

THE GULF COAST CENTER

Regular Board of Trustees Meeting
Southern Brazoria Community Service Center
101 Tigner Rd, Angleton, TX 77591
Wednesday, May 28, 2025
6:15 pm



"Better community healthcare promoting healthy living."

1. **Call To Order** Jamie Travis, Board Chair
 - a. Announcements and Introductions
2. **Citizens' Comments**
3. **Program Report:**
 - a. Strategic Plan Geoff Tumlin
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. **Operations Report:** Felicia Jeffery, CEO
 - a. Operational, Clinical, & Financial Excellence
 - Mid-Year Report
 - Things every board member should be talking about back at home **(Pg. 5)**
6. **Budget, Finance and Admin Reports** Rick Elizondo, CFO
 - a. Financial & Operational Monthly Report & YTD Summary & Federal Funding Analysis **(Pg. 8)**
7. **Consent Agenda** Linda Bell, JD, BSN, RN
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 March 26, 2025 Board Minutes. **(Pg. 34)**
 - b. Review and approval of March & April 2025 Check Registers.
8. **Action Items** Linda Bell, JD, BSN, RN
 - a. Consider the approval of the 2025 Financial and Compliance Engagement and Planning Letter. **(Pg. 12)**
 - b. Consider the approval of the Gulf Coast Center FY26 Holiday Calendar **(Pg. 27)**
 - c. Consider the approval to declare surplus and dispose of Center vehicle #1112, a 2006 Ford Taurus with 133,852 miles, as this vehicle is no longer cost-effective for continued use due to age, high mileage, and increasing maintenance costs. **(Pg. 28)**
 - d. Consider the approval to declare surplus and dispose of Center vehicle #0925, a 2010 Ford Fusion with 128,205 miles, as this vehicle is no longer cost-effective for continued use due to age, high mileage, and increasing maintenance costs. **(Pg. 29)**

- e. Consider approval of the appointment of **Jamie Smith** as Liaison to the Gulf Coast Center Board of Trustees. **Description:** The Coordinated Entry & Supportive Housing (CESH) contracts require that we have an individual with lived experience attend board meetings and interact with board members regarding any initiatives or policies from a lived experience lens.
- f. Consider approval of **Amendment #6 to the HHSC Outreach, Screening, Assessment, Referral (OSAR) contract #HHS000782500005**. The amendment provides updates to all contract attachments (Statement of Work, Contract Affirmations, and Uniform Terms and Conditions). No change in funding.
- g. Consider approval of the **HHSC Mental Health Grant for Justice-Involved Individuals MHGJII (formerly SB292) #HHS001545200016**. This grant allows for the provision of community-based jail diversion services to people identified with a mental illness or co-occurring psychiatric and substance use disorder (COPSD) and specifically funds the center's COAST and CCRT teams. Amount not to exceed \$7,323,118 for FY25-26 which consists of continuation of SB292 funding and new Rider 48 funding.
- h. Consider approval of **Amendment #2 to the HHSC Mental Health First Aid contract #HHS001335500035**. This amendment funds instructors who provide training to school districts and law enforcement to assist in early identification of children at risk of social-emotional disorders. The amendment extends the contract term and adds funding through 8/31/27.
- i. Consider ratification of the new Staffing Agreement with **EXPRESS EMPLOYMENT PROFESSIONALS** for front desk and clerical staffing needs not available by current Center staff.
Term: April 1, 2025 – ongoing **Billing Rate not to exceed:** \$16.45/hr.
- j. Consider ratification of Memorandum of Understanding with **THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON** on behalf of its Center for Behavioral Emergency and Addiction Research (CBEAR) for the support and collaboration of Community-infrastructure building around drug use and mental health services. **Term:** April 1, 2025 – August 31, 2026.
- k. Consider approval of **Policy 8.20: AI Governance Policy** which applies to all AI systems, including machine learning models, decision-support tools, and automated processes implemented in Gulf Coast Center's operations. It governs AI deployment in clinical decision-making, administrative processes, and community outreach efforts. **(Pg. 30)**
- l. Consider approval of the Memorandum of Understanding with **UNBOUND NOW**, Care Coordination Agency, and the Commercial Sexual Exploitation of Youth ("CSEY") Care Coordination Team Partners ("Partners"). Partners shall maintain a cooperative effort and care-coordinated approach to providing assessments of victimization and referrals for support services for victims of CSEY.
Term: June 1, 2025 – December 31, 2025 **Funding:** none
Description: The Center would be considered a Partner with a multidisciplinary team made up of local law enforcement, DFPS, UTMB, the Advocacy Center, Juvenile Justice Department and others. The Center's main role would be coordinating and/or suggesting any Center resources and trauma informed care.
- m. Consider approval of the new Personal Service Agreement with **BROADDUS DEFENSE LLC** for the Center to provide Critical Incident Response Training and other trainings related to recovery after a critical incident. **Term:** thru December 31, 2027
Reimbursement: \$500 for each day of training/teaching, plus \$55/hr for curriculum development.

- n. Consider ratification of the new agreement with **THE SCALABLE COMPANY** for a operating system and clinical dashboard assisting the Center's IDD program.

Term:1 year

Reimbursement: \$5000 for 3mo. and \$995 for 9mo.

- o. Consider ratification of the new Consultation Agreement with **MICHELLE WASHBURN** to provide consultation on implementation and evaluation of Gulf Coast Center's Assisted Outpatient Treatment Program (AOT Program).

Term: 9/30/24 - 9/29/25

Not to Exceed: \$10,000 (\$200/hr.) *grant funded*

- p. Consider ratification of the Consultation Engagement Agreement with **PAUL SISLER** who shall conduct a comprehensive assessment of the revenue cycle, including an in-depth review of the accounting department. The goal is to identify inefficiencies, risks, and opportunities for improvement in financial operations.

Term: May 1, 2025 – August 31, 2026

Reimbursement: \$110/hour

- q. Consider approval of the new Professional Services Agreement with **THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON d/b/a UTMB Health** for psychiatric services at the Center's Galveston County Mental Health Wellness Center. Term: June 1, 2025-August 31, 2026.

TOTAL ALLOCATED FUNDS

\$400,000.00

No. of Beds Dedicated to Extended Observation Unit

12

Monthly MD Fee/Charge

\$33,333.00 (\$134/hr)

- r. Consider ratification of the FY25 Professional Services Agreement with **THE MEADOWS MENTAL HEALTH POLICY INSTITUTE FOR TEXAS** to provide evidence based technical assistance and guidance to Gulf Coast Center, local city and county partners, and stakeholders for the expansion and enhancement of best practices for local behavioral health crisis response systems.

Term: April 1, 2025 thru September 30, 2025

Amount not to exceed: \$227,000

MHG-JI grant funded

- s. Consider ratification of the FY25 Professional Services Agreement with **THE MEADOWS MENTAL HEALTH POLICY INSTITUTE FOR TEXAS** for consultation services on creating a comprehensive Brazoria County Criminal Justice and Behavioral Health Systems Assessment and assistance to Brazoria County to create a Brazoria County Criminal Justice and Mental Health Systems Coordinating Council.

Term: April 1, 2025 thru September 30, 2025

Amount not to exceed: \$220,000

OOG SCI Grant

9. **Pending or Revised Action Items** Linda Bell, JD, BSN, RN
Pending or revised items are those items that 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.

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

June 25 – 27, 2025	TX Council Annual Conference	Sheraton Dallas Hotel, Dallas, TX	
July 23, 2025	Board Meeting	MCSC	6:15 pm
August 27, 2025	Board Meeting	SBCSC	6:15 pm

SBCSC location: 101 Tigner, Angleton, TX

MCSC location: 7510 FM 1765, Texas City, TX

11. 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 this meeting to seek legal advice from its Attorney about any matters listed on the agenda.*

12. Reconvene to Open Session

13. Adjourn

Things Every Board Member Should be Talking About Back Home

May 2025

Texas Legislature

Texas Council remains persistent in its effort to advance legislative priorities, with state budget appropriations a key focus area of Texas Council's advocacy.

As the FY2026-27 state budget nears completion, Conference Committee members will deliberate on whether to appropriate state General Revenue funds to maintain enhanced block grant funding and crisis service capacity. While the outcome is uncertain, we remain hopeful the legislature will act to ensure our system can sustain current capacity. Engagement with local and state elected officials about the importance of these services is making a difference.

With regard to rates supporting direct support professional wages, the House adopted a historic investment, funding HCS, TxHML, and community ICF rates at \$17.50 per hour and other Medicaid community attendants at \$14.22 per hour. The Senate funded all community direct support professional rates – including those for DSPs in IDD programs – at \$12.44 per hour. The discrepancy between House and Senate treatment of DSP rates will be a significant discussion during Conference Committee deliberations. Texas Council is working to support House conferees as they negotiate with the Senate to support community IDD services.

Federal Funding

On March 24, 2025, the federal Substance Abuse and Mental Health Services Administration (SAMHSA) terminated HHSC's grants related to the Coronavirus Preparedness and Response Supplemental Appropriations Act and the American Rescue Plan Act of 2021 (H.R. 1319), which provided relief to address the impact of COVID-19. Per the notice HHSC received, the end of the pandemic provided SAMHSA cause to terminate COVID-related grants and cooperative agreements.

HHSC continues to release information to Local Mental Health Authorities/Local Behavioral Health Authorities (LMHAs/LBHAs) regarding the termination of funds. Based on Texas Council's data-collection, the funding termination is estimated to impact ongoing services for nearly 56,000 individuals and impact 411 full-time equivalent positions. On April 4, 2025, Texas Council distributed a [template letter](#) for Centers to send to legislators, encouraging communication of the impact this abrupt termination of funds has on people who access care.

Texas Council will continue to monitor as budget reconciliation efforts continue at the federal level. In preparation for possible federal funding changes, Texas Council encourages Community Centers to review information regarding federal funding, so they are able to quickly update federal legislative offices as potential funding reductions are considered.

Office of Inspector General (OIG) Informational Report: Local Mental Health Authorities and Local Behavioral Health Authorities

On March 14, 2025, the HHSC Office of Inspector General (OIG) published Informational Report: Local Mental Health Authorities and Local Behavioral Health Authorities (LMHAs/LBHAs). A review of the report raised numerous questions and concerns, prompting a request to the field for system-wide data verification and a [request to the OIG](#) for temporary retraction of the report and removal from their website. OIG agreed to remove the report from their website while concerns regarding material data errors and invalid cost

Things Every Board Member Should be Talking About Back Home May 2025

comparisons were considered. A [high-level overview of the differences](#), as well as a [table outlining differences by LMHA/LBHA](#), are available for reference.

Additionally, since the original report was communicated to all members of the Senate Health and Human Services and House Human Services Committees, Texas Council inquired about OIG's protocol to notify legislators that the original report has been removed from the OIG website and is under review. HHSC confirmed it had notified the various legislative offices and would update the offices once concerns have been addressed.

On April 3, 2025, Texas Council met with representatives from the OIG to review data corrections and discuss invalid cost comparisons brought to their attention. On April 16, 2025, the OIG provided Texas Council with a draft revised report, and on May 6, 2025, the OIG published a revised report under a new title: Informational Report: Community Centers with Local Mental Health Authority and Local Behavioral Health Authority Designations in Texas.

In the revised report, the OIG substantially addresses the data errors and invalid cost comparisons contained in the original report.

The [revised and reissued report](#) is available on the Texas Council Intranet.

988 Suicide & Crisis Lifeline Update

988 has been operational since July 16, 2022, and can be accessed using any cell phone, landline, or voice-over internet device. HHSC is developing a marketing strategy to increase awareness of 988 and is engaged with Texas Council to consider volume of demand compared to current capacity. Primary coverage of all Texas area codes is in place through contracts with current 988 sites (Emergence Health Network, The Harris Center for MH and IDD, Integral Care, and MHMR of Tarrant County). Bluebonnet Trails Community Services subcontracted with Avail to provide statewide backup to the primary sites.

Integral Care is the first site to pilot chat/text capabilities, responding to 138 chats and 224 texts in March 2025. Moving forward, expectations are for each 988 site to provide these capabilities; however, HHSC currently does not have a funding strategy in place. To address this and other gaps, Texas Council and NAMI Texas worked with the offices of Representative Landgraf and Senator Menendez to file HB 5342 and SB 188, which would create a trust fund for 988 operations and direct a study on potential long-term funding solutions.

Youth Empowerment Services (YES) Waiver

On March 18, 2025, Susan Garnett, CEO of MHMR of Tarrant County, Jenny Goode, CEO of Betty Hardwick Center, and Texas Council staff met with HHSC's Reilly Webb and Elizabeth Miller to discuss challenges within the YES Waiver. Since the Waiver's inception, administrative and other barriers have limited the program's full implementation.

The recent heightened focus on DFPS-involved youth and recommendations related to YES in the Children's Behavioral Health Strategic Plan (CBHSP) contributed to the meeting's timeliness. As a result of this discussion, HHSC has agreed to form a workgroup to delve into these and other systemic issues within YES Waiver, with the goal of collaboratively identifying and implementing policy improvements. The workgroup will begin meeting in June 2025.

Things Every Board Member Should be Talking About Back Home May 2025

Peer and Mental Health First Aid (MHFA) Special Interest Groups

Texas Council established the Koalafied Outreach Worker Star Award (KOWSA) to recognize MHFA Outreach Workers who exemplify great leadership. Recent winners are:

- December 2024 - Alison L. Boudreaux, Gulf Coast Center
- January 2025 - Krystal Cantu, Border Region Behavioral Health Center
- February 2025 - Amy Anderson, Hill Country MHDD Centers
- March 2025 - Denise Lucas, Helen Farabee Centers

Effective March 2025, the certified family partner (CFP) Medicaid benefit, also referred to as family partner support services or family peer support services, has been updated, as detailed in [Texas Medicaid Provider Procedures Manual \(TPPM\) dated March 2025](#). The TPPM outlines covered services, limitations, prior authorization requirements, and documentation and supervision standards. Effective in March 2025, the CFP benefit includes support for families of youth up to age 20. A CFP also must now be supervised by a qualified peer supervisor, as defined in the TPPM. This change aligns with the existing peer services Medicaid benefit.

Annual Conference Update

Texas Council and 2025 Annual Conference host, Metrocare, look forward to welcoming you to the Sheraton Dallas from June 25–27, 2025! Registration is open! Preview the [preliminary agenda](#) available on the Texas Council website. Register now at <https://txcouncil.com/conference/registration/>

All Aboard for Mental Health First Aid (MHFA) Training: North Texas Behavioral Health Authority is offering a FREE MHFA training to kick off the Texas Council Conference. This 7.5-hour, in-person training will take place on June 24, 2025, at the Sheraton Dallas Hotel from 8:00 a.m. – 5:00 p.m. (lunch will be on your own). [Register here](#) or on the Texas Council Conference website.

The Gulf Coast Center							
FY2025 Monthly Board Financial Review							<i>Unaudited as of 04/30/2025</i>
Fiscal Year 2025 Unaudited Centerwide General Fund Balance Status							
Total General Fund Balance as of 08/31/2024 (Audited).....							\$ (11,812,737)
FY2024 Year-to-Date Reported Expense and Revenue Totals (Unaudited)							
	Expenditures	Operational	29,470,067				
		Non-Operational	-				
		Fund Balance	1,216,675		30,686,742		
	Revenues	Operational	29,460,763				
		Non-Operational	-		29,460,763		\$ 1,225,979
Total General Fund Balance Year-to-Date (Unaudited).....							\$ (10,586,758)
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)					
	Capital Projects - Facility (FY2024)	(500,000)					
	Capital Projects - Facility (FY2025)	(389,154)	(1,439,154.00)				
	fy2008-fy2024 Expenditure		439,153.86				
	fy2025 Expenditure		\$ 1,216,675.33				
			-				
					216,675		
	Capital Projects - IT (FY2003-FY2014)	(600,000)					
	Capital Projects - IT (FY2015)	(150,000)					
	Capital Projects - IT (FY2017)	(140,000)	(890,000.00)				
	fy2008-fy2024 Expenditure		744,020.18				
	fy2025 Expenditure		-				
			-				
			-				
					(145,980)		
	IDD Community Service Support (FY2011-2014)	(300,000)					
	IDD Community Service Support (FY2016)	(100,000)					
	IDD Community Service Support (FY2018)	(100,000)	(500,000.00)				
	fy2008-fy2024 Expenditure		471,531.85				
	fy2025 Expenditure		-				
					(28,468)		
	Connect Transit (FY2013) General Services	(422,869)	(422,869.00)				
	fy2008-fy2024 Expenditure		422,869.00				
	fy2025 Expenditure		-				
			-				
					-		
	Major Facility Repairs (FY2014)	(186,940)	(186,940.00)				
	fy2008-fy2024 Expenditure		186,940.00				
	fy2025 Expenditure		-				
					-		
	Flexible Spending Supports (FY2004-2013)	(500,000)					
	Flexible Spending Supports (FY2018)	(100,000)	(600,000.00)				
	fy2008-fy2024 Expenditure		517,663.44				
	fy2025 Expenditure						
					(82,337)		
							(40,109)
Total General Fund Balance Year-to-Date (Unaudited)							\$ (10,586,758)
Unrestricted Use General Fund Balance (Unaudited)							\$ (10,546,649)

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.

The Gulf Coast Center									
FY2025 Monthly Fund Balance Report							<i>Unaudited as of 04/30/2025</i>		
Fiscal Year 2025 Unaudited Centerwide General Fund Balance Status									
Total General Fund Balance as of 08/31/24 (Audited).....									
FY2024 Monthly Reported Expense and Revenue Totals (Unaudited)									
	September	October	November	December	January	February	March	April	May
<i>Operational Expenses:</i>	3,434,760	3,661,490	3,675,600	3,613,116	3,751,068	3,753,836	3,933,454	3,646,742	
<i>Non-Operational Expenses:</i>									
<i>Fund Balance Expenses:</i>	-	246,988	165,779	366,428	213,065	100,115	77,235	47,066	
<i>Total Expenses:</i>	3,434,760	3,908,478	3,841,379	3,979,544	3,964,133	3,853,951	4,010,689	3,693,808	-
<i>Operational Revenues:</i>	3,510,283	3,784,990	3,699,041	3,692,228	3,661,407	3,779,991	3,551,976	3,779,377	
<i>Non-Operational Revenues:</i>									
<i>Fund Balance Revenues:</i>									
<i>Total Revenues:</i>	3,510,283	3,784,990	3,699,041	3,692,228	3,661,407	3,779,991	3,551,976	3,779,377	-
<i>Net increase/decrease to Fund Balance</i>	75,523	(123,487)	(142,338)	(287,316)	(302,726)	(73,960)	(458,713)	85,569	-
<i>Total General Fund Balance:</i>	(11,920,503)	(11,797,015)	(11,654,677)	(11,015,357)	(11,064,635)	(10,990,675)	(10,532,718)	(10,586,758)	
<i>Total Unrestricted Fund Balance</i>	(10,311,714)	(10,787,218)	(10,810,659)	(10,537,767)	(10,800,110)	(10,826,266)	(10,445,543)	(10,546,649)	
<i>Total Restricted Fund Balance</i>	(1,256,785)	(1,009,797)	(844,018)	(477,590)	(264,525)	(164,410)	(87,175)	(40,109)	
<i>Avg. Operational Cost per day:</i>	114,492	116,332	118,372	117,910	118,536	120,939	121,808	121,777	
	September	October	November	December	January	February	March	April	May
DAYS OF OPERATION OF TOTAL FUND BALANCE	104	101	98	93	93	91	86	87	#DIV/0!
DAYS OF OPERATION OF UNRESTRICTED FUND BALANCE	90	93	91	89	91	90	86	87	#DIV/0!
DAYS OF OPERATION OF RESTRICTED FUND BALANCE	11	9	7	4	2	1	1	0	#DIV/0!

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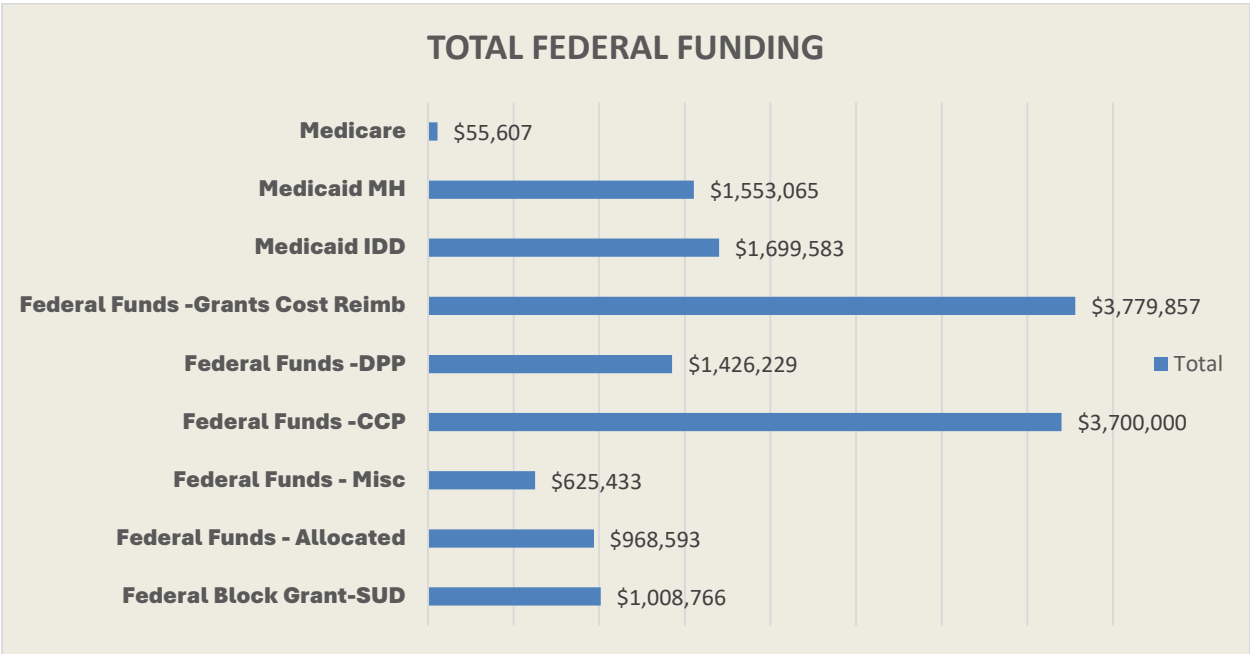
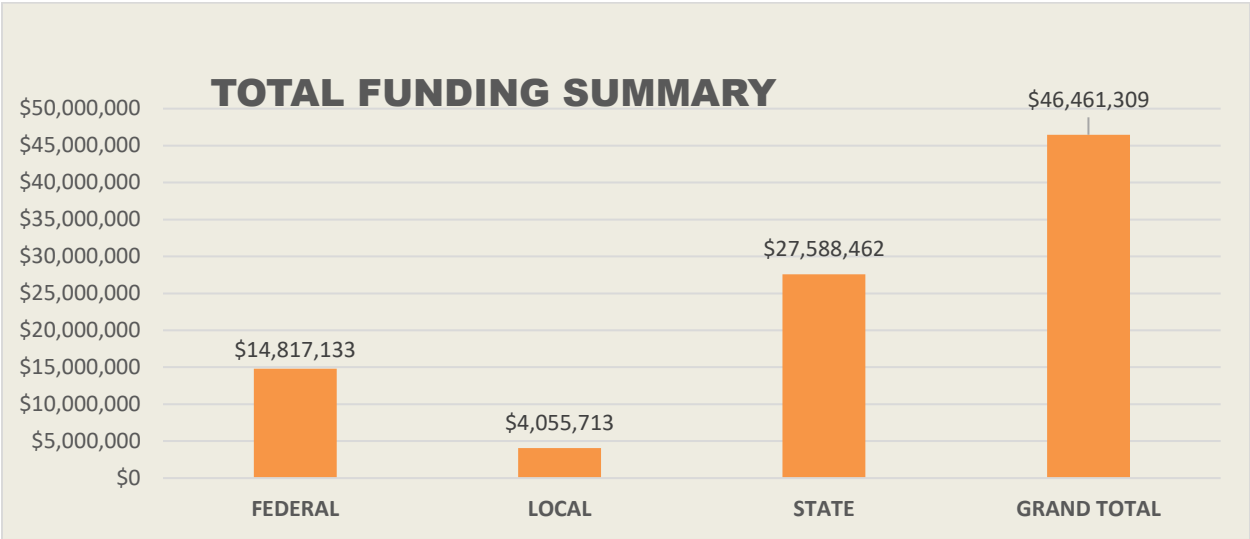
MONTHLY BOARD REPORT - APRIL 2025

	<u>MONTHLY</u> <u>FY2025</u> <u>BUDGET</u>	<u>MONTHLY</u> <u>FY 2025</u> <u>April</u>	<u>ANNUAL</u> <u>FY 2025</u> <u>BUDGET</u>	<u>YEAR TO DATE</u> <u>FY 2025</u> <u>April</u>	<u>YTD</u> <u>Percent</u> <u>Variance</u>	<u>YTD</u> <u>Dollar</u> <u>Variance</u>
EXPENSES						
Salary and Wages	\$1,656,087.32	\$1,611,257.25	\$19,873,048.53	\$12,467,775.55	62.7%	\$7,405,272.98
Fringe Benefits	\$562,581.44	\$572,847.60	\$6,750,975.93	\$4,546,180.23	67.3%	\$2,204,795.70
Travel	\$17,661.10	\$22,699.78	\$211,932.23	\$206,446.29	97.4%	\$5,485.94
Consumables	\$31,828.14	\$35,948.08	\$381,942.00	\$375,759.28	98.4%	\$6,182.72
Pharmaceuticals/other	\$30,363.91	\$1,438.03	\$364,366.80	\$179,855.22	49.4%	\$184,511.58
Capital Improvements	\$46,143.04	\$47,065.50	\$553,716.11	\$1,216,675.33	219.7%	(\$662,959.22)
Furniture/Equip/Computer>\$5000	\$14,628.28	\$7,754.59	\$175,538.95	\$97,939.91	55.8%	\$77,599.04
Furniture/Equip/Computer<\$5000	\$28,300.93	\$0.00	\$339,610.86	\$85,520.39	25.2%	\$254,090.47
Facility Costs:	\$40,834.26	\$79,488.86	\$490,010.54	\$432,808.69	88.3%	\$57,201.85
Utilities	\$13,205.79	\$12,960.99	\$158,469.55	\$92,765.30	58.5%	\$65,704.25
Communications:	\$38,266.60	\$18,926.46	\$459,199.58	\$320,601.17	69.8%	\$138,598.41
Insurance	\$49,754.10	\$41,538.31	\$597,049.62	\$331,744.47	55.6%	\$265,305.15
Vehicle Operating	\$17,074.12	\$14,814.62	\$204,888.38	\$138,361.58	67.5%	\$66,526.80
Other Operating	\$23,155.05	\$8,510.15	\$277,860.48	\$175,089.44	63.0%	\$102,771.04
Client Support Cost	\$48,250.21	\$35,836.75	\$579,002.07	\$315,489.13	54.5%	\$263,512.94
Unallowable Costs	\$8,041.61	\$4,814.45	\$96,499.51	\$73,759.57	76.4%	\$22,739.94
Consultant/Professional - External	\$16,371.88	\$11,078.25	\$196,462.50	\$92,093.52	46.9%	\$104,368.98
Other Organizations - Internal	\$2,833.33	\$472.00	\$34,000.00	\$7,904.00	23.3%	\$26,096.00
Other Organizations - External	\$1,079,934.65	\$1,103,703.61	\$12,959,215.63	\$8,792,364.46	67.9%	\$4,166,851.17
Other Organizations - Non-Clinical	\$208,727.84	\$62,652.27	\$2,504,733.63	\$737,608.32	29.5%	\$1,767,125.31
TOTAL EXPENSES:	\$3,934,043.60	\$3,693,807.55	\$47,208,522.90	\$30,686,741.85	65.0%	\$16,521,781.05

MONTHLY BOARD REPORT - APRIL 2025

	<u>MONTHLY</u> <u>FY2025</u> <u>BUDGET</u>	<u>MONTHLY</u> <u>FY 2025</u> <u>April</u>	<u>ANNUAL</u> <u>FY 2025</u> <u>BUDGET</u>	<u>YEAR TO DATE</u> <u>FY 2025</u> <u>April</u>	<u>YTD</u> <u>Percent</u> <u>Variance</u>	<u>YTD</u> <u>Dollar</u> <u>Variance</u>
REVENUES						
Brazoria County:	\$22,376.66	\$22,376.66	\$268,520.00	\$179,563.28	66.9%	\$88,956.72
Galveston County:	\$71,085.51	\$76,358.79	\$853,026.10	\$551,692.56	64.7%	\$301,333.54
Local Funds:	\$123,971.32	\$75,609.88	\$1,487,655.54	\$831,880.05	55.9%	\$655,775.49
Earned Income:	\$480,294.30	\$516,427.09	\$5,763,532.12	\$3,671,561.89	63.7%	\$2,091,970.23
State Funds Allocated:	\$1,716,041.70	\$1,730,740.31	\$20,592,500.44	\$13,944,294.39	67.7%	\$6,648,206.05
State Funds Grants-Cost Reimb:	\$582,996.85	\$533,743.20	\$6,995,961.96	\$3,370,209.19	48.2%	\$3,625,752.77
Federal Funds - Allocated	\$80,716.07	\$80,716.07	\$968,592.84	\$645,728.56	66.7%	\$322,864.28
Federal Funds -Grants Cost Reimb:	\$314,988.11	\$210,366.99	\$3,779,857.27	\$2,323,929.00	61.5%	\$1,455,928.27
Federal Funds - Misc.:	\$52,119.43	\$113,584.29	\$625,432.97	\$580,274.78	92.8%	\$45,158.19
Federal Funds -DPP:	\$118,852.45	\$118,852.45	\$1,426,229.39	\$926,819.60	65.0%	\$499,409.79
Federal Funds - CCP	\$370,601.20	\$300,601.20	\$4,447,214.27	\$2,434,809.58	54.8%	\$2,012,404.69
Total Revenue	\$3,934,043.60	\$3,779,376.93	\$47,208,522.90	\$29,460,762.88	62.4%	\$17,747,760.02
EXCESS OF REVENUE OVER EXPENSES	\$0.00	\$85,569.38	\$0.00	(\$1,225,978.97)	00.0%	\$1,225,978.97
LESS: CAPTIAL OUTLAY	(\$46,143.04)	(\$47,065.50)	(\$553,716.11)	(\$1,216,675.33)	219.7%	\$662,959.22
NET OPERATING SURPLUS/DEFICIT:	\$46,143.04	\$132,634.88	\$553,716.11	(\$9,303.64)	01.7%	\$563,019.75

FEDERAL FUNDING ANALYSIS





April 30, 2025

To the Board of Trustees of
The Gulf Coast Center
C/O Mr. Rick Elizondo, CFO
4444 West Main
League City, Tx. 77573

You have requested that we audit the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of **The Gulf Coast Center (the Center)** as of August 31, 2025, and for the year then ended, and the related notes to the financial statements and the budgetary comparison for the general fund, which collectively comprise the Center's basic financial statements.

In addition, we will audit the entity's compliance over major federal and state award programs for the period ended August 31, 2025. 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 award programs. The objectives of our audit of the financial statements 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 opinion. 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 auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards*, and/or any state or regulatory audit requirements will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB), 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

Schedule of Expenditures of Federal and State Awards

We will subject the schedule of expenditures of federal and state 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 federal and state 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 audits in accordance with 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) and the Texas Grant Management Standards (TxGMS).

As part of an audit of financial statements in accordance with GAAS and in accordance with Government Auditing Standards, Uniform Guidance and TxGMS we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 controls.
- Obtain an understanding of the system of internal control 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.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, 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 a reasonable period of time.

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 may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America and TxGMS. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is 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. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this 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 award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance and the TxGMS and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and TxGMS, 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 material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the 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*, and the Uniform Guidance 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 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 entity's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and, if applicable, in accordance with *Government Auditing Standards*, and TxGMS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal and state 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, and performing such other procedures as we considers necessary in the circumstances. 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 and TxGMS.

Also, as required by the Uniform Guidance, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and 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. 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. However, we will communicate to you, 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 have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal 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.

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 the system 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;
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 awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely, the financial results of each federal award in accordance with the requirements of the award;
9. 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;
10. For taking prompt action when instances of noncompliance are identified;
11. 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;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. 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 including disclosures, and relevant to federal 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 and others from whom we determine it necessary to obtain audit evidence.
16. 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 year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;

18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in the system of internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal and state awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance and TxGMS, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal and state awards, (c) to include our report on the schedule of expenditures of federal and state awards in any document that contains the schedule of expenditures of federal and state awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal and state 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 federal and state 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, 2026. The Center is further responsible for ensuring that other appropriate governmental agencies receive copies of the audit report as appropriate.

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.

Nonattest Services

With respect to any nonattest services we perform, we agree to perform the following:

- Preparing and binding the financial statements (including GASB 34 entries), formatting the client prepared schedule of expenditures of federal and state awards, and preparing the related notes of the Center in conformity with U.S. generally accepted accounting principles and Uniform Guidance and the Texas Grant Management Standards based on information provided by you.
- Complete the auditee's portion of the Data Collection Form
- Maintain leases and SBITA contracts in lease query.

We will not assume management responsibilities on behalf of the Center. The Center's management understands and agrees that any advice or recommendation we may provide in connection with our audit engagement are solely to assist management in performing its responsibilities.

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.

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) designing, implementing, and maintaining the system of internal control, including the process used to monitor the system of internal control.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities.

Fees and Timing

Rebekah Scott is the engagement partner for the audit services specified in this letter. The engagement partner's responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, inclusive of actual out-of-pocket expenses, but plus administrative charges and a 5% technology fee. Invoices are payable upon presentation. We estimate that our fee for the audit will be \$76,000 plus the aforementioned technology fee. Our fee includes Single Audit procedures for 2 state and 2 federal major programs. Should your audit require additional major programs, our fee for each program will be \$6,000. We will determine major programs based on risk as required by the Uniform Guidance and TxGMS.

Out of scope or additional work caused by delays in receiving items on the PBC list will be billed at a rate of \$190 an hour. We will notify and obtain approval from both the CFO and CEO of any delays and extra work prior to incurring this time.

In addition the fee to house leases and SBITAs on lease query is \$175 per lease or SBITA per year (recurring fee per lease/SBITA each year). The fee to input any new leases or SBITAs in the current year is \$250 per lease or SBITA.

The ability to perform and complete our engagement consistent with the estimated fee included above depends upon the quality of your underlying accounting records and the timeliness of your personnel in providing information and responding to our requests.

To assist with this process, we will provide you with an itemized request list that identifies the information you will need to prepare and provide in preparation for our engagement, as well as the requested delivery date for those items. A lack of preparation, including not providing this information in an accurate and timely manner, unanticipated audit adjustments, and/or untimely assistance by your personnel may result in an increase in our fees and/or a delay in the completion of our engagement.

If all items are not provided in a timely manner (including the trial balance) as requested in the PBC list on Suralink, we will track and bill the additional time it takes our team to perform this work. Further, we will track time it takes to reaudit schedules if incorrect information is initially provided.

We may be requested to make certain audit documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. 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 outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in making such audit documentation available or 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 will only provide confidential engagement documentation to you via Eide Bailly's secure portal or other secure methods, and request that you use the same or similar tools in providing information to us. Should you choose not to utilize secure communication applications, you acknowledge that such communication contains a risk of the information being made available to unintended third parties. Similarly, we may communicate with you or your personnel via e-mail or other electronic methods, and you acknowledge that communication in those mediums contains a risk of misdirected or intercepted communications.

Should you provide us with remote access to your information technology environment, including but not limited to your financial reporting system, you agree to (1) assign unique usernames and passwords for use by our personnel in accessing the system and to provide this information in a secure manner; (2) limit access to "read only" to prevent any unintentional deletion or alteration of your data; (3) limit access to the areas of your technology environment necessary to perform the procedures agreed upon; and (4) disable all usernames and passwords provided to us upon the completion of procedures for which access was provided. We agree to only access your technology environment to the extent necessary to perform the identified procedures.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your website or elsewhere, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others.

We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider. You acknowledge that your information may be disclosed to such service providers, including those outside the United States.

Neither of us may use or disclose the other's confidential information for any purpose except as permitted under this engagement letter or as otherwise necessary for Eide Bailly to provide the services. Your confidential information is defined as any information you provide to us that is not available to the public. Eide Bailly's confidential information includes our audit documentation for this engagement. Our audit documentation shall at all times remain the property of Eide Bailly LLP. The confidentiality obligations described in this paragraph shall supersede and replace any and all prior confidentiality and/or nondisclosure agreements (NDAs) between us.

We agree to retain our audit documentation or work papers for a period of at least eight 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 routine nature.

You agree to share all facts that may affect your financial statements, even if you first become aware of those facts after the date of the auditor's report but before the date your 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, we have provided a copy of our most recent peer review report.

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.

MEDIATION

Any disagreement, controversy or claim arising out of or related to any aspect of our services or relationship with you (hereafter a "Dispute") shall, as a precondition to litigation in court, first be submitted to mediation. In mediation, the parties attempt to reach an amicable resolution of the Dispute with the aid of an impartial mediator. Mediation shall begin by service of a written demand. The mediator will be selected by mutual agreement. If we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA"). Mediation shall 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. Neither party may commence a lawsuit until the mediator declares an impasse.

LIMITED INDEMNITY

Eide Bailly LLP and its partners, affiliates, officers and employees (collectively "Eide Bailly") shall not be responsible for any misstatements in your financial statements that we may fail to detect as a result of misrepresentations or concealment of information by any of your owners, directors, officers or employees. You shall indemnify and hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees arising from any such misstatement or concealment of information.

If through no fault of Eide Bailly we are named as a party to a dispute between you and a third party, you shall indemnify and hold Eide Bailly harmless against any losses, damages, settlements, judgments, awards, and the costs of litigation (including attorneys' fees) we incur in connection with the dispute.

Eide Bailly shall not be entitled to indemnification under this agreement unless the services were performed in accordance with professional standards in all material respects.

LIMITATION OF LIABILITY

The exclusive remedy available to you for any alleged loss or damages arising from or related to Eide Bailly's services or relationship with you shall be the right to pursue claims for actual damages that are directly caused by Eide Bailly's breach of this agreement or Eide Bailly's violation of applicable professional standards. In no event shall Eide Bailly's aggregate liability to you exceed two times fees paid under this agreement, nor shall Eide Bailly ever be liable to you for incidental, consequential, punitive or exemplary damages, or attorneys' fees.

TIME LIMITATION

You may not bring any legal proceeding against Eide Bailly unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we delivered our report, return, or other deliverable under this agreement to you, regardless of whether we do other services for you or that may relate to the audit. The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of a possible Dispute.

GOVERNING LAW AND VENUE

Any Dispute between us, including any Dispute related to the engagement contemplated by this agreement, shall be governed by Minnesota law. Any unresolved Dispute shall be submitted to a federal or state court located in Abilene, Texas.

ASSIGNMENTS PROHIBITED

You shall not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly to any person.

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 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,



Rebekah Scott
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

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 Public Company Accounting Oversight Board ("PCAOB") permanent inspection in effect for the year ended April 30, 2023. 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. The summary also includes an explanation of how engagements identified as not performed or reported on 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 and complying with a system of quality control to provide the Firm with reasonable assurance of performing and reporting in conformity with the requirements of 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 on in conformity with the requirements of applicable 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 and compliance with the Firm's system of quality control 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 April 30, 2023, 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

Atlanta, Georgia
January 9, 2024



April 30, 2025

To the Board of Trustees of
The Gulf Coast Center
League City, Texas

This letter is provided in connection with our engagement to audit the financial statements and to audit compliance over major federal and state award programs of The Gulf Coast Center (the Center) as of and for the year ended August 31, 2025. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit, the compliance audit, and the planned scope and timing of our audits, including significant risks we have identified.

Our Responsibilities

As stated in our engagement letter dated April 30, 2025, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), *Government Auditing Standards* of the Comptroller General of the United States of America, the requirements of the Single Audit Act, as amended; and the provisions of 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 (TxGMS) for the purpose of forming and expressing opinions on the financial statements and on major federal and state award program compliance. Our audits do not relieve you or management of your respective responsibilities.

Our responsibility as it relates to the schedule of expenditures of federal and state awards is to evaluate its presentation for the purpose of forming and expressing an opinion as to whether it is presented fairly in all material respects in relation to the financial statements as a whole.

Planned Scope of the Audit

Our audits will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

Our audit procedures will also include determining major federal and state 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.

What inspires you, inspires us. | eidebailly.com

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400 Pine St., Ste. 600 | Abilene, TX 79601-5190 | T 325.672.4000 | TF 800.588.2525 | F 325.672.7049 | EOE

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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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or material noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards* of the Comptroller General of the United States of America, the requirements of the Single Audit Act, as amended; and the provisions of the Uniform Guidance and TxGMS.

Our audits will include obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements, the risk of material noncompliance in the major federal award programs, and as a basis for designing the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control over financial reporting. However, we will communicate to you at the conclusion of our audit, any material weaknesses or significant deficiencies identified. We will also communicate to you:

- Any violation of laws or regulations that come to our attention;
- Our views related to qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;
- Significant difficulties, if any, encountered during the audit;
- Significant unusual transactions, if any;
- The potential effects of uncorrected misstatements on future-period financial statements; and
- Other significant matters that are relevant to your responsibilities in overseeing the financial reporting process.

Professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks." Although we are currently in the planning stage of our audit, we have preliminarily identified the following significant risks that require special audit consideration.

Management override of controls in the audit or single audit – Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified as a significant risk that management of the Center may have the ability to override controls that the Center has implemented. Management may override the Center's controls in order to modify the financial records with the intent of manipulating the financial statements to overstate the Center's financial performance or with the intent of concealing fraudulent transactions.

Revenue recognition- Professional standards identify improper revenue recognition as a presumed fraud risk. As a result, we have identified the risk of improper recognition of revenue; more specifically, the risk that revenue could be materially misstated due to error or fraud for revenue recorded for services not provided in the corresponding period or for services not performed.

Revenue recognition related to the Directed Payment Program (DPP) – We identified revenue recognition related to the DPP program as a significant risk as the program is subject to interpretation and includes estimates based on claim history.

Allowance for Doubtful Accounts – We identified the allowance for doubtful accounts as a significant risk as the allowance is a significant estimate for the Center. Accounting guidance requires management to estimate the collectability of outstanding accounts receivable and establish a reserve when needed. To establish the allowance, management uses historical loss levels applied to portfolios of accounts based on underlying insurance payor arrangement, their current knowledge of facts, and assumptions about the future.

We expect to begin our audit in September 2025 and issue our report in January 2026.

This information is intended solely for the information and use of the Board and management of the Center and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

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

Abilene, Texas



FY26 Holiday Calendar

HOLIDAY	DAY OBSERVED	DAY OF WEEK
Labor Day	9/1/2025	Monday
Thanksgiving	11/27/2025	Thursday
Day after Thanksgiving	11/28/2025	Friday
Christmas Eve	12/24/2025	Wednesday
Christmas Day	12/25/2025	Thursday
New Year's Day	1/1/2026	Thursday
Martin Luther King Jr. Day	1/19/2026	Monday
President's Day	2/16/2026	Monday
Good Friday	4/3/2026	Friday
Memorial Day	5/25/2026	Monday
Juneteenth	6/19/2026	Friday
Independence Day	7/3/2026	Friday



The Gulf Coast Center
4352 E.F. Lowry Expressway
Texas City, Texas 77591
(281) 229-2469
(409) 948-1411 FAX
SamuelT@GulfCoastCenter.org

MEMORANDUM

Jan 29, 2025

To: Board of Trustees

From: Samuel Tingle, Director of Fixed Assets and Purchasing

Re: Declaration of Surplus Vehicle

Approval is requested to declare the following vehicle as surplus and authorize disposal.

- 2006 Ford Taurus – VEH# 1112
 - VIN # 1FAFP53286A261112
 - License Plate # 124-6108
 - 133,852 miles

Thank you for your consideration.



The Gulf Coast Center
4352 E.F. Lowry Expressway
Texas City, Texas 77591
(281) 229-2469
(409) 948-1411 FAX
SamuelT@GulfCoastCenter.org

MEMORANDUM

May 6th, 2025

To: Board of Trustees

From: Samuel Tingle, Director of Fixed Assets and Purchasing

Re: Declaration of Surplus Vehicle

Approval is requested to declare the following vehicle as surplus and authorize disposal, as it is no longer cost effective to maintain.

- 2010 Ford Fusion – VEH# 0925
 - VIN # 3FAHP0GA1AR340925
 - License Plate # 107-4818
 - 128,205 miles

Thank you for your consideration.



Handbook of Operating Procedures Policy 8.20	
Section: Management Information Systems	Responsibility and Oversight: Chief Information Officer
Subject: AI Governance Policy	Origination Date: 4/17/2025 Last Revision/Review:

I. Scope

This policy applies to all AI systems, including machine learning models, decision-support tools, and automated processes implemented in Gulf Coast Center's operations. It governs AI deployment in clinical decision-making, administrative processes, and community outreach efforts.

II. Purpose

Automate the Ordinary and Humanize the Extraordinary. This AI Governance Policy establishes guidelines for the ethical and effective use of artificial intelligence (AI) technologies within the Gulf Coast Center to enhance behavioral health services while ensuring compliance with regulatory standards and safeguarding human rights.

III. Principles of AI Governance

A. Ethical AI Use

- AI must align with HIPAA, SAMHSA, and APA guidelines for behavioral health.
- AI should enhance, not replace, human-centered care.
- AI solutions must respect patient dignity and autonomy.

B. Data Security & Privacy

- AI systems must comply with HIPAA and GDPR regulations.
- Sensitive patient data should be encrypted and anonymized where possible.
- Data access must be restricted to authorized personnel.

C. Transparency & Explainability

- AI decision-making must be interpretable and justifiable.
- Patients and providers should have insight into how AI tools generate recommendations.

D. Bias Mitigation

- AI models must be trained on diverse datasets to prevent biases.
- Regular audits should be conducted to identify and correct bias in AI outputs.

E. Human Oversight & Accountability

- AI-assisted decisions should always involve human review.
- AI failures or risks must be reported and reviewed by the AI Governance Committee.
- Staff must be trained in AI usage and ethical considerations.

IV. Implementation Guidelines

A. AI Deployment Approval Process

- AI tools must undergo assessment for compliance, security, and ethical considerations before deployment.
- The AI Governance Committee will review AI proposals and recommend improvements.

B. Risk Management & Compliance

- AI applications must undergo periodic risk assessments.
- Any security or ethical breaches must be addressed immediately.
- AI systems should undergo continuous monitoring to ensure compliance.

C. Training & Education

- Staff must be educated on AI functionality, limitations, and ethical use.
- Regular workshops should be conducted on AI ethics and best practices.

V. Community & Stakeholder Engagement

- Gulf Coast Center will engage with community members to ensure AI meets the needs and values of the population served.
- Transparent communication regarding AI use will be maintained.
- Feedback mechanisms will be available for stakeholders to report concerns.

VI. AI Governance Responsibilities

- **Acceptable AI Platforms:** The AI Governance Committee will evaluate and approve AI platforms suitable for healthcare.
- **Staff Use Guidelines:** Employees must follow established protocols for leveraging AI tools in clinical and operational settings.
- **Policy Oversight:** The AI Governance Committee reviews, adjusts, and enforces AI guidelines to keep pace with evolving technology and regulations.

VII. Future Considerations

- Collaborate with AI ethics committees and industry leaders.
- Advocate for updated state and federal guidelines on AI governance in behavioral health.
- Invest in AI research to continually refine and improve applications.

VIII. Review & Revision

The AI Governance Committee will review this policy annually to ensure it remains aligned with emerging regulations, ethical considerations, and technological advancements.

IX. Attachments:

AI Vetting Checklist Behavioral Health



AI Vetting Checklist

1. Purpose & Clinical Relevance

- ☐ Is the AI application appropriate for behavioral health (e.g., care coordination, early intervention, risk prediction)?
- ☐ Does it align with person-centered, trauma-informed, and recovery-oriented principles?
- ☐ Does it enhance access, quality of care, or client outcomes?

2. Data Governance & Privacy

- ☐ Is Protected Health Information (PHI) handled in compliance with HIPAA?
- ☐ Are behavioral health-specific confidentiality rules (e.g., 42 CFR Part 2) addressed?
- ☐ Is informed consent built into AI-enabled processes where applicable?
- ☐ Are data storage, access, and retention policies clearly defined?

3. Clinical Performance & Safety

- ☐ Are clinical validation studies or peer-reviewed results available?
- ☐ Does the tool support—not replace—clinical judgment?
- ☐ Are mechanisms in place to handle uncertainty or escalate care when needed?
- ☐ Has the AI been evaluated for safety, false positives, and unintended consequences?

4. Explainability & Provider Trust

- ☐ Can staff understand how the AI arrives at decisions or predictions?
- ☐ Are model outputs presented in clear, plain language?
- ☐ Can clinicians override AI-driven recommendations?

5. Integration & Workflow Fit

- ☐ Is the solution compatible with your Electronic Health Record (EHR)?
- ☐ Can it be used with Same Day/Next Day Access, Just-in-Time, or CCBHC workflows?
- ☐ Does it reduce staff burden (e.g., documentation, data entry)?
- ☐ Does it integrate with appointment scheduling or care team coordination?

6. Security & Compliance

- ☐ Is the vendor compliant with HIPAA and 42 CFR Part 2?
- ☐ Are there controls against data breaches and cyber threats?
- ☐ Is a Business Associate Agreement (BAA) available and up to date?
- ☐ Is the AI monitored for ongoing regulatory compliance?

7. Human Oversight & Clinical Accountability

- ☐ Are licensed professionals part of decision-making loops?
- ☐ Is there clear guidance for when human intervention is required?
- ☐ Can care managers, clinicians, or peers report concerns or errors?

8. Vendor Credentials & Ethics

- ☐ Is the vendor experienced in behavioral health and government-funded service environments?
- ☐ Are model development practices and datasets transparent?
- ☐ Does the vendor adhere to responsible AI practices and provide support?

9. Impact, Evaluation & Equity Monitoring

- ☐ Are there KPIs to measure success (e.g., reduced hospitalizations, improved access)?
- ☐ Can performance be monitored continuously and adjusted if needed?
- ☐ Are underserved or high-need populations appropriately considered in model application?

10. Quality Management & Outcomes Reporting

- ☐ Does the tool support population health tracking or outcome-based care?
- ☐ Can it contribute to or automate quality reporting (e.g., HEDIS, CCBHC, NCQA)?
- ☐ Is data exportable for performance dashboards or quality audits?
- ☐ Can it support persons in services-reported outcomes or satisfaction surveys?

11. Governmental Reporting & Compliance

- ☐ Does the AI facilitate reporting to federal/state entities (e.g., Medicaid, SAMHSA)?
- ☐ Is it compatible with funding-specific reporting requirements (e.g., CCBHC, PATH)?
- ☐ Can it support grant performance tracking or deliverable submissions?
- ☐ Are templates or workflows available for compliance reports (e.g., Uniform Data System)?

12. Accounting & Revenue Cycle Management

- ☐ Does it support billing workflows (e.g., encounter documentation, claim generation)?
- ☐ Can it help identify billing errors, missed charges, or audit risks?
- ☐ Is it compatible with your existing revenue cycle or billing software?
- ☐ Does it improve tracking of accounts receivable, collections, or denials?
- ☐ Can it assist in optimizing payer mix or contract performance?



GULF COAST CENTER

"Better community healthcare promoting healthy living."

THE GULF COAST CENTER

Regular Board of Trustees Meeting
Wednesday, March 26, 2025 at 6:15 pm
Southern Brazoria County Service Center

Join the meeting by **phone (audio only):**

Phone Number: +1 (646) 749-3112

Access Code: 745-266-421

MINUTES

- 1) **Call To Order**– Stephen Holmes, Vice-Chair of the Board of Trustees, convened the regular meeting on Wednesday, March 26, 2025 at 6:15 p.m.

The following Board Members were present: Stephen Holmes, Vice-Chair, Caroline Rickaway, Vivian Renfrow, Brazoria County Sheriff Bo Stallman, and Galveston County Sheriff Lt. Jaime Castro.

The following Board Member(s) were excused: Jamie Travis, Mary Lou Flynn-DuPart, Chris Cahill

Also present were: Felicia Jeffrey, CEO – Gulf Coast Center, Linda Bell, General Counsel, Rick Elizondo, CFO, Devon Stanley, CIO, Sarah Holt, CNO, Jerry Freshour, Sandy Patterson, and Amanda Groller.

- 2) **Citizens' Comments:** None

- 3) **Program Report:** Rebekah Scott, CPA, Audit Partner, Eide Bailly provided a live detailed PowerPoint presentation for the Financial and Compliance Audit Report for Fiscal Year 2024. The auditor provided an overview of the audit findings, summarizing key financial aspects in a PowerPoint presentation.

- **Acknowledgments:** Appreciation was extended to Rick and his team for their contributions to the audit process.
- **Audit Scope:** Eide Bailly audited sixteen centers this year. Gulf Coast is in its second year of a six-year rotation.
- **Audit Opinion:** An unmodified audit opinion was issued, with no new accounting pronouncements affecting the audit.
- **Financial Overview:**
 - o **Total Assets** increased by \$4M, primarily in cash, with corresponding liability increases of \$3.6M due to funds received but not yet utilized.
 - o **Net Position** increased by \$400K, a positive outcome compared to other centers that experienced decreases.
 - o **Challenges:** Rising costs, including salaries, reduced COVID-related funding, and declining charity care pool funds.
- **Fund Balance:**
 - o Total fund balance: \$11.8M, with \$867K committed to projects.
 - o Unassigned balance: \$10.6M, covering approximately 25% of annual expenditures, indicating financial health.

- **Revenue:**
 - o Total revenue: \$41M, with increases in state program funds (\$5M) and investment earnings (\$665K).
 - o Federal revenue declined slightly due to the phase-out of COVID funds, partially offset by a new CCBHC grant.
 - **Single Audit Findings:**
 - o No material weaknesses or significant deficiencies.
 - o Compliance findings: None, resulting in a low-risk auditee designation.
 - **Looking Ahead to FY 2025:**
 - o Changes in the Directed Payment Program structure for improved accounting.
 - o Implementation of GASB 101 for compensated absences, expected to have a minimal impact.
- The auditor invited questions, but none were raised.

4) **Board Member Reports:**

- a. Texas Council of Community Centers: Jamie Travis, Board Chair: not in attendance
- b. Texas Council Risk Management Fund: Mary Lou Flynn-DuPart: TCRMF Board Chair: not in attendance.

5) **Operations Report:** Felicia Jeffrey, CEO

a. Operational, Clinical, & Financial Excellence:

- Legislative Update
- Status of Strategic Plan – Leadership Excellence
- Status of Project Managers – Four (4) Project Managers
- Everything a board member should be talking about at home/ CEO Highlights

Funding Updates:

- o **Galveston County Facility:** Funding is progressing as expected.
- o **Brazoria County:** Gulf Coast Center will contract with Meadows to guide the inpatient facility planning process.

IDD Funding:

- o Expected increase in provider rates this legislative session.

COVID Block Funds:

- o Gulf Coast Center faces a potential loss of \$800,000 in COVID block funding.
- o Internal discussions are ongoing regarding budget adjustments in the event that funds are lost.

Strategic Plan:

- o Focus narrowed to **Leadership Excellence** and **Clinical Excellence**.
- o Additional meetings are planned before presenting the final strategic plan to the board.

Project Management Updates:

- o The four contracted project managers (.25 FTE each) are successfully organizing multiple projects within the center.
- o This structure allows staff to focus on their core responsibilities while ensuring project continuity.

Federal Funding Considerations:

- o Awareness of potential risks to federal funding.
- o Discussions are ongoing to assess the impact of any funding reductions.
- o Contingency plans in place, with the ability to scale down or discontinue affected programs if necessary.

Key Concern: Board members should stay informed about the COVID block fund reductions and the overall funding environment.

6) **Budget, Finance and Admin Reports**Rick Elizondo, CFO

a. Financial & Operational Monthly Report & YTD Summary

Fund Balance Review:

- **Beginning Balance:** \$11.8 million.
- **Current Balance:** Nearly \$11 million, despite an **\$854,000 deficit** primarily due to capital construction costs for the Alvin facility.

Days of Operation:

- Currently at **90 days of unrestricted days of operation**, aligning with the center's operational needs despite the construction expenses.

Expenses & Revenue (Year-to-Date through February – 50% of the Fiscal Year):

- **Expenses:** \$22,982,000 (some exceeding 50% due to timing of grants).
- **Revenues:** \$22,127,000 (slightly below target by approximately \$100,000).
- CCP revenue was reduced due to a larger participant pool, resulting in an **18% reduction** across centers, causing an estimated **\$500,000-\$600,000 shortfall**.

Operational Outlook:

- Despite the deficit, **adjusted operations (excluding capital expenditures) show a \$238,000 surplus**.
- Improvement is expected throughout the year as earned revenues increase.

Alvin Facility Construction:

- **Interior Completion:** Expected within a week, allowing staff to begin moving in.
- **Exterior Work:** Minor remaining tasks, with full completion anticipated within **2-3 weeks**.
- **Staff Feedback:** Positive reception to facility progress.

Key Takeaway: Financially stable despite temporary deficits due to planned capital expenditures, with a positive outlook on revenue and operations moving forward.

b. FY24 Corporate Compliance Annual Training and Report

Corporate Compliance Leadership Transition:

- Cindy Kegg, Corporate Compliance Officer since 2002, will retire on June 1st after 40 years of service.
- The position was posted last week, and candidates are being reviewed to ensure a smooth transition before her departure.

Staff Training & Compliance:

- Over 200 staff trained in 2024, with 97% completion rate.
- Training covers False Claims Act, Stark Law, business code of conduct, abuse/neglect/exploitation, incident reporting, and HIPAA compliance.

Compliance Issues in 2024:

- Only three compliance issues reported this year.
- HIPAA remains the main challenge, primarily human errors (misdirected emails, incorrect medication distribution).
- No fraud or False Claims Act violations reported.

Incident Reporting & Self-Review:

- Gulf Coast Center actively self-reports and repays any necessary funds when documentation errors occur.
- Regular quarterly Corporate Compliance Committee meetings ensure policies and procedures stay up to date.

Program Strength & Future Considerations:

- The compliance program has operated **effectively and consistently** for decades.

- Technology updates and new federal requirements (e.g., E-Verify, Homeland Security checks) require ongoing policy adjustments.
 - Goal is to hire a replacement before Cindy Kegg departs to facilitate a thorough knowledge transfer, given her extensive experience beyond compliance (e.g., Human Rights Committee).
- Key Takeaway:** The corporate compliance program is strong and well-functioning, with a proactive approach to training, reporting, and policy updates. The transition of leadership is a priority to maintain program integrity and institutional knowledge.

7) **Consent Agenda** Linda Bell, JD, BSN, RN
Consideration and Approval of Recommendations and Acceptance of Consent Agenda Items.

a. **Review and approval of December 11, 2024 Board Minutes.**

On motion by Jaime Castro, and a second by Caroline Rickaway, the board approved the December 11, 2024 Board Minutes. The motion carried with all members voting in favor. There was no public comment.

a. **Review and approval of December 2024, January 2025 and February 2025 Check Registers**

On motion by Caroline Rickaway, and a second by Jaime Castro, the board approved the December 2024, January 2025 and February 2025 Check Registers. The motion carried with all members voting in favor. There was no public comment.

8) **Action Items**..... Linda Bell, JD, BSN, RN

a. **Consider approval of the FY2024 Financial and Compliance Audit.**

On motion by Caroline Rickaway, and a second by Jaime Castro, the board voted the approval of the FY2024 Financial and Compliance Audit. The motion carried with all members voting in favor. There was no public comment.

b. **Consider approval of the FY2024 Annual Corporate Compliance Report.**

On motion by Caroline Rickaway, and a second by Jaime Castro, the board voted the approval of the FY2024 Annual Corporate Compliance Report. The motion carried with all members voting in favor. There was no public comment.

c. **Consider the approval of an increase in the Center's mileage reimbursement rate from \$0.67 cents per mile to \$0.70 cents per mile retro to January 1, 2025, for any mileage incurred on or after this date. The revised rate is consistent with the IRS allowable mileage rate for use of personal vehicle, as well as the State of Texas Comptroller's travel policy, which was revised effective January 1, 2025, to \$0.70 cents per mile rate.**

On motion by Jaime Castro, and a second by Bo Stallman, the board voted the approval of an increase in the Center's mileage reimbursement rate from \$0.67 cents per mile to \$0.70 cents per mile retro to January 1, 2025, for any mileage incurred on or after this date. The revised rate is consistent with the IRS allowable mileage rate for use of personal vehicle, as well as the State of Texas Comptroller's travel policy, which was revised effective January 1, 2025, to \$0.70 cents per mile rate. The motion carried with all members voting in favor. There was no public comment.

d. **Consider approval of HHSC Amendment #3 to the IDD Performance Contract #HHS001333300035. The purpose of this amendment is to extend the time to utilize American Rescue Plan Act (ARPA) Workforce Challenges funding through FY25. This funding was initially awarded to address the high number of individuals awaiting IDD assessments due to staffing challenges which increased due to the COVID pandemic.**

On motion by Caroline Rickaway, and a second by Bo Stallman, the board voted the approval of HHSC Amendment #3 to the IDD Performance Contract #HHS001333300035. The purpose of this amendment is to extend the time to utilize American Rescue Plan Act (ARPA) Workforce Challenges funding through FY25. This funding was initially awarded to address the high number of individuals awaiting IDD assessments due to staffing challenges which increased due to the COVID pandemic. The motion carried with all members voting in favor. There was no public comment.

- e. **Consider approval of HHSC Pilot Assistive Technology for Preadmission Screening and Resident Review (PASRR) contract #HHS001572400001. This contract provides funding to purchase video equipment that would allow individuals in nursing facilities to participate in virtual tours of locations in which they are considering moving as they transition back to the community setting. Contract expiration is 8/31/2025 with an amount not to exceed \$8,500.**

On motion by Bo Stallman, and a second by Jaime Castro, the board voted the approval of HHSC Pilot Assistive Technology for Preadmission Screening and Resident Review (PASRR) contract #HHS001572400001. This contract provides funding to purchase video equipment that would allow individuals in nursing facilities to participate in virtual tours of locations in which they are considering moving as they transition back to the community setting. Contract expiration is 8/31/2025 with an amount not to exceed \$8,500. The motion carried with all members voting in favor. There was no public comment.

- f. **Consider approval of Amendment 1 to the HHSC Youth Empowerment Services Waiver contract (YES Waiver) #HHS001291000034. This amendment revises the termination date of the contract to 3/31/27. No change in funding. The Youth Empowerment Services Waiver (YES Waiver) is a Medicaid program that helps children and youth with serious mental, emotional, and behavioral difficulties by providing intensive services to prevent out-of-home placement.**

On motion by Caroline Rickaway, and a second by Vivian Renfrow, the board voted the approval of Amendment 1 to the HHSC Youth Empowerment Services Waiver contract (YES Waiver) #HHS001291000034. This amendment revises the termination date of the contract to 3/31/27. No change in funding. The Youth Empowerment Services Waiver (YES Waiver) is a Medicaid program that helps children and youth with serious mental, emotional, and behavioral difficulties by providing intensive services to prevent out-of-home placement. The motion carried with all members voting in favor. There was no public comment.

- g. **Consider approval of Amendment 2 to the to the HHSC MH Performance contract #HHS001324500035. This amendment modifies attachment A13 (crisis facilities) of the contract by extending funding awarded in FY24 to be used through FY25. This attachment of the Mental Health contract covers a variety of community-based crisis programs designed to achieve psychiatric stabilization in the least restrictive environment possible.**

On motion by Caroline Rickaway, and a second by Vivian Renfrow, the board voted the approval of Amendment 2 to the to the HHSC MH Performance contract #HHS001324500035. This amendment modifies attachment A13 (crisis facilities) of the contract by extending funding awarded in FY24 to be used through FY25. This attachment of the Mental Health contract covers a variety of community-based crisis programs designed to achieve psychiatric stabilization in the least restrictive environment possible. The motion carried with all members voting in favor. There was no public comment.

- h. **Consider the approval to declare surplus and dispose of Center vehicle #8759, a 2009 Ford Crown Victoria with 165,450 miles, as this vehicle is no longer cost-effective for continued use due to age, high mileage, and increasing maintenance costs.**

On motion by Jaime Castro, and a second by Bo Stallman, the board voted the approval to declare surplus and dispose of Center vehicle #8759, a 2009 Ford Crown Victoria with 165,450 miles, as

this vehicle is no longer cost-effective for continued use due to age, high mileage, and increasing maintenance costs. The motion carried with all members voting in favor. There was no public comment.

- i. **Consider approval of the Memorandum of Understanding with Galveston County Probate Courts to collaborate in a court process for Assisted Outpatient Treatment (AOT), an evidenced-based program, that provides court-ordered treatment for individuals identified in need of AOT services. Term: March 31, 2025 until terminated.**

On motion by Jaime Castro, and a second by Vivian Renfrow, the board voted the approval of the Memorandum of Understanding with Galveston County Probate Courts to collaborate in a court process for Assisted Outpatient Treatment (AOT), an evidenced-based program, that provides court-ordered treatment for individuals identified in need of AOT services. Term: March 31, 2025 until terminated. The motion carried with all members voting in favor. There was no public comment.

- j. **Consider ratification of the new agreement with Nightingale Interpreting Inc. to provide a certified and qualified interpreter to interpret/transliterate for persons who are deaf or hard of hearing. Term: FY25**

**Language Rate of Reimbursement: \$190 first hour; \$95 for each additional hour
(emergency rate: \$260 first hour; \$130 each additional hour)**

**ASL Rate of Reimbursement: \$181.75 first hour; \$90.75 for each additional hour
(emergency rate: \$229.90 first hour; \$114.95 for each additional hour)**

On motion by Jaime Castro, and a second by Caroline Rickaway, the board voted the approval of the ratification of the new agreement with Nightingale Interpreting Inc. to provide a certified and qualified interpreter to interpret/transliterate for persons who are deaf or hard of hearing.

Term: FY25

Language Rate of Reimbursement: \$190 first hour; \$95 for each additional hour
(emergency rate: \$260 first hour; \$130 each additional hour)

ASL Rate of Reimbursement: \$181.75 first hour; \$90.75 for each additional hour
(emergency rate: \$229.90 first hour; \$114.95 for each additional hour)

The motion carried with all members voting in favor. There was no public comment.

- k. **Consider the ratification of the FY25 Renewal Agreement with Smith & Dean, Inc. dba Dean's Professional Services for nursing and phlebotomy services coverage within Center facilities. Rate of Reimbursement: no change from FY24.**

On motion by Bo Stallman, and a second by Jaime Castro, the board voted the approval of the ratification of the FY25 Renewal Agreement with Smith & Dean, Inc. dba Dean's Professional Services for nursing and phlebotomy services coverage within Center facilities. Rate of Reimbursement: no change from FY24. The motion carried with all members voting in favor. There was no public comment.

- l. **Consider ratification of the Care Coordination Memorandum of Understanding with Friendswood Police Department to facilitate treatment planning and care coordination activities for our mutual clients in a manner that is person and family-centered.**

On motion by Caroline Rickaway, and a second by Vivian Renfrow, the board voted the approval of the ratification of the Care Coordination Memorandum of Understanding with Friendswood Police Department to facilitate treatment planning and care coordination activities for our mutual clients in a manner that is person and family-centered. The motion carried with all members voting in favor. There was no public comment.

- m. **Consider approval of the Memorandum of Understanding establish a working arrangement between the Gulf Coast Center and HOMELESS NETWORK OF TEXAS dba TEXAS HOMELESS NETWORK for the delivery of in-kind supportive services (providing information and resources to those in need) administered to project participants by the**

Center in collaboration with THN's Texas Balance of State SUPPORTIVE SERVICES ONLY COORDINATED ENTRY PROJECT.

On motion by Jaime Castro, and a second by Caroline Rickaway, the board voted for the approval of the Memorandum of Understanding to establish a working arrangement between the Gulf Coast Center and HOMELESS NETWORK OF TEXAS dba TEXAS HOMELESS NETWORK for the delivery of in-kind supportive services (providing information and resources to those in need) administered to project participants by the Center in collaboration with THN's Texas Balance of State SUPPORTIVE SERVICES ONLY COORDINATED ENTRY PROJECT. The motion carried with all members voting in favor. There was no public comment.

n. Consider the approval of the below 2 Resolutions:

- **Office of the Governor - VOCA Grant application for GCC Crime Victims Counseling for the Fiscal Year 2026**
- **Office of the Governor - Juvenile Justice grant application for GCC Juvenile Justice Intervention for Fiscal Year 2026**

On motion by Vivian Renfrow, and a second by Caroline Rickaway, the board voted the approval of 2 Resolutions:

- **Office of the Governor - VOCA Grant application for GCC Crime Victims Counseling for the Fiscal Year 2026**
- **Office of the Governor - Juvenile Justice grant application for GCC Juvenile Justice Intervention for Fiscal Year 2026**

The motion carried with all members voting in favor. There was no public comment.

o. Consider the ratification of the FY25 Professional Services Agreement between Gulf Coast Center and The Meadows Mental Health Policy Institute for Texas for the following outlined services:

Term: Through May 30, 2025

Amount not to exceed: \$6,000/mo.

Description: MMHPI will provide:

- **Thought leadership on the development of a behavioral health campus in Galveston and Brazoria counties;**
- **Strategic support and analysis, in partnership with health care leadership in Galveston and Brazoria counties, to determine the type of beds needed in the region, staffing required, and estimated operations cost; and**
- **Engaged involvement in discussions with Gulf Coast Center leadership on relevant topics.**

On a motion by Jaime Castro and seconded by Caroline Rickaway the board approved the ratification of the FY25 Professional Services Agreement between Gulf Coast Center and The Meadows Mental Health Policy Institute for Texas for the following outlined services:

Term: Through May 30, 2025

Amount not to exceed: \$6,000/mo.

Description: MMHPI will provide:

- **Thought leadership on the development of a behavioral health campus in Galveston and Brazoria Counties;**
- **Strategic support and analysis, in partnership with health care leadership in Galveston and Brazoria counties, to determine the type of beds needed in the region, staffing required, and estimated operations cost; and**
- **Engaged involvement in discussions with Gulf Coast Center leadership on relevant topics.**

with all members voting in favor except Sheriff Bo Stallman, who abstained. There was no public comment.

p. Consider approval of the appointment of Jamie Smith as Liaison to the Gulf Coast Center Board of Trustees. Description: The Coordinated Entry & Supportive Housing (CESH) contracts require that we have an individual with lived experience attend board meetings

and interact with board members regarding any initiatives or policies from a lived experience lens.

The consideration to approve the appointment of Jamie Smith as Liaison to the Gulf Coast Center Board of Trustees. Description: The Coordinated Entry & Supportive Housing (CESH) contracts require that we have an individual with lived experience attend board meetings and interact with board members regarding any initiatives or policies from a lived experience lens was deferred.

- q. **Consider approval of the FY25 Mental Health First Aid Service Agreement with Dr. Chenda Moore, a certified instructor and/or trainer in Mental Health First Aid (MHFA).**

Reimbursement: \$45/hr. (not to exceed \$360/day)

On motion by Jaime Castro, and a second by Vivian Renfrow, the board voted the approval of the FY25 Mental Health First Aid Service Agreement with Dr. Chenda Moore, a certified instructor and/or trainer in Mental Health First Aid (MHFA). Reimbursement: \$45/hr. (not to exceed \$360/day) The motion carried with all members voting in favor. There was no public comment.

- r. **Consider approval of the new MOU with Prosumers International which shall identify and mentor individuals with lived experience, with a focus on building a strong Peer Advisory Committee/Planning and Network Advisory Committee (PNAC) that includes well-equipped people who receive services from GCC. The intent is to support GCC in meeting the requirements of the HHSC Performance Contract and the Certified Community Behavioral Health Clinic standards for governance that include the voice of people receiving services at GCC.**

On motion by Caroline Rickaway, and a second by Bo Stallman, the board voted for the approval of the new MOU with Prosumers International which shall identify and mentor individuals with lived experience, with a focus on building a strong Peer Advisory Committee/Planning and Network Advisory Committee (PNAC) that includes well-equipped people who receive services from GCC. The intent is to support GCC in meeting the requirements of the HHSC Performance Contract and the Certified Community Behavioral Health Clinic standards for governance that include the voice of people receiving services at GCC. The motion carried with all members voting in favor. There was no public comment.

- s. **Consider approval of the MOU with Texas City ISD for the coordination of resources to deliver youth prevention programs aimed at precluding the onset use of alcohol, tobacco, and other drugs by youth and to foster the development of social and physical environments that facilitate health, drug-free lifestyles.**

On motion by Jaime Castro, and a second by Vivian Renfrow, the board voted the approval of the MOU with Texas City ISD for the coordination of resources to deliver youth prevention programs aimed at precluding the onset of the use of alcohol, tobacco, and other drugs by youth and to foster the development of social and physical environments that facilitate health, drug-free lifestyles. The motion carried with all members voting in favor. There was no public comment.

- t. **Consider approval of purchasing a new pickup truck for program support through a government purchasing program. Amount not to exceed \$60,000.**

On motion by Bo Stallman, and a second by Jaime Castro, the board voted the approval of purchasing a new pickup truck for program support through a government purchasing program. Amount not to exceed \$60,000. The motion carried with all members voting in favor. There was no public comment.

- u. **Consider approval of purchasing a new 15-passenger van for the EOU; funded through the grant. Amount not to exceed \$60,000**

On motion by Jaime Castro, and a second by Bo Stallman, the board voted the approval of purchasing a new 15-passenger van for the EOU; funded through the grant. Amount not to exceed \$60,000. The motion carried with all members voting in favor. There was no public comment.

9. **Pending or Revised Action Items**

Linda Bell, JD, BSN, RN

Pending or revised items are those items that 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.

10. **Calendar**

Jamie Travis, Board Chair

April 23, 2025	Board Meeting	MCSC	6:15 pm
May 28, 2025	Board Meeting	SBCSC	6:15 pm
June 25 – 27, 2025	TX Council Annual Conference	Sheraton Dallas Hotel, Dallas, TX	
July 23, 2025	Board Meeting	MCSC	6:15 pm
August 27, 2025	Board Meeting	SBCSC	6:15 pm

SBCSC location: 101 Tigner, Angleton, TX

MCSC location: 7510 FM 1765, Texas City, TX

11. **Executive Session**

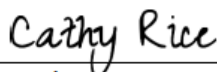
➤ *Executive Session - None*

12. **Adjourn**

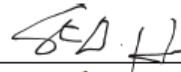
There being no further business to bring before the Board of Trustees, the meeting was adjourned at 6:58 p.m.

Respectfully,

Approved as to Consent and Form,



Cathy Rice
Secretary to the Board of Trustees



Stephen Holmes
Vice-Chair of the Board of Trustees