

SPINDLETOP CENTER
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2025

Prepared by
The Financial Services Department of
Spindletop Center
Beaumont, Texas

**SPINDLETOP CENTER
ANNUAL FINANCIAL AND COMPLIANCE REPORT
FOR THE YEAR ENDED AUGUST 31, 2025**

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January 26, 2026

Board of Trustees
Spindletop Center
655 S. 8th St.
Beaumont, TX 77701

To the Board of Trustees and citizens of the communities served by Spindletop Center.

The Annual Financial and Compliance Report of Spindletop Center for the year ended August 31, 2025 is hereby respectfully submitted. The Center's finance department has prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with the Center. We believe the data, as presented, is accurate in all material respects; presented in a manner designed to fairly present the financial position, results of operation and cash flows of the Center; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Center's financial affairs have been included.

Eide Bailly, L.L.P, Certified Public Accountants, have issued an unmodified ("clean") opinion on Spindletop Center's financial statements for the year ended August 31, 2025. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Spindletop Center

Spindletop Center acquired its name from the Spindletop oil gusher in Beaumont, TX that changed the world nearly 125 years ago. In 1901, a 100-foot drilling derrick named Spindletop produced a roaring gusher of black crude oil, coating the surrounding landscape with a black, sticky, goo. As the first major oil discovery in the United States, the Spindletop gusher marked the beginning of the American oil industry. Rich in history, and in oil, Southeast Texas has a strong commitment to service both locally and around the world!

Spindletop MHMR Services was formed September 1, 2000, as a result of a merger between Beaumont State Center and Life Resource. In January 2011, the name was revised to doing business as Spindletop Center.

Hearing impaired, call
1-800-735-2989 (TDD)
1-800-735-2988 (VOICE)

Equal Employment Opportunity
Affirmative Action Employer

Just as the Spindletop oil discovery ushered in a new age for America and Southeast Texas, Spindletop Center ushered in a new age in providing mental health, intellectual and developmental disabilities, and chemical dependency services in Southeast Texas, providing services in Jefferson, Orange, Hardin and Chambers counties. In 2017, Spindletop was asked to provide early childhood intervention services outside of their designated catchment area to Greater Galveston county. In fiscal year 2024, Jasper County was added to the Center's service area. The Center began providing mental health, substance use disorder, and crisis services to the county on September 1, 2023. Intellectual and developmental disability services began in the county on September 1, 2024.

The Center is licensed by the Texas Department of Health and Human Services Commission and serves more than 16,396 clients each year.

The eleven-member Board of Trustees appointed by the county commissioners' courts in the five-county area oversees the organization. Daily operations are managed by the Center's Executive Management Team, consisting of the Chief Executive Officer, Chief Financial Officer, Chief Human Resources Officer, Chief Clinical Officer, Chief Intellectual and Developmental Disabilities Officer, Chief Information Officer, and Chief Medical Officer.

Today, the Center's vision of promoting healthy living in the community is supported by the mission of helping people help themselves by providing resources and supports. These goals are realized as the Center continues to provide necessary mental health, intellectual and developmental disabilities, substance use, early childhood intervention, crisis, and housing services to the individuals in the counties in which it serves.

Economic Outlook

Spindletop Center is located in Southeast Texas. The Center's catchment area covers approximately 4,232 square miles and includes Jefferson, Orange, Hardin, Jasper, and Chambers counties. The major cities in the area are Beaumont, Port Arthur, Orange, Silsbee, Jasper, and Winnie. Statistical data is covered in the statistical section of the audit report.

The Center provides an array of services to adults and children. Services for mental health include intake, eligibility and continuity of care, case management and service coordination, projects for assistance in transition from homelessness (PATH), psychiatry and medication management, pharmacy, medication training and support, skills training and psychosocial rehabilitation, supported housing and supported employment, assertive community treatment (ACT), consumer benefits organization, adult and youth substance use recovery programs, 24/7 crisis hotline and mobile crisis outreach team, mental health deputy program, crisis residential and crisis respite, youth empowerment services (YES) waiver, cognitive behavioral and cognitive processing therapies, co-occurring psychiatric and substance abuse disorders (COPSD), military veteran peer network, recovery coaches, certified peer specialist, pre-admission screen and resident review (PASRR) and drop-in center. Services for intellectual and development disabilities services (IDD) include Home and Community-based services (HCS) waiver, Texas Home Living (TxHmL) waiver, and a community behavioral crisis facility. Early Childhood Intervention services are provided for children from birth to 3 years of age.

Spindletop Center receives general revenue funding from the state of Texas through the Health and Human Services Commission (HHSC). In 2023, the 88th legislature funded the Center with General Revenue funds of \$18,238,930 for FY 2025.

Additional revenues come from various grants and funding sources. Most notably are the revenues received from 1115 Waiver programs. The Center participates in the Directed Payment Program for Behavioral Health Services (DPP-BHS) and the Public Health Provider - Charity Care Provider (PHP-CCP) program.

MAJOR INITIATIVES

DPP-BHS

The DPP-BHS program began in fiscal year 2022 and was active in fiscal year 2025. The Center is required to track, measure, and report on wellness improvement measures. These measures are preventive care & screening-unhealthy alcohol use-screening & brief counseling, child and adolescent major depressive disorder (MDD)- suicide risk assessment, adult major depressive disorder (MDD)-suicide risk assessment, follow-up after hospitalization for mental illness 7-day and 30-Day for discharges from state hospitals, and depression remission at six months. In addition to these key measures, the Center must be a Certified Community Behavioral Health Clinic (CCBHC), provide patients with services by using remote technologies, provide integrated physical and behavioral health care services to children and adults with serious mental illness, and participate in electronic exchange of clinical data with other healthcare providers/entities. This program is currently a pay-for-reporting program, but is expected to transition to a pay-for-performance model sometime in the future. The Center received \$3,492,283 net of IGT and program expenses in fiscal year 2025 for FY25 and previous year reconciliation amounts due.

PHP-CCP

The purpose of the PHP-CCP program under the 1115 waiver is to reimburse certain costs for qualifying providers associated with providing care, including behavioral health, immunizations, chronic disease prevention, and other preventative services for the uninsured. Funds received are determined by the completion of an annual uncompensated care tool for uncompensated care costs. The Center is eligible for this program as a provider established under the Texas Health and Safety Code Chapters 533 and 534 and by providing behavioral health services. Year 3 of the PHP-CCP program covered the federal fiscal year (FFY) 2024 that included services provided from October 1, 2023 to September 30, 2024. The cost report was submitted on November 14, 2024. The Center received \$2,922,311 net of IGT in FY2025.

Internal Control

The Center has policies and procedures to maintain an adequate system of internal control. Policies are reviewed annually and modified as needed. A full inventory of capital assets is conducted annually, with on-going monitoring of technology assets that are at risk of being lost. There is a segregation of duties within the financial services department from purchasing through the reconciliation of bank accounts. A compliance program is in place to continuously reassess risk

areas, re-prioritize compliance projects that are most critical to the mission of the center, and report compliance developments and compliance audit findings to the Chief Executive Officer and the full Board of Trustees, as appropriate. Security management is overseen by the security officer to provide a safe and secure environment addressing both physical and technological security. Authorization levels and monthly reporting to the Board of Trustees help strengthen administrative controls. Because the cost of control should not exceed the benefit to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

Cash Management

The Center's cash at August 31, 2025 was insured by FDIC at First Financial Bank or by securities pledged to Spindletop Center for amounts over the standard FDIC limit. As of August 31, 2025, 98.51% of the Center's funds are held by First Financial Bank, earning 1.10% APY.

Investment Policy

The Center's guiding principle is to ensure that monies of Spindletop Center are invested and secured to preserve the principal, earn interest, and provide liquidity for the prompt payment of the claims against the Center. The Center has established a target reserve sufficient to fund operation for at least 90 days.

The Center's investment policy follows the Public Funds Investment Act (PFIA) requirements. Acceptable investment instruments include: Obligations of the U.S. and the State of Texas, collateralized mortgage obligations, obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; certificates of deposit, repurchase agreements, bankers' acceptance, commercial paper, and no-load money market mutual funds. Parameters for each investment type can be found in the Center's Investment Policy.

Investment Strategy

In FY 2025, due to the decrease in reserve funds, the Center invested in high-yield savings accounts to ensure liquidity for operations. Also, a certificate of deposit was purchased to be held as collateral for a working capital line of credit, further detailed under the Debt Service heading to follow. As market conditions improve, funds will be reinvested into instruments preserving the safety of principal, liquidity, and maximization of yield.

Budgeting Process

Under the Center's budgeting procedures, the Chief Financial Officer presents a proposed budget for the fiscal year compiled from input submitted by various departmental managers, directors, and the Executive Management Team. Once the proposed budget has been reviewed and approved by the Executive Management Team, the proposed budget is submitted by the Chief Financial Officer to the Board of Trustees for approval. The board's approval is obtained, and the budget is incorporated into all required contract and budget formats. Any changes to the original budget are submitted to the Board of Trustees for their review and approval, including a mid-year review and

possible adjusted budget, if applicable. Operating budget variances are reviewed monthly as part of the board approval of the financial statements.

No formal overspend variance amount requiring board approval nor any legal level of budgetary control at which management cannot overspend the budget without the approval of the governing body has been determined by the governing body as of August 31, 2025. The board approves capital project on an individual project basis outside of the operating budget approval.

Appropriations

Spindletop Center receives General Revenue from the State of Texas. This funding is appropriated biennially when the legislature is in session. The funding for FY 2024-2025 was approved when the 88th legislature met in the spring of 2023.

Financial Management

The Chief Financial Officer is responsible for monitoring and reporting all revenue and expenditures of the Center, along with all variances, to the Board of Trustees each month. The Executive Management team may approve expenditures up to \$5,000. The Chief Executive Officer may approve expenditures and direct service contracts up to \$25,000. The Chief Executive Officer may approve contracts over \$25,000 for supervised living and respite, foster care and companion care, and supported home living. Any and all changes above these limits require the approval of the Board of Trustees.

Debt Service

Spindletop Center had long-term debt in the form of leases and subscription-based information technology arrangements (SBITAs) that required principal and interest payments in the current fiscal year. The Center obtained a \$1,000,000 working capital line of credit secured by a certificate of deposit also in the amount of \$1,000,000 on January 29, 2025. No funds were borrowed against the line of credit in FY25.

Long Term Financial Planning

The Center currently presents ratios to the Board monthly. These ratios are used to measure the amount of cash available to meet both current and long-term obligations. The ratios reviewed and approved every month are days of operating reserve, current ratio, quick ratio/acid test, average days in accounts receivable, and unassigned fund balance percent of average monthly expenditures.

Risk Management

Spindletop Center is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, doctors' malpractice; and natural disasters. During FY 2025, Spindletop was covered under a general liability insurance plan at a cost considered economically justifiable. The Center also carries flood insurance, cyber liability insurance and windstorm insurance.

Management's Discussion and Analysis

As management of Spindletop Center, we offer readers of the Center's financial statements a narrative overview and analysis of the financial activities of the Center. Readers should refer to pages 5 - 12 of this report to find management's discussion and analysis for the fiscal year ended August 31, 2025.

Awards

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Spindletop Center for its annual comprehensive financial report for the fiscal year ended August 31, 2024. This was the sixth consecutive year the government achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgement

I would like to acknowledge and extend my appreciation to the Financial Services staff. Their dedication and efficiency fosters an environment of excellence in financial reporting.

The support of the Executive Management Team and the Board of Trustees is what makes Spindletop Center successful and a wonderful place to work. Their cohesive vision and combined knowledge gives the staff the foundation needed to serve the individuals in our community.

The staff of Spindletop Center demonstrated exceptional collaboration and commitment in overcoming significant financial challenges. Through disciplined financial management and strategic initiatives, the organization not only stabilized its operations but achieved measurable improvement compared to prior years. These efforts have positioned the Center in a stronger and more sustainable financial state, entering the current fiscal year with positive momentum and a solid foundation for continued growth. Spindletop has always believed and lived the motto, "Stronger Together". This fiscal year is proof this motto is more than mere words.

Thank you for allowing me to be part of this team of extraordinary people who change lives and give hope to the most vulnerable individuals in society.

Sincerely,



Denise C. LeBlanc, MBA
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Spindletop Center
Texas**

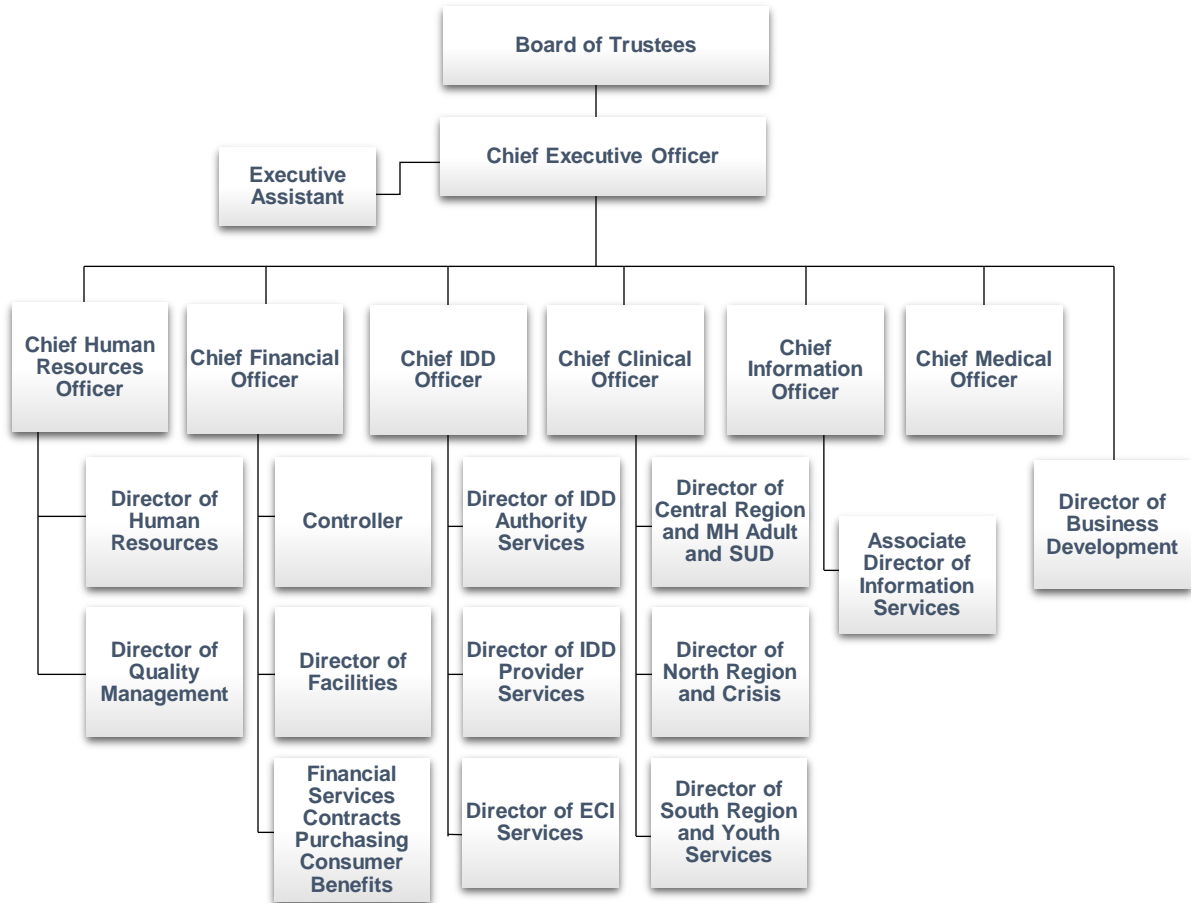
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2024

Christopher P. Morill

Executive Director/CEO

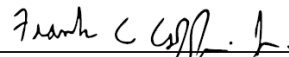
**SPINDLETOP CENTER
ORGANIZATIONAL CHART
AS OF AUGUST 31, 2025**



**CERTIFICATE OF BOARD
ACCEPTANCE OF AUDIT REPORT**

Spindletop Center

I, Frank Coffin, Chair of the Board of Trustees of Spindletop Center, do hereby certify that this accompanying audit report for FY 2025 from Eide Bailly, LLP was reviewed and accepted at a meeting of the Board of Trustees held on the 26th day of January 2026.



Chair of Board of Trustees

SPINDLETOP CENTER
LIST OF PRINCIPAL OFFICIALS
AS OF AUGUST 31, 2025

BOARD OF TRUSTEES

Frank Coffin	Board Chair
Rebecca Ford	Board Vice-Chair
Gaye Lokey	Board Secretary
Ida Schossow	Member
Dr. Dana Johnson	Member
Dolores Sennette	Member
Brian Hawthorne	Member – <i>resigned June 30, 2025</i>
Mike Marion	Member
Edreauanna Fowler	Member
Judge Mark Allen	Member
Lacey Guedry	Member
Zena Stephens	Ex Officio Member
Mark Davis	Ex Officio Member

EXECUTIVE STAFF

Holly Borel, M.B.A.	Chief Executive Officer
Denise LeBlanc, M.B.A.	Chief Financial Officer
Creslyn Davis, A.B.D, M.B.A, H.R.P.M.	Chief Human Resources Officer
Heather Champion, M.Ed., LPC	Chief Clinical Officer
Lisa Gibbs, B.A.	Chief Intellectual and Developmental Disabilities Officer
Bryan Gauthier	Chief Information Officer
Olumuyiwa Abdul, M.D.	Chief Medical Officer

FINANCIAL SECTION



Independent Auditor's Report

To the Board of Directors
Spindletop Center
Beaumont, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, the major fund, and the aggregate remaining fund information of Spindletop Center as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise Spindletop Center's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, the major fund, and the aggregate remaining fund information of Spindletop Center, as of August 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 Spindletop Center's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 GAAS, 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.

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, 2026 on our consideration of Spindletop Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Spindletop Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Spindletop Center's internal control over financial reporting and compliance.

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

Abilene, Texas
January 26, 2026

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of Spindletop Center (the Center), we present the financial statements for the year ended August 31, 2025 and offer readers a narrative overview and analysis of the financial activities of the Center.

FINANCIAL HIGHLIGHTS

- The assets of the Center exceeded its liabilities at the close of FY 2025 by \$31,971,891 (*net position*). Of this amount, \$6,297,089 (*unrestricted net position*) may be used to meet the Center's ongoing obligations.
- The Center's total net position (government-wide) decreased by (\$449,965) due to capital expenditures for a major grant project that will be completed in FY2026.
- As of the close of the current fiscal year, the Center's governmental fund balance reported an ending balance of \$7,852,092 which is an increase of \$942,006 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,266,673 or 12.71% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net position* presents all of the Center's assets and liabilities, with the difference between the two being net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Center is improving or deteriorating.

The *statement of activities* presents information showing how the Center's net position changed during the most recent fiscal year. This statement includes all of the revenue and expenses generated by the Center's operations. The accrual basis of accounting is used, which is similar to the method used by most private-sector companies. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected Medicaid receipts; earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Center that are principally supported by federal, state, and local funding sources (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user

fees and charges (*business-type activities*).

- The *governmental activities* of the Center include Intellectual and Developmental Disabilities, Mental Health - Adult, Mental Health – Children and Adolescent, Early Childhood Intervention, Substance Abuse, Housing Program, Other Program services, and Administration.
- The Center does not maintain any *business-type activities*.

The *government-wide financial statements* can be found on pages 14 and 15 of this report.

FUND FINANCIAL STATEMENTS

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, focus is on how cash resources flows into and out of those funds and the balances remaining at year-end that are available for spending. These funds are reported using a method called *modified accrual accounting* that requires the recognition of revenue when earned, only so long as the funds are collected within the period or soon enough afterwards to be used to pay liabilities of the current period.

It is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Center maintains one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund.

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.

The basic governmental fund financial statements are found on pages 16 and 18 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Center. These custodial funds are used to account for trust funds held on behalf of Center consumers. 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 programs. The basic fiduciary fund financial statements can be found on pages 20 and 21 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-47 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* concerning the Center that is required by the audit guidelines of the Texas Health and Human Services Commission and its component agencies. This supplementary information can be found on pages 49 and 50 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 the Center, assets exceeded its liabilities by \$7,852,092 at the close of the most recent fiscal year. Current and other assets increased in governmental activities by \$1,678,848 from the prior year.

A large portion of the Center's net position, 80.30%, reflects investment in capital assets (e.g., land, buildings, vehicles, furniture and equipment, and right-to-use lease and SBITA assets); less any related debt used to acquire those assets that is still outstanding. The Center uses these assets to provide services to the individuals we serve; consequently, these assets are not available for future spending. Additionally, a portion of the Center's net position, 19.70%, represents unrestricted financial resources available for future operations.

Statement of Net Position

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2025</u>
Current and other assets	\$ 15,095,004	\$ 16,773,852
Capital assets	29,189,119	27,174,602
Total assets	<u>44,284,123</u>	<u>43,948,454</u>
Current liabilities	7,885,155	8,628,150
Long-term liabilities	3,977,111	3,348,413
Total liabilities	<u>11,862,266</u>	<u>11,976,563</u>
Net investment in capital assets	26,889,029	25,674,802
Unrestricted	5,532,827	6,297,089
Total net position	<u>\$ 32,421,856</u>	<u>\$ 31,971,891</u>

GOVERNMENTAL ACTIVITIES

Governmental activities decreased the Center's net position by (\$449,965), accounting for the entire decrease in the net position of the Center. Key elements of this decrease are as follows:

<u>Changes in Net Position</u>	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2025</u>
REVENUES		
Program revenues:		
Charges for services:	\$ 13,752,719	\$ 15,129,352
Operating grants and contributions:	25,780,863	25,640,121
General revenues:		
Local income	7,198,601	10,366,223
Unrestricted investment earnings	85,878	139,893
Total revenues	<u>46,818,061</u>	<u>51,275,589</u>
EXPENSES		
Mental Health Adult	19,077,751	20,915,156
Mental Health Children	7,098,071	7,391,446
Intellectual and Developmental Disabilities	17,475,415	15,664,399
Other programs	10,979,482	7,754,553
Total expenses	<u>54,630,719</u>	<u>51,725,554</u>
Change in net position	<u>(7,812,658)</u>	<u>(449,965)</u>
Net Position - beginning	40,234,514	32,421,856
Net Position - ending	<u>\$ 32,421,856</u>	<u>\$ 31,971,891</u>

- Revenues increased \$4,457,528 from the prior year with an increase in charges for services, offsetting a drop in operating grants and contributions. Local revenues include contributions from local governments of \$904,025 that are unrestricted funds given annually to the Center by the counties in which we serve to help meet local match requirements.
- Expenses decreased \$2,905,165 from the prior year. This decrease reflects the cost-saving efforts factored into the Center's FY25 budget and additional focus by all staff to keep expenses to a minimum without adversely affecting services.
- Change in Net Position improved \$7,362,693 from the prior year again due to strategic budgeting and financial stabilizing measures implemented for the fiscal year.

FINANCIAL ANALYSIS OF THE CENTER'S FUNDS

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

Governmental funds. The focus of the Center's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Center's financing requirements.

General funds. The general fund is the chief operating fund of the Center. At the end of the current fiscal year, the general fund reported a fund balance of \$7,852,092. A portion of this, 79.81%, is designated as unassigned fund balance. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance total of \$6,266,673 represents 12.71% of total General Fund expenditures, which is an improvement of \$1,214,155 from the previous year. Another measure of liquidity is the number of Days Cash on Hand, which measures the number of days the Center could operate with no further revenues. The standard is 60–90 days. As of August 31, 2025, the Center's Days Cash on Hand was 59 days, a 44% increase over the previous year measure of 41 days.

GENERAL FUND BUDGETARY HIGHLIGHTS

- The Center operates with a balanced budget for the fiscal year. Mid-year adjustments were made and the budget remained balanced. The original budget and final adjusted budget amounts are found on the Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual – General Fund report.
- Local Revenues have an overall (\$2,547,607) unfavorable variance comprised mainly of (\$2,680,430) in Other local revenue and (\$190,956) in Patient fees and insurance services budgeted but not realized. County government revenue has an unfavorable variance of (\$17,505) due to lower county contributions. Medicare has a favorable variance of \$3,736. Medicaid is (\$263,856) under budget due to lower services provided. Home and community-based and Texas Home Living services have an overall unfavorable variance of (\$87,350) due to decreased services. Both Directed Payment Program (DPP) and Charity Care Program (CCP) revenues were higher than budgeted, \$492,283 and \$222,311, respectively due to the Center budgeting only the amount needed to balance the fiscal year budget. Investment income is \$45,161 over budget due to an increase in cash position.
- State Program Revenues have an overall \$1,337,156 favorable variance. General revenues for mental health services received additional funds during the fiscal year, resulting in favorable variance of \$2,106,865. General revenues for IDD services have a favorable variance of \$51,684 due to increased HHSC services. The Care Coordination grant is under budget (\$142,348) due to vacancies in the program. The Hope Squad grant has an unfavorable variance of (\$12,227) due to low reimbursable expenses. Early Childhood Intervention-state portion is under budget (\$411,539) due to vacancies. Mental Health Grant Program for Justice-involved Individuals has a favorable variance of \$33,214 due to

more services provided than budgeted and the Multisystemic Therapy Grant has an unfavorable variance due to less services provided than budgeted. PASRR provided more services than budgeted, resulting in a favorable variance of \$25,153. Substance abuse contracts and Texas Department of Criminal Justice have a combined unfavorable variance of (\$124,040) due to vacancies and low census in programs. TCOOMMI has an unfavorable variance of (\$41,367) due to vacancies. Texas Rehabilitation Commission has a favorable variance of \$19,404 due to more services provided than budgeted. The Community Health Worker program, Mental Health First Aid-Training, PATH-state portion, and Supportive Housing-state portion all have neutral variances.

- Federal Program Revenues have an overall unfavorable variance of (\$1,026,107). The Behavioral Health Internship Stipend program began after the budget was completed, resulting in a \$60,044 favorable variance. Supportive Housing-federal portion, Block Grant for Substance Abuse, Community Health Worker Grant, Early Childhood Intervention-federal portion, Social Services Block Grant, and TANF all have neutral variances. Coordinated Specialty Care had vacancies, resulting in an unfavorable variance of (\$106,900). The DOJ Criminal Justice grant started after the budget year and has an unfavorable variance of (\$77,562). The IDD Employment Navigator Pilot had a favorable variance of \$39,683. The Jefferson County SLFRF Subrecipient funds are under budget (\$14,976) due to ongoing construction expenses that will be completed in FY2026. Medicaid Administrative Claiming has an unfavorable variance (\$266,540) due to vacancies, lower staffing numbers, and a reduction in claims paid by the state. The Mental Health Block Grant is under budget (\$223,522) due to lower services. The two Mental Health Block Grant-COVID-19 Supplemental Grants ended by federal mandate and were removed by budget adjustment, resulting in a favorable variance of \$91,492. The MH Disaster Assistance funding has an unfavorable variance of (\$326,127) due to the program being discontinued by the federal government. Mental Health First Aid-Outreach has an unfavorable variance of (\$10,507) due to a vacancy and temporary lapse in training provided. PATH-federal portion has an unfavorable variance (\$3,890). The SAMHSA MH Disaster Assistance grant ended during the fiscal year, resulting in an unfavorable variance of (\$13,663). The SAMHSA PIPBHC grant has an unfavorable variance (\$172,577) due to much lower reimbursable expenses than expected. Title XVIII – Money Follows the Person is under budget (\$1,062).
- Current Expenditures before Capital Outlays has a favorable variance of \$3,429,285.
- Personnel expenditures have a favorable variance of \$1,344,375 due to a hiring freeze for many positions. Employee benefits have a favorable variance of \$80,929 due to lower than budgeted health benefit expenses and in direct correlation to unfilled vacancies.
- Favorable variances include Contracted services of \$1,129,327 due to hiring of staff providers to replace more expensive contract providers and lower than budgeted inpatient bed day services. Travel is below budget \$112,968 as a result of more effective use of company vehicles and less travel out-of-town. Consumable supplies have a favorable variance of \$171,227 due to strict spending practices implemented throughout the Center.

Building repairs and rent is \$149,723 below budget due to focusing on only necessary repairs. Telephone and utilities have a favorable variance of \$25,623 due to cost-cutting measures implemented with cell phone service. Vehicle operations have a favorable variance of \$129,097 due to less repairs needed for Center owned vehicles and fuel prices. Insurance has a favorable variance of \$62,889 due to lower premiums than budgeted. Training and development is below budget \$2,058 due to staff utilizing virtual meeting and training options rather than traveling. Office supplies are \$7,950 under budget due to strict spending practices implemented throughout the Center. Marketing has a favorable variance of \$43,238 due to delaying the implementation of the Center rebranding project. Other costs have a favorable variance of \$212,063 due to overall cost-savings practices.

- Unfavorable variances include (\$37,679) in Medications requirements over the budgeted amount. Equipment repair and maintenance has an unfavorable variance of (\$3,893) due to unforeseen repair needs. Client costs have an unfavorable variance of (\$610) due to additional expenses incurred.
- The Center budgeted for most of its capital outlay and did not assigns part of its prior year excess revenues for capital improvement and other special projects to be spent in the current year as has been the practice in the past due to strict spending practices implemented throughout the Center. The unfavorable variance (\$478,538) was due in part to the purchase of software that was not part of the original budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Center's investment in capital assets for its governmental activities as of August 31, 2025 amounts to \$27,174,602 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, vehicles, right-to-use lease assets and right-to-use subscription IT assets. The following is a summary of changes in capital assets during the fiscal year:

SPINDLETOP CENTER CAPITAL ASSETS (Net of Depreciation)

	2024	2025	Change
Land (non-depreciable)	\$ 2,918,722	\$ 2,918,722	\$ -
Buildings and improvements	42,555,810	42,802,453	246,643
Furniture and equipment	961,902	961,896	(6)
Vehicles	2,831,226	2,952,820	121,594
Right to use leased assets	181,074	181,074	-
Right to use subscription IT assets	3,954,110	4,181,927	227,817
Construction in progress	300,986	778,547	477,561
Less accumulated depreciation/amortization	(24,514,711)	(27,602,837)	(3,088,126)
	<u>\$29,189,119</u>	<u>\$27,174,602</u>	<u>\$ (2,014,517)</u>

Additional information about the Center's capital assets can be found in Note 4 to the financial statements in this report.

Long-term Liabilities – The Center has long-term debt at the end of the year of \$3,348,413 that consists of lease liability debt of \$24,569, long-term subscription-based information technology arrangement liability debt of \$1,475,231, and compensated absences debt of \$1,848,613. Of this amount \$2,242,368 is considered due within one year. Additional information on the Center's long-term obligations can be found in Note 5 to the financial statements in this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The Center's FY26 budget was developed based on the actual revenues and expenses from FY25 and forecasts for additional revenues and expenses. A balanced budget was approved by the Board of Trustees for FY26.
- The Center's FY26 Revenue budget is \$51,506,149. The FY26 Revenue budget is a decrease of 1.46% from the FY25 Revenue budget due to a reduction in expenses.
- The amount of DPP revenue funds to be utilized for operating purposes is budgeted at \$2,000,000 and CCP revenue funds are budgeted at \$2,000,000. This is a decrease of 29.82% from FY25. The amount of DPP and CCP funds are not recognized until reporting is approved and funds are received.
- The Center's FY26 Expense budget is \$51,506,149. This is a 1.46% decrease from FY25. The decrease is due cost-saving measures, including a reduction in vacant positions, implemented during FY25 and continuing into the new fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of Spindletop Center and its accountability for money received. If you have any question about this report or need additional financial information, please contact the Financial Services Department of Spindletop Center located at 655 South 8th Street, Beaumont, Texas 77701.

BASIC
FINANCIAL STATEMENTS

SPINDLETOP CENTER
STATEMENT OF NET POSITION
AUGUST 31, 2025

	<u>Primary Government</u>		<u>Component Unit</u>
	<u>Governmental</u>		<u>Spindletop</u>
	<u>Activities</u>	<u>Total</u>	<u>Housing</u>
			<u>Corporation</u>
ASSETS			
Cash and cash equivalents	\$ 1,927,237	\$ 1,927,237	\$ 7,718
Restricted deposits			49,394
Investments	6,485,724	6,485,724	
Accounts Receivable (net)	5,293,922	5,293,922	
DPP IGT Deposit	2,216,542	2,216,542	
Prepaid items	503,178	503,178	12,868
Note Receivable - Spindletop Housing	347,249	347,249	
Capital assets:			
Land	2,918,722	2,918,722	159,931
Non-depreciable construction in progress	778,547	778,547	
Depreciable capital assets, net	22,097,424	22,097,424	1,747,486
Right to use leased assets, net	22,957	22,957	
Right to use subscription IT assets, net	1,356,952	1,356,952	
Total Assets	43,948,454	43,948,454	1,977,397
LIABILITIES			
Accounts payable	1,015,099	1,015,099	20,806
Accrued salaries and benefits	1,157,545	1,157,545	
Accrued liabilities	1,287,675	1,287,675	
Due to other governments	3,303,734	3,303,734	
Health claims payable	380,000	380,000	
Unearned revenue	1,484,097	1,484,097	3,157
Long-term liabilities:			
Lease and SBITA Liability due within one year	1,232,471	1,232,471	
Lease and SBITA Liability due in more than one year	267,329	267,329	
Compensated Absences due within one year	1,009,897	1,009,897	
Compensated Absences due in more than one year	838,716	838,716	
Notes payable due within one year			12,905
Notes payable due in more than one year			334,344
Total Liabilities	11,976,563	11,976,563	371,212
NET POSITION			
Net investment in capital assets	25,674,802	25,674,802	1,556,185
Unrestricted	6,297,089	6,297,089	50,000
Total Net Position	\$ 31,971,891	\$ 31,971,891	\$ 1,606,185

**SPINDLETOP CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING AUGUST 31, 2025**

							Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Administration Allocation	Expenses After Allocation of Administration	Program Revenues					Component Unit
				Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
							Governmental Activities	Total	Spindletop Housing Corporation
Governmental activities:									
Mental Health - Adult	\$ 18,507,766	\$ 2,407,390	\$ 20,915,156	\$ 1,727,701	\$ 15,688,381	\$ -	\$ (3,499,074)	\$ (3,499,074)	
Mental Health - Youth	6,548,175	843,271	7,391,446	2,873,418	2,568,845	-	(1,949,183)	(1,949,183)	
Intellectual & Developmental Disabilities	13,140,765	2,523,634	15,664,399	8,819,937	3,787,388	-	(3,057,074)	(3,057,074)	
Early Childhood Intervention	2,755,366	673,905	3,429,271	1,080,574	1,912,509	-	(436,188)	(436,188)	
Substance Use programs	1,215,715	205,073	1,420,788	360,915	418,925	-	(640,948)	(640,948)	
Housing program	585,245	32,401	617,646	267,316	-	-	(350,330)	(350,330)	
Other programs	1,848,220	438,628	2,286,848	(509)	1,264,073	-	(1,023,284)	(1,023,284)	
Administration	5,314,470	(5,314,470)	-	-	-	-	-	-	
Total governmental activities	\$ 49,915,722	\$ 1,809,832	\$ 51,725,554	\$ 15,129,352	\$ 25,640,121	\$ -	\$ (10,956,081)	\$ (10,956,081)	
Component unit:									
Spindletop Housing Corporation	179,723	-	179,723	124,985	-	-			(54,738)
Total component unit	\$ 179,723	\$ -	\$ 179,723	\$ 124,985	\$ -	\$ -			\$ (54,738)

General revenues:

Investment income	139,893	139,893	
Contributions from local governments	904,025	904,025	
Public Health Provider-Charity Care Program	2,922,311	2,922,311	
Other local revenues	6,539,887	6,539,887	
Total general revenues	10,506,116	10,506,116	-
Change in net position	(449,965)	(449,965)	(54,738)
Net position-beginning	32,421,856	32,421,856	1,660,923
Net position-ending	\$ 31,971,891	\$ 31,971,891	\$ 1,606,185

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

**SPINDLETOP CENTER
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2025**

	General Fund	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 1,927,237	\$ 1,927,237
Investments	6,485,724	6,485,724
Accounts receivable, (net of allowance for uncollectibles)	5,293,922	5,293,922
DPP IGT deposit	2,216,542	2,216,542
Prepaid Items	503,173	503,173
Note receivable - Spindletop Housing	347,249	347,249
Total Assets	\$ 16,773,847	\$ 16,773,847
LIABILITIES		
Accounts payable	\$ 1,015,099	\$ 1,015,099
Accrued liabilities	1,287,675	1,287,675
Due to other governments	3,303,734	3,303,734
Accrued salaries and benefits	1,157,545	1,157,545
Health claims payable	380,000	380,000
Unearned revenue	1,484,097	1,484,097
Total Liabilities	8,628,150	8,628,150
DEFERRED INFLOWS OF RESOURCES		
Medicaid administrative claiming revenues	293,605	293,605
Total Deferred Inflows of Resources	293,605	293,605
FUND BALANCES		
Non-spendable: Prepaid items	503,178	503,178
Non-spendable: Note receivable	347,249	347,249
Committed for Special Projects	734,992	734,992
Unassigned	6,266,673	6,266,673
Total Fund Balance	7,852,092	7,852,092
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 16,773,847	\$ 16,773,847

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

**SPINDLETOP CENTER
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF AUGUST 31, 2025**

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

Total fund balance - governmental funds	\$ 7,852,092
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	27,174,602
Long-term liabilities, including leases, SBITAs, and compensated absences are not due and payable in the current period and therefore, are not reported in the governmental funds. As a result, leases, SBITAs and compensated absences decrease net position.	(3,348,413)
In the funds statements, revenue that exceeds a reasonable collectibility period is not recorded within revenue. In the statement of net position, assured receipt of revenue is reported as revenue. This is the amount of deferred inflows of resources at year end.	<u>293,605</u>
Net Position of Governmental Activities	<u><u>\$ 31,971,891</u></u>

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

SPINDLETOP CENTER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDING AUGUST 31, 2025

	General Fund	Total Governmental Funds
Revenues:		
Local and earned revenues	\$ 22,459,351	\$ 22,459,351
State programs	20,891,719	20,891,719
Federal programs	6,680,657	6,680,657
Total revenues	50,031,727	50,031,727
Expenditures:		
Current:		
Mental health adult	17,659,918	17,659,918
Mental health children	5,949,519	5,949,519
Intellectual and developmental disabilities	12,368,218	12,368,218
Early childhood intervention	2,738,730	2,738,730
Substance abuse programs	1,096,452	1,096,452
Housing program	387,253	387,253
Other programs	1,856,642	1,856,642
Administration	4,923,613	4,923,613
Debt Service:		
Principal	1,028,105	1,028,105
Interest	216,636	216,636
Capital outlay	1,092,452	1,092,452
Total expenditures	49,317,538	49,317,538
Revenues over expenditures	714,189	714,189
Other Financing Sources:		
SBITAs	227,817	227,817
Total other financing sources	227,817	227,817
Net change in fund balance	942,006	942,006
Fund balance at beginning of year	6,910,086	6,910,086
Fund balance at end of year	\$ 7,852,092	\$ 7,852,092

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

SPINDLETOP CENTER
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING AUGUST 31, 2025

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balance-Total Governmental Funds	\$ 942,006
Governmental funds report capital outlay as expenditures, however, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlay (\$1,092,452) exceeded depreciation and amortization expense (\$3,106,969) for the year.	(2,014,517)
Some revenues reported in the statement of activities do not meet the measurable and available criteria for revenue recognition in the fund statements, and therefore, are only reported as revenues in governmental activities on the full accrual basis. This is the amount of the change in these revenues MAC revenue (\$6,157).	(6,157)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This includes the change in the long-term governmental fund liabilities for compensated absences.	(171,592)
Debt service payments for principal payments are reported as expenditures in the governmental funds, but are not reported as expenses in the statement of activities.	1,028,105
Long-term liabilities, including leases, are not due and payable in the current period and, therefore, are not reported in the funds	<u>(227,817)</u>
Change in Net Position-Governmental Activities	<u>\$ (449,965)</u>

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

SPINDLETOP CENTER
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2025

	<u>Custodial Fund</u>
ASSETS	
Cash and cash equivalents	\$ 108,550
Total Assets	<u>108,550</u>
LIABILITIES	
Accounts payable	-
Total Liabilities	<u>-</u>
NET POSITION	
Restricted for IDD PAC	16,091
Restricted for MH PAC	3,242
Restricted for Trust Fund Clients	<u>89,217</u>
Total Net Position	<u>\$ 108,550</u>

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

SPINDLETOP CENTER
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDING AUGUST 31, 2025

	<u>Custodial Fund</u>
ADDITIONS	
IDD PAC Fundraising	\$ 7,832
MH PAC Fundraising	2,500
Trust Fund Deposits	<u>1,005,353</u>
Total Additions	<u>1,015,685</u>
DEDUCTIONS	
IDD PAC Expenses	13,112
MH PAC Expenses	657
Trust Fund Distributions	<u>1,003,248</u>
Total Deductions	<u>1,017,017</u>
CHANGE IN NET POSITION	(1,332)
NET POSITION, BEGINNING	<u>109,882</u>
NET POSITION, ENDING	<u><u>\$ 108,550</u></u>

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

SPINDLETOP CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Introduction

The accounting and reporting framework and the more significant accounting principles and practices of Spindletop Center (the “Center”) are discussed in subsequent sections of this note. The remaining notes are organized to provide explanations, including required disclosures, of the Center’s financial activities for the year ended August 31, 2025.

(b) Financial Reporting Entity - Basis of Presentation

Spindletop Center is a community mental health and intellectual and developmental disabilities center located in Southeast Texas. It provides a variety of behavioral healthcare services to people with mental illness, intellectual and developmental disabilities, and substance abuse disorders. The Center was formed September 1, 2000, when Beaumont State Center and Life Resource merged. The Center provides services in Jefferson, Orange, Hardin, Jasper, and Chambers counties and serves approximately 16,396 consumers a year. The Center employs approximately 392 full-time equivalent staff.

Spindletop Center is a public entity established under the Texas Mental Health and 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. The Center’s current board of trustees was appointed by the Commission Courts of Jefferson, Orange, Hardin, Jasper, and Chambers counties to develop and implement community-based mental health and intellectual and development disabilities services within this service area. The Center 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. The Center is not included in any other governmental “reporting entity” as defined in Section 2100, codification of Governmental Accounting and Financial Reporting Standards.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

In evaluating how to define Spindletop Center, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GASB Statements No. 14 and 39 as amended by GASB Statement 61 *“The Financial Reporting Entity, Omnibus, an Amendment of GASB Statements 14 and 34.”* These statements define the reporting entity as the primary government and those component units for which the primary government is financially accountable. In addition, component units may be included in the reporting entity based on the nature and significance of the relationship with the primary government or based on being closely related or financially integrated with the primary government. Based on these criteria, the Center has the following component unit on August 31, 2025.

Spindletop Housing Corporation (“Housing Corporation”) is a nonprofit corporation organized under the Texas Business Organizations Code and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The primary purpose of the Housing Corporation is to construct and operate a United States Department of Housing and Urban Development (“HUD”) project consisting of 15 apartments for low-income people with psychiatric disabilities.

Land and funds were transferred by the Center to the Housing Corporation, with additional funding provided by a HUD Section 811 grant and the city of Beaumont under a HOME grant from HUD. Construction was completed and residents began occupying the property in January 2015. Project-based rental assistance for apartment residents is provided for three years by the HUD grant. The Housing Corporation has its own Board of Directors.

Since the Housing Corporation exists for the benefit of the primary government, it is reflected as a discretely presented component unit in the government-wide financial statements for financial reporting purposes. Financial information for the Housing Corporation may be obtained at the office of 655 South 8th Street, Beaumont, Texas 77701.

(c) Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for Spindletop Center as a whole, excluding fiduciary activities. Individual funds are not displayed, but the statements distinguish governmental activities, generally

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

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. The Center does not maintain 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 Center 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 and fiduciary funds. The major individual governmental fund (General Fund) is reported in a separate column.

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

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

The government-wide and fiduciary fund financial statements are prepared using the *economic resources measurement focus* and the *accrual basis of accounting* generally including the reclassification or elimination of internal activity (between or within funds). 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 when grantor's eligibility requirements are met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

Governmental fund financial statements are prepared 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. The Center considers revenues available if they are collected within 120 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures, compensated absences, and long-term claims, 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 net realizable amounts. Unearned 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 revenue is removed from the balance sheet and revenue is recognized.

Allocation of Indirect Expenses

The Center allocates indirect expenses primarily composed of administrative services to operating functions and programs benefiting 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, billing, information technology, and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocation methodologies.

(e) **Fund Types and Major Funds**

The accounts of the Center are organized on the basis of funds, each of which is a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise each fund's assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to and for individual funds based upon the purposes for which they are to be spent and how spending activities are controlled. The various funds maintained by the Center are as follows:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

The Center reports on the following major governmental fund:

General Fund – This fund is the general operating fund of the Center. It accounts for all financial resources of the Center, except those that are required to be accounted for in another fund.

This is a budgeted fund, and any fund balances are considered resources available for current operations. The fund balance may be appropriated by the Board of Trustees to implement its responsibilities. The General Fund is accounted for using a current financial resources measurement focus. As such, only current assets and current liabilities generally are included on the balance sheet. Operating statements of this fund present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current financial resources.

The Center reports the following fiduciary fund:

Custodial Fund – The custodial fund is a fiduciary fund type used to account for assets held for consumers of the Center. These funds are for committees and for representative-payee client accounts. No trust agreements are required.

(f) **Budget and Budgetary Accounting**

The Chief Executive Officer, the Chief Financial Officer, and other executive management team members are responsible for the Center's budget for the General Fund. A budget of revenues and departmental expenditures by program category is prepared and submitted to the Board of Trustees. At a regularly scheduled Board meeting, the Board of Trustees considers the recommendations and may revise the amounts submitted in the budget before approving it. The budget must have the approval of the Texas Health and Human Services Commission (HHSC). Contracts/budget negotiations are scheduled by HHSC at which time contract performance measures and funding amounts are negotiated. The contract and/or budget is revised to incorporate any modifications agreed upon and resubmitted to HHSC. The final budget is approved by HHSC.

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

Actual expenditures were less than budgeted expenditures by \$2,950,747 in the current year. No reserve funds are needed to cover expenditures for the fiscal year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

(g) **Cash and Cash Equivalents**

For financial reporting purposes, the Center considers all demand deposit accounts and time deposits with an initial maturity of three months or less to be cash and cash equivalents. Outstanding cash and cash equivalents on August 31, 2025 consist principally of interest-bearing bank accounts. Unrestricted and restricted cash and investments purchased by the Center within three months of maturity are considered cash equivalents. Investments in money market mutual funds are recorded at cost. All other investments are reported at fair value.

All investments of the Center are governed by the Public Funds Investment Act.

(h) **Prepaid Items**

Prepaid accounts record payments to vendors that benefit future reporting periods and are reported on a consumption basis. Prepaid items are similarly reported in government-wide and fund financial statements.

(i) **Intergovernmental Transfer (IGT)**

The Center enrolled in the Directed Payment Program for Behavioral Health Services (DPP-BHS) for fiscal year 2025 and, as of August 31, 2025, has sent HHSC two intergovernmental transfers (IGT) totaling \$2,430,472, in order to leverage federal funding. These payments are recorded as DPP IGT Deposit. As DPP payments are received, the applicable amount of IGT prepaid amount is recognized as an expense. As of August 31, 2025, the outstanding prepaid IGT balance is \$2,216,542. This amount can be found on the Statement of Net Position and the Balance Sheet – Governmental Funds.

(j) **Capital Assets, Depreciation, and Amortization**

Primary Government:

Capital assets, including property, equipment, and vehicles with costs greater than \$5,000 and useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Donated assets are stated at acquisition value on the date donated. Costs of normal maintenance and repairs that do not add to asset values or materially extend useful lives are not capitalized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

Capital assets are depreciated using the straight-line method. Land is not depreciated. No interest has been capitalized in the cost of capital assets. 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:

Building and improvements	5-40
Vehicles	4-5
Furniture and fixtures	2-10

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

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

Housing Corporation Component Unit:

Capital assets, including property, equipment, and vehicles with costs greater than \$5,000 and useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Donated assets are stated at acquisition value on the date donated. Costs of normal maintenance and repairs that do not add to asset values or materially extend 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and improvements	10-40
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No interest has been capitalized in the cost of capital assets.

(k) **Long-Term Liabilities**

In the government-wide financial statements, outstanding long-term debt and other long-term obligations are reported as liabilities.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Principal payments and debt issuance costs are reported as expenditures.

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

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

Implement of GASB Statement No. 101, *Compensated Absences*:

As of September 1, 2024, the Center adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this did not have a significant impact on the Center.

(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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

(m) Fund Balance

The Center has implemented a fund balance policy to comply with GASB Statement 54 - "*Fund Balance Reporting and Governmental Fund Type Definitions*" standards for the classification of fund balances in 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, prepaids, 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 government.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees of the Center. The Board of

Trustees is the highest level of decision-making authority for the Center. 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. Assignments of fund balance may be established, modified or rescinded only through transfers to specific assigned funds authorized by the Board of Trustees.

Unassigned – the general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

	General Fund	Total Governmental Fund
Fund Balances		
<i>Non-spendable</i>		
Prepaid Items	\$ 503,178	\$ 503,178
Note Receivable	347,249	347,249
<i>Committed</i>		
Special Projects	734,992	734,992
<i>Unassigned</i>	6,266,673	6,266,673
	<u>\$ 7,852,092</u>	<u>\$ 7,852,092</u>

When expenditures are incurred for which both restricted and unrestricted fund balance is available, the Center considers restricted funds to have been spent first. Similarly committed funds are considered to have been spent first when there is a choice for the use of less restricted funds, then assigned and then unassigned funds.

(n) Compensated Absences

As fringe benefits for its employees, the Center allows hours earned for personal leave to be accumulated and carried forward to future periods up to a maximum of 480 hours. Employees terminating from service are paid up to a maximum of 480 accumulated hours. The resulting cash value of the benefits, based on the maximum 480 hours, is recorded as a liability in the Statement of Net Position. Government funds report only matured compensated absences payable to currently terminating employees and these are included in accrued salaries and benefits.

(o) Risk Management

The Center 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; physician's malpractice; and natural disasters. During fiscal year 2025, the Center was covered under a general liability insurance plan with a combined single limit of \$1 million at a cost considered to be economically justifiable. In 2025, the Center purchased insurance from Arthur J. Gallagher Risk Management Services to provide additional coverage for named windstorms such as hurricanes and wind-driven rain coverage.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

The Center has entered into an agreement with the Texas Council Risk Management Fund (TCRMF), a public entity risk pool, which operates as a common risk management and insurance program for members of the Texas Council of Community Centers. The agreement provides that the trust established by TCRMF will be self-sustaining through member premiums. The Center pays an annual premium to TCRMF for workers' compensation, general and auto liability, and property insurance coverage. There was no significant reduction in insurance coverage in the prior year. The amount of settlements has not exceeded insurance coverage for any of the past three years.

Implement of GASB Statement No. 102, *Certain Risk Disclosures*:

As of September 1, 2024, the Center adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure.

(p) Estimates

The preparation of financial statements in accordance with generally accepted 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) Fair Value

The Center categorizes its fair value measurements 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.

The Center's investments are measured at amortized costs for the public funds investment pools, at amortized costs for the certificates of deposits, and Level 1 for obligation funds.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS:

(a) Deposits

Primary Government:

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Center's deposits may not be returned or the Center will not be able to recover collateral securities in the possession of an outside party. The Center's investment 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 the Center's management. All deposits of the Center are fully insured or collateralized with securities held by the Center, its agent, or by the pledging institution trust department or agent in the Center's name.

Housing Corporation Component Unit:

Cash and cash equivalents consists of deposits in three commercial bank accounts. These are insured to the maximum allowed by FDIC.

At August 31, 2025, the Center's investments are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Average Days to Maturity</u>
TexPool Money Market Fund	\$ 5,669	AAAm	34 Days
Government National Mtg Assn Pool	1,207	AAA	8.63 Years
Beaumont Community Credit Union - Savings	56	Not required	N/A
First Financial Bank - Certificate of Deposit	1,014,932	Not required	150 Days
First Financial Bank - Interest Public Fund Savings	4,304,217	Not required	N/A
First Financial Bank - High-Yield Savings	1,159,643	Not required	N/A
	<u>\$ 6,485,724</u>		

During the year ending August 31, 2025 the Center 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

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS – continued:

deposit, repurchase agreements and other eligible investments specified in the Public Funds Investment Act. Audited financial statements of the Pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759.

In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office. The reported value of the pool is the same as the fair value of the pool shares.

(b) Investment Policies

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the Center'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. The Center's investment policy and types of investments are governed by the Public Funds Investment Act (PFIA). This policy authorizes the Center to invest in 1) obligations of the U.S. or its agencies and instrumentalities; 2) secured certificates of deposit issued by state or national banks with a branch in Texas, savings banks with a branch in Texas, or state or federal credit unions with a branch in Texas; 3) fully collateralized repurchase agreements; 4) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission; 5) local government investment pools, which are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service; and 6) commercial paper. During the year ended August 31, 2025, the Center 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. The Center's policy requires that the maturity of investments correspond to anticipated cash flows. Policy also requires that for investments with a maturity term in excess of a year, the Center will consider the marketability of the investment should the need to liquidate the investment before its maturity.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Center's investment in a single issuer. The Center's investment policy requires that investments be diversified to minimize the risk of loss from the concentration of assets in a single issuer.

Following is a list of investments that represent more than 5% of total Center investments at year-end:

2. **CASH, CASH EQUIVALENTS, AND INVESTMENTS – continued:**

<u>Description</u>	<u>Fair Value</u>	<u>Percent of Portfolio</u>
First Financial Bank – High Yield Savings	\$ 1,159,643	17.88%
First Financial Bank – Interest Savings	\$ 4,304,217	66.36%
First Financial Bank – Certificate of Deposit	\$ 1,014,932	15.65%

For investments, **custodial credit risk** is the risk that, in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The Center’s policy provides that the investment officer shall maintain custody of all records of the Center relating to investment securities.

3. **DUE FROM OTHER GOVERNMENTS AND ACCOUNTS RECEIVABLE:**

Client Receivables

Accounts receivable from clients and insurance carriers for services rendered are reduced by the amount of such billings deemed to be uncollectible using the reserve or allowance method based on past history.

Patient Receivables

Patient receivables are uncollateralized noninterest bearing patient and third-party payor obligations. Payments of patient receivables are allocated to the specific claims identified in the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

The carrying amount of patient and client receivables is reduced by a valuation allowance that reflects management’s estimate of amounts that will not be collected from patients and third-party payors. Management reviews patient and client receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts. Management considers historical cash collections, write off and recovery information in determining the estimated bad debt provision. The allowance for uncollectible accounts in the General Fund as of August 31, 2025 is \$646,800.

Grant Receivables

Grant receivables represent contractual exchange transactions that are recognized as revenue as the services are performed or non-exchange operational grants. Management has not recorded an allowance on grants receivable as amounts are expected to be fully collected within the year.

3. DUE FROM OTHER GOVERNMENTS AND ACCOUNTS RECEIVABLE:

Accounts Receivable

Accounts receivable 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 receivables as of year-end, including the applicable allowances for uncollectible accounts are as follows:

Medicaid	\$ 833,026
Due from Medicaid Administrative Claiming	1,461,165
Other receivables	<u>3,646,531</u>
Gross receivables	5,940,722
Less: Allowance for uncollectible accounts	<u>(646,800)</u>
Accounts receivable, net	<u>\$ 5,293,922</u>

4. CAPITAL ASSET:

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

Governmental Activities	Beginning Balance	Additions	Retirements	Ending Balance
Non-Depreciable Capital Assets				
Land	\$ 2,918,722	\$ -		\$ 2,918,722
Construction in progress	300,986	477,561	-	778,547
Total Non-Depreciable Capital Assets	<u>3,219,708</u>	<u>477,561</u>	<u>-</u>	<u>3,697,269</u>
Depreciable Capital Assets:				
Buildings & improvements	42,555,810	246,643	-	42,802,453
Furniture and fixtures	961,902	-	6	961,896
Vehicles	2,831,226	140,431	18,837	2,952,820
Total Depreciable Capital Assets	<u>46,348,938</u>	<u>387,074</u>	<u>18,843</u>	<u>46,717,169</u>
Less: Accumulated Depreciation				
Buildings & improvements	19,299,827	1,774,913	-	21,074,740
Furniture and fixtures	779,906	56,157	6	836,057
Vehicles	2,632,259	95,526	18,837	2,708,948
Total Accumulated Depreciation	<u>22,711,992</u>	<u>1,926,596</u>	<u>18,843</u>	<u>24,619,745</u>
Net Depreciable Capital Assets	<u>23,636,946</u>	<u>(1,539,522)</u>	<u>-</u>	<u>22,097,424</u>
Amortized Right-To-Use Leased Assets				
Right-to-use leased equipment	181,074	-	-	181,074
Less: Accumulated Amortization	118,763	39,354	-	158,117
Net Right-to-use Leased Assets	<u>62,311</u>	<u>(39,354)</u>	<u>-</u>	<u>22,957</u>
Amortized Right-To-Use Subscription IT Assets				
Right-to-use subscription IT assets	3,954,110	227,817	-	4,181,927
Less: Accumulated Amortization	1,683,956	1,141,019	-	2,824,975
Net Right-to-use Subscription IT Assets	<u>2,270,154</u>	<u>(913,202)</u>	<u>-</u>	<u>1,356,952</u>
Governmental activities - Net Capital Assets	<u>\$ 29,189,119</u>	<u>\$ (2,014,517)</u>	<u>\$ -</u>	<u>\$ 27,174,602</u>

4. CAPITAL ASSETS - continued:

(a) Right-To-Use Leased Assets:

On April 26, 2021, the Center entered into a lease agreement as a lessee for the use of maintenance and janitorial uniforms. As of August 31, 2025, the accumulated amortization is \$158,117 and the value of the lease liability was \$22,957. The Center is required to make monthly payments of \$3,548 through April 25, 2026. The lease liability was valued using a discount rate of 3.25% based on the Wall Street Journal prime rate as of the date of the lease agreement.

The Center has other leases for buildings and equipment that did not meet the definition of a lease under GASB 87. At August 31, 2025, lease expenditures for these leases was \$306,372. Payments required in subsequent years are not material to the Center's financial statements.

(b) Right-To-Use Subscription-Based Information Technology Arrangement Assets (SBITAs)

On January 1, 2019, the Center entered into a SBITA contract for the use of staff training software. As of August 31, 2025, the accumulated amortization is \$8,795 and the value of the subscription liability was \$0. The Center was required to make annual principal and interest payments of \$6,751 through January 2025. The subscription was valued using a discount rate of 6.00% based on the Wall Street Journal prime rate as of the date of the subscription agreement.

On November 30, 2021, the Center entered into a SBITA contract for the use of electronic health record software. As of August 31, 2025, the accumulated amortization is \$841,989 and the value of the subscription liability was \$954,172. The Center is required to make annual principal and interest payments of \$965,693 through October 2025 and \$64,546 through October 2026. The subscription was valued using a discount rate of 7.50% based on the Wall Street Journal prime rate as of the date of the subscription agreement.

On January 30, 2024, the Center entered into a SBITA contract for the use of AI-enabled documentation software. As of August 31, 2025, the accumulated amortization is \$143,810 and the value of the subscription liability was \$143,810. The Center is required to make annual principal and interest payments of \$168,000 through January 2026. The subscription was valued using a discount rate of 9.00% based on the Wall Street Journal prime rate as of the date of the subscription agreement.

On May 15, 2024, the Center entered into a SBITA contract for the use of contract management software. As of August 31, 2025, the accumulated amortization is

4. CAPITAL ASSETS - continued:

\$17,106 and the value of the subscription liability was \$17,106. The Center is required to make annual principal and interest payments of \$6,938 through May 2027. The subscription was valued using a discount rate of 9.00% based on the Wall Street Journal prime rate as of the date of the subscription agreement.

On May 28, 2024, the Center entered into a SBITA contract for the use of financial accounting software. As of August 31, 2025, the accumulated amortization is \$53,380 and the value of the subscription liability was \$160,140. The Center is required to make annual principal and interest payments of \$68,618 through May 2028. The subscription was valued using a discount rate of 9.00% based on the Wall Street Journal prime rate as of the date of the subscription agreement.

On September 1, 2024, the Center entered into a SBITA contract for the use of AI-enabled documentation software. As of August 31, 2025, the accumulated amortization is \$75,939 and the value of the subscription liability was \$151,878. The Center is required to make annual principal and interest payments of \$90,000 through September 2027. The subscription was valued using a discount rate of 8.00% based on the Wall Street Journal prime rate as of the date of the subscription agreement.

The Center has other subscription-based information technology agreements that did not meet the definition of a SBITA under GASB 96. At August 31, 2025, subscription-based IT agreement expenditures for these non-SBITAs was \$189,216. Payments required in subsequent years are not material to the Center's financial statements.

Depreciation and amortization expenses were charged to the functions in the statement of activities as follows:

Governmental activities:	<u>Cap Assets</u>	<u>Leases</u>	<u>IT Subs</u>	<u>Total</u>
Mental Health Adult	\$ 361,865	\$	\$ 540,288	\$ 902,153
Mental Health Children	85,397		540,287	625,684
Intellectual and Developmental Disabilities	806,620			806,620
Early Childhood Intervention	29,576			29,576
Substance Abuse	123,201			123,201
Housing	198,614			198,614
Administration	321,323	39,354	60,444	421,121
Total depreciation/amortization expense	<u>\$ 1,926,596</u>	<u>\$ 39,354</u>	<u>\$ 1,141,019</u>	<u>\$ 3,106,969</u>

4. CAPITAL ASSETS - continued:

Spindletop Housing Component Unit	Beginning Balance	Additions	Retirements	Ending Balance
Non-Depreciable Capital Assets:				
Land	\$ 159,931	\$	\$	\$ 159,931
Depreciable Capital Assets:				
Buildings & improvements	2,401,699			2,401,699
Total capital assets	2,561,630			2,561,630
Less: Accumulated Depreciation	584,452	69,761		654,213
Total Net Capital Assets	\$ 1,977,178	\$ (69,761)	\$	\$ 1,907,417

5. LONG-TERM LIABILITIES:

The Center has long-term liabilities for lease and SBITA obligations and compensated absences. The Center also entered into a line of credit on January 29, 2025 secured by a \$1,000,000 certificate of deposit. The line terminates on January 29, 2026 and all outstanding balances accrue interest at 4.50% per annum based on a year of 360 days. The Center did not draw on the line during FY 25. The Center intends to renew the line when it becomes due.

The following is a summary of changes in long-term liabilities of the Center for the year ended August 31, 2025:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Leases	\$ 65,621	\$ -	\$ 41,052	\$ 24,569	\$ 24,569
Subscription IT liabilities	\$ 2,234,469	\$ 227,817	\$ 987,055	\$ 1,475,231	\$ 1,207,902
Compensated absences	\$ 1,677,021	* \$ 171,592	\$ -	\$ 1,848,613	\$ 1,009,897
Total long-term liabilities	\$ 3,977,111	\$ 399,409	\$ 1,028,105	\$ 3,348,413	\$ 2,242,368

* Gross presentation as allowed under GASB 101, *Compensated Absences*.

Remaining principal and interest on leases are as follows:

<u>Years Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>
2026	24,569	267
	<u>\$ 24,569</u>	<u>\$ 267</u>

5. LONG-TERM LIABILITIES - continued:

Remaining principal and interest on SBITAs are as follows:

<u>Years Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>
2026	1,207,902	125,709
2027	204,377	26,052
2028	62,952	5,666
	<u>\$ 1,475,231</u>	<u>\$ 157,427</u>

6. SPINDLETOP HOUSING CORPORATION COMPONENT UNIT CAPITAL ADVANCE:

Spindletop Housing Corporation constructed apartments for low-income individuals. The construction was funded through a United States Department of Housing and Urban Development (HUD) Section 811 capital advance agreement along with a HUD HOME grant passed through the City of Beaumont. The maximum amount of the HUD capital advance available is \$1,521,200.

The capital advance will bear no interest and is not required to be repaid so long as the housing remains available to eligible low-income households for a period of forty years. The capital advance is secured by a deed of trust on the property. The housing units opened in the spring of 2015.

7. DEFINED CONTRIBUTION PLAN:

The Center maintains a single employer 401(a) defined contribution retirement plan that works in conjunction with a deferred compensation plan for the benefit of eligible employees and their beneficiaries. The name of the plan is the Spindletop Center Retirement Plan. Under this plan, the Center contributes amounts to match employee's contributions to the Center's deferred compensation plan under Internal Revenue Code Sections 457 and 403(b). The Center matches employee elective deferrals up to a maximum of 8% of compensation. Employees must contribute a minimum of 3% of compensation to the 457 plan to receive employer matching contributions.

The plan is administered by ISC Group Inc. Eligible employees are full-time employees of the Center. Employer contributions for the year were \$1,379,262. These amounts are included in employee benefit expenditures. At year-end, 406 employees were participating in the plan. The Plan does not issue separate audited GAAP basis post-employment benefit plan financial statements.

7. DEFINED CONTRIBUTION PLAN - continued:

Employees vest in Center contributions to the plan on their behalf over a six-year period as follows:

Vesting Schedule

<u>Years of Service</u>	<u>Percentage</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

8. DEFERRED COMPENSATION PLAN:

The Center sponsors a deferred Compensation Plan (the "Plan") created in accordance with Internal Revenue Code Sections 457 and 403(b). Employees are required to participate in the Plan after completing an eligibility period. 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 make additional voluntary contributions to the Plan in amounts not to exceed limits established by the Internal Revenue Service. The Center matches up to a maximum of 8% of each employee's elective deferrals. The Center also offers a Roth deferral plan. The Plans are administered by ISC Group, Inc. Employee elective deferrals were \$1,298,429 for the year.

The Center approved plan amendments so that plan assets are held in trust for the benefit of the plan participants and their beneficiaries. The plan assets will not be diverted for any other purpose. Accordingly, the financial activity of the 457 and 403(b) plans are not included in the Center's financial statements.

9. COMMITMENTS AND CONTINGENCIES:

The Center has participated in several State and Federal assisted 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 which may arise as the result of these audits will not be material to the financial position of the Center.

9. COMMITMENTS AND CONTINGENCIES - continued:

The Center has entered into an agreement with Texas Council Risk Management Fund (TCRMF) to pay workers' compensation contributions relative to its own loss experience based on a six-year look back period. The Center was not required to pay any additional assessments for prior years during the year ended August 31, 2025. Since the estimated future claims liability as provided by the Texas Council Risk Management Fund is less than premiums paid, the Center has recorded no liability in the government wide statement of net position at year end.

Following is a summary of changes in the workers' compensation claims liability over the past three years:

	<u>Beginning Liability</u>	<u>Claims Incurred</u>	<u>Payments</u>	<u>Ending Liability</u>
2023 - Workers compensation	\$ -	\$ 25,870	\$ 25,870	\$ -
2024 - Workers compensation	\$ -	\$ 51,499	\$ 51,499	\$ -
2025 - Workers compensation	\$ -	\$ 14,528	\$ 14,528	\$ -

The Center is covered under a self-funded insurance pool managed by the Texas Council Risk Management Fund. The pool was formed for the purpose of providing property, casualty, and liability coverage, to provide claims administration and develop a comprehensive loss control program. Premiums are adjusted annually. The maximum amounts eligible to be paid by the pool are as follows: general and vehicle liability - \$1,000,000; professional liability and error and omissions - \$1,000,000 per claim/\$3,000,000 annual aggregate; sexual misconduct endorsement - \$100,000; expanded employment practices endorsement - \$50,000; property coverage - \$63,454,223; automobile physical damage - actual cash value.

The Center is responsible for all claims exceeding the maximum amounts to be paid by the pool. There were no significant reductions in coverage in the past fiscal year, and no claims exceeded the maximum paid by the fund for the last three years. The Center purchases additional windstorm protection from Gallagher Risk Management Services through Texas Windstorm Insurance Association (TWIA) to offset any losses incurred during named windstorms and to offset any losses incurred due to wind-driven rain. For the period of July 9, 2024 through June 30, 2025, the Total Insured Value for the policy was \$25,339,000 with a \$10,000,000 Primary layer limit. The policy had a deductible per named storm of 5% per building with a minimum per occurrence deductible of \$1,000. For the period of July 1, 2025 through June 30, 2026, the Total Insurance Value for the TWIA policy is \$26,834,000 with the same \$10,000,000 Primary layer limit and deductible per named storm of 5% per building with a minimum per occurrence deductible of \$1,000. Coverage for buildings not insured by TWIA has a Total Insured Value for the policy of \$2,191,775 per named storm with a deductible of \$100,000 per occurrence.

9. COMMITMENTS AND CONTINGENCIES - continued:

The Center is involved in litigation in the normal course of business. Management estimates that any liability that may result from this litigation, if any, would not be material to the Center's financial statements.

Commitment of General Fund Equity

\$734,992 of the fund balance in the General fund has been committed for special projects. This amount is not legally restricted.

10. ECONOMIC DEPENDENCE:

The Center 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 mental health and intellectual and developmental disabilities, to provide these services in its service area.

The Center is economically dependent on the continuation of these contracts. On August 31, 2025, these contracts continued through August 31, 2026.

The following revenue sources represent more than 10% of the overall total revenues for the Center.

Medicaid	\$	6,194,544	12.32%
Home and Community-Based Services	\$	6,541,060	13.01%
General Revenue - MH Services (state)	\$	12,782,730	25.43%

11. PATIENT ASSISTANCE PROGRAM:

Consumers periodically receive prescription medications through a program known as the Patient Assistance Program (PAP). These prescriptions are provided at no cost to the consumer. These items do not meet the criteria for recognition on the Center's financial statements; however, they do provide significant assistance to the consumers the Center serves. Management estimates that consumers received prescription medications through this program valued at \$4,382,975 during the year ending August 31, 2025.

12. SELF-FUNDED HEALTH BENEFIT PLAN:

The Center operates a medical self-insurance program managed by Imagine 360.

The Center became a member of the MHDD ICS Captive program in September 2024, and is protected against unanticipated catastrophic individual or aggregate loss by stop-loss

12. SELF-FUNDED HEALTH BENEFIT PLAN - continued:

coverage provided through this captive program. The stop-loss carrier is QBW Insurance Corporation, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code.

Stop-loss coverage was in effect for individual claims exceeding \$125,000. The purpose of this coverage is to pay medical insurance claims of employees and their covered dependents and minimize the total costs of annual insurance to the Center.

Total premiums, claims and administrative fees incurred for the program for the year ended August 31, 2025, were \$3,962,593. For the same period, management recorded a \$380,000 liability for claims incurred but not reported and/or approved as of that date. The Center does not discount these claims liabilities. Terms of coverage and contribution costs are included in contractual provisions.

Changes in the medical claims liability amounts for the last five years are presented below:

	<u>Beginning Liability</u>	<u>Claims Incurred</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2021 Medical and dental	\$ 300,000	\$ 5,541,785	\$ 5,411,785	\$ 430,000
2022 Medical and dental	\$ 430,000	\$ 6,084,537	\$ 5,989,537	\$ 525,000
2023 Medical and dental	\$ 525,000	\$ 4,358,552	\$ 4,504,027	\$ 379,525
2024 Medical and dental	\$ 379,525	\$ 5,543,791	\$ 5,433,316	\$ 490,000
2025 Medical and dental	\$ 490,000	\$ 3,962,593	\$ 4,072,593	\$ 380,000

13. MEDICAID 1115 WAIVER:

(a) Directed Payment Program – Behavioral Health Services (DPP-BHS)

CMS approved DPP-BHS for the period of September 1, 2024 through August 31, 2025. The Center is required to track, measure, and report on wellness improvement measures. Reporting is required twice a year. These measures are preventive care & screening-unhealthy alcohol use-screening & brief counseling, child and adolescent major depressive disorder (MDD)- suicide risk assessment, adult major depressive disorder (MDD)-suicide risk assessment, follow-up after hospitalization for mental illness 7-day and 30-Day for discharges from state hospitals, and preventive care and screening; body mass index (BMI) screening and follow-up. In addition to these key measures, the Center must be a Certified Community Behavioral Health Clinic (CCBHC), provide patients with services by using remote technologies, provide integrated physical and behavioral health care services to children and adults with serious mental illness, and participate in electronic exchange of clinical data with other healthcare providers/entities.

13. MEDICAID 1115 WAIVER - continued:

This program is currently a pay-for-reporting program but is expected to transition to a pay-for-performance model sometime in the future. The DPP funds are not expenditure-reimbursement type funds.

As of August 31, 2025, the Center submitted to HHSC two intergovernmental transfers (IGT) for FY24 totaling \$2,430,472, in order to leverage federal funding. These payments are recorded as DPP IGT Deposit. As DPP payments are received, the applicable amount of IGT prepaid amount is recognized as an expense.

As of August 31, 2025, the outstanding prepaid IGT balance is \$2,216,542. This amount can be found on the Statement of Net Position and the Balance Sheet – Governmental Funds. The Center received \$1,004,393 of Prior Year DPP funding net of IGT and \$2,487,890 FY25 DPP funding net of IGT and program expense for a total DPP Revenue net of IGT of \$3,492,283 in FY 2025.

(b) Public Health Provider – Charity Care Program

The Center participated in the PHP-CCP program under the 1115 waiver to be reimbursed certain costs, as a qualifying provider, associated with providing care, including behavioral health, immunizations, chronic disease prevention, and other preventative services for the uninsured. Funds received are determined by the completion of an annual uncompensated care tool for uncompensated care costs. The Center is eligible for this program as a provider established under the Texas Health and Safety Code Chapters 533 and 534 and by providing behavioral health services.

Year 3 of the PHP-CCP program covered the federal fiscal year (FFY) 2024 that included services provided from October 1, 2023 to September 30, 2024. The cost report was submitted on November 14, 2024. The Center received \$2,922,311 net of IGT in FY2025.

14. REVENUE:

(a) Net Patient and Client Service Revenue

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

14. REVENUE - continued:

provided, adjusted for the minimum monthly fee provisions as mandated by the state of Texas. Revenue from Medicaid Waiver programs (such as 1115, Home Community Services, Texas Home Living, YES) are recognized when services are rendered. These programs are billed based on state negotiated rates.

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

(b) Grants

The Center receives grants from private organizations and state and federal agencies. Revenues from grants are recognized when all eligibility requirements, including time requirements are met.

(c) Other Revenues

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

15. RESTRICTIONS ON CAPITAL ASSETS:

Primary Government:

The Texas Health and Human Services Commission (“HHSC”), as successors in interest to the Texas Department of Mental Health and Mental Retardation, have conveyed real estate to the Center.

The property was transferred without consideration paid by the Center, but the deed contains a permanent restriction stating that the property must be used to promote the public purpose of providing community-based mental health or intellectual and developmental disability services. If the Center ceases to use the property for this purpose for a period of more than 180 continuous days, ownership of the property would revert to HHSC. The property was recorded on the financial statements at the estimated value of \$12,735,000 based on a current appraisal prepared by a qualified real estate appraiser. The net book value of these assets after depreciation is \$8,212,243 as of August 31, 2025.

16. RELATED PARTY:

Spindletop Housing Corporation owns The Cottages Apartments, a HUD 811 property. The property was heavily damaged by floodwaters during Hurricane Imelda. This property was not covered by flood insurance and is insured as a separate entity from Spindletop Center. This property had fourteen residents at the time of the flood. Spindletop Center, as the responsible entity designated within the HUD 811 documentation, paid for all repairs out of reserves. Spindletop Housing Corporation signed a promissory note on December 1, 2020 in the amount of \$422,937 payable to Spindletop Center with an interest rate of 1.00% a year for a thirty-year term. This loan amount is to repay Spindletop Center for expenses related to the flood repairs and for working capital invested by the Center. At August 31, 2025, Spindletop Center has \$347,249 in notes receivable and the component unit, Spindletop Housing Corporation has \$347,249 in notes payable due to Spindletop Center.

The annual requirements for repayment of principal and interest on the notes payable, in payments and excluding any potential refinancing options, are as follows:

Year Ended August 31	Principal	Interest	Total
2026	\$ 12,837	\$ 3,483	\$ 16,320
2027	12,966	3,354	16,320
2028	13,087	3,233	16,320
2029	13,228	3,092	16,320
2030-2034	68,152	13,448	81,600
2035-2039	71,646	9,954	81,600
2040-2044	75,317	6,283	81,600
2045-2049	79,183	2,417	81,600
2050	833	-	833
	<u>\$ 347,249</u>	<u>\$ 45,264</u>	<u>\$ 392,513</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

SPINDLETOP CENTER
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDING AUGUST 31, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Local Revenues:				
County government	\$ 926,517	\$ 921,530	\$ 904,025	\$ (17,505)
Patient fees and insurance	757,622	757,622	566,666	(190,956)
Contracts	149,320	149,320	78,319	(71,001)
Medicare	53,100	53,100	56,836	3,736
Medicaid	6,266,457	6,266,457	6,002,601	(263,856)
Home and community-based services	6,392,329	6,392,329	6,362,971	(29,358)
Texas Home Living Waiver	448,795	356,617	298,625	(57,992)
Directed Payment Program (DPP)	3,000,000	3,000,000	3,492,283	492,283
Charity Care Program (CCP)	2,700,000	2,700,000	2,922,311	222,311
Investment income	90,000	90,000	135,161	45,161
Other local income	4,170,362	4,319,983	1,639,553	(2,680,430)
Total local revenues	24,954,502	25,006,958	22,459,351	(2,547,607)
State Program Revenues:				
General revenue - mental health services	11,916,094	10,675,865	12,782,730	2,106,865
General revenue - IDD services	3,639,027	3,639,027	3,690,711	51,684
Community Health Worker Grant Program	68,250	68,250	68,250	-
Community MH Grant - Care Coordination	801,736	801,736	659,388	(142,348)
Community MH Grant - Hope Squad	85,819	85,819	73,592	(12,227)
Early Childhood Intervention	1,413,639	1,405,894	994,355	(411,539)
Mental Health First Aid - Training	22,600	22,600	22,600	-
Mental Health Grant Program for Justice-Involved Individuals	805,324	805,324	838,538	33,214
Multisystemic Therapy Grant	692,045	692,045	524,402	(167,643)
PASRR	30,110	58,974	84,127	25,153
PATH - state portion	7,875	7,875	7,875	-
Substance abuse contracts - state portion	189,449	73,145	26,865	(46,280)
Supportive Housing - state portion	223,609	223,609	223,609	-
TCOOMMI	693,500	693,500	652,133	(41,367)
Texas Department of Criminal Justice	300,000	300,000	222,240	(77,760)
Texas Rehabilitation Commission	900	900	20,304	19,404
Total state program revenues	20,889,977	19,554,563	20,891,719	1,337,156
Federal Program Revenues:				
Behavioral Health Internship Stipend	-	-	60,044	60,044
Block Grant for Supportive Housing	3,886	3,886	3,886	-
Block Grants for the Treatment and Prevention of Substance Abuse	169,551	169,551	169,551	-
Community Health Worker Grant Program	256,750	256,750	256,750	-
Coordinated Specialty Care (CSC)	783,721	783,721	676,821	(106,900)
DOJ Criminal Justice and MH Collaboration	-	182,170	104,608	(77,562)
Early Childhood Intervention	760,813	760,813	760,813	-
IDD Employment Navigator Pilot Services	-	31,514	71,197	39,683
Jefferson County SLFRF Subrecipient Funds	478,737	478,737	463,761	(14,976)
Medicaid Administrative Claiming	2,399,110	1,860,000	1,593,460	(266,540)
Mental Health Block Grant	1,174,563	1,174,563	951,041	(223,522)
Mental Health Block Grant-COVID-19 Supplemental Grant	111,873	-	71,073	71,073
Mental Health Block Grant-COVID-19 Supplemental Grant	37,749	-	20,419	20,419
Mental Health Disaster Assistance and Emergency MH	620,616	620,616	294,489	(326,127)
Mental Health First Aid - Outreach	89,050	89,050	78,543	(10,507)
PATH	258,519	258,519	254,629	(3,890)
SAMHSA MH Disaster Assistance	100,000	100,000	86,337	(13,663)
SAMHSA PIPBHC Grant	450,000	450,000	277,423	(172,577)
Social Services Block Grant	-	117,817	117,817	-
TANF (MH only)	271,318	271,318	271,318	-
Title XVIII - Money Follows the Person	97,739	97,739	96,677	(1,062)
Total federal program revenues	8,063,995	7,706,764	6,680,657	(1,026,107)
TOTAL REVENUES	\$ 53,908,474	\$ 52,268,285	\$ 50,031,727	\$ (2,236,558)

SPINDLETOP CENTER
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDING AUGUST 31, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Balance
Expenditures				
Personnel	\$ 25,989,120	\$ 25,930,071	\$ 24,585,696	\$ 1,344,375
Employee benefits	8,889,683	8,531,923	8,450,994	80,929
Contracted services	12,199,572	10,895,345	9,766,018	1,129,327
Travel - board and staff	257,721	264,401	151,433	112,968
Medications	235,809	235,809	273,488	(37,679)
Consumable supplies	363,173	357,432	186,205	171,227
Building repairs and rent	417,996	429,741	280,018	149,723
Equipment repair and maintenance	14,354	15,307	19,200	(3,893)
Telephone and utilities	544,509	892,478	866,855	25,623
Vehicle operations	357,616	381,410	252,313	129,097
Insurance	913,029	1,001,321	938,432	62,889
Training and development	119,041	118,898	116,840	2,058
Office supplies	199,229	155,341	147,391	7,950
Marketing	97,450	46,055	2,817	43,238
Client costs	586,334	562,930	563,540	(610)
Other costs	848,665	591,168	379,105	212,063
Debt Service:				
Principal	1,028,105	1,028,105	1,028,105	-
Interest	216,636	216,636	216,636	-
Total current	53,278,042	51,654,371	48,225,086	3,429,285
Capital outlay	630,432	613,914	1,092,452	(478,538)
TOTAL EXPENDITURES	53,908,474	52,268,285	49,317,538	2,950,747
Revenues over expenditures	-	-	714,189	714,189
Other Financing Sources				
SBITAs	-	-	227,817	(227,817)
Total other financing sources	-	-	227,817	(227,817)
Net change in fund balance	-	-	942,006	942,006
Fund balance-Beginning of year	6,910,086	6,910,086	6,910,086	-
Fund balance-End of Year	6,910,086	6,910,086	7,852,092	942,006

Notes to Required Supplementary Information: The Center's basis for preparing the annual budget is the same as that required by generally accepted accounting principles.

STATISTICAL SECTION

(UNAUDITED)

STATISTICAL SECTION

This part of Spindletop Center’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, not disclosures, and required supplementary information says about the government’s overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Center’s financial performance and well-being have changed over time. 53-57

Revenue Capacity

These schedules contain information to help the reader assess the government’s revenue capacity developed based on the services to the client’s individual needs, values and opinions. Success is demonstrated in terms of client outcomes. Spindletop provides services in a safe, ethical and cost effective manner, in partnership with the community which it serves. 58-59

Debt Capacity

These schedules present information to help the reader assess the affordability of the Center’s current levels of outstanding debt and the government’s ability to secure additional debt in the future. 60-62

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place. 63-65

Operating Information

These schedules contain service information to help the reader understand how the information in the Center’s financial report relates to the services provided and the activities it performs. 66-76

**Spindletop Center
General Governmental Expenditures
And Other Financing Uses by Function
Last Ten Fiscal Years (Unaudited)**

Fiscal Year	Mental Health Adult	Mental Health Child and Adolescent	Intellectual & Developmental Disability	Early Childhood Intervention	Substance Use Disorder	Housing	(b) 1115 Waiver Program	Other	Admin	(a) Principal	(a) Interest	Capital Outlay	Grand Total
2016	11,226,171	2,816,944	13,169,175	2,136,083	954,945	218,210	3,813,218	967,325	4,973,996			644,395	40,920,462
2017	13,488,296	4,055,939	13,849,148	2,333,534	1,021,917	226,349	4,711,500	114,028	4,982,269			481,161	45,264,141
2018	12,400,383	4,108,084	13,597,587	3,761,799	1,106,949	240,428	3,289,231	595,637	4,507,685			1,220,460	44,828,243
2019	11,925,901	4,255,108	13,497,276	4,096,164	1,463,268	345,977	52,330	2,437,601	4,823,611			1,163,028	44,060,264
2020	12,926,325	4,043,358	12,470,260	3,669,671	1,378,157			3,992,945	6,106,032			2,674,456	47,261,204
2021	14,637,935	5,068,503	12,602,602	3,923,030	940,043	374,964		1,119,604	7,208,699			3,152,257	49,027,637
2022	13,102,674	5,674,072	12,897,465	3,494,058	1,212,438	391,996		6,688,632	6,466,648	42,543	5,433	3,498,419	53,474,378
2023	16,290,779	5,547,585	12,507,707	2,706,828	739,933	386,238		4,745,475	7,267,215	834,250	243,897	6,966,862	58,236,769
2024	15,870,401	5,850,216	14,450,559	2,896,464	1,467,240	435,288		4,816,419	6,053,951	981,399	305,531	1,845,802	54,973,270
2025	17,659,918	5,949,519	12,368,218	2,738,730	1,096,452	387,253		1,856,642	4,923,613	1,028,105	216,636	1,092,452	49,317,538

Notes:

(a) Spindletop Center adopted GASB 87, *Leases* in FY 2022 and GASB 96, Subscription-Based Information Technology Agreements in FY 2023

(b) Beginning in 2019 - Due to changes in the Medicaid 1115 Waiver Program, Center no longer has specific 1115 Programs. 1115 Waiver Expenses other than those directly supporting the waiver administration are included in Other.

**Spindletop Center
Governmental Revenue
And Other Financing Sources by Sources
Last Ten Fiscal Years (Unaudited)**

Fiscal Year	Local (a)	State	Federal	Total
2016	23,554,762	15,260,138	3,517,671	42,332,571
2017	26,871,747	16,835,715	3,823,049	47,530,511
2018	24,428,973	17,267,019	4,933,502	46,629,494
2019	21,314,039	16,704,617	4,993,556	43,012,212
2020	28,589,954	17,758,721	6,828,948	53,177,623
2021	21,547,388	18,167,273	6,170,524	45,885,185
2022	24,291,616	18,142,065	7,789,511	50,223,192
2023	24,716,959	18,605,785	7,922,303	51,245,047
2024	20,579,028	19,688,871	7,205,768	47,473,667
2025	22,459,351	20,891,719	6,680,657	50,031,727

(a) Includes other local, earned and investment earnings, as well as Medicaid 1115 Waiver earnings

**Spindletop Center
Revenue by Activity
Statistical Section
(Unaudited)**

Net Revenues, (Expenses) and Changes in Net Position

<u>Revenues by Activity</u>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Charges for Services	19,388,617	13,752,719	14,188,707	22,504,979	22,252,700	30,951,862	21,525,876	24,321,076	26,557,452	22,535,206
Operating Grants and Contributions	21,380,856	25,780,863	26,247,527	20,566,918	21,327,927	21,061,989	20,259,861	21,282,108	20,061,941	18,623,726
Governmental Activities	(10,956,081)	(15,097,137)	(12,150,607)	(8,801,399)	(3,233,581)	5,714,352	(2,610,380)	910,372	675,400	(404,894)
General Revenue	10,506,116	7,284,479	10,503,028	7,395,771	6,663,367	3,677,198	1,642,913	925,400	902,118	1,156,468
Change in Net Position	(449,965)	(7,812,658)	(1,647,579)	(1,405,628)	3,429,786	9,391,550	(967,467)	1,835,772	1,577,518	751,574
<u>Revenues by Activity and Program</u>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Mental Health - Adult</u>										
Charges for Services	4,187,290	1,378,435	1,938,178	3,256,213	2,556,955	2,373,071	2,105,029	1,950,171	2,027,243	1,655,435
Operating Grants/Contributions	13,228,792	14,643,643	14,346,892	11,960,996	12,014,155	11,663,526	10,897,815	12,039,038	11,770,830	11,535,061
<u>Mental Health - Child</u>										
Charges for Services	3,616,919	2,682,683	2,554,956	3,280,245	2,263,760	2,472,606	3,265,801	3,998,165	4,015,880	2,916,086
Operating Grants/Contributions	1,825,344	2,586,715	2,726,444	2,102,268	2,087,268	2,035,929	1,671,783	1,803,026	2,056,029	1,599,480
<u>Intellectual and Development Disability</u>										
Charges for Services	8,819,937	8,366,858	8,128,374	9,154,091	8,891,246	9,879,268	9,851,402	9,999,604	10,997,172	10,642,805
Operating Grants/Contributions	3,787,388	3,695,302	3,820,081	3,621,545	3,638,100	3,697,668	3,700,547	3,918,027	3,959,728	3,448,972
<u>Early Childhood Intervention</u>										
Charges for Services	1,080,574	858,623	1,056,853	1,597,113	1,463,942	1,645,719	2,313,914	1,757,390	1,412,057	1,375,258
Operating Grants/Contributions	1,912,509	2,093,278	2,238,176	2,146,545	2,847,914	2,685,885	2,359,571	2,460,087	1,091,930	973,586
<u>Substance Abuse Programs</u>										
Charges for Services	360,915	64,632	187,092	305,722	137,820	222,253	313,660	108,618	88,116	110,187
Operating Grants/Contributions	418,925	1,160,504	1,165,157	530,291	512,206	897,457	1,035,234	1,061,930	1,001,835	875,415
<u>Housing Program</u>										
Charges for Services	267,316	221,603	250,324	292,549	167,121		197,650	126,685	133,238	172,485
Operating Grants/Contributions	0	118,746	118,044							
<u>1115 Waiver Program</u>										
Charges for Services							2,694,122	6,249,711	7,883,746	5,662,950
Operating Grants/Contributions										
<u>Other Programs</u>										
**includes 1115 waiver Charges for Services	1,055,666	179,885	72,930	4,619,046	6,771,856	14,358,945	784,298	130,732		
Operating Grants/Contributions	207,898	1,482,675	1,832,733	205,273	228,284	81,524	594,911		181,590	191,212
Total Revenues By Programs	40,769,473	39,533,582	40,436,234	43,071,897	43,580,627	52,013,851	41,785,737	45,603,184	46,619,394	41,158,932

**10 Year Comparison
Budget to Revenue and Expense
(Unaudited)**

Fiscal Year	Budgeted for Revenue	Actual Revenue	Revenue (Under)/Over Budget	Budgeted for Expense	Actual Expenses	Expense Under/(Over) Budget	Other Financing Sources	Net Change in Fund Balance
2016	43,624,645	42,332,571	(1,292,074)	41,439,093	40,920,462	518,631	-	1,412,109
2017	46,279,022	47,530,511	1,251,489	43,171,074	45,264,140	(2,093,066)	-	2,266,371
2018	50,274,811	46,629,494	(3,645,317)	47,121,676	44,828,423	2,293,253	-	1,801,071
2019	43,957,396	43,012,213	(945,183)	43,957,395	44,060,264	(102,868)	-	(1,048,051)
2020	46,961,884	53,177,624	6,215,740	46,952,853	47,261,205	(308,352)	6,888,566	12,804,985
2021	45,620,874	45,885,185	264,311	45,620,874	49,027,997	(3,407,124)	410,086	(2,732,727)
2022	48,609,908	50,223,192	1,613,285	48,609,908	53,474,379	(4,864,472)	17,733	(3,233,454)
2023	49,013,815	51,245,047	2,231,232	49,013,815	58,236,769	(9,222,954)	(5,364)	(6,997,086)
2024	51,477,791	47,473,667	(4,004,124)	51,477,791	54,973,269	(3,495,478)	(749,649)	(8,249,251)
2025	52,268,285	50,031,727	(2,236,558)	52,268,285	49,317,538	2,950,747	227,817	942,006

**Spindletop Center
10 Year Comparison
Fund Balances
For Statistical Section
(Unaudited)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>General Fund</u>										
Nonspendable - Prepaid	503,178	590,281	418,659	358,461	252,169	348,856	501,422	660,478	765,139	830,734
Nonspendable - Note Receivable	347,249	366,961	390,428	402,780	415,010					
Committed	734,992	900,326	1,026,262	1,224,721	3,671,141	16,444,736	3,539,079	1,308,590	930,927	653,583
Unassigned	6,266,673	5,052,518	11,824,690	18,671,163	19,552,259	9,829,714	9,777,819	12,897,303	11,369,234	9,314,612
Total	7,852,092	6,910,086	13,660,039	20,657,125	23,890,579	26,623,306	13,818,320	14,866,371	13,065,300	10,798,929

Spindletop Center
Net Revenue/Expense and Change in Net Position
Reporting Under GASB 34
Statistical Section
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Mental Health - Adult										
Total Revenue by Activity	17,416,082	16,022,078	16,285,070	15,217,209	14,571,110	14,036,597	13,002,844	13,989,209	13,798,073	13,190,496
Total Expense by Activity	20,915,156	19,077,751	19,643,786	15,699,039	17,198,261	15,216,608	13,958,844	14,127,696	15,434,087	13,357,384
Change in N.P. by Activity	(3,499,074)	(3,055,673)	(3,358,716)	(481,830)	(2,627,151)	(1,180,011)	(956,000)	(138,487)	(1,636,014)	(166,888)
Mental Health - Child										
Total Revenue by Activity	5,442,263	5,269,398	5,281,400	5,382,513	4,351,028	4,508,535	4,937,584	5,801,191	6,071,909	4,515,566
Total Expense by Activity	7,391,446	7,098,071	6,620,394	6,632,466	6,012,881	4,839,478	4,948,524	4,684,538	4,667,311	3,292,342
Change in N.P. by Activity	(1,949,183)	(1,828,673)	(1,338,994)	(1,249,953)	(1,661,853)	(330,943)	(10,940)	1,116,653	1,404,598	1,223,224
Intellectual & Developmental Disability										
Total Revenue by Activity	12,607,325	12,062,160	11,948,455	12,775,636	12,529,346	13,576,936	13,551,949	13,917,631	14,956,900	14,091,777
Total Expense by Activity	15,664,399	17,475,415	15,892,093	15,551,164	15,613,651	14,975,612	15,685,084	15,415,054	15,901,070	15,363,195
Change in N.P. by Activity	(3,057,074)	(5,413,255)	(3,943,638)	(2,775,528)	(3,084,305)	(1,398,676)	(2,133,135)	(1,497,423)	(944,171)	(1,271,418)
Early Childhood Intervention										
Total Revenue by Activity	2,993,083	2,951,901	3,295,029	3,743,658	4,311,856	4,331,604	4,673,485	4,217,477	2,503,987	2,348,844
Total Expense by Activity	3,429,271	3,311,584	3,368,617	4,407,506	4,926,428	4,452,823	4,620,711	4,191,463	2,636,703	2,419,404
Change in N.P. by Activity	(436,188)	(359,683)	(73,588)	(663,848)	(614,572)	(121,219)	52,774	26,014	(132,716)	(70,560)
Substance Abuse Programs										
Total Revenue by Activity	779,840	1,225,136	1,352,249	836,013	650,026	1,119,710	1,348,894	1,170,548	1,089,951	985,602
Total Expense by Activity	1,420,788	1,765,200	1,076,936	1,492,162	1,235,247	1,750,696	1,752,560	1,331,904	1,248,685	1,163,899
Change in N.P. by Activity	(640,948)	(540,064)	275,313	(656,149)	(585,221)	(630,986)	(403,666)	(161,356)	(158,733)	(178,297)
Housing Program										
Total Revenue by Activity	267,316	340,349	368,368	292,549	167,121		197,650	126,685	133,238	172,485
Total Expense by Activity	617,646	629,816	578,894	591,950	629,818		543,502	377,661	354,367	346,021
Change in N.P. by Activity	(350,330)	(289,467)	(210,526)	(299,401)	(462,697)		(345,852)	(250,976)	(221,129)	(173,536)
1115 Waiver Program										
Total Revenue by Activity							2,694,122	6,249,711	7,883,746	5,662,950
Total Expense by Activity							149,253	3,898,739	5,550,213	4,531,020
Change in N.P. by Activity							2,544,869	2,350,972	2,333,533	1,131,930
Other Programs										
Total Revenue by Activity	1,263,564	1,662,560	1,905,663	4,824,319	7,000,140	14,440,469	1,379,209	130,732	181,590	191,212
Total Expense by Activity	2,286,848	5,272,882	5,406,121	7,499,009	1,378,893	5,064,283	2,737,640	665,758	151,559	1,090,561
Change in N.P. by Activity	(1,023,284)	(3,610,322)	(3,500,458)	(2,674,690)	5,621,247	9,376,186	(1,358,431)	(535,026)	30,032	(899,349)
General Revenues										
Investment Income	139,893	85,878	155,976	57,844	59,950	112,755	148,058	46,867	22,020	38,002
Contributions from local gvmts	904,025	875,286	728,815	497,519	534,240	527,045	544,798	505,259	505,391	495,519
PPP loan forgiveness					4,443,478					
Charity care program	2,922,311	2,753,086	5,264,796							
Other local revenues	6,539,887	3,570,229	4,353,441	6,840,408	1,625,699	3,037,399	950,057	373,274	374,707	622,947
Change in N.P. by Activity	10,506,116	7,284,479	10,503,028	7,395,771	6,663,367	3,677,199	1,642,913	925,400	902,118	1,156,468
Net Revenue/Expense & Change in Net Position	(449,965)	(7,812,658)	(1,647,579)	(1,405,628)	3,248,815	9,391,550	(967,468)	1,835,771	1,577,518	751,574

**Spindletop Center
Expenses by Activity
Statistical Section
(Unaudited)**

Fiscal Year	Mental Health Adult	Mental Health Child	Intellectual & Development Disability	Early Childhood Intervention	Substance Abuse Programs	Housing Program	(b) 1115 Waiver Program	Other Programs	(a) Interest on Long Term Debt	Total After Allocation of Admin	Admin Allocated to Programs
2015	10,493,248	2,403,695	15,267,701	2,339,283	1,158,083	329,393	4,591,142	1,160,865		37,743,410	4,712,955
2016	13,357,384	3,292,342	15,363,195	2,419,404	1,163,899	346,021	4,531,020	1,090,561		41,563,826	5,184,283
2017	15,434,087	4,667,311	15,901,070	2,636,703	1,248,685	354,367	5,550,213	151,559		45,943,995	5,209,052
2018	14,127,696	4,684,538	15,415,054	4,191,463	1,331,904	377,661	3,898,739	665,758		44,692,813	4,646,187
2019	13,958,844	4,948,524	15,685,083	4,620,711	1,752,560	543,502	149,254	2,737,640		44,396,118	5,039,620
2020	15,216,608	4,839,478	14,975,612	4,452,823	1,750,696			5,064,283		46,299,500	6,441,085
2021	17,198,261	6,012,881	15,433,279	4,926,428	1,235,247	629,218		1,378,893		46,814,207	7,008,750
2022	15,699,039	6,632,466	15,551,164	4,407,506	1,492,162	591,950		7,493,576	5,433	51,873,296	6,790,544
2023	19,643,786	6,620,394	15,892,093	3,368,617	1,076,936	578,894		5,162,224	243,897	52,586,841	8,211,803
2024	19,077,751	7,098,071	17,475,415	3,311,584	1,765,200	629,816		4,967,351	305,531	54,630,719	6,582,136
2025	20,915,156	7,391,446	15,664,399	3,429,271	1,420,788	617,646		2,070,212	216,636	51,725,554	5,314,470

Notes:

(a) Spindletop Center adopted GASB 87, *Leases* in FY 2022 and GASB 96, *Subscription-Based Information Technology Agreements* in FY 2023

(b) Beginning in 2019 - Due to changes in the Medicaid 1115 Waiver Program, Center no longer has specific 1115 Programs. 1115 Wavier Expenses other than those directly supporting the waiver administration are included in Other.

Spindletop Center
Total Debt Service to Expenditures
Statistical Section
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Lease and SBITA Liability Debt Service</u>										
Principal	1,028,105	981,399	834,250	42543						
Interest	216,636	305,531	243,897	5,433						
Total Debt Service	1,244,741	1,286,930	1,078,147	47976						
<u>Expenditures</u>										
Expenses	48,225,086	53,127,468	51,269,907	49,975,960						
Capital Outlays	1,092,452	(7,188,119)	6,966,862	3,498,419						
Total Expenditures	49,317,538	45,939,349	58,236,769	53,474,379						
<u>Ratio</u>										
Debt Service to Expenditures	2.52%	2.80%	1.85%	0						
<u>Percentage</u>										
Debt Service to Non-Capital Expenditures	2.52%	2.80%	1.85%	0						

(a) Spindletop Center had no debt prior to FY 2022

(b) Spindletop Center adopted GASB 87, Leases in FY 2022 and GASB 96, Subscription-Based Information Technology Agreements in FY 2023.

(c) In May 2020, the Center obtained a Paycheck Protection Program loan in the amount of \$4,443,478. Application for forgiveness was submitted December 31, 2020 and granted on June 16, 2021. Due to the forgiveness of this debt, a schedule would not be meaningful.

Spindletop Center
Components of Net Position
Statistical Section
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net Investment in Capital Assets	25,674,802	26,889,029	27,766,981	22,395,816	20,599,787	18,954,934	17,717,260	17,757,053	17,742,982	18,456,636
Restricted										
Unrestricted	6,297,089	5,532,827	12,467,533	19,486,277	22,687,934	20,903,001	12,749,124	13,676,798	11,855,097	9,563,925
Total Net Position	31,971,891	32,421,856	40,234,514	41,882,093	43,287,721	39,857,935	30,466,384	31,433,851	29,598,079	28,020,561

Spindletop Center
Principal Employers
Current Year and Nine Years Ago **
(Unaudited)

Jefferson County				
** most current information available				
<u>Employer</u>	FY 2024		FY 2015	
	<u>Percentage of</u>		<u>Percentage of</u>	
	<u>Employees</u>	<u>Total County Employment</u>	<u>Employees</u>	<u>Total County Employment</u>
State of Texas	4,007	4.01%	5,000	4.75%
Beaumont ISD	2,349	2.35%	2,385	2.27%
ExxonMobil Oil Corporation	2,163	2.17%	2,000	1.90%
Baptist Hospital of Southeast Texas	1,977	1.98%	1,100	1.05%
Christus Health Southeast Texas	1,893	1.90%	1,734	1.63%
Motiva Enterprises	1,664	1.67%	1,575	1.50%
Port Arthur ISD	1,335	1.34%	1,274	
City of Beaumont	1,266	1.27%	0	
Jefferson County	1,118	1.12%	0	1.15%
Valero	847	0.85%	829	0.79%
Total	18,619	18.66%	18,424	17.51%

Chambers County				
** most current information available				
<u>Employer</u>	FY 2024		FY 2015	
	<u>Percentage of</u>		<u>Percentage of</u>	
	<u>Employees</u>	<u>Total County Employment</u>	<u>Employees</u>	<u>Total County Employment</u>
Bayer Material Science-Coverstro	1,093	6.49%	1,450	6.68%
Barber's Hill ISD	672	3.99%	1,200	5.53%
Jindal Steel Works	644	3.82%	0	1.52%
Chevron-Phillips	623	3.70%	0	0.00%
Wal-Mart Distribution Center	600	3.56%	600	2.76%
Lone Star Energy Fabricators	540	3.21%	0	0.00%
ExxonMobil Oil Corporation	512	3.04%	250	1.15%
Chambers County	364	2.16%	500	2.30%
Borusan Mannesmann	250	1.48%	410	1.89%
TMK-Ipsco	250	1.48%	0	0.00%
Total	5,548	32.93%	4,410	21.83%

Orange County				
** Employees & Percentage Numbers no longer available				
** List of Principal Employers from the Orange Co. EDC				
<u>Employer</u>	FY 2024		FY 2015	
	<u>Percentage of</u>		<u>Percentage of</u>	
	<u>Employees</u>	<u>Top Employment</u>	<u>Employees</u>	<u>Top Employment</u>
Dow Sabine River Operations			920	2.42%
Little Cypress-Mauriceville ISD			584	1.54%
Orange County			500	1.32%
Kellog - Brown & Root			420	1.11%
West Orange Cove Consolidated ISD			450	1.18%
Lanxess, Inc. (Arlanxco)			390	1.03%
Lamar State College - Orange			274	0.72%
Orangefield ISD			249	0.66%
Total	0	0.00%	3,787	9.98%

Hardin County				
** most current information available - SETX Econ DF				
<u>Employer</u>	FY 2024		FY 2015	
	<u>Percentage of</u>		<u>Percentage of</u>	
	<u>Employees</u>	<u>Top Employment</u>	<u>Employees</u>	<u>Top Employment</u>
Walmart Supercenter	500-1000		500-1000	
BNSF	100-499		100-499	
Brookshire Brothers	100-499		100-499	
Dragon Products	100-499		100-499	
Paschal Welding	100-499		100-499	
Pineywoods Sanitation	100-499		100-499	
South Hampton Resources Inc.	32,907		0	
Streamline Production Systems	100-499		100-499	
Triple S	100-499		100-499	
Wooden Pallets	100-499		100-499	

Jasper County				
Information unavailable				
FY 2024		FY 2015		

Spindletop Center
Service Area Demographic and Economic Statistics (By County)
Last 10 Years
(Unaudited)

Jefferson				
Year	Population (a)	Total Personal Income (b)	Per Capita Personal Income (b)	Unemployment Rate (b)
2015	252,235	\$ 9,971,354	\$ 39,532	6.60%
2016	254,308	\$ 10,809,362	\$ 42,505	7.40%
2017	254,679	\$ 11,451,641	\$ 44,965	8.50%
2018	256,299	\$ 11,524,485	\$ 44,965	6.20%
2019	255,001	\$ 12,358,113	\$ 48,463	5.60%
2020	251,565	\$ 14,036,572	\$ 55,797	13.10%
2021	256,526	\$ 13,146,444	\$ 51,248	8.30%
2022	253,704	\$ 13,601,833	\$ 53,613	6.60%
2023	251,496	\$ 12,607,750	\$ 50,131	6.30%
2024	253,948	\$ 12,607,750	\$ 50,131	6.00%

Chambers				
Year	Population (a)	Total Personal Income (a)	Per Capita Personal Income (a)	Unemployment Rate (b)
2015	38,863	\$ 1,792,274	\$ 46,118	5.30%
2016	39,899	\$ 1,929,438	\$ 49,647	6.10%
2017	41,441	\$ 1,929,438	\$ 46,559	6.50%
2018	42,454	\$ 2,200,476	\$ 51,832	6.50%
2019	43,867	\$ 2,278,642	\$ 53,673	4.50%
2020	45,590	\$ 2,481,633	\$ 56,610	4.50%
2021	48,865	\$ 2,960,776	\$ 60,591	8.30%
2022	51,288	\$ 3,164,169	\$ 61,694	5.30%
2023	53,876	\$ 3,550,794	\$ 65,907	5.40%
2024	56,179	\$ 3,550,794	\$ 65,907	5.30%

Orange				
Year	Population (a)	Total Personal Income (a)	Per Capita Personal Income (a)	Unemployment Rate (b)
2015	83,946	\$ 3,507,046	\$ 41,777	6.70%
2016	84,533	\$ 3,576,049	\$ 42,304	7.40%
2017	84,936	\$ 3,670,645	\$ 43,217	6.70%
2018	83,572	\$ 3,755,583	\$ 44,938	5.80%
2019	83,396	\$ 3,808,098	\$ 45,663	5.10%
2020	83,318	\$ 4,013,678	\$ 48,173	11.30%
2021	84,742	\$ 4,144,861	\$ 48,912	9.00%
2022	84,934	\$ 4,261,107	\$ 50,170	5.70%
2023	85,722	\$ 4,455,967	\$ 51,982	5.40%
2024	86,115	\$ 4,455,967	\$ 51,982	5.00%

Hardin				
Year	Population (a)	Total Personal Income (a)	Per Capita Personal Income (a)	Unemployment Rate (b)
2015	55,761	\$ 2,389,574	\$ 42,854	6.00%
2016	56,260	\$ 2,431,993	\$ 43,228	6.80%
2017	57,159	\$ 2,530,607	\$ 44,273	6.40%
2018	57,207	\$ 2,630,490	\$ 56,982	5.30%
2019	57,602	\$ 2,720,004	\$ 47,221	4.30%
2020	58,097	\$ 2,855,990	\$ 49,159	7.90%
2021	56,973	\$ 2,993,594	\$ 52,544	8.00%
2022	57,811	\$ 3,158,513	\$ 54,635	5.20%
2023	58,261	\$ 3,287,338	\$ 56,424	4.90%
2024	58,670	\$ 3,287,338	\$ 56,424	4.70%

Jasper				
Year	Population (a)	Total Personal Income (a)	Per Capita Personal Income (a)	Unemployment Rate (b)
2015	33,984	\$ 1,315,329	\$ 38,704	7.50%
2016	33,912	\$ 1,327,736	\$ 39,152	7.70%
2017	33,802	\$ 1,387,273	\$ 41,041	7.50%
2018	33,773	\$ 1,427,147	\$ 42,257	6.60%
2019	33,354	\$ 1,465,224	\$ 43,929	6.10%
2020	32,919	\$ 1,525,184	\$ 46,331	11.20%
2021	32,552	\$ 1,635,683	\$ 50,248	9.60%
2022	34,295	\$ 1,635,843	\$ 50,341	6.50%
2023	32,694	\$ 1,739,497	\$ 53,205	6.30%
2024	32,907	\$ 1,739,497	\$ 53,205	6.60%

Spindletop Center
Agency FTE's by Function
(Unaudited)

Fiscal								Other	
<u>Year</u>	MH Adult	MH Child	IDD	ECI	SUD	Housing	<u>Admin</u>	<u>Programs</u>	<u>Total</u>
2016	88	41	155	30	24	2	73	66	479
2017	77	60	157	31	24	2	70	96	517
2018	80	61	157	50	23	2	60	89	522
2019	85	50	125	51	15	2	50	81	459
2020	111	60	128	45	12	2	49	50	457
2021	89	64	125	46	14	2	55	74	469
2022	95	55	137	30	19	2	69	71	478
2023	94	58	139	32	17	2	90	62	494
2024	105	66	117	33	14	2	73	50	460
2025	89	46	91	24	10	2	80	50	392

SPINDLETOP CENTER
SCHEDULE OF REVENUES AND EXPENDITURES BY SOURCE OF FUNDS
GENERAL FUND (Unaudited)
FOR THE YEAR ENDING AUGUST 31, 2025

Fund Source	Total Mental Health Adult & Crisis	Total Mental Health Children	Total Intellectual & Developmental Disabilities	Total Other	Total Center
<u>Objects of Expense</u>					
Salaries	\$ 7,780,830	\$ 3,872,579	\$ 4,882,010	\$ 1,184,167	\$ 17,719,586
Employee Benefits	2,497,672	1,306,629	1,859,664	455,537	6,119,502
Professional and Consultant Services	5,377,119	246,617	3,803,801	51,351	9,478,888
Training and Travel	75,704	32,046	86,971	43,388	238,109
Capital Outlay	161,618		73,915	856,919	1,092,452
Non-Capitalized Equipment	59,890	16,796	26,438	2,203	105,327
Pharmaceutical Expense	273,487				273,487
Pharmaceutical Expense (PAP only)	4,382,975				4,382,975
Other Operating Expenses	1,598,356	509,177	1,708,548	3,000,468	6,816,549
Allocation of General Administration to Strategies	3,441,786	1,173,431	2,157,572	412,787	7,185,576
Allocation of Authority Administration to Strategies	-		288,062		288,062
Total Expenditures	<u>\$ 25,649,437</u>	<u>\$ 7,157,275</u>	<u>\$ 14,886,981</u>	<u>\$ 6,006,820</u>	<u>\$ 53,700,513</u>
<u>Method of Finance</u>					
General Revenue Allocated from DSHS	\$ 11,495,727	\$ 1,427,823			\$ 12,923,550
General Revenue Allocated from DADS			3,690,712		3,690,712
Title XX Social Services Block Grant, CFDA # 93.66	142,488				142,488
Mental Health Block Grant, CFDA # 93.958		257,628			257,628
TANF, CFDA #93.558.667		246,648			246,648
Medicaid Waiver			6,839,681		6,839,681
PATH, CFDA #93.150					-
Medicaid Programs	1,945,039	2,894,720	1,640,649	172,720	6,653,128
Other Federal	948,049				948,049
Medicaid 1115 Waiver (DPP/CCP)				5,472,588	5,472,588
Other State Agencies	364,041		84,127	361,512	809,680
Required Local Match	522,549	141,094	305,381		969,024
Additional Local Funds	10,231,544	2,189,362	2,326,431	-	14,747,337
Total Method of Finance	<u>\$ 25,649,437</u>	<u>\$ 7,157,275</u>	<u>\$ 14,886,981</u>	<u>\$ 6,006,820</u>	<u>\$ 53,700,513</u>
<u>Reconciliation of Final Report III to Audit:</u>					
Expenditures per audit report					\$ 49,317,538
Pharmaceutical Expense (PAP only)					4,382,975
Expenditures per final Report III					<u>\$ 53,700,513</u>
Revenue per audit report					\$ 50,031,727
Other Funding Sources (Leases)					227,817
Excess Expenses not reported on Report III					(942,006)
Pharmaceutical Expense (PAP only)					4,382,975
Revenue per final Report III					<u>\$ 53,700,513</u>

SPINDLETOP CENTER
RECONCILIATION OF TOTAL EXPENDITURES
TO FOURTH QUARTER FINANCIAL REPORT
FOR THE YEAR ENDING AUGUST 31, 2025
(UNAUDITED)

Object of Expenditure	CARE Report III	Additions	Deletions	Audit Financial Statements
Personnel	\$ 24,585,696			\$ 24,585,696
Employee Benefits	8,450,994			8,450,994
Professional and Consulting Services	9,766,018			9,766,018
Training and Travel	151,433			151,433
Capital Outlay	1,092,452			1,092,452
Non-capitalized Equipment	299,218			299,218
Pharmaceutical Expense	273,488			273,488
Pharmaceutical Expense (PAP) only	4,382,975		(4,382,975) (a)	
Other Operating Expenses	4,698,239			4,698,239
Total Expenditures	<u>\$ 53,700,513</u>	<u>\$ -</u>	<u>\$ (4,382,975)</u>	<u>\$ 49,317,538</u>

(a) PAP not included in financial statements

SPINDLETOP CENTER
RECONCILIATION OF TOTAL REVENUES
FOR THE YEAR ENDING AUGUST 31, 2025
(UNAUDITED)

Fund Source	Total Revenue	Expended Revenue	Excess Revenue
General Revenue Allocated from DSHS	\$ 12,923,550	\$ 12,923,550	\$ -
General Revenue Allocated from DADS	3,690,712	3,690,712	-
Title XX Social Services Block Grant, CFDA # 93.667	142,488	142,488	-
Mental Health Block Grant, CFDA # 93.958	257,628	257,628	-
TANF, CFDA #93.558.667	246,648	246,648	-
Medicaid Waiver	6,839,681	6,839,681	-
PATH, CFDA #93.150	-	-	-
Medicaid Programs	6,653,128	6,653,128	-
Other Federal	948,049	948,049	-
Medicaid 1115 Waiver (DPP/CCP)	6,414,594	5,472,588	942,006
Other State Agencies	809,680	809,680	-
Required Local Match	969,024	969,024	-
Additional Local Funds	14,747,337	14,747,337	-
Total Expended Sources	\$ 54,642,519	\$ 53,700,513	\$ 942,006
Required Local Match & Additional Local Funds			
County Government Tax Funds	\$ 904,025	\$ 904,025	\$ -
Patient Fees (Insurance and Reimbursements)	681,563	681,563	-
Miscellaneous Income & Contributions	505,401	505,401	-
Transfers In	9,242,397	9,242,397	-
PAP Contributions	4,382,975	4,382,975	-
	\$ 15,716,361	\$ 15,716,361	\$ -

SPINDLETOP CENTER
SCHEDULE OF INDIRECT COST (UNAUDITED)
FOR THE YEAR ENDING AUGUST 31, 2025

	<u>Per CARE</u> <u>Report III</u>	<u>Reclassified</u> <u>Cost</u>	<u>Nonallowable</u> <u>Cost</u>	<u>Depreciation</u>	<u>Total</u> <u>Adjusted Cost</u>	<u>Direct Cost</u>	<u>Indirect Cost</u>
Salaries	\$ 17,719,586	\$ 17,719,586	\$	\$	\$ 17,719,586	\$ 12,835,880	\$ 4,883,706
Employee Benefits	6,119,502	6,119,502			6,119,502	4,488,546	1,630,956
Other Expenditures	24,385,998	24,385,998	(87,026)		24,298,972	23,339,996	958,976
Capital Outlay	1,092,452	1,092,452	(1,092,452)			-	
Depreciation				3,106,969	3,106,969	2,785,646	321,323
PAP	<u>4,382,975</u>	<u>4,382,975</u>	<u>(4,382,975)</u>				
Total	<u>\$ 53,700,513</u>	<u>\$ 53,700,513</u>	<u>\$ (5,562,453)</u>	<u>\$ 3,106,969</u>	<u>\$ 51,245,029</u>	<u>\$ 43,450,068</u>	<u>\$ 7,794,961</u>
Less PAP		<u>(4,382,975)</u>					
Expenditures per audit		<u>\$ 49,317,538</u>					

Rate Computation

Indirect Cost	\$ 7,794,961
Direct Cost	\$ 43,450,068
Indirect Cost Rate	17.94%

**SPINDLETOP CENTER
SCHEDULE OF LEASES (UNAUDITED)
FOR THE YEAR ENDING AUGUST 31, 2025**

Leases Subject to GASB 87

STC	Lessor/Lessee	Lease Asset	Contract Date	Ending Date	Annual Amt
Lessee	Cintas Corporation	Uniforms and Mats	4/26/2021	4/25/2026	\$ 20,155

Leases Not Subject to GASB 87

STC	Lessor/Lessee	Lease Asset	Contract Date	Ending Date	Annual Amt
Lessee	Empress Care Services, LLC	Sublease - 3 Musketeers	9/1/2024	8/31/2025	26,827
Lessor	Genoa Pharmacy	Office Space - BOPC	2/15/2015	2/14/2026	5,926
Lessee	Guillory's Birds of a Feather	Sublease - Robin's Nest	9/1/2024	8/31/2025	35,050
Lessee	Guillory's Birds of a Feather	Sublease - Soaring Eagles	9/1/2024	8/31/2025	33,030
Lessee	Lynetta & Lisa's Dignified Angels	Sublease - Angels in Waiting	9/1/2024	8/31/2025	26,323
Lessee	Lynetta & Lisa's Dignified Angels	Sublease - Concrete Angels	9/1/2024	8/31/2025	26,438
Lessee	Office Depot	Water Dispensers	2/14/2013	8/31/2025	13,464
Lessee	Region 5 Education Service Ctr	Office Space - HB19	9/1/2024	8/31/2025	15,000
Lessee	Spindletop Housing Corp.	Office Space - Cottages	9/1/2024	8/31/2025	5,000
Lessee	Susan's Home Sweet Homes	Sublease - Skittles	9/1/2024	8/31/2025	27,036
Lessee	TLC & Associates	Sublease - Knight	9/1/2024	8/31/2025	30,614
Lessee	Victory Bound	Sublease - Edson	9/1/2024	8/31/2025	27,734
Lessee	Victory Bound	Sublease - Jackson	9/1/2024	8/31/2025	33,930
					<u>\$ 306,372</u>

SPINDLETOP CENTER
SCHEDULE OF SUBSCRIPTION-BASED IT AGREEMENTS (UNAUDITED)
FOR THE YEAR ENDING AUGUST 31, 2025

IT Software agreements Subject to GASB 96

Lessor	SBITA Asset	Contract Date	Ending Date	Annual Amt
Relias	Staff Training Software	1/1/2019	12/31/2025	\$ 7,703
Netsmart	Electronic Health Record Software	11/30/2021	11/29/2026	910,258
Eleos Health, Inc.	AI-Enabled Documentation Software	1/30/2024	1/29/2027	213,000
Jidoka Systems, LLC dba Compliatric	Contract Management Software	5/15/2024	5/14/2027	31,431
Blackbaud	Financial Accounting Software	5/28/2024	5/28/2029	68,618
Limbic	AI Software	9/1/2024	8/31/2027	90,000
				<u>\$ 1,321,010</u>

IT Software agreements Not Subject to GASB 96

Lessor	SBITA Asset	Contract Date	Ending Date	Annual Amt
Adobe Acrobat	Application Software	3/9/2025	3/9/2026	\$ 2,338
Cloud Navigators	Application Software	6/30/2025	6/30/2026	2,880
Datis - e3	Human Resources Software	4/15/2025	4/15/2026	112,006
KnowBe4	Security Training Software	12/29/2024	12/29/2025	1,616
Manageengine - Zoho	Help Desk Software	3/20/2025	3/20/2026	2,510
Microsoft	Monthly Application License	8/1/2025	8/1/2026	19,947
Regroup Mass Notification	Notification Service	9/21/2024	9/21/2025	4,785
Tejas Behavioral Health - BECA Report	IT Support Service Only	11/1/2024	11/1/2025	1,300
Vertical Communicaion - Mitel	IT Support Service Only	10/24/2024	10/24/2025	25,488
Viyu Network Solutions	IT Support Service Only	9/1/2024	9/1/2025	16,346
				<u>\$ 189,216</u>

SPINDLETOP CENTER
SCHEDULE OF INSURANCE IN FORCE (UNAUDITED)
FOR THE YEAR ENDING AUGUST 31, 2025

Insurance		Coverage	Premium Amount
<u>Insurance provided through the Texas Council Risk Management Fund is as follows:</u>			
<u>Period Covered 09/01/24 - 08/31/25</u>			
Workers' Compensation			\$42,849
Liability Coverage			
General Liability	\$1,000,000	Per Occurrence Limit and Annual Aggregate \$10,000 Deductible	3,771
Professional Liability	1,000,000 3,000,000	Per Claim Limit Annual Aggregate \$10,000 Deductible	10,414
Automobile Liability	1,000,000	Combined Single Limit Per Occurrence \$5,000 Deductible	32,731
Errors and Omissions	1,000,000	Per claim Limit and Annual Aggregate \$10,000 Deductible	35,580
Property Coverage			387,217
Coverage Basis	All Risk		
Valuation Method for Loss Adjustment	Replacement Cost		
Real and Personal Property			
Mobile Equipment and Automobile			
Physical Damage Catastrophe	Actual Cash Value		
Blanket Limit Each Occurrence	63,454,223	Combined Single Limit Per Occurrence \$10,000 Deductible	
Automobile Physical Damage	Actual Cash Value	Varies by Vehicle	62,245
Crime Coverage			
Public Employee Dishonesty	25,000	Per Occurrence Limit	739
All other Crime Coverage Options	5,000	Per Occurrence Limit	-
<u>Insurance provided through Texas Windstorm Insurance Association:</u>			
<u>Period Covered 07/09/24 - 06/30/25</u>			
Windstorm/Hail			269,823
Valuation Method for Loss Adjustment	Actual Cash Value		
Blanket Limit Each Occurrence	25,339,000	Per Named Storm Minimum \$100,000 Deductible	
<u>Period Covered 07/01/25 - 06/30/26</u>			
Windstorm/Hail			288,416
Valuation Method for Loss Adjustment	Actual Cash Value		
Blanket Limit Each Occurrence	26,834,000	Per Named Storm Deductible 5% per building (\$1000 min)	
<u>Insurance provided through Arthur J. Gallagher Risk Management Services Inc.:</u>			
<u>Period Covered 07/09/24 - 06/30/25</u>			
Windstorm/Hail			53,232
Valuation Method for Loss Adjustment	Actual Cash Value		
Blanket Limit Each Occurrence	2,191,775	Per Named Storm Deductible \$100,000 per occurrence	
<u>Period Covered 07/09/25 - 06/30/26</u>			
Windstorm/Hail			53,232
Valuation Method for Loss Adjustment	Actual Cash Value		
Blanket Limit Each Occurrence	2,191,775	Per Named Storm Deductible \$100,000 per occurrence	

SPINDLETOP CENTER
SCHEDULE OF INSURANCE IN FORCE (UNAUDITED)
FOR THE YEAR ENDING AUGUST 31, 2025

Insurance	Coverage	Premium Amount
<u>Insurance provided through American Bankers Insurance Company of Florida:</u>		
<u>Period Covered 09/28/23 - 09/27/24</u>		
Flood Coverage		6,066
Building-3419 57th St, Port Arthur	500,000 \$1,250 Deductible	
Contents	424,000 \$1,250 Deductible	
<u>Period Covered 09/28/24 - 09/27/25</u>		
Flood Coverage		6,066
Building-3419 57th St, Port Arthur	500,000 \$1,250 Deductible	
Contents	424,000 \$1,250 Deductible	
<u>Period Covered 11/17/23 - 11/16/24</u>		
Flood Coverage		4,425
Building-3401 57th St, Port Arthur	500,000 \$1,250 Deductible	
Contents	200,000 \$1,250 Deductible	
<u>Period Covered 11/17/24 - 11/16/25</u>		
Flood Coverage		4,862
Building-3401 57th St, Port Arthur	500,000 \$1,250 Deductible	
Contents	200,000 \$1,250 Deductible	
<u>Period Covered 08/25/24- 08/24/25</u>		
Flood Coverage		2,499
Building-222 Durdin Dr., Silsbee	500,000 \$2,000 Deductible	
Contents	500,000 \$2,000 Deductible	
<u>Period Covered 08/25/25- 08/24/26</u>		
Flood Coverage		2499
Building-222 Durdin Dr., Silsbee	500,000 \$2,000 Deductible	
Contents	500,000 \$2,000 Deductible	
<u>Insurance provided through JI Special Risk Ins. Agency:</u>		
<u>Period Covered 09/01/24 - 08/31/25</u>		
Cyber Coverage		43,065
	3,000,000 Per Claim Limit	
	3,000,000 Annual Aggregate	
	\$25,000 Deductible	

SPINDLETOP CENTER
SCHEDULE OF BOND COVERAGE (UNAUDITED)
FOR THE YEAR ENDING AUGUST 31, 2025

Coverage

Braud, Vaughn & Williamson Insurance

Period Covered 12/29/2023 - 12/28/2024

Commercial Crime

Employee Dishonesty

Per Occurrence Deductible: \$5,000

Computer Fraud

Per Occurrence Deductible: \$5,000

Period Covered 12/29/2024 - 12/28/2025

Commercial Crime

Employee Dishonesty

Per Occurrence Deductible: \$5,000

Computer Fraud

Per Occurrence Deductible: \$5,000

SPINDLETOP CENTER

SCHEDULE OF SPACE OCCUPIED IN A STATE OWNED FACILITY (UNAUDITED)

FOR THE YEAR ENDING AUGUST 31, 2025

Location	Utilization	Monthly Cost
NONE		

SPINDLETOP CENTER
SCHEDULE OF PROFESSIONAL AND CONSULTING FEES
(UNAUDITED)
FOR THE YEAR ENDING AUGUST 31, 2025

Name	City	Type of Service	Amount
A.W. Wehner, DDS	Beaumont, Texas	Dental Services	\$ 176
Andy B. Duke, DDS	Beaumont, Texas	Dental Services	4,179
Baptist Hospital of S.E. Texas	Beaumont, Texas	Medical Services	1,502,872
Beaumont Smile Center	Beaumont, Texas	Dental Services	558
Brewer Family Dental	Orange, Texas	Dental Services	215
Burke Center for East Texas Behavioral Network	Lufkin, Texas	Psychiatric Services	292,217
CornerStone Dental	Beaumont, Texas	Dental Services	2,000
Garrett Dental Clinic	Groves, Texas	Dental Services	877
Hagler-Sciarrila Family Dentistry	Vidor, Texas	Dental Services	2,602
HCDC Professionals	Houston, Texas	Dental Services	2,000
James A. Arisco, DDS	Port Neches, Texas	Dental Services	109
Jerry L. Burd, DDS	Beaumont, Texas	Dental Services	756
Justin Morrison, DDS	Beaumont, Texas	Dental Services	653
Keith Welton Kyle, DDS	Orange, Texas	Dental Services	758
Kingwood Hospital	Kingwood, Texas	Medical Services	633,500
Kountze Dental Center	Kountze, Texas	Dental Services	914
Luke Harrison, DDS	Beaumont, Texas	Dental Services	7,368
Mark W. Stephenson, DDS	Conroe, Texas	Dental Services	15,902
Mary Elizabeth Dubois DDS, dba Family Dental Care	Beaumont, Texas	Dental Services	335
Nederland Family Dental	Nederland, Texas	Dental Services	1,417
Nora Mosely, DDS	Beaumont, Texas	Dental Services	1,130
Olumuyiwa Abdul, MD	Sugar Land, Texas	Psychiatric Services	138,000
Premier Dental Care	Port Arthur, Texas	Dental Services	2,714
Ronda G. Green, DDS	Baytown, Texas	Dental Services	936
Silsbee Family Dentistry	Silsbee, Texas	Dental Services	855
Smiles By Design	Port Arthur, Texas	Dental Services	139
Smiles Of Riverstone	Port Arthur, Texas	Dental Services	125
Twin City Dental	Port Arthur, Texas	Dental Services	2,835
Weaver and Jaynes Dentistry, PLLC	Beaumont, Texas	Dental Services	18,218
William D. Middleton, DDS	Silsbee, Texas	Dental Services	244

SPINDLETOP CENTER
SCHEDULE OF LEGAL SERVICES (UNAUDITED)
FOR THE YEAR ENDING AUGUST 31, 2025

Name	City	Type of Service	Amount
Calvert, Eaves, Clark & Stelly, L.L.P.	Beaumont, Texas	Legal Services	\$ 259

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SINGLE AUDIT SECTION



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

To the Board of Directors
Spindletop Center
Beaumont, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Audit Standards*), the financial statements of the governmental activities, the discretely presented component unit, the major fund, and the aggregate remaining fund information of Spindletop Center (the Center), as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued our report thereon dated January 26, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Abilene, Texas
January 26, 2026



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

To the Board of Directors
Spindletop Center
Beaumont, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Spindletop Center's (the Center's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and Texas Grant Management Standards (TxGMS), that could have a direct and material effect on each of the Center's major federal and state programs for the year ended August 31, 2025. The Center's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Spindletop Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2025.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis.

A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and TxGMS. Accordingly, this report is not suitable for any other purpose.

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

Abilene, Texas
January 26, 2026

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

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SPINDLETOP CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDING AUGUST 31, 2025

Grant/Contract Federal Awards	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Education			
Passed through the Texas Health and Human Services Commission			
Special Education - Grants to State - Special Education Cluster	84.027	HHS000640200027	\$ 63,000
Special Education - Grants for Infants and Families with Disabilities	84.181	HHS000640200027	648,476
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325	HHS000640200027	9,275
Total U. S. Department of Education			720,751
U.S. Department of Health and Human Services - Substance Abuse and Mental Health Services Administration			
Passed through the Texas Health and Human Services Commission			
Promoting Integration of Primary and Behavioral Health Care Grant (PIPBHC)	93.243	HHS001462500003	277,423
Total U.S. Department of SAMHSA			277,423
U.S. Department of Justice			
Passed through Office of Justice Programs-Bureau of Justice Assistance			
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	15PBJA-22-GG-03055-MENT	104,608
Total U.S. Department of Justice			104,608
U.S. Department of Treasury			
Passed through Jefferson County, Texas			
COVID-19 American Rescue Plan Act Coronavirus State & Local Fiscal Recovery	21.027	SLT-0883	463,761
Total U.S. Department of Treasury			463,761
U.S. Department of Homeland Security			
Passed through the Texas Health and Human Services Commission			
FEMA Crisis Counseling Assistance and Training Program (CCP)	97.032	HHS001453900031	86,337
Total U.S. Department of Homeland Security			86,337
U.S. Department of Health and Human Services			
Passed Through Texas Health and Human Services Commission			
Local MH Authority & Local IDD Authority			
Medicaid Administrative Claiming-MH (Medicaid Title XIX) - Medicaid Cluster	(a) 93.778	HHS000537900316	1,465,918
Total LMHA & LIDDA			1,465,918
Local Mental Health Authority			
Temporary Assistance for Needy Families (TANF)	(d) 93.558	HHS001324500031-A01	271,318
Title XX - Social Services Block Grant	93.667	HHS001324500031-A01	117,817
Mental Health Block Grant	(b) 93.958	HHS001324500031-A01	951,041
Mental Health First Aid - Outreach	(b) 93.958	HHS001335500031	78,543
Mental Health Block Grant - Supportive Housing	(b) 93.958	HHS001324500031-A10	3,886
Mental Health Block Grant - COVID-19 Supplemental Grant	(b) 93.958	HHS001108400030-A01	71,073
Mental Health Block Grant - COVID-19 Supplemental Grant	(b) 93.958	HHS001108400030-A06	20,419
Block Grants for Prevention and Treatment of Substance Abuse	(c) 93.959	HHS000663700056 (COPSD)	73,260
Block Grants for Prevention and Treatment of Substance Abuse	(c) 93.959	HHS000663700134 (TRA)	96,291
Block Grants for Prevention and Treatment of Substance Abuse	(c) 93.959	HHS000780500009 (CHW)	256,750
Coordinated Specialty Care	(b) 93.958	HHS001329300017	676,821
Mental Health Disaster Assistance and Emergency Mental Health (MH/DCCP)-	93.982	HHS001453900031	294,489
Behavioral Health Internship Stipend	(b) 93.958	HHS001492800005	60,044
Projects for Assistance in Transition from Homelessness (PATH)	93.150	HHS000231500008	254,629
Total Local Mental Health Authority			3,226,381
Local Intellectual & Developmental Disabilities Authority			
Money Follows the Person (Medicare Title XVIII)	(e) 93.791	HHS001333300031	96,677
Money Follows the Person (Employment Navigator Pilot Services)	(e) 93.791	HHS001508500001	71,197
Total Local Intellectual & Developmental Disabilities Authority			167,874
Early Childhood Intervention			
Temporary Assistance for Needy Families	(d) 93.558	HHS000640200027	40,062
Medicaid Administrative Claiming-ECI (Medicaid Title XIX) - Medicaid Cluster	(a) 93.778	HHS000537900316	127,542
Total Early Childhood Intervention			167,604
Total U.S. Department of Health and Human Services			5,027,777
Total Expenditures of Federal Awards			6,680,657
(a) Total expenditures for CFDA 93.778 - Medicaid Cluster is \$ 1,593,460 (b) Total expenditures for CFDA 93.958 is \$ 1,861,827 (c) Total expenditures for CFDA 93.959 is \$ 426,301 (d) Total expenditures for CFDA 93.558 is \$ 311,380 (e) Total expenditures for CFDA 93.791 is \$ 167,874			

SPINDLETOP CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDING AUGUST 31, 2025
(Continued)

Grant/Contract	Grantor's Number	Expenditures
State Awards		
Texas Health and Human Services Commission		
Local Mental Health Authority		
General Revenue - Mental Health Adult	HHS001324500031-A01	\$ 5,139,648
General Revenue - Mental Health Children	HHS001324500031-A01	\$ 1,321,067
General Revenue - Crisis	HHS001324500031-A01	\$ 610,630
Mental Health First Aid - Training	HHS001335500031	\$ 22,600
Community Based Crisis Services	HHS001324500031-A06	\$ 3,101,013
Private Psychiatric Beds	HHS001324500031-A07	\$ 2,439,257
Supportive Housing Project	HHS001324500031-A10	\$ 223,609
Veteran Support Services	HHS001324500031-A11	\$ 64,358
HB 19 - Education Service Center Based Non-Physician MH Professional	HHS001324500031-A24	\$ 106,755
Community Mental Health Grant Program - Hope Squad	HHS001392500053	\$ 73,592
Treatment Co-occurring Psychiatric & Substance Use Disorders	HHS000663700056 (COPSD)	\$ 6,095
Treatment for Adult Residential and Outpatient Services	HHS000663700134 (TRA)	\$ 20,770
Community Health Workers (CHW) Grant Program	HHS000780500009 (CHW)	\$ 68,250
Multisystemic Therapy Grant Program (MST)	HHS001285300013	\$ 524,402
Community Mental Health Grant (CMHG - Care Coordination)	HHS001392500034	\$ 659,388
Projects for Assistance in Transition from Homelessness (PATH)	HHS000231500008	\$ 7,875
Mental Health Grant Program for Justice-Involved Individuals - MHJIII	HHS001545200015	\$ 571,269
Mental Health Grant Program for Justice-Involved Individuals - Rural	HHS000134400020 (SB292)	\$ 180,230
Mental Health Grant Program for Justice-Involved Individuals - Urban	HHS000135400001 (SB292)	\$ 87,039
Total Local Mental Health Authority		\$ 15,227,847
Local Intellectual and Developmental Disabilities Authority		
General Revenue - IDD	HHS001333300031	\$ 3,393,122
Permanency Planning	HHS001333300031	\$ 19,148
IDD Crisis Intervention Specialist & Crisis Respite	HHS001333300031	\$ 278,442
Total Local Intellectual and Developmental Disabilities Authority		\$ 3,690,712
Early Childhood Intervention		
Early Childhood Intervention	HHS000640200027	\$ 993,835
Respite	HHS000640200027	\$ 520
Total Early Childhood Intervention		\$ 994,355
Total Expenditures of State Awards		\$ 19,912,914
Total Expenditures of Federal and State Awards		\$ 26,593,571

SPINDLETOP CENTER
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
AUGUST 31, 2025

1. GENERAL

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all applicable state and federal financial assistance programs of Spindletop Center ("Center"). The Center reporting entity is defined in Note 1 to the Center's basic financial statements. State and federal financial assistance received directly from state and federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

The information in the Schedule of Expenditures of State and Federal Awards is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule of Expenditures of State and Federal Awards presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the Center.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal and State Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 to the Center's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or State of Texas Grant Management Standards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. State and federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. No funds passed through to subrecipients.

The format for the accompanying schedule has been prescribed by the Texas Department of Health and Human Services Commission *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*. Such format includes revenue recognized in the Center's basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

State and federal financial assistance programs are reported in the Center's basic financial statements in the General Fund.

Certain state programs have been excluded from the Schedule of Expenditures of Federal and State Awards, including monies received under the vendor contract for Title XIX

HCS/IDD and other Medicaid/Medicare funding for providing patient services. The federal and state monies excluded from the Schedule of Expenditures of Federal and State Awards are not considered federal or state awards as defined in the Uniform Guidance or State of Texas Single Audit Circular. These monies are reported as local revenues in the basic financial statements.

Preadmission Screening and Resident Review (PASRR) and Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI) have been excluded from the Schedule of Federal and State Awards, as has the Texas Department of Criminal Justice program, and the Texas Rehabilitation Commission program because these programs are considered contract revenue and not federal or state awards.

State awards per Schedule of Expenditures of Federal and State Awards	\$	19,912,914
+ PASRR	\$	84,127
+ TCOOMMI - contract, not considered a grant	\$	652,133
+ Texas Department of Criminal Justice	\$	222,240
+ Texas Rehabilitation Commission	\$	20,304
Total state revenues on statement of revenues, expenditures and changes in fund balance - governmental funds	\$	<u>20,891,719</u>

4. PROGRAM OR AWARD AMOUNTS

Amounts include contract/award amounts plus any additional reimbursement monies received in fiscal year 2025.

5. STATE FINANCIAL ASSISTANCE GUIDELINES

State financial assistance is subject to *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, Uniform Guidance, the *Texas Grant Management Standards*, and *Government Auditing Standards*, issued by the Comptroller General of the United States.

6. INDIRECT COSTS

The Center elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance because the Center has not been able to negotiate an indirect cost rate for its federal awards.

7. SUB-RECIPIENTS

The Center had no sub-recipients for the year ended August 31, 2025.

SPINDLETOP CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2025

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AND STATE AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in Accordance with Uniform Guidance 2 CFR 200.516(a)	No

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing, CFDA Number
Special Education – Grants for Infants and Families with Disabilities - ECI	84.181
Medicaid Administrative Claiming – Medicaid Cluster	93.778
Dollar threshold used to distinguish between type A and type B programs for federal awards:	\$750,000
Name of State Programs	
General Revenue - Mental Health	N/A
General Revenue - Intellectual and Developmental Disabilities	N/A
General Revenue - Early Childhood Intervention	N/A
Dollar threshold used to distinguish between type A and type B programs for state awards:	\$750,000
Auditee qualified as a low-risk auditee?	Yes

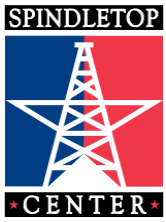
SPINDLETOP CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
YEAR ENDED AUGUST 31, 2025

Section II – Financial Statement Findings

The audit disclosed no findings required to be reported.

Section III – Federal Award Findings and Questioned Costs

The audit disclosed no findings and questioned costs required to be reported.



SPINDLETOP CENTER
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2024

None

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