GULF BEND CENTER

VICTORIA, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended August 31, 2023

ISSUED BY

KASIE MUNDINE
CHIEF FINANCIAL OFFICER

GULF BEND CENTER

CERTIFICATE OF BOARD APPROVAL OR DISAPPROVAL OF AUDIT REPORT

I, Mr. Steve Hipes, Chairperson of the Board of Trustees of Gulf Bend Center, do hereby certify that this accompanying audit report for the year ended August 31, 2023, from Eide Bailly LLP, Certified Public Accountants, was reviewed and approved at a meeting of the Board of Trustees held on the 12th day of December 2023.

Steve Hipes

Chairperson, Board of Trustees

12-7-2023

Date

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IMPROVING LIFE THROUGH RECOVERY.

December 12, 2023

Board of Trustees
Gulf Bend Center
6502 Nursery Drive, Ste 100
Victoria, TX 77904

Ladies and Gentlemen:

I am pleased to present the Annual Comprehensive Financial Report of Gulf Bend Center (the Center) for the fiscal year ended August 31, 2023. The report is intended for the information of the Board of Trustees, management, federal and state awarding agencies, and pass-through entities. However, the report is a matter of public record, and its distribution is not limited.

Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the Center. To the best of our knowledge, the enclosed data is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the Center. All disclosures necessary to enable the reader to gain an understanding of the Center's financial activities have been included.

Texas Health and Safety Code, Section 534.068 requires an annual financial and compliance audit to be prepared by an independent certified public accountant. The firm of Eide Bailly LLP, Abilene, Tx., was selected to perform the annual audit for fiscal year ended August 31, 2023. The audit was designed to be performed in accordance with generally accepted auditing standards, Governmental Auditing Standards, the Texas Grant Management Standards, the Single Audit Act of 1996, the Uniform Guidance, and the Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers.

Management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be used in conjunction with it. The Center's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Gulf Bend Center is a public entity which was established under the Texas Mental Health and Mental Retardation Act of 1965. This act provided for the creation of local boards of trustees. The Center provides mental health and intellectual and developmental disabilities services to customers in Calhoun, DeWitt, Goliad, Jackson, Lavaca, Refugio, and Victoria counties in South Texas. The Center is governed by a nine-member board of trustees whose members are appointed by the commissioner's court of each county. The

Center has been designated as a tax-exempt charitable organization as described in Section 501(c)(3) of the Internal Revenue Code.

The Center provides an array of mental health services for children, adolescents, and adults and for intellectual developmentally disabled individuals. Some of these services include psychiatric emergency services, such as crisis intervention, screening and assessment, rapid crisis stabilization and inpatient psychiatric bed days with private hospitals. Other services include outpatient psychiatric and integrated care services, counseling services, substance use dependency services, and case management services that includes continuity of care, rehabilitation, service coordination, and habitational coordination services. The Center's Wellness Community provides residential living where respective services are easily accessible for residents living there. The Center also provides extended services which include jail and emergency room diversion and tele-med services throughout the seven-county area. The Center partners with local law enforcement Mental Health Officers that team up with a Gulf Bend case manager as a Community Response Team (CRT) across all seven counties.

The Center's management is responsible for establishing and maintaining an effective compliance program with an internal control structure designed to ensure that the assets of the government 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. The internal control structure is designed to provide reasonable 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 responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management as deemed necessary.

Local Economy

The Gulf Bend Regional Plaza, which is the Center's main clinical and administrative office, is located within the thriving agricultural and industrial city of Victoria, Texas.

The Center's regional area benefits from various major employers including public and higher education, farming and ranching, petrochemical plants, plastic products and other manufacturing, hospitals and other health related businesses, banking institutions, food distribution, power plants, oil and gas production, related servicing companies, and construction. According to the US Bureau of Labor Statistics, the Region's unemployment rate as of August 2023 was an average of 4.5% as compared to the statewide rate of 4.1% and national average unemployment rate of 3.8%.

Approximately 37.27% of the Center's funding is from the State of Texas in the form of General Revenue. The remaining funding is derived from earned income from public and private payors, federal grants, state grants, and local contributions.

Long-term Financial Planning and Operating Reserves

Using the Center's Investment Policy as a guide, fund balance investments are monitored to ensure the best rates of return are received. This provides assurance that funds are available in case of unforeseen circumstances that might pre-empt the flow of funds from third parties, such as natural disasters or other circumstances beyond the Center's control.

The Center's Average Operating Reserve Ratio as of August 31, 2023, was 162 days based on an average of $38,325 expenditures per day for the year. This means the Center had the capacity to operate an additional 162 days in case of any unforeseen circumstances prohibiting the Center's operations. The state recommends reserves to be a minimum of sixty (60) days.

Major Initiatives

The Directed Payment Program for Behavioral Health Services (DPP BHS) is one of four directed payment programs (DPP) HHSC submitted to CMS for approval as part of the Delivery System Reform Incentive Payment Transition Plan. CMS approved DPP BHS for state fiscal year 2022 on November 15, 2021. CMS approved DPP BHS for state fiscal year 2023 on August 1, 2022. DPP BHS is a DPP for community mental health centers (CMHC) to promote and improve access to behavioral health services, care coordination, and successful care transitions for individuals enrolled in the STAR, STAR+PLUS, and STAR Kids Medicaid managed care programs. It also incentivizes continuation of care for these individuals using the Certified Community Behavioral Health Clinic (CCBHC) model of care. The program funds the Center through two components. Component 1 is a uniform dollar increase issued in monthly payments to all CMHCs participating in the program. As a condition of participation, providers are required to report progress made toward certification or maintenance of CCBHC status. They are also required to report on the implementation status of activities foundational to quality improvement such as telehealth services, collaborative care, integration of physical and behavioral health, and improved data exchange. Component 2 is a uniform percent increase on certain CCBHC services. As a condition of participation, providers are required to report on metrics that align with CCBHC measures and goals. Providers that have CCBHC certification are eligible for a higher rate enhancement.

Also, as part of the transition plan, HHSC developed the Public Health Provider – Charity Care Program (PHP-CCP). This program is designed to allow CMHCs to receive reimbursement for the cost of delivering healthcare services, including behavioral health services, immunizations, and other preventative services, when those costs are not reimbursed by another source. A cost report was submitted in November 2023 to HHSC based on FFY2023 financials. Payment is expected to be received in Spring 2024.

In January 2021, the Center was officially certified as a CCBHC. As a CCBHC, the Center will be able to enhance its services by providing counseling services for substance use disorders, an intensive outpatient program, and other services as required by the CCBHC model. This federal certification, which passed through HHSC and Substance Abuse and Mental Health Service Administration (SAMHSA), qualified the Center to be able to apply for federal grants through SAMHSA. The Center was awarded its first SAMHSA grant in February 2021 in the amount of $3,972,291 for a two-year period beginning February 15, 2021, and ending February 15, 2024. These funds are being used to expand services related to the CCBHC model. The Center was awarded a second SAMSA grant in the amount of $1,000,000 beginning September 30, 2022, for the improvement and advancement of CCBHC services. This second grant was renewed for a second year beginning September 30, 2023.

The Center is currently conducting two beta programs and funding them through SAMHSA. The first program is Jail In-Reach. These services work with incarcerated individuals who are determined to be incompetent to stand trial. A case manager focuses on training and education in order to reduce symptoms of mental illness so that the individual's competency can be re-evaluated. The second beta program is Bend the Trend. Bend the Trend partners a case manager with school district employees in order to identify and assist children who are most at risk of developing a mental illness or dependency issues in the future.

With the expansion services to be provided by the Center as a CCBHC, management began to assess the needs and laid out plans to renovate the clinic and other work-related areas for the first floor of the Center's Main Street building. Construction began in January 2022 and was in February 2023. These renovations cost $3,786,597. The Center committed $1,934,962 of reserves to fund the construction while the remaining balance was being funded using local grants and donations. The renovations have allowed the Center to better serve the community and add to its mission of being a regional provider of integrated behavioral health and intellectual and developmental disability services.

The Center's management team continues to develop community partnerships with other providers and stakeholder organizations to address gaps in local community mental health and developmental disability services. The Center established a Collaborative made up of law enforcement and related agencies across the seven-county catchment area to assist in developing strategies that address the mental health needs of individuals that end up in the local jails. The Center also partners with other local agencies to establish a Community Resource Center (CRC) to allow ease of access to other community-based programs which address at a minimum food insecurities and housing needs. The Center works closely with the school districts and Education Service Center in our region. Building these relationships has been necessary to the Center's ability to meet the needs of the region.

Gulf Bend Center

IMPROVING LIFE THROUGH RECOVERY.

Since COVID-19, the Center has seen an unprecedented increase in the need for psychiatric hospitalizations. Due to the unavailability of placement in the state hospital, the Center has contracted with third-party private psychiatric hospitals. These hospitalizations are paid for using state funding provided under Psychiatric Emergency Services Center (PESC), Private Psychiatric Bed (PPB) Days, and General Revenue (GR) contracts. In FY23, PESC funding provided for 432 bed days, PPB funding provided 1473 bed days, and GR funding provided 674 bed days, for a total of 2579 bed days.

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance and all other administration departments. We would like to express our gratitude and appreciation to all members of the departments who assisted and contributed to the preparation of this report. Due credit should also be given to the Board of Trustees who serve in a governance role in the planning and implementation of the Center's operations.

Respectfully submitted,

Kasie Mundine

Kasie Mundine
Chief Financial Officer

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Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2022

Christopher P. Morrill

Executive Director/CEO

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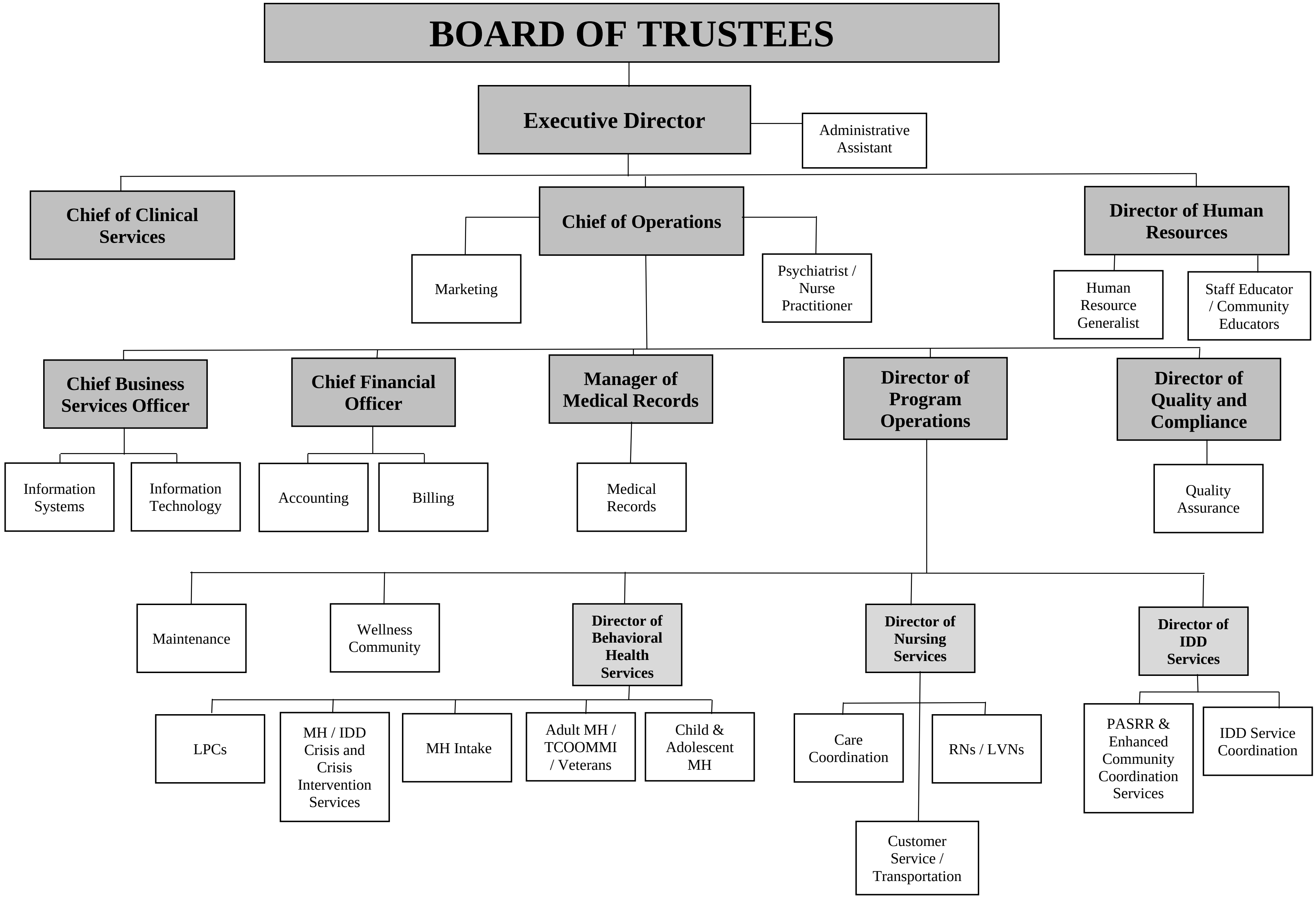
Shirley McMillan	Goliad County	Board Member
Micah Harmon	Lavaca County	Board Member
Corey Wasicek	Refugio County	Board Member
Gary Burns	Victoria County	Board Member
Carl Bowen	DeWitt County	Ex-Officio
Justin Marr	Victoria County	Ex-Officio

Executive Management Staff

Jeffrey Tunnell	Executive Director
Lane Johnson	Chief Clinical Services Officer
Nicole Way	Chief Operations Officer
Glenn Zengerle	Chief Business Services Officer
Kasie Mundine	Chief Financial Officer
Yvette Hausmann	Director of Human Resources
Julie Galvan	Director of Quality and Compliance
Channing Bruns	Executive Administrative Assistant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Human Resource Generalist
Staff Educator / Community Educators
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Manager of Medical Records
Director of Program Operations
Director of Quality and Compliance
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Information Technology
Accounting
Billing
Medical Records
Quality Assurance
Maintenance
Wellness Community
Director of Behavioral Health Services
Director of Nursing Services
Director of IDD Services
LPCs
MH / IDD Crisis and Crisis Intervention Services
MH Intake
Adult MH / TCOOMMI / Veterans
Child & Adolescent MH
Care Coordination
RNs / LVNs
Customer Service / Transportation
PASRR & Enhanced Community Coordination Services
IDD Service Coordination

FINANCIAL SECTION

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Directors
Gulf Bend Center
Victoria, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Gulf Bend MHMR Center dba Gulf Bend Center ("the Center") as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Center, as of August 31, 2023, 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.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 16 to the financial statements, the Center has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended August 31, 2023. Accordingly, a restatement has been made to the Governmental Activities net position as of September 1, 2022, to restate the beginning net position. Our opinions are not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 13 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of state and federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state and federal awards is presented for purposes of additional analysis as required by 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), and the Texas Grant Management Standards and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of state and federal 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of state and federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023 on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Eide Bailly LLP

Abilene, Texas
December 6, 2023

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GULF BEND CENTER

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FOR THE YEAR ENDED AUGUST 31, 2023

The management of Gulf Bend Center (the "Center") offers readers of the Center's financial statements this narrative overview and analysis of the financial activities of the Center for the fiscal year ended August 31, 2023. Management encourages readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found on pages i through v in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The assets of the Center's governmental activities exceeded its liabilities at the close of the most recent fiscal year by $13,841,755 (net position). Of this amount, $6,442,398 (unrestricted net position) may be used to meet the Center's ongoing obligations to consumers and creditors.
- The Center's governmental activities total net position increased by $1,292,570.
- As of the end of the current fiscal year, the Center's total governmental funds reported a combined ending fund balance of $7,169,867, an increase of $313,177 from the prior year.
- Of the Center's total governmental fund balance, $6,666,833 represents the unassigned fund balance of the General Fund, which is approximately 48% of total General Fund expenditures.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Center's basic financial statements. The Center's basic financial statements are comprised 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.

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 the Center's assets, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Center is improving or deteriorating.

The statement of activities presents information showing how the Center's net position changed during the most recent fiscal year. 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. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). The government-wide financial statements distinguish functions of the Center that are provided from federal, state and local funding sources (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

- The governmental activities of the Center include Mental Health-Adult, Mental Health-Children, and Intellectual and Developmental Disability (IDD).
- The Center's business-type activity includes building rental revenues and expenses.

The government-wide financial statements can be found on pages 14 through 16 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Center, like other state and local governments, 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 cash resources flow into and out of those funds, and balances remaining at year-end that are available for spending. These funds are reported using an accounting method known as modified accrual accounting, that requires the recognition of revenue when earned, only so long as the funds are collected within the period or soon enough afterwards to be used to pay liabilities of the current period.

It is useful to compare the information presented for governmental activities to the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Center's near-term financing decisions. 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 two governmental funds: the General Fund and a Capital Projects Fund. The Capital Projects Fund will be closed out this fiscal year due to the completion of the Center's first floor renovation project.

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 basic governmental fund financial statements can be found on pages 17 through 22 of this report.

Proprietary Fund: The Center maintains two proprietary-type funds, the internal service funds and an enterprise fund. The internal service funds are an accounting device used to accumulate and allocate costs internally among the Center's various functions. The Center uses the internal service funds to charge the different programs for usage of the fleet of vehicles, occupancy costs of the Nursery Drive building, and account for computer equipment usage. The enterprise fund is used by the Center to account for the income and expenses related to the building rental activity. The internal service funds and the enterprise fund are presented in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 23 through 25 of this report.

Fiduciary Fund: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 own programs. The accounting used for fiduciary funds is similar to proprietary funds. The Center maintains one fiduciary fund to account for its Cafeteria Plan. The basic fiduciary fund financial statements can be found on page 26 through 27 of this report.

Notes to the Financial Statements: The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and can be found on pages 28 through 45 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Center that is required by Texas Health and Human Services Commission (Department of State Health Services and Department of Aging and Disability Services); Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the Texas Grant Management Standards. This supplementary information can be found on pages 46 through 79 of this report.

GULF BEND CENTER

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FOR THE YEAR ENDED AUGUST 31, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A portion of the Center's governmental activities total net position (approximately 53%) reflects its investment in capital assets and right-of-use assets (e.g., land, buildings, vehicles, furniture, and equipment), less any related debt used to acquire those assets that are still outstanding. The Center's governmental activities had no debt outstanding on capital assets as of the end of the current fiscal year however, it did have outstanding lease and subscription liabilities related to its right-of-use assets. The Center's governmental activities uses its capital assets to provide services to the community; consequently, these assets are not available for future spending. The remaining portion of the Center's governmental activities total net position, $6,442,398, or 47%, represents unrestricted financial resources available for future operations.

The business-type activities represent investment in capital assets used in the Center's third-party rental operation of offices in the main building. Income from rental activities help offset general expenditures.

The following Statement of Net Position provides an overview for the last two years:

	Governmental		Business-type		Total		
	2023	2022	2023	2022	2023	2022	Change
Current assets	$ 8,528,379	$ 7,476,969	$ 882,956	$ 647,086	$ 9,411,335	$ 8,124,055	16%
Capital assets (net)	8,403,365	6,930,308	749,509	750,670	9,152,874	7,680,978	19%
Total Assets	16,931,744	14,407,277	1,632,465	1,397,756	18,564,209	15,805,033	17%
Current liabilities	1,748,597	1,290,590	15,404	18,447	1,764,001	1,309,037	35%
Long-term liabilities	1,341,392	567,502	-	-	1,341,392	567,502	136%
Total Liabilities	3,089,989	1,858,092	15,404	18,447	3,105,393	1,876,539	65%
Deferred inflows of resources	-	-	386,945	122,498	386,945	122,498	0%
Net Position:							
Net investment in capital assets	7,399,357	6,685,333	749,509	750,670	8,148,866	7,436,003	10%
Unrestricted	6,442,398	5,863,852	480,607	506,141	6,923,005	6,369,993	9%
Total Net Position	$ 13,841,755	$ 12,549,185	$ 1,230,116	$ 1,256,811	$ 15,071,871	$ 13,805,996	9%

GULF BEND CENTER

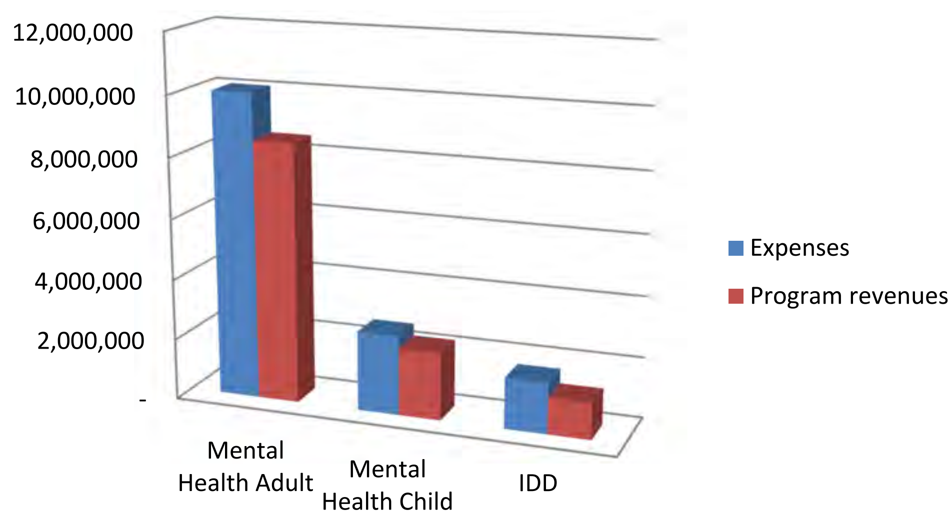
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FOR THE YEAR ENDED AUGUST 31, 2023

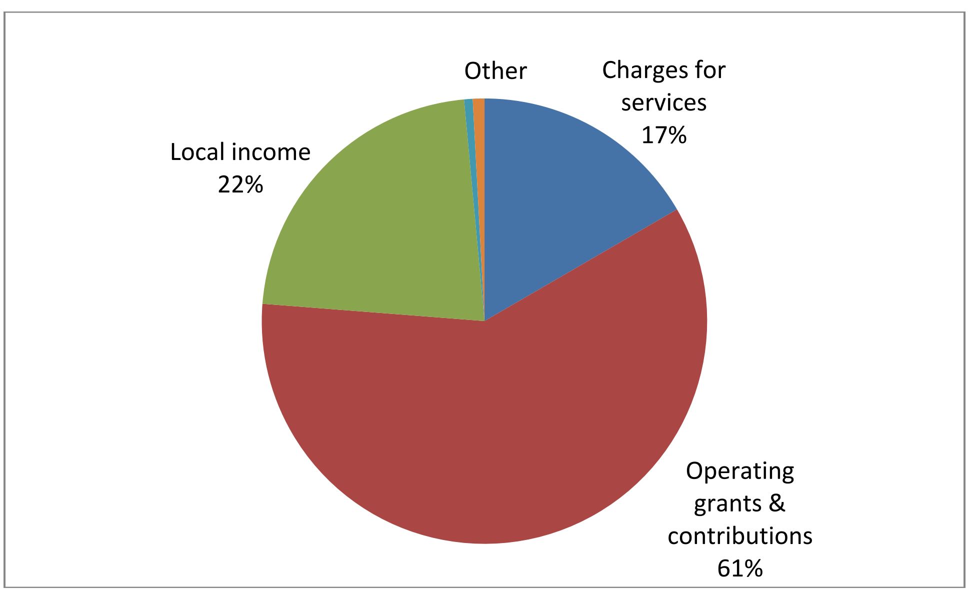
The Center's total governmental net position increased by $1,292,570 as shown below:

	Governmental		Business-type		Total		
	2023	2022	2023	2022	2023	2022	Change
REVENUES							
Program revenues:							
Charges for services	$ 2,610,161	$ 2,518,282	$ 64,390	$ 99,617	$ 2,674,551	$ 2,617,899	2%
Operating grants	9,358,501	8,676,005	-	-	9,358,501	8,676,005	8%
General revenues:							
General income	3,499,902	2,907,940	-	-	3,499,902	2,907,940	20%
Gain on sale	97,592	55,227	-	-	97,592	55,227	77%
Internal transfers	(8,101)	-	8,101	-	-	-	0%
Investment earnings	139,791	45,692	14,590	7,558	154,381	53,250	190%
Total Revenues	15,697,846	14,203,146	87,081	107,175	15,784,927	14,310,321	10%
EXPENSES							
Mental Health-Adult	10,055,882	6,995,996	-	-	10,055,882	6,995,996	44%
Mental Health-Child	2,624,765	4,061,714	-	-	2,624,765	4,061,714	-35%
IDD	1,676,976	1,856,089	-	-	1,676,976	1,856,089	-10%
Interest	47,653	6,056	-	-	47,653	6,056	687%
Rental	-	-	113,776	109,526	113,776	109,526	4%
Total Expenses	14,405,276	12,919,855	113,776	109,526	14,519,052	13,029,381	11%
Change in Net Position	1,292,570	1,283,291	(26,695)	(2,351)	1,265,875	1,280,940	-1%
Net Position - Beginning	12,549,185	11,265,894	1,256,811	1,259,162	13,805,996	12,525,056	10%
Net Position - Ending	$ 13,841,755	$ 12,549,185	$ 1,230,116	$ 1,256,811	$ 15,071,871	$ 13,805,996	9%

Expenses and Program Revenues
Governmental Activities



Revenues by Source
Governmental Activities



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, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending as of the end of the fiscal year.

The General Fund is the primary operating fund of the Center. This fund, as presented in the balance sheet on page 17, reported a combined fund balance of $7,169,867. The fund balance increased $701,006 from prior year. The unassigned fund balance of the General Fund was $6,666,833. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance as of the current year-end represents approximately 48% of total General Fund expenditures for the current fiscal year.

During the year, the General Fund local revenues increased by $749,229 (17%) from prior year. This is directly related to the Center's participation on the Charity Care Program. General Fund state program revenues decreased $20,109 (approximately 0.3%) from prior year. General Fund federal program revenues increased $629,592 (or 27%) from prior year. This increase is directly related to the Center's second SAMHSA grant awarded September 2022 for the improvement and advancement of CCBHC services.

The Center's second governmental fund is a Capital Projects Fund. This fund is used to account for revenues and expenditures resulting from the first-floor renovations of the Nursery Drive building. This project was completed in FY23 and the fund will be closed.

General Fund Budgetary Highlights: The Center did not amend its budget during the fiscal year.

Total actual revenues were $568,146, or 4%, more than budgeted revenues. The largest variances are due to Billable customer services and Charity Care Program revenues. The Center's Billed customer services were under budget 33% mostly due to turnover in staffing. The Charity Care program was new to the Center in FY23. More funds were received than anticipated due to the conservative nature of the budgeted amount and due to the FMAP rate being higher than expected.

Total actual expenditures were $303,503, or 2%, under budget. The largest variances in expenditures are related to Personnel and Employee benefits. This variance is also largely due to under staffing.

Proprietary Funds: The Center's proprietary funds provide the same type of information found in the government-wide financial statements.

Internal Service Funds: The Center allocates the Internal Service Fund's respective operating income or expenses to the programs as Charges for Services provided. Therefore, the total net position of the internal service funds did not change from prior year.

Enterprise Fund: During the year, the Center rented office space to three tenants. These rentals resulted in a decrease of the enterprise net position by $26,695.

CAPITAL ASSETS, RIGHT-OF-USE ASSETS AND DEBT ADMINISTRATION

Capital Assets: In FY23, the Center adopted GASB Statement No. 96. GASB 96 changed the way the Center accounted for its subscription-based information technology arrangements (SBITA). Prior year information has been restated to include this change. See Note 16 on page 45 for more information.

	2023	(Restated) 2022	Change
Construction in progress	$ -	$ 2,463,358	-100%
Buildings and improvements	12,147,222	8,621,326	41%
Furniture and equipment	1,113,800	858,624	30%
Vehicles	86,360	86,360	0%
Right-to-use assets	502,196	346,157	45%
Subscription-based IT arrangements	782,495	656,847	0%
Totals at Historical Cost	14,632,073	13,032,672	12%
Accumulated depreciation/amortization	(5,479,199)	(4,694,847)	17%
Net Capital Assets	$ 9,152,874	$ 8,337,825	10%

The Center's investment in capital assets for its governmental and business-type activities as of year-end amounts to $8,148,866 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, furniture, and equipment. The Center has $394,355 invested in right-to-use assets which are leased assets in the form of copiers and vehicles. The Center also has several subscription-based information technology arrangements amounting to $609,653 at year-end. Additional information can be found in Note 6, Capital Assets on page 38 of this report.

Long-term Debt: As of the current year-end, the Center had debt outstanding of $1,341,392. This amount is comprised of compensated absences, lease liabilities, and subscription liabilities. Of this total, $1,068,140 is long-term and $273,252 is current. The Center is not subject to a limit. Note 7 on page 39 provides additional information related to long-term debt. The following table summarizes the Center's long-term debt outstanding at year-end:

	2023	(Restated) 2022	Change
Compensated absences	$ 337,384	$ 322,527	5%
Lease liabilities	394,355	244,975	61%
Subscription liabilities	609,653	656,847	-7%
Total	$ 1,341,392	$ 1,224,349	10%

GULF BEND CENTER

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FOR THE YEAR ENDED AUGUST 31, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

According to the State of Texas Economic Development's website, Texas continues to lead the nation in an economic resurgence and remains one of the strongest and most diverse economies in the nation. The Center's regional unemployment rate at 4.5% was higher than the state and national averages of 4.1% and 3.8% respectively. As of August 31, 2023, the Center had 140 full-time employees, 7 part-time/PRN employees, and 26 open positions.

Formosa continues to be one of the region's largest contributors to our local economy providing new employment opportunities to this area. Currently Formosa employs 3400 employees at the Point Comfort location and operates twenty production units in six different business divisions.

The expansion of the University of Houston-Victoria continues to make progress in helping the university become a place of destination, with its added facilities, dorms, curriculum, and sports programs. This results in providing a draw of more students and faculty to this region and will assist in the future economic growth of this region as well.

Victoria is home to the largest medical community in the region. The local medical network, which includes both De Tar Hospital (private) and Citizens Medical Center (county-owned), provides ready access to state-of-the-art care across five campuses.

Fiscal year 2024's budget is currently set at $14,838,112 in operating revenues. These revenues exclude rental activities of the Enterprise fund. This budget slightly exceeds fiscal year 2023's budget by 3%. The Center's first SAMHSA grant will end in FY24. However, the Center anticipates making up for those lost revenues through the Charity Care Program and other billed charges. The Center is also anticipating a $339,690 loss in FY24. This loss is expected to result from renovations to be completed on the second floor of the Nursery Drive location. These renovations will be funded through the prior year surplus.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview for all those who have an interest in the Center's financial health. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Gulf Bend Center, Finance Department, 6502 Nursery Drive, Suite 100, Victoria, Texas 77904.

BASIC FINANCIAL STATEMENTS

GULF BEND CENTER
STATEMENT OF NET POSITION
August 31, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 605,059	$ -	$ 605,059
Investments	6,609,145	-	6,609,145
Deposit	471,959	-	471,959
Accounts receivable, net	615,671	-	615,671
Lease receivable	-	386,945	386,945
Receivables from other governments	556,968	-	556,968
Prepaid items	161,880	3,708	165,588
Internal balances	(492,303)	492,303	-
Capital assets (net of accumulated depreciation)	7,399,357	749,509	8,148,866
Right-of-use assets (net of accumulated amortization)	1,004,008	-	1,004,008
Total assets	16,931,744	1,632,465	18,564,209
LIABILITIES			
Accounts payable	233,147	-	233,147
Accrued salaries and related payables	462,583	-	462,583
Unearned revenue	-	15,404	15,404
Due to other governments	1,052,867	-	1,052,867
Non-current liabilities:			
Due within one year	273,252	-	273,252
Due in more than one year	1,068,140	-	1,068,140
Total liabilities	3,089,989	15,404	3,105,393
DEFERRED INFLOWS OF RESOURCES			
Lease related	-	386,945	386,945
Total deferred inflows of resources	-	386,945	386,945
NET POSITION			
Net investment in capital assets	7,399,357	749,509	8,148,866
Unrestricted	6,442,398	480,607	6,923,005
Total net position	$ 13,841,755	$ 1,230,116	$ 15,071,871

The accompanying notes are an integral part of the financial statements.

GULF BEND CENTER
STATEMENT OF ACTIVITIES
For the year ended August 31, 2023

Function/Programs	Expenses	Administrative Allocation	Expenses After Allocation of Administrative	Charges for Services	Operating Grants and Contributions
	Expenses			Program Revenues	
Primary Government					
Governmental activities					
Mental Health-Adult	$ 7,477,358	$ 2,578,524	$ 10,055,882	$ 973,272	$ 7,568,163
Mental Health-Child	1,951,724	673,041	2,624,765	871,973	1,356,637
IDD	1,246,967	430,009	1,676,976	764,916	433,701
Administration	3,681,574	(3,681,574)	-	-	-
Interest on long-term debt	47,653	-	47,653	-	-
Total governmental activities	14,405,276	-	14,405,276	2,610,161	9,358,501
Business-type Activities					
Rental	113,776	-	113,776	64,390	-
Total	$ 14,519,052	$ -	$ 14,519,052	$ 2,674,551	$ 9,358,501

General revenues:
Unrestricted general income
Gain on sale of capital assets
Internal transfers
Investment earnings
Total general revenues

Change in net position
Net position - beginning

Net position - ending

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (1,514,447)	$ -	$ (1,514,447)
(396,155)	-	(396,155)
(478,359)	-	(478,359)
-	-	-
(47,653)	-	(47,653)
(2,436,614)	-	(2,436,614)
-	(49,386)	(49,386)
(2,436,614)	(49,386)	(2,486,000)
3,499,902	-	3,499,902
97,592	-	97,592
(8,101)	8,101	-
139,791	14,590	154,381
3,729,184	22,691	3,751,875
1,292,570	(26,695)	1,265,875
12,549,185	1,256,811	13,805,996
$ 13,841,755	$ 1,230,116	$ 15,071,871

GULF BEND CENTER

BALANCE SHEET

GOVERNMENTAL FUNDS

August 31, 2023

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 598,673	$ -	$ 598,673
Investments	6,609,145	-	6,609,145
Deposits	471,959	-	471,959
Accounts receivable, net	553,327	-	553,327
Receivables from other governments	556,968	-	556,968
Due from other funds	56,836	-	56,836
Prepaid items	53,034	-	53,034
Total assets	8,899,942	$ -	$ 8,899,942
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	233,147	-	233,147
Accrued salaries and related payables	444,061	-	444,061
Due to other governments	1,052,867	-	1,052,867
Total liabilities	1,730,075	-	1,730,075
Fund balances			
Nonspendable for prepaid items	53,034	-	53,034
Assigned for healthcare	300,000	-	300,000
Assigned for building improvements	150,000	-	150,000
Unassigned	6,666,833	-	6,666,833
Total fund balances	7,169,867	-	7,169,867
Total liabilities and fund balances	$ 8,899,942	$ -	$ 8,899,942

The accompanying notes are an integral part of the financial statements.

GULF BEND CENTER

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

August 31, 2023

Total governmental fund balances		$ 7,169,867
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, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of:		
Governmental capital assets costs	11,942,436	
Accumulated depreciation of governmental capital assets	(4,543,079)	7,399,357
Right-of-use assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. These assets are report net of accumulated amortization.		1,004,008
Internal service funds are used by Gulf Bend Center to charge the costs of certain activities, such as vehicle, IT, and building costs, to individual programs. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position - unrestricted.		(390,086)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Lease liabilities	(394,355)	
Subscription liabilities	(609,653)	
Compensated absences	(337,383)	(1,341,391)
Net position of governmental activities		$ 13,841,755

The accompanying notes are an integral part of the financial statements.

GULF BEND CENTER

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended August 31, 2023

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES			
Local funds	$ 5,214,546	$ 747,975	$ 5,962,521
State programs	6,584,306	-	6,584,306
Federal programs	2,921,736	-	2,921,736
Interest income	139,791	-	139,791
Total revenues	14,860,379	747,975	15,608,354
EXPENDITURES			
Current			
Mental Health-Adult	7,165,977	-	7,165,977
Mental Health-Child	1,870,447	-	1,870,447
IDD	1,195,039	-	1,195,039
Administration	3,563,443	42,634	3,606,077
Debt service			
Principal	90,755	-	90,755
Interest	16,822	-	16,822
Capital outlay	86,247	1,190,428	1,276,675
Total expenditures	13,988,730	1,233,062	15,221,792
Excess (deficiency) of revenues over expenditures	871,649	(485,087)	386,562
OTHER FINANCING SOURCES (USES)			
Leases	80,907	-	80,907
Transfers in (out)	(251,550)	97,258	(154,292)
Total other financing sources (uses)	(170,643)	97,258	(73,385)
Net change in fund balances	701,006	(387,829)	313,177
Fund balances, beginning of year	6,468,861	387,829	6,856,690
Fund balances, end of year	$ 7,169,867	$ -	$ 7,169,867

The accompanying notes are an integral part of the financial statements.

GULF BEND CENTER

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended August 31, 2023

Total net change in fund balances - governmental funds		$ 313,177
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Increase in capital outlay	1,274,615	
Depreciation expense	(199,458)	1,075,157
The issuance of long-term debit provides current financial resources to governmental funds, but are not reported as revenues in the statement of activities.		
Subscription proceeds		(80,907)
Debt service payments for principal payments are reported as expenditures in the governmental funds, but are not reported as expenses in the statement of activities. Leases are amortized over the life of the lease.		
Lease principal payments	85,501	
Amortization expense	(85,501)	-
Some items 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. These activities consist of:		
Increase in compensated absences		(14,857)
Change in net position of governmental activities		$ 1,292,570

The accompanying notes are an integral part of the financial statements.

GULF BEND CENTER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
For the year ended August 31, 2023

	Original / Final Budget	Actual	Variance with Budget Positive (Negative)
REVENUES			
Local Funds:			
County contributions	$ 186,216	$ 186,038	$ (178)
Billed customer services	2,236,794	1,509,564	(727,230)
Residential rental income	220,500	221,686	1,186
Public Health Provider-Charity Care Program	1,274,809	2,392,857	1,118,048
Directed Payment Program - FY2023	796,864	687,172	(109,692)
Local grants	84,615	108,937	24,322
Other income	62,333	108,292	45,959
Total local funds	4,862,131	5,214,546	352,415
State Programs:			
General revenue	5,778,456	5,538,822	(239,634)
TCOOMMI grant	300,737	287,339	(13,398)
Diversion program	773,520	758,145	(15,375)
Total state programs	6,852,713	6,584,306	(268,407)
Federal Programs:			
Community mental health block grant	226,608	226,608	-
Social services block grant	41,868	41,868	-
TITLE XX - TANF	92,717	92,717	-
SAMHSA funding	1,687,210	1,912,776	225,566
Medicaid administrative claiming	375,000	410,500	35,500
Other federal programs	113,831	237,267	123,436
Total federal programs	2,537,234	2,921,736	384,502
Interest	40,155	139,791	99,636
Total revenues	14,292,233	14,860,379	568,146

(Continued)

	Original / Final Budget	Actual	Variance with Budget Positive (Negative)
EXPENDITURES			
Current			
Personnel	7,312,840	6,719,462	593,378
Employee benefits	2,008,322	1,860,487	147,835
Professional and consultants fees	2,865,639	2,717,124	148,515
Training and travel	391,563	351,802	39,761
Consumable supplies	232,897	262,691	(29,794)
Building occupancy and operating costs	1,323,708	1,400,815	(77,107)
Directed payment program expense - FY 2022	-	291,771	(291,771)
Other expenditures	157,264	190,754	(33,490)
Debt service			
Principal		90,755	(90,755)
Interest	-	16,822	(16,822)
Capital Outlay	-	86,247	(86,247)
Total expenditures	14,292,233	13,988,730	303,503
OTHER FINANCING SOURCES (USES)			
Leases	-	80,907	80,907
Transfers in (out) for Capital Projects	-	(251,550)	(251,550)
Total other financing sources (uses)	-	(170,643)	(170,643)
Net change in fund balance	-	701,006	701,006
Fund balance, beginning of year	6,468,861	6,468,861	6,468,861
Adjustment to fund balance	-	-	-
Fund balance, end of year	$ 6,468,861	$ 7,169,867	$ 7,169,867

The accompanying notes are an integral part of the financial statements.

GULF BEND CENTER
STATEMENT OF NET POSITION
PROPRIETARY FUND
August 31, 2023

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Funds
ASSETS		
Current:		
Receivables	$ -	$ 62,344
Lease receivable	58,126	-
Due from other funds	492,303	258,537
Prepaid items	3,708	108,846
Total current assets	554,137	429,727
Noncurrent:		
Lease receivable	328,819	-
Capital assets, net	749,509	4,585,864
Right-of-use assets, net	-	620,396
Total noncurrent assets	1,078,328	5,206,260
Total assets	1,632,465	5,635,987
LIABILITIES		
Current:		
Lease liability	-	160,450
Unearned revenue	15,404	-
Due to other funds	-	819,813
Total current liabilities	15,404	980,263
Noncurrent:		
Lease liability	-	459,946
Total liabilities	15,404	1,440,209
DEFERRED INFLOWS OF RESOURCES		
Lease related	386,945	-
Total deferred inflows of resources	386,945	-
NET POSITION		
Net investment in capital assets	749,509	4,585,864
Unrestricted	480,607	(390,086)
Total net position	$ 1,230,116	$ 4,195,778

The accompanying notes are an integral part of the financial statements.

GULF BEND CENTER

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the year ended August 31, 2023

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Funds
OPERATING REVENUES:		
Rental revenues	$ 7,584	$ -
Charges for service	-	1,345,309
Miscellaneous	-	4,706
Total operating revenues	7,584	1,350,015
OPERATING EXPENSES:		
Personnel	-	318,714
Employee benefits	-	95,064
Professional and consultants fees	11,967	54,793
Training and travel	-	10,555
Consumable supplies	-	4,102
Other expenses	-	37,749
Depreciation	48,323	356,486
Amortization	-	195,863
Occupancy costs	53,486	-
Computer expense	-	136,868
Vehicle expense	-	106,463
Building expense	-	246,310
Taxes	-	-
Total operating expenses	113,776	1,562,967
OPERATING INCOME (LOSS)	(106,192)	(212,952)
NON-OPERATING REVENUE (EXPENSE):		
Gain (loss) on sale of assets	-	97,592
Lease revenues	56,806	-
Interest income - leases	14,590	-
Interest expense	-	(30,831)
Total non-operating revenue (expense)	71,396	66,761
Income (loss) before transfers	(34,796)	(146,191)
Transfer in (out)	8,101	146,191
Change in net position	(26,695)	-
Net position, beginning of year	1,256,811	559,562
Contributed capital	-	3,636,216
Net position, end of year	$ 1,230,116	$ 4,195,778

The accompanying notes are an integral part of the financial statements.

GULF BEND CENTER
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the year ended August 31, 2023

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from lessees	$ 31,837	$ -
Cash received from users	-	1,333,560
Cash payments to suppliers	(64,172)	(1,255,789)
Net cash provided (used) by operating activities	(32,335)	77,771
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Cash received from sale of capital assets	-	81,138
Acquisition of capital assets	(47,162)	(78,407)
Payments received (paid) on lease receivable (liability)	56,806	(195,862)
Interest received (paid) on lease	14,590	(30,831)
Net cash provided (used) by capital financing activities	24,234	(223,962)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in (out)	8,101	146,191
Net cash provided (used) by noncapital financing activities	8,101	146,191
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	$ -	$ -
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss):	$ (106,192)	$ (212,952)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	48,323	552,349
Change in assets and liabilities:		
(Increase) decrease in internal balances	27,296	(204,708)
(Increase) decrease in prepaid items	1,281	(56,918)
Increase (decrease) in unearned revenue	(3,043)	-
Net cash provided by operating activities	$ (32,335)	$ 77,771
NON-CASH FINANCING ACTIVITIES		
Capital contribution of capital assets	$ -	$ 3,636,216
NON-CASH INVESTING ACTIVITIES		
Lease liabilities for the acquisition of right to use asset / subscriptions	$ 264,447	$ 302,643
Receivable related to right to use asset	-	62,344
Total non-cash investing activities	$ 264,447	$ 364,987

The accompanying notes are an integral part of the financial statements.

GULF BEND CENTER
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
August 31, 2023

	Custodial Fund
ASSETS	
Cash	$ 6,387
Due from General Fund	12,136
Total assets	18,523
LIABILITIES	
Due to others	-
Total liabilities	-
NET POSITION	
Restricted	18,523
Total net position	$ 18,523

The accompanying notes are an integral part of the financial statements.

GULF BEND CENTER
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
For the year ended August 31, 2023

	Custodial Fund
ADDITIONS	
Contributions	$ 268,864
Total additions	268,864
DEDUCTIONS	
Distributions for medical and dental	269,905
Total deductions	269,905
Net change in net position	(1,041)
Net position, beginning of year	19,564
Net position, end of year	$ 18,523

The accompanying notes are an integral part of the financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Gulf Bend Center (the "Center") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

Gulf Bend Center is a public entity that was established under the provisions of the Texas Mental Health Mental Retardation Act of 1965. The Center provides community-based mental health, IDD, and addiction services in Victoria, DeWitt, Jackson, Calhoun, Goliad, Lavaca, and Refugio counties.

In evaluating how to define the government for financial reporting purposes, the Center's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in the GASB Statement No. 14, as amended. Under these guidelines, the reporting entity consists of the primary government (all funds of the Center), organizations for which the primary government is financially accountable, organizations for which the primary government is not financially accountable, organizations that raise and hold economic resources for the direct benefit of the primary government, and any other organization for which the nature and significance of their relationship with the primary government is such that exclusion could cause the Center's financial statements to be misleading or incomplete. Under these guidelines there are not any entities that are considered to be component units.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by program income and intergovernmental revenues, are reported separately from the *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by any program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* includes: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. City and county contributions and other items not properly included among program revenues are reported instead as *general revenue*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

<u>NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> - (Continued)

C. <u>Measurement Focus, Basis of Accounting, and Financial Statement Presentation</u>

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Center considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Grant revenue, patient fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Center.

The proprietary fund types are accounted for on a flow of *economic resources measurement focus* and utilize the *accrual basis of accounting*. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

D. <u>Fund Accounting</u>

The Center reports the following major governmental fund:

The *General Fund* is the Center's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Center also has the following funds:

Capital Projects Fund accounts for financial resources that are assigned for capital outlay expenditures including the acquisition or construction of capital facilities and other capital assets.

Fiduciary Fund to account for resources held for others in a custodial capacity. The Custodial Fund remits employee payroll deductions to the third-party administrator.

Additionally, the Center reports the following proprietary fund types:

The *Enterprise Fund* is used by the Center to account for the operations of the non-related party rental of office space in its building.

The *Internal Service Funds* are used by the Center to charge certain costs to programs within individual funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Fund Accounting – (Continued)

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues of the Enterprise Fund consist of rental income and operating expenses include those required to run and maintain the building and depreciation. Operating revenues of the Internal Service Funds are charges for fleet usage, building occupancy and IT usage. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

E. Other Accounting Policies

Deposits and Investments

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.

The Board of Trustees authorizes the Center to invest, with certain stipulations, in obligations of the United States or its agencies: direct obligations of the State of Texas or its agencies; 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; obligations of states, agencies, counties, cities and other political subdivisions of any state related as to investment quality by a nationally recognized investment firm not less than A or its equivalent; certificates of deposit if issued by a state bank, national bank or savings and loan association domiciled in this state; commercial paper; mutual funds and money market mutual funds; and investment pools.

For the fiscal year ended, the Center did not own any types of securities other than those permitted by statute.

Investments for the Center are reported at amortized costs. For investments in local government investment pools, the reported value of the pool is the same as the fair value of the pool shares.

Due To / From

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of inter-fund loans). All other outstanding balances between the governmental activities and business-type activities would be reported in the government-wide financial statements as "internal balances."

Accounts Receivable

Accounts receivable from customers and insurance carriers for services rendered are reduced by the amount of such billings deemed by management to be ultimately uncollectible. The Center writes off insurance and customer receivables after 90 days and/or collection attempts have been exhausted. The Center has recorded an allowance against these receivables of $69,956 at August 31, 2023. Accounts receivable from cost reimbursement contracts are determined to be 100% collectible based on past collection history from various granting agencies.

<u>NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> - (Continued)

<u>Net Customer Service Revenue</u>

The Center has agreements with third-party payors that provide for payments to the Center at contractually agreed upon rates. Net customer service revenue is reported at the estimated net realizable amounts from patients, customers, third-party payors and others for services rendered. The Center also entered into payment agreements with Medicare, certain commercial insurance carriers (managed care organizations) and other organizations. The basis for payment under these agreements is mostly based on fee for service arrangements.

For uninsured patients, the Center recognizes revenue on the basis of its standard rates for services provided, adjusted for the minimum monthly fee provisions as mandated by the state of Texas. Revenue from Medicaid Waiver programs (such as Directed Payment Program, Home and Community Based Services, Texas Home Living, YES) are recognized when services are rendered. These programs are billed based on state negotiated rates.

Laws and regulations governing Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

<u>Prepaid Items</u>

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures at the time items are consumed (consumption method).

<u>Capital Assets</u>

Capital assets, which include buildings and improvements, furniture and equipment, and vehicles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the Center as assets with an initial, individual cost of more than $2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	10-50
Furniture and equipment	3-10
Vehicles	5

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Capital Assets

Right-to-use lease assets are recognized at the lease commencement date and represent the Center's right to use an underlying asset for the lease term. Right-to-use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-to-use lease assets are amortized over the shorter of the lease term or useful life of the underlying asset using the interest rate method. The amortization period varies from 3 to 5 years.

Right-to-use subscription IT assets are recognized at the subscription commencement date and represent the Center's right to use an underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the interest rate method. The amortization period varies from 3 to 5 years.

Source of Funds

Certain funds from federal and other state sources represent fees for service reimbursements, as well as project grants. The funds that are for individual patient service reimbursements are reported as local funds as directed by the Texas Health and Human Services Commission.

Compensated Absences

Employees receive a number of days off work annually based upon their tenure at the Center as follows:

Tenure in Months	Annual Rate
4-24	15 days
25-60	20 days
61-120	25 days
121 +	30 days

These days off are to be used for scheduled vacation and sick leave. The maximum accumulation of paid time off is 30 days. Paid time off will not be credited in excess of the maximum accumulation at the end of the fiscal year but will be transferred into that individual's sick leave account and can only be used after other paid time off is used. Upon departure from employment with the Center, the employee will be paid for all accumulated leave in the paid time off account up to a maximum of 30 days. The balance in the sick leave account will not be paid.

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," the Center accrues its liability for such accumulated unpaid benefits. The estimated current portion of the liability is recorded as an expenditure and liability in the General Fund. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Lease Receivables

Lease receivables are recorded by the Center as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the Center charges the lessee.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed as incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance and costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Lease liabilities represent the Center's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the Center.

Subscription liabilities represent the Center's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by the Center.

Deferred Outflows/Inflows of Resources

The statement of net position reports a separate section for deferred outflows of resources which follows the asset section. This separate financial statement element, *deferred outflows of resources,* represent a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Center has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position also reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represent an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Center has deferred inflows in its Enterprise Fund where it is the lessor. The deferred inflow of resources (revenues) are related to leases recognized using the interest rate method over the term of the lease.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fund Equity

Fund balances of Governmental Funds classified as nonspendable include amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at August 31, 2023 are nonspendable in form. The Center has not reported any amounts that are legally or contractually required to be maintained intact. Restricted fund balances are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the Board through a resolution or by other formal action. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the Executive Director based on Board direction.

For the classification of Governmental Fund balances, the Center considers expenditures to be made from the most restrictive first when more than one classification is available.

Any deficits within the Internal Service Funds' unrestricted net position will be covered by the General Fund.

It is the desire of the Center to maintain an adequate fund balance in the General Fund to provide sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The Board has adopted a financial standard to maintain an "unassigned" fund balance of 25% of the total operating expenditures.

Tax-exempt Status

The Internal Revenue Service has issued a determination letter dated June 24, 2003, stating that the Center qualifies as an organization described in Section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from Federal income taxes.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Allocation of Indirect Expenses

The Center allocates indirect expenses primarily comprised of administrative services to operating functions and programs benefiting from those services. Allocations are charged to programs based on use of central services determined by various allocation methodologies.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

The Center's annual budget for the General Fund is prepared using the modified accrual basis of accounting and is 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 ("the Commission"). All annual appropriations lapse at fiscal year-end.

B. Budgetary Compliance

Budgetary control is maintained at the department level.

NOTE 3: DEPOSITS AND INVESTMENTS

The Center's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the Center's agent bank approved pledged securities in an amount sufficient to protect Center funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Cash Deposits

At year-end, the Center's carrying amount for cash deposits was $605,059 and the bank balances totaled $687,392. All deposits are entirely insured or collateralized with securities held by the Center's agent in the name of the Center.

Investments

The Center is required by Government Code Chapter 2256, the Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: 1) safety of principal and liquidity, 2) portfolio diversification, 3) allowable investments, 4) acceptable risk levels, 5) expected rates of return, 6) maximum allowable stated maturity of portfolio investments, 7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, 8) investment staff quality and capabilities, and 9) bid solicitation preferences for certificates of deposit.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that the Center adhered to the requirements of the Act. Additionally, investment practices of the Center were in accordance with local policies.

The Act determines the types of investments which are allowable for the Center. These include, with certain restrictions: 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) common trust funds.

The Center's investments at year-end are:

Texpool	$ 2,217,799
Certificates of Deposit	4,391,346
Total investments	$ 6,609,145

The Center's certificates of deposits are measured at amortized cost and maturities range 12 to 24 months.

NOTE 3: DEPOSITS AND INVESTMENTS - (Continued)

Interest Rate Risk

In accordance with the Center's investment policy, the Center manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase.

Credit Risk

The Center's investment policy requires money market mutual funds to be AAA rated and be restricted to investments authorized by the Act. The Center's investments in the public funds investment pool include those with the TexPool Investment Pool. The pool operates in full compliance with the Public Funds Investment Act. The TexPool Investment Pool is rated AAA-m by Standard and Poors.

Concentration of Credit Risk

The Center's investment policy requires that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific user. At year-end, the Center was not exposed to concentration of credit risk.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Center's deposits may not be returned to it. The Center's investment policy requires that deposits at financial institutions be insured by the FDIC and/or collateralized by securities pledged to the Center by the depository. At year-end, $332,366 of the cash deposit and investment balances at 4 different financial institutions were covered by FDIC insurance. The remainder of the deposits were covered by collateral at 2 different financial institutions with a fair market value of $9,469,832. Therefore, the Center was not exposed to custodial credit risk at year-end.

Custodial Credit Risk – Investments

The Center's policy provides that investment securities are held by a third-party custodian in an account in the Center's name. For an investment, this 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. During the fiscal year and at year-end, all certificates of deposit were fully collateralized. The Center's remaining investments are invested in the TexPool Investment Pool and it has no custodial credit risk.

NOTE 4: RECEIVABLES FROM OTHER GOVERNMENTS AND UNEARNED REVENUE

Receivables and amounts from other governments are for reimbursements of expenditures and fees for services provided under various programs and grants. All amounts are expected to be collected within the next year. A summary of these receivables follows:

Accounts Receivable	
Medicaid Administrative Claiming	$ 250,914
Managed Care Organizations	89,206
Medicare / Medicaid	169,906
Commercial insurance	27,013
Customer	41,193
Allowance for contractual / bad debt	(69,956)
Other	107,395
Total	$ 615,671
Other Governments	
Texas Department of Criminal Justice	$ 106,391
Texas Health and Human Services Commission	278,853
Substance Abuse and Mental Health Services Administration	147,842
Other	23,882
Total	$ 556,968

The Center's enterprise fund reports unearned revenue in connection with resources that have been received, but not yet earned. At year-end the Center had unearned revenue in the rental fund for rents collected in advance in the amount of $15,404.

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of inter-fund receivables and payables:

	Due From	Due To
General Fund	$ 56,836	$ -
Custodial Fund	12,137	-
Enterprise Fund	492,303	-
Motor Pool Fund	-	49,226
Information Technology Fund	258,537	-
Admin Building Improvements	-	770,587
Total	$ 819,813	$ 819,813

The Center maintains a pooled cash account. These balances resulted from the time lag between the dates that inter-fund services were provided and payments between funds were made. Balances are not expected to be paid back within one year.

NOTE 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended was as follows:

	Beginning Balances (Restated)	Additions	Disposals	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	$ 2,463,358	$ -	$ 2,463,358	$ -
Total capital assets not being depreciated	2,463,358	-	2,463,358	-
Capital assets being depreciated:				
Buildings and improvements	$ 7,263,542	$ 3,482,797	$ 4,063	$ 10,742,276
Furniture, equipment and computers	858,624	255,176	-	1,113,800
Vehicles	86,360	-	-	86,360
Total capital assets being depreciated	8,208,526	3,737,973	4,063	11,942,436
Accumulated depreciation				
Buildings and improvements	3,179,104	423,127	1,919	3,600,312
Furniture, equipment and computers	760,811	118,012	-	878,823
Vehicles	46,636	17,308	-	63,944
Total accumulated depreciation	3,986,551	558,447	1,919	4,543,079
Capital assets, net	$ 6,685,333	$ 3,179,526	$ 2,465,502	$ 7,399,357
Right-to-use lease assets being amortized:				
Right-to-use vehicles	$ 304,224	$ 176,995	$ 59,930	$ 421,289
Right-to-use equipment	41,933	80,907	41,933	80,907
Total right-to-use assets being amortized	346,157	257,902	101,863	502,196
Accumulated amortization				
Right-to-use vehicles	74,391	86,959	59,930	101,420
Right-to-use equipment	26,791	21,563	41,933	6,421
Total accumulated amortization	101,182	108,522	101,863	107,841
Right-to-use assets, net	$ 244,975	$ 149,380	$ -	$ 394,355
Right-to-use subscription IT assets being amortized:				
Right-to-use subscriptions	$ 656,847	$ 125,648	$ -	$ 782,495
Less accumulated amortization	-	172,842	-	172,842
Right-to-use subscription IT assets, net	$ 656,847	$ (47,194)	$ -	$ 609,653
Governmental activities, net	$ 7,587,155	$ 3,281,712	$ 2,465,502	$ 8,403,365

NOTE 6: CAPITAL ASSETS – (Continued)

	Beginning Balances (Restated)	Additions	Disposals	Ending Balances
Business-type activities:				
Depreciable assets:				
Buildings and improvements	$ 1,357,784	$ 112,311	$ 65,149	$ 1,404,946
Less accumulated depreciation	607,114	48,323	-	655,437
Business-type activities capital assets, net	$ 750,670	$ 63,988	$ 65,149	$ 749,509

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:	
Mental Health-Adult	$ 436,253
Mental Health-Child	113,870
IDD	72,752
Administration	216,936
Total governmental	839,811
Business activities:	
Rental	48,323
Total government wide	$ 888,134

NOTE 7: LONG-TERM OBLIGATIONS

Long-term Obligation Activity

The following is a summary of the Center's long-term obligations at year-end:

	(Restated) Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated absences	$ 322,527	$ 491,663	$ 476,806	$ 337,384	$ 33,738
Lease liabilities	244,975	257,902	108,522	394,355	94,746
Subscription liabilities	656,847	125,648	172,843	609,653	144,768
Total	$ 1,224,349	$ 875,213	$ 758,171	$ 1,341,392	$ 273,252

Debt Service Requirements

Debt service requirements at year-end only related to leases and subscriptions. See Note 8 and Note 9.

NOTE 8: LEASES

The Center entered an agreement for a sixty-two (62) month lease agreement for the use of copiers, beginning April 2023 and terminating June 2028. Under the terms of the lease, the Center pays a monthly base fee of $1,440. The Center paid $6,025 during the year towards this agreement.

At year-end, the Center has a right to use asset of $74,883 and a lease liability of $74,883 related to this agreement. During the fiscal year, the Center recorded $21,563 in amortization expense and $1,613 in interest expense for the right to use the copiers. The Center used a discount rate of 4.52%, based on the 5-year Treasury rate at the start of the lease date.

The Center has twenty (20) sixty (60) month lease agreements for the use of vehicles as part of the Fleet Internal Service Fund. These leases range in beginning dates of September 2021 to March 2023. They terminate between April 2024 to September 2027. Under the terms of the lease, the Center pays a monthly base fee of $296–$331 per vehicle. This fee excludes maintenance fees. The Center paid $66,771 during the year towards those variable costs.

At year-end, the Center has a right to use asset of $319,472 and a lease liability of $319,472 related to this agreement. During the fiscal year, the Center recorded $86,959 in amortization expense and $17,313 in interest expense for the right to use the vehicles. The Center used a discount rate based on the 5-year Treasury rate at the start of the lease date.

Remaining obligations associated with these leases are as follows:

Year Ending August 31,	Principal	Interest	Total
2024	$ 94,746	$ 13,233	$ 107,979
2025	96,441	9,790	106,231
2026	99,086	6,268	105,354
2027	73,070	2,869	75,939
2028	31,012	518	31,530
Totals	$ 394,355	$ 32,678	$ 427,033

The Center also has accrued a receivable for two office space leases in the Enterprise Fund. The remaining receivable for these leases was $386,945 and deferred inflows were $386,945 as of August 31, 2023. Interest revenue recognized on these leases was $14,590 for the year. The interest rate on the leases were 5% and 5.29%.

Year Ending August 31,	Principal	Interest	Total
2024	$ 58,126	$ 18,694	$ 76,820
2025	55,127	15,619	70,746
2026	26,763	13,673	40,436
2027	28,214	12,216	40,430
2028	29,713	10,710	40,423
Thereafter	189,002	27,389	216,391
Totals	$ 386,945	$ 98,301	$ 485,246

NOTE 9: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARANGEMENTS (SBITA)

The Center entered into an agreement for a five year subscription for financial management software. The lease began September 1, 2021 and will terminate August 31, 2036. Under the terms of the lease, the Center pays an annual fee. The Center paid $11,291 during the year towards this agreement.

At September 1, 2022, the Center recognized a SBITA asset and subscription liability of $123,310. During the fiscal year, the Center recorded $11,291 in amortization expense and $5,340 in interest expense for the subscription. The Center used a discount rate of 4.39%, based on the 5-year Treasury rate at September 1, 2022.

The Center entered into a 63-month agreement for an HR and payroll platform software on June 1, 2022. The lease will terminate August 31, 2032. Under the terms of the lease, the Center pays monthly based on current number of employees utilizing the system. The Center paid $33,111 during the year towards this agreement.

At September 1, 2022, the Center recognized a SBITA asset and subscription liability of $141,250. During the fiscal year, the Center recorded $33,111 in amortization expense and $5,895 in interest expense for the subscription. The Center used a discount rate of 4.39%, based on the 5-year Treasury rate at September 1, 2022.

The Center entered into an agreement for a five-year subscription for healthcare education and training platform. The lease began June 1, 2022 and will terminate May 31, 2027. Under the terms of the lease, the Center pays an annual fee. The Center paid $24,790 during the year towards this agreement.

At September 1, 2022, the Center recognized a SBITA asset and subscription liability of $113,759. During the fiscal year, the Center recorded $24,790 in amortization expense and $3,975 in interest expense for the subscription. The Center used a discount rate of 4.39%, based on the 5-year Treasury rate at September 1, 2022.

The Center entered into an agreement for electronic health records software subscription. The lease began January 1, 2022 and will terminate December 31, 2026. Under the terms of the lease, the Center pays an annual fee. The Center paid $64,158 during the year towards this agreement.

At September 1, 2022, the Center recognized a SBITA asset and subscription liability of $262,339. During the fiscal year, the Center recorded $64,158 in amortization expense and $9,714 in interest expense for the subscription. The Center used a discount rate of 4.39%, based on the 5-year Treasury rate at September 1, 2022.

The Center entered into an agreement for a three-year subscription to a backup data warehouse. The lease began November 2020 and will terminate November 2023. Under the terms of the lease, the Center paid the subscription in full in 2020.

At September 1, 2022, the Center recognized a SBITA asset and subscription liability of $8,700. During the fiscal year, the Center recorded $8,700 in amortization expense but no interest expense for the subscription. The Center used a discount rate of 4.39%, based on the 5-year Treasury rate at September 1, 2022.

The Center entered into an agreement for a three-year subscription for security awareness training software. The lease began June 2022 and will terminate May 2025. Under the terms of the lease, the Center paid the subscription in full in 2022.

NOTE 9: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARANGEMENTS (SBITA) – (Continued)

At September 1, 2022, the Center recognized a SBITA asset and subscription liability of $7,490. During the fiscal year, the Center recorded $7,490 in amortization expense and no interest expense for the subscription. The Center used a discount rate of 4.39%, based on the 5-year Treasury rate at September 1, 2022.

The Center entered into an agreement for a three-year subscription for cloud-based communications software. The lease began October 2022 and will terminate October 2025. Under the terms of the lease, the Center pays an annual fee. The Center paid $23,302 during the year towards this agreement.

At October 31, 2022, the Center recognized a SBITA asset and subscription liability of $125,648. During the fiscal year, the Center recorded $23,302 in amortization expense and $3,804 in interest expense for the subscription. The Center used a discount rate of 5.27%, based on the 5-year Treasury rate at the start of the lease date.

Remaining obligations associated with these leases are as follows:

Year Ending August 31,	Principal	Interest	Total
2024	$ 144,768	$ 23,462	$ 168,230
2025	154,087	16,670	170,757
2026	163,947	9,508	173,455
2027	56,914	4,595	61,509
2028	34,665	3,073	37,738
Thereafter	55,272	5,721	60,993
Totals	$ 609,653	$ 63,029	$ 672,682

NOTE 10: EMPLOYEES' PENSION PLAN

The Center has a retirement plan, TCRT, a Gulf Bend Center Retirement Plan (the "Plan"), that is a combination 401(a) money purchase plan, Code Section 457 plan, and a Roth deferral plan which is sponsored by ISC Group Incorporated. Full-time employees with one year of service who normally work more than 17½ hours per week or 1,000 hours a year and have attained the age of 18 are eligible to participate.

The 401(a) portion of the Plan is a defined contribution plan and accounts for the employer's contribution. The Center will match contributions up to 6% of the employees' salaries. Participants start to vest in the employer's contribution at the completion of one year of service with 100% vesting occurring after seven years. Forfeited contributions are held in a separate account and can be used to reduce future employer contributions. Amounts contributed to the 401(a) portion of the Plan are placed in a guaranteed fixed income account. Center and employee contributions for the fiscal year were $183,800 and $300,584, respectively.

The deferred compensation portion of the Plan is consistent with Internal Revenue Code Section 457(a). Vesting in the Plan is immediate. Employees may voluntarily contribute up to the maximum limits allowable under IRS Code guidelines.

All assets of the Plan are primarily invested in mutual funds and are held in trust at ISC Group Incorporated with the Center serving as trustee for the exclusive benefit of the Plan participants. The assets will not be diverted to any other purpose.

NOTE 11: COMMITMENTS AND CONTINGENCIES

The Center participates in a number of state and federal financial assistance programs, Medicare, and Medicaid programs. The programs are subject to financial and compliance audits by the grantors or their representatives and regulatory authorities. The purpose of the audits is to ensure compliance with conditions relating to the granting of funds and other reimbursement regulations. The Center's management believes that any liability for reimbursement, which may arise as the result of these audits, is not believed to be material to the financial position of the Center.

At year-end, the Center is not involved in any lawsuits that would have a material effect on the Center's financial position.

NOTE 12: RISK MANAGEMENT

Workers' Compensation

The Center provides workers' compensation benefits to its employees through participation in the Texas Council Risk Management Fund (the "Fund"). The Fund is a self-insurance pool created under Texas law through inter-local agreements among Texas community MHMR centers and the Fund. The Fund exists solely to provide coverage protection and risk management services for its members.

As an alternative to the standard, guaranteed cost workers' compensation coverage, the Fund offers a Minimum Contribution Plan (MCP), in which the Center participates. Under the MCP, which is considered a retrospectively rated policy, premiums are accrued based on the ultimate cost of the loss experience to date and a six-year look-back period. Center contributions to the Fund are determined based on actual workers' compensation losses for a given year, subject to minimum and maximum amounts. Minimum and maximum amounts are determined based on 60% and 110%, respectively, of the Center's Audited Standard Contribution, which is determined by the Fund based on the Center's gross employee compensation and applicable rates and loss experience modifiers.

In prior years, the statement of net position and balance sheet included a loss reserve liability for estimated outstanding workers' compensation claims. In the current year, the Center was not required to include a loss reserve liability for estimated outstanding claims due to low claims in prior years.

Health Insurance

The Center provides health insurance benefits though a self-insured health insurance plan (the "Plan"). The Plan provides health benefits (medical, hospital, surgical, and major medical) to all eligible employees. The Plan is funded by contributions from the Center and from eligible employees for dependent coverage, if elected. Contributions are based on rates established and approved by the Center. The rates are calculated by the Plan's third-party administrator, Blue Cross Blue Shield of Texas (BCBS), and are based on historical claims cost data. Center and employee contributions are made monthly. The contract between the Center and BCBS is renewable on September 1st of each year. Terms of coverage and contribution rates are included in contractual provisions.

The Center is protected against catastrophic individual and aggregate losses by stop-loss insurance coverage through BCBS. The individual stop-loss limit insurance reimburses the Center for any losses exceeding a specified amount per participant per year. Such limit was $75,000 for the fiscal year ended. Specific loss reimbursements for the year were $63,749.

NOTE 12: RISK MANAGEMENT – (Continued)

Health Insurance – (Continued)

The aggregate excess loss insurance reimburses the Center for loss amounts in excess of a predetermined amount of total losses for a year, based on an “attachment point” as defined in the insurance contract. For the year ended, the aggregate health stop-loss limit was $1,171,769. The Center did not exceed the aggregate loss reimbursement limit for the year.

Total contributions to the Plan (including stop-loss insurance premiums and administrative fees) were $1,358,522 for the year.

The accompanying statement of net position and balance sheet include a loss reserve grouped with Accrued salaries and related payables for estimated outstanding medical claims of $177,086. The reserve was estimated based on actual claims paid during the 60-day period immediately following the close of the fiscal year as provided by BCBS.

Changes in the health claims liability are presented below:

	Year Ended August 31, 2023	2022
Beginning of year balance	$ 63,976	$ 229,732
Claims incurred	1,186,849	767,100
Claims paid	(1,073,739)	(932,856)
End of year balance	$ 177,086	$ 63,976

NOTE 13: ECONOMIC DEPENDENCE

The Center received a substantial portion of its revenues in the form of annual performance contracts with HHSC to provide mental health and/or IDD services to its service area. The Center is economically dependent on the continuation of these contracts. As of August 31, 2023, these contracts have been renewed to continue through August 31, 2025.

The Center has also received substantial federal funding from Substance Abuse and Mental Health Services Administration (SAMHSA) during fiscal year 2023. As of year-end, the Center held one grant with SAMHSA which is expected to expire February 15, 2023. The Center has been awarded a second SAMHSA grant which began September 30, 2022 and has been extended through September 29, 2024.

The following table shows the Center’s concentration of revenues greater than 10% of total revenue in the General Fund:

	Amount	Percent
Billable services (Medicaid, Medicare, Pvt Insurance)	$ 1,509,656	10.16%
Public Heath Provider-Charity Care Program	2,392,857	16.10%
General revenue (state only)	5,538,822	37.27%
SAMHSA	1,912,776	12.87%

NOTE 14: MEDICAID DIRECTED PAYMENT PROGRAM

In November 2021, CMS approved the Directed Payment Program for Behavioral Health Services (DPP BHS). This program began September 1, 2021 and has been approved to continue through August 31, 2024. DPP BHS is a value-based payment program to promote and improve access to behavioral health services, care coordination, and successful care transitions. It also incentivizes continuation of services to Medicaid-enrolled individuals that are aligned with the Certified Community Behavioral Health Clinic (CCBHC) model of care. DPP BHS payments will be included in MCO capitation rates and distributed through two components to enrolled CMHCs who meet program requirements. Component 1 is a uniform dollar increase issued in monthly payments to all qualifying providers participating in the program. Enrolled providers will also be required to report on the implementation status of activities foundational to quality improvement, such as telehealth services, collaborative care, integration of physical and behavioral health, and improved data exchange. Component 2 is a uniform percent increase on certain CCBHC services based on achievement of quality metrics that align with CCBHC measures and goals. The Center was enrolled in the program in fiscal year 2023 and sent HHSC one intergovernmental transfers (IGT) in the amount of $616,362, in order to leverage federal funding. The Center has also sent one IGT for fiscal year 2024 in the amount of $221,872. The Center received $366,275 of the IGT payment during the fiscal year and has a current deposit balance of $471,959. This amount can be found in the Assets section of the Balance Sheet.

The Center recognized revenues of $687,172 related to DPP-BHS for fiscal year 2023. The Center also has also recorded a liability of $386,669 related to fiscal year 2022 Component 1 settle-up.

In addition to the DPP-BHS program, HHSC developed the Public Health Provider – Charity Care Program (PHP-CCP) in October 1, 2021. The PHP-CCP allows CMHCs to receive reimbursement for the cost of delivering healthcare services, including behavioral health services, immunizations, and other preventative services, when those costs are not reimbursed by another source. Payments from the pool are to defray the cost of uncompensated costs of providing medical services to Medicaid eligible or uninsured individuals.

The Center recognized revenues of $2,392,857 for fiscal year 2023. A cost report was submitted in November 2023 to HHSC based on FFY2023 financials. Payment from this report is not expected to be received within 120 days of the end of FY2023 therefore revenues will be recorded in FY2024.

NOTE 15: PATIENT ASSISTANCE PROGRAM

Consumers periodically receive prescription medications through a program known as the Patient Assistance Program (PAP). These prescriptions are provided at no cost to the consumer. These items do not meet the criteria for recognition on the Center's financial statements; however, they do provide significant assistance to the consumers the Center serves. Management estimates that consumers received prescription medications through this program valued at $630,040 during the year ending August 31, 2023.

NOTE 16: ADOPTION OF A NEW STANDARD

As of September 1, 2022, the Center adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset -an intangible asset- and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of recourses based on the payment provisions of the contract. As a result of implementing this standard the Center recognized a right to use subscription asset and subscription liability of $656,847 as of September 1, 2022. As a result of these adjustments there was no effect on the beginning net position. The additional disclosures required by this standard are included in Notes 1, 6, 7, and 9.

COMBINING FUND STATEMENTS

Internal Service Funds are used to account for the financing of goods or services provided to departments of the Center on a cost-reimbursement basis.

Motor Pool Fund - Accounts for the costs of operating and maintaining the vehicles used by various Center departments.

Information Technology Fund - Accounts for the costs associated with maintaining the Center's network system.

Admin Building Improvements Fund - Accounts for the costs associated with improvements made on Administrative Building.

GULF BEND CENTER

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

August 31, 2023

	Motor Pool	Information Technology	Administrative Building	Totals
ASSETS				
Current:				
Receivables	$ 62,344	$ -	$ -	$ 62,344
Due from other funds	-	258,537	-	258,537
Prepaid items	12,529	70,527	25,790	108,846
Noncurrent:				
Capital assets, net	11,362	214,271	4,360,231	4,585,864
Right-of-use assets, net	319,869	300,527	-	620,396
Total assets	406,104	843,862	4,386,021	5,635,987
LIABILITIES				
Current				
Lease liability	80,570	79,880	-	160,450
Due to other funds	49,226	-	770,587	819,813
Noncurrent				
Lease liability	239,299	220,647	-	459,946
Total liabilities	369,095	300,527	770,587	1,440,209
NET POSITION				
Net investment in capital assets	11,362	214,271	4,360,231	4,585,864
Unrestricted	25,647	329,064	(744,797)	(390,086)
Total net position	$ 37,009	$ 543,335	$ 3,615,434	$ 4,195,778

GULF BEND CENTER

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the year ended August 31, 2023

	Motor Pool	Information Technology	Administrative Building	Totals
OPERATING REVENUES:				
Charges for service	$ 156,269	$ 741,933	$ 447,107	$ 1,345,309
Miscellaneous	4,706	-	-	4,706
Total operating revenues	160,975	741,933	447,107	1,350,015
OPERATING EXPENSES:				
Personnel	20,094	250,637	47,983	318,714
Employee benefits	7,358	70,399	17,307	95,064
Professional and consultants fees	-	-	54,793	54,793
Training and travel	53	8,799	1,703	10,555
Consumable supplies	614	423	3,065	4,102
Other expenditures	11,025	23,187	3,537	37,749
Depreciation	5,580	102,276	248,630	356,486
Amortization	92,212	103,651	-	195,863
Computer expense	-	136,868	-	136,868
Vehicle expense	106,463	-	-	106,463
Building expense	-	-	246,310	246,310
Total operating expenses	243,399	696,240	623,328	1,562,967
OPERATING INCOME (LOSS)	(82,424)	45,693	(176,221)	(212,952)
NON-OPERATING REVENUE (EXPENSE):				
Gain (loss) on sale of assets	99,737	-	(2,145)	97,592
Interest expense	(17,313)	(13,518)	-	(30,831)
Total non-operating revenue (expense)	82,424	(13,518)	(2,145)	66,761
Income (loss) before transfers and other	-	32,175	(178,366)	(146,191)
Transfer in (out)	-	(32,175)	178,366	146,191
Net change in net position	-	-	-	-
Net position, beginning of year	37,009	334,868	187,685	559,562
Contributed capital	-	208,467	3,427,749	3,636,216
Net position, end of year	$ 37,009	$ 543,335	$ 3,615,434	$ 4,195,778

GULF BEND CENTER

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the year ended August 31, 2023

	Motor Pool	Information Technology	Administrative Building	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from users	$ 160,975	$ 725,478	$ 447,107	$ 1,333,560
Cash payments to suppliers	(132,588)	(540,546)	(582,655)	(1,255,789)
Net cash provided (used) by operating activities	28,387	184,932	(135,548)	77,771
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Cash received from sale of capital assets	81,138	-	-	81,138
Acquisition of capital assets	-	(35,589)	(42,818)	(78,407)
Principal paid on lease liability	(92,212)	(103,650)	-	(195,862)
Interest paid on lease liability	(17,313)	(13,518)	-	(30,831)
Net cash provided (used) by capital financing activities	(28,387)	(152,757)	(42,818)	(223,962)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in (out)	-	(32,175)	178,366	146,191
Net cash provided (used) by noncapital financing activities	-	(32,175)	178,366	146,191
Net increase in cash and cash equivalents	-	-	-	-
Cash and cash equivalents, beginning of year	-	-	-	-
Cash and cash equivalents, end of year	$ -	$ -	$ -	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss):	$ (82,424)	$ 45,693	$ (176,221)	$ (212,952)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	97,792	205,927	248,630	552,349
Change in assets and liabilities:				
(Increase) decrease in internal balances	15,780	(16,455)	(204,033)	(204,708)
(Increase) decrease in prepaid items	(2,761)	(50,233)	(3,924)	(56,918)
Net cash provided (used) by operating activities	$ 28,387	$ 184,932	$ (135,548)	$ 77,771
NON-CASH FINANCING ACTIVITIES				
Capital contribution of capital assets	$ -	$ 208,467	$ 3,427,749	$ 3,636,216
NON-CASH INVESTING ACTIVITIES				
Lease liabilities for the acquisition of a right to use asset / subscription	$ 176,995	$ 125,648	$ -	$ 302,643
Receivable related to right to use asset	62,344	-	-	62,344
Total non-cash investing activities	$ 239,339	$ 125,648	$ -	$ 364,987

STATISTICAL SECTION

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

Financial Trends

These schedules contain trend information to help the reader understand how the Center's financial performance and well-being have changed over time.

Revenue Capacity

Not applicable to the Center.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Center's current levels of outstanding debt and the Center's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Center's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the Center's operations and resources to help the reader understand how the Center's financial information relates to the services the Center provides and the activities it performs.

GULF BEND CENTER

NET POSITION BY COMPONENT

Last ten fiscal years

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investments in capital assets	$ 7,399,357	$ 6,685,333	$ 4,713,278	$ 3,903,362	$ 4,267,385	$ 4,285,179	$ 4,385,516	$ 4,212,203	$ 4,355,485	$ 2,843,505
Restricted			-	-	-	-	-	-	-	240,840
Unrestricted	6,442,398	5,863,852	6,552,616	5,811,961	3,597,300	2,971,308	2,445,705	2,732,295	860,448	2,930,124
Total governmental activities Net position	13,841,755	12,549,185	11,265,894	9,715,323	7,864,685	7,256,487	6,831,221	6,944,498	5,215,933	6,014,469
Business-type activities										
Net investments in capital assets	749,509	750,670	749,094	771,686	805,752	852,296	898,807	923,173	966,902	1,010,630
Unrestricted	480,607	506,141	510,068	463,363	394,623	256,834	129,579	20,322	384,069	258,214
Total business-type activities Net position	1,230,116	1,256,811	1,259,162	1,235,049	1,200,375	1,109,130	1,028,386	943,495	1,350,971	1,268,844
Total primary government	$ 15,071,871	$ 13,805,996	$ 12,525,056	$ 10,950,372	$ 9,065,060	$ 8,365,617	$ 7,859,607	$ 7,887,993	$ 6,566,904	$ 7,283,313

GULF BEND CENTER
CHANGES IN NET POSITION
Last ten fiscal years

	Fiscal Year			
	2023	2022	2021	2020
Expenses, governmental activities:				
Mental Health-Adult	$ 10,055,882	$ 6,995,996	$ 8,074,015	$ 7,017,173
Mental Health-Child	2,624,765	4,061,714	2,509,081	1,878,508
IDD	1,676,976	1,856,089	1,443,067	1,520,239
Interest on long-term debt	47,653	6,056	8,695	8,241
Total expenses, governmental	14,405,276	12,919,855	12,034,858	10,424,161
Program revenues, governmental activities:				
Charges for services				
Mental Health-Adult	973,272	1,076,522	455,915	634,610
Mental Health-Child	871,973	795,219	472,687	403,446
IDD	764,916	646,541	635,461	805,547
Total charges for services	2,610,161	2,518,282	1,564,063	1,843,603
Operating grants and contributions	9,358,501	8,676,005	7,586,672	6,978,236
Total program revenues, governmental	11,968,662	11,194,287	9,150,735	8,821,839
Total net program expenses	(2,436,614)	(1,725,568)	(2,884,123)	(1,602,322)
General revenues, governmental activities:				
Local income	3,499,902	2,907,940	3,208,208	3,247,656
Investment earnings	139,791	45,692	72,687	84,131
Total general revenues, governmental	3,639,693	2,953,632	3,280,895	3,331,787
Nonoperating income:				
PPP loan forgiveness			1,336,600	-
Internal transfers	(8,101)	-	-	-
Gain (Loss) on asset disposal	97,592	55,227	17,199	121,173
	89,491	55,227	1,353,799	121,173
Total changes in net position, Governmental activities	1,292,570	1,283,291	1,750,571	1,850,638
Expenses, business-type activities:				
Rental	113,776	109,526	130,983	139,700
Interest on long-term debt	-	-	107	412
Total expenses, business-type	113,776	109,526	131,090	140,112
Program revenues, business-type activities:				
Charges for services				
Rental	64,390	99,617	155,203	174,786
Nonoperating income:				
Internal transfers	8,101	-	-	-
Investment earnings	14,590	7,558	-	-
	22,691	7,558	-	-
Total changes in net position, Business-type activities	(26,695)	(2,351)	24,113	34,674
Changes in net position, Primary government	$ 1,265,875	$ 1,280,940	$ 1,774,684	$ 1,885,312

	Fiscal Year					
	2019	2018	2017	2016	2015	2014
	$ 6,810,444	$ 6,441,077	$ 6,394,805	$ 4,120,633	$ 3,877,071	$ 4,381,497
	1,725,174	1,622,864	1,555,665	1,728,731	1,418,102	1,858,645
	2,405,720	2,543,892	2,651,123	5,959,165	7,500,216	4,867,680
	70,046	79,171	88,933	93,686	102,730	111,366
	11,011,384	10,687,004	10,690,526	11,902,215	12,898,119	11,219,188
	630,088	501,359	507,495	766,866	653,538	914,356
	139,648	222,727	154,882	307,716	269,305	487,260
	828,400	898,079	866,786	2,163,206	3,419,125	3,251,617
	1,598,136	1,622,165	1,529,163	3,237,788	4,341,968	4,653,233
	6,560,366	6,185,958	5,885,700	5,421,739	5,174,199	4,642,606
	8,158,502	7,808,123	7,414,863	8,659,527	9,516,167	9,295,839
	(2,852,882)	(2,878,881)	(3,275,663)	(3,242,688)	(3,381,952)	(1,923,349)
	3,363,114	3,252,858	3,092,272	3,055,209	2,550,676	4,564,136
	85,649	50,397	38,851	37,049	32,740	38,233
	3,448,763	3,303,255	3,131,123	3,092,258	2,583,416	4,602,369
	-	-	-	500,000	-	-
	-	-	-	500,000	-	-
	12,317	892	31,263	1,378,995	-	(7,046)
	12,317	892	31,263	1,878,995	-	(7,046)
	608,198	425,266	(113,277)	1,728,565	(798,536)	2,671,974
	138,867	147,547	150,632	140,037	148,404	170,251
	413	412	412	412	412	412
	139,280	147,959	151,044	140,449	148,816	170,663
	230,525	228,703	235,935	232,973	230,943	223,444
	-	-	-	(500,000)	-	-
	-	-	-	-	-	-
	-	-	-	(500,000)	-	-
	91,245	80,744	84,891	(407,476)	82,127	52,781
	$ 699,443	$ 506,010	$ (28,386)	$ 1,321,089	$ (716,409)	$ 2,724,755

GULF BEND CENTER

FUND BALANCES - GOVERNMENTAL FUNDS

Last ten fiscal years

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental funds										
Nonspendable	$ 53,034	$ 53,033	$ 24,183	$ 25,323	$ 24,396	$ 37,250	$ 18,799	$ 54,646	$ 285,632	$ 267,790
Assigned for healthcare	300,000	300,000	300,000	300,000	200,000	200,000	200,000	200,000	200,000	200,000
Assigned for building improvements	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Assigned for capital projects	-	387,829	1,864,536	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	240,840
Unassigned	6,666,833	5,965,828	5,245,597	6,868,835	3,658,798	2,883,017	2,464,579	2,270,181	291,208	2,463,467
Total governmental funds	$ 7,169,867	$ 6,856,690	$ 7,584,316	$ 7,344,158	$ 4,033,194	$ 3,270,267	$ 2,833,378	$ 2,674,827	$ 926,840	$ 3,322,097

GULF BEND CENTER

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Last ten fiscal years

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Local funds	$ 5,962,521	$ 5,205,668	$ 4,760,339	$ 4,901,240	$ 4,822,626	$ 4,675,338	$ 4,171,943	$ 5,900,353	$ 6,597,756	$ 8,496,198
State programs	6,584,306	6,604,415	6,355,209	6,368,421	5,560,861	5,209,897	5,522,807	5,053,528	4,683,566	4,254,072
Federal programs	2,921,736	2,292,144	1,243,397	799,833	1,138,130	1,175,746	812,385	760,855	785,519	1,109,705
Interest income	139,791	45,692	72,687	84,131	85,649	50,397	38,851	37,049	32,740	38,233
Total revenues	15,608,354	14,147,919	12,431,632	12,153,625	11,607,266	11,111,378	10,545,986	11,751,785	12,099,581	13,898,208
Expenditures										
Mental Health-Adult	7,165,977	6,166,841	7,143,109	5,075,923	5,967,844	5,857,616	5,883,957	3,622,035	3,416,267	3,636,406
Mental Health-Child	1,870,447	3,580,396	2,396,731	1,358,832	1,511,733	1,475,857	1,431,391	1,519,554	1,249,555	1,542,575
IDD	1,195,039	1,636,164	1,276,686	1,099,675	2,108,080	2,313,455	2,439,340	5,238,105	6,608,790	4,039,912
Administration	3,606,077	1,261,229	1,118,602	2,642,343	1,023,379	746,354	881,311	1,349,680	1,252,153	1,674,949
Capital outlay	1,276,675	2,237,617	256,346	63,443	4,222	18,900	88,468	98,208	1,692,025	2,473,395
Debt service principal	90,755	29,474	-	-	-	186,836	185,017	177,000	169,000	161,000
Debt service interest	16,822	1,129	-	-	-	75,471	71,629	31,532	107,048	115,480
Total Expenditures	15,221,792	14,912,850	12,191,474	10,240,216	10,615,258	10,674,489	10,981,113	12,036,114	14,494,838	13,643,717
Excess (deficiency) of revenues over expenditures	386,562	(764,931)	240,158	1,913,409	992,008	436,889	(435,127)	(284,329)	(2,395,257)	254,491
Other financing sources (uses)										
Lease proceeds	80,907	-	-	-	-	-	-	-	-	-
Proceeds from sale of asset	-	25,075	-	134,844	3,400	-	-	1,635,316	-	-
Loan proceeds	-	-	-	1,262,711	-	-	-	-	-	-
Transfers in		12,230	-	-	6,875	-	-	397,000	-	-
Transfers out	(154,292)	-	-	-	(239,356)	-	(1,905,846)	-	-	-
Total other financing sources (uses)	(73,385)	37,305	-	1,397,555	(229,081)	-	(1,905,846)	2,032,316	-	-
Net changes in fund balances	$ 313,177	$ (727,626)	$ 240,158	$ 3,310,964	$ 762,927	$ 436,889	$ (2,340,973)	$ 1,747,987	$ (2,395,257)	$ 254,491
Debt service as a percentage of non-capital expenditures	0.77%	0.24%	N/A	N/A	N/A	2.46%	2.36%	1.75%	2.16%	2.48%

GULF BEND CENTER

SCHEDULE OF REVENUE AND EXPENDITURES BY SOURCE OF FUNDS
GENERAL FUND
For the year ended August 31, 2023

Fund Source	Total Revenue	Total Mental Health Adult Expenditures	Total Mental Health Children Expenditures	Total IDD Expenditures	Total Center Expenditures	Excess Revenue Over Expenditures
Objects of Expense:						
Personnel	$ 6,719,462	$ 3,464,383	$ 986,899	$ 721,743	$ 5,173,025	$ 1,546,437
Employee benefits	1,860,487	945,226	269,267	234,222	1,448,714	411,773
Consultant services	2,717,124	1,968,513	560,770	78,495	2,607,779	109,345
Training and travel	351,802	180,039	51,288	44,428	275,755	76,047
Capital outlay	86,247	47,715	9,419	9,264	66,398	19,849
Debt service	107,577	-	-	-	-	107,577
Pharmaceutical expense	120,903	120,903	-	-	120,903	-
Other operating expense	2,025,128	2,573,016	545,856	464,420	3,583,292	(1,558,164)
Total Expenditures	$ 13,988,730	$ 9,299,796	$ 2,423,498	$ 1,552,572	$ 13,275,866	$ 712,864
Method of Finance:						
General revenue	$ 5,538,822	$ 4,470,463	$ 634,658	$ 433,701	$ 5,538,822	$ -
Mental health block grant	226,608	157,404	69,204	-	226,608	-
Title XX-TANF	92,717	13,776	78,941	-	92,717	-
Title XX-SS block grant	41,868	41,868	-	-	41,868	-
Other federal funds	2,560,543	1,678,835	676,458	205,250	2,560,543	-
Other state funds	1,045,484	1,045,484	-	-	1,045,484	-
Earned income	1,509,564	492,678	457,220	559,666	1,509,564	-
Required local match	514,193	435,646	48,184	30,363	514,193	-
Additional local funds	3,330,580	2,376,868	620,167	333,545	3,330,580	-
Total Expended Sources	$ 14,860,379	$ 10,713,022	$ 2,584,832	$ 1,562,525	$ 14,860,379	$ -

Source: Gulf Bend Center

GULF BEND CENTER

RECONCILIATION OF TOTAL REVENUE TO FOURTH QUARTER FINANCIAL REPORT - GENERAL FUND
For the year ended August 31, 2023

	CARE Report III	Additions	Deletions	Audited Financial Statements
Local Funds:				
City/County contributions	$ -	$ 186,038	$ -	$ 186,038
Billed customer services	316,917	1,192,647		1,509,564
Residential rental income	-	221,686	-	221,686
Public Health Provider-Charity Care Program	-	2,392,857	-	2,392,857
Directed payment program	-	687,172	-	687,172
Patient Assistance Program (PAP)	630,040	-	(630,040)	-
Local grants	-	108,937	-	108,937
Other local income	(198,491)	306,783	-	108,292
Total Local Funds	748,466	5,096,120	(630,040)	5,214,546
State Programs:				
General revenue	5,538,822	-	-	$ 5,538,822
TCOOMMI grant	287,339	-	-	287,339
Diversion program	758,145	-	-	758,145
Other state income	35,357	-	(35,357)	-
Total State Programs	6,619,663	-	(35,357)	6,584,306
Federal Programs:				
Community mental health block grant	226,608	-	-	$ 226,608
Social services block grant	41,868	-	-	41,868
Title XX-TANF	92,717	-	-	92,717
SAMHSA funding	1,938,776	-	(26,000)	1,912,776
Medicaid administrative claiming	410,500	-	-	410,500
Other federal income	4,791,719	-	(4,554,452)	237,267
Total Federal Programs	7,502,188	-	(4,580,452)	2,921,736
Interest Income	-	139,791	-	139,791
Total Revenues	$ 14,870,317	$ 5,235,911	$ (5,245,849)	$ 14,860,379

Total Revenues per Report III	$ 14,870,317
Other Financing Sources	(80,907)
Net Income	701,006
PAP	(630,040)
Rounding	3
Total Revenues per FY23 Audit	$ 14,860,379

Source: Gulf Bend Center

GULF BEND CENTER

RECONCILIATION OF TOTAL EXPENDITURES TO FOUTH QUARTER
FINANCIAL REPORT - GENERAL FUND
For the year ended August 31, 2023

	CARE Report III	Additions	Deletions	Audited Financial Statements
Objects of Expenditures:				
Personnel	$ 5,534,098	$ 1,185,364	$ -	6,719,462
Employee benefits	1,538,935	321,552	-	1,860,487
Professional and consultant services	2,633,978	83,146	-	2,717,124
Training and travel	276,953	74,849	-	351,802
Consumable supplies	-	262,691	-	262,691
Building occupancy and operating costs	-	1,400,815	-	1,400,815
Directed payment program expense - FY 2022				291,771
Other expenditures	2,066,194	(1,875,440)	-	190,754
Debt service	-	-	-	107,577
Capital outlay	5,340	-	80,907	86,247
Non-capitalized equipment	-	-	-	-
Pharmaceutical expenses (other)	120,984	-	120,984	-
Pharmaceutical expenses (PAP)	630,040	-	630,040	-
Indirect allocation	2,063,795	-	2,063,795	-
Total Expenditures	$ 14,870,317	$ 1,452,977	$ 2,895,726	$ 13,988,730

Total Expenditures per Report III	$ 14,870,317
Other Financing Sources	(251,550)
PAP	(630,040)
Rounding	3
Total Expenditures per FY23 Audit	$ 13,988,730

Source: Gulf Bend Center

GULF BEND CENTER

RATIOS OF OUTSTANDING DEBT BY TYPE
Last ten fiscal years

	Governmental Activities		Business-type Activities			
Fiscal Year	Lease Liability	Revenue Bonds (1)	Revenue Bonds (1)	Total Primary Government	Percentage of Personal Income	Per Capita (2)
2014	-	2,137,000	5,000	2,142,000	0.0391%	45,407
2015	-	1,968,000	5,000	1,973,000	0.0356%	45,497
2016	-	1,791,000	5,000	1,796,000	0.0344%	42,847
2017	-	1,605,000	5,000	1,610,000	0.0270%	49,060
2018	-	1,409,000	5,000	1,414,000	0.0228%	51,045
2019	-	987,000	5,000	992,000	0.0205%	52,632
2020	-	987,000	5,000	992,000	0.0202%	53,881
2021	-	-	-	-	0.0000%	58,479
2022	244,975	-	-	244,975	0.0042%	58,905
2023	1,004,008	-	-	1,004,008	(A)	(A)

Notes: The Center adopted GASB 87, Leases, on September 1, 2021.
The Center adopted GASB 96, SBITA, on September 1, 2022.
The Center did not have any revenue bonds outstanding as of August 31, 2022.
The Center is not subject to a legal debt limit.

(A) Data was unavailable

Source: (1) Gulf Bend Center
(2) Bureau of Economic Analysis

GULF BEND CENTER

CAPITAL ASSETS BY FUNCTION/PROGRAM

Last five years

	August 31, 2023					
	Buildings and Improvements		Furniture and Equipment		Vehicles	
	Original Cost	Book Value	Original Cost	Book Value	Original Cost	Book Value
Function/Program:						
Mental Health Adult	$ 5,581,134	$ 3,705,382	$ 587,023	$ 129,360	$ 44,976	$ 11,674
Mental Health Child	1,456,776	967,171	153,223	33,765	11,739	3,047
IDD	930,742	617,931	97,895	21,573	7,500	1,947
Administration	2,747,944	1,824,393	289,028	63,692	22,144	5,748
Total Capital Assets	$ 10,716,595	$ 7,114,877	$ 1,127,170	$ 248,391	$ 86,360	$ 22,416

	August 31, 2022					
	Buildings and Improvements		Furniture and Equipment		Vehicles	
	Original Cost	Book Value	Original Cost	Book Value	Original Cost	Book Value
Function/Program:						
Mental Health Adult	$ 4,767,486	$ 3,209,298	$ 420,841	$ 47,941	$ 42,328	$ 19,470
Mental Health Child	2,767,946	1,863,281	244,335	27,834	24,575	11,304
IDD	1,264,892	851,479	111,656	12,720	11,230	5,166
Administration	926,576	623,738	81,792	9,318	8,227	3,784
Total Capital Assets	$ 9,726,900	$ 6,547,796	$ 858,624	$ 97,813	$ 86,360	$ 39,724

	August 31, 2021					
	Buildings and Improvements		Furniture and Equipment		Vehicles	
	Original Cost	Book Value	Original Cost	Book Value	Original Cost	Book Value
Function/Program:						
Mental Health Adult	$ 5,650,798	$ 3,406,100	$ 559,055	$ 131,880	$ 105,933	$ 49,940
Mental Health Child	1,247,805	752,133	123,450	29,122	23,392	11,028
IDD	923,218	556,483	91,337	21,546	17,307	8,159
Administration	781,146	470,847	77,282	18,231	14,644	6,903
Total Capital Assets	$ 8,602,967	$ 5,185,563	$ 851,124	$ 200,779	$ 161,276	$ 76,030

	August 31, 2020					
	Buildings and Improvements		Furniture and Equipment		Vehicles	
	Original Cost	Book Value	Original Cost	Book Value	Original Cost	Book Value
Function/Program:						
Mental Health Adult	$ 4,157,543	$ 2,631,984	$ 419,638	$ 158,744	$ 136,123	$ 39,244
Mental Health Child	1,113,286	704,779	112,369	42,508	36,450	10,509
IDD	900,954	570,360	90,937	34,400	29,498	8,504
Administration	2,154,961	1,363,394	217,509	82,281	70,556	20,341
Total Capital Assets	$ 8,326,744	$ 5,270,517	$ 840,453	$ 317,933	$ 272,627	$ 78,598

	August 31, 2019					
	Buildings and Improvements		Furniture and Equipment		Vehicles	
	Original Cost	Book Value	Original Cost	Book Value	Original Cost	Book Value
Function/Program:						
Mental Health Adult	$ 4,048,180	$ 2,709,295	$ 484,895	$ 237,459	$ 167,514	$ 13,350
Mental Health Child	1,025,457	686,300	122,830	60,152	42,433	3,382
IDD	1,429,979	957,031	171,284	83,880	59,172	4,715
Administration	682,178	456,557	81,713	40,014	28,229	2,250
Total Capital Assets	$ 7,185,794	$ 4,809,183	$ 860,722	$ 421,505	$ 297,348	$ 23,697

Source: Gulf Bend Center

GULF BEND CENTER

SCHEDULE OF INDIRECT COSTS

For the year ended August 31, 2023

	Total Costs	Unallowable Costs	Total Adjusted Costs	Direct Costs	Indirect Costs
Personnel	$ 6,719,462	$ -	$ 6,719,462	$ 5,716,964	$ 1,002,498
Employee benefits	1,860,487	-	1,860,487	1,607,954	252,533
Debt service	107,577	90,755	16,822	16,822	-
Capital outlay	86,247	86,247	-	-	-
Other	5,214,957	186,582	5,028,375	4,565,820	462,555
Total Expenditures	13,988,730	363,584	13,625,146	11,907,560	1,717,586
Other Uses:					
Depreciation	553,078	-	553,078	544,519	8,559
Internal Service Fund costs	1,206,481	-	1,206,481	1,206,481	-
Total Expenditures and Other Uses	$ 15,748,289	$ 363,584	$ 15,384,705	$ 13,658,560	$ 1,726,145
Indirect Costs					$ 1,726,145
Direct Costs					$ 13,658,560
Indirect Cost Rate					12.64%

Source: Gulf Bend Center

GULF BEND CENTER

SCHEDULE OF INSURANCE IN EFFECT

For the year ended August 31, 2023

Type of Insurance	Coverage	Terms/Deductible	Effective Period
Workers' compensation*	Statutory Limit	Statutory/deductible N/A	09/01/22 - 08/31/23
General liability*	$1,000,000	Combined single limit per occurrence and annual aggregate/$1,000 deductible	09/01/22 - 08/31/23
Automobile liability*	$1,000,000	Combined single limit per occurrence and annual aggregate/$1,000 deductible	09/01/22 - 08/31/23
Professional liability*	$1,000,000	Per occurrence annual aggregate/$3,000,000 $1,000 deductible -Sexual misconduct endorsement annual aggregate/$300,000 - Expanded Employment Practices per occurrence/$50,000 annual aggregate/$100,000	09/01/22 - 08/31/23
Errors and omissions*	$1,000,000	Per claim and annual aggregate/$2,500 deductible	09/01/22 - 08/31/23
Employee dishonesty*	$100,000	Blanket coverage	10/13/93 to present and continuing
Real and personal property*	Replacement Cost	Blanket limit each occurrence/ $5,000 deductible	09/01/22 - 08/31/23
Auto physical damage*	Actual Cash Value	Deductible varies by vehicle	09/01/22 - 08/31/23
Professional defense*	$25,000	Per occurrence annual aggregate/$50,000	09/01/22 - 08/31/23
Cyber security Liability coverage*	$2,000,000	Aggregate limit regulatory defense & penalties sublimit / $2,000,000 PCI fines, expenses & costs sublimit / $2,000,000 $10,000 Retention	09/01/22 - 08/31/23

* Most Insurance coverage is provided by the Texas Council Risk Management Fund. Cyber security is provided by Beazley Group. Employee dishonesty insurance is provided by CNA Surety.

Source: Gulf Bend Center

GULF BEND CENTER
SCHEDULE OF BOND COVERAGE
For the year ended August 31, 2023

Name of Provider	Scope of Coverage	Amount	Effective Period
CNA Surety			
Employee Dishonesty Bond	Blanket coverage	$ 100,000	10/14/22- 10/14/23

Source: Gulf Bend Center

GULF BEND CENTER

SCHEDULE OF LEASES IN EFFECT

For the year ended August 31, 2023

Lessor	Description/Location	Period	Terms	
Office Systems 2000, Inc., Purified H2O	5 Water Coolers	7/12/19 to 6/25/24	$ 386	mo
Office Systems	16 Copiers	3/22/23 to 6/22/28	1,440	mo
Enterprise FM Trust	Vehicle Leases			
	Enterprise FM Trust-3375	5/1/19 to 4/30/24	218	mo
	Enterprise FM Trust-3043	5/1/19 to 4/30/24	343	mo
	Enterprise FM Trust-6826	8/1/21 to 7/30/26	435	mo
	Enterprise FM Trust-5185	8/1/21 to 7/30/26	437	mo
	Enterprise FM Trust-4806	2/17/22 to 2/16/27	339	mo
	Enterprise FM Trust-4726	2/17/22 to 2/16/27	341	mo
	Enterprise FM Trust-4735	2/17/22 to 2/16/27	341	mo
	Enterprise FM Trust-4663	2/17/22 to 2/16/27	341	mo
	Enterprise FM Trust-4727	2/17/22 to 2/16/27	247	mo
	Enterprise FM Trust-4753	2/17/22 to 2/16/27	339	mo
	Enterprise FM Trust-4706	2/17/22 to 2/16/27	339	mo
	Enterprise FM Trust-4746	2/17/22 to 2/16/27	339	mo
	Enterprise FM Trust-4814	2/17/22 to 2/16/27	341	mo
	Enterprise FM Trust-4860	2/17/22 to 2/16/27	341	mo
	Enterprise FM Trust-4682	9/15/22 to 9/15/27	558	mo
	Enterprise FM Trust-3344	3/28/23 to 3/28/28	448	mo
	Enterprise FM Trust-3482	3/28/23 to 3/28/28	448	mo
	Enterprise FM Trust-3300	3/28/23 to 3/28/28	448	mo
	Enterprise FM Trust-3298	3/28/23 to 3/28/28	443	mo
	Enterprise FM Trust-4866	4/12/23 to 4/12/28	443	mo
	Enterprise FM Trust-4867	4/12/23 to 4/12/28	448	mo
	Enterprise FM Trust-3348	3/28/23 to 3/28/28	448	mo
	Enterprise FM Trust-5163	4/12/23 to 4/12/28	448	mo
	Enterprise FM Trust-3312	4/12/23 to 4/12/28	443	mo
	Enterprise FM Trust-3352	3/28/23 to 3/28/28	448	mo
	Enterprise FM Trust-4820	4/12/23 to 4/12/28	448	mo
	Enterprise FM Trust-4830	4/12/23 to 4/12/28	448	mo
Pitney Bowes	Mailing Machine	7/25/19 to 10/25/24	59	mo
DeTar Ground Lease	6502 Nursery Drive	5/2008 to 5/2108	100	year

Source: Gulf Bend Center

GULF BEND CENTER

SCHEDULE OF PROFESSIONAL AND CONSULTING SERVICES

For the year ended August 31, 2023

Name	City	Type of Service	Amount
Allison Besio	Victoria	Intake Services	$ 10,680
Blackbaud Inc	Boston, MA	Financial Support Services	15,400
City of Victoria	Victoria	MHO Services	114,578
Clean All Janitorial Supplies	Victoria	Janitorial Services	8,834
Cleaning Pro Janitorial Services	Victoria	Janitorial Services	15,900
Clinical Pathology Lab	Victoria	Laboratory & Medical Care	25,549
Cross Creek Hospital	Austin	Inpatient Psychiatric Services	251,400
Datavox	Houston	IT Support Services	116,515
Datis HR	Cincinnati, OH	HR Payroll System	32,512
East Texas Behavioral Healthcare	Lufkin	Dues, Authorization Srvs, Dr Srvs	163,612
Eide Bailly LLP	Abilene	External Auditors	32,300
Hatch Learning	Weimer	ABA Therapy	11,949
Indeed Inc.	Victoria	Employment	4,524
Masterword Services	Houston	Contract Monitoring	8,324
Mission Psycology	San Antonio	Diagnostics and Counseling	21,870
One Sound One Heart	Victoria	Music Therapy	4,472
Rawley McCoy & Associates PLLC	Victoria	Construction contractor	2,208
Rayasam Psychiatric Services	Corpus Christi	C&A MH Services	111,935
Sarah Moehrig	Inez	Diagnostics and Counseling	1,450
Sun Behavioral Houston	Houston	Inpatient Psychiatric Services	438,000
Texas Council	Austin	Risk Management & Wokers Comp	170,274
The Back Office	Victoria	Record Storage	6,136
The Harris Center	Houston	Crisis Hotline	38,500
Victoria City County Health Dept	Victoria	Laboratory Services	70,500
Victoria County	Victoria	MHO Services	315,303
Walker & Associates	Corpus Christi	Health Insurance Consultant	19,000
Westpark Springs	Richmond	Inpatient Psychiatric Services	287,400
Woolson Real Estate	Victoria	Property Management	44,000

Source: Gulf Bend Center

GULF BEND CENTER
SCHEDULE OF LEGAL SERVICES
For the year ended August 31, 2023

Name	City	Type of Service	Amount
None			

Source: Gulf Bend Center

GULF BEND CENTER

MISCELLANEOUS STATISTICS
Last ten fiscal years

Fiscal Year	Unduplicated Clients Served	Mental Health Residential Client Days	IDD Residential Client Days
2014	4,793	1,095	19,815
2015	5,102	730	20,805
2016	5,421	0	12,451
2017	4,837	0	0
2018	6,382	0	0
2019	6,616	0	0
2020	5,192	0	0
2021	5,421	0	0
2022	5,032	0	0
2023	5,943	0	0

Source: Gulf Bend Center

GULF BEND CENTER

TEN LARGEST EMPLOYERS

Current Year and Nine Years Ago

	2023		
Employer	Employees	Rank	Percent of Total Regional Employment
Formosa Plastics	3,400	1	1.71%
Victoria Independent School District	2,025	2	1.02%
The Inteplast Group	1,248	3	0.63%
Citizen's Medical Center	1,220	4	0.61%
DeTar Healthcare System	775	5	0.39%
Calhoun Independent School District	634	6	0.32%
Caterpillar	600	7	0.30%
INVISTA	600	8	0.30%
DOW - Seadrift Operations	587	9	0.29%
Cuero Community Hospital	438	10	0.22%
	11,527		5.79%

	2014		
Employer	Employees	Rank	Percent of Total Regional Employment
The Inteplast Group	2,300	1	2.46%
Victoria Independent School District	2,200	2	2.35%
Formosa Plastic	1,800	3	1.92%
Citizen's Medical Center	1,053	4	1.12%
DeTar Healthcare System	976	5	1.04%
ALCOA	650	6	0.69%
INVISTA	600	7	0.64%
Calhoun Independent School District	582	8	0.62%
DOW - Seadrift Operations	564	9	0.60%
City of Victoria	559	10	0.60%
	11,284		12.05%

Source: Victoria Economic Development Corporation

GULF BEND CENTER

DEMOGRAPHIC AND ECONOMIC STATUS STATISTICS
Last ten years

Fiscal Year		Population	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income (1)	Unemployment Rate (2)
2014	*	120,515	5,472,258	45,407	4.30%
2015	*	121,808	5,541,956	45,497	4.20%
2016	*	121,949	5,225,180	42,847	5.50%
2017	*	121,604	5,965,892	49,060	5.00%
2018	*	121,598	6,206,970	51,045	3.80%
2019	*	113,357	5,966,206	52,632	3.40%
2020		180,327	9,716,199	53,881	8.20%
2021		180,193	10,683,643	59,290	6.00%
2022		180,037	10,948,510	60,367	4.97%
2023		(A)	(A)	(A)	4.50%

Sources:
(1) Bureau of Economic Analysis
(2) U.S. Department of Labor, Bureau of Labor Statistics

(A) Data was unavailable

* Prior year data includes mostly the areas of Victoria & Calhoun Counties for reporting purposes. Current year data includes all seven counties in service area.

GULF BEND CENTER

FULL-TIME EQUIVALENT EMPLOYEES BY PROGRAM

Last ten fiscal years

	Full-time Equivalent Employees as of August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Program										
Mental Health-Adult	63	58	56	54	59	55	57	52	68	60
Mental Health-Child	25	23	30	18	17	20	17	27	17	17
IDD	20	17	17	13	20	24	25	24	64	72
General and Administrative	32	30	32	30	33	32	30	34	40	31
Total	140	128	135	115	129	131	129	137	189	180

Source: Gulf Bend Center

GULF BEND CENTER
RETIREMENT PLAN DATA
As of August 31, 2023

Number of Plan Participants:

Active	142
Inactive	50
Total	192

Plan Assets and Liabilities (at fair value):

Plan assets:	
Investments:	
Fixed Income	$ 514,895
Equity	5,624,245
Total plan assets	$ 6,139,140
Plan liabilities	None

Source: Gulf Bend Center

SINGLE AUDIT SECTION

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Gulf Bend Center
Victoria, Texas

We have audited, 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 (*Government Audit Standards)*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gulf Bend Center ("the Center") as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Gulf Bend Center's basic financial statements, and have issued our report thereon dated December 6, 2023.

Report on 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 a 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 a 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 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.

Report on 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 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 results of our tests disclosed 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.

Eide Bailly LLP

Abilene, Texas
December 6, 2023

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; Required by the Uniform Guidance and the Texas Grant Management Standards

To the Board of Directors
Gulf Bend Center
Victoria, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Gulf Bend Center's (the Center) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement,* Texas Grant Management Standards (TxGMS) and *Guidelines for Annual Financial and Compliance Audits of Community Mental Health and Mental Retardation Centers* (Guidelines) that could have a direct and material effect on each of the Center's major federal and state programs for the year ended August 31, 2023. The Center's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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 and TxGMS. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Abilene, Texas
December 6, 2023

GULF BEND CENTER
SCHEDULE OF EXPENDITURES OF STATE AND FEDERAL AWARDS
Year ended August 31, 2023

Federal and State Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing/ Federal CFDA No.	Pass-through Entity Identifying Number	Expenditures
STATE EXPENDITURES			
Texas Health & Human Services Commission			
General Revenue - MH		HHS001022200017	$ 2,629,142
General Revenue - C&A		HHS001022200017	383,030
General Revenue - Crisis Services		HHS001022200017	379,825
General Revenue - PESC		HHS001022200017	584,173
General Revenue - PPB		HHS001022200017	928,867
General Revenue - Veterans		HHS001022200017	70,000
Mental Health First Aid Grant Program		HHS000177500001	18,000
General Revenue - IDD		HHS000996400001	293,704
Permanency Planning		HHS000996400001	4,946
IDD Crisis Intervention Specialists		HHS000996400001	131,081
IDD Crisis Respite Services		HHS000996400001	3,970
Nursing Facility Specialized Services		HHS000996400001	7,832
Community Mental Health Grant Program		HHS000477100039	758,145
Total State Expenditures			**$ 6,192,715**
FEDERAL EXPENDITURES			
U.S. Department of Health and Human Services			
COVID-19 Provider Relief Fund and American Resure Plan (ARPA) Rural Distribution	93.498	N/A	$ 60,551
Pass-through Texas Health & Human Services Commission			
TANF Title XX Block Grant - 477 Cluster	93.558	HHS001022200017	92,717
Base Title XX Block Grant	93.667	HHS001022200017	41,868
MH Block Grant	93.958 *	HHS001022200017	226,608
Enhanced Community Coordination	93.791	HHS000996400001	27,525
Medicaid Administrative Claiming - Medicaid Cluster	93.778	HHS000537900327	410,500
Mental Health First Aid Outreach Worker Funds	93.958 *	HHS000177500001	112,085
COVID-19 Supplemental Grant Program	93.958 *	HHS001108400017	237,267
Pass-through Substance Abuse and Mental Health Services Administration			
CCBHC Expansion Grants	93.829	1H79SM083240	1,340,236
CCBHC Improvement and Advancement Grant	93.696	1H79SM086881	572,540
Total U.S. Department of Health and Human Services			**3,121,898**
U.S. Department of Housing and Urban Development			
Pass-through City of Victoria			
Community Development Block Grant - CDBG Cluster	14.218	N/A	186,000
Total Federal Expenditures			**$ 3,307,898**
TOTAL STATE AND FEDERAL FINANCIAL ASSISTANCE			**$ 9,500,612**

* Total CFDA #93.958 - $575,960

See the accompanying notes to the schedule of expenditures of state and federal awards.

NOTE 1: BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of state and federal awards includes grant activity of the Center and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; *Audits of States, Local Governments; and Non-Profit Organizations* and the *Texas Grant Management Standards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements. The Center did not elect to use the 10% de minimis indirect cost rate.

NOTE 2: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

State and federal awards do not include monies received from Medicare and Medicaid. These monies are considered local source revenue in the general fund.

NOTE 3: STATE AWARD GUIDELINES

The Center is required by the Texas Health and Human Services Commission to audit General Revenue Mental Health Adult and IDD as a type A major state program.

NOTE 4: RECONCILIATION TO FINANCIAL STATEMENTS

Total expenditures of state awards - Schedule of Expenditures of State and Federal Awards	$	6,192,715
Plus: Contracts not considered a grant TCOOMMI		287,339
Plus: Federal Mental Health First Aid Grant grouped with Federal Programs		112,085
Less: Nursing Facility Specialized Services grouped with billed services (local funds)		7,833
Total state program revenues - Statement of Revenues, Expenditures, and Changes in Fund Balances	$	6,584,306
Total expenditures of federal awards - Schedule of Expenditures of State and Federal Awards	$	3,307,898
Less: City of Victoria pass-through grant grouped with Local grants in Local Funds		26,000
Less: City of Victoria pass-through grant recorded to the Capital Projects Fund		160,000
Less: Contracts grouped with billed services (local funds) Enhanced Community Coordination		27,526
Less: Federal Mental Health First Aid Grant grouped with State Programs		112,085
Less: CARE Provider Relief Funds included in FY2022 revenue		60,551
Total federal program revenues - Statement of Revenues, Expenditures, and Changes in Fund Balances	$	2,921,736

NOTE 5: SUBRECIPIENTS

The Center does not pass any of their state or federal financial assistance through to subrecipients.

NOTE 6: PROVIDER RELIEF FUNDS

The Center received $60,551 from the U.S. Department of Health and Human Services (HHS) through the Provider Relief Fund (PRF) (Federal Financial Assistance Listing/CFDA #93.498) during the year ended August 31, 2022. The Center incurred eligible expenditures, and therefore, recognized revenues on the financial statements. However, the PRF program expenditures were not recognized on the schedule until the expenditures were included in the reporting to HHS, as required under the PRF program. This resulted in $60,551 being recognized in the schedule for the year ended August 31, 2023.

The amount of PRF expenditures included on the schedule requires management to make estimates and assumptions that affect the reported amounts. Accordingly, such expenditures are considered a significant estimate. Estimates and assumptions may include reducing actual expenses by amounts that have been reimbursed or are obligated to be reimbursed by other sources, estimating marginal increases in expenses related to coronavirus, and calculating lost revenues. Actual amounts could differ from those estimates.

GULF BEND CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended August 31, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(s) identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(s) identified? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported with Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*? ☐ yes ☒ no

Identification of federal major programs:

CFDA Number(s)	*Name of State or Federal Program or Cluster*
93.829	CCBHC Expansion Grants

Identification of state major programs:

CFDA Number(s)	*Name of State or Federal Program or Cluster*
N/A (State Program)	GR- Behavioral Health (Adult, Child, Crisis, PESC and PPB) and IDD
N/A (State Program)	GR - IDD

Dollar threshold used to distinguish between type A and type B programs: Federal-$750,000 State-$750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

Financial Statement Findings

The audit disclosed no findings required to be reported.

State and Federal Award Findings and Questioned Costs

The audit disclosed no findings required to be reported.