AGENDA ITEM
CA25

AGENDA PLACEMENT FORM

(Submission Deadline – Monday, 5:00 PM before Regular Court Meetings)

Court Decision:
This section to be completed by County Judge's Office

Johnson County
★ ACKNOWLEDGED ★
Commissioners Court

6-23-25

Date: ______________________

Meeting Date: 6/23/2025

Submitted By: County Judge's Office

Department: ______________________

Signature of Elected Official/Department Head:

____

Description:

Acknowledge Receipt of the Pecan Valley Centers for Behavioral & Development Healthcare's Annual Financial and Compliance Reports, August 31, 2024-County Judge's Office

(May attach additional sheets if necessary)

Person to Present: ______________________

(Presenter must be present for the item unless the item is on the Consent Agenda)

Supporting Documentation: (check one) ☑ PUBLIC ☐ CONFIDENTIAL

(PUBLIC documentation may be made available to the public prior to the Meeting)

Estimated Length of Presentation: ______ minutes

Session Requested: (check one)

☐ Action Item ☑ Consent ☐ Workshop ☐ Executive ☐ Other ____________

Check All Departments That Have Been Notified:

☐ County Attorney ☐ IT ☐ Purchasing ☐ Auditor

☐ Personnel ☐ Public Works ☐ Facilities Management

Other Department/Official (list) ______________________

Please List All External Persons Who Need a Copy of Signed Documents In Your Submission Email

Approved in CC on 9/11/2023

PECAN VALLEY CENTERS
FOR BEHAVIORAL & DEVELOPMENTAL HEALTHCARE

Executive Director
Ruben DeHoyos

June 3, 2025

TO:

Johnson County Commissioners Court
c/o The Honorable Christopher Boedeker

FROM: Ruben DeHoyos
Executive Director

SUBJECT: Reporting Requirement by Texas Health and Safety Code, Title 7, Subtitle A, §534.010 and §534.014

Please find enclosed several documents that we are required to report to your office on an annual basis as required by Texas Health and Safety Code, Title 7, Subtitle A, §534.010 and §534.014.

We are required to report this information annually to each local agency that appoints the members of the Pecan Valley Centers Board of Trustees. Namely, the County Judges and Commissioners Courts of Erath County, Hood County, Johnson County, Palo Pinto County, Parker County and Somervell County. The following information is for FY2024 which covered dates September 1, 2023, through August 31, 2024.

Enclosed you will find related to §534.010 the Executive Directors total compensation and benefits. And related to §534.014 you will find the following three items:

1. Approved fiscal year operating budget for September 1, 2023, through August 31, 2024;
2. Most recent annual financial audit from an independent auditor for September 1, 2023, through August 31, 2024; and
3. The Center's staff salaries by position for FY 2024 which covered September 1, 2023, through August 31, 2024.

To summarize these three reports, our operating budget was $40,637,770.00; our annual independent financial audit resulted in no findings; and we had 400 budgeted positions.

If you have any questions, please feel free to contact me at rdehoyos@pecanvalley.org or cell phone 817-579-4439.

Best Regards,

Ruben DeHoyos

Ruben DeHoyos
Executive Director

PECAN VALLEY CENTERS
FOR BEHAVIORAL & DEVELOPMENTAL HEALTHCARE

Total Compensation Statement

The following is a total compensation breakdown for Coke Beatty, Executive Director. In addition to the direct compensation the Executive Director is allowed the use of an agency lease vehicle, an agency gas card, and pays for personal mileage when used for personal business. The Executive Director does not receive any other benefits that are also not offered to all other agency employees.

Direct Compensation	
Regular Pay	$195,000
Total Direct Compensation	**$195,000**

PECAN VALLEY CENTERS
FOR BEHAVIORAL & DEVELOPMENTAL HEALTHCARE

September 1 2023 through August 31 2024 Salaries

Access Program Manager	$43,368.28
Accounting Technician	$33,458.67
Accounts Payable Clerk	$5,790.00
Accounts Payable Manager	$51,027.92
ACT Case Manager (Assertive Community Treatment)	$46,535.73
ACT Team Nurse	$74,951.20
ACT/FACT Team Manager	$57,285.20
Administrative Support Clerk	$3,844.77
Administrative/HR Assistant	$13,249.50
Adult Case Manager	$46,587.53
Advanced Nurse Practitioner	$131,174.03
Advanced Nurse Practitioner - PT	$128,518.50
Assistant IT Director	$87,780.04
Associate Chief of Behavioral Health Services	$100,018.41
Associate Director of Child and Adolescent Services	$78,100.08
Associate Director of Nursing	$87,589.45
Associate Medical Director	$312,000.00
Billing Manager	$51,050.72
Budget Analyst	$26,333.33
Care Coordinator	$31,835.36
Care Coordinator - PT	$16,988.00
Chief Financial Officer	$149,167.64
Chief Nursing Officer	$151,951.73
Chief of Behavioral Health Services	$123,937.98
Client Account Representative/MH	$38,218.80
Client Benefit Specialist	$31,408.00
Clinic Manager I	$67,153.71
CMHC Project Evaluator	$25,885.76
Cognitive Based Therapist	$62,000.00
Community Health Worker	$54,127.20
Community Provider Services Manager	$60,449.58
Community Support Specialist/IDD	$29,733.75
Community Support Specialist/MH	$33,940.00
Competency Program Coordinator	$61,757.28
Competency Restoration Case Manager	$25,140.83
Controller	$114,484.30
Coordinated Specialty Care Early Onset Case Manager	$15,114.41
Coordinated Specialty Care Early Onset Supported Employment and Education Specialist	$43,858.94
Coordinated Specialty Care Early Onset Supervisor	$61,000.00
Counseling Services Lead	$73,900.04
Crisis Administrative Support	$22,900.00
Crisis Case Manager	$44,421.96

Crisis Respite Tech	$24,960.00
Crisis Respite Tech - PT	$16,257.50
Crisis/Respite Case Manager	$46,904.98
Customer Support Coordinator	$40,266.40
Customer Support Specialist	$29,265.00
Customer Support Specialist - Intake	$32,908.00
Customer Support Specialist - PT	$19,394.58
Data Administrator	$101,500.02
Data Project Coordinator	$16,562.50
Deputy Executive Director	$185,516.52
Dietitian	$59,800.08
Direct Care Tech	$42,536.82
Direct Care Tech - LSC	$31,140.98
Direct Care Tech - LSC - PRN/PT	$23,052.24
Direct Care Tech - PRN/PT Residential	$28,008.99
Director of Forensic Services	$72,781.73
Director of Human Resources	$84,716.90
Director of IDD Authority Services	$92,411.70
Director of MH Child & Adolescent Services	$69,518.99
Director of Veteran & SUD Services	$62,222.08
Driver	$11,493.49
Eligibility Specialist	$33,908.00
Evaluation Assistant	$35,643.14
Executive Director	$208,576.34
Executive Secretary	$46,499.62
Facilities Director	$52,642.17
Family Nurse Practitioner	$123,480.80
Financial Analyst	$21,673.31
HCS/Residential Coordinator	$58,464.88
HCS/TxHML Program Representative	$40,119.88
HCS/TxHML Program Representative	$21,372.30
Help Desk Specialist	$40,559.20
Help Desk Supervisor	$53,104.20
Housing & Development Coordinator	$42,978.40
HR Assistant	$1,211.72
HR Generalist	$57,651.63
HR Specialist	$52,588.36
HR/Training Specialist	$51,501.38
ICF Client Coordinator	$42,064.03
ICF Program Support Specialist	$2,244.00
ICF Residential Administrative Coordinator	$49,774.88
IDD Administrative Support IDDA	$30,552.00
IDD Authority Supervisor	$54,298.16
IDD Authority/ PASRR Program Manager	$58,050.16
IDD Continuity of Care	$51,725.03
IDD Crisis Intervention Specialist	$51,500.04
IDD LVN III	$55,958.03

IDD Psychologist	$73,381.33
IDD RN	$70,793.79
IDD Service Coordinator	$46,011.30
IDD Vocational Rehabilitation Instructor	$39,964.00
Intake Case Manager	$46,545.44
Intake Coordinator	$61,203.96
Intake/ CFC Coordinator	$51,855.84
Intake/ CFC Coordinator - Lead	$47,820.00
IT Director / System Administrator	$76,500.00
Lead Case Manager- CB	$51,696.98
Lead Clinical Intake Coordinator	$72,901.00
Lead Clinical Substance Use Disorder Therapist	$71,890.00
Lead Customer Support Specialist - Intake	$36,844.75
Lead Direct Care Tech - LSC	$36,092.00
Lead Service Coordinator	$52,591.75
Lead Youth Case Manager	$47,554.49
Licensed Practitioner Healing Arts	$41,167.40
LSC Supervisor	$37,801.31
Maintenance Supervisor	$32,605.34
MCOT Case Manager	$58,414.69
MCOT Program Manager	$64,000.16
Mental Health First Aid Coordinator	$9,485.58
MH Continuity of Care Coordinator	$33,202.65
MH Family Partner	$37,451.15
MH LVN - PRN	$19,034.40
MH LVN II	$52,969.20
Nursing Facility Liaison	$29,072.86
PASRR Habilitation Coordinator	$45,605.88
Peer Specialist	$35,505.51
Phlebotomist/Mental Health Technician	$32,077.15
Physician Supervisor	$40,046.82
Primary Care Billing Specialist	$2,961.25
Primary Care LVN	$54,729.47
Psychiatrist - PT	$78,306.24
QIDP	$25,306.03
QM Manager	$55,000.00
Regional Mental Health Director	$86,091.23
Scheduler	$27,078.22
School Based Case Manager	$46,670.40
School Based Counselor/Therapist	$61,000.00
Senior HR Generalist	$51,294.89
Special Projects Director	$69,975.40
Substance Abuse Counselor	$37,589.88
System of Care Project Director	$67,500.04
TCOOMMI Adult Case Manager	$48,986.28
TCOOMMI Program Supervisor	$63,028.66
Temporary Records Clerk	$11,927.50

Texas Veterans Commission Client Coordinator	$43,171.20
Texas Veterans Commission MH Case Manager	$9,756.88
Texas Veterans Commission MH SUDS Therapist	$46,750.40
Texas Veterans Commission MH Therapist	$64,250.00
UM Reviewer / Data Project Coordinator	$74,000.08
UM Manager	$77,500.00
Veteran Service Coordinator	$39,170.48
YES Waiver/Wraparound Program Manager	$62,500.00
Youth Case Manager	$47,000.14
Youth Counselor	$19,345.78
Youth Wraparound Facilitator	$42,159.62

PECAN VALLEY CENTERS

for

Behavioral and Developmental Healthcare

FY2024 Budget

Amendment 2

Statement of Revenues

Percentage of Year Completed 0%

Revenues Year to Date

	Categories	FY24 Proposed Amendment 2	FY24 Approved Budget Amendment 1	Percent of Revenue to YTD Budget
1	Total Local Funds	11,176,806	10,816,523	**103%**
2	Total Other State Agencies	3,379,971	2,544,478	**133%**
3	Total Other Federal Funds	2,823,772	2,805,584	**101%**
4	Total General Revenue Allocated	9,341,660	8,000,856	**117%**
5	Total Medicaid Waiver and ICF-MR Earnings	13,384,734	13,384,734	**100%**
6	Total Allocated Federal Funds	530,826	530,826	**100%**
7	**Total All Funds**	40,637,770	38,083,001	**107%**

	Categories	Mental Health	Mental Health Crisis	IDD Non-Waiver Services	IDD Home & Community Based Services	IDD Texas Home Living Waiver	IDD Intermediate Care Facilities	Other Non Priority Population	Funding Not Designated by Program	Total Revenue
	Local Funds									
8	Applied Income & Client Rent	20,555			54,995		252,960			328,511
9	County Governments								181,388	181,388
10	In-Kind Donations (Excluding PAP)		732,750		1,699		50,969		861,891	1,647,308
11	Patient Fees, Insurance, Reimbursements		947,973							947,973
12	Other Local Funds								1,962,122	1,962,122
13	Prescription Assistance Program (PAP)	6,109,503								6,109,503
	Other State Funds									0
14	HHSC IDD Performance Contract			871,201						871,201
15	TCOOMMI	168,335								168,335
16	Other State Funds			2,340,435						2,340,435
17	**Other Federal Funds**									0
18	Grants-SAMHSA, FEMA, etc	1,630,286								1,630,286
19	Other Federal Funds	1,192,387		1,100				0		1,193,486
20	**General Revenue**									0
21	General Revenue	4,718,811	945,417							5,664,228
22	General Revenue - Youth & Adolescents	489,341								489,341
23	PESC & Private Psych Beds		3,069,421							3,069,421
24	Veteran Services	70,000								70,000
25	Other General Revenue (example MHFA)	48,670								48,670
26	Crisis Services - Outpatient Competency Restoration		0							0
27	PASRR			0						0
	Medicaid Waiver and ICF Programs									0
28	Medicaid Rehab Services	258,405								258,405
29	Medicaid IDD Service Coordination			1,440,370						1,440,370
30	Medicaid Targeted Case Management	13,791								13,791
31	Medicaid Administrative Claiming								670,000	670,000
32	Medicaid 1115 Transformation Waiver								5,207,199	5,207,199
33	Managed Care Organization	2,031,394								2,031,394
34	Other Medicaid	88,889		38,326						127,215
35	IDD Waivers & ICF				1,363,744	84,051	1,706,445			3,154,240
36	YES Waiver	0								0
37	ICF Uncompensated Care						482,119			482,119
	Total Allocated Federal Funds									0

38	TANF to Title XX,F22 CFDA # 93.558	125,850								125,850
39	Title XX Social Services Block Grant, CFDA # 93.667	74,213								74,213
	*Supportive Housing Rental Assistance (SHR) Mental Health Block	107,431								107,431
40	Mental Health Block Grant, CFDA # 93.958	0								0
41	Crisis Services - Jail Based Competency Restoration	223,333								223,333
	Total Funding by Program	17,371,193	5,695,561	4,691,433	1,420,438	84,051	2,492,494	0	8,882,600	40,637,770

PECAN VALLEY CENTERS

for

Behavioral and Developmental Healthcare

FY2024 Budget

Amendment 2

Statement of Expenditures

Percentage of Year Completed 0%

Expenditures Year to Date

	Categories	Administration	MH Adult	MH Child & Adolescent	MH Crisis Services	IDD Services	Other Non Priority Population	Total Proposed Budget	Approved Annual Budget	Percent of Expense to YTD Budget
1	Salaries	2,422,528	8,112,275	1,437,452	1,060,752	4,527,243	60,242	17,620,492	17,114,206	103%
2	Employee Benefits	670,216	2,180,172	460,996	379,130	1,270,536	36,538	4,997,588	4,884,479	102%
3	Professional and Consultant Services	649,842	442,262	32,649	3,065,513	144,180	204	4,334,649	2,902,931	149%
4	Training and Travel	26,727	150,402	54,231	38,001	80,012	779	350,153	350,153	100%
5	Debt Service	0	0	0	0	0	0	0	0	
6	Capital Outlay	30,000	138,194	43,470	597,823	0	0	809,487	215,822	375%
7	Non-Capitalized Equipment	40,624	55,210	16,227	110,695	2,842	406	226,004	119,293	189%
8	Pharmaceutical Expense (medication & script process fee only)	0	494,702	8	8,069	0	0	502,778	502,771	100%
9	Pharmaceutical Expense (PAP only)	0	6,109,503	0	0	0	0	6,109,503	6,109,503	100%
10	Other Operating Expenses	535,206	1,110,671	365,325	1,755,798	1,744,445	175,671	5,687,115	5,522,484	103%
11	Sub Total	4,375,142	18,793,391	2,410,358	7,015,780	7,769,258	273,840	40,637,769	37,721,642	108%
12	Admin Allocation		1,801,484	355,107	1,033,601	1,150,315	34,636	4,375,143	3,683,800	119%
13	**Total Expenditures**		20,594,875	2,765,465	8,049,381	8,919,573	308,476	40,637,769	36,409,472	112%
14	**Total Program Budget**		20,594,875	2,765,465	8,049,381	8,919,573	308,476	40,637,769		
15	**Percent of Expense to YTD Budget**		100%	100%	100%	100%	100%	100%		
16	Total Local Funds	3,084,295	6,411,724	111,415	2,057,667	2,423,283	172,717	11,176,806	11,176,806	0
17	Total Other State Agencies	64,709	834,552	9,882	1,330,469	1,205,069		3,379,972	3,379,971	-1
18	Total Other Federal Funds	0	1,769,345	701,406	41,100	176,163	135,759	2,823,772	2,823,772	0
19	Total General Revenue Allocated	615,357	4,674,858	507,403	4,159,399			9,341,660	9,341,660	0
20	Total Medicaid Waiver and ICF-MR Earnings	610,781	6,722,753	1,309,508	237,413	5,115,059	0	13,384,733	13,384,734	0
21	Total Allocated Federal Funds	0	181,644	125,850	223,332			530,826	530,826	1
22	**Total Funding Strategies**	4,375,142	20,594,875	2,765,465	8,049,380	8,919,574	308,476	40,637,770	40,637,770	
			0	0	-1	1	0			

23	Total Available Funds	40,637,770		Estimated Administrative Overhead Percentage	12.07%
24	Total Expenditures	40,637,769	0		
25	**Gain/(Loss)**	1	-1	Days of Operation Remaining	154
26				Reserves temporarily utilized in order to fund services (Not reflected in Revenue)	0

Pecan Valley Centers for Behavioral & Developmental HealthCare

Annual Financial and Compliance Report

August 31, 2024

Scott, Singleton, Fincher & Company PC
Certified Public Accountants

Pecan Valley Centers for Behavioral & Development HealthCare
Table of Contents
August 31, 2024

Certificate of Board
Year Ended August 31, 2024

I, Edwin Seilheimer, Board Chair of the Board of Trustees of Pecan Valley Centers for Behavioral & Developmental Healthcare, do hereby certify that this accompanying audit report for fiscal year ended August 31, 2024, from Scott, Singleton, Fincher and Company, P.C. was reviewed and accepted at a meeting of the Board of Trustees held on the 27th day of March, 2025.

Edwin Seilheimer
Chair, Board of Trustees

Pecan Valley Centers for Behavioral & Development HealthCare

Listing of Officials
August 31, 2024

Board of Trustees

Edwin Seilheimer	Chair
Keith Scarbrough	Vice-Chair
Carolyn Myers	Secretary
Christy Massey	Trustee
Jamie Bodiford	Trustee
Rita Wade	Trustee
Lynn Waddy	Trustee
LaJean Heard	Trustee
Elizabeth Lawrence	Trustee
Dr. Reginald Hall	Trustee
Judge Brandon Huckabee	Trustee
Sheriff Alan West	Ex-officio Member
Sheriff Roger Deeds	Ex-officio Member

Administrative Staff

Coke Beatty	Executive Director
Ruben DeHoyos	Deputy Executive Director
Wayne Vaughn	Chief Financial Officer
Mark Chavez	Director of IDD Authority Services
Kristy Tucker	Regional Mental Health Director
Ben Bowen	Director of IT

SCOTT, SINGLETON, FINCHER AND COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

4815-A KING STREET
TELEPHONE 903-455-4765
FAX 903-455-5312
GREENVILLE, TEXAS 75401

Member of:
Governmental Audit Quality Center

Members of:
American Institute of
Certified Public Accountants

Texas Society of
Certified Public Accountants

Independent Auditor's Report

To the Board of Trustees
Pecan Valley Centers for Behavioral &
Developmental HealthCare

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pecan Valley Centers for Behavioral & Developmental Healthcare ("Center"), as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise Pecan Valley Centers for Behavioral & Developmental Healthcare's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Pecan Valley Centers for Behavioral & Developmental Healthcare, as of August 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-13 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pecan Valley Centers for Behavioral & Developmental Healthcare's basic financial statements. The schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Texas Grant Management Standards (TxGMS), is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of Pecan Valley Centers for Behavioral & Developmental Healthcare's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pecan Valley Centers for Behavioral & Developmental Healthcare's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pecan Valley Centers for Behavioral & Developmental Healthcare's internal control over financial reporting and compliance.

Scott, Singleton, Fincher and Company, PC

Greenville, Texas
March 28, 2025

Management's Discussion and Analysis

Pecan Valley Centers for Behavioral & Developmental HealthCare
Management's Discussion and Analysis
August 31, 2024

As management of Pecan Valley Mental Health Mental Retardation Region dba Pecan Valley Centers for Behavioral & Developmental HealthCare (the Center), we offer readers of the Center's financial statements this overview and analysis of the financial activities of the Center for the fiscal year ended August 31, 2024.

FINANCIAL HIGHLIGHTS

- The assets of the Center exceeded its liabilities at the close of the fiscal year by $22,092,478 (net position). Of this amount, $16,851,276 (unrestricted net position) may be used to meet the Center's ongoing obligations.
- The Center's total net position (government-wide) decreased by $1,263,480.
- As of the close of the current fiscal year, the Center's governmental funds reported combined fund balances of $17,096,472, a decrease of $2,259,971 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $12,009,408 or 34.1 percent of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The Statement of Net Position presents information on all of the Center's assets and liabilities, with the difference between the two reported as net position. Net position is equivalent to the equity section of a private-sector balance sheet. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Center is improving or deteriorating.

The Statement of Activities includes all the revenue and expenses generated by the Center's operations during the year. The accrual basis of accounting is used, which similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of the timing of related cash flows.

Both of the government-wide financial statements present the basic services provided by the Center. These services include Behavioral Health, Intellectual and Developmental Disabilities, and General Administration. The Center does not have any business-type activities. The Government-wide financial statements can be found on pages 15-16 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Center, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Center can be divided into two categories: governmental funds and fiduciary funds.

- **Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

  The governmental fund statements provide a detailed short-view of the Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Center's programs.

  The basic governmental fund financial statements can be found on pages 17-19 of this report.

  The Center adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget and can be found on pages 20-21.

- **Fiduciary Funds** – Fiduciary funds are used to account for resources held by the Center for the benefit of consumers. Fiduciary funds are not reflected in the government-wide financial statements since the resources of these funds are not available to support Center operations.

  The basic fiduciary fund financial statement can be found on pages 22-23 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 24 of the report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain statistical information that is required by the Texas Health and Human Services Commission's Guidelines for Annual Compliance Audits of Community MHMR Centers. The statistical information can be found beginning on page 38 of this report. In addition, the schedule of expenditures of federal and state awards is presented as supplementary information.

Pecan Valley Centers for Behavioral & Developmental HealthCare
Management's Discussion and Analysis
August 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Center, assets exceeded liabilities by $22,092,478 at the close of the most recent fiscal year.

A portion of the Center's net position (23.7 percent) reflects its investment in capital assets, less any related debt used to acquire the assets that is still outstanding. The Center uses these assets to provide services to the consumers that we serve; consequently, these assets are not available for future spending.

Governmental Activities
Net Position

	Governmental Activities	
	2024	2023
Current and other assets	$ 19,723,481	$ 22,251,226
Capital assets, net	5,891,542	5,136,466
Total assets	25,615,023	27,387,692
Other liabilities	2,286,412	2,549,743
Noncurrent liabilities	1,236,133	1,481,991
Total liabilities	3,522,545	4,031,734
Net investment in capital assets	5,241,202	4,310,691
Unrestricted	16,851,276	19,045,267
Total net position	$ 22,092,478	$ 23,355,958

Governmental activities decreased the Center's net position by $1,263,480. Key elements are as follows:

Governmental Activities
Changes in Net Position

	Governmental Activities	
	2024	2023
Program Revenues		
Charges for services	$ 12,327,134	$ 14,131,485
Operating grants and contributions	19,294,612	16,683,682
General Revenues		
Investment earnings	952,817	705,230
County contributions	187,421	236,719
Other revenues	91,742	225,801
Total revenues	32,853,726	31,982,917
Expenses		
Behavioral Health	24,905,428	22,716,561
Intellectual & Developmental Disabilities	9,160,972	8,310,495
Interest expense	50,806	53,899
Total expenses	34,117,206	31,080,955
Change in Net Position	(1,263,480)	4,930,395
Net Position - Beginning	23,355,958	18,425,563
Net Position - Ending	$ 22,092,478	$ 23,355,958

FINANCIAL ANALYSIS

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

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

The general fund is the chief operating fund of the Center. At the end of the current fiscal year, the Center's unassigned fund balance in the general fund was $12,009,408. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 34.1 percent of total general fund expenditures.

General Fund
Change in Fund Balance

	General Fund			
	2024		2023	
Program Revenues				
Local	$	16,413,196	$	16,895,301
State programs		11,116,027		9,714,134
Federal programs		4,376,129		4,657,038
Investment earnings		952,817		705,230
Total revenues		32,858,169		31,971,703
Expenditures				
Behavioral Health		21,706,042		19,564,272
Intellectual & Developmental Disabilities		7,956,071		7,066,887
Administration		3,954,576		3,892,511
Capital outlay		1,275,210		683,801
Debt service		366,496		352,818
Total expenditures		35,258,395		31,560,289
Other financing sources				
Transfers out		(3,231,569)		(24,775.00)
Issuance of long-term obligations		140,255		543,047
Net Change in Fund Balance		(5,491,540)		929,686
Fund Balance - Beginning		18,177,267		17,247,581
Fund Balance - Ending	**$**	**12,685,727**	**$**	**18,177,267**

GENERAL FUND BUDGETARY HIGHLIGHTS

- Salary and fringe expenditures were less than budgeted largely due to lapsed salary.
- The large increase in administrative spending was due to recognizing the expense associated with creating a restricted capital fund.
- Medicaid revenue decreased due to "Medicaid Rollback" that saw a large number of Medicaid recipients lose their Medicaid as the expiring COVID rules stopped automatic renewals.
- Interest income significantly outperformed the budgeted expectation that was based on the previous fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The Center's investment in capital assets for its governmental activities as of August 31, 2024, amounts to $5,891,542 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings and improvements, equipment, vehicles and right-of-use intangible assets.

Governmental Activities
Capital Assets

	2024	2023
Land	$ 1,193,815	$ 476,740
Buildings and improvements	6,187,287	5,769,407
Furniture and equipment	126,419	126,419
Vehicles	712,113	884,336
Right-of-use leased assets	1,280,594	1,140,339
Right-of-use SBITA assets	81,656	136,383
Cost of capital assets	9,581,884	8,533,624
Less accumulated depreciation	(2,978,433)	(2,946,212)
Less accumulated amortization	(711,909)	(450,946)
Investment in capital assets	**$ 5,891,542**	**$ 5,136,466**

Additional information on the Center's capital assets can be found in footnote 8 to the financial statements.

Long-term liabilities. At the end of the fiscal year, the Center had a liability of $585,793 for compensated absences, a decrease of $70,423 from the prior year. The Center also had liabilities for lease obligations in the amount of $601,727, a decrease of $132,081 over last year. The Center also had liabilities for SBITA obligations in the amount of $48,613, a decrease of $43,354 over last year.

Additional information on the Center's long-term obligations can be found in footnote 9 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Pharmaceutical Assistance Programs (PAP) will continue to provide a significant cost savings in regard to the medications that the Center has to purchase.

The Directed Payment Program-Behavior Health Services (DPP-BHS) program continues as an 1115 Waiver payment source for Medicaid clients and the Public Health Provider-Charity Care Program (PHP-CCP) as an additional payment source for uninsured. The PHP-CCP and DPP-BHS programs provided a significant amount of revenue in FY24 and will continue to be significant funding sources for FY25. Both the PHP-CCP and the DPP-BHS programs are complicated and require significant time and effort to maximize and track revenue. There has been welcomed discussion of simplifying the payments received from DPP-BHS in FY25. As these programs continue, the Center is working diligently to take full advantage of the funding they provide to maximize opportunities for our clients and community.

The impact of COVID-19 is expected to be minimal in FY25. There are still some projects receiving assistance of COVID-19 related revenue that the Center will continue to implement, largely related to workforce retention.

For FY25 the workforce will continue to be an area of emphasis. The Center will work to retain financial and operational flexibility to adjust to a dynamic workforce environment.

The Center operates as both a Certified Community Behavioral Health Clinic (CCBHC) and is accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF). The Center was awarded a three-year extension on CARF credentialing in FY24. CCBHC status provides the ability to take advantage of enhanced Medicaid rates under the DPP-BHS program.

The Center continues to seek out new grant opportunities at both the state and federal levels. Both of our current Substance Abuse and Mental Health Services (SAMHSA) grants will ended in FY24. The Center did receive multiple state grants to provide increased services to divert and treat individuals with criminal justice involvement, as well as treating youth in crisis during FY24.

The Center began the process of evaluating the capacity of our current buildings to meet future needs. This work led to the beginning of a new capital project in FY24, with completion of new Granbury clinic expected in FY26.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens and customers a general overview of the Center's finances and its accountability for the money it receives. If you have questions about this report or need additional financial information, contact Pecan Valley Centers for Behavioral & Developmental HealthCare, P.O. Box 729, 2101 W. Pearl St., Granbury, Texas 76048.