

Project Grant Application

Name	LifePath Systems
Federal Tax I.D.	75-1761911
Incorporation Date	04-28-1986
Mailing Address	1515 Heritage Drive, McKinney, TX, 75069-3256
Phone Number	(972) 562-0190
Email	info@lifepathsystems.org
Website	www.lifepathsystems.org
Facebook	https://www.facebook.com/LifePathSystems
Instagram	https://www.instagram.com/lifepathsystems/
Twitter / X	@Lifepath86
LinkedIn	https://www.linkedin.com/company/lifepathsystems/

Please provide a detailed narrative about your organization including years established, mission, goals, scope of services, successes, contribution to community, etc.

MISSION:

The mission of LifePath Systems is to serve individuals and families impacted by behavioral health and intellectual or developmental challenges, resulting in stronger communities. We have a 38-year history in Collin County, Texas, of improving the lives of children, adults, and their families, most of whom are low-income, uninsured, and/or Medicaid-eligible.

GOALS:

Organization wide goals of Lifepath Systems are to achieve operational excellence, create a financially sound organization, engage and educate the community about behavioral health and intellectual and developmental disabilities issues, and plan for new services and technologies that meet the future anticipated needs of citizens in Collin County.

SCOPE OF SERVICES:

Lifepath Systems offers three core services: 1) Behavioral Health; 2) Intellectual and Developmental Disabilities; and 3) Early Childhood Intervention.

Behavioral Health (BH) services focus on addressing the mental health and substance abuse needs of our community. Our goal is to provide the highest quality services in a respectful and caring environment focused on the needs of each individual. Every year, we specialize in helping more than 11,000 children (ages 3+) and adults who are diagnosed with a serious mental illness, severe emotional disturbance, substance use disorder, or co-occurring mental illness and substance use disorders. Individuals work with highly qualified and experienced psychiatrists, nurse practitioners, licensed therapists, registered nurses, mental health specialists, licensed chemical dependency counselors, and certified peer support specialists on their recovery journey.

Intellectual and Developmental Disabilities (IDD) services help individuals and their families understand their options and obtain the services they need to lead quality lives. Families turn to us to help them navigate the confusing and complex state support system for people with IDD. Every year, more than 2,600 individuals with IDD depend on us for quality service coordination, respite, community supports, and supported employment.

Early Childhood Intervention (ECI) services were added to the Center's service array in 1990. Annually, ECI serves nearly 4,000 families with children (ages 0-3) who have developmental delays. Depending on the unique needs of each child and family, they may receive one or more ECI services, such as physical therapy, occupational therapy, speech therapy, specialized skill training, counseling, case management, or nutrition services. We use the family coaching model to help families learn and practice techniques to use in their child's daily routine. All services are provided in the family's natural environment, such as at home, daycare, or even their neighborhood park.

Of the more than 18,000 individuals we serve annually, we encounter people from a wide range of races, ethnicities, and cultures. We are constantly seeking ways to adapt to the diverse needs of County residents, including offering translation services for those whose primary language is not English. In FY23, the top 5 languages spoken by those we serve included English, Spanish, Chinese/Mandarin, Japanese, and Arabic.

SUCSESSES:

We are a Local Behavioral Health Authority (LBHAs) and a Certified Community Behavioral Health Clinic (CCBHC), and we manage an annual budget of \$56 million that includes federal, state, and local contracts, grants, and other revenue to provide mental health and substance use services.

We are also innovators and have received numerous federal grant awards to expand or enhance our behavioral health services. Examples include SAMHSA grants for expanding care coordination and treatment services, expanding crisis service and behavioral health services during COVID-19 pandemic, and expanding adult treatment drug court services; a VOCA grant to provide trauma-informed grief and healing services for survivors of the Allen Premium Outlets mass shooting; and a DOJ/BJA grant to provide mental health co-responders for law enforcement dispatch calls involving people with suspected mental health concerns.

In FY23, we consistently met and/or exceeded state service contract targets for the following: (1) Adult Mental Health Services -- 101.7% of target (2,717 people per month); (2) Child & Adolescent Mental Health Services -- 103.7% of target (959 youth per month); (3) Access to Crisis Response Services --127.3% of target (52.2% of hotline calls that result in face-to-face encounter within 1 day); and (4) IDD Services - -113.7% of target (95 people per month).

CONTRIBUTIONS TO THE COMMUNITY:

LifePath Systems is a valued partner in Collin County and we are proud of the partnerships we have developed over the years with community organizations, local law enforcement agencies, hospitals, schools, and state and county agencies. Our focus is on collaboration to improve current systems of care and avoid duplication of services. We seek new, innovative ways to partner, such as a recent grant we received that builds on our existing partnership with the Felony Drug Court to improve outcomes for individuals with substance use disorders. Another example is a grant we received that builds on our existing partnership with the Plano Police Department to provide mental health professionals as co-responders with police officers on dispatch calls involving people who may have a behavioral health concern. LifePath Systems staff also serve on various groups and committees that come together to identify challenges, share information and resources, and seek ways to better serve our communities, such as the Homeless Coalition, Behavioral Health Consortium, and Rehabilitation Council of Texas.

Organization Type Nonprofit - 501(c) (Attach a copy of IRS Determination Letter)

IRS Determination Letter for 501(c)3 [25_IRS 501c3 Determination Letter_CCMHMRC_7897.pdf](#)

Name Jaimie Anderson-Hoyt

Title	Grant Manager
Mailing Address	1515 Heritage Drive, McKinney, TX, 75069-3256
Phone Number	(469) 966-5167
Email Address	jandersonhoyt@lifepathsystems.org
Name	Tammy Mahan
Title	CEO
Mailing Address	1515 Heritage Drive, McKinney, TX, 75069-3256
Phone Number	(469) 963-3718
Email Address	tmahan@lifepathsystems.org
Are you the property owner?	No
Name	Bill Bilyeu, County Administrator
Company	Collin County
Mailing Address	Collin County Administration Bldg, 2300 Bloomdale Rd, Ste 4192, McKinney, TX, 75071
Phone Number	(972) 548-4631
Email Address	adminser@collincountytx.gov
Letter of Support for Project from Property Owner	Commissioners Court Minutes 12-06-2021 Approval to Negotiate Land Lease (pp11-12).pdf County Letter on Relief of Impact Fees.pdf LifePath & County Land Lease.pdf
Funding - Total Amount Requested	\$1,000,000
Are matching funds available?	Yes

Matching Funds Available \$1,000,000

Will funding be requested from any other City of McKinney entity (e.g. TIRZ Grant, City of McKinney 380, CDBG Grant)? No

Have you received or will funding be requested from other organizations / foundations for this project? Yes

Provide name of organization / foundation funding source and amount. Bank of America Charitable Foundation - \$1,000,000 (pending)
Hillcrest Foundation - \$1,000,000 (pending)
Independent Financial - \$1,000,000 (pending)
The Meadows Foundation - \$500,000 (pending)
Eugene McDermott Foundation - \$1,000,000 (in development)
Hoblitzelle Foundation - \$500,000 (in development)
Addy Foundation - \$500,000 (in development)

Has a request for grant funding been submitted to MCDC in the past five years? No

Board of Directors See attachment "2024 LPS Board of Trustees"

Board of Directors Attachment [2024 LPS Board of Trustees.pdf](#)

Leadership Staff Tammy Mahan, Chief Executive Officer
Pete Kabira, Chief Operating Officer
Jennifer Morgan, Chief Financial Officer
Brent Phillips-Broadrick, Chief Administrative Officer
Danielle Sneed, Deputy Clinical Officer
Maria Putman, Human Resources Director
Deanna Easley, Communications Director
Colby McClatchy, Management Information Systems Director
Dr. Jennifer Cottle, Early Childhood Intervention Director
Humera Bhaidani, Intellectual & Developmental Disabilities Director

Project / Business Name Collin County MHMR Center dba LifePath Systems

Location of Project	McKinney, Texas
Physical Address	2295 Bloomdale Road, McKinney, TX, 75071
Property Size (in acres)	11.474
Collin CAD Property ID	1988776
What kind of project is proposed? (Check all that apply.)	<input checked="" type="checkbox"/> New project
Estimated Date of Project Start Date	03/29/2024
Estimated Date of Project Completion Date	06/30/2025
Project Details and Proposed Use	<p>LifePath Systems plans to build a 110,000 square foot facility on land leased from the Collin County Commissioners Court at \$10 per year for up to 65 years. The building is located on the southeast corner of Bloomdale Road and Community Avenue in McKinney, Texas.</p> <p>The building will house the new, expanded Access and Diversion Center on the first level, providing 16 beds for an Extended Observation Unit (EOU), 28 beds for a Crisis Respite Unit (CRU), and program space for expanded intensive services intake, including triage and crisis outreach services.</p> <p>The rest of level one will be allocated for our facilities and staff support teams, as well as the Assisted Community Treatment (ACT), Level of Care 3 (LOC-3), Continuity of Care (CoC), and Jail Diversion teams.</p> <p>The other three levels will be allocated for office/program space on levels 2 and 3, a large community meeting space on the lower level, as well as additional space for anticipated future growth of programs and staffing on the upper levels.</p> <p>The construction of a new facility would increase the current square footage for crisis and diversion services from 16,000 sf to 21,100 sf, and allows us to double the bed capacity of the EOU and CRU, so we can serve more people each year.</p> <p>The new Access and Diversion Center on the first level will provide an alternative for law enforcement, hospitals, and the</p>

community to address the behavioral health needs of people in immediate crisis or who are being discharged from inpatient hospitalizations or jail. As the Local Behavioral Health Authority for Collin County, it is our responsibility to ensure every citizen who needs behavioral health services has access to inpatient and outpatient services, depending on their assessed needs and unique situation.

Our new, expanded Center will ensure individuals with serious mental health disorders get the care they need. It will help reduce the number of arrests for non-violent misdemeanor charges, which ultimately reduces the cost to the community. The new Center will also provide an expanded option for hospital emergency rooms (ERs) to refer individuals with suspected mental health concerns, which may in turn help reduce overutilization of ERs by people who experience chronic behavioral health crisis episodes.

Once constructed, the programs will be funded through service contracts with the county and state, which will cover ongoing operational costs, such as building maintenance and repairs. Specifically, LifePath Systems will utilize Crisis General Revenue from its HHSC Contract, County Funds, and an SB-292 legislative grant to support ongoing crisis and diversion services provided at the new facility.

Days / Hours of Business Operation The Access and Diversion Center on level 1 will be open 24/7 year-round, while all other services and offices will be open Monday through Friday during typical business hours (8 am - 5 pm), with occasional availability during early mornings, evenings, and weekends, on a case-by-case basis.

What is the total cost for this Project? \$47,000,000

What percentage of Project funding will be provided by the applicant? 64

Are matching funds available? Yes

Cash Matching Funds

Amount	Source	Percent of Total
\$30,000,000	LifePath Systems Reserve Funds	64

In-Kind Matching Funds

Amount	Source	Percent of Total
\$457,000	City of McKinney (waived impact fees)	1

Other Funding Sources

1. Bank of America Charitable Foundation - \$1,000,000
 - 1a. Submitted 2/16/2024
 - 1b. Pending decision by 6/30/2024

2. Hillcrest Foundation - \$1,000,000
 - 2a. Submitted 2/28/2024
 - 2b. Pending decision by 3/31/2024

3. Independent Financial - \$1,000,000
 - 3a. Submitted 1/3/2024
 - 3b. Pending decision by 5/31/2024

4. The Meadows Foundation - \$500,000
 - 4a. Submitted 12/7/2023
 - 4b. Pending decision by 3/31/2024

5. Eugene McDermott Foundation - \$1,000,000 (in development)
 - 5a. Application to be submitted in April 2024 (no deadlines)
 - 5b. Funding decisions made by 7/31/2024 (estimated)

6. Hoblitzelle Foundation - \$500,000 (in development)
 - 6a. Applications due by 4/15/2024
 - 6b. Funding decisions made by 5/31/2024 (estimated)

7. Addy Foundation - \$500,000 (in development)
 - 7a. Application to be submitted in April 2024 (no deadlines)
 - 7b. Funding decisions made by 7/31/2024 (estimated)

Estimated Annual Taxable Sales \$0

Current Appraised Value of Property \$1,999,230

Estimated Appraised Value (post-improvement) \$50,000,000

Estimated Construction Cost for Total Project \$47,000,000

Total Estimated Cost for Project Improvements included in grant request	\$4,859,626
Total Grant Amount Requested	\$1,000,000
Attach Competitive Bids for the Project	67_RO Infrastructure Costs 2024-03-26_8028.pdf
Has a feasibility study or market analysis been completed for this proposed project?	No
Attach Executive Summary	Bloomdale Project 1-page Summary.pdf
Current financial report including current and previous year's profit & loss statement and balance sheet.	FY23 LPS Financials thru 31Aug2023.pdf FY24 LPS Financials thru 29Feb2024.pdf
Audited financials for current and previous two years (if not available, please indicate why).	FY21 LPS Audited Financial Statements.pdf FY22 LPS Audited Financial Statements.pdf FY23 LPS Audited Financial Report.pdf
Budget	2023-08-30 - Lifepath Systems - Bloomdale Budget.pdf RO Infrastructure Costs 2024-03-26.pdf
Financial Statements	148_FY24 LPS Financials thru 29Feb2024_2731.pdf
W9	W9 LifePath Systems 030524.pdf
IRS Determination Letter (if applicable)	IRS 501c3 Determination Letter_CCMHMRC.pdf
Business plan including mission and goals of company / organization, target customers, staff, growth goals, products / services, location(s), etc.	LPS Operational Plan for Bloomdale Facility_final.pdf

Plat / map of property extending 200 feet beyond property in all directions (if applicable).

[LPS Bloomdale Facility Elevations and Floorplans_reduced.pdf](#)

Describe planned support activities, their use, and admission fees (if applicable).

LifePath Systems' vision is to construct a larger facility that allows expansion of its Crisis Center into a more comprehensive Access and Diversion Center that provides an alternative for law enforcement to address the needs of people experiencing a behavioral health crisis. Diversion Centers ensure individuals with serious mental health disorders get the care they need in a timely and appropriate manner. They also reduce the number of arrests for non-violent misdemeanor charges, which ultimately reduces the cost to the community.

LifePath Systems is equipped and skilled to handle behavioral health crises and operates the only Crisis Center in Collin County. The new, expanded Access and Diversion Center will offer crucial crisis services that help divert people from less effective options, such as hospital Emergency Departments and local jails, and into more appropriate services based on their assessed needs.

The new building will more than double our current square footage and capacity for crisis services, providing 16 beds for an Extended Observation Unit (EOU), 28 beds for a Crisis Respite Unit (CRU), and space for additional intensive services, including triage and crisis outreach teams. The other 80,000 square feet will be allocated for other administrative and program space throughout the building, a large community meeting space on the lower level, and space for anticipated future growth of programs and workforce members.

There are no admission fees to access the new facility.

Timeline and schedule from design to completion.

[2024-01-10 - Lifepath Systems Project Schedule.pdf](#)

Plans for future expansion / growth.

LifePath Systems is guided by a Strategic Plan that is reviewed and updated regularly throughout the year by leadership and the Board of Trustees. Goal 4 (A Vision for the Future) of the Strategic Plan states that "To meet the everchanging needs of our communities and staff, LifePath Systems must respond proactively to population growth, changing demographics, and catastrophic events/disasters. LifePath Systems must also plan effectively and maximize opportunities to add promising new services and

technologies."

LifePath Systems follows an intentional, strategic plan for growth and expansion, ensuring that new or expanded services also align with our mission, vision, values. In alignment with Strategic Plan-Goal 4, the new building allows immediate growth and expansion of crisis, diversion, and other intensive behavioral health services. A portion of the new facility also will be reserved for future expansion and growth of programs and related workforce since we are constantly growing and expanding every year. For example, LifePath Systems has grown exponentially since it was founded in 1986, from a budget of little more than \$600,000 and a team of less than 50, to a current budget of \$56 million and more than 500 team members. This expansion and growth has been conducted intentionally to keep pace with the population growth, which is anticipated to nearly double by 2050.

We continually assess the needs of those we serve, as well as the community at large to ensure we are providing services that are truly responsive to individual and community needs. Every other year, LifePath Systems conducts a Needs Assessment to gather input and feedback from individuals served, families, community partners, any other community stakeholders who have an interest in the services we provide and/or the people we serve.

For example, Collin County requested that we locate the new facility within close proximity to the Collin County Court and Jail so that Executive leadership was more accessible to the Administration building and also that the Access and Diversion Center was closer to the Court and Jail for easier transfer of individuals to/from our facility.

LifePath Systems also stays updated on current issues and new, emerging needs reported by our collaborative partnerships with public and private agencies throughout the county and North Texas region.

We also seek new funding to provide innovative approaches to better serve individuals and their families. Funding is sought through a variety of sources, including local, state, and federal agencies, as well as from private funding sources, such as individuals and charitable foundations.

We certify that all figures, facts and representations made in this application, including attachments,

Selecting this option indicates your agreement with the above statement.

are true and correct to the
best of our knowledge.

Representative
Completing Application

Date 03-29-2024



BLOOMDALE CAMPUS CAPITAL PROJECT

OVERVIEW

LifePath Systems plans to build a 110,000+ square foot facility on land leased from the Collin County Commissioners Court at \$10 per year for up to 65 years. The building will house the new, expanded Crisis and Diversion Center that will be more than double our current square footage. Estimated completion is June 2025.

The first floor of the new building will serve as the Crisis and Diversion Center, providing 16 beds for an Extended Observation Unit (EOU), 28 beds for a Crisis Respite Unit (CRU), and space for additional intensive services, including triage and crisis outreach teams. The other 80,000 square feet will be allocated for other office/program space throughout the building, a large community meeting space on the lower level, and space for anticipated future growth of programs and workforce members.

ADDRESSING CRITICAL COMMUNITY NEEDS

Collin County local police departments (PDs) and hospital Emergency Departments (EDs) are seeing an uptick in the number of people they encounter with behavioral health crises. EDs and PDs are less equipped to handle these crises, so people are either taken to jail or left in the community without any support. EDs and PDs often become a revolving door for people with chronic crisis episodes because their behavioral health needs go unmet. Over the last year, LifePath Systems responded to 255 crisis calls with local PDs and conducted nearly 3,500 crisis assessments; 300+ were adults in jails and 71% were recommended for outpatient, inpatient, state hospital, or crisis services.

WHY US?

As one of only two Local Behavioral Health Authorities statewide, LifePath Systems is highly trained and equipped to handle behavioral health crises. Our staff will offer crucial crisis services at the new facility that will help divert more people from less effective options, such as hospital Emergency Departments and local jails, and into more appropriate mental health services based on their assessed needs. This will help reduce hospital ED overutilization by people with chronic crises, as well as help reduce the number of arrests for non-violent misdemeanor charges, which will reduce costs to the community.

PROJECT INVESTMENT

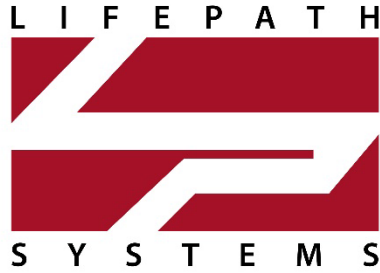
The total guaranteed maximum cost of the project is \$47 million, which includes construction (\$44.5 million), office furnishings (\$1.5 million), and other soft costs (\$1 million). LifePath Systems' Board of Trustees has approved \$30 million towards the project, which is a combination of cash reserves and loans. While this is a significant investment by LifePath Systems, **the project requires \$17 million** in funding from other sources to help us reach our goal.

The new Crisis and Diversion Center will provide a long-awaited alternative for law enforcement, hospitals, and the community to address the growing number of people experiencing behavioral health crises who can benefit from our services.

TO LEARN MORE

Tammy Mahan, CEO | tmahan@lifepathsystems.org | 469-963-3718

Jaimie Anderson-Hoyt, Grant Manager | jandersonhoyt@lifepathsystems.org | 469-966-5167



Bloomdale Facility Operational Plan

OVERVIEW

In June of 2025, LifePath Systems plans to open a new facility at the southeast corner of Bloomdale Road and Community Avenue in McKinney, Texas, that will house a larger Access and Diversion Center to provide triage, diversion, and crisis services for individuals impacted by mental health disorders throughout Collin County.

This expansion will result in relocating LifePath Systems' current Crisis Center services and workforce (i.e., Crisis Respite Unit and Extended Observation Unit) to the new facility, which will double the number of beds available in each unit. Administration, Behavioral Health (BH), and Local Intellectual/Developmental Disability Authority (LIDDA) teams will also relocate to the new facility, making leadership more readily accessible by the Collin County Administration and County Jail personnel, which will be located across the street.

MISSION AND VISION

The mission of LifePath Systems is to serve individuals and families impacted by behavioral health and intellectual or developmental challenges, resulting in stronger communities.

Our vision is to be a constantly improving, accountable system of care that responds to the identified needs of individuals, stakeholders, and the communities we serve. To meet the needs of these communities, LifePath Systems must respond proactively to population growth and changing demographics, as well as plan effectively, and maximize opportunity to add promising new services and technologies.

SERVICES

Established in 1986 as the Collin County Mental Health Mental Retardation (MHMR) Center with an annual budget of \$640,000 and a team of 24, the Center has grown exponentially in its 38-year history. Today, the Center is d/b/a LifePath Systems and manages an annual budget of more than \$56 million, utilizing a workforce of more than 500 team members to offer three core areas of service for nearly 18,000 individuals every year, which include: 1) behavioral health (mental health and substance use) services; 2) intellectual and developmental disabilities services; and 3) early childhood intervention services.

Behavioral Health (BH) services focus on addressing the mental health and substance abuse needs of our community. Our goal is to provide the highest quality services in a respectful and caring environment focused on the needs of each individual. Every year, we specialize in helping more than 11,000 children and adults (ages 3+) who are diagnosed with a serious mental illness, severe emotional disturbance, and/or substance use disorder. Individuals work with highly qualified and experienced psychiatrists, nurse practitioners, licensed therapists, registered nurses, mental health specialists, licensed chemical dependency counselors, and certified peer support specialists. We serve people who don't have anywhere else to turn, regardless of their ability to pay or if they are homeless or lack a permanent residence.

Intellectual and Developmental Disabilities (IDD) services help individuals and their families understand their options and obtain the services they need to lead quality lives. Families turn to us to help them navigate the confusing and complex system of support for people with IDD in Texas. Every year, more than 1,500 individuals with IDD depend on us for quality service coordination, respite, community supports, and supported employment. At LifePath Systems, our goal is to improve and enrich the lives of people with IDD in our county.

Early Childhood Intervention (ECI) services were added to the Center's service array in 1990. Today, ECI services provide critical resources and supports for more than 4,000 families with children (birth up to age 3) who have developmental. Depending on the unique needs of each child and family, they may receive one or more of ECI services, such as physical therapy, occupational therapy, speech therapy, specialized skill training, counseling, vision and hearing services, case management, or nutrition services. We use the family coaching model to help families learn and practice techniques to use in their child's daily routine. All services are provided in the family's natural environment, such as their home, daycare, or even their neighborhood park.

TARGET POPULATION

Annually, LifePath Systems serves more than 18,000 individuals and their families, with the majority served by our behavioral health programs (11,000+). Our focus is on serving the residents of Collin County who have mental health, substance use, and intellectual or developmental concerns. Most people we serve are low-income, uninsured, and/or eligible for Medicaid. We do not discriminate when providing services, which are available for people of all ages, gender identities, sexual orientation, races, ethnicities, abilities, and military background.

Eligible ages and geographic locations vary depending on the core service offered and specific requirements of each program within the respective service area. In general, behavioral health (BH) services are available for individuals ages 3 years and older in Collin County who have mental health and/or substance use concerns or disorders.

Whereas intellectual and developmental disabilities (IDD) services are available for individuals in Collin County who are ages 3 years and older who have an IDD diagnosis as well as support for their families and caregivers.

Finally, early childhood intervention (ECI) services are available in a five-county service area (Collin, Fannin, Grayson, Kaufman, Rockwall counties) for infants and toddlers (birth up to age 3) and their families/caregivers, as well as for expectant mothers.

STRATEGIC GOALS OF LIFEPATH SYSTEMS

LifePath Systems is guided by four overarching strategic goals to achieve its mission, which are essential in identifying opportunities for intentional, strategic growth and expansion, such as the new Bloomdale facility to grow triage, diversion, and crisis services.

Goal 1: Operational Excellence

Achieving operational excellence, through efficient and effective operations, results in consistent, high-quality performance. This effort requires a well-trained workforce, effective technology systems, relentless focus on customer service, quality infrastructure and performance measurement that will enable success in current and future business initiatives.

Goal 2: Financial Stability

Creating a financially sound organization protects the mission of the organization. Every member of the Board and workforce has a role in assessing the sustainability of individual services and assuring the long-term financial stability of LPS.

Goal 3: Community Engagement and Education

Achieving our mission requires an engaged community, including educated elected officials and general public working with committed advocates. LPS will be a leader in the community, creating collaborations while educating families and the public about the needs of and available resources for individuals we serve.

Goal 4: A Vision for the Future

To meet the needs of our communities, LPS must respond proactively to population growth and changing demographics, plan effectively, and maximize opportunities to add promising new services and technologies.

STAFFING

LifePath Systems operates with a workforce of more than 500 team members center-wide and plans to add new positions when the new Bloomdale facility opens in McKinney.

The lower level will house a large meeting space that will be able to accommodate the entire LifePath Systems workforce, which will allow everyone to gather in one space rather than having to rent out community spaces. The lower level will also be available for community meetings and events to bring partners, stakeholders, individuals, and families together to share information and learn from one another regarding services, issues, and needs of those in our community impacted by behavioral health, intellectual and developmental disabilities.

The first floor will house the expanded Access and Diversion Center, which includes the new Triage team as well as the Crisis Respite Unit (28 beds), Extended Observation Unit (16 beds), Jail Diversion, Intensive Services, Assertive Community Treatment, Mobile Crisis Outreach Team. The facilities and purchasing departments will also be housed on the first floor.

The **second floor** will house the Local Intellectual and Developmental Disabilities Authority (LIDDA) team and MIS department, as well as empty space allocated for future growth and expansion. Finally, **the third floor** is the top level, which will house the Executive team as well as the fiscal, billing, HR, communications, compliance, and quality assurance departments.

The staffing and operational plans are as follows:

- **Relocate current Crisis Center services**, including current and new staff, from the Church Street building to the new Bloomdale facility to operate the newly named Access and Diversion Center that will provide expanded triage, diversion, and crisis services, including doubling capacity to a 28-bed Crisis Respite Unit and a 14-bed Extended Observation Unit at the new facility. Plans for future usage of the vacant Church Street building are still pending. The following staff and teams will be co-located at the new Bloomdale facility:
 - **Director of Behavioral Health Crisis Services** will oversee all clinical and facility aspects of the new, expanded Access and Diversion Center. Direct reports who will also be housed at the new facility include:
 - **Fidelity Manager** will conduct quality assurance and monitoring activities to ensure fidelity to all programs and services provided.
 - **Program Administrator for Crisis Services** will oversee the daily programmatic and staffing aspects of Triage and Crisis Services:
 - **Crisis Services Team (CRU and EOU)** – current team for the Crisis Respite and Extended Observation units comprised of 9 RNs (2 on-call), 1 LVN, 1 LPHA, 8 QMHPs, 2 Crisis Support Staff, and 1 Unit Clerk who work rotating shifts to ensure coverage 24/7. The team will need to add additional staff to accommodate doubling the capacity of both units.
 - **Program Administrator for Crisis Outreach Services** will oversee the daily programmatic and staffing aspects of the MCOT and HUGO teams:
 - **Mobile Crisis Outreach Team (MCOT)**– current team comprised of 20 QMHPs who work rotating shifts to ensure coverage 7 days a week during extended business hours. Two of the QMHPs are co-located at the County Jail and will not be housed at the new facility.

- **High Utilizer Group Outreach (HUGO) Team** – current team comprised of 5 QMHPs who work typical weekday business hours providing outreach support for individuals in the community who are high utilizers of first response and mental health services.
 - **Customer Service Representative** – current full-time position that supports front desk functions and general inquiries from individuals served by the MCOT and HUGO teams during typical weekday business hours.
 - **Continuity of Care (COC) Supervisor** will oversee daily programmatic and staffing aspects of the coordinated specialty care (CSC) program:
 - **CSC-COC Team** – current team comprised of 4 QMHPs who work typical weekday business hours serving as part of a multi-disciplinary support team to assist individuals in services move toward recovery, including coordinating step-down care from crisis center to outpatient treatment.
 - **Disaster and Recovery Response Supervisor** will oversee daily programmatic and staffing aspects of disaster and recovery response services:
 - **LOSS Team** – current team comprised of 1 QMHP-LOSS Team Coordinator and 1 Peer Support Specialist who work typical weekday business hours providing outreach and support for survivors of suicide.
 - **Law Enforcement Liaison** – current position who works typical weekday business hours building connections with local law enforcement agencies for improved collaboration.
- **Relocate The Living Room drop-in center services**, including current and new staff, from the Redbud leased building to the new Bloomdale facility to provide Triage, Jail Diversion, and Intensive Services. We will not renew the lease on the Redbud building after we relocate to the new facility. The following staff and teams will be co-located with the expanded Access and Diversion Center at the new Bloomdale facility:
 - **Program Administrator for Intensive Services** reports to the Director of Adult Behavioral Services and will oversee the daily programmatic and staffing aspects of the ACT, Intensive Services, and Triage teams:

- **Assertive Community Treatment (ACT) Team** - current team comprised of 13 staff, 3 of whom are QMHPs who will be housed at the new facility and work typical weekday business hours to provide person-directed psychosocial rehabilitation and case management for adults ages 18 and older. The other 10 ACT Team members are located at our office locations in Plano and McKinney (Heritage Drive).
- **Intensive Services Team** – current team comprised of 31 staff, 18 of whom will be housed at the new facility, including 1 Housing Navigator, 4 Peer Support Specialists, 7 QMHPs, 3 Crisis Support Staff, 1 LPHA, and 1 Recovery Coach.
- **Triage Team** – will need to add a new team comprised of 2 full-time Crisis Support Specialists, 3 full-time triage intake coordinators, and two part-time psychiatric nurse practitioners (positions will be shared with CRU and EOU) who work rotating shifts to ensure coverage 24/7.
- **Program Administrator for Jail Diversion Services** reports to the Director of Adult Behavioral Health Services and will oversee the daily programmatic and staffing aspects of the Jail Diversion and Outpatient Competency Team:
 - **Jail Diversion & Outpatient Competency Team** – current team comprised of 21 staff, 6 of whom will be housed at the new facility, including 3 LPHAs and 3 QMHPs. The other 15 staff will be located at other LifePath Systems office locations and at Legan’s Place.
- **Relocate administrative and support functions** from the Heritage Drive main office to the new Bloomdale facility, to include:
 - **Chief Executive Officer** oversees all functions of the organization and reports to the Board of Trustees. CEO direct reports and their teams who will be relocated to the new facility include:
 - **Communications team** – current team led by **Director of Communications** who oversees daily functions of the Director of Development, 1 Branding and Communications Specialist, and 1 Community Communications Specialist.
 - **Administrative Assistant** who provides administrative support for the CEO and the Board of Trustees.

- **Chief Operating Officer** oversees all clinical and programmatic functions organization wide and reports to the CEO. The COO direct reports and their teams who will be relocated to the new facility include:
 - **Deputy Clinical Officer** oversees all BH, ECI, and IDD Directors and their teams. Only those listed above with the Crisis Center and The Living Room will be relocating to the new facility.
- **Chief Financial Officer** oversees all fiscal, purchasing, facilities, and MIS functions organization wide. The CFO direct reports and their teams who will be relocated to the new facility include:
 - **Fiscal team** – current team co-led by the **Director of Revenue Cycle** who oversees the daily functions of 9 Reimbursement Specialists; the **Controller** who oversees the daily functions of 3 Accountants and 2 Accounts Payable Clerks; and the **Payroll Administration Manager** who oversees the daily functions of 1 Payroll System Administrator Team Lead; as well as 4 other Fiscal team members who report directly to the CFO, including 1 Treasurer, 1 Cost and Reporting Analyst (fully remote position), 1 Accounts Receivable Clerk, and 1 Fiscal Contracts Coordinator.
 - **Purchasing team** – current team led by the **Purchasing Manager** who oversees daily functions of 1 Purchasing Clerk and 1 Fleet Coordinator.
 - **Facilities Management team** – current team led by the **Director of Facilities Management** who oversees daily functions of 1 Project Manager, 1 Lead Maintenance Technician, and 1 Maintenance Mechanic.
 - **MIS team**– current team led by the **Director of MIS** who oversees the daily functions of the **MIS Assistant Director** and their team of 1 clinical Information Analyst, 1 Systems Analyst, and 1 Database Administrator; and the **MIS Supervisor** and their team of 4 Systems Support Specialists.
- **Chief Administrative Officer (CAO)** who oversees all Contracts, Compliance, Human Resources, and Communications and Outreach functions organization wide. The CAO direct reports and their teams who will relocate to the new facility include:

- **Human Resources team** – current team led by the **HR Director** who oversees daily functions of the HR Manager-Training & Recruitment and their team of 2 HR Specialists and 1 HR Trainer; and the HR Manager-Benefits & Compensation and their team of 1 HR Manager and 2 HR Specialists.
 - **Compliance & Contracts team** – current team led by the **Director of Compliance, Planning & Quality Assurance** who oversees daily functions of 1 compliance Analyst; the Contract Manager and their team of 1 Contract Administrator who oversees a team of 2 Contract Managers-Provider Relations and 1 Contracts Technician.
 - **Quality Assurance team** – current team led by the **Director of Quality Assurance** who oversees the daily functions of 2 Compliance & Quality Assurance Analysts and 1 Quality Assurance Manager and their team of 1 Behavioral Health Quality Management Supervisor who oversees a team of 8 Quality Assurance coordinators, 2 Medical Records Technicians, and 1 Client Service Representative-Medical Records.
- **Relocate the entire Local Intellectual and Developmental Disabilities Authority (LIDDA) team** from the Alma Drive (Plano) office building to the new Bloomdale facility (McKinney), which includes:
 - **Director of Intellectual and Developmental Disabilities (IDD)** reports to the Deputy Clinical Officer and oversees daily programmatic and staffing functions of the LIDDA team, which is comprised of 86 staff, including:
 - **Program Administrator for Authority (LIDDA) Services** who oversees the daily functions of 3 Direct Support Professionals, 1 Diversion Coordinator/ECS Team Manager, 2 PASRR Habilitation Coordinator, 1 Lead Crisis Intervention Specialist, 1 Crisis Intervention Specialist, 4 Eligibility & COS Specialist, 1 Outreach & Eligibility Specialist, 1 Service Coordinator, and 1 Service Coordinator Supervisor and their team of 1 Service Coordinator Team Mentor and 23 Service Coordinators.
 - **Program Administrator for Supported Employment** who oversees the daily functions of 1 Supported Employment Team Lead, 8 Employment Specialists, 3 Project Search Employment Specialists, 1 Transition Employment Specialist, 2 Job Coaches, and 13 Client Workers.

- **Program Administrator for IDD Quality Assurance (QA)** who oversees the daily functions of 4 QA Specialists, 2 Medical Records Technician, 2 Data Entry/QA Technicians, and 1 Receptionist.
- **Program Administrator for Service Coordination**
- **IDD Provider Supervisor**
- **Repurpose office and program space at the Church Street and Heritage Drive buildings (McKinney) and the Alma Drive building (Plano)** for use by other LifePath Systems programs and teams, as well as for anticipated future growth. Specific usage is still under consideration and final decisions have not yet been made.

GROWTH GOALS

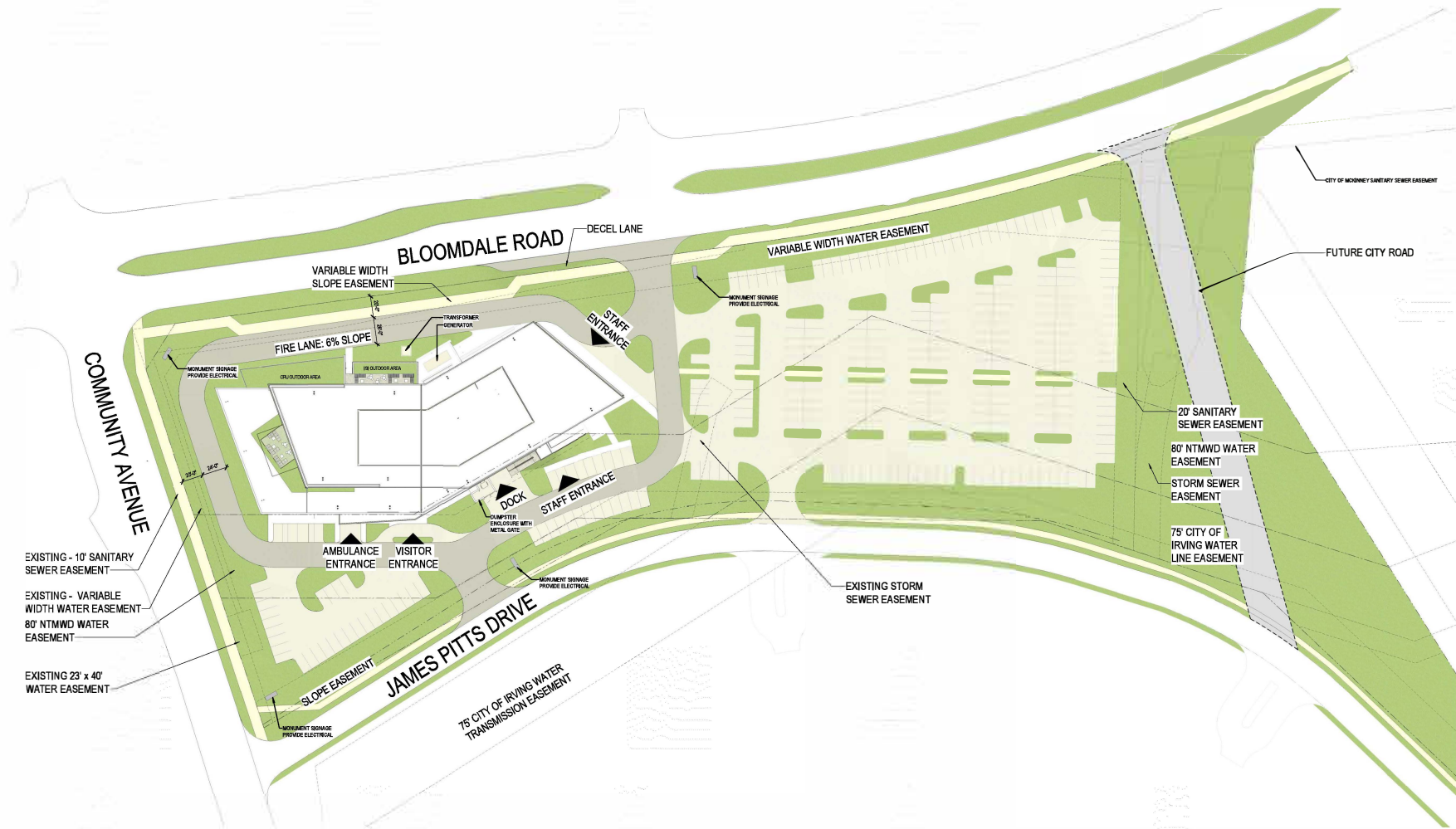
LifePath Systems aspires to be a leader in behavioral health, early childhood intervention, and intellectual and developmental disabilities services in Collin County. Our Center has grown exponentially since it was first established in 1986 and the construction of this new facility on the southeast corner of Bloomdale Road and Community Avenue is part of future growth goals.

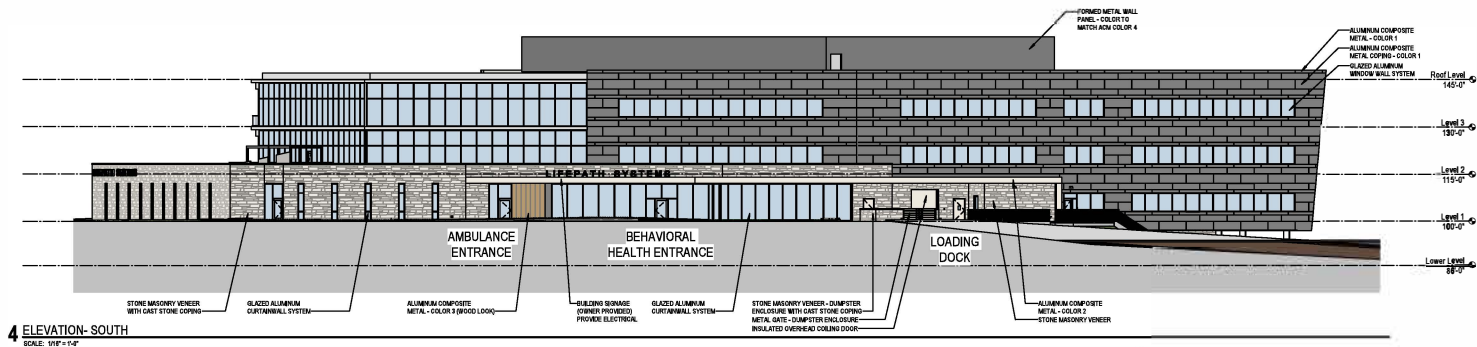
Serious conversations with Collin County and other stakeholders regarding constructing a new facility started in 2022 after a thorough exploration of purchasing existing buildings that would require renovations were exhausted. No existing buildings met the required space and/or location criteria that would allow us to expand crisis and diversion services that were identified as a critical need by LifePath Systems, Collin County, local law enforcement agencies, hospitals, and other community providers. Therefore, the construction of the new Bloomdale facility will address the need for expanded crisis and diversion services, which will increase the Center's operational budget by an estimated \$4 million over the previous fiscal year. LifePath Systems has successfully completed the past 10+ fiscal years with a positive net balance and currently has sufficient reserve funds to ensure a smooth transition to the new facility.

Plans have been set in motion to acquire additional funding needed to cover this added expense. Once constructed, the programs will be funded through service contracts with the county and state, which will include building maintenance and repair costs. Specifically, LifePath Systems will utilize Crisis General Revenue from HHSC Contract, County Funds, and SB292 legislative grant funding to support ongoing Crisis and Diversion Services provided at the new facility.

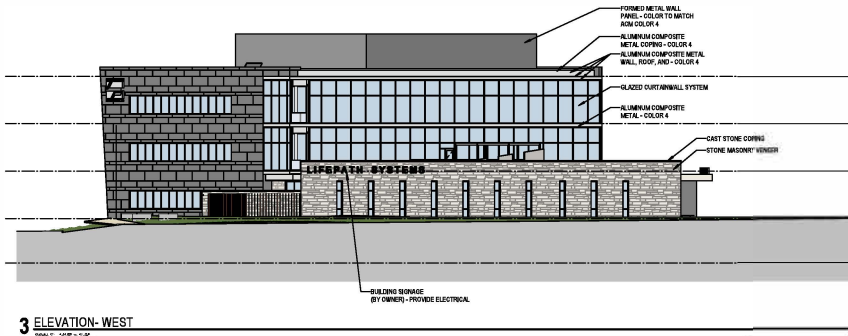
We have a successful history of securing new funding opportunities through state, county, federal and private funders to support continued growth and expansion of services to help address the ever-changing needs of children, youth, and adults in Collin County. For example, LifePath Systems is applying for additional funding through the 88th Legislature’s statewide allocation for an additional \$15 million per year in SB292 grants and an additional \$7.5 million per year in HB13 grants.

We plan to continue pursuing funding from contracts and grants that will support strategic, intentional growth and expansion of services and staffing at the new facility as well as organization wide, as appropriate. All new funding opportunities will be vetted and reviewed by executive leadership for alignment with mission, vision, and strategic priorities. Opportunities will also be assessed for current internal resource availability to support new projects, services, and staffing requirements. Not all opportunities will be appropriate, and we will only pursue those that rank highest against these criteria.

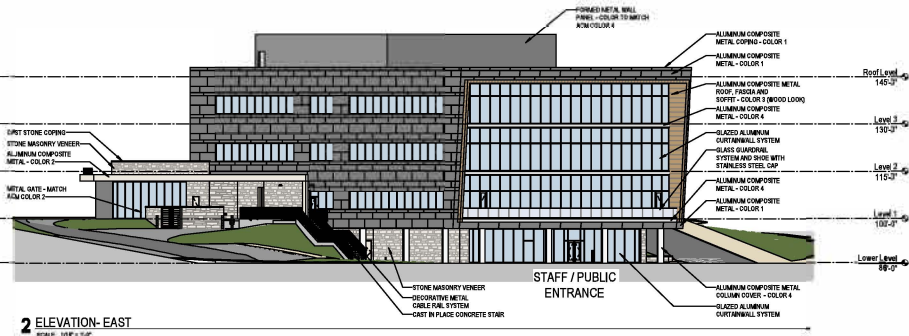




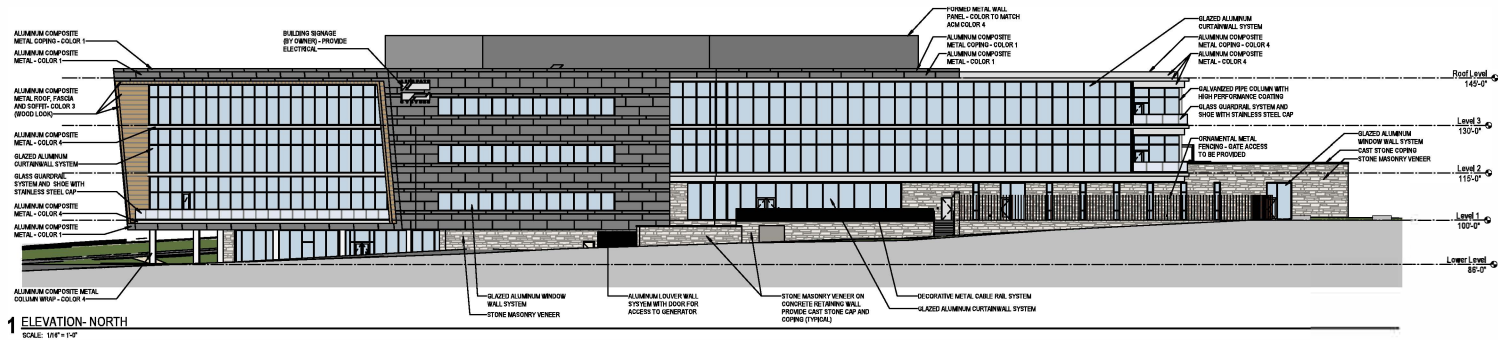
4 ELEVATION-SOUTH
SCALE: 1/8" = 1'-0"



3 ELEVATION-WEST
SCALE: 1/8" = 1'-0"



2 ELEVATION-EAST
SCALE: 1/8" = 1'-0"



1 ELEVATION-NORTH
SCALE: 1/8" = 1'-0"



03-02-2023

LIFEPATH CRISIS CENTER

DESIGN DEVELOPMENT

NORTHEAST PERSPECTIVE





LIFEPATH CRISIS CENTER

DESIGN DEVELOPMENT

NORTH PERSPECTIVE





LIFEPATH CRISIS CENTER

DESIGN DEVELOPMENT

NORTHWEST PERSPECTIVE





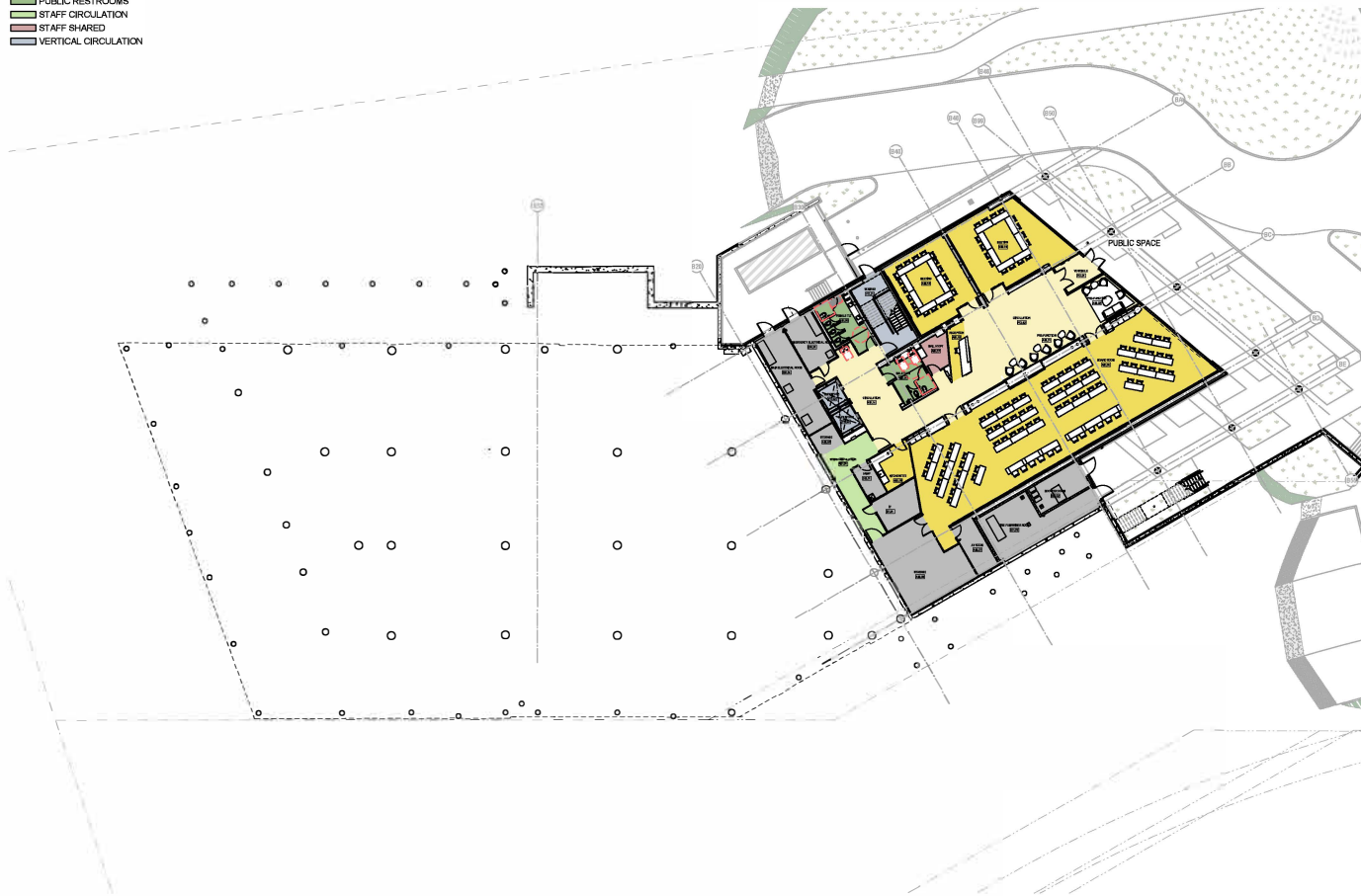
LIFEPATH CRISIS CENTER

DESIGN DEVELOPMENT

SOUTH PERSPECTIVE



- DEPARTMENT**
- BUILDING SUPPORT
 - PUBLIC
 - PUBLIC CIRCULATION
 - PUBLIC RESTROOMS
 - STAFF CIRCULATION
 - STAFF SHARED
 - VERTICAL CIRCULATION



- BECC**
- BECK ARCHITECTURE LLC**
 1861 ELM STREET
 SUITE 1800
 DALLAS, TX 75201
 PH: 214-300-8500
 FAX: 214-300-8999
 WWW.BECKARCHITECTURE.COM
- LifePath Systems**
 1311 Shepherd Ave
 McKinney, TX 75069
 972-923-9191
- Popper-D'Simon Construction**
 1981 Pappel Drive
 Dallas, TX 75235
 214-992-9000
- Cross**
 CROSS CONSULTING GROUP
 7729 West Virginia
 McKinney, TX 75069
 972-952-4409
- SSR**
 SOUTH STAR
 15079 N. Central Expressway
 Suite 400
 Dallas, TX 75241
 214-798-0500
- Bosma Design Solutions, Inc.**
 2371 Lantana Place
 Suite 107-727
 Flower Mound, TX 75022
 877-423-0714
- L.A. Kavan Partners**
 203 LBJ Parkway
 Suite 100
 Dallas, TX 75219
 214-617-9100
- Karand + Landscape Architecture**
 810 South Central Exp
 Suite 701
 Dallas, TX 75201
 214-798-2229
- LA HUBBARD PARTNERS**
 Architectural Engineers
- YMHM**

JOHN PAUL DEFRANK
 TX STATE REGIST. # 19812



ARCHITECT SEAL 8/4/2023 11:05:07 AM

CURRENT SUBMISSION: CD ISSUE

#	DATE	SUBMISSION
1	08/04/23	CD ISSUE

LIFEPATH CRISIS CENTER

LOWER LEVEL - OVERALL PLAN

- DEPARTMENT**
- BUILDING SUPPORT
 - CRU
 - CRU CIRCULATION
 - EOU
 - EOU CIRCULATION
 - HUGO / MCOOT
 - INTAKE
 - INTAKE CIRCULATION
 - ISI
 - ISI CIRCULATION
 - JAIL DIVERSION
 - JAIL DIVERSION CIRCULATION
 - KITCHEN
 - LAUNDRY
 - PUBLIC
 - PUBLIC CIRCULATION
 - PUBLIC RESTROOMS
 - PURCHASING AND FACILITIES
 - STAFF CIRCULATION
 - STAFF SHARED
 - VERTICAL CIRCULATION



- BECK**
BECK ARCHITECTURE LLC
 1801 ELM STREET
 SUITE 1800
 DALLAS, TX 75201
 P.O. 200-9000
 FAX: 214-206-8999
 WWW.BECKGROUP.COM
- LOFARTH SYSTEMS**
 13113 Inglewood Drive
 McKinney, TX 75069
 972-581-9193
- ROPER DESIGN CONSULTANTS**
 1901 Regal Tower
 Dallas, TX 75201
 214-902-9000
 Civil Engineering
 7229 West Virginia
 McKinney, TX 75069
 972-582-4469
- CROSS CONSULTING**
 1007 N. Central Expressway
 Suite 440
 Dallas, TX 75201
 214-750-6000
- SSR SOUTH STATE REAL ESTATE**
 Dallas, TX 75201
 214-750-6000
- BROWN DESIGN SOLUTIONS, INC.**
 2201 Lark Lane Road
 Suite 307-227
 Flower Mound, TX 75022
 877-422-0714
- L.A. KERR PAPERMAN**
 201141 Parkway
 Suite 100
 Dallas, TX 75228
 214-467-9700
- KERRILL + LANDSCAPE ARCHITECTURE**
 210 South Central Expressway
 Suite 701
 Dallas, TX 75201
 214-798-3229

JOHN PAUL DEFRANK
 TX STATE REGIST. # 19612

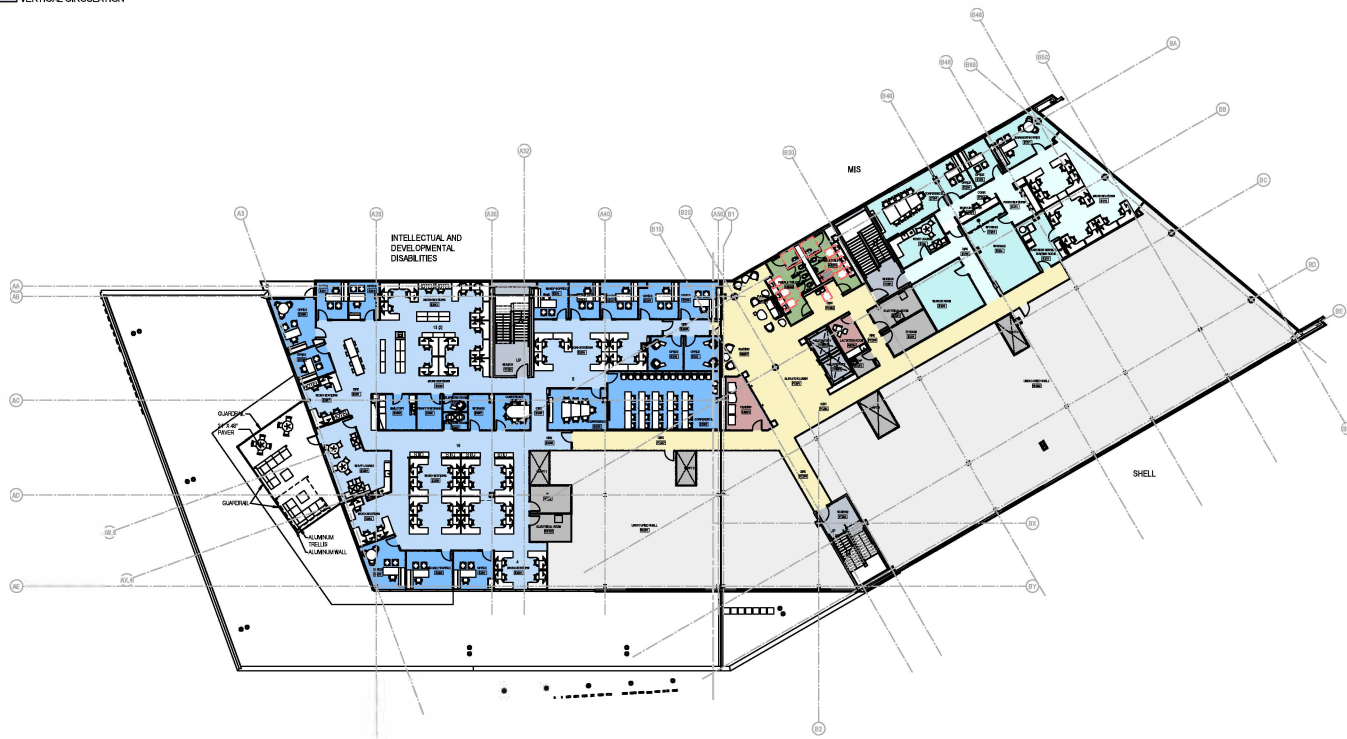
ARCHITECT SEAL 8/4/2023 11:05:56 AM

CURRENT SUBMISSION:		CD ISSUE
#	DATE	SUBMISSION
A	08/04/23	CD ISSUE

LIFESTPATH CRISIS CENTER

LEVEL 1 - OVERALL PLAN

- DEPARTMENT**
- BUILDING SUPPORT
 - IDC
 - IDC CIRCULATION
 - MIS
 - MIS CIRCULATION
 - PUBLIC CIRCULATION
 - PUBLIC RESTROOMS
 - SHELL SPACE
 - STAFF SHARED
 - VERTICAL CIRCULATION



BECK
 BECK ARCHITECTURE LLC
 1801 ELM STREET
 SUITE 1800
 DALLAS, TX 75201
 P: 214-782-1000
 FAX: 214-782-1099
 WWW.BECKGROUP.COM

LFPAH
 LFPAH Systems
 13111 Marquet Drive
 McKinney, TX 75069
 972-582-1910

Roper-Thomas Construction
 1901 Regal Drive
 Dallas, TX 75225
 214-992-9000

Cross Engineering
 5729 West Virginia
 McKinney, TX 75069
 972-582-4400

SSR
 12678 N. Central Expressway
 Suite 440
 Dallas, TX 75221
 214-739-0900

Brown Design Solutions, Inc.
 2201 LeVelle Parkway
 Suite 107-727
 Flower Mound, TX 75022
 877-822-0714

L.A. Kump Partners
 201141 Parkway
 Suite 300
 Dallas, TX 75228
 214-647-1700

Kerrill + Landscapes Architecture
 8105 North Central Expressway
 Suite 311
 Dallas, TX 75226
 214-739-2229

JOHN PAUL DEFRANK
 TX STATE REGIST. # 19812

ARCHITECT SEAL 8/4/2023 11:09:17 AM

CURRENT SUBMISSION:		CD ISSUE
#	DATE	SUBMISSION
A	08/04/23	CD ISSUE

LIFEPATH CRISIS CENTER

LEVEL 2 - OVERALL PLAN



BECK ARCHITECTURE LLC
 181 ELM STREET
 SUITE 1600
 DALLAS, TX 75201
 TEL: 214-781-5501
 FAX: 214-305-8989
 WWW.BECKARCH.COM

LDPath Systems
 1511 Maple Street
 McKinney, TX 75069
 972-562-9193

Poppe-2/3/4 Construction
 1301 Regal Place
 Dallas, TX 75225
 214-992-3000

CROSS ENGINEERING CONSULTANTS
 5729 West Virginia
 McKinney, TX 75069
 972-562-4469

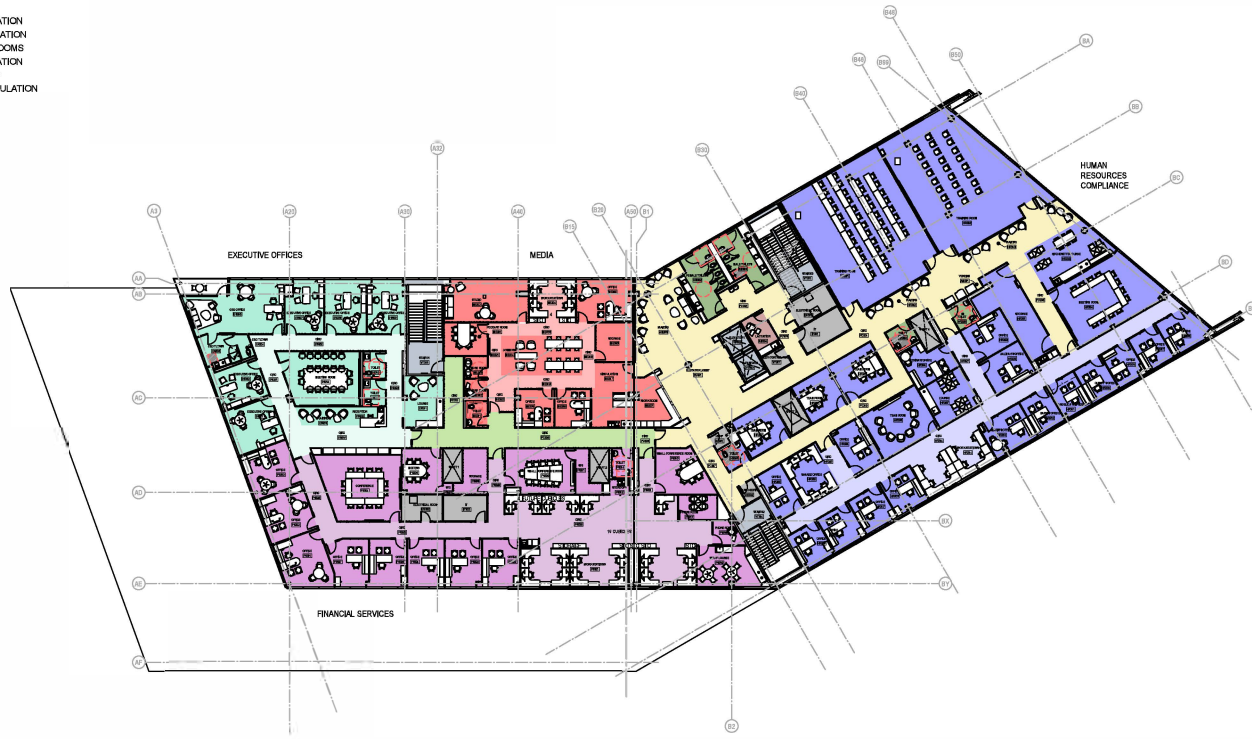
SSR SOUTH STAR CONSULTING
 10829 N. Central Expressway
 Suite 440
 Dallas, TX 75221
 214-798-6969

Beema Design Solutions, Inc.
 2201 Levey Street
 Suite 107-727
 Flower Mound, TX 75022
 877-423-0714

L.A. KUMAR PARTNERS
 3331 Lay Parkway
 Suite 300
 Dallas, TX 75219
 214-617-1101

Korabel + Landscape Architecture
 3110 South Central Expressway
 Suite 701
 Dallas, TX 75226
 214-798-3229

- DEPARTMENT**
- BUILDING SUPPORT
 - EXECUTIVE OFFICES
 - EXECUTIVE OFFICES CIRCULATION
 - FINANCIAL SERVICES
 - FINANCIAL SERVICES CIRCULATION
 - HUMAN RESOURCES
 - HUMAN RESOURCES CIRCULATION
 - IDO
 - MEDIA
 - MEDIA CIRCULATION
 - PUBLIC CIRCULATION
 - PUBLIC RESTROOMS
 - STAFF CIRCULATION
 - STAFF SHARED
 - VERTICAL CIRCULATION



JOHN PAUL DEPFRANK
 TX STATE REGIST. # 19812

ARCHITECT SEAL 8/4/2023 11:11:25 AM

CURRENT SUBMISSION:		CD ISSUE
#	DATE	SUBMISSION
A	08/04/23	CD ISSUE

LIFEPATH CRISIS CENTER

LEVEL 3 - OVERALL PLAN



LIFEPATH SYSTEMS GMP SCHEDULE

Run Date: 10-Jan-24
Data Date: 10-Jan-24

Activity ID	Activity Name	OD	Start	Finish	Total Float	2023												2024												2025												2026																																													
						D	J	F	M	A	M	J	Jul	A	S	O	N	D	J	F	M	A	M	J	Jul	A	S	O	N	D	J	F	M	A	M	J	Jul	A	S	O	N	D	J	F	M	A	M	J	Jul																																						
EXECUTIVE REPORT																																																																																							
EXECUTIVE SUMMARY																																																																																							
SM1030	Summary - Preconstruction	0	02-Feb-23 A	17-Nov-23 A		Summary - Preconstruction																																																																																	
SM1040	Summary - Overall Construction (Calendar Days)	520	20-Nov-23 A	14-May-25	0	Summary - Overall Construction (Calendar Days)																																																																																	
SM1000	Summary - Closeout - 90 Days	20	19-Feb-25	19-Mar-25	0	Summary - Closeout - 90 Days																																																																																	
SM1070	Summary - Weather Days	59	20-Feb-25	14-May-25	0	Summary - Weather Days																																																																																	
SM1060	Summary - Closeout	21	06-Mar-25	04-Apr-25	44	Summary - Closeout																																																																																	
SM1010	Summary - Closeout - 60 Days	20	19-Mar-25	16-Apr-25	0	Summary - Closeout - 60 Days																																																																																	
SM1020	Summary - Closeout - 30 Days	20	16-Apr-25	14-May-25	0	Summary - Closeout - 30 Days																																																																																	
EXECUTIVE MILESTONES																																																																																							
DS1120	Milestone - GMP	0	07-Sep-23 A			Milestone - GMP																																																																																	
MS1080	Milestone - Civil Pkg / Grading & Site Utility Permit Issue	0	17-Nov-23 A			Milestone - Civil Pkg / Grading & Site Utility Permit Issue																																																																																	
MS1010	Milestone - Notice To Proceed	0	20-Nov-23 A			Milestone - Notice To Proceed																																																																																	
MS1020	Milestone - Civil Pkg - Site Utility Permit Issue	0	05-Jan-24 A			Milestone - Civil Pkg - Site Utility Permit Issue																																																																																	
MS1070	Milestone - Permit Issued	0		05-Jan-24 A		Milestone - Permit Issued																																																																																	
MS1100	Milestone - Preliminary TAS/TDLR Inspection	0		09-Sep-24	191	Milestone - Preliminary TAS/TDLR Inspection																																																																																	
MS1090	Milestone - Construction Complete	0		20-Feb-25	0	Milestone - Construction Complete																																																																																	
MS1110	Milestone - Final TAS/TDLR Inspection	0		20-Feb-25	75	Milestone - Final TAS/TDLR Inspection																																																																																	
MS1050	Milestone - Substantial Completion & Certificate of Occupancy	0		14-May-25	0	Milestone - Substantial Completion & Certificate of Occ																																																																																	
MS1000	Milestone - Final Completion	0		06-Jun-25	0	Milestone - Final Completion																																																																																	
KEY DATES																																																																																							
KD1000	Key Date - Structural Topout	0		24-Jul-24	217	Key Date - Structural Topout																																																																																	
KD1040	Key Date - Building Dry-In	0		28-Aug-24	52	Key Date - Building Dry-In																																																																																	
KD1010	Key Date - Permenant Power On	0		24-Sep-24	89	Key Date - Permenant Power On																																																																																	
KD1020	Key Date - Conditioned Air On	0		01-Oct-24	24	Key Date - Conditioned Air On																																																																																	
KD1030	Key Date - Closed Walls Complete	0		24-Oct-24	152	Key Date - Closed Walls Complete																																																																																	
PRECONSTRUCTION																																																																																							
DESIGN																																																																																							
DS1080	Design - Schematic Design (SDs)	39	02-Dec-22 A	02-Feb-23 A		Design - Schematic Design (SDs)																																																																																	
DS1090	Design - Design Development (DDs)	51	03-Feb-23 A	14-Apr-23 A		Design - Design Development (DDs)																																																																																	
DS1030	Design - SWPPP Process	10	03-Apr-23 A	17-Apr-23 A		Design - SWPPP Process																																																																																	
DS1110	Design - DD Pricing	25	17-Apr-23 A	08-May-23 A		Design - DD Pricing																																																																																	
DS1100	Design - Construction Documents (CDs)	78	17-Apr-23 A	04-Aug-23 A		Design - Construction Documents (CDs)																																																																																	

█ Rem LOE █ Crit LOE █ Rem Task ◆ Comp Mile ◆ Crit Mile
█ Comp LOE █ Comp Task █ Crit Task ◆ Rem Mile

Activity ID	Activity Name	OD	Start	Finish	Total Float	2023												2024												2025												2026																							
						D	J	F	M	A	M	J	Jul	A	S	O	N	D	J	F	M	A	M	J	Jul	A	S	O	N	D	J	F	M	A	M	J	Jul	A	S	O	N	D	J	F	M	A	M	J	Jul																
DS1130	Design - DD Pricing Review	5	08-May-23 A	26-May-23 A		■ Design - DD Pricing Review																																																											
DS1070	Design - CD Pricing	15	04-Aug-23 A	24-Aug-23 A		■ Design - CD Pricing																																																											
DS1000	Design - CD Pricing Review	8	25-Aug-23 A	05-Sep-23 A		■ Design - CD Pricing Review																																																											
PERMITS																																																																	
PM1010	Permit - Review	60	01-Nov-23 A	12-Jan-24	32													■ Permit - Review																																															
PM1000	Permit - Issued	0		12-Jan-24	32													◆ Permit - Issued																																															
BUYOUT																																																																	
BY1000	Buyout - Electrical Switchgear	2	21-Nov-23 A	22-Nov-23 A														■ Buyout - Electrical Switchgear																																															
PROCUREMENT																																																																	
BY1010	Submittals and Coordination Study - Early Electrical	60	07-Aug-23 A	01-Nov-23 A		■ Submittals and Coordination Study - Early Electrical																																																											
PC1000	Procurement - Electrical Switchgear & Panelboards	200	01-Nov-23 A	10-Sep-24	24	■ Procurement - Electrical Switchgear & Panelboards																																																											
PC1010	Procurement - Generator & ATS	300	01-Nov-23 A	23-Jan-25	0	■ Procurement - Generator & ATS																																																											
WEATHER DAYS																																																																	
DS1050	Weather Days Allocated - November 2023	3	21-Nov-23 A	27-Nov-23 A		■ Weather Days Allocated - November 2023																																																											
DS1060	Weather Days Allocated - December 2023	3	12-Dec-23 A	14-Dec-23 A		■ Weather Days Allocated - December 2023																																																											
DS1140	Weather Days Allocated - January 2024	3	08-Jan-24 A	10-Jan-24	43	■ Weather Days Allocated - January 2024																																																											
DS1150	Weather Days Allocated - February 2024	3	05-Feb-24	07-Feb-24	43	■ Weather Days Allocated - February 2024																																																											
DS1160	Weather Days Allocated - March 2024	4	05-Mar-24	08-Mar-24	43	■ Weather Days Allocated - March 2024																																																											
DS1170	Weather Days Allocated - April 2024	3	03-Apr-24	05-Apr-24	43	■ Weather Days Allocated - April 2024																																																											
DS1180	Weather Days Allocated - May 2024	4	03-May-24	08-May-24	43	■ Weather Days Allocated - May 2024																																																											
DS1190	Weather Days Allocated - June 2024	4	05-Jun-24	10-Jun-24	43	■ Weather Days Allocated - June 2024																																																											
DS1200	Weather Days Allocated - July 2024	3	03-Jul-24	08-Jul-24	43	■ Weather Days Allocated - July 2024																																																											
DS1210	Weather Days Allocated - August 2024	3	06-Aug-24	08-Aug-24	43	■ Weather Days Allocated - August 2024																																																											
DS1220	Weather Days Allocated - September 2024	3	06-Sep-24	10-Sep-24	43	■ Weather Days Allocated - September 2024																																																											
DS1290	Weather Days Allocated - October 2024	4	09-Oct-24	14-Oct-24	43	■ Weather Days Allocated - October 2024																																																											
DS1230	Weather Days Allocated - November 2024	3	11-Nov-24	13-Nov-24	43	■ Weather Days Allocated - November 2024																																																											
DS1240	Weather Days Allocated - December 2024	3	11-Dec-24	13-Dec-24	43	■ Weather Days Allocated - December 2024																																																											
DS1250	Weather Days Allocated - January 2025	3	07-Jan-25	09-Jan-25	43	■ Weather Days Allocated - January 2025																																																											
DS1300	Weather Days Allocated - February 2025	3	05-Feb-25	07-Feb-25	43	■ Weather Days Allocated - February 2025																																																											
DS1310	Weather Days Allocated - March 2025	4	05-Mar-25	10-Mar-25	43	■ Weather Days Allocated - March 2025																																																											
DS1320	Weather Days Allocated - April 2025	3	03-Apr-25	07-Apr-25	43	■ Weather Days Allocated - April 2025																																																											
CONSTRUCTION																																																																	
SITE																																																																	
CN1020	Site - Mobilize	5	21-Nov-23 A	29-Nov-23 A		■ Site - Mobilize																																																											
CN1430	Site - Mass Excavation / Grading - First Phase	20	27-Nov-23 A	12-Jan-24 A		■ Site - Mass Excavation / Grading - First Phase																																																											

Activity ID	Activity Name	OD	Start	Finish	Total Float	2023												2024												2025												2026											
						D	J	F	M	A	M	J	Jul	A	S	O	N	D	J	F	M	A	M	J	Jul	A	S	O	N	D	J	F	M	A	M	J	Jul	A	S	O	N	D	J	F	M	A	M	J	Jul				
CN2040	Level 03 - Frame Walls / Doors	10	30-Aug-24	16-Sep-24	47																									■ Level 03 - Frame Walls / Doors																							
CN2050	Level 03 - Elec Wall Rough-In	10	16-Sep-24	30-Sep-24	47																									■ Level 03 - Elec Wall Rough-In																							
CN2030	Level 03 - Ceiling Install	5	16-Sep-24	23-Sep-24	52																									■ Level 03 - Ceiling Install																							
CN2060	Level 03 - Mech Wall Rough-In	10	16-Sep-24	30-Sep-24	47																									■ Level 03 - Mech Wall Rough-In																							
CN2070	Level 03 - Plumbing Wall Rough-In	10	16-Sep-24	30-Sep-24	47																									■ Level 03 - Plumbing Wall Rough-In																							
CN2080	Level 03 - Drywall / Insulation	8	30-Sep-24	10-Oct-24	47																									■ Level 03 - Drywall / Insulation																							
CN2090	Level 03 - Tape / Float / Prime	10	10-Oct-24	24-Oct-24	47																									■ Level 03 - Tape / Float / Prime																							
CN2110	Level 03 - Lighting Install	10	06-Nov-24	19-Nov-24	40																									■ Level 03 - Lighting Install																							
CN2150	Level 03 - Millwork	5	18-Nov-24	22-Nov-24	46																									■ Level 03 - Millwork																							
CN2120	Level 03 - Flooring Install	10	27-Nov-24	12-Dec-24	24																									■ Level 03 - Flooring Install																							
CN2130	Level 03 - Door / Hardware Install	6	06-Dec-24	13-Dec-24	24																									■ Level 03 - Door / Hardware Install																							
CN2100	Level 03 - Final Paint	4	16-Dec-24	19-Dec-24	24																									■ Level 03 - Final Paint																							
CN2140	Level 03 - Mech Trim	5	20-Dec-24	03-Jan-25	24																									■ Level 03 - Mech Trim																							
CN2160	Level 03 - Elec Trim	5	20-Dec-24	03-Jan-25	24																									■ Level 03 - Elec Trim																							
CN2170	Level 03 - Plumbing Trim	5	20-Dec-24	03-Jan-25	24																									■ Level 03 - Plumbing Trim																							
CN2180	Level 03 - Elec Energized	0		03-Jan-25	24																									◆ Level 03 - Elec Energized																							
CN2190	Level 03 - Construction Complete	0		03-Jan-25	24																									◆ Level 03 - Construction Complete																							
CN2210	Level 03 - Clean	10	06-Jan-25	17-Jan-25	24																									■ Level 03 - Clean																							
CN2200	Level 03 - Punchlist	10	06-Jan-25	17-Jan-25	24																									■ Level 03 - Punchlist																							
CN2220	Level 03 - Area Ready	0		17-Jan-25	24																									◆ Level 03 - Area Ready																							
ELEVATORS																														■ Elevator - Install																							
CN1400	Elevator - Install	60	05-Sep-24	02-Dec-24	96																																																
SITE FINISHES																														■ Site Finishes - Irrigation & Landscaping																							
CN1340	Site Finishes - Irrigation & Landscaping	30	26-Sep-24	07-Nov-24	132																																																
CN1410	Site Finishes - Hardscapes	25	10-Oct-24	14-Nov-24	132																									■ Site Finishes - Hardscapes																							
CN1030	Site Finishes - Final Inspections	5	14-Nov-24	21-Nov-24	132																									■ Site Finishes - Final Inspections																							
CLOSEOUT																														■ Generator																							
CLOSEOUT																														◆ Closeout - Construction Complete																							
CN2520	Generator	20	23-Jan-25	20-Feb-25	0																																																
CO1010	Closeout - Construction Complete	0		20-Feb-25	0																																																
CO1020	Closeout - Final Inspections	10	20-Feb-25	06-Mar-25	44																									■ Closeout - Final Inspections																							
CO1050	Closeout - Punchlist Completion	15	06-Mar-25	27-Mar-25	44																									■ Closeout - Punchlist Completion																							
CO1070	Closeout - Final Clean	10	21-Mar-25	04-Apr-25	44																									■ Closeout - Final Clean																							
CO1030	Closeout - Final Completion	0		04-Apr-25	44																									◆ Closeout - Final Completion																							

Rem LOE	Crit LOE	Rem Task	Comp Mile	Crit Mile
Comp LOE	Comp Task	Crit Task	Rem Mile	



Rogers-O'Brien
CONSTRUCTION

3/26/2024

Jaimie Anderson Hoyt, M.A., CFM
Grant Manager
Lifepath Systems
1515 Heritage Drive
McKinney, TX 75069

Dear Jaimie:

As requested, please find below and attached the breakouts for site infrastructure components of work, as needed for the McKinney Community Development Corporation grant application:

Earthwork (RPMX)	\$1,284,135	Site Improvements and Storm Drainage
Utilities (CalHar)	\$582,855	Water, Sanitary Sewer, Fire Protection and Storm Drainage
Concrete (RO)	\$1,665,000	Site Improvements (Drives, Sidewalks, Paving)
Electrical (Petri)	\$631,466	Electric Utility and Site Improvements
Landscaping (xxx)	\$589,234	Trees, Plants and Irrigation Improvements
Subtotal	\$4,752,690	
CMAR Fee	\$106,936	
Total	\$4,859,626	

The concrete number is a breakout cost that Roger's O'Brien is providing for the site improvements because we are self performing the concrete.

Again, thank you for the opportunity to be part of the project and for the great work you and your team do. Please contact me if you need any additional information.

Thanks,,

Cain Young
Senior Superintendent



Construction, LLC

RPM xConstruction, LLC.
6500 MEYER WAY
MCKINNEY, TEXAS 75070

ESTIMATOR: Will Cappell
PHONE: (469)316-2872
EMAIL: WCappell@RPMxConstruction.com

PROJECT: LIFEPATH CRISIS CENTER
LOCATION: MCKINNEY, TEXAS

PAGE 1 OF 1

VERSION: FOR AWARD
BID DATE: September 20, 2023

EARTHWORK

ITEM	DESCRIPTION	
1	MOBILIZATION (INCLUDES 2 MOBILIZATIONS)	
2	SUPERVISION	
3	STAKING FOR OUR SCOPE OF WORK	
4	CONSTRUCTION ENTRANCE (INITIAL INSTALLATION ONLY - EXCLUDES WASH RACKS)	
5	SILT FENCE (INITIAL INSTALLATION ONLY - EXCLUDES SAFETY CAPS)	
6	INLET PROTECTION (EXISTING INLETS ONLY - INITIAL INSTALLATION ONLY)	
7	SAWCUT & CURB DEMOLITION (EARTHWORK SCOPE ONLY)	
8	TREE REMOVAL, CLEAR & GRUB SITE (EXCLUDES ROOT RAKING OR HAND CLEARING)	
9	STRIP SITE AND STOCKPILE TOPSOIL	
10	SCARIFY & RECOMPACT SUBGRADE (PRIOR TO PLACEMENT OF FILL MATERIALS)	
11	DIRTY EXCAVATION	
12	ROCK EXCAVATION	
13	PAD PREP LEVEL 01: EXCAVATE TO 7 FEET OR TOP OF LIMESTONE AND REPLACE WITH SELECT FILL MIN. 3.5 FEET PER R-O ASSUMPTION EXHIBIT	
14	PAD PRE LEVEL 01: FURNISH AND INSTALL 12" CRUSHED CONCRETE FLEX BASE	
15	PAD PREP LOWER LEVEL: EXCAVATE AND REPLACE WITH MIN 2.5 FEET OF SELECT FILL PER R-O ASSUMPTION EXHIBIT	
16	PAD PREP LOWER LEVEL: FURNISH AND INSTALL FILTER FABRIC	
17	PAD PREP LOWER LEVEL: FURNISH 6" #57 STONE (INSTALL BY OTHERS)	
18	CUT BACK FOR SITE RETAINING WALLS	
19	EXPORT SPOILS FOR EARTHWORK SCOPE (EXCLUDES OTHER TRADES SPOILS)	
20	SCARIFY & RECOMPACT PAVEMENT SUBGRADE (PARKING AREAS)	
21	LIME STABILIZE PAVEMENT SUBGRADE (8" DEPTH AT 5% (P) R/L LINES AND HEAVY DUTY PAVEMENT)	
22	MACHINE GRADE SITE TO +/- .10' (ALLOWING FOR THICKNESS OF PVM)	
23	CONSTRUCTION WATER	
24	CARE OF WATER	
25	STREET SWEEPING - EARTHWORK SCOPE ONLY	
	EARTHWORK BID SUBTOTAL	\$ 949,795.00

DECEL LANE/TURN LANE BREAKOUT

ITEM	DESCRIPTION	
1	MOBILIZATION (INCLUDES 1 MOBILIZATION FOR DECEL LANE SCOPE)	
2	SAWCUT AND CURB REMOVAL (EXCLUDES DEMO AND REMOVAL OF EXISTING INLETS)	
3	EXCAVATION	
4	LIME STABILIZE PAVEMENT SUBGRADE	
5	FINE GRADE PAVEMENT SUBGRADE	
	DECEL LANE/TURN LANE BREAKOUT	\$ 38,740.00

LEFT TURN LANE BREAKOUT

ITEM	DESCRIPTION	
1	MOBILIZATION (INCLUDES 1 MOBILIZATION FOR LEFT TURN LANE SCOPE)	
2	SAWCUT AND CURB REMOVAL (EXCLUDES DEMO AND REMOVAL OF EXISTING INLETS)	
3	EXCAVATION	
4	LIME STABILIZE PAVEMENT SUBGRADE	
5	FINE GRADE PAVEMENT SUBGRADE	
	LEFT TURN LANE BREAKOUT	\$ 39,400.00

JAMES PITTS DRIVE

ITEM	DESCRIPTION	
1	MOBILIZATION (INCLUDES 1 MOBILIZATION FOR LEFT TURN LANE SCOPE)	
2	SAWCUT AND PAVEMENT REMOVAL (EXCLUDES DEMO AND REMOVAL OF EXISTING INLETS)	
3	EXCAVATION	
4	LIME STABILIZE PAVEMENT SUBGRADE	
5	FINE GRADE PAVEMENT SUBGRADE	
	JAMES PITTS DRIVE	\$ 39,800.00

BACKFILL SITE RETAINING WALLS

ITEM	DESCRIPTION	
1	BACKFILL RETAINING WALLS	
	INCLUDES THE FOLLOWING:	
	- 2" THICK FREE DRAINING #57 STONE GRAVEL POCKET	
	- FILTER FABRIC	
	- SELECT FILL BACKFILL WEDGE	
	- 1" ON-SITE SOIL COVER	
	BACKFILL SITE RETAINING WALLS	\$ 216,400.00

	EARTHWORK BID TOTAL	\$ 1,284,135.00
--	----------------------------	------------------------

ALTERNATE - THICKEN CONCRETE IN FIRE LANES IN LIEU OF LIME STABILIZATION

ITEM	DESCRIPTION	
1	CREDIT FOR LIME STABILIZATION	
2	ADDITIONAL EXCAVATION TO ALLOW FOR PLACEMENT OF 6" CRUSHED CONCRETE	
3	ADDITIONAL EXPORT	
4	FURNISH AND INSTALL 6" CRUSHED CONCRETE FLEX BASE	
	ALTERNATE - THICKEN CONCRETE IN FIRE LANES IN LIEU OF LIME STABILIZATION	\$ 65,823.00

ADD ITEMS

ITEM	DESCRIPTION	
A.1	HAUL OFF SURFACE DEBRIS, PER LOAD	\$ 2,000.00
A.2	RESPREAD STOCKPILE TOPSOIL TO WITHIN 1' BACK OF CURB (CURB BACK FILL BY OTHERS) +1 MOBILIZATION	\$ 18,680.00
A.3	FURNISH 6" #57 STONE BELOW LEVEL 1, IF REQUIRED (INSTALL WITH DRAIN PIPE BY OTHERS)	\$ 66,426.00
A.4	EXCAVATE AND IMPORT TOPSOIL PER SCHED	\$ 7,500.00
A.5	EXCAVATE AND MACHINE GRADE SIDEWALKS TO +/- .10' (ALLOWING FOR THICKNESS OF PAVEMENT)	\$ 30,423.00
A.6	EXCAVATE AND MACHINE GRADE HIKE AND BIKE TRAIL TO +/- .10' (ALLOWING FOR THICKNESS OF PAVEMENT)	\$ 39,173.00
A.7	BACKFILL OF CURBS	\$ 21,288.00
A.8	REMOVAL OF CONSTRUCTION ENTRANCE UPON COMPLETION OF PROJECT	\$ 1,850.00
A.9	REMOVAL OF SILT FENCE UPON COMPLETION OF PROJECT	\$ 4,452.00

GENERAL CLARIFICATIONS:

ANY ITEMS NOT SPECIFICALLY MENTIONED ABOVE ARE UNDERSTOOD TO BE EXCLUDED.
 THIS PROPOSAL IS SUBJECT TO COST ESCALATION DUE TO INCREASES IN FUEL OR MATERIAL PRICES.
 THIS PROPOSAL IS BASED ON EARTHWORK RETAINAGE BEING RELEASED UPON SUBSTANTIAL COMPLETION OF SCOPE OF WORK.
 THIS PROPOSAL IS BASED ON WATER BEING READILY AVAILABLE ON-SITE. TRUCKING IN WATER FROM OFF SITE IS EXCLUDED.
 GC REQUIRED TO PROVIDE TEMP WATER TAP IF NO WATER ACCESS IS ON SITE
 EXCLUDES HANDLING, HAULING, EXPORTING, OR RESPREADING OF SPOILS GENERATED BY OTHERS
 GC IS TO PROVIDE ALL CONTROL AND CAD FILES PRIOR TO MOBILIZATION
 DEWATERING IS LIMITED TO THIS SCOPE ONLY, WHILE ON SITE ONLY - EXCLUDES DEWATERING FOR OTHERS
 EXCLUDES SAND, POLY OR DRAINAGE LAYER BELOW SLABS UNLESS OTHERWISE NOTED
 EXCLUDES STRUCTURAL EXCAVATION - ELEVATOR PITS, FOOTINGS, GRADE BEAMS, MECHANICAL ROOMS, ETC.
 EXCLUDES TRAFFIC CONTROL & BARRICADES
 EXCLUDES REMOVAL OF CONTAMINATED OR HAZARDOUS MATERIAL
 EXCLUDES LIME STABILIZATION, SELECT FILL, FLEX BASE, OR SAND UNDER SIDEWALKS
 EXCLUDES REMOVAL OF BURIED DEBRIS
 EXCLUDES DEMOLITION, CAPPING, OR MAKE SAFE OF EXISTING UTILITIES OR HEADWALLS
 EXCLUDES SWPPP BOOKS, INSPECTIONS, PROPOSED INLET PROTECTIONS
 EXCLUDES BACKFILL OF OR STRUCTURE OF ANY KIND (I.E. RETAINING WALLS, GRADE BEAMS, DOCKS, BASEMENT WALLS, ETC.)
 EXCLUDES SEEDING, SODDING, HYDRO-MULCH, IRRIGATION, ROCK SIFTING, OR AMENDING TOPSOIL
 EXCLUDES IMPORT OF LANDSCAPING AGGREGATE OR TOPSOIL

PROJECT SPECIFIC EXCLUSIONS (UNLESS NOTED OTHERWISE ABOVE):

ALL VEHICLE PAVING & BUILDING SLABS ARE TO BOTTOM OF PAVING ELEVATIONS. UNLESS OTHERWISE STATED IN PROPOSAL
 ALL SIDEWALK AREAS ARE GRADED TO TOP OF LANDSCAPE GRADES - SEE ADD FOR SIDEWALK EXCAVATION/GRADING
 EXCLUDES STRUCTURAL DEMO (BUILDING, FOUNDATIONS, PIERS, GRADE BEAMS, STEM WALLS, ETC.)
 EXCLUDES DEMO AND REMOVAL OF ABOVE GROUND OR BELOW GROUND TANKS AND EQUIPMENT
 EXCLUDES HANDLING OR REMOVAL OF SURFACE DEBRIS. SEE ADD ALTERNATE
 EXCLUDES SHORING AND/OR SOIL RETENTION
 EXCLUDES TREE PROTECTION
 EXCLUDES FURNISH OR INSTALL OF ROCK RIP RAP
 EXCLUDES IMPORT AND/OR RESPREAD OF TOPSOIL OR SOIL AMENDMENTS
 EXCLUDES UTILITY POLE BRACING, REMOVAL, RELOCATION, OR SALVAGE
 INCLUDES ALL TAXES, FEES & INSURANCE APPLICABLE TO THIS SCOPE ONLY
 EXCLUDES SAND, POLY OR DRAINAGE LAYER BELOW SLABS
 EXCLUDES REWORK OF EXISTING FILL SOILS BEYOND LIMITS OF BUILDING PAD PREPARATION
 EXCLUDES PAVEMENT REMOVAL FOR UTILITY CONSTRUCTION
 EXCLUDES ROCK EXCAVATION, UNLESS OTHERWISE NOTED IN PROPOSAL.
 EXCLUDES INLET PROTECTION
 EXCLUDES HANDLING OR EXPORT OF SPOILS GENERATED BY OTHERS
 EXCLUDES SALVAGE OF FENCE, SIGNS, GATES (TO BE PERFORMED BY OTHERS)
 EXCLUDES FURNISH OR INSTALL OF 6" DRAIN STONE BENEATH LEVEL 1

GEOTECH: BRAUN INTERTEC REPORT B2208088.00 DATED 10/14/2022
 BRAUN INTERTEC REPORT ADDENDUM
 PLANS: CROSS ENGINEERING CIVIL PLANS DATED 07/27/2023



Rogers-O'Brien
Mr. Cain Young
214-673-6695

cyoung@r-o.com

Proposal #223023D: Preliminary Site Utilities for Lifepath Systems in McKinney, Texas.

ITEM	DESCRIPTION	QTY	UNIT	TOTAL
<u>WATER - Public</u>				
1	8" DR 18	991	LF	
2	6" DR 18 Fire Hydrant Lead	94	LF	
3	8" DR 14 Fire Line to Dbl. Detector Check	30	LF	
4	Standard Fire Hydrant	4	EA	
5	8" Dbl. Detector Check/Vault	1	EA	
6	8" Gate Valve	4	EA	
7	6" Gate Valve	4	EA	
8	12" Fittings	1	EA	
9	8" Fittings	18	EA	
10	6" Fittings	4	EA	
11	Connect to 12" Stubout	1	EA	
12	Cut Tee Into 8" Line	1	EA	
13	2" Domestic Service (no backflow)	1	EA	
14	1" Irrigation Service (no backflow)	1	EA	
15	Allowance to Lower (2.5' - 4.5') Water Vaults to Grade (\$13,000.00 ea)	4	EA	
16	Conflict Resolution with Other Utilities	1	LS	
<u>WATER - Private</u>				
1	8" DR 14 Fire Line to within 5' of Building	100	LF	
2	8" DR 14 FDC Line to within 5' of Building	155	LF	
3	8" Fire Line Riser into Building (1' above F.F.)	1	EA	
4	8" FDC Riser into Building (1' above F.F.)	1	EA	
5	6" Fire Department Connection (FDC)	1	EA	
6	FDC Bollards	4	EA	
7	8" Fittings	7	EA	
8	2" PVC Domestic Line From Meter to within 5' of Building	85	LF	
9	2" Domestic Building Riser	1	EA	
<u>SANITARY SEWER - Public</u>				
1	Connect to Existing Manhole w/Assumed Inside Drop (10' deep)	1	EA	
2	Lower Existing Manhole Approx. 1' (see sanitary note #5)	1	EA	
<u>SANITARY SEWER - Private</u>				
1	6" SDR 35	114	LF	
2	6" Cleanout	1	EA	
<u>STORM SEWER - Public</u>				
1	30" RCP CL III	163	LF	
2	18" RCP CL III	92	LF	
3	RCP Size Collar	1	EA	
4	15' Curb Inlet (4' deep)	1	EA	
5	10' Curb Inlet at 96" CMP (assume 4' deep)	1	EA	
6	Connect to 30" Line (8' deep)	1	EA	
7	Connect 10' Curb Inlet to Top of 96" CMP w/18" CMP (assumed)	1	EA	
8	Connect to RCP at Inlet Relocation	1	EA	
9	Relocate 10' Curb Inlet at Turn Lane (4' deep)	1	EA	
10	Remove Headwall/Connect to 48" RCP	1	EA	
11	Remove Headwall/Connect to 30" RCP	1	EA	
12	Barricades for James Pitts Drive	1	LS	
13	Proposed Inlet Protection	3	EA	



STORM SEWER - Private

1	21" RCP CL III	98	LF
2	18" RCP CL III	698	LF
3	12" RCP CL III	240	LF
4	RCP Size Collar	1	EA
5	21" Sloped Headwall	1	EA
6	10' Curb Inlet (5' - 11' deep)	5	EA
7	2'x2' Area Drain (assumed size) (4' - 5' deep)	2	EA
8	Allowance for 12" Slotted Drain (\$325.00 lf) (see storm note #10)	133	LF
9	Proposed Inlet Protection	7	EA

MISCELLANEOUS

1	Staking/Layout	1	LS
2	Trench Safety	1	LS
3	Pipe Testing (water & sanitary)	1	LS
4	TV of Proposed Sanitary Lines (1-Time)	114	LF
5	TV of Proposed Storm Lines (1-Time)	1,291	LF
6	City Public Maintenance Bond (2yr 15%)	1	LS
7	City Permits for Fire & Plumbing	1	LS
8	CalHar Plumber	1	LS
9	Locate/Verify Existing Utilities	1	LS
10	Spoil/Demolition Haul Off	1	LS
11	Rock Excavation	1	LS
12	Mobilization	1	EA
13	CCIP Deduct (GL/EL & WC/EL)	-1	LS
14	Textura Fees	1	LS

TOTAL \$ 582,855.00

Proposal Letter

PETRI ELECTRIC, INC.

ELECTRICAL CONTRACTORS
 907 N BOWSER RD RICHARDSON, TX 75081
 OFFICE: (972) 644-5407



August 23, 2023
 Rogers-O'Brien
 Attn: Bryan Cerney
 Re: Lifepath Crisis Center

*****Rev 1*****

Petri Electric is pleased to offer our proposal for performing the electrical systems subcontract work associated with the above referenced project.

- Specifications: - Division 26 - Electrical
 Drawings: - 100% CD issue dated 8/04/2023
 Addendums: - N/A

Pricing: - Base Bid: \$ 3,941,360.00

- Alternates:**
- 1 (ADD) Alternate to provide Lightning Protection System: \$ 24,692.00
 - 2 (DEDUCT) Alternate to use aluminum conductors for feeders AWG # 1/0 & larger in lieu of copper as specified: \$ (52,736.00)
 - (ADD) Alternate to provide concrete encased ductbank: \$ 36,067.00

\$631,466

- Breakouts:**
- 1 Breakout pricing for site (included in base bid): \$ 595,399.00
 - 2 Breakout pricing for core and shell (included in base bid): \$ 910,433.00
 - for accounting purposes only** Breakout pricing for finish out (included in base bid): \$ 2,435,528.00

- Inclusions:**
- 1 Light fixtures.
 - 2 Site lighting as indicated.
 - 3 Lighting controls to meet the current IECC energy code as adopted by the municipality of permit issued.
 - 4 (2) 4" PVC conduits for primary electrical service as indicated.
 - 5 Site Data as indicated per T1.00 Technology site plan.
 - 6 **Install of switchgear, metering, and generator packages per one-line and riser diagram (Install only)**
 - 7 Grounding & bonding per the NEC and local codes.
 - 8 Mechanical unit power and electrical connections.
 - 9 Water heater and circulation pump power and electrical connections.
 - 10 Elevator unit power and electrical connections.
 - 11 Fire Alarm System. (code minimum to meet occupancy classification)
 - 12 Rough-in (back-box and conduit stubs to accessible ceilings) for fire alarm as indicated.
 - 13 Rough-in (back-box and conduit stubs to accessible ceilings) for security/access controls as indicated.
 - 14 Rough-in (back-box and conduit stubs to accessible ceilings) for voice/data as indicated.
 - 15 Branch wiring in partitions and above accessible ceilings in HCF MC Cable, with EMT homeruns. (All emergency wiring in conduit)
 - 16 Fire caulking of electrical penetrations at rated walls.
 - 17 Excavation, backfill and compaction for electrical scope.
 - 18 Temporary power to the GC's trailer within 50' of utility power, and temporary power and lighting inside the building to OSHA standards.
 - 19 All work during normal Monday thru Friday business hours.
 - 20 Participation in GC coordinated owner-training as specified.
 - 21 BIM
 - 22 NETA testing.
 - 23 Spare materials.
 - 24 CCIP

- Exclusions:**
- 1 Utility company fees.
 - 2 Tax on materials.
 - 3 **Provision of switchgear, metering, and generator packages per one-line and riser diagram (Provided under early release).**
 - 4 Bond fees or permit fees.
 - 5 Generator permit fees.
 - 6 Engineering, design, or Revit services.
 - 7 Cutting, removal, patching of ceilings, walls, floors, or concrete slabs.
 - 8 Painting, regardless of installation sequence.
 - 9 Generators for temporary power.
 - 10 Extra (installed) materials such as receptacles with branch, light fixtures with branch, etc.
 - 11 Overtime labor, shift differential, consequential, liquidated, or direct costs caused by the delay of others.
 - 12 Laborer(s) for composite clean-up crew.
 - 13 Scaffolding in stairwells, elevator shafts, etc. (We presume community scaffolding by others for use by all trades)
 - 14 Furnishing or installation of voice/data, security/CCTV, audio/video, or paging/sound system wiring or devices.
 - 15 Starters, VFD's, or disconnects where specified or indicated to be furnished by others or integral to equipment.
 - 16 Furnishing or installation of HVAC control, BMS/BAS system conduit, wiring or devices.
 - 17 Formed concrete, pre-cast utility-transformer pads, housekeeping pads, or site pole bases.



To:
 Rogers-O'Brien Construction
 1901 Regal Row
 Dallas , TX 75235
 469-571-7753

Garden Design, Inc.
 Michael Sullivan
 1925 Valley View Lane
 Farmers Branch, Texas 75234
 (214) 350-2525 Fax: (214) 350-4203

LIFEPATH SYSTEMS MOB MCKINNEY

R PRELIMINARY BUDGET LANDSCAPE & IRRIGATION

Quantity	Name	Description	U/P	Extended
10.00	Magnolia - Little Gem 65 Gal	45/65 gal	\$717.029811	\$7,170.30
3.00	Maple - Redpointe 4" Cal		\$1,136.101425	\$3,408.30
6.00	Oak - Chinkapin 4" Cal	*8	\$1,089.537912	\$6,537.23
17.00	Elm - Cedar 4" Cal		\$903.283861	\$15,355.83
7.00	Cypress - Bald 4" Cal	*8	\$903.283861	\$6,322.99
19.00	Oak - Red 4" Cal		\$903.283861	\$17,162.39
13.00	Oak - Live - Southern 4" Cal		\$903.283861	\$11,742.69
37.00	Holly - Yaupon - Multi Trunk 45 Gal		\$614.590083	\$22,739.83
64.00	Crape Myrtle - Natchez - Multi-Trunk 45 Gal		\$316.583603	\$20,261.35
28.00	Willow - Desert - Multi Trunk 45 Gal		\$614.590083	\$17,208.52
19.00	Holly - Possum Haw - Multi-Trunk 45 Gal		\$614.590083	\$11,677.21
68.00	Vitex (Chaste Tree) - Multi-Trunk 45 Gal	*70	\$577.339273	\$39,259.07
22.00	Eve's Necklace - Multi-Trunk 2" Cal	*9	\$530.775762	\$11,677.07
8.00	Redbud - Multi-Trunk 2" Cal		\$577.339273	\$4,618.71
8.00	Cedar - Eastern Red 6-8' Ht	8'ht	\$344.353898	\$2,754.83
12.00	Holly - Yaupon - Dw - 24"oc - 7 Gal	Not on Plant list	\$50.657560	\$607.89
595.00	Holly - Burford - Dw - 24"oc 7 Gal	*119 7 Gal ILO 5 Gal to meet 24"ht requirement	\$51.188598	\$30,457.22
155.00	Abelia - 36"oc - 3/5 Gal	*46 3 gal Regular not patented	\$23.089111	\$3,578.81
212.00	Sage - Cherry Hotlips 3/5 Gal	*82 3 gal	\$30.539273	\$6,474.33
454.00	Spirea - Dol Chica 1G	*284	\$12.368124	\$5,615.13
22.00	Salvia - Black and Blue 1G	*11	\$10.505583	\$231.12
46.00	Yucca - Red 1G	*29	\$12.368124	\$568.93
285.00	Coneflower - Purple 1G	*181	\$10.505583	\$2,994.09
1,318.00	Jasmine - Asian 1G	*997	\$6.780503	\$8,936.70
32.00	Winter Creeper - Purple 1G	*25	\$6.780503	\$216.98
26.00	Lantana - New Gold 1G	*14	\$9.574313	\$248.93
50.00	Edging - Aggregates 1/8" x 4" x 10ft - Black LF	size/type not spec'd	\$7.869590	\$393.48
580.00	Edging - Beds 1/8" x 4" x 10ft - Black LF	size/type not spec'd	\$7.869590	\$4,564.36
167.00	Seasonal Color 4" Pot	9"oc spacing used - none provided	\$2.300451	\$384.18
35.00	Mulch - Hardwood - 2" Depth Cu Yd	beds	\$76.232663	\$2,668.14

140.00	Soil - Top - 8" Depth Cu Yd	8"beds excludes excavation see R L303 details	\$75.301394	\$10,542.20
55.00	Mulch - Hardwood - Tree Ring Cu Yd	3"trees/turf	\$76.232663	\$4,192.80
5.00	Granite - Decomposed - 4" Depth Ton	4"depth excludes sub-base/excavation/stabilization	\$202.569092	\$1,012.85
18.00	Soil - Mixed - Tree Backfill Cu Yd	Top 1/3 depth Mix 1/2" layer of Compost	\$85.545366	\$1,539.82
329.00	Stake Kit - 2"x2"x4' Cross Members Each	see R L303 details	\$91.740807	\$30,182.73
1.00	Irrigation - Design Build Each	incl design fees	\$215,788.352273	\$215,788.35
92,576.00	Fine Grade - Machine Grade - Sod Areas Sq Ft		\$0.037265	\$3,449.86
5,675.00	Till Bed Area and Cleanup - Sq Ft		\$0.090369	\$512.84
1.00	Equipment LS	incl operator	\$6,463.015542	\$6,463.02
10,300.00	Sod - Bermuda Sq Yd		\$4.813933	\$49,583.51
36.00	Filter Fabric - Aggregates Sq Yd		\$3.608069	\$129.89
			Contract Total :	\$589,234.47

Alternates

Quantity	Name	Description	U/P	Extended
----------	------	-------------	-----	----------

Alt: 4"IMPORT TOPSOIL AT TURF

1146.00	Soil - Top - Lawn 4" Depth Cu Yd		\$69.252525	\$79,363.39
---------	----------------------------------	--	-------------	-------------

Change to Contract : \$79,363.39

Alt Notes : Use this Add Alternate if a 4" depth of imported and placed topsoil is required prior to the installation of the turf areas. No excavation is included. Areas to be left low by others to accommodate soils. . Please note that this may be a City requirement and will need to be addressed by us or your grading/earthwork sub.

Alt: ARTIFICIAL TURF

1345.00	Artificial Turf - Synthetic Grass Pros - Shaw Navigation - Sq Ft	excludes drainage	\$15.002273	\$20,178.06
---------	--	-------------------	-------------	-------------

Change to Contract : \$20,178.06

Alt Notes : Use this Add Alternate if the Artificial Turf, as described above is to be provided and installed by this subcontractor. Drainage excluded.

Alt: HERBICIDE

99875.00	ALT: Herbicide - One Application Sq Ft		\$0.091477	\$9,136.27
----------	--	--	------------	------------

Change to Contract : \$9,136.27

Alt Notes : Use this Add Alternate if Herbicide is preferred to assist in eradication of existing vegetation in beds/turf areas. One application is included. Subsequent applications may be required and can be priced and provided as needed.

Alt: IRR SLEEVING

1440.00	Sleeving - Irrigation LF		\$19.602273	\$28,227.27
---------	--------------------------	--	-------------	-------------

Change to Contract : \$28,227.27

Alt Notes : Use this Add Alternate if irrigation sleeving is not provided and installed by others. Boring is not included but can be priced if needed.

Alt: OVERSEED SOD

10300.00	Sod - Bermuda - Overseed Sq Yd		\$0.947499	\$9,759.24
----------	--------------------------------	--	------------	------------

Lifepath Systems - Bloomdale Campus

Cost

Notes

HARD COSTS

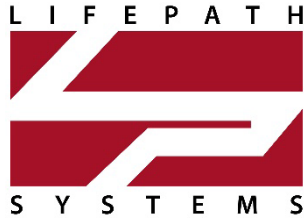
Construction Cost				\$44,542,500	CD Cost incl Proposed VM
Pre Con Fee	60,000	in above			
Building Permit - City of McKinney	139,384	in above			
P&P Bond over \$7.5M	300,594	in above			
Contractor Contingency	1,238,628	in above	3.00%		
Owner Contingency	1,925,208	in above	5.00%		
Underground Duct Bank	Excluded				
Low Voltage Allowance	350,000	in above			
Audio Allowance	350,000	in above			
Access Control Allowance	550,000	in above			
James Pitts Drive	130,000	in above			
Total Hard Costs				\$44,542,500	

SOFT COSTS

Impact Fees / Utility Tap Fees	\$457,000			\$0	City has waived these impact fees 5/23/23
Building Permit Expedite Fees				\$0	
Health Permit				\$0	
External Signage				\$120,000	
Artwork/internal signage				\$20,000	
Furniture/Fixtures/Equipment				\$1,500,000	
MIS Equipment				\$600,000	
Materials Testing	\$150,000			\$150,000	
Commissioning	\$30,000			\$30,000	
Moving Costs				\$30,000	
Rugs				\$5,000	
Dumpsters for Furniture Delivery				\$2,500	
Total Soft Costs				\$2,457,500	

TOTAL DEVELOPMENT COSTS

\$47,000,000.00



2024 BOARD OF TRUSTEES

(Trustees can be contacted via mail sent to their attention at 1515 Heritage Drive, McKinney, TX 75069)

Doug Kowalski

Board Chair & Trustee

Chief of Police, *Town of Prosper Police Dept.*
Term ends Dec. 2024
15 Years of Service

Dona Watson

Board Vice Chair & Trustee

Contracts Manager, *retired*
Term ends Dec. 2024
25 Years of Service

Lt. Trey (Arthur) Cotten

Board Secretary

Lieutenant, *Town of Wylie Police Dept.*
Term ends Dec. 2025
3 Years of Service

Anne Bramlett, MS, CCC-SLP

Trustee

Speech Therapist, *self-employed*
Term ends Dec. 2024
7 Years of Service

Dr. Ronald (Rick) Crawford, EdD

Trustee

Psychologist, *retired*
Term ends Dec. 2025
23 Years of Service

John Donovan

Trustee

President, *Longhorn Wealth Management*
Term ends Dec. 2024
2 Year of Service

Matt Duncan

Trustee

Senior Vice President, *Independent Financial*
Term ends Dec. 2024
14 Years of Service

Dr. Ernest Myers, Jr., PhD, CFRE

Trustee

Chief Experience Officer, *The SRD Group*
Term ends Dec. 2025
15 Years of Service

Melvin Thathiah, JD

Trustee

Visiting JP Judge, *Collin County*
Term ends Dec. 2024
6 Years of Service

Ex-Officio:

Sgt. Candice Herron

Trustee

Sergeant, *Collin County Sheriff's Department*
No term end date
Less than 1 Year of Service



COLLIN COUNTY

County Administrator
2300 Bloomdale, Suite 4192
McKinney, Texas 75071
972-548-4631
www.collincountytx.gov

January 4, 2023

Tammy Mahan
Chief Executive Officer
LifePath Systems
1515 Heritage Drive
McKinney, Texas 75069

Dear Tammy,

Collin County is in support of LifePath requesting relief from the impact fees charged by the City of McKinney. Below are the reasons that the County is in support of this request.


LifePath Systems provides services that are greatly needed in the City of McKinney and throughout Collin County. The County knows that LifePath is experiencing the same pressures from a growing population that all service providers in the County are feeling. Additional space is needed to adequately meet the growing needs.

Collin County has regularly provided bond funds to the City of McKinney for the improvement of street projects. Since 2003, the County has awarded \$61,106,304 to the City. The leadership of the County has continued this practice as Collin County's contribution to improved mobility in the various Collin County cities. Since the County is already making a significant contribution to the City for street improvements, the City of McKinney has not required the County to pay impact fees in the past. An example is the original development of the County "complex" on Bloomdale.

The tract that the County proposes to be developed by LifePath is burdened with eight easements. It has been a challenge to fit a building on the site since the easements take up a lot of land. Six of those easements are to the City of McKinney. The City did not have to pay for any of these easements.

It is hoped that this information will help LifePath be successful in getting relief from the impact fees.

Sincerely,


Bill Bilyeu
County Administrator

State of Texas §
Collin County §
Commissioners Court §

Court Order
2022-529-06-13

An order of the Collin County Commissioners Court approving an agreement.

The Collin County Commissioners Court hereby approves a ground lease agreement with LifePath Systems for property located at the southeast corner of Bloomdale Road and Community Avenue, McKinney, Texas, as detailed in the attached documentation.

A motion was made, seconded, and carried by a majority of the court members in attendance during a regular session on Monday, June 13, 2022.

Not Present

Chris Hill, County Judge




Darrell Hale, Commissioner, Pct 3



Susan Fletcher, Commissioner, Pct 1



Duncan Webb, Commissioner, Pct 4



Cheryl Williams, Commissioner, Pct 2



ATTEST: Stacey Kemp, County Clerk

GROUND LEASE

1. **PARTIES AND PURPOSE.** This GROUND LEASE (this "Lease") is between **COLLIN COUNTY TEXAS**, a political subdivision of the State of Texas ("Landlord") and **Collin County Mental Health Mental Retardation Center d/b/a LifePath Systems, a Local Behavioral Health and Intellectual Disabilities Authority formed under Chapter 534 of the Texas Health and Safety Code ("Tenant")**. Landlord and Tenant are referred to herein collectively as the "Parties" or the "parties." Tenant was created by the Landlord to operate the Collin County Mental Health Mental Retardation Center and to carry out programs to assist citizens with mental health issues, intellectual disabilities, mental disabilities or substance abuse problems, and Tenant has since been recognized as a Local Behavioral Health and Intellectual Disabilities Authority by the Texas Department of Health and Human Resources. The Parties acknowledge that the services provided by Tenant are vital to the public health of the citizens of Collin County and that it is in the best interests of the citizens of Collin County that Landlord provide to Tenant the ground lease rights set forth in this Lease.

2. **PREMISES.** Landlord grants and leases to Tenant and Tenant takes and leases from Landlord the approximately 11.493 acre tract of land (the "Premises") described in the attached **Exhibit A**, and as depicted on the attached **Exhibit A-1**, together with all rights and appurtenances thereto belonging or in any wise incident or appertaining thereto. Landlord further grants to Tenant, and its employees, suppliers, contractors, authorized representatives and invitees, the non-exclusive right to use the means of ingress and egress to the Premises.

3. **CONSTRUCTION.**

(a) **Tenant's Improvements.** Tenant agrees at its expense to promptly make application for all permits necessary for the construction on the Premises of, at minimum, an approximately 45,000 square foot office building and associated drives, walkways, parking lots and other improvements (collectively, the "Improvements") where Tenant will house the primary offices of its chief executive officer and other executive officers, along with its operations and facility for providing services related to mental health issues, intellectual disabilities, mental disabilities or substance abuse problems. Any and all improvements to the Premises are subject to review and approval by Landlord as set forth herein, or its designee, but the Tenant remains responsible for designing, constructing, and maintaining the Premises. **Tenant shall at its sole cost and expense submit to and seek approval from all applicable governing municipal or regulatory bodies and agencies all documents required to obtain such permits including, without limitation, re-plats, site plans, architectural plans, engineering plans, and construction plans. The Improvements shall conform in all respects with the ordinances, regulations, and standards of the City of McKinney, as applicable, and all other all governmental or quasi-governmental authorities having jurisdiction.** All construction shall be at Tenant's sole cost and expense and shall be performed by Tenant in a good and workmanlike manner, free and clear of mechanics' and materialmen's liens. The Tenant shall be responsible for extending all utility lines (including, without limitation, gas lines, sanitary sewer lines, water lines, electrical lines, and telephone, cable and fiber optic lines) to the Premises.

(b) **Tenant's Preliminary Plans and Specifications; including Elevations.** Tenant shall at its own expense engage an architect to prepare preliminary plans, specifications, and elevations and **shall prepare and submit to Landlord within nine (9) months after the Conditions Precedent**

GROUND LEASE

#3590499

Page 1

have been satisfied preliminary elevations in sufficient detail to show the design, character, and appearance of the building(s) to be erected.

(c) Landlord's Objections to Proposed Elevations. Within fifteen (15) business days after Tenant's submission of proposed elevations, Landlord shall inform Tenant in writing of any objections to the preliminary elevations, and, in that event, Tenant shall have ten (10) business days to propose in writing corrective amendments that Landlord shall accept or reject within the next five (5) business days. Failure of Landlord to inform Tenant of its objections within such periods shall constitute Landlord's approval of the preliminary elevations. Landlord's approval of the preliminary elevations shall not be deemed approval by Landlord of the final plans or the complete detailed elevations required to the extent they pertain to matters in addition to or different from the preliminary elevations.

(d) Tenant's Preparation of Final Plans and Elevations. After receiving Landlord's initial approval, Tenant, at Tenant's own expense, shall proceed with the preparation of complete and final plans, and elevations, and complete detailed specifications covering each building trade concerned in the construction of the proposed improvements and shall submit the final elevations to Landlord for its approval within twelve (12) months after the Conditions Precedent have been satisfied.

(e) Landlord's Objections to Final Elevations. Within fifteen (15) business days after Tenant's submission of the final elevations, Landlord shall inform Tenant in writing of any objections to the final elevations, and, in such event, Tenant shall have ten (10) business days to propose in writing corrective amendments that Landlord shall accept or reject within the next five (5) business days.

(f) Signs. Tenant shall have the right to install, maintain, and replace in, on, or over or in front of the Premises or in any part of the premises such signs and advertising matter as Tenant may desire, and Tenant shall comply with any applicable requirements of governmental authorities having jurisdiction and shall obtain any necessary permits for such purposes. As used in this section, the word "sign" shall be construed to include any placard, light, or other advertising symbol or object, irrespective of whether it is temporary or permanent. Tenant shall use its best efforts to install signs that are representative of signs used by Landlord in the surrounding area.

(g) Right to Make Agreements for Utility Easements. With Landlord's prior written consent, Tenant shall have the right to enter into reasonable agreements with utility companies creating easements in favor of such companies as are required in order to service the building on the Premises. Landlord agrees that it will not unreasonably withhold, delay, or condition its consent to such agreements and will execute any and all documents, agreements, and instruments and to take all other actions, in order to effectuate such consented-to agreements, all at Tenant's cost and expense.

(h) Landlord's Delivery Requirements. Landlord shall deliver possession of the Premises to the Tenant upon execution of this Lease by both parties ("Delivery Date").

(i) Tenant's Construction of the Improvements. Tenant, after the Conditions Precedent have been satisfied, covenants and agrees to construct with due diligence the

Improvements in a good and workmanlike manner and in accordance with the building construction plans approved by Landlord, as the same may be modified from time to time. Landlord's approval shall not be unreasonably withheld, conditioned, or delayed. In addition to the other insurance requirements set forth in this Lease, from the commencement of construction until completion of the Improvements, Tenant shall maintain or cause its contractors to maintain, general liability and other types of insurance in commercially reasonable amounts and otherwise reasonably satisfactory in form and content to Landlord and insuring Landlord and Tenant against all hazards normally insured against in the construction of projects similar to the Improvements.

(j) Payment and Performance Bonds. Prior to the commencement of construction of the Improvements, Tenant shall have delivered to Landlord recorded copies of performance and payment bonds acceptable to Landlord, in dual obligee form, covering the performance of Tenant's contractor and such principal subcontractors for the Improvements as Landlord may designate.

4. TERM.

(a) Initial Term. Unless sooner terminated or extended as herein provided, the term of this Lease shall be for forty-five (45) years (the "Term"). The Term shall commence on the date this Lease has been executed by both parties (the "Commencement Date"). Tenant hereby agrees to diligently pursue the construction and completion of the Improvements promptly after execution of this Agreement and satisfaction of all Conditions Precedent.

(b) Options. Landlord grants to Tenant two (2) successive options to extend the Term upon the same terms, covenants and conditions of this Lease, for any period of time up to but not exceeding ten (10) years for each option (each, an "Extended Term"). The two (2) successive options to extend the Term are contingent upon the Tenant utilizing the Premises as a mental and behavioral health facility. If Tenant elects to exercise one or more options, Tenant shall notify Landlord at least one (1) year prior to the expiration of the Term or the Extended Term in effect at the time of the notice.

5. RENT. Tenant agrees to pay Landlord \$10.00 in rent per year, due on each annual anniversary of the effective date of this Lease.

6. PERMITTED USE. The Premises must be operated by Tenant as a facility for providing services for mental health issues, intellectual disabilities, mental disabilities or substance abuse problems operated by Tenant primarily for the benefit of the citizens of Collin County and for associated offices and operations by Tenant (the "Permitted Use") or other non-profit organizations providing services similar to, or augment or support, Tenant's use of the Premises. Should Tenant cease to use the Premises for the Permitted Use at any time during the lease term, the Lease is cancelled and the Premises will revert, at no cost, to Landlord. For purposes of clarity, in the event less than seventy-five percent (75%) of either (a) the Premises, (b) the building square footage constructed upon the Premises, or (c) the parking lot square footage is utilized by Tenant for Tenant's direct operation of the Permitted Use, then Tenant shall be deemed to have breached its obligation to use the Premises for the Permitted Use.

7. UTILITIES. Tenant agrees to pay all charges for gas, electricity, telephone, sewer, water and any other utilities used by Tenant on the Premises. Tenant will be responsible for ensuring that all billing statements for all utilities will be mailed directly to Tenant for payment.

8. TAXES. Tenant agrees to pay prior to delinquency any real and personal property taxes levied upon the Improvements (including the Building), Tenant's leasehold interest in the Premises, and Tenant's personal property, including trade fixtures, inventory, and equipment located on the Premises.

9. MAINTENANCE. Tenant agrees to maintain, at its sole cost and expense, for the Term and any Extended Term, the Premises and any Improvements at any time located on the Premises in good repair and a safe, sanitary, and orderly condition, free from waste or nuisance, casualty damage and reasonable wear and tear excepted.

10. ALTERATIONS. Following the completion of the construction of the Improvements, Tenant may make such interior alterations or interior additions to buildings located on the Premises at any time as Tenant may desire so long as the alterations and additions are constructed expeditiously with good materials in a good and workmanlike manner and in accordance with all requirements imposed by law and so long as Tenant obtains the prior written consent of Landlord, which consent shall not be unreasonably withheld, condition, or delayed. Such alterations or additions will be made in a good workmanlike manner without cost to Landlord, and shall be free and clear of mechanics' and materialmen's liens provided that if any such lien is filed, Tenant shall either promptly bond or discharge the same or it may contest the same in good faith.

11. TRADE AND OTHER FIXTURES. Subject to Section 10 above and to the approval of local governing authorities and the acquisition of any required permits, Tenant may at its expense install or cause to be installed on the interior of any building on the Premises such equipment and trade and other fixtures as are reasonably necessary or desirable for the operation of its business (the "Fixtures").

12. PERMITS/LICENSES. Landlord hereby grants to Tenant the right to apply for and obtain, in Landlord's name or otherwise, any permits or licenses required from the landowner by applicable governmental authorities necessary or desirable for Tenant to construct and perform maintenance, remodeling, alterations and repairs at the Premises, in accordance with the terms and conditions of this Lease and Landlord agrees to execute any documents reasonably requested by Tenant in connection therewith.

13. CASUALTY DAMAGE. If the Improvements, or any portion thereof, constructed on the Premises is damaged or destroyed by fire or any other casualty, regardless of the extent of the damage or destruction, Tenant must, within ten (10) days thereafter, notify Landlord of such damage. If the Improvements should be damaged or destroyed, Tenant shall proceed, with due diligence, to do one of the following within six (6) months from the date of damage or destruction: (a) restore or replace the Improvements constructed by Tenant; or (b) demolish and remove the damaged or unusable improvements and fill, grade, pave or landscape the Premises. Should the above damage occur during the last ten (10) year period of the Lease, Tenant shall have the option to cancel the remaining term, but should Tenant elect to cancel, Landlord shall be entitled to the proceeds of all insurance collected, after deduction of: (i) the demolition and other costs set forth in subsection (b); and (ii) Tenant's then

current book value for the Improvements. All proceeds in excess of \$100,000.00 from the property insurance maintained by Tenant pursuant to this Lease shall be paid to Tenant and Landlord jointly and shall be used for the repair, reconstruction, or replacement of the damaged building or other improvement unless otherwise provided hereunder or agreed in writing by the parties.

14. **INSURANCE.** Commencing on Landlord's Delivery Date and continuously thereafter throughout the Term and any Extended Term, Tenant agrees, at Tenant's expense, to maintain in force commercial general public liability insurance carried by one or more insurance companies duly authorized or admitted to transact business in Texas and reasonably acceptable to Landlord covering the Premises with combined single limit coverage of \$2,000,000. Tenant shall also procure and maintain on the Improvements "special form" property insurance, carried by one or more insurance companies duly authorized or admitted to transact business in Texas and reasonably acceptable to Landlord, with a limit of 100% of its replacement cost. Until completion of construction of the Improvements, Tenant at its sole expense shall maintain or cause to be maintained builder's risk insurance covering the construction of the Improvements, in an amount not less than the full insurable value of the Improvements and materials supplied in connection with the Improvements. Tenant shall, within thirty (30) days of the Tenant's Condition Precedent Notice or the Conditions Precedent Deadline, whichever is later, furnish Landlord a certificate from the insurer evidencing Tenant's liability insurance and naming Landlord as additional insured under the liability policies described above. Each certificate shall provide that the insurer will not cancel the policy except after 30 days prior written notice to Landlord. Tenant also shall deliver to Landlord at least 30 days prior to the expiration date of each policy or policies (or of any renewal policy or policies), certificates for the renewal policies of that insurance. Tenant shall furnish Landlord with certified copies of the policies providing the required insurance. Landlord and Tenant each may carry such additional insurance policies as may be desired by such party.

Notwithstanding anything in this Lease to the contrary, Landlord and Tenant on behalf of themselves and all others claiming under them, including any insurer, waive all claims against each other, including all rights of subrogation, for loss or damage to their respective property (including, but not limited to, the Premises, the Improvements and all personal property and fixtures located thereon or therein) arising from fire, smoke damage, windstorm, hail, vandalism, theft, malicious mischief and any of the other perils normally insured against in an "all risk" of physical loss insurance policy, regardless of whether insurance against those perils is in effect with respect to such party's property and regardless of the negligence of either party. To the extent of any conflict between the preceding sentence and any other provision of this Lease the provision of the preceding sentence shall control. Landlord and Tenant shall each secure with respect to each insurance policy maintained by it which is applicable to the Premises, or any fixtures or personal property located thereon or therein, an appropriate policy provision or endorsement by which each insurance company waives subrogation against the other party. If either party so requests, the other party shall deliver satisfactory evidence of such waiver of subrogation by the other party's insurer(s).

15. **INDEMNITY.** Commencing on the Commencement Date and continuing thereafter throughout the Term, and any Extended Term, Tenant shall, to the extent allowed by law, indemnify and hold Landlord harmless from any claim, liability, loss, cost or obligation owed to or asserted against Landlord by any third party, arising from injury to or death of any person, or damage to or loss of property, on the Premises or connected with the use, condition, or occupancy of the Premises, including any damage or injury caused by the use of the Premises

by Tenant, its agents, employees, invitees, or contractors, excepting grossly negligent acts or omissions of Landlord, its agents, employees or contractors or the failure of Landlord to perform its obligations under this Lease. And, except where Landlord, its agents, employees or contractors have been grossly negligent or except where Landlord has failed to perform its obligations under this Lease, Tenant shall, to the extent allowed by law, so indemnify and hold Landlord harmless from the same EVEN THOUGH CAUSED OR ALLEGED TO BE CAUSED BY THE JOINT, COMPARATIVE, OR CONCURRENT NEGLIGENCE OR FAULT OF LANDLORD OR ITS AGENTS, AND EVEN THOUGH ANY SUCH CLAIM, CAUSE OF ACTION, OR SUIT IS BASED UPON OR ALLEGED TO BE BASED UPON THE STRICT LIABILITY OF LANDLORD OR ITS AGENTS. THIS INDEMNITY PROVISION IS INTENDED TO INDEMNIFY LANDLORD AND ITS AGENTS AGAINST THE CONSEQUENCES OF THEIR OWN NEGLIGENCE OR FAULT AS PROVIDED ABOVE WHEN LANDLORD OR ITS AGENTS ARE JOINT, COMPARATIVELY, OR CONCURRENTLY NEGLIGENT WITH TENANT.

16. ASSIGNMENT OR SUBLEASE.

(a) Tenant shall not assign this Lease or any interest in this Lease, sell, lease, sublease, or license all or portion of the Premises, including any of the Improvements (in a single transaction or series of related transactions with the same or related tenant) or permit any assignment of any such lease or sublease, in each instance, without Landlord's prior written consent, which consent may be withheld for any or no reason. For purposes of this Lease, any change in control of Tenant by merger, consolidation, sale of assets, or other means of transferring control of Tenant or its business, shall be deemed to be an assignment of this Lease and a sale of the Improvements. Any such assignment, sublease, lease, contract to sell, sale or other conveyance in violation of the foregoing shall be void. Any sublease or license shall be subject to the terms and conditions of this Lease, and any such subtenant or licensee shall be required to assume the obligations of the Tenant set forth herein. With respect to any assignment, sublease, sale, or license of all or any portion of the Premises, Tenant shall always remain primarily liable as a principal and not as a guarantor for the payment of any rent and all other sums due Landlord under this Lease and for compliance with and performance of all of the covenants and conditions of this Lease on the part of Tenant to be performed. Should Tenant generate any revenues from any such sale, lease, sublease, or license or from any business Tenant conducts upon or directly related to the Premises other than revenues generated by Tenant from Tenant's direct operation of the Permitted Use ("Non-Permitted Use Revenue"), then Tenant must pay to Landlord twenty-five percent (25%) of the Non-Permitted Use Revenue generated by Tenant. During the Term of this Lease, and during any Extended Term, within 30 days after the end of each of Tenant's fiscal quarters, Tenant will provide Landlord with Tenant's quarterly financial statements, containing such information and in such form as Landlord shall reasonably require and certified to by Tenant's Chief Executive Officer or such other officer of Tenant as Landlord shall approve, and such financial statement shall be accompanied by a payment to Landlord of 25% of all gross revenue received from Non-Permitted Use Revenue during the quarter covered by the quarterly financial statement.

(b) As a condition precedent to Landlord's consideration of any proposed assignment, sale, sublease, or license by Tenant as described in subsection 16(a) above, Tenant shall provide to Landlord the following documents and information: (a) the full name of proposed assignee, purchaser, subtenant, or licensee, (b) the intended use of the space to be assigned, sold, subleased, licensed or otherwise occupied by the proposed assignee, purchaser, subtenant, or licensee; and (c)

the form of assignment, purchase contract, sublease, or license agreement. Tenant shall reimburse Landlord for its reasonable accountants', engineers', attorneys', and other professionals' fees and other reasonable expenses incurred in connection with considering any request for its consent to a sublease.

17. EMINENT DOMAIN.

(a) Unless this Lease is terminated pursuant to subsection 17(b) below, if a portion of the Premises shall be taken by condemnation or other eminent domain proceedings pursuant to any law, general or special, by an authority ("Condemning Authority") having the power of eminent domain, or is sold to a Condemning Authority under threat of the exercise of that power and such portion is not material to Tenant's use and occupancy of the Premises, this Lease shall continue in effect.

(b) If a portion of the Premises is so taken or sold, and that portion is material to Tenant's use and occupancy of the Premises, or if all of the Premises is so taken or sold, Tenant may terminate this Lease by giving written notice to Landlord. And, so long as Tenant has previously delivered such written notice to Landlord, this Lease shall then terminate on the day following the vesting of title in the Condemning Authority, except to the extent provided below and except with respect to obligations and liabilities of Landlord and Tenant under this Lease that have arisen on or before the date of termination. Tenant's obligation with respect to taxes, assessments and other charges and other items of additional rent shall be prorated as of the date of termination, and upon termination Tenant shall satisfy and cause to be released any Leasehold Mortgages, liens or other encumbrances placed or suffered to be placed on the Premises by Tenant. In the event that Tenant shall fail to exercise its option to terminate this Lease as provided in this subsection, or in the event that a part of the Premises shall be taken under circumstances under which Tenant will have no such option, Tenant shall have the sole responsibility for restoring the Improvements to a complete architectural unit.

(c) Any award or compensation paid on account of any taking or sale described in this Article shall be paid to any Mortgagee described in Article 24 to the extent such award or compensation is required to be paid to such holder; and the balance shall be divided between Landlord and Tenant as follows: first to Tenant for the value of Tenant's leasehold interest in the Premises; next to Tenant for the value of any Improvements taken less the value of Landlord's reversionary interest in those Improvements (calculated as if this Lease does not terminate until the expiration of the Term and all Extended Terms exercised prior to the time Tenant receives notice of such taking or sale); and the remainder, if any, to Landlord.

18. ATTORNEYS' FEES. If suit is brought to enforce any terms, covenants or conditions of this Lease, the parties agree that the losing party shall pay the prevailing party's reasonable attorneys' fees, including reasonable attorneys' fees incurred in enforcing a judgment, which shall be fixed by the court and court costs. As used herein, the term "prevailing party" shall mean the party, which has succeeded upon a significant issue in the litigation and achieved a material benefit with respect to the claims at issue, taken as a whole.

19. DEFAULT.

(a) Default. The following events shall be deemed to be events of default under this Lease (each a "Default"): (a) Tenant fails to pay all or any portion of rent or any other amount to be paid

under this Lease by Tenant and the failure continues for thirty (30) days after Tenant's receipt of written notice from Landlord; or (b) Tenant fails to perform or observe any other covenant or condition to be performed or complied with by Tenant under this Lease, and the failure continues for 30 days after written notice by Landlord to Tenant; or, if the default complained of is not a monetary default and is of such a nature that it cannot reasonably be completely cured or remedied within such 30-day period, Tenant fails to commence to cure the default during the 30-day period, or does not thereafter, diligently prosecute such remedy or cure to completion, then Landlord shall have the right, at its option, to give a written notice specifying a date on which this Lease (and any existing subleases) shall terminate, and on that date, subject to the provisions of this Section relating to the survival of Tenant's obligations, this Lease and any existing subleases shall terminate and expire by limitation.

(b) Landlord's Remedies. Upon the occurrence of any Default, Landlord may, at its option and without further notice to Tenant and without judicial process, do any one or more of the following: (i) terminate this Lease, in which event Tenant will immediately surrender possession of the Premises to Landlord; (ii) enter upon and take possession of the Premises and expel or remove Tenant therefrom, with or without having terminated this Lease; or (iii) change or re-key all locks to entrances to the Premises, and Landlord will have no obligation to give Tenant a new key to the Premises until such Default is cured.

(c) Damages. If Landlord terminates this Lease by reason of a Default, or takes possession of the Premises without terminating the Lease, then Tenant must pay to Landlord the sum of: (i) all unpaid rent and other indebtedness accrued under this Lease to the date of such repossession, and (ii) the total rent that Landlord would have received under this Lease for the remainder of the Term or any Extended Term (as such rent becomes due), minus any net sums thereafter received by Landlord through re-letting the Premises (including the Improvements) during said period (after deducting expenses incurred by Landlord in connection with re-letting). Any amounts collected by the Landlord in excess of the Rent shall belong to the Landlord. Actions to collect amounts due by Tenant may be brought one or more times without the necessity of Landlord's waiting until the expiration of the Term or any Extended Term.

(e) Recovery of Premises. If Landlord elects to terminate this Lease due to Tenant's default, Landlord may recover the Premises from Tenant and any existing subtenants. Tenant's obligations to pay sums due under this Lease shall survive any termination of this Lease due to Tenant's default.

(f) Remedies Not Exclusive. No right or remedy conferred upon or reserved to Landlord in this Lease is intended to be exclusive of any other right or remedy. Each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Lease or existing at law or in equity.

(g) Right to Cure Defaults. If Tenant shall fail to make any payment of taxes, assessments or other charges, maintain required insurance coverages, or perform any other act required to be made or performed under this Lease, Landlord, without waiving or releasing any obligation or default, may (but shall be under no obligation to) upon reasonable notice to Tenant, make the payment or perform the act for the account and at the expense of Tenant. All sums so paid by Landlord shall constitute additional rent and shall be paid by Tenant to Landlord on demand.

20. CONDITIONS PRECEDENT. Tenant shall promptly proceed with reasonable diligence to satisfy each of the following conditions precedent (the “Conditions Precedent”):

- (a) all permits, licenses and approvals, with conditions acceptable to Tenant, required for the construction of the Improvements having been obtained by and at the expense of Tenant;
- (b) all permits, licenses and approvals, with conditions acceptable to Tenant, required for the uses set forth in Article 6, having been obtained by and at the expense of Tenant; provided, with respect to permits which cannot be issued until events occur which will not occur prior to the Conditions Precedent Deadline (as defined below) (such as commencement or completion of construction), Tenant shall be satisfied that such permits will be issued;
- (c) samples, test borings, percolation, groundwater and other tests (including, but not limited to, testing for hydrocarbons, hazardous substances, toxic pollutants, soil bearings, asbestos and other contaminants, herein collectively “Hazardous Materials”) being obtained by Tenant as agent for Landlord, and at the expense of Tenant showing environmental conditions satisfactory to Tenant and the appropriate governmental authorities;
- (d) Tenant’s review and approval of the Survey and Commitment (each as defined in Article 21 below);
- (e) Tenant’s determination that all other property conditions are acceptable to Tenant;
- (f) Tenant’s confirmation that the Premises constitute a separately platted lot, created by a plat (the “Plat”) with the City of McKinney;
- (g) Tenant’s determination that the current condition of the Premises, including without limitation the existing locations of utilities, are such that Tenant will be able to construct the Improvements and obtain a certificate of occupancy following completion of construction of the Improvements;
- (h) Tenant has, at its sole cost and expense, obtained the approval of the City of McKinney for and permits for construction of all curb cuts required for access to the Premises as shown on Site Plan; and
- (i) the obtaining of any ingress/egress and access rights, with terms acceptable to Tenant, contemplated on the Site Plan. Such rights shall be in recordable form at Tenant’s discretion and expense.

If Tenant has not sent Landlord written notice that all Conditions Precedent have been waived by Tenant or satisfied (“Tenant’s Conditions Precedent Notice”) on or before the date two hundred and seventy (270) days after full execution and delivery of this Lease, (as extended below, the “Conditions Precedent Deadline”), this Lease may be terminated by either party upon written notice to the other, provided that any such termination by Landlord shall be vitiated if Tenant sends Tenant’s Conditions Precedent Notice within ten (10) days of receipt of Landlord’s notice of termination.

Notwithstanding anything contained to the contrary in this Article, if Tenant has commenced the permitting process and is, with reasonable diligence, pursuing the permitting process to

completion, and Tenant has not received notice of the denial of any such permit or approval, then the Conditions Precedent Deadline shall be automatically extended without the requirement of any notice or agreement for the period of time until such decision is rendered and all appeal periods have expired.

Should Tenant elect to appeal any adverse administrative ruling, initiate legal proceedings or defend any third party action to satisfy any of the Conditions Precedent, the Conditions Precedent Deadline, shall be extended for the period of time Tenant continues to pursue the satisfaction of same through such appeal or legal proceedings.

Notwithstanding the foregoing provisions of this Article or any other provisions of this Lease, if Tenant determines, in Tenant's reasonable business judgment, at any time prior to the expiration of the Tenant's Conditions Precedent Deadline, that (i) there is a reasonable likelihood that one or more of the conditions precedent will not be satisfied, or (ii) development of the Premises (including access) and/or permitting for such development or Tenant's intended use shall be commercially and/or economically impractical, then Tenant shall have the right to terminate this Lease in accordance with the provisions of this Article by giving written notice thereof to Landlord.

21. LEASEHOLD TITLE POLICY. Within the time period provided for in Article 20 of this Lease, Tenant shall have the right, but not the obligation, at Tenant's expense, to obtain (i) through a title company reasonably acceptable to Tenant ("Title Company") preliminary title documentation and extended coverage leasehold title insurance and (ii) a boundary survey by a surveyor acceptable to Tenant locating and describing the Premises, showing all boundaries and corners of the Premises properly and securely marked by pins, and certifying as to easements and encroachments. Upon Tenant's request, a preliminary title commitment (the "Commitment") shall be issued giving the current condition of title to the Premises, together with copies of all instruments necessary to fully explain the scope and effect of any matters listed as exceptions in the Commitment whereby Title Company is bound to issue to Tenant or its nominee, for an amount to be determined by Tenant, a Texas leasehold policy (herein the "Title Policy"). Landlord agrees that it shall execute, record and deliver such documents as Title Company may require in order to establish Landlord's title to Premises. In the event the Commitment or the Survey reflects any matters or conditions which Tenant reasonably determines will interfere with its intended development or use of the Premises, or the rights granted Tenant in this Lease, Tenant may terminate this Lease by giving written notice thereof to Landlord prior to the expiration of the Conditions Precedent Deadline.

22. QUIET ENJOYMENT. Landlord represents and covenants that so long as no Default exists under this Lease, Tenant shall peaceably and quietly have, hold and enjoy exclusive possession of the Premises, all appurtenances belonging thereto, and all rights granted to Tenant by this Lease, for the entire duration of the Term and any Extended Term without any hindrance or interference by Landlord or any person acting by, through or under Landlord or deriving rights through the Landlord, save and except for any matters of record or which would be shown by an accurate Survey of the Premises.

23. SUBORDINATION. Tenant agrees that its leasehold interest in the Premises shall be subordinate to any mortgages hereafter to be placed on the Premises by Landlord; provided, as a condition precedent to such subordination, Landlord agrees to take whatever action is necessary (including obtaining written documentation from its mortgagee) to assure that each such mortgagee shall expressly covenant, or each such mortgage shall expressly provide, that so long as no Default

exists under this Lease, Tenant's quiet possession of the Premises shall remain undisturbed, on the terms, covenants and conditions stated herein, whether or not the mortgage is in default and notwithstanding any foreclosure or other action brought by the mortgagee. Tenant shall execute and deliver to Landlord any requests for execution of documentation to affect the subordination of Tenant's leasehold interest.

24. LIENS. Tenant shall at all times have the right to encumber, by mortgage or deed of trust, or other proper instrument in the nature thereof, as security for any actual bona fide debt, its leasehold estate hereby created, or any portion thereof, together with any equipment located on the Premises owned by the Tenant not part of the leasehold estate, provided that any such security interest on Tenant's leasehold interest shall be expressly subject and subordinate to this Lease.

If a mortgagee or trustee under a deed of trust shall notify the Landlord in writing that such mortgage or deed of trust has been executed and delivered by Tenant and shall furnish Landlord with the address to which said mortgagee or trustee (hereinafter, "Mortgagee") desires copies of notices to be mailed, then the Landlord hereby agrees that it will thereafter mail to such Mortgagee at the address so given a duplicate copy of any and all notices in writing which Landlord may from time to time give or serve upon Tenant under and pursuant to the terms and provisions of this Lease.

Such Mortgagee may, at its option, at any time before the rights of Tenant shall have been forfeited to the Landlord as herein provided, pay any of the rents due hereunder, or do any other act or thing required of or permitted to Tenant by the terms of this Lease, to prevent the forfeiture or termination of this Lease, and all payments so made and all things so done and performed by or for any such Mortgagee shall be as effective to prevent a forfeiture of the rights of Tenant hereunder as the same would have been if done and performed by Tenant.

No such Mortgagee shall be or become liable to the Landlord as an assignee of this Lease or otherwise unless it expressly assumes the liability of Tenant and no assumption shall be inferred from or shall be the result of foreclosure or other appropriate proceedings in the nature thereof or shall be the result of any other action or remedy provided for by such mortgage or deed of trust.

25. BANKRUPTCY. Should Tenant make an assignment for the benefit of its creditors, or seek an order for relief under the United States Bankruptcy Code, Landlord, at its option, may immediately thereafter terminate all rights of Tenant under this Lease, if permitted by applicable law.

26. CHANGE OF OWNERSHIP. Subject to the Tenant's rights under Article 38, Landlord shall provide Tenant written notice in the event Landlord conveys title to the Premises, or assigns Landlord's interest in this Lease to another party. After receipt of such notice, rent and other payments due and future notices to Landlord shall be given to the party designated therein and Tenant shall attorn to the new owner as substitute Landlord. Tenant shall, within ten (10) days of receipt of request, execute for Landlord an estoppel certificate concerning the terms of this Lease.

27. NOTICES. Any notices required or permitted hereunder shall be in writing and delivered either in person to the other party or by United States Certified Mail, Return Receipt Requested, postage fully prepaid, to the addresses set forth below or to such other address as either party may designate in writing and deliver as provided in this Article.

LANDLORD:

Collin County Commissioners Office
2300 Bloomdale Road, Suite 2302
McKinney, Texas 75071

With copy to:

Abernathy, Roeder, Boyd &
Hullett, P.C.
1700 Redbud Blvd., Ste. 300
McKinney, TX 75069
Attn: Jared J. Pace

TENANT:

Lifepath Systems
1515 Heritage Drive Suite 105
McKinney, Texas 75069

With a copy to:

Taylor, Olson, Adkins,
Sralla, & Elam, LLP,
6000 Western Place, Suite
200
Fort Worth, Texas 76107
Attn.: Larry Collister

28. RECORDATION. This Lease shall not be filed for public record. However, Landlord and Tenant shall execute and acknowledge a memorandum of lease in substantially the form attached hereto as Exhibit B (the "Memo of Lease"). The Memo of Lease may be filed for record against the Premises by either party at any time after the full execution and delivery of this Lease.

29. BROKER(S). Landlord and Tenant covenant, warrant and represent that no broker has been involved in the negotiation or consummation of this Lease.

30. FORCE MAJEURE. Neither party shall be required to perform any term, covenant or condition of this Lease so long as such performance is delayed or prevented by force majeure, which shall mean any acts of God, strike, lockout, material or labor restriction by any governmental authority, civil riot, and any other cause not reasonably within the control of such party and which by the exercise of due diligence such party is unable, wholly or in part, to prevent or overcome. Further, the parties hereby acknowledge that while current events related to the COVID-19 pandemic are known, future impacts of the outbreak are unforeseeable and shall be considered a force majeure event to the extent that they prevent the performance of a party's obligations under this Lease.

31. HOLDOVER. Should Tenant remain in possession of the Premises after the expiration of the Term or the Extended Term, Tenant shall be deemed to be occupying the Premises as a month-to-month tenant, at a monthly rental equal to the fair market rent for the Premises as determined by a certified appraiser selected by Landlord.

32. APPLICABLE LAW AND VENUE. The laws of the State of Texas shall govern the validity, performance and enforcement of this Lease. The parties agree that all of the obligations of the parties hereto are performable in Collin County, Texas and venue for any litigation involving this Lease shall be maintained in the Texas state district courts located in Collin County, Texas, to the exclusion of all other venues. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provision.

33. COMPLETE AGREEMENT. This Lease merges all prior negotiations and understandings between the parties and constitutes their complete agreement which is binding upon both parties and their successors and assigns. This Lease may only be amended by written agreement signed by Landlord and Tenant.

34. DUE AUTHORITY. Landlord and Tenant each warrant and represent, upon which warranty and representation the other party has relied in the execution of this Lease, that each party has full right and lawful authority to execute this Lease in the manner and upon the conditions and provisions herein contained, and that no consent to the execution of this Lease is required.

35. DRAFTING. Landlord and Tenant agree that this Lease has been drafted and negotiated by both parties, and neither party shall be deemed to be the draftsman for purposes of construing provisions of this Lease.

36. WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HEREBY IRREVOCABLY AND EXPRESSLY WAIVES ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS LEASE OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF PARTIES IN THE NEGOTIATION, ADMINISTRATION, OR ENFORCEMENT THEREOF. EACH PARTY HEREBY STIPULATES AND AGREES THAT THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY EACH SUCH PARTY, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. EACH PARTY IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY EACH PARTY.

37. FURTHER ASSURANCES. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Lease and the consummation of the transactions contemplated hereby.

38. TENANT RIGHT OF FIRST REFUSAL. If Landlord elects, during the Term (i) to sell or otherwise transfer all or any portion of the Premises, whether separately or as part of a larger parcel of which the Premises is a part, or (ii) grant to a third party by easement or other legal instrument an interest in and to that portion of the Premises occupied by Tenant, or a larger portion thereof, for the purpose of operating and maintaining communications facilities or the management thereof, with or without an assignment of this Lease to such third party, Tenant shall have the right of first refusal to meet any bona fide offer of sale or transfer on the same terms and conditions of such offer. If Tenant fails to meet such bona fide offer within thirty (30) days after written notice thereof from Landlord, Landlord may sell or grant the easement or interest in the Premises or portion thereof to such third person in accordance with the terms and conditions of such third-party offer. If the transaction described in such written notice from Landlord is consummated, the conveyance of the portion of the Premises identified in such written notice will be made subject to this Lease and the rights of Tenant hereunder, but free and clear of Tenant's right of first refusal provided under this Article 38.

Notwithstanding the above, the Tenant's right of first refusal described above shall not apply to the following: (a) any sale, transfer or conveyance to (i) any entity that controls, is controlled by or is under common control with Landlord, or (ii) an entity that acquires all or substantially all of the assets of Landlord; provided, however, that any sale, transfer or conveyance described in items (i) or (ii) above shall be made subject to this Lease and the Tenant's right of first refusal.

39. EFFECTIVE DATE. This Lease is effective on the last signature date set forth below.

[the remainder of this page is intentionally left blank; signature pages to follow]

EXECUTED BY TENANT this 27 day of May, 2022.

TENANT:

Collin County Mental Health Mental Retardation Center d/b/a LifePath Systems, a Local Behavioral Health and Intellectual Disabilities Authority formed under Chapter 534 of the Texas Health and Safety Code


Tammy Mahan
By: _____
Print: Tammy Mahan
Title: Chief Executive Officer

Digitally signed by Tammy Mahan
DN: cn=Tammy Mahan, o=LifePath
Systems, ou=CEO,
email=tmahan@lifepathsystems.org, c=US
Date: 2022.05.27 11:57:09 -05'00'

EXECUTED BY LANDLORD this 13th day of June, 2022.

LANDLORD:

COLLIN COUNTY, TEXAS a political subdivision of the State of Texas

By: 
Print: Chris Hill
Title: County Judge

Exhibits:

- (x) Exhibit A: Legal Description – Premises
- (x) Exhibit A-1: Depiction of the Premises
- (x) Exhibit B: Memorandum of Lease

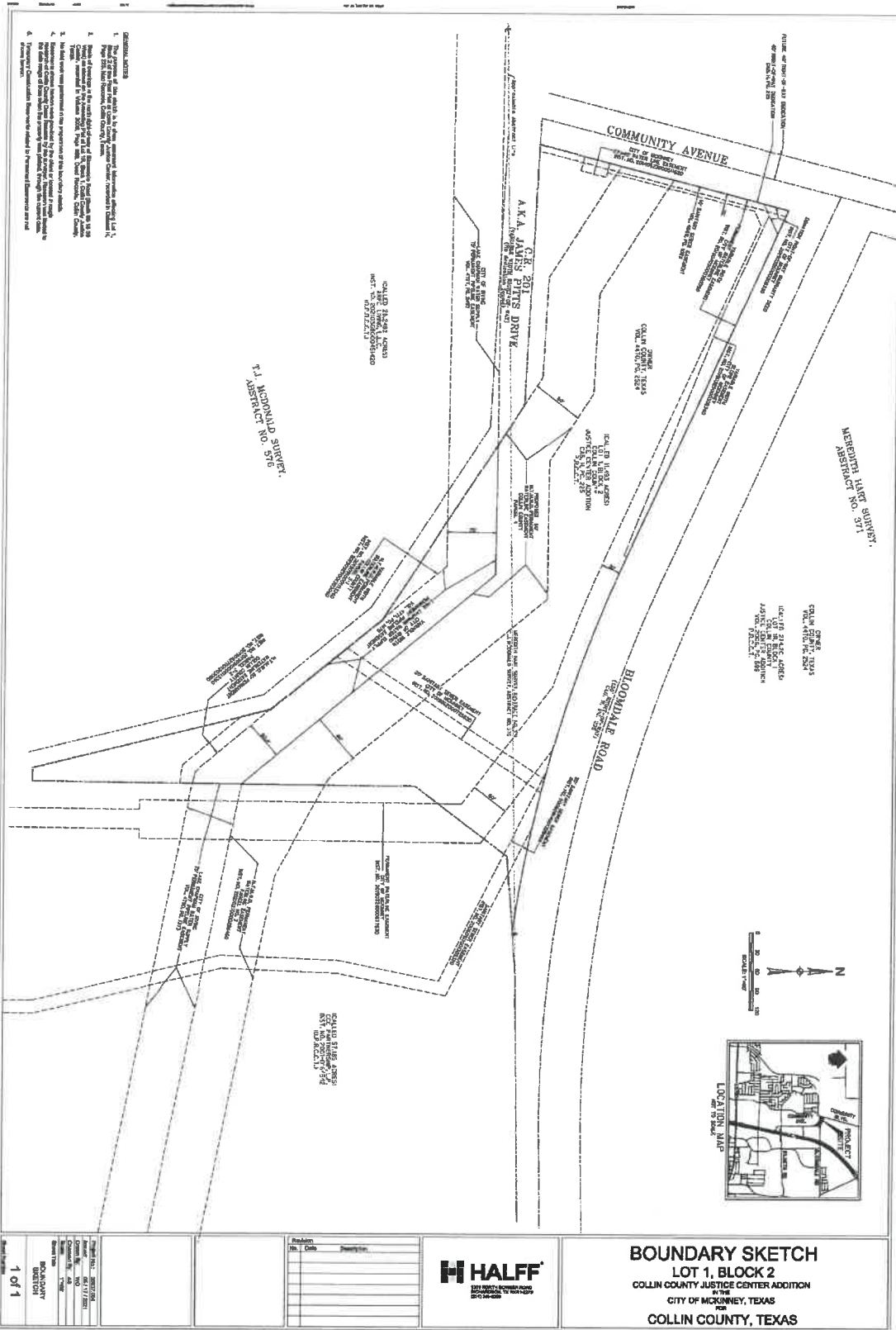
EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

[to be provided]

EXHIBIT A-1

DEPICTION OF THE PREMISES



- DISCLAIMER:**
- The preparation of this sketch is based on information furnished by the applicant, and the surveyor does not warrant the accuracy of the information.
 - The surveyor is not responsible for any errors or omissions in the sketch, and the surveyor is not liable for any damages or losses resulting from the use of the sketch.
 - The surveyor is not responsible for any changes or modifications to the sketch, and the surveyor is not liable for any damages or losses resulting from the use of the sketch.
 - The surveyor is not responsible for any claims or liabilities arising from the use of the sketch, and the surveyor is not liable for any damages or losses resulting from the use of the sketch.

Project No.	
Client Name	
Surveyor Name	
Date	
Scale	
Sheet No.	1 of 1

Revision	Date	Description



BOUNDARY SKETCH
LOT 1, BLOCK 2
 COLLIN COUNTY JUSTICE CENTER ADDITION
 IN THE
 CITY OF MCKINNEY, TEXAS
 FOR
 COLLIN COUNTY, TEXAS

EXHIBIT B
FORM OF MEMORANDUM OF LEASE

[see following pages]

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE shall evidence that there is in existence a Lease as described herein. The parties have executed this Memorandum of Lease for recording purposes only as to the Lease hereinafter described, and it is not intended to and shall not modify, amend, supersede or otherwise affect the terms and provisions of said Lease.

1. Name of Document: GROUND LEASE
2. Name of Landlord: COLLIN COUNTY, TEXAS, a political subdivision of the State of Texas
3. Name of Tenant: Collin County Mental Health Mental Retardation Center d/b/a LifePath Systems, a Local Behavioral Health and Intellectual Disabilities Authority formed under Chapter 534 of the Texas Health and Safety Code
4. Address of Landlord: Collin County Commissioners Office
2300 Bloomdale Road, Suite 2302
McKinney, Texas 75071
Attn: _____
5. Address of Tenant: Lifepath Systems
1515 Heritage Drive Suite 105
McKinney, Texas 75069

Attn: Tammy Mahan
6. Date of Lease: _____
7. Premises/Leased Property: See Exhibit A attached hereto.
8. Commencement Date: The Term commenced on _____.
9. Initial Lease Term: Forty-Five (45) Years
10. Options to Extend: Two (2) successive options to extend the Term for ten (10) years each upon the same terms, covenants and conditions of the Lease for a nominal annual payment of \$10.00.
11. Permits/Licenses: Landlord hereby grants to Tenant the right to apply for and obtain, in Landlord's name or otherwise, any permits or licenses required from the landowner by applicable governmental authorities necessary or desirable for Tenant to construct and perform maintenance, remodeling, alterations and repairs at the Premises, or to otherwise use the Premises in accordance with the terms and

conditions of this Lease and Landlord agrees to execute any documents reasonably requested by Tenant in connection therewith.

This Memorandum of Lease may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

A copy of the Ground Lease is on file with Landlord and Tenant at their respective addresses set forth above.

[The Remainder of this Page Intentionally Left Blank.
Signature and Acknowledgment Pages Follow.]

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease this 13th day of June, 2022

LANDLORD:

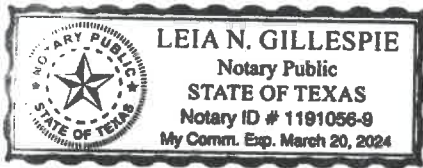
COLLIN COUNTY, TEXAS
a political subdivision of the State of Texas

By: _____
Print: Chris Hill
Title: County Judge

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

BEFORE ME, the undersigned authority, on this day personally appeared Chris Hill known to me to be one of the persons whose names are subscribed to the foregoing instrument; who acknowledged to me he is the duly authorized representative for COLLIN COUNTY, TEXAS, and he executed said instrument for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 13th day of June, 2022.



Leia N. Gillespie
Notary Public in and for the State of Texas
My Commission Expires: March 20, 2024

TENANT:

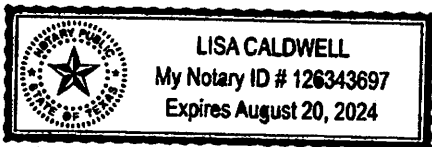
Collin County Mental Health Mental Retardation Center d/b/a LifePath Systems, a Local Behavioral Health and Intellectual Disabilities Authority formed under Chapter 534 of the Texas Health and Safety Code

By: *Tammy Mahan*
Print: Tammy Mahan
Title: CEO

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

BEFORE ME, the undersigned authority, on this day personally appeared Tammy Mahan known to me to be one of the persons whose names are subscribed to the foregoing instrument, who acknowledged to me he or she is the duly authorized representative for Collin County Mental Health Mental Retardation Center d/b/a LifePath Systems, a Local Behavioral Health and Intellectual Disabilities Authority formed under Chapter 534 of the Texas Health and Safety Code, and he or she executed said instrument for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 15th day of June, 2022.



Lisa Caldwell
Notary Public in and for the State of Texas
My Commission Expires: August 20, 2024

EXHIBIT A TO MEMORANDUM OF LEASE

LEGAL DESCRIPTION OF THE PREMISES

State of Texas	§	Court Order
Collin County	§	2022-046-01-10
Commissioners Court	§	

An order of the Commissioners Court approving the filing of the December 6, 2021 minutes.

On Monday, December 6, 2021, the Commissioners Court of Collin County, Texas, met in Regular Session in the Commissioners Courtroom, Jack Hatchell Collin County Administration Building, 4th Floor, 2300 Bloomdale Road, City of McKinney, Texas, with the following members present, and participating, to wit:

Judge Chris Hill
Commissioner Susan Fletcher, Precinct 1
Commissioner Cheryl Williams, Precinct 2
Commissioner Darrell Hale, Precinct 3
Commissioner Duncan Webb, Precinct 4

Commissioner Webb led the Invocation.
Commissioner Hale led the Pledge of Allegiance.
Commissioner Fletcher led the Pledge of Allegiance to the Texas Flag.

Judge Hill called to order the meeting of the Collin County Commissioners Court at 1:30 p.m. and recessed the meeting at 3:04 p.m. The meeting was reconvened at 3:05 p.m. and recessed at 3:26 p.m. The meeting was reconvened at 3:59 p.m. and adjourned at 4:00 p.m.

President Hill called to order the meeting of the Collin County Health Care Foundation at 3:04 p.m. and adjourned the meeting at 3:05 p.m.

President Hill called to order the meeting of the Collin County Housing Finance Corporation at 3:05 p.m. and adjourned the meeting at 3:05 p.m.

DECISIONS MANDATED BY LEGAL ENTITIES OUTSIDE OF COMMISSIONERS COURT AUTHORITY:

1. AI-51326 Acceptance of the Diversion Alternative Plan grant through the Texas Juvenile Justice Department, Juvenile Probation.
2. AI-51350 Personnel Appointments, Human Resources.

3. AI-51351 Personnel Changes, Human Resources.

FYI NOTIFICATION:

1. AI-51285 Intra-County account transfers transmitted on October 28, 2021, Auditor.

2. AI-51323 Intra-County account transfers transmitted on November 4, 2021, Auditor.

3. AI-51340 Voluntary Terminations, Human Resources.

Commissioner Webb discussed this item in conjunction with FYI Notification item number 4. The Commissioner said, based on the current turnover rate, he now has greater concerns, and the HR (Human Resources) Department needs to explore their options to address the rate. Some of the projected turnover rates are approaching 30%. Options to consider are flex schedules and remote working in order for the County to compete, retain, and attract employees. HR will need to consider the policies, procedures, and software needed for these options.

The larger employers in the Legacy area are also exploring all options because they are experiencing the same employee turnover issues and recruitment issues. Even though the County is a government, different options must be explored. Commissioner Webb asked for the HR Department to begin researching the system and policies needed for some of these options to work. The County could do a test approach and have one department head try some of these options to see if it helps with the turnover and recruitment issues.

Commissioner Williams agreed and said other options need to be explored. A member of the Federal Reserve Board commented on the systemic problems with turnover and said retirement across the board has been a factor. Commissioner Webb said, from speaking with younger people, he learned that flex schedules and remote work are the two top things they look for when searching for a job. The City of Plano is allowing employees to work up to two days a week from home if the job allows it. In order for the County to compete with other employers, the policies and procedures for these options should be considered. (Time: 1:39 p.m.)

4. AI-51342 Turnover, Human Resources.

5. **Notification of budget adjustment(s)/amendment(s):**

a. AI-51276 \$75,197 to establish the budget for the FY2022 Sheriff's Crime Victim Advocate Program grant, Auditor.

b. AI-51277 \$71,597 to establish the budget for the FY2022 District Attorney Victims of Crime Act grant, Auditor.

c. AI-51283 \$153,678.90 to establish the budget for the FY2022 JABG-SOAR Juvenile Mental Health Court grant through the Office of the Governor, Criminal Justice Division, Auditor.

d. AI-51292 \$45,000 to establish the budget for the FY2022 JABG-SOAR Juvenile Drug Court grant through the Office of the Governor, Criminal Justice Division, Auditor.

COMMISSIONERS COURT BUSINESS:

1. Public Comments.

Mark Brugge, Fairview, thanked the Court for their effort and said the meeting was informative. Mr. Brugge said, during a previous meeting, he spoke about three directors of national intelligence and Mike Pompeo and their strong message that the US has been infiltrated by the Chinese communist party on all levels. Dr. Douglas G. Frank has spent hours working on the 2020 election and collecting data around the country. Dr. Frank has presented evidence he found proving the elections have been manipulated. He found that the 2010 census was used since the 2020 census was not out before the election. The registration databases were inflated and filled with people who are not real. Judge Hill asked if the database inflation was in this County or another. Mr. Brugge said the databases for all counties in the nation were inflated except for 3 in Wyoming because their databases were unavailable. Dr. Frank has gone to at least 30 states in the union.

Cynthia Brugge, Fairview, said they attended meetings in Missouri and San Antonio and met with thousands of people who are following the patriot movement. There was a popular t-shirt that read "I will not comply." Ms. Brugge agreed with the shirt's message. There are two parts to that statement and a deeper meaning that must originate in the Sheriff's office, police departments, Congress, House, with constables, commissioners, and school boards. Because, if in their heart it's okay for government to dominate citizens and their constitutional rights, then citizens will lose their privileges. This is happening in Australia now where they have camps for citizens with COVID-19. The Governor of Louisiana wants to mandate vaccines for children. Even with Governor Abbot's mandate not allowing mask mandates in schools, there are schools all over the state requiring kids to wear masks. Ms. Brugge said she is depending on the Court and the Sheriff to stand up for the citizens when it comes to enforcing mandates.

Joshua Murray, Nevada, thanked the Judge for not going into Executive Session and taking the public comments first. Mr. Murray said he will speak about the Courts lack of taking responsibility and deflecting it onto others. An example of that is Commissioner Williams's comment regarding retirement being a problem. While the nation may have a retirement problem, the County does not. The retirement

percentage in the County has dropped 14%. The other excuse used for turnover is the additional federal money which equates to \$300 a week for unemployment. The unemployment rate in November 2020 was approximately 5%. There is an issue, and it involves the work environment and compensation. The Court continues to deflect responsibility and blames the federal government and nationwide issues for the lack of proactivity. During the COVID-19 response, the Court deflected responsibility onto the state for not providing vaccines. Once there were vaccines, the vendor was blamed. This is a continuous pattern, and this body takes responsibility for nothing. The truth is that the Court is responsible for everything that occurs in this County. The Court needs to start taking responsibility. This includes justice, public health, infrastructure, public safety, and making sure the Sheriff has the resources needed. Judge Hill asked Mr. Murray not to shout. Mr. Murray said he wasn't shouting and to not mistake his passion for anger.

Ira O, Plano, thanked the Court and said she is displeased the public had to wait through several discussions in order to speak. Elections allow citizens to actively be engaged with local government. The County has had a low voter turnout with an average of 56% in the past ten years. For apartment communities, the turnout is even lower. Ms. O asked the Court to approve the establishment of polling locations in all multifamily communities with residential populations over 1,000. Ms. O also requested absentee ballots to be sent to senior citizens and residents who require mobility accommodations. As Texans, we have an obligation to uphold the true conservative agenda to protect the entire constitution. Everything possible needs to be done to ensure people have access to voting and to polls. Ms. O thanked the Court and asked for comments or concerns. Commissioner Hale asked how many multifamily locations would need the polling stations. Ms. O said there are over 100 apartment complexes throughout the County, but she isn't sure exactly how many. There are several apartment complexes with a population over 1,000, and with polling locations that are over three or four miles from them. Establishing onsite polling stations would be helpful for citizens who don't have a car or are unable to travel. Commissioner Hale said the County is required to have a very large number of polling locations and many are located in schools. Ms. O said the apartment complexes have leasing offices and business centers where a single polling station can be set up. Commissioner Hale said he isn't sure how beneficial this would be because there are many transient people moving. Ms. O said the Elections Department could possibly conduct better research and use their data to determine how this could be accommodated.

Judge Hill said a public speaker expressed frustration for having to wait to speak. The Court appreciates citizens attending the meeting to share their thoughts, but the Court does meet each week to conduct the County business. Today there were 42 people in attendance and 4 wanted to speak. The other 38 people in attendance may not be there to hear the public comments but may have been there because something on the Court's agenda was of their interest. (Time: 3:26 p.m.)

2. Presentation/Recognition.

3. **Consent Agenda Items:** Judge Hill said staff requested item 3f2 to be held for a future court. The Judge pulled the check to Mark Fratter under item 3b for discussion. Commissioner Webb pulled FYI Notification items 3 and 4, item 3e1, and item 3k3. With no further comments, a motion was made to approve the remainder of the consent agenda. (Time: 1:32 p.m.)

Motion by: Commissioner Cheryl Williams

Second by: Commissioner Susan Fletcher

Vote: 5 – 0 Passed

a. AI-51297 Disbursements for the period ending November 30, 2021, Auditor.

COURT ORDER NO. 2021-1180-12-06

b. AI-51298 Indigent Defense Disbursements, Auditor.

COURT ORDER NO. 2021-1181-12-06

Judge Hill said Mark Fratter is the individual who in 2019 was accused by the Court of defrauding the tax payers by submitting inflated pay sheets. In order to avoid litigation, Mr. Fratter had agreed to repay tax payers \$140,000 in a settlement agreement. Now, this individual has submitted 11 new invoices for payment that are all backdated from 2017 to 2019. This is the period of time that was in question when the litigation was ongoing. The Judge said he will be voting against this approval because these are significantly stale timesheets. Linda Riggs, County Auditor, said these timesheets have been approved by the appropriate judges. Ms. Riggs explained they verify timesheets by revising dates and defendants' names. Commissioner Fletcher said these timesheets were claimed to be lost by the County and asked if that was accurate. Ms. Riggs said she cannot validate that, and she can only validate the emails sent directly to her in 2019. There are two timesheets that had no record. Commissioner Hale said Judge Wilson and the coordinator confirmed those two particular timesheets were turned in, and they don't know what happened to them. A new system has been implemented, and these situations should not be happening. Commissioner Hale said he doesn't like how this is going back in time, but the judges have approved these timesheets for payments. However, these should have been included on the list of outstanding timesheets that had been provided back in 2019. Commissioner Webb agreed, but, if the judges have approved the timesheets, he is not sure the Court can legally not pay them. If a typical client came to the Court asking for payment for work done several years back, they would be told the statute of limitations has run out. But, if the judges have signed off on these timesheets, the Court is probably unable to deny payment.

Commissioner Fletcher said she doesn't have enough information to approve the payment for these timesheets. If there is more information proving these are valid timesheets, she would be happy to reconsider. Commissioner Williams said she would like to see something from each judge explaining how

they got to their decision. Commissioner Webb agreed and would also like to see something from the judges. Commissioner Hale said it would be even more important to hear from the judges what has been set in place so that this doesn't happen again. Bill Bilyeu, County Administrator, said Mr. Fratter is no longer on the indigent defense wheel.

Judge Hill said these are stale dated timesheets and are beyond the period of time the Court would pay them. This is not a general case because these are timesheets from an individual who has already settled a fraud case with the County. The Judge suggested holding this item and invited the judges who have signed these pay sheets to attend the Court for their feedback. The Judge also would like for Mr. Fratter to attend the Court to explain why these timesheets are valid. Commissioner Williams said she would also like for Mr. Fratter to give a statement to the Court on final billings and assurance this won't happen again. Judge Hill said he recalls that during litigation Mr. Fratter provided a final list of all active cases that were unpaid and these timesheets were not on that list. Commissioner Williams said the Court should probably discuss this with the County attorney. Judge Hill asked staff to put this item on the Court's agenda whenever it is convenient for the judges and Mr. Fratter to join the meeting. (Time: 1:54 p.m.)

CHECK TO MR. FRATTER HELD FOR FURTHER DISCUSSION

c. AI-51320 Tax refunds totaling \$1,928,105.46, Tax Assessor-Collector.

COURT ORDER NO. 2021-1182-12-06

d. Advertisement(s):

1. AI-51309 Veterinary Services: Animal Shelter, General Spay/Neuter (RFP No. 2022-058), Development Services.

COURT ORDER NO. 2021-1183-12-06

2. AI-51240 Detergents and Dispensers for Laundry and Kitchen (IFB No. 2021-345), Purchasing.

COURT ORDER NO. 2021-1184-12-06

e. Award(s):

1. AI-51311 Construction, HVAC Replacement, 900 Park Blvd Building (IFB No. 2021-351) to JDW Energy LLC d/b/a Next-Gen Air, and further authorize the Purchasing Agent to finalize and execute the Construction Agreement for same, Construction & Projects.

Commissioner Webb said the bid for this item is nearly half the amount of the other two bids and asked if there were any concerns. Michelle Charnoski, Purchasing, said there were other bidders that were deemed non-responsive. The vendor does meet all of the equipment requirements, and they attended a pre-bid meeting with a site walk. A County engineer reviewed all documentation and agreed to move forward.

References and financial stability were also reviewed and cleared. Ms. Charnoski said she is comfortable with this bid. A motion was made to approve this item. (Time: 1:41 p.m.)

Motion by: Commissioner Duncan Webb

Second by: Commissioner Susan Fletcher

Vote: 5 - Passed

COURT ORDER NO. 2021-1185-12-06

2. **AI-51337** Professional Services, Architectural, Adult Detention Center Expansion, Phase 2 & 3 (RFQ No. 2021-353), and further authorize the Purchasing Agent to finalize and execute Architectural Services Agreement for same, Construction & Projects.

COURT ORDER NO. 2021-1186-12-06

3. **AI-51306** Cybersecurity Consulting Services (Cooperative Contract No. 2022-085) to AT&T Corp., through Texas Department of Information Resources Managed Security Services Contract No. DIR-MSS-SCP-001, Elections.

COURT ORDER NO. 2021-1187-12-06

4. **AI-51256** Lift Truck (Contract No. 2022-018) to Darr Equipment Company, through Sourcewell Contract No. 091520-MCF, Public Works.

COURT ORDER NO. 2021-1188-12-06

f. Agreement(s):

1. **AI-51279** Interlocal Agreement with the Town of Fairview concerning the State Highway 5 Stoddard Road Trail Connection project (Bond Project No. OI18PG13), Engineering.

COURT ORDER NO. 2021-1189-12-06

2. **AI-51302** Interlocal Agreement with the City of Allen concerning the Bethany Lakes Loop Trail project (Bond Project No. OI18PG12), Engineering.

HELD

3. **AI-51303** Interlocal Agreement with the City of Sachse concerning the J.K. Sachse Park Phase I project (Bond Project No. OI18PG23), Engineering.

COURT ORDER NO. 2021-1191-12-06

g. Amendment(s):

1. **AI-51308** Amend the FY2022 Fee Schedule to reflect statutory changes made to civil, probate and guardianship fees per the 87th Legislative Session, County Clerk.

COURT ORDER NO. 2021-1192-12-06

2. **AI-51341** Amend the FY2022 Fee Schedule to reflect statutory change made to civil court costs, per the 87th Legislative Session, District Clerk.

COURT ORDER NO. 2021-1193-12-06

3. **AI-51321** No. 2 to Interlocal Agreement for COVID-19 Emergency Rental Assistance Program with the City of McKinney (Contract No. 2021-394) to increase total funding from \$5,486,423 to \$8,486,423, and further authorize the Purchasing Agent to finalize and execute same; budget adjustment upon receipt of funds, Administrative Services.

COURT ORDER NO. 2021-1194-12-06

4. **AI-51324** No. 4 to Consulting Services: Phase III Implementation P25 Trunked Radio System (Contract No. 2017-086) with Mission Critical Partners, LLC to extend the contract through and including December 31, 2022, and further authorizes the Purchasing Agent to finalize and execute same, Sheriff.

COURT ORDER NO. 2021-1195-12-06

5. **AI-51293** No. 6 to Insurance, Long Term Care (RFP No. 07710-09) with Unum Life Insurance Company of America to extend the contract for one (1) year through and including December 31, 2022, correct the previous amendment to be titled Amendment No. 5, and further authorize the Purchasing Agent to finalize and execute same, Human Resources.

COURT ORDER NO. 2021-1196-12-06

6. **AI-51330** No. 6 to Insurance, General Liability (Contract No. 2019-248) with USI Southwest Inc. to add Law Enforcement Liability - Armored Services coverage, and further authorize the Purchasing Agent to finalize and execute same, Human Resources.

COURT ORDER NO. 2021-1197-12-06

h. Contract Renewal(s):

1. **AI-51331** Plumbing Contractor Services (IFB No. 2019-380) with Concord Commercial Services, Inc. to extend the contract for one (1) year through and including January 5, 2023, Facilities.

COURT ORDER NO. 2021-1198-12-06

2. AI-51284 Host Neutral Distributed Antenna System (IFB No. 2020-321) with Newbridge Wireless, LLC to extend the contract for one (1) year through and including December 11, 2022, Information Technology.

COURT ORDER NO. 2021-1199-12-06

i. Budget adjustment(s)/amendment(s):

1. AI-51278 \$17,963 to establish the budget for the FY2022 District Attorney's Victim Assistance Coordinator Program grant cash match, Auditor.

COURT ORDER NO. 2021-1200-12-06

2. AI-51281 \$21,311 to establish the budget for the FY2022 Sheriff's Office Victim Advocate Program grant cash match, Auditor.

COURT ORDER NO. 2021-1201-12-06

3. AI-51338 \$6,381 to increase Maintenance & Operations to cover FY2021 expenses, Medical Examiner.

COURT ORDER NO. 2021-1202-12-06

j. Filing of the Minute(s), County Clerk:

1. AI-51313 November 1, 2021.

COURT ORDER NO. 2021-1203-12-06

2. AI-51317 November 8, 2021.

COURT ORDER NO. 2021-1204-12-06

k. Miscellaneous:

1. AI-51307 Voting precinct boundary changes, Elections.

COURT ORDER NO. 2021-1205-12-06

2. AI-51299 Designate Jacobs Engineering Group, Inc. as the most qualified engineering firm for the development of the second service road of the Collin County Outer Loop between Dallas North Tollway and Preston Road (SH 289), and further authorize the Engineering Department to negotiate a scope and fee, Engineering.

COURT ORDER NO. 2021-1206-12-06

3. AI-51356 Final plat of The Haven at Tillage Farms phase 1, Engineering.

Commissioner Webb said there was no reference in the memo for this plat regarding fire and police services, and he wanted to ensure those services are part of the agreement. Tracy Homfeld, Engineering, said this plat has been annexed into Collin County MUD (Municipal Utility District) Number 2, and an engineer for the MUD assured those services were going to be included in the contract. Ms. Homfeld said she asked for proof and is waiting for the actual proof. Commissioner Williams said a final plat is a ministerial duty, and police and fire services are not a part of the County subdivision regulations. If the plat meets the subdivision regulations, it must be approved. A motion was made to approve this item. (Time: 1:44 p.m.)

Motion by: Commissioner Cheryl Williams

Second by: Commissioner Darrell Hale

Vote: 5 – 0 Passed

COURT ORDER NO. 2021-1207-12-06

4. AI-51336 Grant application for the Collin County C.T.D. Program, FY 2022 through the Moody Foundation, Juvenile Probation.

COURT ORDER NO. 2021-1208-12-06

5. AI-51304 Assignment and Assumption to Virtual Reality Training (Contract No. 2020-279) to change the name from Survivr PBC to InVeris Training Solutions, Inc., and further authorize the Purchasing Agent to finalize and execute same, Purchasing.

COURT ORDER NO. 2021-1209-12-06

6. AI-51310 Acceptance of the TIPS Purchasing Cooperative, TIPS Reward Dollars Program rebate check in the amount of \$246.52 to be deposited in the Going the Extra Mile Employee Incentive Program line item, and budget amendment for same, Purchasing.

COURT ORDER NO. 2021-1210-12-06

7. AI-51312 Acceptance of the Omnia Partners, Public Sector rebate check in the amount of \$287.19 to be deposited in the Going the Extra Mile Employee Incentive Program line item, and budget amendment for same, Purchasing.

COURT ORDER NO. 2021-1211-12-06

8. AI-51352 Personnel Appointments, Human Resources.

COURT ORDER NO. 2021-1212-12-06

GENERAL DISCUSSION

4. AI-51244 Collin County property at the southeast corner of Bloomdale and Community, Administrative Services.

Tammy Mahan, LifePath Systems Chief Executive Officer, said a letter was submitted requesting consideration to acquire the property at the southeast corner of Bloomdale and Community. For several years LifePath has been reserving funds for future growth. This land came up on their radar because LifePath works a lot with the County, and this location is very close to the Sheriff's Office. This will allow LifePath to intervene with individuals with mental and substance abuse issues. LifePath could be a diversion point from the jail as well as an easy access point for individuals coming out of the jail. Being near the jail will help reduce barriers. All the crisis services, the jail diversion teams, and the administrative staff would be relocated to this location.

Commissioner Williams said this is needed and would be an opportunity for the County to participate with our provider to improve services and jail diversion. Jim Skinner, Sheriff, said law enforcement has no choice but to arrest individuals with mental health and intellectual disabilities, and it should not be this way. Collin County lacks meaningful diversion for these individuals. Allowing LifePath the purchase of this property will greatly enhance the Sheriff's ability to divert individuals who need their help and not the jail.

Commissioner Williams said the acquisition of this land should be at minimal cost so that LifePath can spend their dollars on services and infrastructure. Commissioner Webb said he would rather not sell the property but enter a long lease at \$1 a year with the condition that the property is not something they can speculate with. Bill Bilyeu, County Administrator, said the County will have the attorney draft a lease agreement for the Court's consideration. Judge Hill made a motion supporting the concept of leasing the property to LifePath. Ms. Mahan said they are open to all the options, and she will consult with the board and legal advisors. (Time: 2:04 p.m.)

Motion by: Judge Chris Hill

Second by: Commissioner Cheryl Williams

Vote: 5 – 0 Passed

5. **AI-51357** Proposal for mental health services in the detention facility by LifePath, Administrative Services.

Tammy Mahan, LifePath Systems Chief Executive Officer, said LifePath has discussed with the Sheriff's Office the best way LifePath can be utilized at their facility, and together they prepared a project proposal. There will be 24-hour coverage equating to 4.2 FTE (Full Time Employees). These employees will be from the Mobile Crisis Outreach Team because they have lots of experience addressing crises. They are qualified mental health professionals, licensed by the State, and will help jail staff in booking to perform the mental health screening. Employees will also have direct access to LifePath's database to identify inmates with any type of history with LifePath. This will help with inmate screenings to determine the level of watch an inmate may need based on their previous history.

Chief Johnny Jaquess, Sheriff's Office, said he has seen this particular program at work, and it is a good way to have effective screening. Currently, the detention officer or an EMT (Emergency Medical Technician) conducts the inmate screening. Having the right personnel for screenings will help avoid placing a watch on an individual who may not need it or vice versa. Commissioner Williams said this is the finalization of getting something in place that is very critical, and she is very excited about it. Commissioner Webb was also very supportive of this program and made a motion for approval.

Commissioner Hale asked if there was any expense that was left out during the budget session. Ms. Mahan said most of the budgeted funds will go towards salaries and equipment. There are other potential projects for the future, but this is a great start for the jail. Commissioner Webb asked how the success of the program will be measured. Sheriff Skinner said the jail will now have a much keener awareness of the number of inmate watches. This will allow staff to quantify success, and there will be less confusion. Ms. Mahan said data will be captured to show if this is a failure or success. (Time: 2:16 p.m.)

Motion by: Commissioner Duncan Webb

Second by: Commissioner Susan Fletcher

Vote: 5 – 0 Passed

COURT ORDER NO. 2021-1215-12-06

6. **AI-51322** Update on janitorial services, County Judge.

Judge Hill said this is a discussion regarding the County janitorial services becoming in-house rather than using a contractor. The conversion to in-house janitorial services will begin January 1, 2022. The County team has been working hard to prepare. This is a discussion to ensure the County is ready for the transition. Bill Bilyeu, County Administrator, said janitorial services have always been outsourced. The

performance of the outsourced janitorial services has always been an issue. Mr. Bilyeu explained issues with the vendor and their processes.

Staff explored the best practices for janitorial services, and one of them is centralized trash services. This type of service provides a lidded dumpster in a private area for employees to place their office trash. Every department in the County was contacted, and the transition was explained. The public area trash cans will continue to be emptied by housekeeping. This will allow housekeeping the ability to focus on vacuuming and other services. The estimated time needed to empty every trashcan in the Administration Building is two and half hours a day.

During the budget session, the ability to hire janitorial employees was questioned. Staff felt confident they could hire the employees. However, the market for employees has completely dried up. Currently, there are only two temporary employees in the County temp pool which typically carries forty. A strike team has been established, and they have been going out every Friday trying to recruit employees for the janitorial positions. Finding documented workers for this type of work has been a struggle. Until these positions can be filled, Rick Monk, facilities, and his team are going to back fill. Until today, four positions have been filled out of the thirteen. Public Works will also back fill the positions because they will have more availability during the winter time.

Judge Hill said the feedback he received from elected officials was that the services provided by the current vendor are subpar, and the County needs to do better. The Judge said he appreciates and supports the staff's plan. The most consistent comment from the elected officials is they would like for trash pickup to continue rather than having the centralized receptacles. Judge Hill said he supports that as well and would like for the County to move away from the centralized trash receptacles.

Commissioner Williams said expectations should be managed, and she is concerned about in-house janitorial services being able to do better than the vendor. Staff will also need to be able to accept things they don't like until the County is able to hire these employees. Judge Hill said everyone knows the County must do better, and it will be a struggle. Commissioner Fletcher said she is concerned about security issues, and by having in-house employees security issues could be better addressed. There was a brief discussion.

Commissioner Webb asked if doing a hybrid trash pick up has been considered. This would have the private office place their trash bags out in the hall for faster pick up. Another option is picking up trash two or three times a week versus every day. Any food trash can be placed in the kitchen area which would be picked up every day. A matrix was set for the vendor as part of the bid process, and it included the number of positions they agreed to staff which was 34. The County paid in full for these positions that were never filled by the vendor. Commissioner Webb asked why the vendor is not being held accountable and asked for a refund. Doing this may help offset costs and allow the County to hire more people to avoid centralized trash pick. This should at least be explored. Another option would be to help fund

undocumented individuals to get their green card and make them legal. Mr. Bilyeu said the Court funded a position like that previously. However, the federal government must agree it would be for a workforce that is not available in the applicant's country.

Judge Hill asked if the number of personnel needed to get all duties taken care of is 34 employees. Mr. Bilyeu said that is the amount of employees the matrix included. However, having staff doing the management, they estimate 21 employees would be needed. Judge Hill asked for staff to prepare a plan to have full janitorial services provided and to include more employees as needed. Mr. Bilyeu said a plan could be ready in March 2022. This will allow time to explore the time required to handle all of the janitorial duties.

Commissioner Webb said the County needs a recruiter to help in all of the areas that are struggling. Commissioner Hale said the County has a very lean HR department, and recruitment is done as a side portion of their job. The Commissioner said, when he worked at Samsung, they had eight fulltime recruiters along with an individual HR person per department. He is very much in favor of having a recruiter for the County. Mr. Bilyeu said the County does have recruiters for the Sheriff's Office. For the janitorial positions, there is a strike team of internal employees going out every Friday to recruit. A brief discussion followed.

Judge Hill asked staff to bring a proposal on what it would take to fully staff janitorial services. The Judge also requested staff to provide information on the cost for two full-time recruiters for the Sheriff's Office and the Human Resources Department. This will allow the Court to determine the possible cost of implementing the recruiters this budget year.

Rick Monk, Facilities, said under the BOMA (Building Owners and Managers Association) and IFMA (International Facility Management Association) standards, one full-time employee is needed for every 28,000 square feet to clean a facility. The County has 740,000 square feet under contract for full services. (Time: 2:59 p.m.)

NO ACTION

Iro O., Plano, apologized for interrupting and asked when public comments would begin. Judge Hill said she was out of order and asked Ms. O to take her seat. (Time: 3:01 p.m.)

7. **AI-44358** Conference of Urban Counties update, Commissioner, Precinct 1.

Commissioner Fletcher said the Conference of Urban Counties meeting was a recap of the second and third sessions on redistricting elections. The Policy Committee terms are up, and all counties with a population over a 400,000 automatically get a nomination. Staff will need to reappoint or appoint a committee member. The elections for other committee positions will be during the annual conference

held on January 12 through the 14, 2021. OCA (Office of Court Administration) may not be able to meet the deadlines set forth in SB6, and updates on this will be available at the January conference.

The committee also discussed cybersecurity threats during the upcoming voting machine audits. It will be important to have something in place stating the State will be held accountable if they do anything that would decertify the voting machines. The State will have to be responsible for any costs of new machines if necessary. There was also a discussion about using ARPA (American Rescue Plan Act) federal funds to increase homestead exemptions, and this change would go into effect in 2022. (Time: 3:04 p.m.)

NO ACTION

Judge Hill recessed the meeting at 3:04 p.m. and called to order the Health Care Foundation and the Housing Finance Corporation meetings.

Judge Hill reconvened the meeting at 3:05 p.m. and began the public comments session.

Executive Session Items:

Judge Hill recessed the meeting into Executive Session under Chapter 551.072 of the government code to discuss the right-of-way acquisition for Park Blvd at 3:26 p.m.

Judge Hill reconvened the meeting at 3:59 p.m.

Real Estate (551.072)

AI-51359 Right of way acquisition for Park Blvd. from FM 2514 to US 78, Parcel 14 and Outer Loop from FM 2478 to US 75, Parcels 50 and 54, Engineering.

A motion was made to authorize staff to move forward with the documentation of an agreement to acquire the property interest sought by the County in the amount as recommended by staff subject to the land owner's delivery of title to the subject property free and clear of any and all liens and other encumbrances within thirty days. (Time: 4:00 p.m.)

Motion by: Commissioner Duncan Webb

Second by: Commissioner Cheryl Williams

Vote: 5 – 0 Passed

COURT ORDER NO. 2021-1216-12-06

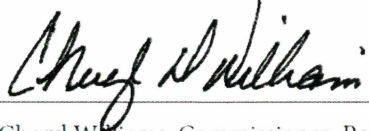
There being no further business of the Court, Judge Hill adjourned the meeting at 4:00 p.m.

Not Present

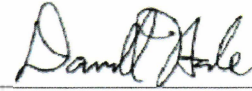
Chris Hill, County Judge



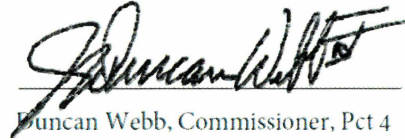
Susan Fletcher, Commissioner, Pct 1



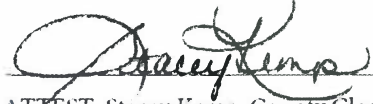
Cheryl Williams, Commissioner, Pct 2



Darrell Hale, Commissioner, Pct 3



Duncan Webb, Commissioner, Pct 4



ATTEST: Stacey Kemp, County Clerk

Collin County MHMR
FY24 LifePath Systems Income Statement - Consolidated
through February 29, 2024

	Year to Date Budget to Actual			
	Actual - YTD	Budget - YTD	\$ Var	% Var
	9/2023 - 2/2024	9/2023 - 2/2024		
REVENUES				
FEDERAL ASSISTANCE (NET)	\$11,832,799	\$11,168,899	\$663,900	5.94%
STATE AGENCY REVENUE	\$10,314,668	\$10,474,737	(\$160,070)	(1.53%)
EARNED STATE REVENUE	\$2,011,666	\$2,770,525	(\$758,860)	(27.39%)
LOCAL AGENCY REVENUE	\$3,537,655	\$3,201,023	\$336,631	10.52%
Total	\$27,696,787	\$27,615,185	\$81,602	0.30%
EXPENSES				
SALARIES AND WAGES	\$14,932,049	\$16,375,997	\$1,443,948	8.82%
BENEFITS	\$4,064,219	\$3,797,198	(\$267,021)	(7.03%)
PROFESSIONAL SERVICES	\$302,096	\$324,295	\$22,199	6.85%
SUPPLIES	\$105,312	\$142,120	\$36,807	25.90%
STAFF TRAVEL	\$223,178	\$284,449	\$61,271	21.54%
BOARD TRAVEL	\$5,786	\$9,750	\$3,964	40.66%
UTILITIES	\$360,237	\$341,739	(\$18,498)	(5.41%)
BUILDING MAINTENANCE	\$269,446	\$181,546	(\$87,901)	(48.42%)
AUTO MAINTENANCE	\$54,508	\$67,610	\$13,102	19.38%
CAPITAL EXPENDITURES	\$430,471	\$465,512	\$35,040	7.53%
BONDS	\$116,694	\$112,592	(\$4,102)	(3.64%)
CLIENT EXPENDITURES	\$144,513	\$304,677	\$160,164	52.57%
OTHER OPERATING EXPENDITURES	\$999,752	\$1,046,015	\$46,263	4.42%
EXTERNAL DIRECT SERVICE (DCO'S)	\$3,937,250	\$4,687,167	\$749,916	16.00%
M&S ALLOCATIONS	\$0	\$345,492	\$345,492	100.00%
Total	(\$25,945,510)	(\$28,486,156)	(\$2,540,645)	(8.92%)
NET SURPLUS/(DEFICIT)	\$1,751,277	(\$870,971)	\$2,622,247	

Collin County MHMR LifePath Systems

FY24 Balance Sheet

through February 29, 2024

	GF	ISF	Construction	Foundation	Consolidated
	02/29/2024	02/29/2024	02/29/2024	02/29/2024	02/29/2024
Assets					
Unrestricted Cash	\$4,486,766	\$1,104,139	\$0	\$129,557	\$5,720,463
Board Recommended Reserves - Building	\$0	\$0	\$34,648,935	\$0	\$34,648,935
Investments - 180 Days Reserves	\$20,869,181	\$0	\$0	\$0	\$20,869,181
Accounts Receivable	\$10,673,273	\$0	\$0	\$0	\$10,673,273
Prepaid & Deferred Expenses	\$757,534	\$0	\$0	\$0	\$757,534
Fixed Assets	\$58,223	\$18,818,195	\$0	\$0	\$18,876,419
Amount to be Provided	-\$1,171,433	\$0	\$0	\$0	-\$1,171,433
Total Assets	\$35,673,544	\$19,922,334	\$34,648,935	\$129,557	\$90,374,370
Liabilities and Fund Balance					
Current Liabilities	\$2,097,404	-\$5,374,874	\$5,552,899	\$24,219	\$2,299,647
Deferred Revenue	\$2,664,483	\$0	\$0	\$0	\$2,664,483
Payroll Accruals	\$231,857	\$0	\$0	\$0	\$231,857
Accrued Liabilities	\$753,171	\$0	\$0	\$0	\$753,171
Long-Term Liabilities	\$20,505	\$801,337	\$0	\$0	\$821,842
Fund Balance	\$29,906,124	\$24,495,872	\$29,096,036	\$105,339	\$83,603,370
Total Liabilities and Fund Balance	\$35,673,544	\$19,922,334	\$34,648,935	\$129,557	\$90,374,370

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS**

ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE YEAR ENDED AUGUST 31, 2023

**Scott, Singleton, Fincher & Company, PC
Certified Public Accountants**

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Annual Financial and Compliance Report
For The Year Ended August 31, 2023**

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Certificate of Board.....	3
List of Principal Officials.....	4
FINANCIAL SECTION	
Independent Auditor’s Report.....	6
<u>Required Supplementary Information:</u>	
Management’s Discussion and Analysis.....	10
<u>Basic Financial Statements:</u>	
<u>Government-Wide Financial Statements</u>	
Statement of Net Position.....	20
Statement of Activities.....	21
<u>Fund Financial Statements</u>	
Fund Balance Sheet – Governmental Funds.....	22
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.....	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Funds to the Statement of Activities.....	24
Statement of Net Position – Proprietary Fund.....	25
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund.....	26
Statement of Cash Flows – Proprietary Fund.....	27
Statement of Fiduciary Net Position - Fiduciary Fund.....	28
Statement of Changes in Fiduciary Net Position - Fiduciary Fund.....	29
Notes to Basic Financial Statements.....	30

	<u>Page</u>
<u>Required Supplementary Information:</u>	
Budgetary Comparison Schedule – General Fund.....	45
<u>Statistical Section (Unaudited):</u>	
Schedule of Revenues and Expenditures by Source of Funds – General Fund....	48
Schedule of Indirect Costs.....	49
Schedule of Leases in Effect.....	50
Schedule of Insurance in Force.....	51
Schedule of Bond Coverage.....	53
Schedule of Space Occupied in a State-Owned Facility.....	54
Schedule of Professional and Consulting Fees.....	55
Schedule of Legal Services.....	56

COMPLIANCE AND INTERNAL CONTROLS SECTION

Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	58
Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and Texas Grant Management Standards.....	60
Schedule of Findings and Questioned Costs.....	63
Corrective Action Plan.....	67
Summary Schedule of Prior Audit Findings.....	68

FEDERAL AND STATE EXPENDITURES SECTION

Schedule of Expenditures of Federal and State Awards.....	70
Notes to Schedule of Expenditures of Federal and State Awards.....	72

**CERTIFICATE OF BOARD
ACCEPTANCE OF AUDIT REPORT**

Collin County Mental Health Mental Retardation Center dba LifePath Systems

I, Dona Watson, Vice-Chair of the Board of Trustees of Collin County Mental Health Mental Retardation Center dba LifePath Systems do hereby certify that this accompanying audit report for FY 2023 from Scott, Singleton, Fincher & Company, P.C. was reviewed and accepted at a meeting of the Board of Trustees held on the 29th of February, 2024.



Vice-Chair, Board of Trustees

**Collin County Mental Health Mental Retardation Center
Dba LifePath Systems
List of Principal Officials
August 31, 2023**

Board of Trustees

Doug Kowalski	Chair
Dona Watson	Vice Chair
Anne Bramlett	Secretary
Trey (Arthur) Cotton	Member
Ronald F. Crawford, Ed. D.	Member
Ernest Myers, Jr., Ph. D.	Member
Melvin Thathiah, J.D.	Member
John Donovan	Member
Lt. Danny Stasik	Member

Administrative Staff

Tammy Mahan	Chief Executive Officer
Pete Kabira	Chief Operating Officer
Jennifer Morgan	Chief Financial Officer
Brent Phillips-Broadrick	Chief Administrative Officer
Dr. Zachary Sullivan	Medical Director
Maria Putman	Human Resources Director, Interim
Keyanta Gaddy	Foundation Director
Deanna Easley	Communications and Outreach Director
Danielle Sneed	Behavioral Health Deputy Clinical Officer
Joanne Huffstetler	Early Childhood Services Director
Humera Bhaidani	Intellectual and Developmental Disabilities Director

FINANCIAL SECTION

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

The Board of Trustees
Collin County Mental Health Mental Retardation Center
dba LifePath Systems

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 Collin County Mental Health Mental Retardation Center dba LifePath Systems (“LifePath”), as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise LifePath’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 Collin County Mental Health Mental Retardation Center dba LifePath Systems, as of August 31, 2023, 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 LifePath 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 LifePath'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 LifePath'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 LifePath'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 and budgetary comparison information on pages 10 through 18 and 45 through 46 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 LifePath's basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Texas Grant Management Standards (TxGMS), 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 schedule of expenditures of federal and state awards 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 statistical 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 February 28, 2024, on our consideration of LifePath'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 LifePath'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 LifePath's internal control over financial reporting and compliance.

Scott, Singleton, Fincher and Company, PC

Scott, Singleton, Fincher and Company, PC
Certified Public Accountants
Greenville, Texas
February 28, 2024

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

Our discussion and analysis of the Collin County Mental Health Mental Retardation Center dba LifePath Systems (the Center) financial performance provides an overview of the Center's financial activities for the fiscal year ended August 31, 2023. We encourage readers to consider the information presented here in conjunction with the financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- The assets of LifePath Systems exceeded its liabilities at the close of the most recent fiscal year by \$87,034,499 (net position). Of this amount, \$67,093,944 (unrestricted net position) may be used to meet the Center's ongoing obligations.
- The Center's total net position (government-wide) increased by \$12,574,639.
- As of the close of the current fiscal year, the Center's general fund reported ending fund balance of \$27,858,504, following a transfer of \$32,862,456 to a capital projects fund in anticipation of a building construction project. Ending fund balance in the capital projects fund was \$32,862,456 at year-end.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$25,134,100 or approximately 50 percent of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to LifePath System'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.

Government-wide financial statements. The Statement of Net Position presents information on all of the Center's assets and liabilities. Increases or decreases in net position serve as a useful indicator of whether the financial position of LifePath Systems 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 is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are reported regardless of when cash is received or paid.

In the Statement of Net Position and the Statement of Activities, the Center is divided into two types of activities:

- *Governmental activities* – The Center’s basic services are reported in this section, including the Intellectual and Developmental Disabilities Division, Early Childhood Intervention, Behavioral Health Division and General Administration.
- *Business-type activity* – The Center has no activities that would be classified in the business-type activities category.

The government-wide financial statements can be found on pages 20 – 21 of this report.

REPORTING THE CENTER’S MOST SIGNIFICANT FUNDS

The fund financial statements begin on page 22 and provide detailed information about the Center’s funds. 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. LifePath Systems, 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 are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how dollars flow 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* accounting that measures cash and all other financial assets that can be readily converted to cash.

The governmental fund statements provide a *detailed short-term view* of the Center’s general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Center’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation following the fund financial statements.

The Center adopts an annual budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. This schedule can be found on pages 45-46 of this report.

Proprietary funds – When the Center charges customers for the services it provides – whether to outside customers or to other programs of the Center – these services are generally reported in proprietary funds. The Center maintains one type of proprietary fund. The *internal service fund* is an accounting device used to accumulate and allocate costs internally among the Center’s various functions. The Center uses an *internal service fund* to account for acquisition of capital assets as well as for the future replacement of existing capital assets.

Fiduciary fund – Fiduciary funds are used to account for resources held for the benefit of parties outside of the Center. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Center’s own programs. Funds held on behalf of consumers are considered fiduciary funds.

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 30 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* that is required by the Texas Health and Human Services Commission’s *Guidelines for Annual and Compliance Audits of Community MHMR Centers*, the Uniform Guidance and Texas Grant Management Standards (TxGMS). This supplementary information can be found beginning on pages 48 of this report.

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 LifePath Systems, assets exceeded liabilities by \$87,034,499 at the close of the most recent fiscal year.

A portion of the Center’s net position (\$19,940,555 or 23%) reflect its investment in capital assets; land, buildings, vehicles and furniture and equipment, less any related debt used to acquire the assets that is still outstanding. The Center uses these assets to provide services to the consumers it serves; consequently, these assets are not available for future spending.

Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Comparative
Statements of Net Position

	2023	2022
Current and other assets	\$ 69,804,613	\$ 59,994,123
Capital assets, net	21,597,939	19,823,601
Total assets	91,402,552	79,817,724
Long-term liabilities	1,657,384	2,147,636
Other liabilities	2,710,669	3,210,228
Total liabilities	4,368,053	5,357,864
Net position:		
Net investment in capital assets	19,940,555	18,518,788
Unrestricted	67,093,944	55,941,072
Total net position	\$ 87,034,499	\$ 74,459,860

Unrestricted net position for the most current fiscal year of \$67,093,944 or approximately 77% may be used to meet the Center's ongoing obligations to consumers and creditors.

GOVERNMENTAL ACTIVITIES

Revenues for the Center's governmental activities were \$62,607,671 while total expenses were \$50,033,032. The change in net position was an increase of \$12,574,639. LifePath's Behavioral Health programs ended the year with an increase in net position of \$9,749,985 primarily due to revenues from the 1115 direct payment (DPP) and Charity Care Pool (CCP) programs.

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Governmental Activities
Comparative
Statements of Activities**

	<u>2023</u>	<u>2022</u>
Revenues		
Program revenues		
Charges for services	\$ 23,501,506	\$ 18,431,643
Operating grants/contributions	36,229,528	35,515,370
General revenues	<u>2,876,637</u>	<u>1,033,767</u>
Total revenues	<u>62,607,671</u>	<u>54,980,780</u>
Expenses		
Behavioral Health	33,576,317	29,787,528
Intellectual & Developmental Disabilities	7,654,104	6,953,164
Early Childhood Intervention	8,732,320	8,639,535
Interest on Long-term Debt	<u>70,291</u>	<u>69,999</u>
Total expenses	<u>50,033,032</u>	<u>45,450,226</u>
Change in net position	12,574,639	9,530,554
Net position – beginning of year	<u>74,459,860</u>	<u>64,929,306</u>
Net position – end of year	<u>\$ 87,034,499</u>	<u>\$ 74,459,860</u>

BUSINESS-TYPE ACTIVITIES

The Center had no activities that would be classified in the business-type activities category.

FINANCIAL ANALYSIS OF THE CENTER'S FUNDS

Governmental funds. As the Center completed the year, its governmental funds (as presented in the balance sheet on page 22) reported combined fund balance of \$60,902,458, which is an increase of \$10,173,322 from last year's total of \$50,729,126.

The focus of the Center's General 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, unassigned fund balance in the general fund was \$25,134,100, while total fund balance in the general fund was \$27,858,504. As a measure of general fund liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 50 percent of total general fund expenditures.

LifePath transferred \$34,787,308 out of the general fund to the capital projects fund during the year. The capital projects fund was established to set aside funding for an upcoming capital project.

Proprietary funds. The Center's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenue is over the final budget by \$8,082,547, primarily due to revenue from two 1115 waiver programs, the direct payment program (DPP) and the charity care pool (CCP). Actual expenditures are under the final budgeted amount by \$2,994,164 due to lower expenditures in personnel cost, benefit costs, and building and equipment rents.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The Center's investment in capital assets for its governmental activities as of August 31, 2023, was \$21,597,939 (net of accumulated depreciation and amortization). The investment in capital assets includes facilities, vehicles, furniture and equipment, right-of-use leased buildings and right-of-use SBITA assets.

Major capital asset additions during the current fiscal year include:

- Construction in progress related to a new facilities project
- Right of use subscription based information technology assets (SBITA)
(new in FY23 due to adoption of GASB Statement No. 96)

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Capital Assets (net of depreciation and amortization)**

Governmental Activities

	2023	2022
Construction in Progress	\$ 2,320,081	\$ 13,223
Land	1,412,454	1,412,454
Buildings	20,609,638	20,499,824
Leasehold improvements	155,471	92,921
Furniture and Equipment	1,241,204	1,338,517
Computer Systems	670,385	3,078,781
Software	559,322	-
Vehicles	1,200,070	1,140,451
Right-of-use leased assets	1,881,935	1,728,649
Right-of-use SBITA assets (adopted GASB 96 in FY23)	590,318	394,361
Less: accumulated depreciation/amortization	(9,042,939)	(9,481,219)
Total Capital Assets	\$ 21,597,939	\$ 20,217,962

Note 4 to the financial statements provides detailed information of the Center’s capital assets.

Long-term debt. At the end of the fiscal year, the Center had \$377,876 outstanding on a \$1,500,000 revenue anticipation note outstanding. In FY 2018, the Center received note proceeds which were utilized to finance facility construction improvements and renovations. LifePath has lease obligations in the amount to \$1,057,530 related to the lease agreements for properties rented by the Center. The adoption of GASB Statement No. 96 during 2023 created \$221,978 in SBITA obligations at year-end. Interest expense was \$70,291 for the fiscal year. Additional information on the Center’s long-term debt can be found in note 5 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The Center’s Board of Trustees and Executive Management Team will continue to face significant challenges and opportunities in the coming year. While LifePath Systems’ Behavioral Health services continue to grow dramatically with new federal and state contracts, Early Childhood Intervention has remained stagnant due to lack of adequate funding increases, and Intellectual and Developmental Disabilities services have reached a crisis due to lack of adequate state funding for authority services and lack of adequate Medicaid rate increases to support IDD programs including Home and Community Based Services (HCS), Texas Home Living (TxHmL), and Intermediate

Care Facilities (ICF). The lack of adequate funding combined with the rapid population growth in the Center's catchment area are significant challenges to successfully addressing the needs of the growing community.

LifePath, as the designated authority for mental health, substance abuse, and intellectual and developmental disability (IDD) services, is responsible for addressing these increasing needs without sufficient resources. In IDD programs, there are long waiting lists for programs only afforded through dedicated state or federal funding. For programs supported by Medicaid and Medicaid waivers, rates are based on unrealistic cost estimates, especially in the current workforce shortage. Staff and Board must continue to educate stakeholders including legislators about the growing IDD provider crisis, diversify funding sources, and work with community agencies to meet the most critical needs. The following issues will need addressing in the foreseeable future:

- Maximizing revenues available through the Directed Payment Program (DPP) and Charity Care Program (CCP) is critical for the support of expanding Center infrastructure and Certified Community Behavioral Health Clinic (CCBHC) programs. Maximizing these funding sources has proven to be difficult and has required a significant amount of additional staff time.
- Workforce shortages have proven to be a significant challenge to initiating new programs and managing ongoing programs. Competition for employees has driven up salaries and costs for competitive benefits. Many positions are taking significantly longer to fill and turnover is higher in all areas.
- While grants continue to help the Center expand funding, most grants are time limited and increase pressure to either find longer term financing strategies or terminate programs at the end of the grant period.
- IDD provider services, especially our group homes, experienced significant and rapidly increasing financial losses due to the extremely low Medicaid reimbursement rates as compared to the rising staffing costs. The Center's Board of Trustees made the difficult decision to close all HSC, TxHmL, and ICF LifePath programs as of November 30, 2023. All 67 individuals served in those programs were transitioned to private providers in the community. However, many private providers are also experiencing financial losses and have expressed concerns about the viability of their programs. Potential closures will put additional financial stressors on the Center's Local IDD Authority to assist individuals served with transitions to new providers as some make the choice to close programs.

The Board and Management Team will continue to monitor the financial health of all programs on a regular basis. Elected officials will be apprised of all major developments and trends at the Center.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of LifePath Systems finances and the Center's accountability for the funds it receives. If you have questions about this report or need additional information, including financial information for its fund raising component unit, LifePath Systems Foundation, contact the LifePath Systems Finance Department, 1515 Heritage Drive McKinney, TX 75069.

**BASIC
FINANCIAL STATEMENTS**

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Net Position
August 31, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 36,849,404
Investments	25,110,879
Accrued investment income	177,157
Due from other governments	4,764,708
Accounts receivable, net	1,087,052
Supplies Inventory	22,428
Advances - intergovernmental transfers	1,419,349
Deposits and prepaid expenses	373,636
Land	1,412,454
Construction in progress	2,320,081
Capital assets, net	17,865,404
	91,402,552
LIABILITIES	
Accounts payable	874,456
Accrued salaries and benefits	485,739
Other accrued expenses	13,300
Unearned program revenues	950,084
Compensated absences	387,090
Lease obligations due within one year	573,542
Notes payable due within one year	235,801
SBITA obligations due within one year	75,902
Lease obligations due in more than one year	483,988
Notes payable due in more than one year	142,075
SBITA obligations due in more than one year	146,076
	4,368,053
NET POSITION	
Net investment in capital assets	19,940,555
Unrestricted	67,093,944
	\$ 87,034,499

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

**Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Activities
For the Year Ending August 31, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>			<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Administration Allocation</u>	<u>Expenses After Allocation of Administration</u>	<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:							
Intellectual and Developmental Disabilities programs	\$ 6,962,007	\$ 692,097	\$ 7,654,104	\$ 4,302,933	\$ 3,060,758	\$ -	\$ (290,413)
Early Childhood Intervention program	7,961,097	771,223	8,732,320	3,429,606	5,611,435		308,721
Behavioral Health programs	30,486,324	3,089,993	33,576,317	15,768,967	27,557,335		9,749,985
Administration	4,553,313	(4,553,313)	-				-
Debt Service Interest	70,291		70,291				(70,291)
Total governmental activities	<u>\$ 50,033,032</u>	<u>\$ -</u>	<u>\$ 50,033,032</u>	<u>\$ 23,501,506</u>	<u>\$ 36,229,528</u>	<u>\$ -</u>	<u>\$ 9,698,002</u>
General revenues:							
							\$ 2,162,526
							714,111
							<u>2,876,637</u>
							12,574,639
							<u>74,459,860</u>
							<u>\$ 87,034,499</u>

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

**Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Balance Sheet
Governmental Funds
August 31, 2023**

	General Fund	Capital Projects Fund	Other Governmental Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,477,110	\$ 35,182,537	\$ 189,757	36,849,404
Accounts receivable, net	1,087,052			1,087,052
Due from other governments	4,764,708			4,764,708
Investments	24,035,737			24,035,737
Accrued investment income	177,157			177,157
Supplies Inventory	22,428			22,428
Advances - intergovernmental transfers	1,419,349			1,419,349
Deposits and prepaid expenses	373,636			373,636
Due from other governmental funds	2,328,340			2,328,340
Total Assets	\$ 35,685,517	\$ 35,182,537	\$ 189,757	\$ 71,057,811
Liabilities				
Accounts payable	874,456			874,456
Accrued salaries and benefits	485,739			485,739
Other accrued expenses	13,300			13,300
Unearned program revenues	950,084			950,084
Advance from general fund		2,320,081	8,259	2,328,340
Advance from internal service fund	4,758,405			4,758,405
Total Liabilities	7,081,984	2,320,081	8,259	9,410,324
Deferred Inflows of Resources				
Unavailable Medicaid administrative claiming revenues	745,029			745,029
Total Deferred Inflows of Resources	745,029	-	-	745,029
Fund Balances				
Non-spendable:				
Deposits and prepaid expenses	396,064			396,064
Due from other governmental funds	2,328,340			2,328,340
Assigned:				
Facility expansion		32,862,456		32,862,456
Unassigned	25,134,100		181,498	25,315,598
Total Fund Balances	27,858,504	32,862,456	181,498	60,902,458
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 35,685,517	\$ 35,182,537	\$ 189,757	\$ 71,057,811

Governmental fund balances as presented above: **\$ 60,902,458**

Amounts presented for governmental activities in the Statement of Net Position are different because:

The Internal Service Fund is included in governmental activities in the Statement of Net Position.	23,824,333
Capital assets used in governmental activities are not current financial resources, and, therefore, are not reported in the funds.	2,327,645
Long-term liabilities for notes payable (\$377,876) and compensated absences (\$387,090) are reported in the Statement of Net Position but they are not due and payable in the current period and therefore are not reported as liabilities in the fund balance sheet.	(764,966)
Long-term receivables are not available to pay current-period expenditures and, therefore, are deferred in the fund balance sheet.	745,029

Net Position - Governmental Activities **\$ 87,034,499**

**Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ending August 31, 2023**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
REVENUES:				
Local and earned sources	\$ 24,493,832	\$ -	\$ 137,718	\$ 24,631,550
State programs	22,597,359			22,597,359
Federal programs	13,053,637			13,053,637
Investment income	1,656,256	395,229		2,051,485
Total revenues	<u>61,801,084</u>	<u>395,229</u>	<u>137,718</u>	<u>62,334,031</u>
EXPENDITURES:				
Current:				
Intellectual and Developmental Disabilities	6,898,686			6,898,686
Behavioral Health	30,269,666			30,269,666
Early Childhood Intervention	7,912,247			7,912,247
Administration	4,505,569			4,505,569
Capital Outlay	7,564	2,320,081		2,327,645
Debt service:				
Principal	226,345			226,345
Interest	20,551			20,551
Total expenditures	<u>49,840,628</u>	<u>2,320,081</u>	<u>-</u>	<u>52,160,709</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,960,456</u>	<u>(1,924,852)</u>	<u>137,718</u>	<u>10,173,322</u>
OTHER FINANCING SOURCES (USES):				
Transfers in		34,787,308		34,787,308
Transfers out	(34,787,308)	-		(34,787,308)
Total other financing sources (uses)	<u>(34,787,308)</u>	<u>34,787,308</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(22,826,852)</u>	<u>32,862,456</u>	<u>137,718</u>	<u>10,173,322</u>
Fund balance - beginning of year	<u>50,685,356</u>	<u>-</u>	<u>43,780</u>	<u>50,729,136</u>
Fund balance - end of year	<u>\$ 27,858,504</u>	<u>\$ 32,862,456</u>	<u>\$ 181,498</u>	<u>\$ 60,902,458</u>

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

**Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems**

**Reconciliation of the Statement of Revenues, Expenditures,
And Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ending August 31, 2023**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (see previous page)	\$ 10,173,322
Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The results of the internal service fund excluding capital contributions are reported with governmental activities.	(179,204)
The issuance of long-term debt (e.g., bonds and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount of long-term debt that was repaid during the year (\$226,345). No new debt was issued.	226,345
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is capitalized and depreciated over their useful lives. Net position is increased by the amount by which depreciation (-0-) and amortization (-0-) were less than capital outlay of \$2,327,645 during the year.	2,327,645
Changes in the liability for compensated absences are reported as an increase or decrease to expense in the statement of activities but are not reported in governmental funds if the amounts are not expected to be paid from current financial resources.	(148,489)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. This includes the increase of \$175,020 in Medicaid administrative claiming revenues.	<u>175,020</u>
Change in net position - governmental activities	<u><u>\$ 12,574,639</u></u>

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

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Net Position
Proprietary Fund
August 31, 2023

	Governmental Activities Internal Service Fund
ASSETS	
Current Assets	
Cash and cash equivalents	\$ -
Investments	1,075,142
Advance to General Fund	4,758,405
Total Current Assets	5,833,547
Non-Current Assets	
Capital Assets	
Land and improvements	1,412,454
Buildings	20,609,638
Leasehold improvements	155,471
Vehicles	1,200,070
Furniture and equipment	1,233,640
Computers	670,385
Software	559,322
Right-of-use leased assets	1,881,935
Right-of-use SBITA assets	590,318
Less accumulated depreciation/amortization	(9,042,939)
Capital Assets, net	19,270,294
Total Non-Current Assets	19,270,294
Total Assets	\$ 25,103,841
LIABILITIES	
Current Liabilities	
Current portion - Lease Liability	\$ 573,542
Current portion - SBITA Liability	75,902
Total Current Liabilities	649,444
Non-Current Liabilities	
Lease Liability	483,988
SBITA Liability	146,076
Total Non-Current Liabilities	630,064
Total Liabilities	1,279,508
NET POSITION	
Net investment in capital assets	17,341,342
Unrestricted	6,482,991
Total Net Position	\$ 23,824,333

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

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ending August 31, 2023

	<u>Governmental Activities Internal Service Fund</u>
Operating Revenues:	
Internal charges for services/uses	\$ 1,779,185
Other operating receipts	-
Total operating revenues	<u>1,779,185</u>
Operating Expenses:	
Maintenance, repairs & vehicle expense	-
Depreciation and amortization	2,007,269
Total operating expenses	<u>2,007,269</u>
Operating income (loss)	<u>(228,084)</u>
Nonoperating Revenues (Expenses)	
Interest income	111,041
Interest expense	(49,740)
Loss on disposal of capital assets	(12,421)
Total nonoperating revenues (expenses)	<u>48,880</u>
Net income (loss) before transfers and capital contributions	<u>(179,204)</u>
Change in net position	(179,204)
Net position - beginning of year	<u>24,003,537</u>
Net position - end of year	<u>\$ 23,824,333</u>

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

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Cash Flows
Proprietary Fund
For the Year Ending August 31, 2023

	Governmental Activities Internal Service Fund
	Fund
Cash Flows From Operating Activities:	
Receipts for services/internal charges	\$ 1,779,185
Payments to suppliers	-
Net Cash Provided (Used) by Operating Activities	1,779,185
Cash Flows from Noncapital Financing Activities:	
Change in amount due from/to General Fund	(4,085,313)
Net Cash Provided (Used) by Noncapital Financing Activities	(4,085,313)
Cash Flows From Capital and Related Financing Activities:	
Purchases of capital assets	(586,082)
Proceeds from disposal of capital assets	-
Payment of principal - lease and SBITA obligations	(905,606)
Payment of interest - lease and SBITA obligations	(49,740)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,541,428)
Cash Flows From Investing Activities:	
Redemption of investments	3,736,515
Interest and investment earnings	111,041
Net Cash Provided (Used) by Investing Activities	3,847,556
Net Increase (Decrease) in Cash and Cash Equivalents	-
Cash and Cash Equivalents-Beginning of Year	-
Cash and Cash Equivalents-End of Year	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating income (loss)	(228,084)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	2,007,269
Changes in assets and liabilities:	
None	-
Net Cash Provided (Used) by Operating Activities	\$ 1,779,185
Noncash Investing, Capital, and Financing Activities:	
Issuance of lease obligations for right-of-use leased assets	\$ 359,335
Issuance of SBITA obligations for right-of-use SBITA assets	\$ 520,966

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

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Fiduciary Net Position
Fiduciary Fund
August 31, 2023

	<u>Client Custodial Fund</u>
Assets	
Cash and cash equivalents	\$ 11,101
Total Assets	<u><u>11,101</u></u>
Liabilities	
None	-
Total Liabilities	<u>-</u>
Net Position	
Restricted for:	
Individual consumers	11,101
Total Net Position	<u><u>\$ 11,101</u></u>

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

**Collin County Mental Health Mental Retardation Center
 DBA Lifepath Systems
 Statement of Changes in Fiduciary Net Position
 Fiduciary Fund
 For the Year Ending August 31, 2023**

	<u>Client Custodial Fund</u>
Additions	
Cash collections on behalf of consumers	\$ 102,049
Total Additions	<u>102,049</u>
 Deductions	
Payments of behalf of consumers	<u>103,814</u>
Total Deductions	<u>103,814</u>
 Net Increase (Decrease) in Fiduciary Net Position	 (1,765)
 Net Position - Beginning	 <u>12,866</u>
 Net Position - Ending	 <u><u>\$ 11,101</u></u>

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

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Notes to Basic Financial Statements
August 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Introduction

The accounting and reporting framework and the more significant accounting principles and practices of Collin County Mental Health Mental Retardation Center dba LifePath Systems (LifePath) are discussed in subsequent sections of this note. The remaining notes are organized to provide explanations, including required disclosures, of LifePath's financial activities for the fiscal year ended August 31, 2023.

(b) Financial Reporting Entity - Basis of Presentation

LifePath is a public entity established under the Texas Mental Health Mental Retardation Act of 1965 and organized under Chapter 534, Title 7 of the Texas Health and Safety Code. This act provided for the creation of local boards of trustees. LifePath's current board of trustees was appointed by the Commissioner's Court of Collin County, Texas, to develop and implement community-based mental health services, intellectual and developmental disability services, and early childhood services. LifePath is governed by an independent board, has the authority to make decisions, appoint administrators and managers, significantly influence operations, and has the primary accountability for fiscal matters. LifePath is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards.

The criteria used by LifePath for including activities in preparing its financial statements is in conformity with Government Accounting Standards Board Statements 14 and 39 as amended by GASB Statement 61 "*The Financial Reporting Entity: Omnibus*". Based on these criteria LifePath has the following component unit:

LifePath Systems Foundation (Foundation) is a charitable organization established to provide support for the programs and services of LifePath Systems in order to serve the community in the areas of early childhood intervention, behavioral health, intellectual and developmental disabilities, and substance abuse needs. The Foundation is a non-profit corporation established under the Texas Non-Profit Corporation Act and Section 501(c)(3) of the Internal Revenue Code. Financial information of the Foundation may be obtained at the office of 1515 Heritage Drive, McKinney, Texas 75069. The Foundation is presented as a blended component unit due to the Foundation being fiscally dependent on LifePath and the Foundation exclusively benefiting LifePath.

(c) Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for LifePath as a whole excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by charges for services and operating grants, from business-type activities, generally financed in whole or in part with fees charged to external customers. LifePath does not have any business-type activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of LifePath's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Contributions from local governments and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The major individual governmental funds (General Fund and Capital Projects Fund) are reported as a separate column in the fund financial statements.

(d) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of LifePath are prepared in accordance with generally accepted accounting principles (GAAP). LifePath applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide statements, as well as the proprietary fund financial statements, are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Charges for services are recognized in the year for which they are provided while grants are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of LifePath's Internal Service Fund are internal charges to the General Fund for management of capital assets and the principal operating expenses are the costs of maintaining those assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. LifePath considers revenues to be available if they are collected within 120 days of the end of the fiscal year. Expenditures generally are recorded when the related fund liability is incurred, except for debt service expenditures, and long-term compensated absences, which are reported as expenditures in the year due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Major revenues susceptible to accrual include billings on reimbursable type grants and awards where revenues are recognized when services are rendered or when reimbursable expenditures are incurred. Client fees are recorded at the net realizable amounts. Unearned program revenues arise when resources are received before there is a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when there is a legal claim to the resources, the liability for unearned program revenue is removed from the balance sheet and revenue is recognized.

When both restricted and unrestricted assets are available for use, it is LifePath's policy to use restricted resources first, then unrestricted resources as needed.

(e) Allocation of Indirect Expenses

LifePath allocates indirect expenses primarily comprised of administrative services to operating functions and programs benefitting from those services. Administrative services include overall management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocation methodologies.

(f) Fund Types and Major Funds

LifePath reports the following major governmental funds:

Governmental Funds

General Fund - reports as the primary operating fund of LifePath. This fund is used to account for all financial resources of the entity, except for those required to be accounted for in another fund.

Capital Projects Fund - This fund is used to account for funds that are set aside to be expended for capital projects of the Center.

Other Funds

Other Governmental Fund

Special Revenue Fund – reports activity of the LifePath Systems Foundation and accounts for revenue sources that are legally restricted to expenditure for that specific purpose.

Proprietary Fund

Internal Service Fund - reports the activities of management to charge the costs of capital assets such as buildings and vehicles to the General Fund.

Fiduciary Fund

Custodial Fund – A fiduciary fund type, includes assets held for clients of the Center. The fund is purely custodial and reports the changes in assets held on behalf of clients.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(g) Budget and Budgetary Accounting

LifePath's annual budget for the General Fund is prepared based on estimated expenditures provided on a unit basis summarized by program category. The budget is submitted to the Chief Executive Officer and the Board of Trustees. The budget must have the Board of Trustees' approval and that of the Texas Health and Human Services Commission (HHSC) for services related to intellectual and developmental disabilities services, behavioral health services, and early childhood services. The final budget is approved by HHSC, generally before the beginning of the new fiscal year.

The budget for the General Fund is prepared using the current financial resources measurement focus and the modified accrual basis of accounting, which is consistent with generally accepted accounting principles for the governmental fund.

(h) Cash and Investments

Outstanding cash and cash equivalents consist principally of interest bearing bank accounts with original maturities of three months or less from the date of acquisition.

Investments consist of investments in Texas Local Government Pool ("TexPool"), obligations of state and local governments, and obligations of the U.S. Government and its agencies. Authorized investments of TexPool include obligations of the United States of America or its agents, direct obligations of the State of Texas or its agencies, certificates of deposit, and repurchase agreements. Interest revenue on investments is recorded in the applicable operating fund. Investments are stated at fair value within the fair hierarchy established by generally accepted accounting principles. For investments in local government investment pools, the reported value of the pool is the same as the fair value of the pool shares.

Unrestricted and restricted cash and investments purchased by LifePath within three months of maturity are considered to be cash equivalents for purposes of the statement of cash flows.

(i) Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption which are valued at cost on a first-in, first-out basis. Prepaid expenses reflect payments to vendors that benefit future reporting periods. Inventory and Prepaid items are reported on the consumption basis. Once consumed, inventories and prepaid items are charged as expenditures.

Prepaid expenses are similarly reported in the government-wide and fund financial statements. Prepaid items are reflected as non-spendable fund balance in the governmental fund balance sheet, because these assets do not constitute available spendable resources even though they are components of current assets.

(j) Capital Assets, Depreciation, and Amortization

Lifepath's capital assets include property, buildings, software, equipment and vehicles with useful lives of more than one year. These assets are recorded at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

stated at acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty on the acquisition date. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets also include intangible right-of-use assets for operating leases and SBITA assets. Right-of-use assets for leases and SBITA are recorded at implementation cost plus the net present value of future contractual payment requirements. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Years</u>
Buildings and related improvements	15-40
Computer equipment	3-5
Vehicles	4
Furniture and fixtures	5-12
Right-of-use leased assets	Lease term
Right-of-use SBITA assets	Subscription term or useful life

(k) Long-Term Obligations

In the government-wide financial statements, and proprietary fund statements, outstanding long-term liabilities, including long-term lease and SBITA obligations are reported as liabilities. Bond discounts and premiums are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

Governmental fund financial statements recognize the proceeds of debt and premiums along with the issuance of lease obligations and SBITA obligations as other financing sources of the current period. Issuance costs are reported as expenditures. Principal and interest on bonds, notes, lease obligations, and SBITA obligations are reported as expenditures.

(l) Deferred Inflows and Outflows of Resources

Deferred inflows of resources represent the acquisition of resources that apply to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred outflows of resources represent a consumption of resources that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time.

(m) Leave Policies

LifePath employees earn paid time off (PTO) as work is performed for LifePath. Progressive accrual of PTO is based on the number of years an individual is employed by LifePath. Employees can accumulate PTO up to a maximum of 31 days or 248 hours. Employees carryover unused PTO hours to the next fiscal year. Unused PTO hours are vested and paid to employees upon termination of employment at the current salary if the employee meets the following criteria: the employee must have a minimum of 5 years of full time employment with LifePath; must not be on probation; and must not be terminated from their position. If this criteria is met

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

the employee will be paid up to 40 hours unused PTO for every 5 years of full time employment at a maximum of 160 hours. In accordance with Governmental Accounting Standards Board Statement 16, “*Accounting for Compensated Absences*”, LifePath accrues its liability for such accumulated unpaid benefits. LifePath records its liability for compensated absences as an expense and liability in the government-wide and proprietary fund financial statements. In the governmental fund statements, compensated absences are reported as an expenditure and liability when the payments are due to be paid out of current resources.

(n) Net Position/Fund Balances

LifePath implemented GASB Statement 54 standards for the classification of fund balances in the governmental funds. The fund balances of governmental funds are defined as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form, such as inventory, prepaid items, or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees of LifePath. The Board of Trustees is the highest level of decision making authority for LifePath. Commitments may be established, modified, or rescinded only through a formal resolution of the Board of Trustees.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes that have been established by the Board of Trustees. At year-end, the Board has assigned fund balance for the purpose of constructing a new facility.

Unassigned - all other spendable amounts in the General Fund.

When both restricted and unrestricted resources are available for use, it is LifePath’s policy to use restricted resources first, then unrestricted resources as needed. For expenditures of fund balance with alternative choices, committed funds are considered to have been spent first, then assigned, and then unassigned funds.

(o) GASB 87 Leases

The Center has implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB 87 provides better information to the users of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

The Center recognizes a right-to use lease asset—an intangible asset—and a corresponding lease obligation at the commencement of the lease term when the leased asset is placed into service. The lease obligation is initially measured at the present value of lease payments expected to be made during the lease term. Future lease payments are discounted using the estimated incremental borrowing rate for the Center. The Center recognizes amortization of the principal payment on the lease liability as an outflow of resources.

(p) **GASB 96 *Subscription Based Information Technology Arrangements* (SBITA)**

Effective September 1, 2022, the Center adopted the provisions of GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* (SBITA). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Under this Statement, the Center recognizes a right-to use subscription asset—an intangible asset—and a corresponding subscription liability at the commencement of the subscription term when the subscription asset is placed into service. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the incremental borrowing rate specified in the agreement. If the interest rate is not specified, the Center uses the estimated yield rates on debt issued by the Center. The Center recognizes amortization of the principal payment on the subscription liability as an outflow of resources. There was no effect on beginning net position as a result of adopting this new standard.

(q) **Risk Management**

LifePath is exposed to various risks of loss related to general liability; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; doctors' malpractice; and natural disasters. During fiscal year 2023, LifePath was covered by insurance for these various risks at a cost it considered to be economically justifiable.

LifePath maintains workers compensation, general and auto liability, directors' and officers' liability, and property insurance coverage through commercial insurance carriers. There was no significant reduction in insurance coverage from the prior year. The amount of settlements has not exceeded insurance coverage for any of the past three years. LifePath does not anticipate any additional assessments for insurance premiums as a result of activities during the year.

(r) **Estimates**

The preparation of financial statements in accordance with generally accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(s) Tax-Exempt Status

Primary Government:

The Internal Revenue Service has issued a determination letter dated January 15, 2002, stating that LifePath qualifies as an organization described in Section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from federal income taxes. This determination letter further specifies that LifePath is not considered to be a private foundation as specified by Section 509(a)(1).

Component Unit - LifePath Systems Foundation:

The Internal Revenue Service has issued a determination letter dated March 13, 2012, stating that LifePath Systems Foundation qualifies as an organization described in Section 501(c)(3) of the Internal Revenue Code and accordingly, is exempt from federal income taxes. This determination letter further specifies that LifePath Systems Foundation is a public charity under Section 170(b)(1)(A)(vi).

(t) Due To/From Other Funds

Generally, outstanding balance between funds reported as “due to/from funds” include outstanding charges by one fund to another for services or other miscellaneous receivables/payables between funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are described as “due to/from other funds” (i.e. the current portion of inter-fund loans) or “advances to/from other funds” (i.e. the non-current portion of inter-fund loans).

The government-wide statement of net position eliminates receivables and payables between funds.

Interfund balances as of August 31, 2023 were as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 2,328,340	\$ 4,758,405
Capital Projects Fund		2,320,081
Other Governmental Fund		8,259
Internal Service Fund	<u>4,758,405</u>	
Total	<u>\$ 7,086,745</u>	<u>\$ 7,086,745</u>

The amounts between the general fund and the internal service fund exist primarily due to the user fees charged by the internal service fund and are not expected to be repaid within one year.

The amounts between the general fund and the other governmental fund exist primarily due to general operating expenditures and are not expected to be repaid within one year.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS:

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, LifePath's deposits may not be returned or LifePath will not be able to recover collateral securities in the possession of an outside party. LifePath's policy requires deposits to be fully secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health. Collateral agreements must be approved prior to deposit of funds. The Board of Trustees approves authorized depository institutions based on the recommendations of LifePath's management.

Center deposits were fully insured or collateralized with securities held by, the Center, its agent, or by the pledging financial institution's trust department or agent in the name of the Center at year-end. For the component unit, LifePath Systems Foundation, deposits were fully insured by FDIC coverage at year-end.

Investments

LifePath categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments in TexPool and certificates of deposit are carried at amortized cost which approximates fair value. At August 31, 2023, LifePath held the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Days to Maturity</u>	<u>Fair Value Hierarchy</u>
Obligations of state & local governments	\$ 5,847,535	None to AAA	423	Level 1
U. S. Treasury and Agency obligations	14,367,075	AAA	352	Level 1
Texas Local Government				
Investment Pool (TexPool)	4,816,592	AAAm	24	N/A
Bank certificates of deposit	<u>79,677</u>	N/A	206	N/A
Total Investments	<u>\$ 25,110,879</u>			

(1) Ratings are provided where applicable to indicate associated **credit risk**.

(2) TexPool investments are not subject to the fair value hierarchy established by GAAP.

Federal Home Loan Bank obligations \$7,674,683; Federal Home Loan Mortgage Corporation Obligations (Freddie Mac) \$3,659,993 and Federal Farm Credit Bank obligations \$1,761,604 each represented more than 5% of total investments at year end.

During the year, LifePath invested in Texas Local Government Investment Pool ("TexPool"). TexPool, a public funds investment pool created by the Treasurer of the State of Texas acting by and through the Texas Treasury Safekeeping Trust Company, is empowered to invest funds and act as custodian of investments purchased with local investment funds. Authorized investments of TexPool include obligations of the United States of America or its agencies, direct obligations of the State of Texas or its agencies, certificates of deposit, repurchase agreements.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued):

Investment Policies

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, LifePath's investing activities are managed under the custody of the Chief Financial Officer. Investing is performed in accordance with investment policies adopted by the Board of Trustees in compliance with state statutes. LifePath's investment policy and state statute generally permit LifePath to invest in certificates of deposit, fully collateralized repurchase agreements, public funds investment pools, obligations of the United States of America or its agencies, direct obligations of the State of Texas or its agencies, prime domestic bankers acceptances, commercial paper, SEC registered no-load money market mutual funds, other obligations which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, and obligations of states, agencies, countries, cities and other political subdivisions having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent. During the year ended August 31, 2023, LifePath did not own any types of securities other than those permitted by statute or its investment policy.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. LifePath's policy requires management to determine the appropriate average weighted value maturity of the portfolio based on anticipated cash flows. Maximum maturities of investments are limited to five years unless specific authority is granted by the Board.

3. ACCOUNTS RECEIVABLE:

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

Due from other governments:

HHSC Mental Health Contracts	\$	1,217,814
Medicaid Administrative Claiming		1,340,833
DPP		97,653
Collin County		468,034
TCOOMMI Programs		27,524
Substance Abuse Contracts		270,849
Early Childhood Services Contract		883,595
HHSC IDD Contracts		97,247
Texas Workforce Commission		54,406
SAMHSA programs		232,001
Other		74,752
Receivables from other governments	\$	<u>4,764,708</u>

Client fees receivable:

Medicaid, private insurance, private patient fees		1,396,846
Allowance for doubtful accounts		(309,794)
Accounts receivable, net	\$	<u>1,087,052</u>

4. CAPITAL ASSETS:

The following table provides a summary of changes in capital assets:

	September 1, 2022	Additions	Retirements	Transfers	August 31, 2023
<i>Governmental activities:</i>					
<i>Nondepreciable assets:</i>					
Land	\$ 1,412,454	\$ -	\$ -	\$ -	\$ 1,412,454
Construction in progress	13,223	2,306,858			2,320,081
Total nondepreciable assets	<u>1,425,677</u>	<u>2,306,858</u>	<u>-</u>	<u>-</u>	<u>3,732,535</u>
<i>Depreciable/amortizable assets</i>					
Buildings and improvements	20,499,825	135,355	(25,541)		20,609,639
Leasehold improvements	92,921	62,550			155,471
Furniture and equipment	1,338,517	56,749	(212,917)	58,855	1,241,204
Computer Systems	3,078,781	224,867	(1,969,441)	(663,822)	670,385
Software			(45,645)	604,967	559,322
Vehicles	1,140,451	98,147	(38,529)		1,200,069
Right of use - Leased Buildings	1,728,649	324,322	(171,036)		1,881,935
Right of use - SBITA*	394,361	195,957			590,318
Total depreciable/amortizable assets	<u>28,273,505</u>	<u>1,097,947</u>	<u>(2,463,109)</u>	<u>-</u>	<u>26,908,343</u>
<i>Accumulated depreciation/amortization:</i>					
Less accumulated depreciation	(8,964,653)	(1,143,546)	2,239,402		(7,868,797)
Less accumulated amortization leases	(516,567)	(572,985)	206,048		(883,504)
Less accumulated amortization SBITA*		(290,638)			(290,638)
Total depreciation/amortization	<u>(9,481,220)</u>	<u>(2,007,169)</u>	<u>2,445,450</u>	<u>-</u>	<u>(9,042,939)</u>
Capital assets, net	<u>\$ 20,217,962</u>	<u>\$ 1,397,636</u>	<u>\$ (17,659)</u>	<u>\$ -</u>	<u>\$ 21,597,939</u>

Gross amount of right-of-use leased assets above \$1,881,935; less accumulated amortization \$883,504; net book value \$998,431.

Gross amount of SBITA right-of-use assets above \$590,318; less accumulated amortization \$290,638; net book value \$299,680.

*Beginning balances and current year activity reflected in accordance with adoption of GASB 96.

Depreciation and amortization was charged to functions as follows:

Governmental Activities:	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
Intellectual and Developmental Disabilities programs	\$ 54,076	\$ 2,628	\$ 56,704
Behavioral Health programs	363,787	483,825	847,612
Early Childhood Intervention program	25,468	127,422	152,890
Administration	700,215	249,748	949,963
Total depreciation and amortization expense	<u>\$ 1,143,546</u>	<u>\$ 863,623</u>	<u>\$ 2,007,169</u>

5. LONG-TERM OBLIGATIONS:

Note payable:

Direct borrowing: On March 30, 2018, LifePath secured a Revenue Anticipation Note, Series 2018 with JPMorgan Chase Bank to finance construction improvements and renovations to a building owned by LifePath. The original amount of the note was \$1,500,000. The note calls for monthly payments of principal and interest in the total amount of \$20,575 until maturity on April 1, 2025. The interest rate is 4.10%. The note is secured by a lien on and pledge of all legally available revenues, deposit accounts, and funds of LifePath.

Lease Obligations:

The Center has entered into lease agreements for real estate with total combined monthly payments ranging from \$50,452 to \$5,017 per month over the next five fiscal years, with an estimated incremental borrowing rate of 4.0%. Terms of existing agreements expire on various dates over the next five fiscal years. Lease payments are reflected as principal and interest payments in the financial statements.

There were no material variable payments that were not included in the measurement of the lease liability. There are no material residual value guarantees or termination penalties that were not previously included in the measurement of the lease liability.

SBITA Obligations:

The Center has entered into subscription-based information technology agreements (SBITA) with total combined annual payments ranging from \$85,999 per year in fiscal year 2025 to \$18,671 per year ending in fiscal year 2027. SBITA obligations are recorded at the present value of the remaining subscription payments using an estimated incremental borrowing rate of 4%. Terms of existing agreements expire on various dates over the next four fiscal years. SBITA payments are reflected as principal and interest payments in the financial statements.

Following is a summary of changes in long-term liabilities for the year ended August 31, 2023:

	Balance Beginning of Year	Additions	Retirements	Balance End of Year	Due Within One Year
<i>Governmental activities</i>					
<i>Direct Borrowing:</i>					
Note payable, Series 2018	\$ 604,221	\$ -	\$ 226,345	\$ 377,876	\$ 235,801
Lease Obligations - Buildings	1,304,813	359,335	606,618	1,057,530	573,542
SBITA Obligations*	333,809	187,157	298,988	221,978	75,902
Other:					
Compensated absences	238,602	3,065,329	2,916,841	387,090	387,090
Total Long-term obligations	\$ 2,481,445	\$ 3,611,821	\$ 4,048,792	\$ 2,044,474	\$ 1,272,335

*Beginning balances and current year activity reflected in accordance with adoption of GASB 96.

Interest expense recorded in governmental activities was \$70,291. No interest has been capitalized in the financial statements.

5. LONG-TERM LIABILITIES (continued):

Future debt service requirements for the note payable are as follows:

Year Ending	Direct Borrowing Note Payable		Total Required
	Principal	Interest	
August 31			
2024	\$ 235,801	\$ 11,095	246,896
2025	142,075	1,948	144,023
Subsequent			-
	<u>\$ 377,876</u>	<u>\$ 13,043</u>	<u>\$ 390,919</u>

Future payment requirements for lease obligations are as follows:

Year Ending	Direct Borrowing Lease Obligations		Total Required
	Principal	Interest	
August 31			
2024	\$ 573,542	\$ 31,888	605,430
2025	275,450	11,919	287,369
2026	72,643	7,024	79,667
2027	76,701	4,042	80,743
2028	59,194	1,014	60,208
	<u>\$ 1,057,530</u>	<u>\$ 55,887</u>	<u>\$ 1,113,417</u>

Future payment requirements for SBITA obligations are as follows:

Year Ending	Direct Borrowing SBITA Obligations		Total Required
	Principal	Interest	
August 31			
2024	\$ 75,902	\$ 8,910	84,812
2025	80,181	5,818	85,999
2026	47,955	2,624	50,579
2027	17,940	731	18,671
2028			-
	<u>\$ 221,978</u>	<u>\$ 18,083</u>	<u>\$ 240,061</u>

6. RETIREMENT PLAN:

LifePath maintains a 401(a) defined contribution pre-tax retirement plan for the benefit of eligible employees and their beneficiaries. The name of the plan is the LifePath Systems Retirement Plan. LifePath contributes to the plan 5% of each covered employee's compensated each year. These contributions are used to purchase mutual funds and/or annuity contracts on behalf of eligible LifePath employees. Eligible employees are full-time employees of LifePath who have completed 6 months of service and are over the age of 18 years. Forfeitures remain in the plan to pay expenses and reduce future employer contributions to the plan.

6. RETIREMENT PLAN (continued):

Employees vest in LifePath’s contributions to the plan on their behalf over a five year period as follows:

<u>Years of Service</u>	<u>Vesting Schedule</u>	<u>Percentage</u>
2		25%
3		50%
4		75%
5		100%

The required contribution by LifePath for the year was \$1,410,792 and the actual LifePath contribution was \$1,410,792, none of which was funded by employee forfeitures of non-vested amounts. The year-end contribution of \$80.918 was due to the plan on August 31.

7. DEFERRED COMPENSATION PLANS:

LifePath offers its employees a deferred compensation plan (the “Plan”) consistent with Internal Revenue Code Section 457(a). Vesting in the Plan is immediate with plan assets held in trust until the employee terminates employment, retires, or experiences an unforeseeable emergency. Employees may contribute voluntarily to the Plan in amounts not to exceed limits established by the Internal Revenue Service. Employee contributions were \$526,015.

LifePath offers its employees a deferred Compensation Plan (the “Plan”) consistent with Internal Revenue Code Section 403(b). Vesting in the Plan is immediate with plan assets held in trust until the employee terminates employment, retires, or experiences an unforeseeable emergency. Employees may contribute voluntarily to the Plan in amounts not to exceed limits established by the Internal Revenue Service. Employee contributions were \$74,507.

8. COMMITMENTS AND CONTINGENCIES:

LifePath is involved in litigation arising in the ordinary course of business. It is management’s belief that any liability resulting from such litigation would not be material in relation to LifePath’s financial position.

LifePath has participated in a number of state and federal grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives and regulatory authorities. The purpose of the audits is to ensure compliance with conditions relating to the granting of funds and other reimbursement regulations. Management believes that any liability for reimbursement arising as the result of these audits is not believed to be material to the financial position of LifePath.

9. ECONOMIC DEPENDENCE:

LifePath receives a substantial portion of its revenues in the form of annual performance contracts with the Texas Health and Human Services Commission (HHSC) for services relating to intellectual and developmental disabilities, mental health services and early childhood intervention services. LifePath is economically dependent on the continuation of these contracts. At August 31, 2023, these contracts have been continued through August 31, 2024.

10. PHARMACY PROGRAMS:

LifePath participates in a patient pharmacy assistance program (PAP) in order to decrease medication costs incurred by LifePath and its consumers. Under this program, LifePath receives pharmaceuticals at no charge on behalf of consumers and dispenses these items to consumers in accordance with service provider instructions. This program does not meet the criteria established by generally accepted accounting principles for recording in the financial statements, however, the cost savings achieved by these programs are significant to LifePath Center management estimates the value of pharmacy items distributed under this program was \$5,039,325 for the year.

11. TRANSFERS:

LifePath transferred \$34,787,308 from the General Fund to the Capital Projects Fund during the fiscal year. This purpose of this transfer was to set aside funds for the construction of new facilities that is planned in the near future.

12. MEDICAID COST REPORT RECONCILIATION – CHARITY CARE PROGRAM (CCP):

Community Centers participate in a state-wide Medicaid 1115 waiver program identified as the Charity Care Pool (CCP). As a part of the CCP program, all Centers file a cost report based on the cost of the program and the services provided. The Center's cost report will be considered as a part of a statewide reconciliation process for the cost of CCP services. The cost report reconciliation will result in a settlement of an amount due to the Center. The results of the final reconciliation will not be known for several months after the report release date. Due to the uncertainty associated with this estimate and the effects of the statewide reconciliation, management has determined that an estimate is not possible at year-end. Revenues associated with this program are recorded as revenues when actually received. The amount received in FY 2023 was \$6,533,676.

13. SUBSEQUENT EVENTS:

LifePath entered into a construction contract for facilities that will be constructed on land donated by the Collin County Commissioner's Court. The estimated cost of the construction project is 43.5 million dollars. As a part of financing this project, LifePath issued Collin County Mental Health Mental Retardation Center notes, Series 2023, dated November 15, 2023 in the principal amount of 10 million dollars. These notes are secured by a pledge of LifePath revenues and deposit accounts. Funds will be drawn on these notes over the next year as construction progresses. The interest rate on the notes through December 29, 2024 is the rate of 3.774% plus the secured overnight financing rate (SOFR) as determined by the SOFR administrator, presently CME Group Benchmark Administration Limited. On December 29, 2024, the interest will become a fixed rate at the then prevailing 10-year Constant Maturity Treasury Rate, plus 0.74%. The loan will then amortize using monthly payments over a 108 month amortization period, with a final maturity date of December 29, 2032. The balance of the construction cost will be provided out of the capital projects fund reflected in the FY23 financial statements.

Subsequent to year-end, the Board of Trustees voted to terminate HCS Residential Group Home services, TxHLW services, and ICF group home services due to inadequate cost reimbursements for the programs along with risk management concerns. LifePath notified the Texas Health and Human Services Commission (HHSC) these services have been terminated. Termination of these services will reduce annual revenues by approximately 2 million dollars. Annual expenditures associated with these programs are expected to decrease in excess of 2 million dollars.

**REQUIRED SUPPLEMENTARY
INFORMATION**

**Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Budgetary Comparison Schedule - General Fund
For the Year Ending August 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
LOCAL REVENUES AND EARNED SOURCES:				
City and County funds	\$ 2,924,531	\$ 2,924,531	\$ 3,019,751	\$ 95,220
Patient fees, net	1,138,775	1,138,775	995,602	(143,173)
Medicaid and Medicare	6,862,410	6,862,410	6,252,506	(609,904)
Title XIX - HCS	1,591,493	1,591,493	1,209,003	(382,490)
Title XIX - TxHLW	501,100	501,100	318,863	(182,237)
Title XIX - ICF/IDD	667,678	667,678	563,269	(104,409)
1115 waiver - Direct payment program	1,852,200	1,852,200	4,062,421	2,210,221
1115 waiver - Charity Care Pool	3,967,000	3,967,000	6,533,676	2,566,676
Other revenues	1,512,427	1,512,427	1,538,741	26,314
Total local revenues and earned sources	21,017,614	21,017,614	24,493,832	3,476,218
STATE PROGRAM REVENUES:				
General revenue	17,365,646	17,365,646	17,881,810	516,164
Early Childhood Intervention - state portion	2,310,524	2,310,524	2,310,524	-
Substance Use programs - state portion	666,119	666,119	666,119	-
TCOOMMI	115,500	115,500	97,118	(18,382)
Mental Health Grant for Justice-Involved Individuals	683,903	683,903	1,641,788	957,885
Total state program revenues	21,141,692	21,141,692	22,597,359	1,455,667
FEDERAL PROGRAM REVENUES:				
Mental Health Block Grant	2,167,373	2,167,373	2,366,466	199,093
Temporary Assistance to Needy Families	867,554	867,554	867,554	-
Social Services Block Grant	131,058	131,058	131,058	-
Early Childhood Intervention	2,601,211	2,601,211	2,989,512	388,301
Substance Use Disorders	1,850,245	1,850,245	1,878,267	28,022
Money Follows the Person	24,938	24,938	103,186	78,248
Crime Victim Assistance	-	-	71,119	71,119
Coordinated Specialty Care	270,000	270,000	720,872	450,872
SAMHSA Grants	2,766,270	2,766,270	1,598,745	(1,167,525)
Medicaid Administrative Claiming	879,760	879,760	2,326,858	1,447,098
Total federal program revenues	11,558,409	11,558,409	13,053,637	1,495,228
Investment & Interest income	822	822	1,656,256	1,655,434
TOTAL REVENUES	\$ 53,718,537	\$ 53,718,537	\$ 61,801,084	\$ 8,082,547

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Budgetary Comparison Schedule - General Fund
For the Year Ending August 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Salaries	\$ 29,145,200	\$ 29,145,200	\$ 27,565,357	\$ 1,579,843
Employee benefits	7,493,034	7,493,034	6,633,346	859,688
Contracted services	10,039,349	10,039,349	9,881,638	157,711
Legal and professional services	78,500	78,500	56,001	22,499
Building and equipment rents	654,041	654,041	76,122	577,919
Maintenance	1,047,926	1,047,926	1,174,320	(126,394)
Insurance	285,369	285,369	272,542	12,827
Vehicle fuel and maintenance	131,652	131,652	145,135	(13,483)
Utilities and telephone	696,308	696,308	660,605	35,703
County support program	-	0	1,449	(1,449)
Quality assurance fees	28,000	28,000	32,051	(4,051)
Consumer related costs	749,515	749,515	484,089	265,426
Staff travel and training	705,698	705,698	526,463	179,235
User fees	817,503	817,503	1,773,523	(956,020)
Other costs	396,051	396,051	303,527	92,524
Total current	52,268,146	52,268,146	49,586,168	2,681,978
Capital outlay	284,750	284,750	7,564	277,186
Debt service:				
Principal	246,896	246,896	226,345	20,551
Interest	35,000	35,000	20,551	14,449
Total expenditures	52,834,792	52,834,792	49,840,628	2,994,164
Excess (deficiency) of revenues over (under) expenditures	883,745	883,745	11,960,456	11,076,711
Other financing sources (uses)				
Transfers out	-	-	(34,787,308)	(34,787,308)
Total other financing sources (uses)	-	-	(34,787,308)	(34,787,308)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	883,745	883,745	(22,826,852)	(23,710,597)
Fund balance - Beginning of Year	50,685,356	50,685,356	50,685,356	-
Fund balance - End of Year	\$ 51,569,101	\$ 51,569,101	\$ 27,858,504	\$ (23,710,597)

SUPPLEMENTARY SCHEDULES

(UNAUDITED)

**COLLIN COUNTY MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPATH SYSTEMS
SCHEDULE OF REVENUE AND EXPENDITURES BY SOURCE OF FUNDS
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2023
(UNAUDITED)**

Fund Source	Total Revenue	Total Mental Health Adult Expenditures	Total Mental Health Children Expenditures	Total Mental Health Crisis Expenditures	Total Mental Health Comm Hospital Expenditures	Total Intellectual Disability Expenditures	Total Other Expenditures	Total Center Expenditures	Revenue Over Expenditures
Objects of Expense:									
Personnel	\$ 24,457,015	\$ 5,014,718	\$ 2,534,588	\$ 2,114,921	\$ -	\$ 2,499,470	\$ 12,293,318	\$ 24,457,015	\$ -
Employee Benefits	6,035,954	1,201,546	632,673	412,373		682,745	3,106,617	6,035,954	-
Professional & Consultant Services	8,710,508	755,670	483,133	1,329,792	2,865,330	1,312,370	1,964,213	8,710,508	-
Travel and Training	525,132	56,568	56,190	17,883		38,230	356,261	525,132	-
Debt Service									-
Capital Outlay	686,912	210,033	80,590	142,942		104,967	148,380	686,912	-
Non-Capitalized Equipment	884,663	180,676	118,278	64,949		89,717	431,043	884,663	-
Pharmaceutical Expense	792,867	775,907	12,794	4,166				792,867	-
Pharmaceutical Expense (PAP only)	5,039,325	5,039,325						5,039,325	-
Other Operating Expenses	3,451,232	1,296,489	631,732	47,216	347,176	1,128,619		3,451,232	-
Allocated General Administration	4,296,073	1,473,309	454,998	459,360		433,572	1,474,834	4,296,073	-
Allocated Authority Administration									-
Total Expenditures	\$ 54,879,681	\$ 16,004,241	\$ 5,004,976	\$ 4,593,602	\$ 3,212,506	\$ 6,289,690	\$ 19,774,666	\$ 54,879,681	\$ -

Method of Finance:									
General Revenue - Mental Health	\$ 15,529,155	\$ 7,805,179	\$ 2,079,848	\$ 2,431,622	\$ 3,212,506	\$ -	\$ -	\$ 15,529,155	\$ -
General Revenue - Intellectual Disability	1,735,423					1,735,423		1,735,423	-
Mental Health Block Grant	882,302		882,302					882,302	-
Title XX - TANF	867,554		867,554					867,554	-
Title XX - Social Services Block Grant	131,058	131,058						131,058	-
New Generation Medications	-								-
Other General Revenue	-								-
HCS, ICFMR and TxHmL	1,825,448					1,825,448		1,825,448	-
Other Federal Funds	14,218,009	1,534,042				1,262,016	11,421,951	14,218,009	-
Other State Agencies	9,005,752						9,005,752	9,005,752	-
Required Local Match	6,947,686	6,406,286	424,235			117,165		6,947,686	-
Additional Funds	3,737,294	127,676	751,037	2,161,980		1,349,638	(653,037)	3,737,294	-
Total Expended Sources	\$ 54,879,681	\$ 16,004,241	\$ 5,004,976	\$ 4,593,602	\$ 3,212,506	\$ 6,289,690	\$ 19,774,666	\$ 54,879,681	\$ -

Reconciliation to the financial statements:	
Less - Pharmaceutical Expense (PAP only)	\$ (5,039,325)
Unallowable costs	272
Total expenditures - General Fund per financials	\$ 49,840,628
Excess revenues over expenditures- General Fund	11,960,456
Total revenues - General Fund per financials	\$ 61,801,084

**COLLIN COUNTY MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPATH SYSTEMS
SCHEDULE OF INDIRECT COSTS
YEAR ENDED AUGUST 31, 2023
(UNAUDITED)**

The first presentation (below) is in accordance with DADS methodology and THHSC 21st revision of the Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers (including Authority Administration in Indirect Costs):

	<u>Total Costs</u>	<u>Non- Allowable Costs</u>	<u>Depreciation</u>	<u>Total Adjusted Costs</u>	<u>Indirect Costs</u>	<u>Direct Costs</u>
Personnel	\$ 27,565,357	\$ -	\$ -	\$ 27,565,357	\$ 2,736,178	\$ 24,829,179
Fringe benefits	6,633,346			6,633,346	477,473	6,155,873
Capital outlay	3,181,983	(3,181,983)		-		-
Depreciation	-		1,143,547	1,143,547	700,215	443,332
Building and vehicle use fees	2,328,724	(737,012)		1,591,712		1,591,712
Other operating expense	9,884,342			9,884,342	783,290	9,101,052
Debt service expenditures	246,896	(226,345)		20,551		20,551
Total Expenditures	\$ 49,840,648	\$ (4,145,340)	\$ 1,143,547	\$ 46,838,855	\$ 4,697,156	\$ 42,141,699

Indirect Costs	\$ 4,697,156
Direct Costs	\$ 42,141,699

Indirect Cost Rate

11.15%

The second presentation (below) is in accordance with DARS - ECI methodology (excluding Authority Administration from Indirect Costs):

	<u>Total Costs</u>	<u>Non- Allowable Costs</u>	<u>Depreciation</u>	<u>Total Adjusted Costs</u>	<u>Indirect Costs</u>	<u>Direct Costs</u>
Personnel	\$ 27,565,357	\$ -	\$ -	\$ 27,565,357	\$ 2,736,178	\$ 24,829,179
Fringe benefits	6,633,346			6,633,346	477,473	6,155,873
Capital outlay	3,181,983	(3,181,983)		-		-
Depreciation	-		1,143,547	1,143,547	700,215	443,332
Building and vehicle use fees	2,328,724	(737,012)		1,591,712		1,591,712
Other operating expense	9,884,342			9,884,342	783,290	9,101,052
Debt service expenditures	246,896	(226,345)		20,551		20,551
Total Expenditures	\$ 49,840,648	\$ (4,145,340)	\$ 1,143,547	\$ 46,838,855	\$ 4,697,156	\$ 42,141,699

Indirect Costs	\$ 4,697,156
Direct Costs	\$ 42,141,699

Indirect Cost Rate

11.15%

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPATH SYSTEMS**

SCHEDULE OF LEASES IN EFFECT

**YEAR ENDED AUGUST 31, 2023
(UNAUDITED)**

Lessor	Property Location	Period of Lease	Base Rent Breakdown	Increased Rent Info	Increased Rent Info
Benbrook Ridge Partners c/o Premium Property Man 115 w. 7th. St. Ste. 1303 Fort Worth, TX 76102	ECI Rockwall 1149 Ridge Road Rockwall, TX 75087	5/1/2020 thru 4/30/2023	\$2,941.88 plus NNN	Ended 4/30/23	---
Five-Two Farms Exchange Holdings 13630 FM 47 Wills Point TX 75169	205 E. Hwy 80 Suite 155 Forney, TX 1310 sq ft	4/1/2023 thru 3/31/2028		4/1/2024- \$3056.67 4/1/2025- \$3111.25 4/1/2026-	
De Nada Plano Group, LLC c/o Henry S Miller Realty Mgmt 5151 Beltline Rd Ste 900 Dallas, TX 75254	ECI Plano 5509 Pleasant Valley Ste. 40 Plano, TX 75023	03/01/2020 thru 04/30/2023	\$3412.50 + NNN	Ended 4/30/23	
Aberfeldy Properties, Inc. c/o Younger Partners 14643 Dallas Pkwy, Suite 950 Dallas, TX 75254	ECI Sherman 2001 Loy Lake Rd, Ste N. Sherman, TX 75090	09/01/2018 thru 09/30/2024	\$1,247.50 plus NNN		
R&W SPE, LLC P.O. Box 3186 Midland, TX 79702	ECI Frisco 8200 Stonebrook Ste. 208 Frisco TX 75034	04/01/2020 thru 03/31/2023	\$2500+ NNN	Ended 3/31/23	
			RENT INCREASE	RENT INCREASE	RENT INCREASE
1st Life Planning Parents & Partners 2848 Woodway Drive Flower Mound, TX 75028	HCS - Group Home 1717 Spanish Trail Plano, TX 75023	7/1/2018 thru 11/30/2023	FY 23 \$1560	Ended 11/30/23	
1st Life Planning Parents & Partners 2848 Woodway Drive Flower Mound, TX 75028	HCS - Group Home 3508 Piedmont Drive Plano TX 75075	9/1/18 thru 11/30/2023	FY 23 \$1860	Ended 11/30/23	
Redbud Offices LLC 2012 W. University Dr McKinney, TX 75071	1450 Redbud Dr McKinney, TX 75069	1/1/2022 thru 12/31/2024	\$25000 +NNN NNN=\$5000	NO INCREASES	
JPJM Lavon LP 4001 Quail Ridge Dr McKinney, TX 75072	1575 Heritage suite 100/101	12/1/2021 thru 3/31/2025	\$17215.33 + Elec 1/23-12/23	\$17566.66 + Elec 1/24-12/24	\$17918.00 + Elec 1/25-END OF LEASE

**COLLIN COUNTY
 MENTAL HEALTH MENTAL RETARDATION CENTER
 DBA LIFEPATH SYSTEMS**

SCHEDULE OF INSURANCE IN FORCE

**YEAR ENDED AUGUST 31, 2023
 (UNAUDITED)**

Insurer	Policy Period	Coverage	Limits or Amounts
Texas Council Risk Management Fund	9/1/22 to 9/1/23	Commercial Package:	
		Blanket Building, BPP, PPO	\$27,115,839
		Blanket Building, deductible	\$2,500
		General Liability:	
		General Aggregate limit	1,000,000
		Products completed operations limit	1,000,000
		Deductible \$1,000	
		Commercial Crime	
		Employee Theft:	500,000
		False Pretenses	50,000
		Professional Liability:	
		Aggregate limit	3,000,000
		Each professional incident	1,000,000
		Employee Benefits Coverage:	
Aggregate limit	1,000,000		
Each coverage incident	1,000,000		
Sexual Misconduct			
Each coverage incident	100,000		
Commercial Auto Coverage:			
Liability Single Limit	1,000,000		

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPATH SYSTEMS**

SCHEDULE OF INSURANCE IN FORCE

**YEAR ENDED AUGUST 31, 2023
(UNAUDITED)**

Insurer	Policy Period	Coverage	Limits or Amounts
Texas Council Risk Management Fund	9/1/22 to 9/1/23	Comprehensive Coverage: Lessor of ACV or cost of repair \$1,000 deductible	
		Collision Coverage: Lessor of ACV or cost of repair \$1,000 deductible	
	9/1/22 to 9/1/23	Commercial Umbrella Liability: General Aggregate Limit Each occurrence limit	\$ 1,000,000 1,000,000
	9/1/22 to 9/1/23	Directors and Officers Liability: Aggregate limit of liability Employment Practices Limit	3,000,000 2,000,000
	9/1/22 to 9/1/23	Workers Compensation and Employers' Liability: Bodily injury by accident/ each accident Bodily injury by disease/ each employee Policy limit	1,000,000 2,000,000
American Bankers Insurance Company	1/14/22 to 1/14/23	Flood Insurance (Alma Dr.) Building Coverage \$5,000 deductible	500,000
		Contents coverage \$5,000 deductible	70,400
Travelers	7/22/22 to 7/22/23	CyberRisk:	
		Network & Information Each occurrence limit	1,000,000
		Public Relations Each occurrence limit	1,000,000
		Regulatory Defense Each occurrence limit	1,000,000

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS**

SCHEDULE OF PROFESSIONAL AND CONSULTING FEES

**YEAR ENDED AUGUST 31, 2023
(UNAUDITED)**

Name	City	Type of Service	Amount
Asset Panda	Dallas, TX	Asset Tracking Software	\$ 23,905
Beck	Dallas, TX	Architectural Services	2,397,435
BlackBaud	Boston, MA	Software	40,193
Cobblestone	Lindenwold, NJ	Software	37,449
CPM Construction	Farmersville, TX	Building Contractor	19,624

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS**

SCHEDULE OF SPACE OCCUPIED IN A STATE-OWNED FACILITY

**YEAR ENDED AUGUST 31, 2023
(UNAUDITED)**

NONE

**COLLIN COUNTY
 MENTAL HEALTH MENTAL RETARDATION CENTER
 DBA LIFEPATH SYSTEMS**

SCHEDULE OF PROFESSIONAL AND CONSULTING FEES

**YEAR ENDED AUGUST 31, 2023
 (UNAUDITED)**

Name	City	Type of Service	Amount
Asset Panda	Dallas, TX	Asset Tracking Software	23,905
Beck	Dallas, TX	Architectural Services	2,397,435
BlackBaud	Boston, MA	Software	40,193
Cobblestone	Lindenwold, NJ	Software	37,449
CPM Construction	Farmersville, TX	Building Contractor	19,624
Healthicity	Durham, NC	Incident Reporting Software	36,744
Jaimie Anderson-Hoyt	Gretna, NE	Grant Specialist	8,554
Mystrength (Livongo Health)	Denver, CO	Software	14,758
MSX Group, LLC	Pensacola, FL	Software	23,870
Paycom Payroll LLC	Oklahoma City, OK	Software	45,645
Relias	Chicago, IL	Software	71,922
Rogers-O'Brien Construction Company	Dallas, TX	Construction Management	1,502,127
Scott, Singleton, Fincher & Company, PC	Greenville, TX	CPA, Accounting/Auditing Services	43,350
SpeakersOffice, Inc	Carlsbad, CA	Staff Development Speaker	27,500
Streamline Healthcare	Oakbrook, IL	Software	231,099
Zoho Corporation	Los Angeles, CA	Software	22,031

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS**

SCHEDULE OF LEGAL SERVICES

**YEAR ENDED AUGUST 31, 2023
(UNAUDITED)**

<u>Name</u>	<u>City</u>	<u>Type of Service</u>	<u>Amount</u>
Taylor, Olson, Adkins, Sralla & Elam LLP	Fort Worth, Texas	Legal Services	\$ 28,237
Lewis Brisbois Biggaard & Smith, LLP	Dallas, Texas	Legal Services	41

**COMPLIANCE AND
INTERNAL CONTROLS SECTION**

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

Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
Collin County Mental Health Mental Retardation Center dba LifePath Systems

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Collin County Mental Health Mental Retardation Center dba LifePath Systems (LifePath), as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise LifePath's basic financial statements and have issued our report thereon dated February 28, 2024.

Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether LifePath's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-001.

LifePath's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on LifePath's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. LifePath's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Scott, Singleton, Fincher and Company, PC

Scott, Singleton, Fincher and Company, PC
Certified Public Accountants
Greenville, Texas
February 28, 2024

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

**Report on Compliance for Each Major
Program and on Internal Control Over Compliance Required by
the Uniform Guidance and Texas Grant Management Standards**

The Board of Trustees
Collin County Mental Health Mental Retardation Center dba LifePath Systems

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

In our opinion, Collin County Mental Health Mental Retardation Center dba LifePath Systems complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, TxGMS, and the Texas Health and Human Services Commission's *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*. Accordingly, this report is not suitable for any other purpose.

Scott, Singleton, Fincher and Company, PC

Scott, Singleton, Fincher and Company, PC
Certified Public Accountants
Greenville, Texas
February 28, 2024

Collin County Mental Health Mental Retardation Center dba LifePath Systems
Schedule of Findings and Questioned Costs
Year Ended August 31, 2023

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP (unmodified, qualified, adverse or disclaimer):

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ yes	_____ <u>x</u> no	
Significant deficiency(ies) identified?	_____ yes	_____ <u>x</u> none reported	
Noncompliance material to financial statements noted?	_____ yes	_____ <u>x</u> no	

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____ yes	_____ <u>x</u> no	
Significant deficiency(ies) identified?	_____ yes	_____ <u>x</u> none reported	

Type of auditor’s report issued on compliance for major federal programs (unmodified, qualified, adverse or disclaimer):

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ yes _____ x no

State Awards

Internal control over major programs:

Material weakness(es) identified?	_____ yes	_____ <u>x</u> no	
Significant deficiency(ies) identified?	_____ yes	_____ <u>x</u> none reported	

Type of auditor’s report issued on compliance for major state programs (unmodified, qualified, adverse or disclaimer):

Unmodified

Any audit findings disclosed that are required to be reported in accordance Texas Grant Management Standards?

_____ yes _____ x no

**Collin County Mental Health Mental Retardation Center dba LifePath Systems
Schedule of Findings and Questioned Costs (continued)
Year Ended August 31, 2023**

Identification of major federal programs:

<u>ALN/CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.778	Medicaid Administrative Claiming - Medical Assistance Program – originating with the U.S. Department of Health and Human Services and passed through the Texas Health and Human Services Commission.
93.958	Block Grants for Community Mental Health Services direct award from the U.S. Department of Health and Human Services and also awards passed through the Texas Health and Human Services Commission.
93.959	Block Grants for Prevention and Treatment of Substance Abuse originating with the U.S. Department of Health and Human Services and passed through the Texas Health and Human Services Commission.
93.631	Developmental Disabilities Projects of National Significance direct award from the U.S. Department of Health and Human Services.

Dollar threshold used to distinguish between Type A and Type B state programs: \$750,000

Auditee qualified as low-risk auditee? x yes no

Identification of major state programs:

<u>ALN/CFDA Number(s)</u>	<u>Name of State Program or Cluster</u>
N/A	State General Revenue – Mental Health (Behavioral Health) Adult Services passed through the Texas Health and Human Services Commission
N/A	State General Revenue – Intellectual and Developmental Disabilities Services passed through the Texas Health and Human Services Commission
N/A	State General Revenue – Mental Health (Behavioral Health) Children’s Services passed through the Texas Health and Human Services Commission.

Dollar threshold used to distinguish between Type A and Type B state programs: \$750,000

Auditee qualified as low-risk auditee? x yes no

Collin County Mental Health Mental Retardation Center dba LifePath Systems
Schedule of Findings and Questioned Costs (continued)
Year Ended August 31, 2023

Section II – Financial Statement Findings

This section should identify the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

Item 2023-001 – Fraudulent actions by LifePath employee

Criteria:

LifePath is responsible for maintaining controls to limit the misappropriation of assets.

Condition:

An employee in the information technology department had access to the server area where iPhones, Ipads, and hard drives were stored that were not presently in use. This access allowed the employee to remove some of these items.

Context:

Management made us aware that mobile phones, an Ipad, and hard drives has been stolen from the Center. This was discovered when a mobile phone that was not currently in service by the Center had been activated. Further investigation of video of the server storage area disclosed an employee removing multiple iPhones, hard drives and an Ipad from the server room. It was determined that the devices were taken without permission or using proper procedures to remove the items from the LifePath premises. The employee was requested to return all of the items that had been removed, but the employee has yet to return any of the items. LifePath notified the police as well as the insurance carrier about the theft. The police report indicates that approximately 40 iPhones, 13 hard drives, and an Ipad were removed. The employee has been terminated.

Questioned Costs: None

Cause:

An employee had access to the server storage area after hours which allowed the removal of the assets above.

Effect:

An estimated 40 iPhones, 13 harddrives, and an Ipad were stolen from the LifePath.

Recommendation:

LifePath procedures to identify the use of inactive equipment led to the discovery of the theft. Lifepath should consider limiting access to Iphone, Ipads, and hard drives that are not in use.

View of Responsible Officials:

The employee responsible for the theft had worked alongside multiple staff for many years at LifePath, as well as multiple centers and vendors throughout the state. He had built trust and had been promoted through the company into a management role when the theft began. As a leadership team, we were disappointed that this employee would risk his reputation and future with the industry, but quick action was taken to ensure he was not allowed to continue once the theft was discovered.

We are committed to protecting the public funds entrusted to LifePath Systems and have already begun to implement better safeguards to prevent this from recurring.

Collin County Mental Health Mental Retardation Center dba LifePath Systems
Schedule of Findings and Questioned Costs (continued)
Year Ended August 31, 2023

Section III – Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by 2 CFR 200.516(a) (for example, significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and material abuse).

No findings were noted.

Section IV – State Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by Texas Grant Management Standards, (for example, significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and material abuse).

No findings were noted.



**Collin County Mental Health Mental Retardation Center dba LifePath Systems
Corrective Action Plan
Year Ended August 31, 2023**

Item 2023-001 – Fraudulent actions by LifePath employee

Corrective Action Plan:

1. Server rooms will receive enhanced video surveillance and locks after hours.
2. Staff with access will attend public funds investment act training with a certificate provided for acknowledgment of understanding the use of public funds and sign an attestation to be kept on file with HR.
3. All phones and assets not in use will be moved to the Purchasing suite and kept behind 2 locks with limited access and constant video monitoring.
4. A log will be maintained daily showing access to each server room in addition to video and badge access data.

Responsible Parties:

1. Colby McClatchy 972-562-0190 – cmclatchy@lifepathsystems.org
2. Jennifer Morgan 972-562-0190 – jmorgan@lifepathsystems.org
3. Willy Villavicencio 972-562-0190 – wvillavicencio@lifepathsystems.org

Completion Date:

Most changes above have already been activated. Training and attestation of public funds (assets, restrictions, etc.) for all staff with access to these assets will be signed and kept in HR files by April 1, 2024. Security has been enhanced in the server rooms and rooms that house assets and limited to work hours only.



**Collin County Mental Health Mental Retardation Center dba LifePath Systems
Summary Schedule of Prior Audit Findings
For the Year Ended August 31, 2023**

The summary schedule of prior audit findings reports the status of all audit findings included in the prior audit's schedule of findings and questioned costs. The summary schedule also includes audit findings reported in the prior audit's summary schedule of prior auditing findings except audit findings listed as corrected in accordance with 2 CFR 200.511(b)(1), or no longer valid or not warranting further action in accordance with paragraph 2 CFR 200.511(b)(3). The summary schedule also includes audit findings reported in the prior audit's summary schedule of prior auditing findings except audit findings listed as corrected in accordance with Texas Grant Management Standards or are no longer valid or not warranting further action in accordance with these requirements.

No uncorrected findings from 2021 or 2022.

**SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS**

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Schedule of Expenditures of Federal and State Awards
For the Year Ending August 31, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal ALN/CFDA Number	Pass-Through Grantor's Number	Total Center Expenditures	Total Subrecipient Expenditures
FEDERAL AWARDS				
U.S. Department of Justice:				
Direct Award				
Crime Victim Assistance	16.575	Direct Award	\$ 71,119	\$ -
Total Direct Awards - U.S. Department of Justice			<u>71,119</u>	
U.S. Department of Health and Human Services:				
Direct Award				
COVID-19 - Block Grants for Community Mental Health Services (Project Recovery)	93.958	Direct Award	1,342,322	
Developmental Disabilities Projects of National Significance	93.631	Direct Award	256,423	
Total Direct Awards - U.S. Department of Health and Human Services			<u>1,598,745</u>	
Total Direct Awards			<u>1,669,864</u>	
Passed Through the Texas Health and Human Services Commission (HHSC):				
Every Student Succeeds Art/Preschool Development	93.434	HHS000640200006	68,592	
Temporary Assistance for Needy Families	93.558	HHS001022200014	867,554	
Temporary Assistance for Needy Families	93.558	HHS000640200006	207,661	
Child Care and Development Block Grant	93.575	HHS000640200006	52,032	
Social Services Block Grant	93.667	HHS001022200014	131,058	
Medicaid Administrative Claiming - Medical Assistance Program	93.778	HHS000537900306	1,556,813	
Medicaid Administrative Claiming - Medical Assistance Program	93.778	HHS000537900306	658,008	
Habilitation Coordination - Medical Assistance Program	93.778	HHS000996500001	112,037	
Opioid State Targeted Response (STR)	93.788	HHS000782500009 SA/OSR	65,000	
Money Follows the Person Rebalancing Demonstration	93.791	HHS000996500001	73,814	
Money Follows the Person Rebalancing Demonstration	93.791	HHS001113900001	16,858	
Money Follows the Person Rebalancing Demonstration	93.791	HHS001367800001	12,513	
Block Grants for Community Mental Health Services	93.958	HHS001022200014	1,246,061	
COVID-19 - Block Grants for Community Mental Health Services (CSC)	93.958	HHS000312800001	219,134	
Block Grants for Community Mental Health Services	93.958	HHS000312800001	501,738	
Block Grants for Community Mental Health Services	93.958	HHS000182800001	89,050	
COVID-19 - Block Grants for Community Mental Health Services (MH/COVID)	93.958	HHS001108400013	1,031,355	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	HHS000779800011 SA/TRA-LBHA	2,595	2,595
Block Grants for Prevention and Treatment of Substance Abuse	93.959	HHS000779800013 SA/TRA-LBHA	606,057	437,232
Block Grants for Prevention and Treatment of Substance Abuse	93.959	HHS000779800012 SA/MAT	724,546	724,546
Block Grants for Prevention and Treatment of Substance Abuse	93.959	HHS000782500009 SA/OSR	294,075	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	HHS000779800015 SA/AUT	135,453	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	HHS000779800014 SA/RSS-CBO	50,542	
Total Passed Through HHSC			<u>\$ 8,722,546</u>	<u>\$ 1,164,373</u>
Total U.S. Department of Health and Human Services			<u>\$ 10,321,291</u>	<u>\$ 1,164,373</u>
U.S. Department of Education:				
Passed Through the Texas Health and Human Services Commission (HHSC):				
Special Education - Grants for Infants and Families	84.181	HHS000640200006	2,331,032	
Personal Retention Grant	84.325	HHS000640200006	11,594	
Special Education - Grants to States	84.027	HHS000640200006	318,600	
Total U.S. Department of Education			<u>2,661,226</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 13,053,636</u>	<u>\$ 1,164,373</u>

Total ALN/CFDA 93.558	\$ 1,075,215
Total ALN/CFDA 93.778	\$ 2,326,858
Total ALN/CFDA 93.791	\$ 103,185
Total ALN/CFDA 93.958	\$ 4,429,660
Total ALN/CFDA 93.959	\$ 1,813,268

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Schedule of Expenditures of Federal and State Awards
For the Year Ending August 31, 2023

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Grantor's Number	Total Center Expenditures	Total Subrecipient Expenditures
STATE AWARDS			
Texas Health and Human Services Commission (HHSC):			
General Revenue - Mental Health Adult	HHS001022200014	\$ 7,626,444	\$ -
Crisis Redesign Services	HHS001022200014	2,158,461	
Psychiatric Emergency Service Center (PESC)	HHS001022200014	273,161	
Supportive Housing	HHS001022200014	62,078	
Veterans Programs	HHS001022200014	99,276	
Private Psychiatric Beds	HHS001022200014	3,212,506	
Post Discharge Civil Commits Med	HHS001022200014	17,381	
Total General Revenue Mental Health Adult		13,449,307	
General Revenue - Intellectual and Developmental Disabilities (IDD)	HHS000996500001	1,171,642	
Permanency Planning	HHS000996500001	12,365	
IDD Crisis Intervention Specialists FY2022	HHS000996500001	13,592	
IDD Crisis Intervention Specialists FY2023	HHS000996500001 (1)	203,015	
IDD Crisis Respite Services FY2022	HHS000996500001	-	
IDD Crisis Respite Services FY2023	HHS000996500001	220,450	
Nursing Facility Specialized Services Form 1048	HHS000996500001	114,359	
Total General Revenue Intellectual and Developmental Disabilities (IDD)	(2) (3)	1,735,423	
General Revenue - Mental Health Child	HHS001022200014	2,079,848	
Mental Health First Aid	HHS000182800001	11,100	
Multisystematic Therapy	HHS001285300002	411,242	
Employment Apprenticeship Pilot Services	HHS001330100001	194,889	
COVID-19 FY2023 Substance Abuse - SA/TRA-LBHA	HHS000779800011	453	453
Substance Abuse general revenue - SA/TRA-LBHA	HHS000779800013	94,521	68,290
COVID-19 FY2023 Substance Abuse - SA/TRA-LBHA	HHS000779800013	82,139	60,165
Substance Abuse general revenue - SA/OSR	HHS000783500009	57,039	
Substance Abuse general revenue - SA/MAT	HHS000779800012	80,093	80,093
Substance Abuse general revenue - SA/RSS-CBO	HHS000779800014	17,860	
Substance Abuse general revenue - SA/AUT	HHS000779800015	44,196	
Total General Revenue Substance Abuse		376,301	208,548
Mental Health Grant Program for Justice-Involved Individuals (SB 292)	HHS000134400009	1,641,788	
Early Childhood Intervention	HHS000640200006	2,295,711	
Early Childhood Intervention Respite	HHS000640200006	14,813	
Total Health and Human Services Commission (HHSC)		22,210,422	208,548
TOTAL EXPENDITURES OF STATE AWARDS		\$ 22,210,422	\$ 208,548
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS		\$ 35,264,058	\$ 1,372,921

(1) Received \$216,607, expended \$203,015

(2) Received \$55,000 for ARPA Electronic Interface, expended \$-0-

(3) Received \$363,843 for ARPA Workforce Challenges, expended \$-0-

Collin County Mental Health Mental Retardation Center dba LifePath Systems
Notes to Schedule of Expenditures of Federal and State Awards
August 31, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the “Schedule”) includes the federal and state award activity of LifePath Systems (“LifePath”) under programs of federal and state governments for the year ended August 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance)* and Texas Grant Management Standards (TxGMS). Because the schedule presents only a selected portion of the operations of LifePath, it is not intended to and does not present the financial position, changes in financial position, or cash flows of LifePath.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance and TxGMS, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements. Expenditures reported for the Medical Assistance Program (Medicaid; Title XIX) ALN/CFDA 93.778 represent expenditures incurred during the audit period that LifePath anticipates will be reimbursed through invoices submitted to the Texas Health and Human Services Commission. Due to the timing of the submission of these invoices, actual reimbursements received during the year will differ from these amounts.

3. INDIRECT COST RATE

LifePath has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. NATURE OF ACTIVITIES

LifePath receives various grants to cover costs of specified programs. Final determination of eligibility of costs will be made by the grantors. Should any costs be found ineligible, LifePath will be responsible for reimbursing the grantors for these amounts.

5. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal and state awards are reported in LifePath’s basic financial statements in the General Fund. One state program has been excluded from the Schedule of Expenditures of Federal and State Awards by specific request of the funding agency. The state program excluded from the schedule is the Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI) program in the amount of \$97,118. The state program excluded from the accompanying schedule is not considered financial assistance as defined in Texas Grant Management Standards (TxGMS).

In addition, certain state expenditures that were incurred in FY22 but recognized as revenues in FY23 are excluded from the schedule because they do not represent FY23 expenditures. These revenues are state substance abuse program revenues that were received several months after the end of FY22 and the amounts were unknown at the time the FY22 report was issued. These excluded amounts total \$289,819.

Collin County Mental Health Mental Retardation Center dba LifePath Systems
Notes to Schedule of Expenditures of Federal and State Awards
August 31, 2023

6. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS –Continued:

Following is a reconciliation of the revenues reported in the financial statements to the Schedule of Expenditures of Federal and State Awards:

State expenditures per schedule:	\$	22,210,422
TCOOMMI program		97,118
COVID-19 SUD FY2022 expenditures:		
HHS000779800013 SA/TRA-LBHA		130,127
HHS000779800012 SA/MAT		159,692
State program revenues per basic financial statements	\$	22,597,359

7. STATE AWARD GUIDELINES

State awards are subject to HHSC’s *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*. Such guidelines are consistent with those required under the Single Audit Act of 1996, the Uniform Guidance, Texas Grant Management Standards (TxGMS) and *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Balance Sheet
Governmental Funds
August 31, 2023**

	General Fund	Capital Projects Fund	Other Governmental Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,477,110	\$ 35,182,537	\$ 189,757	36,849,404
Accounts receivable, net	1,087,052			1,087,052
Due from other governments	4,764,708			4,764,708
Investments	24,035,737			24,035,737
Accrued investment income	177,157			177,157
Supplies Inventory	22,428			22,428
Advances - intergovernmental transfers	1,419,349			1,419,349
Deposits and prepaid expenses	373,636			373,636
Due from other governmental funds	2,328,340			2,328,340
Total Assets	\$ 35,685,517	\$ 35,182,537	\$ 189,757	\$ 71,057,811
Liabilities				
Accounts payable	874,456			874,456
Accrued salaries and benefits	485,739			485,739
Other accrued expenses	13,300			13,300
Unearned program revenues	950,084			950,084
Advance from general fund		2,320,081	8,259	2,328,340
Advance from internal service fund	4,758,405			4,758,405
Total Liabilities	7,081,984	2,320,081	8,259	9,410,324
Deferred Inflows of Resources				
Unavailable Medicaid administrative claiming revenues	745,029			745,029
Total Deferred Inflows of Resources	745,029	-	-	745,029
Fund Balances				
Non-spendable:				
Deposits and prepaid expenses	396,064			396,064
Due from other governmental funds	2,328,340			2,328,340
Assigned:				
Facility expansion		32,862,456		32,862,456
Unassigned	25,134,100		181,498	25,315,598
Total Fund Balances	27,858,504	32,862,456	181,498	60,902,458
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 35,685,517	\$ 35,182,537	\$ 189,757	\$ 71,057,811

Governmental fund balances as presented above: **\$ 60,902,458**

Amounts presented for governmental activities in the Statement of Net Position are different because:

The Internal Service Fund is included in governmental activities in the Statement of Net Position.	23,824,333
Capital assets used in governmental activities are not current financial resources, and, therefore, are not reported in the funds.	2,327,645
Long-term liabilities for notes payable (\$377,876) and compensated absences (\$387,090) are reported in the Statement of Net Position but they are not due and payable in the current period and therefore are not reported as liabilities in the fund balance sheet.	(764,966)
Long-term receivables are not available to pay current-period expenditures and, therefore, are deferred in the fund balance sheet.	745,029

Net Position - Governmental Activities **\$ 87,034,499**

**Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ending August 31, 2023**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
REVENUES:				
Local and earned sources	\$ 24,493,832	\$ -	\$ 137,718	\$ 24,631,550
State programs	22,597,359			22,597,359
Federal programs	13,053,637			13,053,637
Investment income	1,656,256	395,229		2,051,485
Total revenues	<u>61,801,084</u>	<u>395,229</u>	<u>137,718</u>	<u>62,334,031</u>
EXPENDITURES:				
Current:				
Intellectual and Developmental Disabilities	6,898,686			6,898,686
Behavioral Health	30,269,666			30,269,666
Early Childhood Intervention	7,912,247			7,912,247
Administration	4,505,569			4,505,569
Capital Outlay	7,564	2,320,081		2,327,645
Debt service:				
Principal	226,345			226,345
Interest	20,551			20,551
Total expenditures	<u>49,840,628</u>	<u>2,320,081</u>	<u>-</u>	<u>52,160,709</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,960,456</u>	<u>(1,924,852)</u>	<u>137,718</u>	<u>10,173,322</u>
OTHER FINANCING SOURCES (USES):				
Transfers in		34,787,308		34,787,308
Transfers out	(34,787,308)	-		(34,787,308)
Total other financing sources (uses)	<u>(34,787,308)</u>	<u>34,787,308</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(22,826,852)</u>	<u>32,862,456</u>	<u>137,718</u>	<u>10,173,322</u>
Fund balance - beginning of year	<u>50,685,356</u>	<u>-</u>	<u>43,780</u>	<u>50,729,136</u>
Fund balance - end of year	<u>\$ 27,858,504</u>	<u>\$ 32,862,456</u>	<u>\$ 181,498</u>	<u>\$ 60,902,458</u>

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

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS**

ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE YEAR ENDED AUGUST 31, 2022

**Scott, Singleton, Fincher & Company, PC
Certified Public Accountants**

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Annual Financial and Compliance Report
For The Year Ended August 31, 2022**

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Certificate of Board.....	3
List of Principal Officials.....	4
FINANCIAL SECTION	
Independent Auditor’s Report.....	6
<u>Required Supplementary Information:</u>	
Management’s Discussion and Analysis.....	10
<u>Basic Financial Statements:</u>	
<u>Government-Wide Financial Statements</u>	
Statement of Net Position.....	20
Statement of Activities.....	21
<u>Fund Financial Statements</u>	
Fund Balance Sheet – Governmental Funds.....	22
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.....	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Funds to the Statement of Activities.....	24
Statement of Net Position – Proprietary Fund.....	25
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund.....	26
Statement of Cash Flows – Proprietary Fund.....	27
Statement of Fiduciary Net Position - Fiduciary Fund.....	28
Statement of Changes in Fiduciary Net Position - Fiduciary Fund.....	29
Notes to Basic Financial Statements.....	30

	<u>Page</u>	<u>Page</u>
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedule – General Fund.....		45

Statistical Section (Unaudited):

Schedule of Revenues and Expenditures by Source of Funds – General Fund....	48
Schedule of Indirect Costs.....	49
Schedule of Leases in Effect.....	50
Schedule of Insurance in Force.....	51
Schedule of Bond Coverage.....	53
Schedule of Space Occupied in a State-Owned Facility.....	54
Schedule of Professional and Consulting Fees.....	55
Schedule of Legal Services.....	56

COMPLIANCE AND INTERNAL CONTROLS SECTION

Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	58
Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and Texas Grant Management Standards.....	60
Schedule of Findings and Questioned Costs.....	63
Summary Schedule of Prior Audit Findings.....	66

FEDERAL AND STATE EXPENDITURES SECTION

Schedule of Expenditures of Federal and State Awards.....	68
Notes to Schedule of Expenditures of Federal and State Awards.....	70

**CERTIFICATE OF BOARD
ACCEPTANCE OF AUDIT REPORT**

Collin County Mental Health Mental Retardation Center dba LifePath Systems

I, Doug Kowalski, Chairperson of the Board of Trustees of Collin County Mental Health Mental Retardation Center dba LifePath Systems do hereby certify that this accompanying audit report for FY 2022 from Scott, Singleton, Fincher & Company, P.C. was reviewed and accepted at a meeting of the Board of Trustees held on the 26th of January, 2023.


Chairperson, Board of Trustees
1/26/23

**Collin County Mental Health Mental Retardation Center
Db a LifePath Systems
List of Principal Officials
August 31, 2022**

Board of Trustees

Doug Kowalski	Chair
Dona Watson	Vice Chair
Anne Bramlett	Secretary
Trey (Arthur) Cotton	Member
Ronald F. Crawford, Ed. D.	Member
Ernest Myers, Jr., Ph. D.	Member
Melvin Thathiah, J.D.	Member
John Donovan	Member
Matt Duncan	Member
Tracy Utsey	Ex Officio Member

Administrative Staff

Tammy Mahan	Chief Executive Officer
Pete Kabira	Chief Operating Officer
Jennifer Morgan	Chief Financial Officer
Brent Phillips-Broadrick	Chief Administrative Officer
Dr. Zachary Sullivan	Medical Director
Maria Putman	Human Resources Director, Interim
Diane Kazlow	Foundation Director
Deanna Easley	Communications and Outreach Director
Danielle Sneed	Deputy Clinical Officer
Joanne Huffstetler	Early Childhood Services Director
Humera Bhaidani	Intellectual and Developmental Disabilities Director

FINANCIAL SECTION

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

The Board of Trustees
Collin County Mental Health Mental Retardation Center
dba LifePath Systems

Report on 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 Collin County Mental Health Mental Retardation Center dba LifePath Systems ("LifePath"), as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise LifePath'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 Collin County Mental Health Mental Retardation Center dba LifePath Systems, as of August 31, 2022, 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 LifePath Systems 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 LifePath'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 LifePath'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 LifePath'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 and budgetary comparison information on pages 10 through 18 and 45 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Texas Grant Management Standards (TxGMS), 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 schedule of expenditures of federal and state awards 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 statistical 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 January 26, 2023, on our consideration of LifePath'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 LifePath'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 LifePath's internal control over financial reporting and compliance.

Respectfully submitted,

Scott, Singleton, Fincher and Company, PC

Scott, Singleton, Fincher and Company, PC
Certified Public Accountants
Greenville, Texas
January 26, 2023

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

Our discussion and analysis of the Collin County Mental Health Mental Retardation Center dba LifePath Systems (the Center) financial performance provides an overview of the Center's financial activities for the fiscal year ended August 31, 2022. We encourage readers to consider the information presented here in conjunction with the financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- The assets of LifePath Systems exceeded its liabilities at the close of the most recent fiscal year by \$74,459,860 (net position). Of this amount, \$55,941,072 (unrestricted net position) may be used to meet the Center's ongoing obligations.
- The Center's total net position (government-wide) increased by \$9,530,554.
- As of the close of the current fiscal year, the Center's general fund reported ending fund balance of \$50,685,356, an increase of \$9,602,780 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$35,220,388 or approximately 78 percent of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to LifePath System'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.

Government-wide financial statements. The Statement of Net Position presents information on all of the Center's assets and liabilities. Increases or decreases in net position serve as a useful indicator of whether the financial position of LifePath Systems 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 is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are reported regardless of when cash is received or paid.

In the Statement of Net Position and the Statement of Activities, the Center is divided into two types of activities:

- *Governmental activities* – The Center’s basic services are reported in this section, including the Intellectual and Developmental Disabilities Division, Early Childhood Intervention, Behavioral Health Division and General Administration.
- *Business-type activity* – The Center has no activities that would be classified in the business-type activities category.

The government-wide financial statements can be found on pages 20 – 21 of this report.

REPORTING THE CENTER’S MOST SIGNIFICANT FUNDS

The fund financial statements begin on page 22 and provide detailed information about the Center’s funds. 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. LifePath Systems, 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 are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how dollars flow 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* accounting that measures cash and all other financial assets that can be readily converted to cash.

The governmental fund statements provide a *detailed short-term view* of the Center’s general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Center’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation following the fund financial statements.

The Center adopts an annual budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. This schedule can be found on pages 45-46 of this report.

Proprietary funds – When the Center charges customers for the services it provides – whether to outside customers or to other programs of the Center – these services are generally reported in proprietary funds. The Center maintains one type of proprietary fund. The *internal service fund* is an accounting device used to accumulate and allocate costs internally among the Center’s various functions. The Center uses an *internal service fund* to account for acquisition of capital assets as well as for the future replacement of existing capital assets.

Fiduciary fund – Fiduciary funds are used to account for resources held for the benefit of parties outside of the Center. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Center’s own programs. Funds held on behalf of consumers are considered fiduciary funds.

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 on pages 30 – 43 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* that is required by the Texas Health and Human Services Commission’s *Guidelines for Annual and Compliance Audits of Community MHMR Centers*, the Uniform Guidance and Texas Grant Management Standards (TxGMS). This supplementary information can be found beginning on pages 48 of this report.

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 LifePath Systems, assets exceeded liabilities by \$74,459,860 at the close of the most recent fiscal year.

A portion of the Center’s net position (\$18,518,788 or 25%) reflect its investment in capital assets; land, buildings, vehicles and furniture and equipment, less any related debt used to acquire the assets that is still outstanding. The Center uses these assets to provide services to the consumers it serves; consequently, these assets are not available for future spending.

Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Comparative
Statements of Net Position

	2022	2021
Current and other assets	\$ 59,994,123	\$ 49,971,189
Capital assets, net	19,823,601	19,567,853
Total assets	79,817,724	69,539,042
Long-term liabilities	2,147,636	1,078,283
Other liabilities	3,210,228	3,531,453
Total liabilities	5,357,864	4,609,736
Net position:		
Net investment in capital assets	18,518,788	19,567,853
Unrestricted	55,941,072	45,361,453
Total net position	\$ 74,459,860	\$ 64,929,306

Unrestricted net position for the most current fiscal year of \$55,941,072 or approximately 75% may be used to meet the Center's ongoing obligations to consumers and creditors.

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Comparative
Statements of Activities**

	<u>2022</u>	<u>2021</u>
Revenues		
Program revenues		
Charges for services	\$ 18,431,643	\$ 18,732,557
Operating grants/contributions	35,515,370	32,159,267
General revenues	1,033,767	755,305
Total revenues	<u>54,980,780</u>	<u>51,647,129</u>
Expenses		
Behavioral Health	29,787,528	26,790,902
Intellectual & Developmental Disabilities	6,953,164	6,996,311
Early Childhood Intervention	8,639,535	7,741,424
Interest on Long-term Debt	69,999	38,342
Total expenses	<u>45,450,226</u>	<u>41,566,979</u>
Change in net position	9,530,554	10,080,150
Net position – beginning of year	<u>64,929,306</u>	<u>54,849,156</u>
Net position – end of year	<u>\$ 74,459,860</u>	<u>\$ 64,929,306</u>

GOVERNMENTAL ACTIVITIES

Revenues for the Center’s governmental activities were \$54,980,780 while the total expenses were \$45,450,226. The change in net position was an increase of \$9,530,554. LifePath’s Behavioral Health programs ended the year with an increase in net position of \$7,896,279 primarily due to revenues from the 1115 waiver programs.

BUSINESS-TYPE ACTIVITIES

The Center had no activities that would be classified in the business-type activities category.

FINANCIAL ANALYSIS OF THE CENTER'S FUNDS

Governmental funds. As the Center completed the year, its governmental funds (as presented in the balance sheet on page 22) reported combined fund balance of \$50,729,136, which is an increase of \$9,576,945 from last year's total of \$41,152,191.

The focus of the Center's General 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, unassigned fund balance in the general fund was \$35,220,388, while total fund balance reached \$50,685,356. As a measure of general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 78 percent of total general fund expenditures.

Proprietary funds. The Center's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenue is over the final budget by \$4,269,673, primarily due to revenue from the 1115 waiver program. Actual expenditures are under the final budgeted amount by \$5,683,006 due to lower expenditures in personnel cost, contracted services and rents due to a new accounting standard relating to leases and capitalization - Governmental Accounting Standards Board statement number 87 (GASB 87).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The Center's investment in capital assets for its governmental activities as of August 31, 2022, was \$19,823,601 (net of accumulated depreciation and amortization). The investment in capital assets includes facilities, vehicles, furniture and equipment, and leased buildings.

Major capital asset additions during the current fiscal year include:

- Computers and related equipment for Center's program personnel
- Vehicles for staff who travel to provide services to replace older vehicles
- Building renovations and repairs
- Leased buildings and facility right of use (new in FY22 due to GASB 87)

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Capital Assets (net of depreciation and amortization)**

Governmental Activities

	FY 2022	FY 2021
Construction in Progress	\$ 13,223	\$ 30,800
Land	1,412,454	1,412,454
Buildings	20,499,824	20,520,949
Leasehold improvements	92,921	25,926
Furniture and Equipment	4,417,298	4,957,194
Vehicles	1,140,451	1,079,832
Leased assets (adopted GASB 87 in FY22)	1,728,649	-
Less: accumulated depreciation/amortization	(9,481,219)	(8,459,302)
Total Capital Assets	\$19,823,601	\$19,567,853

Note 4 to the financial statements provides detailed information of the Center’s capital assets.

Long-term debt. At the end of the current fiscal year, the Center had \$604,221 outstanding on a \$1,500,000 revenue anticipation note outstanding. In FY 2018, the Center received note proceeds which were utilized to finance facility construction improvements and renovations. Additionally, GASB 87 requires the recognition of a ‘lease liability’ that amounted to \$1,304,813 related to the lease agreements for properties rented by the Center. Interest expense was \$69,998 for the fiscal year. Additional information on the Center’s long-term debt can be found in note 5 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The Center’s Board of Trustees and Executive Management Team will continue to face significant challenges and opportunities in the coming year. While LifePath Systems’ Behavioral Health services have grown dramatically over the past several years, Early Childhood Intervention and Intellectual and Developmental Disabilities services have remained relatively stagnant due to lack of funding increases. The rapid population growth in the Center’s catchment area, along with the increased needs post-pandemic, has increased the demand for additional services across the center.

LifePath, as the designated authority for mental health, substance abuse, and intellectual and developmental disability (IDD) services, is responsible for addressing these increasing needs without sufficient resources. In IDD programs, there are long waiting lists for programs only afforded through dedicated state or federal funding. For programs supported by Medicaid and Medicaid waivers, rates are based on unrealistic cost estimates, especially in the current workforce shortage. Staff and Board must continue to collaborate with other entities, diversify funding sources and work with community agencies to meet the most critical needs. The following issues will need addressing in the foreseeable future:

- Full implementation of the Directed Payment Program (DPP) and Charity Care Program (CCP) is still in the initial stages. Maximizing these funding sources has proven to be difficult and has required a significant amount of additional staff time.
- Workforce shortages have proven to be a significant challenge to initiating new programs and managing ongoing programs. Competition for employees has driven up salaries and costs for competitive benefits. Many positions are taking significantly longer to fill and turnover is higher in all areas.
- While grants continue to help the Center expand funding, most grants are time limited and increase pressure to either find longer term financing strategies or eliminate programs.
- IDD provider services, especially our group homes, have experienced significant increases in expenses from salaries to cost of food and other supplies. Without adequate increases in Medicaid reimbursement rates, long term viability of these programs is uncertain. Many Centers have already eliminated HCS and ICF programs due to this funding issue.
- While Early Childhood Intervention received a small increase for the target enrollment for FY23, the increase is not enough to keep up with the demand for services. We are expecting to significantly exceed our target without associated additional funding, which will severely stretch funds and limit our ability to meet other performance targets.
- The Board and Management Team will continue to monitor the financial health of all programs on a regular basis. Elected officials will be apprised of all major developments and trends at the Center.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of LifePath Systems finances and the Center's accountability for the funds it receives. If you have questions about this report or need additional information, contact the LifePath Systems Finance Department, 1515 Heritage Drive McKinney, TX 75069.

BASIC
FINANCIAL STATEMENTS

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Net Position
August 31, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 36,988,940
Investments	15,503,620
Due from other governments	5,057,463
Accounts receivable, net	967,053
Supplies Inventory	121,485
Advances - intergovernmental transfers	1,020,339
Deposits and prepaid expenses	335,223
Land	1,412,454
Construction in progress	13,223
Capital assets, net	18,397,924
Total Assets	79,817,724
LIABILITIES	
Accounts payable	498,765
Accrued salaries and benefits	1,235,590
Other accrued expenses	612,144
Unearned program revenues	863,729
Compensated absences	238,602
Lease obligations due within one year	589,630
Notes payable due within one year	226,345
Lease obligations due in more than one year	715,183
Notes payable due in more than one year	377,876
Total Liabilities	5,357,864
NET POSITION	
Net investment in capital assets	18,518,788
Unrestricted	55,941,072
Total Net Position	\$ 74,459,860

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

**Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Activities
For the Year Ending August 31, 2022**

Functions/Programs	Expenses			Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Administration Allocation	Expenses After Allocation of Administration	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:							
Intellectual and Developmental Disabilities programs	\$ 6,372,376	\$ 580,788	\$ 6,953,164	\$ 4,235,380	\$ 2,906,085	\$ -	\$ 188,301
Early Childhood Intervention program	7,917,888	721,647	8,639,535	3,770,677	5,351,064		482,206
Behavioral Health programs	27,299,422	2,488,106	29,787,528	10,425,586	27,258,221		7,896,279
Administration	3,790,541	(3,790,541)	-				-
Debt Service Interest	69,999		69,999				(69,999)
Total governmental activities	\$ 45,450,226	\$ -	\$ 45,450,226	\$ 18,431,643	\$ 35,515,370	\$ -	\$ 8,496,787
General revenues:							
							87,794
							945,973
							<u>1,033,767</u>
							9,530,554
							<u>64,929,306</u>
							<u>\$ 74,459,860</u>

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

**Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Balance Sheet
Governmental Funds
August 31, 2022**

	General Fund	Other Governmental Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 36,936,900	\$ 52,040	\$ 36,988,940
Accounts receivable, net	967,053		967,053
Due from other governments	5,057,463		5,057,463
Investments	10,691,962		10,691,962
Supplies Inventory	121,485		121,485
Advances - intergovernmental transfers	1,020,339		1,020,339
Deposits and prepaid expenses	335,223		335,223
Advance to other governmental fund	8,260		8,260
Total Assets	\$ 55,138,685	\$ 52,040	\$ 55,190,725
Liabilities			
Accounts payable	498,765		498,765
Accrued salaries and benefits	1,235,590		1,235,590
Other accrued expenses	612,144		612,144
Unearned program revenues	863,729		863,729
Advance from general fund		8,260	8,260
Advance from internal service fund	673,092		673,092
Total Liabilities	3,883,320	8,260	3,891,580
Deferred Inflows of Resources			
Unavailable Medicaid administrative claiming revenues	570,009		570,009
Total Deferred Inflows of Resources	570,009	-	570,009
Fund Balances			
Non-spendable:			
Deposits and prepaid expenses	456,708		456,708
Advance to other governmental fund	8,260		8,260
Assigned:			
Facility expansion	15,000,000		15,000,000
Unassigned	35,220,388	43,780	35,264,168
Total Fund Balances	50,685,356	43,780	50,729,136
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 55,138,685	\$ 52,040	\$ 55,190,725
Governmental fund balances as presented above:			\$ 50,729,136
Amounts presented for governmental activities in the Statement of Net Position are different because:			
An Internal Service Fund is used by management to charge the costs of certain capital assets to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.			24,003,537
Long-term liabilities for notes payable (\$604,221) and compensated absences (\$238,601) are reported in the Statement of Net Position but they are not due and payable in the current period and therefore are not reported as liabilities in the fund balance sheet.			(842,822)
Long-term receivables are not available to pay current-period expenditures and, therefore, are deferred in the fund balance sheet.			570,009
Net Position - Governmental Activities			\$ 74,459,860

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

**Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended August 31, 2022**

	<u>General Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
REVENUES:			
Local and earned sources	\$ 20,542,263	\$ 150,355	\$ 20,692,618
State programs	20,286,977		20,286,977
Federal programs	13,843,033		13,843,033
Investment income	64,029		64,029
Total revenues	<u>54,736,302</u>	<u>150,355</u>	<u>54,886,657</u>
EXPENDITURES:			
Current:			
Intellectual and Developmental Disabilities	6,310,719		6,310,719
Behavioral Health	27,041,343	75,958	27,117,301
Early Childhood Intervention	7,881,531		7,881,531
Administration	3,653,032	100,232	3,753,264
Debt service:			
Principal	217,269		217,269
Interest	29,628		29,628
Total expenditures	<u>45,133,522</u>	<u>176,190</u>	<u>45,309,712</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,602,780</u>	<u>(25,835)</u>	<u>9,576,945</u>
OTHER FINANCING SOURCES (USES):			
None	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	9,602,780	(25,835)	9,576,945
Fund balance - beginning of year	<u>41,082,576</u>	<u>69,615</u>	<u>41,152,191</u>
Fund balance - end of year	<u><u>\$ 50,685,356</u></u>	<u><u>\$ 43,780</u></u>	<u><u>\$ 50,729,136</u></u>

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

**Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems**

**Reconciliation of the Statement of Revenues, Expenditures,
And Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ended August 31, 2022**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (see previous page)	\$ 9,576,945
Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The results of the internal service fund excluding capital contributions are reported with governmental activities.	(352,209)
The issuance of long-term debt (e.g., bonds, notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount of long-term debt that was repaid during the year (\$217,268). No new debt was issued.	217,268
Changes in the liability for compensated absences are reported as an increase or decrease to expense in the statement of activities but are not reported in governmental funds if the amounts are not expected to be paid from current financial resources.	18,193
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. This includes the increase of \$70,357 in Medicaid administrative claiming revenues.	<u>70,357</u>
Change in net position - governmental activities	<u><u>\$ 9,530,554</u></u>

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

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Net Position
Proprietary Fund
August 31, 2022

	<u>Governmental Activities Internal Service Fund</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ -
Investments	4,811,657
Advance to General Fund	673,092
Total Current Assets	<u>5,484,749</u>
Non-Current Assets	
Capital Assets	
Land and improvements	1,412,454
Construction in progress	13,223
Buildings	20,499,824
Leasehold improvements	92,921
Vehicles	1,140,451
Furniture and equipment	1,338,518
Computers and equipment	3,078,780
Lease Right of Use	1,728,649
Less accumulated depreciation/amortization	<u>(9,481,219)</u>
Capital Assets, net	<u>19,823,601</u>
Total Non-Current Assets	<u>19,823,601</u>
Total Assets	<u>\$ 25,308,350</u>
LIABILITIES	
Current Liabilities	
Current portion of Lease Liability	\$ 589,630
Total Current Liabilities	<u>589,630</u>
Non-Current Liabilities	
Lease Liability	<u>715,183</u>
Total Non-Current Liabilities	<u>715,183</u>
Total Liabilities	<u>1,304,813</u>
NET POSITION	
Net investment in capital assets	18,518,788
Unrestricted	5,484,749
Total Net Position	<u>\$ 24,003,537</u>

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

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended August 31, 2022

	Governmental Activities Internal Service Fund
Operating Revenues:	
Internal charges for services/uses	\$ 1,334,938
Other operating receipts	-
Total operating revenues	<u>1,334,938</u>
Operating Expenses:	
Maintenance, repairs & vehicle expense	560
Depreciation and amortization	1,664,017
Total operating expenses	<u>1,664,577</u>
Operating income (loss)	<u>(329,639)</u>
Nonoperating Revenues (Expenses)	
Interest income	23,766
Interest expense	(40,369)
Loss on disposal of capital assets	(5,967)
Total nonoperating revenues (expenses)	<u>(22,570)</u>
Net income (loss) before transfers and capital contributions	<u>(352,209)</u>
Change in net position	(352,209)
Net position - beginning of year	<u>24,355,746</u>
Net position - end of year	<u><u>\$ 24,003,537</u></u>

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

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Cash Flows
Proprietary Fund
For the Year Ended August 31, 2022

	<u>Governmental Activities Internal Service Fund</u>
Cash Flows From Operating Activities:	
Receipts for services/internal charges	\$ 1,334,938
Payments to suppliers	(560)
Net Cash Provided (Used) by Operating Activities	<u>1,334,378</u>
Cash Flows from Noncapital Financing Activities:	
None	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>
Cash Flows From Capital and Related Financing Activities:	
Change in amount due from/to General Fund	2,851,920
Purchases of capital assets	(204,762)
Proceeds from disposal of capital assets	8,189
Payment of principal related to capital assets	(424,346)
Payment of interest related to capital assets	(40,369)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>2,190,632</u>
Cash Flows From Investing Activities:	
Purchase of investments	(3,548,776)
Interest and investment earnings	23,766
Net Cash Provided (Used) by Investing Activities	<u>(3,525,010)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-
Cash and Cash Equivalents-Beginning of Year	<u>-</u>
Cash and Cash Equivalents-End of Year	<u><u>\$ -</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating income (loss)	(329,639)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and Amortization expense	1,664,017
Changes in assets and liabilities:	
None	-
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 1,334,378</u></u>
Noncash Investing, Capital, and Financing Activities:	
Issuance of debt for leased capital assets	<u><u>\$ 1,441,450</u></u>

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

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Fiduciary Net Position
Fiduciary Fund
August 31, 2022

	<u>Client Custodial Fund</u>
Assets	
Cash and cash equivalents	\$ 12,866
Total Assets	<u>12,866</u>
Liabilities	
None	-
Total Liabilities	<u>-</u>
Net Position	
Restricted for:	
Individual consumers	12,866
Total Net Position	<u>\$ 12,866</u>

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

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended August 31, 2022

	Client Custodial Fund
Additions	
Cash collections on behalf of consumers	\$ 117,917
Total Additions	117,917
Deductions	
Payments of behalf of consumers	136,887
Total Deductions	136,887
Net Increase (Decrease) in Fiduciary Net Position	(18,970)
Net Position - Beginning	31,836
Net Position - Ending	\$ 12,866

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

**Collin County Mental Health Mental Retardation Center
dba LifePath Systems
Notes to Basic Financial Statements
August 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Introduction

The accounting and reporting framework and the more significant accounting principles and practices of Collin County Mental Health Mental Retardation Center dba LifePath Systems (LifePath) are discussed in subsequent sections of this note. The remaining notes are organized to provide explanations, including required disclosures, of LifePath's financial activities for the fiscal year ended August 31, 2022.

(b) Financial Reporting Entity - Basis of Presentation

LifePath is a public entity established under the Texas Mental Health Mental Retardation Act of 1965 and organized under Chapter 534, Title 7 of the Texas Health and Safety Code. This act provided for the creation of local boards of trustees. LifePath's current board of trustees was appointed by the Commissioner's Court of Collin County, Texas, to develop and implement community-based mental health services, intellectual and developmental disability services, and early childhood services. LifePath is governed by an independent board, has the authority to make decisions, appoint administrators and managers, significantly influence operations, and has the primary accountability for fiscal matters. LifePath is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards.

The criteria used by LifePath for including activities in preparing its financial statements is in conformity with Government Accounting Standards Board Statements 14 and 39 as amended by GASB Statement 61 "*The Financial Reporting Entity: Omnibus*". Based on these criteria LifePath has the following component unit:

LifePath Systems Foundation (Foundation) is a charitable organization established to provide support for the programs and services of LifePath Systems in order to serve the community in the areas of early childhood intervention, behavioral health, intellectual and developmental disabilities, and substance abuse needs. The Foundation is a non-profit corporation established under the Texas Non-Profit Corporation Act and Section 501(c)(3) of the Internal Revenue Code. Financial information of the Foundation may be obtained at the office of 1515 Heritage Drive, McKinney, Texas 75069. The Foundation is presented as a blended component unit due to the Foundation being fiscally dependent on LifePath and the Foundation exclusively benefiting LifePath.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(c) Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for LifePath as a whole excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by charges for services and operating grants, from business-type activities, generally financed in whole or in part with fees charged to external customers. LifePath does not have any business-type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of LifePath's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Contributions from local governments and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The major individual governmental fund (General Fund) is reported as a separate column in the fund financial statements.

(d) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of LifePath are prepared in accordance with generally accepted accounting principles (GAAP). LifePath applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide statements, as well as the proprietary fund financial statements, are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Charges for services are recognized in the year for which they are provided while grants are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(d) Measurement Focus, Basis of Accounting, and Financial Statement Presentation – continued

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of LifePath's Internal Service Fund are internal charges to the General Fund for management of capital assets and the principal operating expenses are the costs of maintaining those assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. LifePath considers revenues to be available if they are collected within 120 days of the end of the fiscal year. Expenditures generally are recorded when the related fund liability is incurred, except for debt service expenditures, and long-term compensated absences, which are reported as expenditures in the year due.

Major revenues susceptible to accrual include billings on reimbursable type grants and awards where revenues are recognized when services are rendered or when reimbursable expenditures are incurred. Client fees are recorded at the net realizable amounts. Unearned program revenues arise when resources are received before there is a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when there is a legal claim to the resources, the liability for unearned program revenue is removed from the balance sheet and revenue is recognized.

When both restricted and unrestricted assets are available for use, it is LifePath's policy to use restricted resources first, then unrestricted resources as needed.

(e) Allocation of Indirect Expenses

LifePath allocates indirect expenses primarily comprised of administrative services to operating functions and programs benefitting from those services. Administrative services include overall management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocation methodologies.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(f) Fund Types and Major Funds

LifePath reports the following major governmental fund:

Governmental Fund

General Fund - reports as the primary operating fund of LifePath. This fund is used to account for all financial resources of the entity, except for those required to be accounted for in another fund.

Other Funds

Other Governmental Fund

Special Revenue Fund – reports activity of the LifePath Systems Foundation and accounts for revenue sources that are legally restricted to expenditure for that specific purpose.

Proprietary Fund

Internal Service Fund - reports the activities of management to charge the costs of capital assets such as buildings and vehicles to the General Fund.

Fiduciary Fund

Custodial Fund – A fiduciary fund type, includes assets held for clients of the Center. The fund is purely custodial and reports the changes in assets held on behalf of clients.

(g) Budget and Budgetary Accounting

LifePath's annual budget for the General Fund is prepared based on estimated expenditures provided on a unit basis summarized by program category. The budget is submitted to the Chief Executive Officer and the Board of Trustees. The budget must have the Board of Trustees' approval and that of the Texas Health and Human Services Commission (HHSC) for services related to intellectual and developmental disabilities services, behavioral health services, and early childhood services. The final budget is approved by HHSC, generally before the beginning of the new fiscal year.

The budget for the General Fund is prepared using the current financial resources measurement focus and the modified accrual basis of accounting, which is consistent with generally accepted accounting principles for the governmental fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(h) Cash and Investments

Outstanding cash and cash equivalents consist principally of interest bearing bank accounts with original maturities of three months or less from the date of acquisition.

Investments consist of investments in Texas Local Government Pool (“TexPool”). Authorized investments of TexPool include obligations of the United States of America or its agents, direct obligations of the State of Texas or its agencies, certificates of deposit, and repurchase agreements. Interest revenue on investments is recorded in the applicable operating fund. Investments are stated at fair value within the fair hierarchy established by generally accepted accounting principles. For investments in local government investment pools, the reported value of the pool is the same as the fair value of the pool shares.

Unrestricted and restricted cash and investments purchased by LifePath within three months of maturity are considered to be cash equivalents for purposes of the statement of cash flows.

(i) Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption which are valued at cost on a first-in, first-out basis. Prepaid expenses reflect payments to vendors that benefit future reporting periods. Inventory and Prepaid items are reported on the consumption basis. Once consumed, inventories and prepaid items are charged as expenditures.

Prepaid expenses are similarly reported in the government-wide and fund financial statements. Prepaid items are reflected as non-spendable fund balance in the governmental fund balance sheet, because these assets do not constitute available spendable resources even though they are components of current assets.

(j) Capital Assets, Depreciation, and Amortization

LifePath’s property, plant, equipment and vehicles with useful lives of more than one year are recorded at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty on the acquisition date. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

<u>Asset Type</u>	<u>Years</u>
Buildings and related improvements	15-40
Computer equipment	3-5
Vehicles	4
Furniture and fixtures	5-12

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(k) Long-Term Liabilities

In the government-wide financial statements, and proprietary fund statements, outstanding long-term liabilities, if any, are reported as liabilities. The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

(l) Deferred Inflows and Outflows of Resources

Deferred inflows of resources represent the acquisition of resources that apply to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred outflows of resources represent a consumption of resources that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time.

(m) Leave Policies

LifePath employees earn paid time off (PTO) as work is performed for LifePath. Progressive accrual of PTO is based on the number of years an individual is employed by LifePath. Employees can accumulate PTO up to a maximum of 31 days or 248 hours. Employees carryover unused PTO hours to the next fiscal year. Unused PTO hours are vested and paid to employees upon termination of employment at the current salary if the employee meets the following criteria: the employee must have a minimum of 5 years of full time employment with LifePath; must not be on probation; and must not be terminated from their position. If this criteria is met the employee will be paid up to 40 hours unused PTO for every 5 years of full time employment at a maximum of 160 hours. In accordance with Governmental Accounting Standards Board Statement 16, "*Accounting for Compensated Absences*", LifePath accrues its liability for such accumulated unpaid benefits. LifePath records its liability for compensated absences as an expense and liability in the government-wide and proprietary fund financial statements. In the governmental fund statements, compensated absences are reported as an expenditure and liability when the payments are due to be paid out of current resources.

(n) Net Position/Fund Balances

LifePath implemented GASB Statement 54 standards for the classification of fund balances in the governmental funds. The fund balances of governmental funds are defined as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form, such as inventory, prepaid items, or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(n) Net Position/Fund Balances (continued)

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees of LifePath. The Board of Trustees is the highest level of decision making authority for LifePath. Commitments may be established, modified, or rescinded only through a formal resolution of the Board of Trustees.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes that have been established by the Board of Trustees. At year-end, the Board has assigned fund balance for the purpose of constructing a new facility.

Unassigned - all other spendable amounts in the General Fund.

When both restricted and unrestricted resources are available for use, it is LifePath's policy to use restricted resources first, then unrestricted resources as needed. For expenditures of fund balance with alternative choices, committed funds are considered to have been spent first, then assigned, and then unassigned funds.

(o) Risk Management

LifePath is exposed to various risks of loss related to general liability; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; doctors' malpractice; and natural disasters. During fiscal year 2022, LifePath was covered by insurance for these various risks at a cost it considered to be economically justifiable.

LifePath maintains workers compensation, general and auto liability, directors' and officers' liability, and property insurance coverage through commercial insurance carriers. There was no significant reduction in insurance coverage from the prior year. The amount of settlements has not exceeded insurance coverage for any of the past three years. LifePath does not anticipate any additional assessments for insurance premiums as a result of activities during the year.

(p) Estimates

The preparation of financial statements in accordance with generally accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

(q) Tax-Exempt Status

Primary Government:

The Internal Revenue Service has issued a determination letter dated January 15, 2002, stating that LifePath qualifies as an organization described in Section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from federal income taxes. This determination letter further specifies that LifePath is not considered to be a private foundation as specified by Section 509(a)(1).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(q) Tax-Exempt Status (continued)

Component Unit (LifePath Systems Foundation):

The Internal Revenue Service has issued a determination letter dated March 13, 2012, stating that LifePath Systems Foundation qualifies as an organization described in Section 501(c)(3) of the Internal Revenue Code and accordingly, is exempt from federal income taxes. This determination letter further specifies that LifePath Systems Foundation is a public charity under Section 170(b)(1)(A)(vi).

(r) Due To/From Other Funds

Generally, outstanding balance between funds reported as “due to/from funds” include outstanding charges by one fund to another for services or other miscellaneous receivables/payables between funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are described as “due to/from other funds” (i.e. the current portion of inter-fund loans) or “advances to/from other funds” (i.e. the non-current portion of inter-fund loans).

The government-wide statement of net position eliminates receivables and payables between funds.

Interfund balances as of August 31, 2022 were as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 8,260	\$ 673,092
Other Governmental Fund		8,260
Internal Service Fund	<u>673,092</u>	
Total	<u>\$ 681,352</u>	<u>\$ 681,352</u>

The amounts between the general fund and the internal service fund exist primarily due to the user fees charged by the internal service fund and are not expected to be repaid within one year.

The amounts between the general fund and the other governmental fund exist primarily due to general operating expenditures and are not expected to be repaid within one year.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS:

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, LifePath's deposits may not be returned or LifePath will not be able to recover collateral securities in the possession of an outside party. LifePath's policy requires deposits to be fully secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health. Collateral agreements must be approved prior to deposit of funds. The Board of Trustees approves authorized depository institutions based on the recommendations of LifePath's management.

At August 31, 2022, deposits of LifePath were underinsured or under-collateralized with securities held by the pledging financial institution in the name of LifePath by \$211,311.

Investments

LifePath categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At August 31, 2022, LifePath held the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Days to Maturity</u>
Texas Local Government Investment Pool (TexPool)	\$ 15,503,620	AAAm	24
Total Investments	<u>\$ 15,503,620</u>		

(1) Ratings are provided where applicable to indicate associated **credit risk**.

(2) TexPool investments are not subject to the fair value hierarchy established by GAAP.

During the year, LifePath invested in Texas Local Government Investment Pool ("TexPool"). TexPool, a public funds investment pool created by the Treasurer of the State of Texas acting by and through the Texas Treasury Safekeeping Trust Company, is empowered to invest funds and act as custodian of investments purchased with local investment funds. Authorized investments of TexPool include obligations of the United States of America or its agencies, direct obligations of the State of Texas or its agencies, certificates of deposit, repurchase agreements.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued):

Investment Policies

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, LifePath's investing activities are managed under the custody of the Chief Financial Officer. Investing is performed in accordance with investment policies adopted by the Board of Trustees in compliance with state statutes. LifePath's investment policy and state statute generally permit LifePath to invest in certificates of deposit, fully collateralized repurchase agreements, public funds investment pools, obligations of the United States of America or its agencies, direct obligations of the State of Texas or its agencies, prime domestic bankers acceptances, commercial paper, SEC registered no-load money market mutual funds, other obligations which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, and obligations of states, agencies, countries, cities and other political subdivisions having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent. During the year ended August 31, 2022, LifePath did not own any types of securities other than those permitted by statute or its investment policy.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. LifePath's policy requires management to determine the appropriate average weighted value maturity of the portfolio based on anticipated cash flows. Maximum maturities of investments are limited to five years unless specific authority is granted by the Board.

3. ACCOUNTS RECEIVABLE:

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

<u>Due from other governments:</u>	
HHSC Mental Health Contracts	\$ 985,949
Medicaid Administrative Claiming	1,138,309
DPP	158,904
Collin County	460,231
TCOOMMI Programs	25,642
Substance Abuse Contracts	164,559
Early Childhood Services Contract	1,268,686
HHSC IDD Contracts	76,037
CCBHC	278,082
TANF	316,859
ICF Homes	118,503
Other	65,702
Receivables from other governments	\$ <u>5,057,463</u>
<u>Client fees receivable:</u>	
Medicaid, private insurance, private patient fees	1,418,749
Allowance for doubtful accounts	(451,696)
Accounts receivable, net	\$ <u>967,053</u>

4. CAPITAL ASSETS:

The following table provides a summary of changes in capital assets:

	September 1, 2021	Additions	Retirements	Transfers	August 31, 2022
<i>Governmental activities:</i>					
<i>Nondepreciable assets:</i>					
Land	\$ 1,412,454	\$ -	\$ -	\$ -	\$ 1,412,454
Construction in progress	30,800	13,223		(30,800)	13,223
Total nondepreciable assets	1,443,254	13,223	-	(30,800)	1,425,677
<i>Depreciable/amortizable assets</i>					
Buildings and improvements	20,520,949	12,537	(64,462)	30,800	20,499,824
Leasehold improvements	25,926	66,995			92,921
Furniture and equipment	4,957,194	30,742	(570,638)		4,417,298
Vehicles	1,079,832	81,265	(20,646)		1,140,451
Right of use - Buildings*	287,199	1,441,450			1,728,649
Total depreciable/amortizable assets	26,871,100	1,632,989	(655,746)	30,800	27,879,143
<i>Accumulated depreciation/amortization:</i>					
Less accumulated depreciation	(8,459,302)	(1,147,450)	642,100		(8,964,652)
Less accumulated amortization*		(516,567)			(516,567)
Total depreciation/amortization	(8,459,302)	(1,664,017)	642,100		(9,481,219)
Capital assets, net	\$ 19,855,052	\$ (17,805)	\$ (13,646)	\$ -	\$ 19,823,601

Gross amount of leased assets above \$1,728,649; less accumulated amortization \$516,567; net book value \$1,212,082.

*Beginning balances and current year activity reflected in accordance with adoption of GASB 87

Depreciation and amortization was charged to functions as follows:

Governmental Activities:	Depreciation	Amortization	Total
Intellectual and Developmental Disabilities programs	\$ 73,846	\$ 1,572	\$ 75,418
Behavioral Health programs	456,878	289,395	746,273
Early Childhood Intervention program	73,210	76,216	149,426
Administration	543,516	149,384	692,900
Total depreciation and amortization expense	<u>\$ 1,147,450</u>	<u>\$ 516,567</u>	<u>\$ 1,664,017</u>

5. LONG-TERM LIABILITIES:

Long-term debt:

Direct borrowing: On March 30, 2018, LifePath secured a Revenue Anticipation Note, Series 2018 with JPMorgan Chase Bank to finance construction improvements and renovations to a building owned by LifePath. The principal amount of the note was \$1,500,000. The note calls for monthly payments of principal and interest in the total amount of \$20,575 until maturity on April 1, 2025. The interest rate is 4.10%. The note is secured by a lien on and pledge of all legally available revenues, deposit accounts, and funds of LifePath.

5. LONG-TERM LIABILITIES (continued):

The Center has entered into lease agreements for real estate with total combined monthly payments ranging from \$55,737 to \$1,248 per month over the next three fiscal years, with an estimated incremental borrowing rate of 4.0%. Terms of existing agreements expire on various dates over the next three fiscal years.

Following is a summary of changes in long-term liabilities for the year ended August 31, 2022:

	Balance Beginning of Year	Additions	Retirements	Balance End of Year	Due Within One Year
<i>Governmental activities</i>					
<i>Direct Borrowing:</i>					
Note payable, Series 2018	\$ 821,488	\$ -	\$ 217,267	\$ 604,221	\$ 226,345
Lease Obligations - Buildings*	287,709	1,441,450	424,346	1,304,813	589,630
<i>Other:</i>					
Compensated absences	256,795	2,825,931	2,844,124	238,602	238,602
Total Long-term obligations	\$ 1,365,992	\$ 4,267,381	\$ 3,485,737	\$ 2,147,636	\$ 1,054,577

*Beginning balances and current year activity reflected in accordance with adoption of GASB 87

Interest expense recorded in governmental activities was \$69,999. No interest has been capitalized in the financial statements.

Future debt service requirements for the note payable and lease obligations are as follows:

Year Ending	Direct Borrowing		Total Required
	Principal	Interest	
2023	\$ 815,975	\$ 61,479	877,454
2024	744,305	30,469	774,774
2025	348,754	4,024	352,778
2026	-	-	-
2027	-	-	-
	\$ 1,909,034	\$ 95,972	\$ 2,005,006

6. RETIREMENT PLAN:

LifePath maintains a 401(a) defined contribution pre-tax retirement plan for the benefit of eligible employees and their beneficiaries. The name of the plan is the LifePath Systems Retirement Plan. LifePath contributes to the plan 5% of each covered employee's compensated each year. These contributions are used to purchase mutual funds and/or annuity contracts on behalf of eligible LifePath employees. Eligible employees are full-time employees of LifePath who have completed 6 months of service and are over the age of 18 years. Forfeitures remain in the plan to pay expenses and reduce future employer contributions to the plan.

6. RETIREMENT PLAN (continued):

Employees vest in LifePath’s contributions to the plan on their behalf over a five year period as follows:

<u>Years of Service</u>	<u>Vesting Schedule</u>	<u>Percentage</u>
2		25%
3		50%
4		75%
5		100%

The required contribution by LifePath for the year was \$917,337 and the actual LifePath contribution was \$917,337, none of which was funded by employee forfeitures of non-vested amounts. The year-end contribution of \$45,732 was due to the plan on August 31.

7. DEFERRED COMPENSATION PLANS:

LifePath offers its employees a deferred compensation plan (the “Plan”) consistent with Internal Revenue Code Section 457(a). Vesting in the Plan is immediate with plan assets held in trust until the employee terminates employment, retires, or experiences an unforeseeable emergency. Employees may contribute voluntarily to the Plan in amounts not to exceed limits established by the Internal Revenue Service. Employee contributions were \$411,721.

LifePath offers its employees a deferred Compensation Plan (the “Plan”) consistent with Internal Revenue Code Section 403(b). Vesting in the Plan is immediate with plan assets held in trust until the employee terminates employment, retires, or experiences an unforeseeable emergency. Employees may contribute voluntarily to the Plan in amounts not to exceed limits established by the Internal Revenue Service. Employee contributions were \$88,459.

8. COMMITMENTS AND CONTINGENCIES:

During the year ended August 31, 2022, the Center has been impacted by the effects of the world-wide coronavirus pandemic. The Center continues to closely monitor its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Center's financial position is not known.

LifePath is involved in litigation arising in the ordinary course of business. It is management’s belief that any liability resulting from such litigation would not be material in relation to LifePath’s financial position.

LifePath has participated in a number of State and Federal grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives and regulatory authorities. The purpose of the audits is to ensure compliance with conditions relating to the granting of funds and other reimbursement regulations. Management believes that any liability for reimbursement arising as the result of these audits is not believed to be material to the financial position of LifePath.

9. ECONOMIC DEPENDENCE:

LifePath receives a substantial portion of its revenues in the form of annual performance contracts with the Texas Health and Human Services Commission (HHSC) for services relating to intellectual and developmental disabilities, mental health services and early childhood intervention services. LifePath is economically dependent on the continuation of these contracts. At August 31, 2022, these contracts have been continued through August 31, 2023.

10. PHARMACY PROGRAMS:

LifePath participates in a patient pharmacy assistance program (PAP) in order to decrease medication costs incurred by LifePath and its consumers. Under this program, LifePath receives pharmaceuticals at no charge on behalf of consumers and dispenses these items to consumers in accordance with service provider instructions. This program does not meet the criteria established by generally accepted accounting principles for recording in the financial statements, however, the cost savings achieved by these programs are significant to LifePath Center management estimates the value of pharmacy items distributed under this program was \$5,214,611 for the year.

11. IMPLEMENTATION OF NEW STANDARDS:

Effective September 1, 2021, the Center adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. The objective of this statement is to improve the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires the recognition of certain lease assets and liabilities that were previously classified as operating leases. It established a single model for lease accounting based on the fundamental principle that leases represent a financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about a governments' leasing activities. The adoption of GASB 87 did not require any restatement of opening equity for the Center.

12. MEDICAID COST REPORT RECONCILIATION - DPP PROGRAM

In FY 2022, Community Centers statewide began participation in a Medicaid 1115 waiver program identified as the Direct Payment Program (DPP). As a part of the DPP program, Centers file a cost report based on the cost of the program and the services provided. The Center's cost report will be considered as a part of a statewide reconciliation process for the cost of DPP services. The cost report reconciliation will result in a settlement of an amount due to the Center or an amount due back to the program. The results of the final reconciliation will not be known for several months after the report date. Due to the uncertainty associated with this amount, no provision has been made in the financial statements for any settlement.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Budgetary Comparison Schedule - General Fund
For the Year Ending August 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
LOCAL REVENUES AND EARNED SOURCES:				
City and County funds	\$ 2,467,186	\$ 2,931,664	\$ 2,908,331	\$ (23,333)
Patient fees, net	1,263,193	1,263,193	1,683,600	420,407
Medicaid and Medicare	7,292,150	7,292,150	5,764,719	(1,527,431)
Title XIX - HCS	1,491,141	1,491,141	1,343,875	(147,266)
Title XIX - TxHLW	388,172	388,172	357,930	(30,242)
Title XIX - ICF/IDD	528,122	528,122	627,017	98,895
1115 waiver	113,500	113,500	7,039,846	6,926,346
Other revenues	809,377	824,627	816,945	(7,682)
Total local revenues and earned sources	14,352,841	14,832,569	20,542,263	5,709,694
STATE PROGRAM REVENUES:				
General revenue	17,135,994	17,135,994	16,702,362	(433,632)
Mental Health First Aid	124,050	124,050	35,000	(89,050)
Early Childhood Intervention - state portion	2,162,304	2,162,304	2,162,304	-
Substance Abuse programs - state portion	316,491	316,491	316,491	-
TCOOMMI	116,246	116,246	104,848	(11,398)
Mental Health Grant for Justice-Involved Individuals	512,928	512,927	570,199	57,272
Texas Rehabilitation Commission	442,830	442,830	395,773	(47,057)
Total state program revenues	20,810,843	20,810,842	20,286,977	(523,865)
FEDERAL PROGRAM REVENUES:				
Mental Health Block Grant	1,605,634	2,490,716	2,382,777	(107,939)
Temporary Assistance to Needy Families	867,554	867,554	1,401,297	533,743
Social Services Block Grant	131,058	131,058	131,058	-
Early Childhood Intervention	2,961,744	2,961,744	2,977,356	15,612
Substance Use Disorders	2,423,086	2,423,086	2,099,173	(323,913)
Money Follows the Person	24,938	68,580	95,257	26,677
System of Care	40,000	40,000	57,695	17,695
Coordinated Specialty Care	270,000	270,000	257,217	(12,783)
SAMHSA - CCBHC Grant	1,818,016	4,334,683	3,135,613	(1,199,070)
Medicaid Administrative Claiming	1,265,617	1,235,617	1,305,590	69,973
Total federal program revenues	11,407,647	14,823,038	13,843,033	(980,005)
Interest income	180	180	64,029	63,849
TOTAL REVENUES	\$ 46,571,511	\$ 50,466,629	\$ 54,736,302	\$ 4,269,673

**Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Budgetary Comparison Schedule - General Fund
For the Year Ending August 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Salaries	\$ 26,514,344	\$ 28,045,910	\$ 24,661,443	\$ 3,384,467
Employee benefits	6,554,556	7,068,609	5,945,314	1,123,295
Contracted services	8,517,619	8,984,498	8,743,829	240,669
Legal and professional services	85,000	85,000	59,925	25,075
Building and equipment rents	177,143	721,211	55,880	665,331
Maintenance	1,090,415	1,283,887	1,182,795	101,092
Insurance	217,676	267,114	247,614	19,500
Vehicle fuel and maintenance	88,276	93,276	102,493	(9,217)
Utilities and telephone	650,824	736,889	709,344	27,545
County support program	70,000	120,304	79,527	40,777
Quality assurance fees	22,000	22,000	30,569	(8,569)
Consumer related costs	462,087	808,176	992,250	(184,074)
Staff travel and training	187,289	230,511	354,631	(124,120)
User fees	1,026,009	1,133,581	1,334,648	(201,067)
Other costs	666,245	617,087	386,363	230,724
Total current	46,329,483	50,218,053	44,886,625	5,331,428
Capital outlay	556,657	558,707	-	558,707
Debt service:				
Principal	-	-	217,269	(217,269)
Interest	39,768	39,768	29,628	10,140
Total expenditures	46,925,908	50,816,528	45,133,522	5,683,006
Excess (deficiency) of revenues over (under) expenditures	(354,397)	(349,899)	9,602,780	9,952,679
Other financing sources (uses)				
None	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(354,397)	(349,899)	9,602,780	9,952,679
Fund balance - Beginning of Year	41,082,576	41,082,576	41,082,576	-
Fund balance - End of Year	\$ 40,728,179	\$ 40,732,677	\$ 50,685,356	\$ 9,952,679

SUPPLEMENTARY SCHEDULES

(UNAUDITED)

DBA LIFEPATH SYSTEMS

**SCHEDULE OF REVENUE AND EXPENDITURES BY SOURCE OF FUNDS
GENERAL FUND
YEAR ENDED AUGUST 31, 2022
(UNAUDITED)**

<u>Fund Source</u>	<u>Total Revenue</u>	<u>Total Mental Health Adult Expenditures</u>	<u>Total Mental Health Child and Adolescent Expenditures</u>	<u>Total Mental Health Crisis Expenditures</u>	<u>Total Mental Health Community Hospital Expenditures</u>	<u>Total Intellectual and Developmental Disabilities Expenditures</u>	<u>Total Other Expenditures</u>	<u>Total Center Expenditures</u>	<u>Excess Revenue Over Expenditures</u>
Objects of Expense:									
Personnel	\$ 22,310,980	\$ 4,429,522	\$ 2,621,410	\$ 2,000,429	\$ -	\$ 2,655,002	\$ 10,604,617	\$ 22,310,980	\$ -
Employee benefits	5,407,300	1,058,270	628,060	477,928	-	749,928	2,493,114	5,407,300	-
Professional and Consulting Services	7,760,370	782,524	185,007	353,398	2,545,602	1,101,166	2,792,673	7,760,370	-
Training and Travel	389,008	39,992	33,343	18,061	-	25,072	272,540	389,008	-
Debt Service	-	-	-	-	-	-	-	-	-
Capital Outlay	695,059	216,526	79,670	97,786	-	102,277	198,800	695,059	-
Non-Capitalized Equipment	561,355	129,627	61,693	58,541	-	59,493	252,001	561,355	-
Pharmaceutical Expense	816,302	802,731	13,571	-	-	-	-	816,302	-
Pharmaceutical Expense (PAP only)	5,214,611	5,214,611	-	-	-	-	-	5,214,611	-
Other Operating Expenses	3,297,116	383,403	228,005	173,815	-	475,848	2,036,045	3,297,116	-
General administration	3,888,114	431,884	369,099	305,880	244,862	464,783	1,793,924	3,610,432	277,682
Authority administration	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 50,340,215	\$ 13,734,370	\$ 4,219,858	\$ 3,485,838	\$ 2,790,464	\$ 5,665,971	\$ 20,443,714	\$ 50,062,533	\$ 277,682
Method of Finance:									
General Revenue - DSHS	\$ 15,371,147	\$ 10,652,519	\$ 2,119,506	\$ 2,599,122	\$ -	\$ -	\$ -	\$ 15,329,748	\$ 41,399
Other General Revenue - DSHS	4,864,984	-	-	2,546,267	1,859,670	-	255,166	4,661,103	203,881
Other General Revenue - DSHS (included in other federal on Report III)	74,814	-	-	-	-	74,814	-	74,814	-
General Revenue - DADS	1,171,642	-	-	-	-	1,171,642	-	1,139,240	32,402
Permanency Planning - DADS	12,365	-	-	-	-	12,365	-	12,365	-
Behavioral Crisis Respite In/Out of Home	220,450	-	-	-	-	220,450	-	220,450	-
Crisis and Behavioral Supports	216,607	-	-	-	-	216,607	-	216,607	-
HCS	1,343,875	-	-	-	-	1,343,875	-	1,343,875	-
ICF - IDD	496,683	-	-	-	-	496,683	-	496,683	-
TXHmL Waiver	321,211	-	-	-	-	321,211	-	321,211	-
Title XX Social Services Block Grant	131,058	131,058	-	-	-	-	-	131,058	-
Mental Health Block Grant	882,302	-	882,302	-	-	-	-	882,302	-
TANF	867,554	-	867,554	-	-	-	-	867,554	-
Other Federal Funds	13,799,669	1,204,797	-	-	-	765,569	11,829,303	13,799,669	-
Other State Agencies	8,032,247	-	-	-	-	-	8,032,247	8,032,247	-
Required local match	1,424,215	970,522	348,245	-	-	105,448	-	1,424,215	-
Additional local funds	1,109,392	775,540	2,287	(972,924)	40,339	937,336	326,814	1,109,392	-
Total Expended Sources	\$ 50,340,215	\$ 13,734,436	\$ 4,219,894	\$ 4,172,465	\$ 1,900,009	\$ 5,666,000	\$ 20,443,530	\$ 50,062,533	\$ 277,682
						Revenues	Expenditures	Net Results	
Per Care Report III						\$ 50,340,215	\$ 50,062,533	\$ 277,682	
Unallowable costs							11,813	(11,813)	
PAP						(5,214,611)	(5,214,611)	-	
Proceeds from sale of assets									
Other local funds						9,610,698		9,610,698	
Transfers							273,787	(273,787)	
Reconciled to Revenue/Expenditures reported in the General Fund						\$ 54,736,302	\$ 45,133,522	\$ 9,602,780	

**COLLIN COUNTY MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPATH SYSTEMS**

**SCHEDULE OF INDIRECT COSTS
YEAR ENDED AUGUST 31, 2022
(UNAUDITED)**

The first presentation (below) is in accordance with DADS methodology and THHSC 21st revision of the Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers (including Authority Administration in Indirect Costs):

	<u>Total Costs</u>	<u>Non- Allowable Costs</u>	<u>Depreciation</u>	<u>Total Adjusted Costs</u>	<u>Indirect Costs</u>	<u>Direct Costs</u>
Personnel	\$ 24,661,443	\$ -	\$ -	\$ 24,661,443	2,369,992	\$ 22,291,451
Fringe benefits	5,945,314	-	-	5,945,314	515,942	5,429,372
Capital outlay	-	-	-	-	-	-
Depreciation	-	-	1,151,450	1,151,450	83,269	1,068,181
Building and vehicle use fees	691,617	(691,617)	-	-	-	-
Other operating expense	13,617,879	-	-	13,617,879	506,900	13,110,979
Debt service expenditures	217,269	(208,555)	-	8,714	29,628	(20,914)
Total Expenditures	<u>\$ 45,133,522</u>	<u>\$ (900,172)</u>	<u>\$ 1,151,450</u>	<u>\$ 45,384,800</u>	<u>\$ 3,505,731</u>	<u>\$ 41,879,069</u>

Indirect Costs	\$ 3,505,731
Direct Costs	<u>\$ 41,879,069</u>

Indirect Cost Rate 8.37%

The second presentation (below) is in accordance with DARS - ECI methodology (excluding Authority Administration from Indirect Costs):

	<u>Total Costs</u>	<u>Non- Allowable Costs</u>	<u>Depreciation</u>	<u>Total Adjusted Costs</u>	<u>Indirect Costs</u>	<u>Direct Costs</u>
Personnel	\$ 24,661,443	\$ -	\$ -	\$ 24,661,443	\$ 2,369,992	\$ 22,291,451
Fringe benefits	5,945,314	-	-	5,945,314	515,942	5,429,372
Capital outlay	-	-	-	-	-	-
Depreciation	-	-	1,151,450	1,151,450	83,269	1,068,181
Building and vehicle use fees	691,617	(691,617)	-	-	-	-
Other operating expense	13,617,879	-	-	13,617,879	506,900	13,110,979
Debt service expenditures	217,269	(208,555)	-	8,714	29,628	(20,914)
Total Expenditures	<u>\$ 45,133,522</u>	<u>\$ (900,172)</u>	<u>\$ 1,151,450</u>	<u>\$ 45,384,800</u>	<u>\$ 3,505,731</u>	<u>\$ 41,879,069</u>

Indirect Costs	\$ 3,505,731
Direct Costs	<u>\$ 41,879,069</u>

Indirect Cost Rate 8.37%

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS**

SCHEDULE OF LEASES IN EFFECT

**YEAR ENDED AUGUST 31, 2022
(UNAUDITED)**

Lessor	Property Location	Period of Lease	Monthly Rental
Benbrook Ridge Partners c/o Premium Property Man 115 w. 7th. St. Ste. 1303 Fort Worth, TX 76102	ECI Rockwall 1149 Ridge Road Rockwall, TX 75087	5/1/2020 thru 4/30/2023	\$2,942
De Nada Plano Group, LLC %Henry S Miller Realty Mgmt 5151 Beltline Rd Ste 900 Dallas, TX 75254	ECI Plano 5509 Pleasant Valley Ste. 40 Plano, TX 75023	03/01/2020 thru 04/30/2023	\$3,413
Aberfeldy Properties, Inc. c/o Younger Partners 14643 Dallas Pkwy, Suite 950	ECI Sherman 2001 Loy Lake Rd, Ste N. Sherman, TX 75090	09/01/2018 thru 09/30/2024	\$1,248
R&W SPE, LLC P.O. Box 3186 Midland, TX 79702	ECI Frisco 8200 Stonebrook Ste. 208 Frisco TX 75034	04/01/2020 thru 03/31/2023	\$2,500
1st Life Planning Parents & Partners 2848 Woodway Drive Flower Mound, TX 75028	HCS - Group Home 1717 Spanish Trail Plano, TX 75023	7/1/2018 thru 6/30/2023	\$1,560
1st Life Planning Parents & Partners 2848 Woodway Drive Flower Mound, TX 75028	HCS - Group Home 3508 Piedmont Drive Plano TX 75075	9/1/18 thru 8/31/2023	\$1,860
Redbud Offices LLC 2012 W. University Dr McKinney, TX 75071	1450 Redbud Dr McKinney, TX 75069	1/1/2022 thru 12/31/2024	\$25,000
JPJM Lavon LP 4001 Quail Ridge Dr McKinney, TX 75072	1575 Heritage suite 100/101	12/1/2021 thru 3/31/2025	\$17,215

**COLLIN COUNTY
 MENTAL HEALTH MENTAL RETARDATION CENTER
 DBA LIFEPATH SYSTEMS**

SCHEDULE OF INSURANCE IN FORCE

**YEAR ENDED AUGUST 31, 2022
 (UNAUDITED)**

Insurer	Policy Period	Coverage	Limits or Amounts
Texas Council Risk Management Fund	9/1/21 to 9/1/22	Commercial Package:	
		Blanket Building, BPP, PPO	\$22,094,847
		General Liability:	
		General Aggregate limit	1,000,000
		Products completed operations limit	1,000,000
		Deductible \$1,000	
		Commercial Crime	
		Employee Theft:	500,000
		False Pretenses	50,000
		Professional Liability:	
		Aggregate limit	3,000,000
		Each professional incident	1,000,000
		Employee Benefits Coverage:	
		Aggregate limit	1,000,000
Each coverage incident	1,000,000		
Sexual Misconduct			
Each coverage incident	100,000		
Commercial Auto Coverage:			
Liability Single Limit	1,000,000		

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPATH SYSTEMS**

SCHEDULE OF INSURANCE IN FORCE

**YEAR ENDED AUGUST 31, 2022
(UNAUDITED)**

Insurer	Policy Period	Coverage	Limits or Amounts
Texas Council Risk Management Fund	9/1/21 to 9/1/22	Comprehensive Coverage: Lessor of ACV or cost of repair \$1,000 deductible	
		Collision Coverage: Lessor of ACV or cost of repair \$1,000 deductible	
	9/1/21 to 9/1/22	Commercial Umbrella Liability: General Aggregate Limit	\$ 1,000,000
		Each occurrence limit	1,000,000
	9/1/21 to 9/1/22	Directors and Officers Liability: Aggregate limit of liability	2,000,000
		Employment Practices Limit	2,000,000
Texas Mutual Insurance	9/1/21 to 9/1/22	Workers Compensation and Employers' Liability:	1,000,000
		Bodily injury by accident/ each accident	
		Bodily injury by disease/ each employee	
		Policy limit	2,000,000
American Bankers Insurance Company	1/14/21 to 1/14/22	Flood Insurance (Alma Dr.) Building Coverage	500,000
		\$5,000 deductible	
		Contents coverage	70,400
		\$5,000 deductible	
Travelers	7/22/21 to 7/22/22	CyberRisk:	
		Network & Information Each occurrence limit	1,000,000
		Communications & Media Each occurrence limit	1,000,000
		Regulatory Defense Each occurrence limit	1,000,000

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS**

SCHEDULE OF BOND COVERAGE

**YEAR ENDED AUGUST 31, 2022
(UNAUDITED)**

<u>Name</u>	<u>Title</u>	<u>Surety Company</u>	<u>Bond Amount</u>
Philadelphia Insurance Companies	N/A	Commercial Crime Employee Dishonesty: \$5,000 deductible	\$ 500,000

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS**

SCHEDULE OF SPACE OCCUPIED IN A STATE-OWNED FACILITY

**YEAR ENDED AUGUST 31, 2022
(UNAUDITED)**

NONE

**COLLIN COUNTY
 MENTAL HEALTH MENTAL RETARDATION CENTER
 DBA LIFEPAATH SYSTEMS**

SCHEDULE OF PROFESSIONAL AND CONSULTING FEES

**YEAR ENDED AUGUST 31, 2022
 (UNAUDITED)**

Name	City	Type of Service	Amount
BBG Inc	Dallas, TX	Building Appraiser	\$ 10,500
BlackBaud	Plano, TX	Software	22,744
Cobblestone	Lindenwold, NJ	Software	46,460
CPM Construction	Farmersville, TX	Building Contractor	134,678
David Berk	McKinney, TX	IT Consulting	638
Jaimie Anderson-Hoyt	Gretna, NE	Grant Specialist	2,655
Mystrength (Livongo Health)	Denver, CO	MH Software App	20,907
Rawls Carver	McKinney, TX	Architectural Services	2,485
Relias	Chicago, IL	Software	62,278
Scott, Singleton, Fincher & Company, PC	Greenville, TX	CPA, Accounting/Auditing Services	39,000

**COLLIN COUNTY
MENTAL HEALTH MENTAL RETARDATION CENTER
DBA LIFEPAATH SYSTEMS**

SCHEDULE OF LEGAL SERVICES

**YEAR ENDED AUGUST 31, 2022
(UNAUDITED)**

<u>Name</u>	<u>City</u>	<u>Type of Service</u>	<u>Amount</u>
Taylor. Olson, Adkins, Sralla & Elam LLP	Fort Worth, Texas	Legal Services	\$ 19,741.48
Lewis Brisbois Biggaard & Smith. LLP	Dallas. Texas	Legal Services	\$ 1,183.78

**COMPLIANCE AND
INTERNAL CONTROLS SECTION**

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

Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
Collin County Mental Health Mental Retardation Center dba LifePath Systems

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Collin County Mental Health Mental Retardation Center dba LifePath Systems (LifePath), as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise LifePath's basic financial statements and have issued our report thereon dated January 26, 2023.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Scott, Singleton, Fincher and Company, PC

Scott, Singleton, Fincher and Company, PC
Certified Public Accountants
Greenville, Texas
January 26, 2023

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

Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and Texas Grant Management Standards

The Board of Trustees
Collin County Mental Health Mental Retardation Center dba LifePath Systems

Opinion on Each Major Federal and State Program

We have audited Collin County Mental Health Mental Retardation Center dba LifePath Systems' (LifePath) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, Texas Grant Management Standards (TxGMS), and the *Guidelines for Annual Financial and Compliance Audits of Community Mental Health and Mental Retardation Centers* that could have a direct and material effect on each of LifePath's major federal and state programs for the year ended August 31, 2022. LifePath's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Collin County Mental Health Mental Retardation Center dba LifePath Systems complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, TxGMS, and the Texas Health and Human Services Commission's *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*. Accordingly, this report is not suitable for any other purpose.

Scott, Singleton, Fincher and Company, PC

Scott, Singleton, Fincher and Company, PC
Certified Public Accountants
Greenville, Texas
January 26, 2023

Collin County Mental Health Mental Retardation Center dba LifePath Systems
Schedule of Findings and Questioned Costs
Year Ended August 31, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP (unmodified, qualified, adverse or disclaimer):

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 yes x no

Significant deficiency(ies) identified?

 yes x none reported

Noncompliance material to financial statements noted?

 yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

 yes x no

Significant deficiency(ies) identified?

 yes x none reported

Type of auditor’s report issued on compliance for major federal programs (unmodified, qualified, adverse or disclaimer):

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 yes x no

State Awards

Internal control over major programs:

Material weakness(es) identified?

 yes x no

Significant deficiency(ies) identified?

 yes x none reported

Type of auditor’s report issued on compliance for major state programs (unmodified, qualified, adverse or disclaimer):

Unmodified

Any audit findings disclosed that are required to be reported in accordance Texas Grant Management Standards?

 yes x no

**Collin County Mental Health Mental Retardation Center dba LifePath Systems
Schedule of Findings and Questioned Costs (continued)
Year Ended August 31, 2022**

Identification of major federal programs:

<u>ALN/CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.558	Temporary Assistance for Needy Families originating with the U.S. Department of Health and Human Services and passed through the Texas Health and Human Services Commission.
84.181	Special Education -Grants for Infants and Families originating with the U.S. Department of Education and passed through the Texas Health and Human Services Commission.
84.027	Special Education -Grants to States originating with the U.S. Department of Education and passed through the Texas Health and Human Services Commission.

Dollar threshold used to distinguish between Type A and Type B state programs: \$750,000

Auditee qualified as low-risk auditee? x yes no

Identification of major state programs:

<u>ALN/CFDA Number(s)</u>	<u>Name of State Program or Cluster</u>
N/A	State General Revenue – Mental Health (Behavioral Health) Adult Services passed through the Texas Health and Human Services Commission
N/A	State General Revenue – Intellectual and Developmental Disabilities Services passed through the Texas Health and Human Services Commission
N/A	State General Revenue – Early Childhood Intervention passed through the Texas Health and Human Services Commission
N/A	State General Revenue – Mental Health Grant Program for Justice-Involved Individuals passed through the Texas Health and Human Services Commission

Dollar threshold used to distinguish between Type A and Type B state programs: \$750,000

Auditee qualified as low-risk auditee? x yes no

Section II – Financial Statement Findings

This section should identify the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

No findings were noted.

Collin County Mental Health Mental Retardation Center dba LifePath Systems
Schedule of Findings and Questioned Costs (continued)
Year Ended August 31, 2022

Section III – Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by 2 CFR 200.516(a) (for example, significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and material abuse).

No findings were noted.

Section IV – State Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by Texas Grant Management Standards, Part IV (for example, significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and material abuse).

No findings were noted.



**Collin County Mental Health Mental Retardation Center dba LifePath Systems
Summary Schedule of Prior Audit Findings
For the Year Ended August 31, 2022**

The summary schedule of prior audit findings reports the status of all audit findings included in the prior audit's schedule of findings and questioned costs. The summary schedule also includes audit findings reported in the prior audit's summary schedule of prior auditing findings except audit findings listed as corrected in accordance with 2 CFR 200.511(b)(1), or no longer valid or not warranting further action in accordance with paragraph 2 CFR 200.511(b)(3). The summary schedule also includes audit findings reported in the prior audit's summary schedule of prior auditing findings except audit findings listed as corrected in accordance with Texas Grant Management Standards or are no longer valid or not warranting further action in accordance with these requirements.

No uncorrected findings from 2020 or 2021.

**SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS**

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Schedule of Expenditures of Federal and State Awards
For the Year Ending August 31, 2022

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal ALN/CFDA Number	Pass-Through Grantor's Number	Total Center Expenditures	Total Subrecipient Expenditures
FEDERAL AWARDS				
U.S. Department of Health and Human Services:				
Direct Award				
COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93 498	Direct Award	\$ 343,608	
COVID-19 - Block Grants for Community Mental Health Services (Project Recovery)	93 958	Direct Award	1,262,297	
Developmental Disabilities Projects of National Significance	93 631	Direct Award	155,219	
Section 223 Demonstration Programs to Improve Community Mental Health Services	93 829	Direct Award	1,718,097	
Total Direct Awards			3,479,221	
Passed Through the Texas Health and Human Services Commission (HHSC)				
Comprehensive Community Mental Health Services for				
Children with Serious Emotional Disturbances (SED)	93 104	HHS000360300001	57,695	
Temporary Assistance for Needy Families	93 558	HHS001022200014	867,554	
Temporary Assistance for Needy Families	93 558	HHS000640200006	249,638	
COVID-19 - Temporary Assistance for Needy Families (TANF PFAF)	93 558	HHS001120200041	533,743	
Social Services Block Grant	93 667	HHS001022200014	131,058	
Medicaid Administrative Claiming - Medical Assistance Program	93 778	HHS000537900306	1,046,069	
Medicaid Administrative Claiming - Medical Assistance Program	93 778	HHS000537900306	158,728	
Habilitation Coordination - Medical Assistance Program	93 778	HHS000996500001	100,792	
Opioid State Targeted Response (STR)	93 788	HHS000782500009 SA/OSR	65,000	
Opioid State Targeted Response (STR)	93 788	HHS000562000001 SA/OBT	196,077	
Money Follows the Person Rebalancing Demonstration	93 791	HHS000996500001	74,381	
Money Follows the Person Rebalancing Demonstration	93 791	HHS001113900001	20,876	
Block Grants for Community Mental Health Services	93 958	HHS001022200014 (1)	1,208,928	
COVID-19 - Block Grants for Community Mental Health Services (CSC)	93 958	HHS000312800001	28,067	
Block Grants for Community Mental Health Services	93 958	HHS000312800001	439,658	
Block Grants for Community Mental Health Services	93 958	HHS000134400009	88,487	
COVID-19 - Block Grants for Community Mental Health Services (MH/COVID)	93 958	HHS001108400013	874,854	
Block Grants for Prevention and Treatment of Substance Abuse	93 959	HHS000779800013 SA/TRA-LBHA	621,999	488,793
Block Grants for Prevention and Treatment of Substance Abuse	93 959	HHS000779800012 SA/MAT	772,632	772,632
Block Grants for Prevention and Treatment of Substance Abuse	93 959	HHS000782500009 SA/OSR	247,335	
Block Grants for Prevention and Treatment of Substance Abuse	93 959	HHS000779800015 SA/AUT	127,601	
Block Grants for Prevention and Treatment of Substance Abuse	93 959	HHS000779800014 SA/RSS-CBG	68,530	
Total Passed Through HHSC:			\$ 7,979,702	\$ 1,261,425
Total U.S. Department of Health and Human Services				
			\$ 11,458,923	\$ 1,261,425
U.S. Department of Education:				
Passed Through the Texas Health and Human Services Commission (HHSC):				
Special Education - Grants for Infants and Families	84 181	HHS000640200006	2,375,025	
Special Education - Grants to States	84 027	HHS000640200006	335,344	
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84 325	HHS000640200006	17,349	
Total U.S. Department of Education			2,727,718	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 14,186,641	\$ 1,261,425

(1) Received \$1,246,061, expended \$1,208,928

Total ALN/CFDA 93 558 - \$1,650,935
Total ALN/CFDA 93 778 - \$1,305,589
Total ALN/CFDA 93 788 - \$261,077
Total ALN/CFDA 93 791 - \$95,257
Total ALN/CFDA 93 958 - \$3,902,291
Total ALN/CFDA 93 959 - \$1,838,097

Collin County Mental Health Mental Retardation Center
DBA Lifepath Systems
Schedule of Expenditures of Federal and State Awards
For the Year Ending August 31, 2022

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Grantor's Number	Total Center Expenditures	Total Subrecipient Expenditures
STATE AWARDS			
Texas Health and Human Services Commission (HHSC):			
General Revenue - Mental Health Adult	HHIS001022200014	\$ 7,626,444	\$ -
Crisis Redesign Services	HHIS001022200014	2,158,461	
Psychiatric Emergency Service Center (PESC)	HHIS001022200014	273,161	
Supportive Housing	HHIS001022200014	62,078	
Veterans Programs	HHIS001022200014	(1) 64,401	
Private Psychiatric Beds	HHIS001022200014	(2) 2,750,148	
Post Discharge Civil Commits Med	HHIS001022200014	17,381	
Total General Revenue Mental Health Adult		12,952,074	
General Revenue - Intellectual and Developmental Disabilities (IDD)	HHIS000996500001	1,171,640	
Permanency Planning	HHIS000996500001	12,365	
IDD Crisis Intervention Specialists	HHIS000996500001	(3) 203,015	
IDD Crisis Respite Services	HHIS000996500001	220,450	
Nursing Facility Specialized Services Form 1048	HHIS000996500001	62,970	
Total General Revenue Intellectual and Developmental Disabilities (IDD)		1,670,440	
General Revenue - Mental Health Child	HHIS001022200014	2,079,848	
Mental Health First Aid	HHIS000134400009	35,000	
Mental Health Grant Program for Justice-Involved Individuals (SB 292)	HHIS000134400009	570,199	
Substance Abuse general revenue - SA/TRA-LBHA	HHIS000779800013	89,079	65,854
Substance Abuse general revenue - SA/OSR	HHIS000779800014	61,999	
Substance Abuse general revenue - SA/MAT	HHIS000779800012	100,000	100,000
Substance Abuse general revenue - SA/RSS-CBO	HHIS000783500009	7,766	
Substance Abuse general revenue - SA/AUT	HHIS000779800015	57,647	
Total General Revenue Substance Abuse		316,491	165,854
Early Childhood Intervention	HHIS000640200006	2,146,711	
Early Childhood Intervention Respite	HHIS000640200006	15,593	
Total Health and Human Services Commission (HHSC)		19,786,356	165,854
TOTAL EXPENDITURES OF STATE AWARDS		\$ 19,786,356	\$ 165,854
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS		\$ 33,972,997	\$ 336,344

(1) Received \$99,276, expended \$64,401

(2) Received \$2,212,506, expended \$2,750,148

(3) Received \$216,607, expended \$203,015

Collin County Mental Health Mental Retardation Center dba LifePath Systems
Notes to Schedule of Expenditures of Federal and State Awards
August 31, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of LifePath Systems ("LifePath") under programs of federal and state governments for the year ended August 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance)* and Texas Grant Management Standards (TxGMS). Because the schedule presents only a selected portion of the operations of LifePath, it is not intended to and does not present the financial position, changes in financial position, or cash flows of LifePath.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance and TxGMS, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements. Expenditures reported for the Medical Assistance Program (Medicaid: Title XIX) ALN/CFDA 93.778 represent expenditures incurred during the audit period that LifePath anticipates will be reimbursed through invoices submitted to the Texas Health and Human Services Commission. Due to the timing of the submission of these invoices, actual reimbursements received during the year will differ from these amounts.

3. INDIRECT COST RATE

LifePath has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. NATURE OF ACTIVITIES

LifePath receives various grants to cover costs of specified programs. Final determination of eligibility of costs will be made by the grantors. Should any costs be found ineligible, LifePath will be responsible for reimbursing the grantors for these amounts.

Collin County Mental Health Mental Retardation Center dba LifePath Systems
Notes to Schedule of Expenditures of Federal and State Awards
August 31, 2022

5. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal and state awards are reported in LifePath’s basic financial statements in the General Fund. Two state programs have been excluded from the Schedule of Expenditures of Federal and State Awards by specific request of the funding agencies. The state programs excluded from the schedule are the Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI) program in the amount of \$104,848 and the Texas Rehabilitation Commission program in the amount of \$395,773. These state programs excluded from the accompanying schedule are not considered financial assistance as defined in Texas Grant Management Standards (TxGMS).

The federal program included in the schedule relates to Provider Relief Funds received during the audit period. Per guidance issued by OMB, only Provider Relief Funds received in Periods 2 and 3 (July 1, 2020, through June 30, 2021) should be presented on the Schedule of Expenditures of Federal Awards. Pursuant to this guidance, Provider Relief Funds received in these Periods were recognized during the prior fiscal year revenue but are presented on the current year Schedule. These amounts agreed to the Period 2 Report filed by the Center.

Following is a reconciliation of the revenues reported in the financial statements to the Schedule of Expenditures of Federal and State Awards:

State expenditures per schedule:	\$	19,786,356
TCOOMMI program		104,848
Texas Rehabilitation Commission		395,773
		20,286,977
State program revenues per basic financial statements	\$	20,286,977
Federal expenditures per schedule:	\$	14,186,641
Period 2 Provider Relief Funds included in SEFA recognized in prior period in accordance with compliance supplement instructions	\$	(343,608)
		13,843,033
Federal program revenues per basic financial statements	\$	13,843,033

6. STATE AWARD GUIDELINES

State awards are subject to HHSC’s *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*. Such guidelines are consistent with those required under the Single Audit Act of 1996, the Uniform Guidance, Texas Grant Management Standards (TxGMS) and *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

JAN 15 2002

COLLIN COUNTY MENTAL HEALTH MENTAL
RETARDATION CENTER
PO BOX 828
MCKINNEY, TX 75070

Employer Identification Number:

75-1761911

DLN:

17053218011032

Contact Person:

TYRONE THOMAS

ID# 95046

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

August 31

Form 990 Required:

No

Addendum Applies:

No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(v).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Letter 947 (DO/CG)

-3-

COLLIN COUNTY MENTAL HEALTH MENTAL

If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

In accordance with section 508(a) of the Code, the effective date of this determination letter is July 29, 2002.

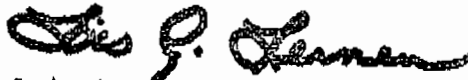
This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Lois G. Ferner
Director, Exempt Organizations

Letter 947 (DO/CG)

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Collin County Mental Health Mental Retardation Center	
2 Business name/disregarded entity name, if different from above dba LifePath Systems	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input checked="" type="checkbox"/> Other (see instructions) ▶ 501(C)3	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
5 Address (number, street, and apt. or suite no.) See instructions. 1515 Heritage Dr, Suite 105	Requester's name and address (optional)
6 City, state, and ZIP code McKinney, TX 75069	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
or									
Employer identification number									
7	5		-	1	7	6	1	9	1

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here

Signature of U.S. person ▶

Jennifer Morgan

Digitally signed by Jennifer Morgan
Date: 2024.03.05 17:23:59 -06'00'

Date ▶ 03/05/2024

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.