59,162,353 | 1,966,413 | 3,771,849 | 64,900,615 | - |
| Enhanced Community Coordination | 427,600 | 427,600 | - | - | 427,600 | - |
| Texas Department of Criminal Justice | 460,200 | 460,200 | - | - | 460,200 | - |
| Early Childhood Intervention | 4,552,424 | - | - | 4,552,424 | 4,552,424 | - |
| Texas Council on Offenders with Mental Impairments | 2,850,627 | 2,850,627 | - | - | 2,850,627 | - |
| Additional Local Funds and Match | 59,989,941 | 29,124,144 | 2,899,142 | 3,362,927 | 35,386,213 | 24,603,728 |
| Total Expended Sources | \$ 286,868,364 | \$ 215,548,332 | \$ 21,688,400 | \$ 25,027,904 | \$ 262,264,636 | \$ 24,603,728 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF LEASES IN EFFECT
For The Year Ended August 31, 2020

Table 19

| <u>Lessor</u> | <u>Address</u> | <u>Monthly Amount</u> | <u>Beginning Date</u> | <u>Termination Date</u> |
|--|---|-----------------------|-----------------------|-------------------------|
| City of Houston, Multiservice | 4014 Market - Houston, TX | \$161 | 9/26/2019 | 8/31/2020 |
| City of Houston, Multiservice | 7037 Capital, Suite 103 | \$298 | 9/14/2019 | 8/31/2020 |
| City of Houston, Multiservice | 170 Height Blvd. | \$331 | 9/27/2019 | 8/31/2020 |
| City of Houston, Multiservice | 6719 West Montgomery - Houston, TX | \$256 | 9/1/2019 | 8/31/2020 |
| Harris County Facilities & Property | 5518 Jackson St.- Houston, TX | \$50/yr. | 5/1/2008 | 4/30/2020 |
| Plazer Properties, Ltd. | 3600 S. Gessner, Suite 110 - Houston, TX | \$20,005 | 4/1/2019 | 9/30/2019 |
| | | \$19,556 | 11/1/2019 | 11/30/2019 |
| | | \$19,607 | 12/1/2019 | 9/30/2020 |
| Spring Branch District Plaza II | 9610 Long Point, Suite 351 - Houston, TX | \$214 | 10/1/2019 | 10/31/2020 |
| Ashford Houston Investments | 1500 Dairy Ashford, Ste 448 - Houston, TX | \$949 | 9/1/2019 | 8/31/2020 |
| Gillett Properties, Ltd. | 7171 Hwy 6 N, Ste 206 - Houston, TX | \$949 | 9/1/2019 | 8/31/2020 |
| Moana, LP (Oxley Leasing) | 2550 North Loop West - Houston, TX | \$2,100 | 9/1/2019 | 8/31/2020 |
| Pasadena Cottages | 2212 Wichita - Pasadena, TX | \$1,404 | Month-to-month | Month-to-month |
| The Center | 3550 West Dallas - Houston, TX | \$350 | 9/1/2019 | 8/31/2020 |
| Bill Clair Family Mortuary, Inc. | 2603 Southmore - Houston, TX | \$600 | 9/1/2019 | 8/31/2020 |
| NPC | 1502 Taub Loop - Houston, TX | \$1/year | PP for 25 Year | 2024 |
| Harris County Jail | 3540 West Dallas - Houston, TX | Free | Month-to-month | Month-to-month |
| City of El Lago | 411 Talwoo El Lago, TX. 77586 | \$800 | 9/1/2019 | 8/31/2020 |
| Shirajp LP | 817 Southmore Suite 150 Pasadena, Tx 77502 | \$1,200 | 9/1/2019 | 8/31/2020 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF INSURANCE COVERAGE
For The Year Ended August 31, 2020

Table 20
Page 1 of 3

| | | | |
|--|--|-----------|------------------|
| Property | | | |
| Insurer: | Texas Council Risk Management Fund | | |
| Policy Period: | 09/01/19 - 09/01/20 | | |
| | Property Including Boiler/Machinery | | |
| | Annual Contribution | \$ | 386,702 |
| | Bldg./BPP TIV: \$120,727,238 | | |
| General Liability | | | |
| Insurer: | Texas Council Risk Management Fund | | |
| Policy Period: | 09/01/19 - 09/01/20 | | |
| | Commercial General Liability | | 6,098 |
| Professional Liability | | | |
| Insurer: | Texas Council Risk Management Fund | | |
| Policy Period: | 09/01/19 - 09/01/20 | | |
| | Professional Liability / Annual Contribution | | 83,468 |
| Auto Liability | | | |
| Insurer: | Texas Council Risk Management Fund | | |
| Policy Period: | 09/01/19 - 09/01/20 | | |
| | Auto Liability | | 97,172 |
| | Auto APD | | 23,004 |
| Workers Compensation | | | |
| Insurer: | Texas Council Risk Management Fund | | |
| Policy Period: | 09/01/19 - 09/01/20 | | |
| | Workers Compensation | | 376,256 |
| Excess Liability | | | |
| Insurer: | Texas Council Risk Management Fund | | |
| Policy Period: | 09/01/19 - 09/01/20 | | |
| | Excess Liability | | 90,523 |
| Directors & Officers Liability | | | |
| Insurer: | Texas Council Risk Management Fund | | |
| Policy Period: | 09/01/19 - 09/01/20 | | |
| | Directors & Officers Liability | | 291,686 |
| Terrorism Coverage not available from TCRMF | | | |
| Total Estimated Premium | | <u>\$</u> | <u>1,354,909</u> |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF INSURANCE COVERAGE
For The Year Ended August 31, 2020

Table 20
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Crime

Insurer: Frost Insurance
Carrier: Great American Insurance Co
Policy Number: SAA 425 58 58 07 00
Policy Period: 09/01/20 - 09/01/21

| | | | |
|----------------------------|----|---------|-------|
| Estimated Premium | | \$ | 3,278 |
| Employee Theft | \$ | 600,000 | |
| Forgery on alterations | \$ | 200,000 | |
| Theft on Premise | \$ | 25,000 | |
| Theft in Transit | \$ | 25,000 | |
| Computer Fraud | \$ | 100,000 | |
| Money Orders & Counterfeit | \$ | 25,000 | |
| Funds Transfer Fraud | \$ | 100,000 | |

Fiduciary Liability

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

| | | | |
|--------------------|----|-----------|-------|
| Annual Premium | | | 6,263 |
| Limit of Liability | \$ | 3,000,000 | |

Notary E&O

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

| | | | |
|----------------|--|--|-------|
| Annual Premium | | | 1,012 |
| 89 Notaries | | | |

Notary Bonds

Insurer: Frost Insurance
Carrier: Western Surety
Policy Period: 09/01/20 - 09/01/21

| | | | |
|-------------------------------------|--|--|-------|
| Estimated Notary Bonds Premium | | | 4,899 |
| 89 New Notaries (3 yr. policy term) | | | |
| \$71.00 per Notary Bond | | | |

Cybersecurity Liability

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

Information Security and Privacy Insurance
with Breach Response Services

| | | | |
|----------------|--|--|--------|
| Annual Premium | | | 78,750 |
|----------------|--|--|--------|

Flood

Insurer: Frost Insurance
Carrier: Breckenridge/Liberty Surplus
Policy Number: GRFL2372
Policy Period: 03/28/2018 - 03/28/2019

| | | | |
|----------------------|--|--|--------|
| Premium | | | 24,369 |
| Locations: | | | |
| 7200 North Loop East | | | |
| 11511 Bob White Road | | | |
| 1200 Baker St | | | |

Total Estimated Premium \$ 118,572

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF INSURANCE COVERAGE
For The Year Ended August 31, 2020

Table 20
Page 3 of 3

Residential Programs

Insurer: Non-Profit Housing Corp
 Moon Shepherd Baker Insurance Agency
 Villas at Bayou Park, Inc.
 Acceptance Indemnity (General Liability):
 Effective 7/1/20-7/1/21
 Lloyds of London (Property):
 Effective 5/15/20-5/15/21
 James River (Umbrella): 7/1/20-7/1/21
 Effective 7/1/20-7/1/21
 Travelers Casualty (Directors & Officers Liability)
 Effective 7/6/20-7/1/21
 Premium Paid by Management Company

Acres Homes Garden, Inc.
 Acceptance Indemnity (General Liability):
 Effective 7/1/20-7/1/21
 Lloyds of London (Property):
 Effective 5/15/20-5/15/21
 James River (Umbrella):
 Effective 7/1/20-7/1/21
 USLI (Directors & Officers Liability):
 Effective 7/6/20-7/1/21
 Premium Paid by Management Company

Pear Grove, Inc.
 Acceptance Indemnity (General Liability):
 Effective 7/1/20-7/1/21
 Lloyds of London (Property):
 Effective 5/15/20-5/15/21
 James River (Umbrella):
 Effective 7/1/20-7/1/21
 USLI (Directors & Officers Liability):
 Effective 7/6/20-7/1/21
 Premium Paid by Management Company

Pecan Village, Inc.
 Acceptance Indemnity (General Liability):
 Effective 7/1/20-7/1/21
 Lloyds of London (Property):
 Effective 5/15/20-5/15/21
 James River (Umbrella):
 Effective 7/1/20-7/1/21
 USLI (Directors & Officers Liability):
 Effective 7/6/20-7/1/21
 Selective Insurance Co of the Southeast - Flood (Bldgs. 1 to 4):
 Effective 12/1/19-21
 Premium Paid by Management Company

Insurer: Multifamily Management Ministries
 Swain & Baldwin Insurance
 Villages of Hickory Glen
 Lexington Insurance - Commercial Package:
 Effective 05/15/20-21
 Westchester Fire Ins. Co. - Directors & Officers Liability:
 Effective 09/08/20-21
 James River Ins - Umbrella:
 Effective 5/15/20-21
 Wright National Flood Ins - Flood (Bldg. 1- 4):
 Effective 3/14/20-21
 Admiral Insurance - Hired & Non-Owned Auto:
 Effective 5/15/20-21
 Premium Paid by Management Company

Insurer: Frost Insurance
 Pasadena Cottages, Inc.

| | | |
|---|----|---------------|
| Philadelphia Insurance - Package Policy: | \$ | 2,725 |
| Effective 04/08/20-21 | | |
| USLI - Directors & Officers Liability: | | 1,229 |
| Effective 02/08/20-21 | | |
| Certain Underwriter at Lloyds of London - Property: | | 4,508 |
| Effective 4/8/20-21 | | |
| Wright Flood Insurance - Flood (2122 Wichita St): | | 819 |
| Effective 11/4/20-21 | | |
| Wright Flood Insurance - Flood (2122B Wichita St): | | 790 |
| Effective 1/15/20-21 | | |
| Total Current Premium: | | 10,071 |



Transforming Lives

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF BOND COVERAGE
For The Year Ended August 31, 2020

Table 21

| <u>Surety Company</u> | <u>Scope of Coverage</u> | <u>Amount</u> |
|-----------------------|--|---------------|
| Frost Insurance | Commercial Crime Policy | |
| 9/1/2019 - 8/31/2020 | Public Employee Dishonesty Per Loss | \$ 600,000 |
| | 5,000 Single Loss Retention | |
| | Forgery Alterations | 200,000 |
| | Deductible | 2,500 |
| | Money and Securities - On Premise | 25,000 |
| | Deductible | 2,500 |
| | Money and Securities - Messenger | 25,000 |
| | Deductible | 2,500 |
| | Computer Fraud | 100,000 |
| | Deductible | 5,000 |
| | Money Order and Counterfeit Currency | 25,000 |
| | Deductible | 2,500 |
| | Property of Clients (Theft by Employees) | Not Covered |
| | Funds Transfer Fraud | 100,000 |
| | Deductible | 5,000 |
| | Claims Expense | 5,000 |
| | Cybersecurity | 7,500,000 |
| | Deductible | 75,000 |
| | Fiduciary Plan | 3,000,000 |
| | Deductible | 25,000 |
| Frost Insurance | Errors and Omissions - Notary | |
| 9/1/2019 - 8/31/2020 | Limit of Liability (89 Notaries) | 20,000 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF PROFESSIONAL AND CONSULTING FEES AND
CONTRACTED PROVIDER SERVICES
For The Year Ended August 31, 2020

Table 22
Page 1 of 4

| <u>Name</u> | <u>City</u> | <u>Service</u> | <u>Amount</u> |
|---|-----------------|---|---------------|
| Abdullah, Haneef | Houston, TX | Respite Care Services | \$ 6,651 |
| Adan, Amada | Houston, TX | Respite Care Services | 15,943 |
| Alina Health LLC dba T-Psychiatry | Alvin, TX | Temporary Staffing - Psychiatrists | 16,000 |
| Almanza, Elsa | Houston, TX | Respite Care Services | 15,147 |
| ANC-D Psychological Services | Houston, TX | YES Waiver Services | 166,808 |
| Anderson, Ta'keia | Houston, TX | Respite Care Services | 5,575 |
| ARC of Greater Houston | Houston, TX | Vocational and Employment Training | 187,751 |
| Barden, Jordan | San Antonio, TX | Respite Care Services | 17,220 |
| Batiste, Juanita Dembo | Houston, TX | Respite Care Services | 1,143 |
| Baylor College of Medicine | Houston, TX | Residency Program Training | 124,681 |
| Baylor College of Medicine/Family Comm | Houston, TX | Medical Consultations/EKG Services | 35,158 |
| Behavioral Health Industry dba Open Min | Gettysburg, PA | Behavioral Health Consultation Services | 24,500 |
| Bogany, Tammie | Humble, TX | Respite Care Services | 9,198 |
| Bradley, Deborah | Katy, TX | Respite Care Services | 12,303 |
| Bridges, Matthew dba Bridging Lives LLC | Houston, TX | YES Waiver Services | 2,362 |
| Brown, Tanitra | Houston, TX | Respite Care Services | 13,578 |
| Brown, Tarshyra | Iowa Colony, TX | Respite Care Services | 6,354 |
| Buchholz, Michele | Cypress, TX | Respite Care Services | 6,260 |
| Burks, Amber | Houston, TX | Temporary Staffing - Psychiatrists | 88,000 |
| Button's Inventory Service, Inc. | Houston, TX | Pharmacy Inventory Service | 54,323 |
| Cabral, Armando | Houston, TX | Respite Care Services | 16,011 |
| Cams-care, LLC | Bethesda, MD | Consultation Services | 27,000 |
| Carahsoft Technology Corporation | Reston, VA | IT Consultation Services | 6,452 |
| Cardenas, Maribel | Houston, TX | Respite Care Services | 1,503 |
| Center for Recovery and Wellness Resour | Houston, TX | Housing/Transition Services | 34,401 |
| Centre Technologies | Houston, TX | IT Consultation Services | 59,100 |
| Cerner Corporation | St Louis, MO | Consultation Services | 10,800 |
| Cervantes, Maria | Houston, TX | Respite Care Services | 16,542 |
| Chef's Catering | Houston, TX | Consumer Food Service | 89,468 |
| Cheyenne Center | Houston, TX | Housing/Transition Services | 49,256 |
| Citrus Medical | Richmond, TX | YES Waiver Services | 117,712 |
| Coalition for the Homeless | Houston, TX | Advocacy Services | 32,208 |
| Coche, Angel | Houston, TX | Respite Care Services | 10,800 |
| Compelling Therapy Services, Inc | Bellaire, TX | YES Waiver Services | 136,391 |
| Copeland, Ambur L. | Houston, TX | Respite Care Services | 12,780 |
| Cormier, Dajasa Queen | Humble, TX | Supported Home Living Services | 2,700 |
| CTRL Delivery & Transportation, Inc. | Houston, TX | Transportation Services | 11,099 |
| Data Shredding Services of Texas | Houston, TX | Document Destruction | 21,117 |
| Degay, Lashun | Houston, TX | Respite Care Services | 14,373 |
| Demas, Evelyn | Houston, TX | Respite Care Services | 3,510 |
| Developmental Disabilities Management S | Houston, TX | Day Habilitation Services | 4,059 |
| DISA, Inc. (FKA Forward Edge) | Houston, TX | Pre-employment Testing | 36,145 |
| Discovery Benefits, Inc. | Fargo, ND | Employee Benefits Administration | 40,819 |
| Dunaway, Sonja | Houston, TX | Supported Home Living Services | 5,688 |
| Dunbar, Karen | Houston, TX | Respite Care Services | 3,379 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF PROFESSIONAL AND CONSULTING FEES AND
CONTRACTED PROVIDER SERVICES
For The Year Ended August 31, 2020

Table 22
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| Name | City | Service | Amount |
|--|-------------------|--|---------------|
| East, Loraine | Houston, TX | Respite Care Services | 9,657 |
| Easter Seals of Greater Houston, Inc. | Houston, TX | Respite Services | 2,497,662 |
| Education Development Center, Inc. | Houston, TX | Consultation Services | 114,000 |
| El Centro de Corazon | Waltham, MA | Medical Services | 193,861 |
| Elite Personnel Consultants | Houston, TX | Temporary Staffing | 88,671 |
| Flanagan, Jerome | Houston, TX | YES Waiver Services | 49,460 |
| Flannel, Annette | Houston, TX | Respite Care Services | 12,309 |
| Fordice, Susan dba Fordice Consulting | Missouri City, TX | Foundation Consulting Services | 7,500 |
| Gearing, Robin Edward | Cypress, TX | Service Utilization/Effectiveness Consulti | 6,750 |
| German & Co, Inc. dba Germane Solutions | Houston, TX | Consultation Services | 48,876 |
| Gomez, Cecilia | Miamisburg, OH | Respite Care Services | 4,644 |
| Hall, LaToya T. | Houston, TX | Respite Care Services | 14,364 |
| Hardaway, Vanessa | Houston, TX | Respite Care Services | 2,700 |
| Harris County Hospital District dba Harris | Houston, TX | Consumer Food Service | 265,838 |
| Harris County Hospital District dba Harris | Houston, TX | Health Department Maintenance | 193,453 |
| Harris County Psychiatric Center | Houston, TX | Competency Evaluation and Restoration | 4,201,115 |
| Harris County Psychiatric Center | Houston, TX | Inpatient Psychiatric Bed Services | 382,168 |
| Harris, Miriam dba Nirvana Behavioral Sol | Houston, TX | YES Waiver Services | 17,729 |
| Hendrix, Sharon | Houston, TX | Supported Home Living Services | 1,630 |
| Hernandez, Josefa Yanez | Houston, TX | Respite Care Services | 14,625 |
| Hickerson, Joslin M. | Houston, TX | Respite Care Services | 7,290 |
| Horses for Life | Houston, TX | YES Waiver Services | 11,461 |
| Houston Discovery Community | Angleton, TX | Co-Occurring Disorders Services | 179,505 |
| Huan, Nancy | Houston, TX | Respite Care Services | 13,976 |
| Hubbard, Olivia | Houston, TX | Respite Care Services | 7,380 |
| Huff, Stephanie | Houston, TX | Respite Care Services | 24,579 |
| J. Taylor & Associates | Spring, TX | Employee Consulting Services | 32,146 |
| Jack, John | Houston, TX | YES Waiver Services | 18,000 |
| Jackson and Coker Locum Tenens | Friendswood, TX | Temporary Staffing - Psychiatrists | 1,995,289 |
| Jackson, Florence | Atlanta, GA | Respite Care Services | 1,764 |
| Justice System Partners | Houston, TX | Consultation Services | 95,000 |
| Kellie's Sitting Services, Inc. | South Easton, MA | Respite Care Services | 54,422 |
| KES Care Learning and Developmental Ce | Houston, TX | Day Habilitation Services | 2,299 |
| Knight, Delores | Houston, TX | Respite Care Services | 11,318 |
| Lang, Cassietta | Houston, TX | YES Waiver Services | 12,991 |
| Language Line Services | Katy, TX | Interpreting Services | 212,164 |
| Leafhouse Financial Advisors LLC | Monterrey, CA | Consultation Services | 42,167 |
| Lemus, Katia Rubi | Austin, TX | Respite Care Services | 18,063 |
| Lewis, Earlene | Houston, TX | Respite Care Services | 7,101 |
| Lichota, Jazmine | Houston, TX | Respite Care Services | 15,417 |
| Liu, Shanchuan | Baytown, TX | Supported Home Living Services | 10,152 |
| Liu, Shanchuan | Katy, TX | Respite Care Services | 1,683 |
| Lozano-Tello, Elsa | Katy, TX | Respite Care Services | 19,773 |
| Magnificat House, Inc. | Houston, TX | Residential Services | 22,869 |
| Mann, Thomas H., Ph.D. | Houston, TX | Psychologist | 6,638 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF PROFESSIONAL AND CONSULTING FEES AND
CONTRACTED PROVIDER SERVICES
For The Year Ended August 31, 2020

Table 22
Page 3 of 4

| Name | City | Service | Amount |
|--|-------------------|---|---------------|
| Masterword Services, Inc. | Houston, TX | Interpreting Services | 6,387 |
| McIntyre, Constance L. | Tomball, TX | Respite Care Services | 9,270 |
| Medical Practice Consultants, Inc. | Oklahoma City, OK | Medical Practice Consulting | 20,079 |
| Melodic Pathways Music Therapy | Spring, TX | YES Waiver Services | 18,041 |
| Mental Health America of Greater Houston | Houston, TX | Oversight of Peer-to-Peer Counseling | 99,286 |
| Mitchell, Suketer | Houston, TX | Respite Care Services | 7,434 |
| Mitchell, Suketer | Houston, TX | Respite Care Services | 3,150 |
| MobilexUSA | Baltimore, MD | Xray Services | 8,629 |
| Modern Psychological & Allied Services, | Houston, TX | Temporary Staffing - Psychiatrists | 1,225 |
| Momentum Behavioral Health | Houston, TX | YES Waiver Services | 78,260 |
| Morales, Laura | Houston, TX | Speech/Language Pathologist | 18,368 |
| Moran, Ashonti | Houston, TX | Supported Home Living Services | 1,179 |
| Moran-Coleman, Laverne | Houston, TX | Supported Home Living Services | 1,107 |
| Morgan & Associates Dental | Houston, TX | Dental Services | 5,574 |
| Muhammad, Nettie | Houston, TX | YES Waiver Services | 30,030 |
| Mui, Jeong In | Katy, TX | Respite Care Services | 20,610 |
| Myers, Trenice | Houston, TX | Respite Care Services | 15,791 |
| NAMI Grete Houston | Houston, TX | Consultation Services | 79,941 |
| National Council for Behavioral Health | Atlanta, GA | Behavioral Therapy Consultation Services | 12,084 |
| National Practitioner Data Bank (NPDB) | Houston, TX | Pre-employment Testing | 1,962 |
| Next Level Urgent Care, LLC | Houston, TX | Medical Services | 2,700 |
| Ngo, Bob | Houston, TX | Respite Care Services | 13,536 |
| Nguyen, Mai-Houng | Houston, TX | Respite Care Services | 12,024 |
| Nightingale Adult Day Center | Houston, TX | Interpreting Services | 10,389 |
| Nixon Adult Day Center | Houston, TX | Respite and Day Habilitation Services | 12,201 |
| Open Door Mission | Houston, TX | Residential Services | 67,620 |
| Pace Opportunity Center, Inc. | Houston, TX | Day Habilitation Services | 1,307 |
| Parker Place Property Owners Association | Houston, TX | Respite Services | 11,405 |
| Passages, Inc. | Houston, TX | Co-Occurring Disorders Services | 77,316 |
| Pathway to Serenity | Houston, TX | Co-Occurring Disorders Services | 277,643 |
| Pathway to Serenity | Houston, TX | Housing/Transition Services | 21,798 |
| Pattillo Brown & Hill, LLP | Waco, TX | Audit Services | 73,055 |
| Perez, Elizabeth | Houston, TX | Respite Care Services | 9,774 |
| Perez, Janie M. | Houston, TX | Respite Care Services | 2,669 |
| Physician Resources, Inc. | Houston, TX | Temporary Staffing - Psychiatrists | 237,854 |
| Policy Research Associates, Inc. | Delmar, NY | Consultation Services | 5,500 |
| Powell, Curtis | Houston, TX | Respite Care Services | 8,523 |
| Pre-Check, Inc. | Houston, TX | Pre-employment Testing | 26,296 |
| Prosumers International | San Antonio, TX | Peer Support Training Services | 15,150 |
| Psychotherapy by Angelina | Bellaire, TX | YES Waiver Services | 66,645 |
| Rangel, Kenia Isabel | Houston, TX | Respite Care Services | 16,884 |
| Reach Unlimited, Inc. | Houston, TX | Respite and Day Habilitation Services | 10,713 |
| Recessability, Inc | Spring, TX | YES Waiver Services | 48,594 |
| Reyes, Avengeylyne Desiree | Baytown, TX | Respite Care Services | 1,188 |
| Santa Maria Hostel, Inc. | Houston, TX | Residential and Day Habilitation Services | 5,241 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF PROFESSIONAL AND CONSULTING FEES AND
CONTRACTED PROVIDER SERVICES
For The Year Ended August 31, 2020

Table 22
Page 4 of 4

| Name | City | Service | Amount |
|---|-------------------|---|---------------|
| Smith, Brandon | Houston, TX | Respite Care Services | 3,582 |
| Smith, Clarissa | Houston, TX | Respite Care Services | 8,262 |
| Smith, Cora | Houston, TX | Supported Home Living Services | 3,452 |
| Smith, Kristin | McKinney, TX | Temporary Staffing - Psychiatrists | 144,000 |
| Smith, Tracy Annette | Missouri City, TX | Respite Care Services | 20,061 |
| Southwestern Music Therapy, LLC | Plano, TX | YES Waiver Services | 8,267 |
| Spriggs, Ruth | Houston, TX | Respite Care Services | 9,666 |
| St. Thomas Health Dispensary of Hope, L | Nashville, TN | Charitable Medication Distributor | 18,125 |
| Stamper, James R, DDS | Houston, TX | Dental Services | 2,081 |
| Stephenson, Mark, DDS PC | Conroe, TX | Dental Services | 4,000 |
| Stericycle, Inc. | Lake Forest, IL | Hazardous Waste Disposal | 2,619 |
| Sun, Qi | Katy, TX | Respite Care Services | 10,224 |
| Takahata, Dalton | Houston, TX | Respite Care Services | 47,764 |
| Texas Department of Public Safety | Austin, TX | Pre-employment Testing | 3,080 |
| Texas Medical Association | Austin, TX | Medical Practice Consulting | 10,646 |
| Texas Medical Center Hospital Laundry C | Houston, TX | Linen Service | 61,074 |
| Texas West Oaks Hospital | Houston, TX | Inpatient Psychiatric Bed Services | 1,202,500 |
| The Center | Houston, TX | Residential and Day Habilitation Services | 29,745 |
| The Center for Pursuit | Houston, TX | Behavioral Therapy Services | 1,983 |
| The Council on Recovery | Houston, TX | Substance Abuse Counseling | 1,255,396 |
| The Creel Group | Omaha, NE | Employee Consulting Services | 8,000 |
| Thompson, Robin dba Delia & Hattie's Ho | Missouri City, TX | Housing/Transition Services | 1,300 |
| Turning Point Center | Houston, TX | Housing/Transition Services | 14,706 |
| Ugwu, Edith N. dba Bethany Living | Houston, TX | Residential Services | 3,397 |
| Unity Circle Counseling | Houston, TX | YES Waiver Services | 4,270 |
| Universe Technical Translation | Houston, TX | Interpreting Services | 91,358 |
| University of Houston College of Medicin | Houston, TX | Psychiatric Services | 188,595 |
| University of Houston-Clear Lake | Houston, TX | Behavioral Therapy Services | 215,589 |
| University of Houston-Clear Lake | Houston, TX | Oversight of Peer-to-Peer Counseling | 8,261 |
| University of Texas Dept. of Psychiatry | Houston, TX | Temporary Staffing - Psychiatrists | 44,051 |
| University of Texas Dept. of Psychiatry | Houston, TX | Psychiatric Residents | 210,059 |
| University of Texas Health Science Center | Houston, TX | Psychiatric Residents | 3,946,568 |
| University of Texas Health Science Center | Houston, TX | Contract Psychiatrists | 361,309 |
| VC5 Partners LLC dba Rekruters | Houston, TX | Temporary Staffing Services | 299,306 |
| Velasquez, Celia | Houston, TX | Respite Care Services | 10,193 |
| Visual Language Professional, LLC | Houston, TX | Interpreting Services | 28,480 |
| Volunteers of America TX, Inc. | Houston, TX | Day Habilitation Services | 12,145 |
| Vu, Annie | Houston, TX | Respite Care Services | 26,532 |
| Vu, Trinh | Houston, TX | Respite Care Services | 17,118 |
| Wahab, Maria | Houston, TX | Respite Care Services | 7,470 |
| Wang, Hai | Sugar Land, TX | Respite Care Services | 5,022 |
| Ward, Andrea | Houston, TX | Respite Care Services | 9,470 |
| Watkins, Leah | Houston, TX | Respite Care Services | 10,593 |
| Watts, Glorious | Houston, TX | Respite Care Services | 17,504 |
| Westmoreland, Tahiesha | Houston, TX | Respite Care Services | 9,711 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF LEGAL SERVICES
For The Year Ended August 31, 2020

Table 23

| Name | City | Type of Service | Amount |
|---|-----------------|---|---------------|
| Karczewski, Bradshaw, Spalding | Nacogdoches, TX | Employment and general representation | \$ 32,801 |
| Rogers, Morris & Grover, L.L.P. | Houston, TX | General representation | 2,644 |
| Norton, Rose, Fulbright, U.S., LLP | Dallas, TX | Employee Benefits | 12,883 |
| Burl Daniel, CPCU,CIC,CRM | Fort Worth, TX | Expert retained for claim filed The Harris Center | 11,404 |
| Feldman & Feldman, PC. | Houston, TX | Employment and general representation | 138,137 |
| Donnelly-Ashby & Nguyen | Houston, TX | General Representation | 3,000 |
| Drumheller, Hollingsworth & Monthly, LLP | Houston, TX | General representation | 375 |
| Harris Tarrant Software Solution (HTSS)/Topaz Software Authority | Fort Worth, TX | General Representation | (10,472) |
| Selig Adr, LLC | Houston, TX | Mediator | 2,000 |

FEDERAL AND STATE AWARDS



Transforming Lives

**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Harris Center for Mental Health and IDD (the “Center”), as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the Center’s basic financial statements, and have issued our report thereon dated January 27, 2021. Our report includes a reference to other auditors who audited the financial statements of Pasadena Cottages, Inc., Pecan Village, Inc., Villas at Bayou Park, Inc., Pear Grove, Inc., and Acres Homes Gardens, Inc., as described in our report on the Center’s financial statements. This report does not include the results of the other auditor’s testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Pasadena Cottages were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Center’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all the deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Houston, Texas
January 27, 2021

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH
MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE* AND THE STATE OF
TEXAS *UNIFORM GRANT MANAGEMENT STANDARDS***

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

Report on Compliance for Each Major Federal and State Program

We have audited The Harris Center for Mental Health and IDD's (the "Center") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement*, the Texas Health and Human Services Commission's *Guidelines for Annual Financial and Compliance Audits of Community Mental Health and Mental Retardation Centers (21st Revision)* and the *State of Texas Uniform Grant Management Standards* that could have a direct and material effect on each of the Center's major federal and state programs for the year ended August 31, 2020. The Center's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Center complied, in all material respects, with the types of requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2020.

Report on Internal Control over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance the *Uniform Guidance*, the Texas Health and Human Services Commission's *Guidelines for Annual Financial and Compliance Audits of Community Mental Health and Mental Retardation Centers (21st Revision)* and the *State of Texas Uniform Grant Management Standards*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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

Whitley Penn LLP

Houston, Texas
January 27, 2021

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2020

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

| | |
|--|------------------------------|
| <u>Name of Federal Program or Cluster</u> | <u>CFDA Number(s)</u> |
|--|------------------------------|

| | |
|--|-------------|
| U.S. Department of Health and Human Services: Mental Health Block Homeless PATH Grant | 93.150 |
| Medicaid Cluster: | |
| Delivery System Reform Incentive Payments (DSRIP) | 93.778 |
| Delivery System Reform Incentive Payments (DSRIP) Transition | 93.778 |
| Medicaid Administrative Claiming Program | 93.778 |
| Dollar threshold used to distinguish between type A and type B federal programs: | \$2,474,652 |
| Auditee qualified as low-risk auditee? | Yes |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

For the Year Ended August 31, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- c. Material weakness(es) identified? No
- d. Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported

Noncompliance material to the financial statements noted? None

State Awards

Internal control over major program:

- c. Material weakness(es) identified? No
- d. Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported

Type of auditors' report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State of Texas *Uniform Grant Management Standards* Section 510(a)? No

Identification of major programs:

Name of State Program

State Grant Number(s)

Texas Health and Human Services Commission:

General Revenue:

Mental Health HHS000525600001
 Psychiatric Hospitals HHS000525600001

General Revenue:

Intellectual Development Disabilities HHS000608700001

Early Childhood Intervention 5382001541

Dollar threshold used to distinguish between type A and type B federal programs: \$3,000,000

Auditee qualified as low-risk auditee? Yes

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended August 31, 2020

Section II - Financial Statement Findings

The audit disclosed no findings to be reported.

Section III - Federal Award Findings and Questioned Costs

The audit disclosed no findings to be reported.

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended August 31, 2020

| Federal Grantor/Pass-Through Grantor/ Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures | Passed Through to Subrecipients |
|--|---------------------------|---|-------------------------|---------------------------------------|
| Federal Communications Commission: | | | | |
| Direct Award: | | | | |
| COVID-19 Telehealth Program | 32.006 | N/A | \$ 652,480 | \$ - |
| Total Federal Communications Commission | | | 652,480 | - |
| U.S. Department of Homeland Security | | | | |
| Passed through the Texas Department of State Health Services: | | | | |
| Crisis Counseling DR-4466-TX-ISP | 97.032 | HHS000434500026 | 249,626 | - |
| Crisis Counseling DR-4485-TX-ISP | 97.032 | HHS000434500026 | 485,167 | - |
| Total CFDA # 97.032 | | | 734,793 | - |
| Total U.S. Department of Homeland Security | | | 734,793 | - |
| U.S. Department of Health and Human Services: | | | | |
| Passed-through the Texas Health and Human Services Commission: | | | | |
| Mental Health Block Homeless PATH Grant | 93.150 | 2016-048164 | 1,130,299 | - |
| TANF Transfer to Title XX Block Grant | 93.558 | 529-17-0038-00024 | 1,386,984 | - |
| Total TANF Cluster (93.558) | | | 1,386,984 | - |
| Social Services Block Grant (Title XX) | 93.667 | 529-17-0038-00024 | 580,417 | - |
| Delivery System Reform Incentive Payments (DSRIP) | 93.778 | N/A | 26,009,876 | - |
| Delivery System Reform Incentive Payments (DSRIP) Transition | 93.778 | N/A | 38,890,739 | - |
| Medicaid Administrative Claiming Program | 93.778 | HHS000191200006 | 7,834,980 | - |
| Total Medicaid Cluster (93.778) | | | 72,735,595 | - |
| Enhanced Community Coordination | 93.791 | HHS000608700001 | 427,600 | - |
| Mental Health Block Grant | 93.958 | 529-17-0038-00024 | 3,081,806 | - |
| Mental Health Block Grant (CSC) | 93.958 | 2017-049559 | 730,384 | - |
| Total CFDA # 93.958 | | | 3,812,190 | - |
| Substance Abuse Prevention & Treatment Block Grant | 93.959 | 2016-048251 | 706,718 | 706,718 |
| Substance Abuse Prevention & Treatment Abuse Community Health Workers | 93.959 | HHS000780700004 | 163,130 | 163,130 |
| Total CFDA # 93.959 | | | 869,848 | 869,848 |
| Comprehensive Community Mental Health Services For Children with Serious Emotional Disturbances - System Care | 93.104 | HHS000815200000 | 123,139 | - |
| Passed-through the Substance Abuse and Mental Health Services Administration: | | | | |
| Assisted Outpatient Treatment | 93.997 | 1H79SM082923-01 | 35,043 | - |
| Total U.S. Department of Health and Human Services | | | 81,101,115 | 869,848 |
| Total Expenditures of Federal Awards | | | \$ 82,488,388 | \$ 869,848 |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended August 31, 2020

| <u>State Grantor/Program Title</u> | <u>Contract number</u> | <u>State Expenditures</u> |
|--|------------------------|------------------------------|
| Texas Health and Human Services Commission: | | |
| Direct Programs: | | |
| General Revenue - Mental Health | HHS000525600001 | \$ 72,456,275 |
| General Revenue - Psychiatric Hospitals | HHS000525600001 | 30,800,506 |
| <i>Total Contract number HHS000525600001</i> | | <u>103,256,781</u> |
| General Revenue - Intellectual or Developmental Disabilities | HHS000608700001 | 8,681,794 |
| General Revenue - Permanency Planning | HHS000608700001 | 132,718 |
| General Revenue - Crisis Respite Services | HHS000608700001 | 1,162,548 |
| General Revenue - Crisis Intervention Specialist | HHS000608700001 | 416,221 |
| <i>Total Contract number HHS000608700001</i> | | <u>10,393,281</u> |
| General Revenue - Mental Health Psychiatric Residency | 2015-048737 | 252,316 |
| General Revenue - Home & Community-Based Services Pre Engagement | N/A | 1,911 |
| Jail-Based Competency Restoration Pilot Program | HHS000789300001 | 26,108 |
| General Revenue--Mental Health First Aid | HHS000186700001 | 159,935 |
| House Bill 13 | HHS000149700005 | 208,132 |
| Mental Health Suicide Care Pilot (ZEST) | HHS000505700001 | 303,472 |
| IDD Nursing Facility Specialized Services | N/A | 6,958 |
| Healthy Community Collaborative | HHS000559400001 | 235,516 |
| MH Outpatient services for IDD | HHS000776900005 | 75,000 |
| Early Childhood Intervention | 5382001541 | 4,552,424 |
| Services to Children with Autism | 5382001408 | 530,276 |
| Total Direct Programs | | <u>120,002,110</u> |
| Total Texas Health and Human Services Commission | | <u>120,002,110</u> |
| Texas Department of Criminal Justice: | | |
| Direct Programs: | | |
| Parole - MH Offenders Program | 696-TC-14-15-L012 | 246,000 |
| Substance Abuse - MH Offenders Program | 696-TC-14-15-L012 | 214,200 |
| <i>Total Contract number 696-TC-14-15-L012</i> | | <u>460,200</u> |
| Total Texas Department of Criminal Justice | | <u>460,200</u> |
| Total Expenditures of State Awards | | <u>120,462,310</u> |
| Total Expenditures of Federal and State Awards | | <u>\$ 202,950,698</u> |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended August 31, 2020

Note 1 – General

The Schedule of Expenditures of Federal and State Awards presents the activity of all applicable state and federal awards of The Harris Center for Mental Health and IDD (the “Center”) for the year ended August 31, 2020. The Center's reporting entity is defined in Note 1 of the basic financial statements. Federal and state financial awards received directly from federal and state agencies, as well as federal financial awards passed through other governmental agencies, are included on the Schedule of Expenditures of Federal and State Awards.

Note 2 – Basis of Accounting

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

Note 3 – State Financial Assistance Guidelines

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

Note 4 – Indirect Costs

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

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

The following is a reconciliation of state grant expenditures reported on the Schedule of Expenditures of State Awards to the state revenues reported in the basic financial statements for the year ended August 31, 2020:

| | |
|--|-----------------------|
| State revenues per the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | \$ 123,312,937 |
| Less: Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMI) program | <u>(2,850,627)</u> |
| State expenditures per the Schedule of Expenditures of State Awards | <u>\$ 120,462,310</u> |

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended August 31, 2020

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

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

I. Prior Audit Findings

None reported

THE HARRIS CENTER FOR MENTAL HEALTH AND IDD

CORRECTIVE ACTION PLAN

For the Year Ended August 31, 2020

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

I. Corrective Action Plan

Not applicable