



## NOTICE OF MEETING

### MEMBERS OF THE BOARD OF TRUSTEES

The Gulf Coast Center Board of Trustees meeting for the month of July will be held on Wednesday, **July 25, 2018** at **6:15 p.m.** at the **Mall of The Mainland-Administration Office**, located at **10000 EF Lowry Expressway, Suite 1220, Texas City, Texas.**

Thank you,

Cathy Claunch-Scott  
Secretary to the Board of Trustees

cc: May Board of Trustees File

123 ROSENBERG, SUITE 6  
GALVESTON, TEXAS 77550

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[www.GulfCoastCenter.org](http://www.GulfCoastCenter.org)

*Our mission is to provide accessible, efficient and quality services to support the independent and health living of those we serve.*

# THE GULF COAST CENTER

Regular Board of Trustees Meeting

Mall of The Mainland – Administration Building

10000 E.F. Lowry Expressway, Suite 1220, Texas City, TX

Wednesday, July 25, 2018

6:15 pm



## "Better community healthcare promoting healthy living."

1. **Call To Order**..... Jamie Travis, Board Chair
2. **Citizens' Comments**
3. **Program Report: NONE**
4. **Board Member Reports**
  - a. Texas Council of Community Centers ..... Jamie Travis, Board Chair
  - b. Texas Council Risk Management Fund ..... Mary Lou Flynn-Dupart, TCRMF Board Chair
5. **CEO Report** ..... Melissa Tucker, CEO
  - a. Santa Fe Coordinated Response Update
  - b. Certified Community Behavioral Health Center Model
  - c. Grant Application Status Update
6. **Operations Report**
  - a. Quarterly Board Report – QTR 3..... Jerry Freshour, COO
  - b. SB292 Update..... Jerry Freshour, COO
  - c. Naloxone Training & Distribution..... Sarah Holt
7. **Budget, Finance and Admin Reports** ..... Rick Elizondo, CFO
  - d. Financial & Operational Monthly Report & YTD Summary (**Pg. 1-3**)
  - e. Sale of Property Update
8. **Consent Agenda**..... Linda Bell, JD  
**Consideration and Approval of Recommendations and Acceptance of Consent Agenda Items.** (*Consent agenda items may be pulled from this consideration for individual action or presentation.*)
  - a. Review and approval of May 23, 2018 board meeting minutes. (**Pg. 4-8**)
  - b. Review and approval of May and June 2018 check register.
9. **Action Items**..... Linda Bell, JD

- a. Consider the approval of the Audit Engagement Letter with EideBailly CPAs & Business Advisors for complete of the FY2018 Financial and Compliance Audit. **(Pg. 9-18)**
- b. Consider the approval to declare Vehicle #6050 surplus and authorized for disposal. This vehicle is a 2004 Chevrolet Van, VIN#1GAGG25U541216050, License Plate #128-6367, has 238,708 miles, and is no longer cost effective to maintain in the fleet. **(Pg. 19)**
- c. Consider approval of the contract #HHS0001134700001 for the provision of Mental Health Services for Justice-Involved Individuals in accordance with SB 292. The term is April 1, 2018 to August 31, 2019 with an amount not to exceed \$183,914.00.
- d. Consider approval of the Interlocal Agreement with City of Texas City for the construction of pedestrian and bike shared use paths on public right-of-way within the City utilizing Transportation Alternatives-Set Aside (TASA) funding (approximately \$410,000.) The Center as a direct recipient/grantee of the FTA will administer the funds and the City will maintain control of the project and oversee design and construction.
- e. Consider approval of the FY18 Addendum #1 with Brazoria County Work Activity Center to add skills training services to their service provision at a rate of \$18/hr.
- f. Consider the approval of the FY18 Provider Contracts for the IDD NON-TRADITIONAL PROVIDER NETWORK with the 3 below identified individuals for the provision of respite, community support, Community First Choice Transportation, and/or Independent Living Skills (ILS) for nursing facilities.

<b>Brazoria County</b> <b>Jennifer Bertrand</b> <b>Hope Menard</b>  <b>Galveston County</b> <b>Katrina Moran</b>	REIMBURSEMENT RATES	
	Respite	Standard base level = \$10/hr; Medical/Behavioral need = \$15/hr
	Community Support	Standard base level = \$13/hr
	Skills Training Nursing Facility	Independent Living Skills \$18/ hr
	Mileage	0-5=\$3; 6-12=\$6; 13-20=\$9; 20-25=\$15; 33-40=\$18

- g. Consider approval of the below identified FY19 renewal agreements with no changes from FY18.

<b>Youth Behavioral Services</b> <b>CONTRACTOR NAME:</b>	<b>DESCRIPTION:</b>	<b>AMOUNT:</b>
Brazoria County Juvenile Justice Department	Center provides assessments, recommendations, and coordination of services on as needed basis	\$900/mo (Revenue)
Houston Behavioral Healthcare Hospital Youth	Inpatient Services on an as needed basis for youth	\$600/bed day
Youth Advocate Programs Inc.	Coordinating referrals and resources for the provision of specific YES Waiver Services for youths	No monetary impact

The Children's Center, Inc.	Provides community crisis respite services to youth	Not to exceed \$3000 \$106.22/bed day
Quality of Care LLC	Coordinating referrals and resources for the provision of specific YES Waiver Services for youths	No monetary impact
Galveston County Juvenile Justice Department	Provides funding for Placement Transition Service	\$110,000.39 annually (Revenue)
Galveston County Juvenile Justice Department	Provides funding for Endeavor Program	\$110,236.00 annually (Revenue)
Galveston County Juvenile Justice Department	Provides funding for Discover Program	\$86,745.00 annually (Revenue)
Galveston County Juvenile Justice Department	Center to provide counseling and group sessions	\$50.00 per hour for assessment, individual and family substance abuse counseling sessions
<b>IDD Services CONTRACTOR NAME:</b>	<b>DESCRIPTION:</b>	<b>AMOUNT:</b>
Modern Psychological & Allied Services, PLLC	Provides Determination of Eligibility	\$350.00/completed Determination of Eligibility assessment
Lifetime Homecare HCS, LLC	Provides crisis respite services	\$90,000.00 annually
John Chaconas, DDS	Provides dental services thru Home and Community Bases Services waiver program	\$2,000.00/ plan year
Terry Driggers, DDS	Provides dental services thru Home and Community Bases Services waiver program	\$2,000.00/ plan year
James T. Floyd	Provides Host Home/Companion Care previously referred to as Foster Care Services	\$18,574.85 annually
Jamie Lynn Travis	Provides Host Home/Companion Care previously referred to as Foster Care Services	\$25,254.35 annually
<b>Hurricane Season/Disaster Management related CONTRACTOR NAME:</b>	<b>DESCRIPTION:</b>	<b>AMOUNT:</b>
The Wood Group	Provides emergency evacuation services in the event of a disaster in Brazoria and/or Galveston Counties	\$55/day for food, incidentals, and shelter
Richmond State Supported Living Center	Emergency day respite services for up to 75 individuals with IDD	Not to exceed \$30,000
City of Galveston	Provides for 2 CENTER-owned handicap accessible vehicles including a qualified driver in the event a formal mandatory evacuation, to a short-term shelter in the City of Austin (Host Shelter) or other designated Host Shelter.	n/a

- h. Consider approval of the below FY19 renewal agreements with identified revisions from FY18:

<b>IDD Services CONTRACT NAME:</b>	<b>DESCRIPTION:</b>	<b>AMOUNT:</b>
Brazoria County Work Activity Center	Skills training added as a service provision	\$18.00/hr

*If you need additional assistance to effectively participate in or observe this meeting please contact (409) 763-2373 at least 24 hours prior to the meeting so that reasonable accommodations can be made to assist you.*

<b><u>Youth Behavioral Services</u></b> <b>CONTRACT NAME:</b>	<b>DESCRIPTION:</b>	<b>AMOUNT:</b>
Sun Behavioral Houston	Rate increase for inpatient child/adolescent services	from \$600/bed day to \$618/per bed day

**10. Pending or Revised Action Items.....Linda Bell, JD**

*Pending or revised items are those items which were on a prior board agenda but not completely resolved or there has been a revision since approval. The items may be listed for update purposes or final action by the Board.*

**11. Calendar.....Jamie Travis, Board Chair**

<b>Date</b>	<b>Event</b>	<b>Time</b>	<b>Location</b>
July 25, 2018	Board Meeting	6:30 p.m.	Administration (Mall of the Mainland) Texas City
August 29, 2018	Board Meeting	6:30 p.m.	Angleton

**12. Executive Session**

*As authorized by Chapter §551.071 of the Texas Government Code, the Board of Trustees reserves the right to adjourn into Executive Session at any time during the course of this meeting to seek legal advice from its Attorney about any matters listed on the agenda.*

**13. Action Regarding Executive Session**

**14. Adjourn**

The Gulf Coast Center Fiscal Year 2018 Board Operational Budget Schedule											
EXPENSES - OPERATING	FY2018 Annual Budget Preliminary	FY2018 Sep-17	FY2018 Oct-17	FY2018 Nov-17	FY2018 Dec-17	FY2018 Jan-18	FY2018 Feb-18	FY2018 Mar-18	FY2018 Apr-18	FY2018 May-18	FY2018 Jun-18
Salary and Wages	15,005,170	1,008,000.34	1,096,710.70	1,112,772.70	1,106,477.20	1,063,519.67	1,090,818.62	1,031,420.94	1,070,445.52	1,076,640.99	1,119,487.17
Fringe Benefits	395,163.73	395,163.73	415,856.29	433,444.12	435,802.06	405,885.47	452,801.82	417,549.48	394,313.33	421,875.11	385,798.82
Travel	232,417	14,180.35	14,141.11	10,840.68	13,989.53	14,565.73	12,983.00	14,793.38	21,171.31	14,133.64	22,022.78
Consumable Supplies	542,286	32,759.24	32,759.24	24,866.36	24,168.43	19,101.22	15,787.50	22,017.10	22,017.10	44,151.80	28,020.56
Pharmaceuticals/Laboratory	245,386	18,562.16	19,500.00	23,314.89	21,469.42	23,700.22	28,282.70	30,910.23	19,879.37	24,773.61	27,109.74
Capital Outlay - Furniture/Equipment/Facilities	552,874	28,594.69	36,788.78	45,164.28	190,986.34	21,695.30	32,080.01	131,795.82	61,604.74	125,391.31	30,698.86
Facilities - Rent/Maintenance/Utilities	1,244,595	118,958.71	88,264.92	104,958.71	102,406.64	102,406.64	132,232.94	113,194.78	105,242.14	105,242.14	126,620.69
Other Operating Expenses	2,292,345	152,008.57	167,439.73	169,979.11	162,467.24	195,095.64	164,318.18	186,217.39	160,659.54	157,888.45	178,713.98
Client Support Costs	537,157	56,709.72	32,016.09	32,364.80	31,446.03	31,920.32	27,221.11	28,787.13	27,387.53	27,815.88	29,037.81
Consultant/Professional Providers	10,660,642	672,189.07	743,106.80	719,566.06	753,409.97	825,478.00	661,157.80	766,303.66	749,120.74	871,336.63	810,711.20
TOTAL EXPENSE	\$ 36,814,843	\$ 2,454,091.75	\$ 2,677,277.45	\$ 2,660,577.02	\$ 2,834,756.49	\$ 2,708,435.42	\$ 2,620,997.40	\$ 2,736,760.31	\$ 2,631,841.29	\$ 2,792,834.57	\$ 2,758,221.71
REVENUES - OPERATING											
Local Funds											
County Funds	1,146,995	92,362.28	93,507.02	97,356.68	94,432.49	93,452.52	93,773.75	101,610.86	73,739.62	121,313.98	99,941.15
Patient Fees Insurance/Reimbursement	871,625	64,999.24	60,718.79	84,334.00	130,911.59	40,167.96	43,230.75	64,566.97	66,154.90	46,578.06	38,847.50
Miscellaneous Local Income	1,767,561	72,184.44	79,110.64	86,319.56	113,201.92	67,694.26	58,920.62	132,887.46	71,186.15	52,858.18	96,477.16
	3,786,181	229,545.96	233,336.45	268,030.24	338,546.00	201,314.74	195,025.12	299,065.29	211,080.67	220,750.22	235,265.81
Earned Grant Income											
HID - Transitional/Permanent Housing	677,234	50,000.00	77,430.20	65,201.25	(14,273.42)	39,015.81	31,891.29	35,253.75	36,227.83	36,938.57	34,700.00
Recovery - Fee for Services / Grants	4,350,299	250,450.00	228,448.63	200,132.81	235,965.25	270,145.03	248,783.44	265,183.65	276,784.57	322,867.01	201,812.88
Title XIX - Medicaid	3,930,516	145,144.35	193,795.54	172,076.59	203,333.31	178,107.96	210,010.40	193,265.17	206,370.40	181,998.60	176,842.76
Transportation - Federal/State	4,214,864	225,700.00	297,521.94	269,400.31	435,095.44	407,348.96	364,737.46	317,594.28	323,787.26	326,721.94	361,019.84
Medicaid 1115 Waiver/Misc Federal	3,337,756	294,812.92	308,560.75	317,812.92	324,812.92	332,253.82	303,776.09	364,705.15	346,443.74	347,580.04	411,508.99
Other State/Federal Funds/MAC	1,240,300	70,273.83	77,416.42	87,385.65	68,841.03	66,005.65	73,345.58	82,271.11	51,795.09	73,345.43	57,999.74
	17,950,608	1,036,381.10	1,183,173.48	1,112,009.53	1,253,774.53	1,292,877.23	1,232,944.26	1,256,273.11	1,241,408.89	1,289,642.59	1,243,884.21
Performance Contract DSHS & DADS											
General Revenue - MH (Adult & Child & Vets) - 10%	6,609,400	532,079.74	531,079.74	531,079.74	544,367.31	543,406.64	511,084.82	515,912.97	592,942.01	614,030.19	615,281.57
General Revenue - Regional Hospital	4,055,304	340,187.17	340,187.17	340,187.17	340,187.27	337,445.44	342,945.44	342,945.44	342,945.44	342,945.44	342,945.44
General Revenue - NGM (Adult & Child)	-	-	-	-	-	-	-	-	-	-	-
General Revenue - Crisis Services - 10%	1,124,716	104,039.24	104,039.24	104,039.24	104,039.32	106,325.27	103,719.60	99,763.60	107,812.80	107,812.80	107,812.80
General Revenue - Permanency Plan - IDD	2,222,852	170,300.04	178,317.87	188,789.97	185,046.91	169,818.92	170,960.90	176,475.09	174,554.16	187,124.30	190,429.22
Federal Block - MH (Adult & Child) and Crisis	1,061,382	82,948.58	82,948.58	82,948.58	82,948.58	82,948.58	82,948.58	82,948.58	82,948.58	82,948.58	82,948.58
	15,077,694	1,229,644.77	1,236,572.60	1,247,044.70	1,256,589.39	1,239,944.85	1,210,795.35	1,218,045.68	1,301,202.99	1,334,661.31	1,339,417.61
TOTAL REVENUES	\$ 36,814,842	\$ 2,495,571.83	\$ 2,653,082.53	\$ 2,627,084.47	\$ 2,848,909.92	\$ 2,734,136.82	\$ 2,639,264.73	\$ 2,773,384.08	\$ 2,753,692.55	\$ 2,845,554.12	\$ 2,818,507.63
SUBTOTAL OPERATING (Rev-Exp)	(1)	\$ 41,480.08	\$ (24,194.92)	\$ (33,492.55)	\$ 14,153.43	\$ 25,701.40	\$ 18,267.33	\$ 36,623.77	\$ 121,851.26	\$ 52,419.55	\$ 60,345.92
FUND BALANCE EXPENDITURES (NOT Inc. Above)											
Flexible Spending											
Flexible Spending - MH Adult	-	100.00	2,600.00	300.00	226.01	1,700.00	348.85	186.81	124.94	1,050.00	200.00
Flexible Spending - IDD Services	-	2,850.00	1,510.00	480.00	1,240.00	450.12	754.97	-	-	411.00	-
All Center Staff Recognition	-	-	-	-	-	-	-	-	-	-	-
IDD Services - Community Support	-	5,910.00	5,571.00	7,857.50	4,914.00	2,709.50	5,980.50	7,222.50	2,172.00	5,386.50	3,361.50
Connect Transit	-	-	-	-	-	-	-	-	-	-	-
Connect Transit - Brazoria County	-	-	-	-	-	-	-	-	-	-	-
Asset Management - Special Facility Projects	-	-	-	-	-	-	-	-	-	-	-
Capital Projects - MIS Services	-	-	-	-	-	-	-	-	-	-	-
Capital Projects - Major Facility/Equipment	-	-	-	-	-	-	-	-	-	-	-
SUBTOTAL FUND BALANCE EXPENSE	-	\$ 8,860.00	\$ 9,681.00	\$ 8,637.50	\$ 6,380.01	\$ 4,859.62	\$ 7,084.32	\$ 7,409.31	\$ 2,296.94	\$ 6,847.50	\$ 3,561.50
VARIANCE (REV-EXP) - w/o Self Funded Health Plan	\$ 32,620.08	\$ (33,875.92)	\$ (42,130.05)	\$ 7,773.42	\$ 20,841.78	\$ 11,183.01	\$ 29,214.46	\$ 119,554.32	\$ 45,572.05	\$ 56,784.42	\$ 247,537.57
SELF FUNDED HEALTH INSURANCE PLAN (NOT Inc. Above)											
Health Insurance Fund Expenses (Claims & Admin)	-	151,407.61	214,090.46	254,517.59	350,858.52	236,517.53	154,464.18	178,776.67	183,630.00	202,386.78	206,840.69
Health Insurance Funding	-	238,505.23	247,721.42	251,052.02	243,446.09	237,172.73	239,188.72	231,110.55	233,368.36	232,724.55	235,724.55
SUBTOTAL HEALTH INSURANCE PLAN	\$ -	\$ 87,097.62	\$ 33,630.96	\$ (3,465.57)	\$ (107,412.43)	\$ 655.20	\$ 84,724.54	\$ 53,333.88	\$ 49,738.36	\$ 29,656.31	\$ 28,883.66
OVERALL FINANCIAL VARIANCE (REV-EXP) - w/self Funded Health	\$ 119,717.70	\$ (244.96)	\$ (45,595.62)	\$ (99,639.01)	\$ 21,496.98	\$ 95,007.55	\$ 81,458.34	\$ 169,292.68	\$ 75,428.36	\$ 85,668.08	\$ 503,580.10

YTD % of 50%

**The Gulf Coast Center**  
**FY2018 Monthly Board Financial Review**

Unaudited as of 6/30/2018

**Fiscal Year 2018 Unaudited Centerwide General Fund Balance Status**

Total General Fund Balance as of 08/31/17 (Audited)..... \$ (2,506,932)

**FY2018 Year-to-Date Reported Expense and Revenue Totals (Unaudited)**

Expenditures	Operational	26,875,793		
	Non-Operational	-		
	Fund Balance	65,618	26,941,411	
Revenues	Operational	27,188,949		
	Non-Operational	-	27,188,949	\$ 247,538

Total General Fund Balance Year-to-Date (Unaudited)..... \$ (2,754,470)

**Board Committed Use General Funds (Fiscal Year Committed)**

Capital Projects - Facility (FY2008-FY2011)	(200,000)			
Capital Projects - Facility (FY2013)	(100,000)			
Capital Projects - Facility (FY2014)	(100,000)			
Capital Projects - Facility (FY2015)	(150,000)	(550,000.00)		
fy2008-fy2015 Expenditure		408,065.86		
fy2016 Expenditure		31,088.00		
fy2017 Expenditure		-		
fy2018 Expenditure		-		
			(110,846)	
Capital Projects - IT (FY2003-FY2014)	(600,000)			
Capital Projects - IT (FY2015)	(150,000)			
Capital Projects - IT (FY2017)	(140,000)	(890,000.00)		
fy2003-fy2015 Expenditure		677,587.43		
fy2016 Expenditure		-		
fy2017 Expenditure		66,432.75		
fy2018 Expenditure		-		
			(145,980)	
IDD Community Service Support (FY2011)	(200,000)			
IDD Community Service Support (FY2014)	(100,000)			
IDD Community Service Support (FY2016)	(100,000)	(400,000.00)		
fy2011-fy2015 Expenditure		263,360.65		
fy2016 Expenditure		57,046.30		
fy2017 Expenditure		27,159.00		
fy2018 Expenditure		51,085.00		
			(1,349)	
Connect Transit (FY2015) LJ Urban	(320,000)	(320,000.00)		
fy2016-fy2017 Expenditure		-		
fy2018 Expenditure		-	(320,000)	
Connect Transit (FY2013) General Services	(422,869)	(422,869.00)		
fy2015-fy2016 Expenditure		300,000.00		
fy2017 Expenditure		-		
fy2018 Expenditure		-		
			(122,869)	
Major Facility Repairs (FY2014)	(186,940)	(186,940.00)		
fy2014-fy2015 Expenditure		186,940.00		
fy2016 Expenditure		-		
fy2017 Expenditure		-		
fy2018 Expenditure		-		
			-	
Flexible Spending Supports (FY2004)	(400,000)			
Flexible Spending Supports (FY2013)	(100,000)	(500,000.00)		
fy2005-fy2015 Expenditure		456,602.07		
fy2016 Expenditure		18,880.53		
fy2017 Expenditure		9,984.17		
fy2018 Expenditure		14,532.70		
			(1)	(701,045)

Total General Fund Balance Year-to-Date (Unaudited)..... \$ (2,754,470)

Unrestricted Use General Fund Balance (Unaudited)..... \$ (2,053,425)

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# The Gulf Coast Center

## FY2018 Monthly Fund Balance Report

Unaudited as of 06/30/2018

### Fiscal Year 2018 Unaudited Centerwide General Fund Balance Status

Total General Fund Balance as of 08/31/17 (Audited)..... \$ (2,506,932)

#### FY2018 Monthly Reported Expense and Revenue Totals (Unaudited)

	September	October	November	December	January	February	March	April	May	June
Operational Expenses:	2,454,092	2,677,277	2,660,577	2,834,756	2,708,435	2,620,997	2,736,760	2,631,841	2,792,835	2,758,222
Non-Operational Expenses:	8,860	9,681	8,638	6,380	4,860	7,084	7,409	2,297	6,848	3,562
Fund Balance Expenses:	2,462,952	2,686,958	2,669,215	2,841,137	2,713,295	2,628,082	2,744,170	2,634,138	2,799,682	2,761,783
Total Expenses:										
Operational Revenues:	2,495,572	2,653,083	2,627,084	2,848,910	2,734,137	2,639,265	2,773,384	2,753,693	2,845,254	2,818,568
Non-Operational Revenues:										
Fund Balance Revenues:										
Total Revenues:	2,495,572	2,653,083	2,627,084	2,848,910	2,734,137	2,639,265	2,773,384	2,753,693	2,845,254	2,818,568
Net increase/decrease to Fund Balance	32,620	(33,876)	(42,130)	7,773	20,842	11,183	29,214	119,554	45,572	56,784
Total General Fund Balance:	(2,539,552)	(2,505,676)	(2,463,546)	(2,471,320)	(2,492,161)	(2,503,344)	(2,532,559)	(2,652,113)	(2,697,685)	(2,754,470)
Total Unrestricted Fund Balance										(2,053,425)
Avg. Cost per day:	81,803	86,364	88,686	91,444	87,369	93,607	88,283	87,728	90,091	91,941
DAYS OF OPERATION OF TOTAL FUND BALANCE	31	29	28	27	29	27	29	30	30	30
DAYS OF OPERATION OF UNRESTRICTED FUND BALANCE	-	-	-	-	-	-	-	-	-	22

**"Better community healthcare promoting healthy living."**

### Minutes

- 1) **Call To Order**– Jamie Travis, Board Chair of the Board of Trustees, convened the regular meeting on Wednesday, May 23, 2018 at 6:29 p.m. in the Brazoria County Community Service Center located at 101 Tigner, Angleton, Texas.

**The following Board Members were present:** Vivian Renfrow, Linda Coleman, Jaime Castro, Caroline Rickaway, Rick Price and Stephen Holmes

**The following Board Members were absent:** Mary Lou Flynn-Dupart, Excused

**Also present were:** Chris Cahill - The Cahill Law Firm and several Center staff.

- 2) **Citizens' Comments**: Amanda Groller, Disaster Response Team Program Manager reported to the Board that specific staff members responded to the request from Office of Emergency Management for mental health support to respond to the shooting at Santa Fe High School on May 18, 2018. Staff who responded included CEO, COO, and staff from Mobile Crisis Outreach Team (MCOT), and Youth Behavioral Health Services and the Disaster Response team. Gulf Coast Center's response included support at the Santa Fe Reunification Center and at the Family Assistance Center staged at Aldersgate United Methodist Church in Santa Fe, Texas. Partnership in response included collaboration with Office of Emergency Management, FBI Victim Assistance, Red Cross, City of Santa Fe, Texas Children's Trauma and Grief Center, and Galveston County CISM Team.
- 3) **Program Report**: Linda Bell, General Counsel presented to the board on East Texas Behavioral Health Network (ETBHN) and the PRNAC Review and Comment on ETBHN Community Hospital Survey. Linda provided background information and services offered as well as committee and other ETBHN benefits. The LPHA Telehealth Services was a new service that started in Fiscal year 2017. The RPNAC Review and Comment on the ETBHN Community Hospital Survey was included in the board packet.
- 4) **Board Member Reports**:
- a. Texas Council of Community Centers: Annual Conference is June 20-22 in Dallas
  - b. Texas Council Risk Management Fund: Linda Bell, General Counsel, gave a brief update on the Texas Council Risk Management Fund.
- 5) **CEO Report**: Melissa Tucker, CEO
- a. Certified Community Behavioral Health Center Model: Deferred

b. Grant Application Status Update: Deferred

c. IDD Legislative Update: Deferred

**6. Operations Report:**

- a. IDD Services Update: Jamie White, Director of IDD Services, gave a brief update on IDD Services. The Legislative Listening has been cancelled and will be rescheduled. Jamie is providing a two-day training for staff members so that they can learn about the program.

**7. Budget, Finance and Admin Reports:**

- a. Financial & Operational Monthly Report & YTD Summary: Rick Elizondo, CFO, reported that Center's preliminary year-to-date operational expenses for the month of April totaled \$21,324,737.13 and operational revenue totaled \$21,525,126.93; for an operational surplus of \$145,181.10. Rick provided a report on the Fiscal Year 2019 cost of living pay adjustment projection. Jeanine McNulty, Chief Human Resources Officer, reviewed the Fiscal Year 2017 Salary Summary of Community Centers.
- b. Sale of Property Update: Rick Elizondo, CFO, advise that they realtor expects to receive an offer on the Jones Building soon. There has been no activity/interest expressed in the Lone Oak Ranch.

**8. Consent Agenda:**

**Consideration and Approval of Recommendations and Acceptance of Consent Agenda Items.**

*(Consent agenda items may be pulled from this consideration for individual action or presentation.)*

**a. Review and approval of April 25, 2018 board meeting minutes.**

On motion by Stephen Holmes, seconded by Caroline Rickaway, the board voted the approval of the April 25, 2018 board meeting minutes. The motion carried with all members voting in favor.

**b. Review and approval of April 2018 check register:**

On motion by Stephen Holmes, seconded by Caroline Rickaway, the board voted the approval of the April 2018 check register. The motion carried with all members voting in favor.

**9. Action Items:**

*All Action items terminate at the end of FY 2017 unless indicated otherwise*

**a. Consider the approval of Amendment #5 to the FY18 HHSC (OSAR) Outreach, Screening, Assessment, and Referral Contract #2016-048253-003. This amendment increases the value of this contract by \$17,517 for the provision of (TTOR) Texas Targeted Opioid Response services and adds two TTOR performance measures.**

On motion by Stephen Holmes, seconded by Linda Coleman, the board voted the approval of Amendment #5 to the FY18 HHSC (OSAR) Outreach, Screening, Assessment, and Referral Contract #2016-048253-003. This amendment increases the value of this contract by \$17,517 for the provision of (TTOR) Texas Targeted Opioid

Response services and adds two TTOR performance measures. The motion carried with all members voting in favor.

- b. **Consider the approval of Amendment #4 to the FY18 HHSC HIV Outreach Contract #2016-048182-003. This amendment increases the value of this contract by \$12,975 for the provision of (TTOR) Texas Targeted Opioid Response services.**

On motion by Vivian Renfrow Holmes, seconded by Stephen Holmes, the board voted the approval of Amendment #4 to the FY18 HHSC HIV Outreach Contract #2016-048182-003. This amendment increases the value of this contract by \$12,975 for the provision of (TTOR) Texas Targeted Opioid Response services. The motion carried with all members voting in favor.

- c. **Consider the approval of the FY19 Holiday Schedule.**

On motion by Caroline Rickaway, seconded by Jaime Castro, the board voted the approval of the FY19 Holiday Schedule. The motion carried with all members voting in favor.

- d. **Consider approval of the following revisions to the Recovery Programs Policy Manual:**

- **XVII. Drug Screen Collection. The Recovery Program offers two options for collecting drug screen collection, urine and oral swab collection through a lab, Redwood Toxicology. (Previous XVII only referenced urine drug screen not oral swab)**
- **XXVII. Seclusion and Restraint. The Center and the Recovery Program prohibit the use of restraint or seclusion, except as it relates to court commitment clients. (newly added section)**
- **XXXII. Search Policy: The outpatient Recovery Program does not conduct personal searches of client who are in the program. Specific items outlined in the Recovery Program Client Handbook identify that illicit substances are prohibited weapons are not permitted on the premises. (newly added section).**

On motion by Vivian Renfrow, seconded by Linda Coleman, the board voted the approval of above listed revisions to the Recovery Programs Policy Manual. The motion carried with all members voting in favor.

- e. **Consider ratification of the renewal agreement with Soluta, Inc. for comprehensive psychiatric and mental health services and pharmacy services in the Galveston County Jail. Term: November 1, 2017 to October 31, 2018. Total Amount not to exceed \$14,166.67/mo. (No change).**

On motion by Jaime Castro, seconded by Stephen Holmes, the board voted the approval of the ratification of the renewal agreement with Soluta, Inc. for comprehensive psychiatric and mental health services and pharmacy services in the Galveston County Jail. The motion carried with all members voting in favor.

- f. **Consider approval of the renewal agreement with King Consulting to assist the Center in securing grant opportunities. Term: July 1, 2018 to June 30, 2019. \$25/hr for relationship building, networking, etc. \$500 flat fee for technical work of writing and submitting.**

On motion by Rick Price, seconded by Jaime Castro, the board voted the approval of the renewal agreement with King Consulting to assist the Center in securing grant opportunities. Following discussion the motion carried with all members voting in favor.

**g. Consider approval of A RESOLUTION OF THE GULF COAST CENTER BOARD OF TRUSTEES AGREEING TO BE THE DIRECT RECIPIENT OF FEDERAL AND STATE RURAL TRANSIT FORMULA FUNDING APPROVED BY THE TEXAS DEPARTMENT OF TRANSPORTATION COMMISSION FOR GALVESTON COUNTY.**

On motion by Stephen Holmes, seconded by Rick Price, the board voted the approval of A RESOLUTION OF THE GULF COAST CENTER BOARD OF TRUSTEES AGREEING TO BE THE DIRECT RECIPIENT OF FEDERAL AND STATE RURAL TRANSIT FORMULA FUNDING APPROVED BY THE TEXAS DEPARTMENT OF TRANSPORTATION COMMISSION FOR GALVESTON COUNTY. The motion carried with all members voting in favor.

**h. Consider the approval of the FY18 Provider Contracts for the IDD NON-TRADITIONAL PROVIDER NETWORK with the 5 below identified individuals for the provision of respite, community support, Community First Choice Transportation, and/or Independent Living Skills (ILS) for nursing facilities.**

Brazoria County	Galveston County	REIMBURSEMENT RATES	
Devyn Lemons	Jennifer Vincent		
	Matthew Bell		
	Marlina Delgado		
	Jennifer Taylor		
		Respite	Standard base level = \$10/hr; Medical/Behavioral need = \$15/hr
		Community Support	Standard base level = \$13/hr
		Skills Training Nursing Facility	Independent Living Skills \$18/ hr
		Mileage	0-5=\$3; 6-12=\$6; 13-20=\$9; 20-25=\$15; 33-40=\$18

On motion by Caroline Rickaway, seconded by Stephen Holmes, the board voted the approval of the FY18 Provider Contracts for the IDD NON-Traditional Provider Network with the 5 above identified individuals for the provision of respite, community support, Community First Choice Transportation, and/or Independent Living Skills (ILS) for nursing facilities. The motion carried with all members voting in favor.

**10. Pending or Revised Action Items:** None

*Pending or revised items are those items which were on a prior board agenda but not completely resolved or there has been a revision since approval. The items may be listed for update purposes or final action by the Board.*

**11. Calendar**.....Jamie Travis, Board Chair

Date	Event	Time	Location
June 20-22, 2018	TX Council Conference		Sheraton, Dallas
July 25, 2018	Board Meeting	6:30 p.m.	Administration (Mall of the Mainland) Texas City

August 22, 2018	Board Meeting	6:30 p.m.	Angleton
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**12. Executive Session:** None

*As authorized by Chapter §551.072 of the Texas Government Code for deliberations related to real property.*

**13. Action Regarding Executive Session:** None

**14. Adjourn:**

There being no further business to bring before the Board of Trustees the meeting was adjourned at 7:43 p.m.

Respectfully,

Approved as to Content and Form,

---

Cathy Claunch-Scott

Secretary to the Board of Trustees

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Jamie Travis

Board Chair



May 14, 2018

To the Board of Trustees of  
**The Gulf Coast Center**  
C/O Mr. Rick Elizondo, CFO  
10000 Emmett F. Lowry Expressway  
Suite 1220  
Texas City, Tx. 77591

You have requested that we audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **The Gulf Coast Center ("the Center")** as of August 31, 2018, and for the year then ended, 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 addition, we will audit the entity's compliance over major federal and state award programs for the period ended August 31, 2018. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and state award programs.

Accounting principles generally accepted in the United States of America require that supplementary information, such as management's discussion and analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis

Supplementary information other than RSI will accompany **the Center's** basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Schedule of Expenditures of State and Federal Awards

## **Schedule of Expenditures of State and Federal Awards**

We will subject the schedule of expenditures of state and federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of state and federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

- Introductory Section
- Statistical Section

## **Data Collection Form**

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

## **Audit of the Financial Statements**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the State of Texas Uniform Grant Management Standards (UGMS), the Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers promulgated by THHSC; and the State of Texas Single Audit Circular (TSAC). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct

confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America and/or state or regulatory audit requirements. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of **the Center's** basic financial statements. Our report will be addressed to the governing body of **the Center**. We cannot provide assurance that an unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

### **Audit of Major Program Compliance**

Our audit of **the Center's** major federal and state award programs compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; the provisions of the Uniform Guidance and the State of Texas Single Audit Circular (TSAC); and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, TSAC and other procedures we consider necessary to enable us to express such an opinion on major federal and state award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the entity has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal award programs. Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

### **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of state and federal awards, and related notes of the Organization in conformity with U.S. generally accepted accounting principles and Uniform Guidance and the State of Texas Single Audit Circular based on information provided by you. We will also provide other nonattest services related to completion of the auditee's portion of the Data Collection Form and preparation of proposed adjusting journal entries. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

### **Management Responsibilities**

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. 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;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received, including federal awards and funding increments received prior to December 26, 2014 (if any), and those received in accordance with the Uniform Guidance (generally received after December 26, 2014);
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and TSAC requirements;
6. For the design, implementation, and maintenance of internal control over federal and state awards;
7. For establishing and maintaining effective internal control over federal and state awards that provides reasonable assurance that the nonfederal entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
8. For identifying and ensuring that the entity complies with federal and state statutes, regulations, and the terms and conditions of federal and state awards programs and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations, and the terms and conditions of federal and state awards programs;
9. For disclosing accurately, currently, and completely, the financial results of each federal and state award in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;

11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal and state award programs, such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current period under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
20. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With respect to financial statement preparation services, schedule of expenditures of state and federal awards preparation services, and any other nonattest services we perform including completion of the auditee's portion of the Data Collection Form and preparation of proposed adjusting journal entries, **the Center's** management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

With regard to the schedule of expenditures of state and federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of state and federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of state and federal awards, (c) to include our report on the schedule of expenditures of state and federal awards in any document that contains the schedule of expenditures of state and federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of state and federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of state and federal awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

**The Center** will be responsible for ensuring that the audit report is received by the Texas Health and Human Services Commission by February 1, 2019. **The Center** is further responsible for ensuring that other appropriate governmental agencies receive copies of the audit report according to instructions in the current *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

### **Fees and Timing**

L. Diane Terrell is the engagement partner for the audit services specified in this letter. Responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. We expect to begin our interim procedures in approximately August 2018 and final procedures in approximately November 2018.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices are payable upon presentation. We estimate that our fee for the audit will be \$58,500. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use **the Center's** personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

In addition, we will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our audit procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

### **Other Matters**

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The audit documentation for this engagement is the property of Eide Bailly LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Oversight Agency for Audit, or its designee and federal agencies and the U.S. Government Accountability Office pursuant to authority given to them by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Eide Bailly LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the Oversight Agency for Audit, or its designee. The Oversight Agency for Audit, or its designee, may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to the Board of Trustees the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

*Government Auditing Standards* require that we provide, upon request, a copy of our most recent external peer review report and any subsequent review reports to the party contracting for the audit. Accordingly, our most recent peer review report accompanies this letter.

Eide Bailly LLP is a member of HLB International, a worldwide organization of accounting firms and business advisors, ("HLB"). Each member firm of HLB, including Eide Bailly LLP is a separate and independent legal entity and is not owned or controlled by any other member of HLB. Each member firm of HLB is solely responsible for its own acts and omissions and no other member assumes any liability for such acts or omissions. Neither Eide Bailly LLP, nor any of its affiliates, are responsible or liable for any acts or omission of HLB or any other member firm of HLB and hereby specifically disclaim any and all responsibility, even if Eide Bailly LLP, or any of its affiliates are aware of such acts or omissions of another member of HLB.

Eide Bailly LLP formed The Eide Bailly Alliance Network, a network for small to mid-sized CPA firms across the nation. Each member firm of The Eide Bailly Alliance, including Eide Bailly LLP, is a separate and independent legal entity and is not owned or controlled by any other member of The Eide Bailly Alliance. Each member firm of The Eide Bailly Alliance is solely responsible for its own acts and omissions and no other member assumes any liability for such acts or omissions. Neither Eide Bailly LLP, nor any of its affiliates, are responsible or liable for any acts or omission of The Eide Bailly Alliance or any other member firm of The Eide Bailly Alliance and hereby specifically disclaim any and all responsibility, even if Eide Bailly LLP, or any of its affiliates are aware of such acts or omissions of another member of The Eide Bailly Alliance.

## **DISPUTE RESOLUTION**

The following procedures shall be used to resolve any disagreement, controversy or claim that may arise out of any aspect of our services or relationship with you, including this engagement, for any reason ("Dispute"). Specifically, we agree to first mediate.

## **Mediation**

All Disputes between us shall first be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator. The mediator will be selected by mutual agreement, but if we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA").

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute. Mediation will be conducted with the parties in person in Abilene, Texas.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Either party may commence suit on a Dispute after the mediator declares an impasse.

## **INDEMNITY**

You agree that none of Eide Bailly LLP, its partners, affiliates, officers or employees (collectively "Eide Bailly") shall be responsible for or liable to you for any misstatements in your financial statements that we may fail to detect as a result of knowing representations made to us, or the concealment or intentional withholding of information from us, by any of your owners, directors, officers or employees, whether or not they acted in doing so in your interests or for your benefit, and to hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees from any such misstatement, provided that the services performed hereunder were performed in accordance with professional standards, in all material respects.

If a claim is brought against you by a third-party that arises out of or is in any way related to the services provided under this engagement, you agree to indemnify Eide Bailly LLP, its partners, affiliates, officers and employees (collectively "Eide Bailly"), against any losses, including settlement payments, judgments, damage awards, punitive or exemplary damages, and the costs of litigation (including attorneys' fees) associated with the services performed hereunder provided that the services were performed in accordance with professional standards, in all material respects.

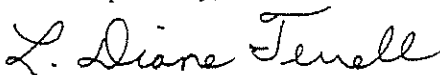
## **ASSIGNMENTS PROHIBITED**

You agree that you will not and may not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly, its partners, affiliates, officers and employees, to any other person or party, or to any trustee, receiver or other third party.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements compliance over major federal and state award programs including our respective responsibilities.

We appreciate the opportunity to be your certified public accountants and look forward to working with you and your staff.

Respectfully,



L. Diane Terrell  
Audit Partner

\*\*\*\*\*

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of management of **The Gulf Coast Center** by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Acknowledged and agreed on behalf of the Board of Trustees of **The Gulf Coast Center** by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Report on the Firm's System of Quality Control

December 28, 2017

To the Partners of Eide Bailly LLP and the  
National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Eide Bailly LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.


### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Eide Bailly LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Eide Bailly LLP has received a peer review rating of *pass*.



Cherry Bekaert LLP

**MEMORANDUM**

**July 12, 2018**

**To: Board of Trustees**

**From : Luis Diaz, Asset Director**

**Re: Declaration of Surplus Vehicle**

**Approval is requested to declare Vehicle #6050 surplus and authorized for disposal. This vehicle is a 2004 Chevrolet Van, VIN. #1GAGG25U541216050, License Plate #238-6367, has 238,708 miles, and is no longer cost effective to maintain in the fleet. As a result it is requested that this vehicle be considered surplus and be sent to auction.**

**Thank you for your consideration.**

*Luis Diaz*



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