

# Tri-County Behavioral Healthcare Board of Trustees Meeting

January 28, 2016

## AGENDA

- I. **Organizational Items**
  - A. Chair Calls Meeting to Order
  - B. Public Comment
  - C. Quorum
  - D. Review & Act on Requests for Excused Absence
- II. **Program Presentation - From The Heart Campaign**
- III. **Approve Minutes - October 22, 2015**
- IV. **Executive Director's Report - Evan Roberson**
  - A. DSHS
    - 1. Contracting Delays
    - 2. Senate Bill 1507 Update
    - 3. Jail Screening Form
  - B. DADS
    - 1. Authority Survey
    - 2. Service Coordination Definition
    - 3. Community First Choice Updates
  - C. 1115 Renewal Updates
  - D. Meadows Leadership Changes
- V. **Chief Financial Officer's Report - Millie McDuffey**
  - A. Mid-Year Budget Revision
  - B. Cost Accounting Methodology (CAM)
  - C. Worker's Compensation Audit
  - D. Vacant Building Update
- VI. **Program Committee**
  - Action Items
    - A. Intellectual and Developmental Disabilities Planning Network Advisory Committee's FY 2016 Recommendation ..... *Page 8*
    - B. Approve DSHS Provider Network Development Plan for FY 2016-17 ..... *Page 9*
  - Information Items
    - C. Community Resources Report ..... *Pages 10-13*
    - D. Consumer Services Report as of December 2015 ..... *Pages 14-15*
    - E. Program Updates ..... *Pages 16-19*
    - F. FY 2016 Goals & Objectives Progress Report ..... *Pages 20-23*
    - G. 1<sup>st</sup> Quarter FY 2016 Corporate Compliance & Quality Management Report ..... *Pages 24-26*
    - H. 2<sup>nd</sup> Quarter FY 2016 Corporate Compliance Training ..... *Pages 27-29*
    - I. Medicaid 1115 Transformation Waiver Project Status Report ..... *Pages 30-32*
    - J. 10% Withhold Performance Contract Measures Update ..... *Pages 33-35*

## VII. Executive Committee

### Action Items

- |                                                                            |             |
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| A. Election of FY 2016 Board Officers.....                                 | Page 36     |
| B. Approve Revision to Board Policy E.1 - Internal Control & Handling..... | Pages 37-41 |
| C. Approve Revision to Board Policy E.4 - Allowable Expenditures.....      | Pages 42-46 |
| D. Approve Revisions to Fiscal Administration Board Policies.....          | Pages 47-72 |

### Information Items

- |                                                                               |             |
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| E. Personnel Report as of December 2015.....                                  | Pages 73-75 |
| F. Texas Council Risk Management Fund Claims Summary as of December 2015..... | Pages 76-77 |

## VIII. Business Committee

### Action Items

- |                                                                                                                                                  |               |
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| A. Approve October 2015 Financial Statements.....                                                                                                | Pages 78-90   |
| B. Approve November 2015 Financial Statements.....                                                                                               | Pages 91-103  |
| C. Approve December 2015 Financial Statements.....                                                                                               | Pages 104-116 |
| D. Approve FY 2015 Independent Financial Audit.....                                                                                              | Page 117      |
| E. Authorize Executive Director to Sell Vacant Liberty Properties for No Less than<br>Current Appraised Value with Review by Jackson Walker..... | Page 118      |
| F. Approve Recommendation to Declare 2005 Chevrolet Astro Van as Surplus.....                                                                    | Page 119      |
| G. Ratify HHSC Enterprise Agency Contract Amendment #537-16-0124-00035A.....                                                                     | Pages 120-121 |
| H. Reappoint Independence Communities, Inc. Board of Directors.....                                                                              | Page 122      |
| I. Reappoint Montgomery Supported Housing, Inc. Board of Directors.....                                                                          | Page 123      |
| J. Reappoint Cleveland Supported Housing, Inc. Board of Directors.....                                                                           | Page 124      |

### Information Items

- |                                                                        |               |
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| K. 1 <sup>st</sup> Quarter FY 2016 Investment Report.....              | Pages 125-129 |
| L. Board of Trustees Unit Financial Statement as of December 2015..... | Pages 130-131 |
| M. Cleveland Supported Housing, Inc. Quarterly Update.....             | Page 132      |
| N. 2000 Panther Lane, Liberty, Texas Grand Opening Ceremony.....       | Pages 133-137 |

## IX. Executive Session in Compliance with Texas Government Code Section 551.071, Consultation with Attorney

Posted By:

Stephanie Eveland  
Executive Assistant

# Tri-County Behavioral Healthcare

P.O. Box 3067  
Conroe, TX 77305

## BOARD OF TRUSTEES MEETING

October 22, 2015

### Board Members Present:

Sharon Walker  
Patti Atkins  
Richard Duren  
Morris Johnson  
Cecil McKnight  
Janet Qureshi

### Board Members Absent:

Brad Browder  
Jacob Paschal  
Tracy Sorensen

### Tri-County Staff Present:

Evan Roberson, Executive Director  
Millie McDuffey, Chief Financial Officer  
Kenneth Barfield, Director of Management Information Systems  
Tanya Bryant, Director of Quality Management and Support  
Amy Foerster, Director of Human Resources  
Kathy Foster, Director of IDD Provider Services  
Breanna Robertson, Director of Crisis Services  
Kelly Shropshire, Director of IDD Authority Services  
Stephanie Eveland, Executive Assistant  
Tabatha Abbott, Cost Accountant  
Catherine Prestigiovanni, Director of Strategic Development  
Mary Lou Flynn-DuPart, Legal Counsel  
Lasundra Alexander, Psychosocial Rehab Specialist  
Anna King, Administrator of IDD Intakes and Enrollments  
Sean McElroy, Rural Clinic Administrator  
Lauren McLean, Routine Assessment and Counseling Clinician  
Yevonne Farrar, IDD Provider Team Leader  
Nancy Stamilio, Coordinator of Rider 65 and PATH  
Beverly Standley, Reimbursement Manager

### Guests:

Mike Duncum, WhiteStone Realty  
Scott Hayes, ISC Group Advisors

**Call to Order:** Vice-Chair, Sharon Walker, called the meeting to order at 10:05 a.m. at 1506 FM 2854, Conroe, Texas.

**Public Comment:** There were no public comments.



**Quorum:** There being six (6) members present, a quorum was established.

**Resolution #10-15-01**

**Motion Made By:** Cecil McKnight

**Seconded By:** Morris Johnson, with affirmative votes by Sharon Walker, Patti Atkins, Richard Duren and Janet Qureshi that it be...

**Resolved:**

That the Board excuse the absences of Brad Browder, Jacob Paschal and Tracy Sorensen.

Longevity Recognitions were presented to Tri-County staff.

**Resolution #10-15-02**

**Motion Made By:** Morris Johnson

**Seconded By:** Cecil McKnight, with affirmative votes by Sharon Walker, Patti Atkins, Richard Duren and Janet Qureshi that it be...

**Resolved:**

That the Board approve the minutes of the September 24, 2015 meeting of the Board of Trustees.

The Vice-Chair of the Board, Sharon Walker, suspended the agenda to move to Business Committee Information Item VIII-D, 401(a) Retirement Plan Account Review. Scott Hayes, from ISC Group Advisors, presented the report.

**Executive Director's Report:**

The Executive Director's report is on file.

**Chief Financial Officer's Report:**

The Chief Financial Officer's report is on file.

**PROGRAM COMMITTEE:**

The Community Resources Report was reviewed for information purposes only.

The Consumer Services Report for September 2015 was reviewed for information purposes only.

The Program Updates were reviewed for information purposes only.

The Medicaid 1115 Transformation Waiver Project Status Report was reviewed for information purposes only.

Program Presentation – Nancy Stamilio presented information regarding the Projects for Assistance in Transition from Homelessness (PATH) program.

### **EXECUTIVE COMMITTEE:**

Sharon Walker, Vice-Chair, appointed members to the Nominating Committee for FY 2016 Board Officers. The committee members are as follows:

- Cecil McKnight, Chair
- Morris Johnson
- Janet Qureshi

### **Resolution #10-15-03**

**Motion Made By:** Morris Johnson

**Seconded By:** Patti Atkins, with affirmative votes by Sharon Walker, Richard Duren, Cecil McKnight and Janet Qureshi that it be...

### **Resolved:**

That the Board cast the election ballot for the Texas Council Risk Management Fund Board of Trustees as follows:

- Place 7: Mr. Hartley Sappington (Incumbent)
- Place 8: Mr. LaDoyce Lambert (Incumbent)
- Place 9: Ms. Rita Johnston

The Oath of Office was recited by Morris Johnson.

The Personnel Report for September 2015 was reviewed for information purposes only.

### **BUSINESS COMMITTEE:**

### **Resolution #10-15-04**

**Motion Made By:** Morris Johnson

**Seconded By:** Cecil McKnight, with affirmative votes by Sharon Walker, Patti Atkins, Richard Duren and Janet Qureshi that it be...

### **Resolved:**

That the Board approve the September 2015 Financial Statements.

**Resolution #10-15-05**

**Motion Made By:** Morris Johnson

**Seconded By:** Patti Atkins, with affirmative votes by Sharon Walker, Richard Duren, Cecil McKnight and Janet Qureshi that it be...

**Resolved:**

That the Board authorize the Executive Director to enter into negotiations with Axiom in an amount not to exceed the lowest bid price with the understanding that it will then be a negotiated price and it should be lowered to that price; and, that it go through a contracting process with Jackson Walker.

**Resolution #10-15-06**

**Motion Made By:** Morris Johnson

**Seconded By:** Cecil McKnight, with affirmative votes by Sharon Walker, Patti Atkins, Richard Duren and Janet Qureshi that it be...

**Resolved:**

That the Board authorize a loan in an amount not to exceed \$35,000 to Cleveland Supported Housing, Inc.; and, authorize this amount to be included in the FY 2016 Budget.

The regular meeting of the Board of Trustees recessed at 11:37 a.m. to go into Executive Session in compliance with Texas Government Code Section 551.071, Consultation with Attorney regarding advice on legal matters regarding contemplated litigation.

The meeting of the Board of Trustees reconvened at 11:44 a.m. to go into regular session.

No action was taken during Executive Session.

The regular meeting of the Board of Trustees adjourned at 11:45 a.m.

**Adjournment:**



Patti Atkins  
Chair

Date

**Attest:**



Sharon Walker  
Secretary

Date



## Executive Director's Report

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*January 28, 2016*

### **Announcements**

- The next Board meeting is scheduled for Thursday, February 25<sup>th</sup>.
- I hope that each of you had a chance to see the newsletter for the month of December. We had a record number of attendees at the Tri-County Christmas party – around 300 employees and guests – and everyone seemed to have a very good time. For the second year in a row, we have completely filled the venue for the get together so we are considering a new location for the next party.
- Patti Atkins, Sharon Walker and possibly Richard Duren will be travelling with Millie McDuffey and me to the National Council Conference being held in Las Vegas from March 7-9<sup>th</sup>. I always get a lot from the event, which includes tracks this year on becoming a Certified Behavioral Health Center (Behavioral Health version of the Federally Qualified Healthcare Center) and listening to 'lessons learned' from organizations like ours across the nation.
- I encourage each of you to drive by our new Montgomery County building site when you leave today to see the progress that our contractor is already making. We are planning for an official Ground Breaking Ceremony and hope to finalize the date of the ceremony today so we can send invitations out tomorrow to local stakeholders including the County Judges and Commissioners. I expect that the event will take about 30 minutes to complete.
- I would like to welcome Ms. Gail Page to the Board meeting today. Ms. Page is a former school administrator in Liberty County and is here visiting with us today to learn more about our organization before considering an appointment to fill our vacant Liberty County Board position.
- Our new Tri-County Behavioral Healthcare shirts have arrived and Catherine Prestigiovanni will bring in some samples for you to look at after the Board meeting adjourns. We will order a shirt for any Board Trustee that is interested in having one. The shirts come in a variety of colors and our staff members have enjoyed wearing these shirts with our new logo on them.

## **Department of State Health Services (DSHS)**

- As DSHS transitions to a new contracting system under the Health and Human Services Commission (HHSC), **contracting delays** are becoming more and more common. In today's Board packet, we have the ratification of the HHSC Enterprise Agency Contract Amendment which included most of the changes to mental health services from the 84<sup>th</sup> Legislative Session. Even though we had a contract in place, HHSC waited to make the second quarter General Revenue payment that would normally come on December 1<sup>st</sup> until the contract was completely executed and processed; we received payment on January 4<sup>th</sup>.

This delay was very problematic for Centers that had fewer days in reserve or a larger General Revenue payment. DSHS General Revenue pays for much of the crisis response system and for the 60% (statewide) of adults who are indigent.

Historically, I have brought all significant contract changes to the Board prior to signing the contract amendment and processing it back through DSHS or DADS. However, with this increased time to process the contracts, it will likely be necessary to review these contract changes with the Board Chair and process contracts/amendments quickly, unless the Board Chair is uncomfortable with the changes, in order to avoid delays in payment.

- In the 84<sup>th</sup> Legislative Session, **Senate Bill 1507** was passed. SB 1507 requires "The commission (HHSC), with input from the local mental health authorities, local behavioral health authorities, stakeholders, and the forensic director...shall divide the state into regions for the purpose of allocating to each region state-funded beds in the state hospitals and other inpatient mental health facilities..." Essentially, the Senate reconstituted the House Bill 3793 committee (from the 83<sup>rd</sup> Legislative Session) and added additional law enforcement entities to 1) look at current utilization of hospital bed days; and, 2) come up with a system, factoring in poverty of the service area and acuity of the clients, to reallocate the bed day methodology.

To date, HHSC has yet to identify a mechanism to accurately determine the acuity of the clients which are hospitalized, but the SB 1507 committee has made a recommendation to reallocate bed days based on poverty level which will result in a loss to Tri-County of 5.57% of our annual bed day allocation.

Historically, and again this year, Tri-County has been unable to use State Hospital beds at the level these beds have been allocated to us. In fact, many years we have been last, or next to last, in utilization of these beds. In October, the last data we have, we were at 52% of bed day allocation utilized. Obviously, we are concerned because we spent \$1.4 million in local hospitalization last year and at least part of that was because Rusk was not available.

The SB 1507 committee is on a short timeline and recommendations will be made soon. We will keep an eye on their activity.



- As some of you are aware, the Jail Standards Commission is requiring the use of a new **jail screening form** to screen persons that are admitted to jail. The previous form looked for active suicidal ideation at booking, and inmates that were positive for suicidal ideation using that form were treated by jail staff. The Sandra Bland case drew criticism of this process and the Jail Standards Commission, in cooperation with local stakeholder groups and the Meadows Mental Health Policy Institute, came up with a much more detailed form (attached). If you review the new form, you will see that most persons booked into jail will screen positive for 'mental illness.' In addition, the form requires the jailers to involve the magistrate and notify the qualified mental health professionals to screen the client.

As you can imagine, the new form has created a lot of anxiety for jail staff, especially in light of the Sandra Bland controversy. Larger jails often have mental health staff, but most jails in Texas do not have dedicated mental health professionals. This, of course, has led to an increase in calls to Local Mental Health Authorities across the state. Statutorily, the care of individuals in jail is the responsibility of the county jail and the LMHAs are not staffed or funded to provide care in the jails.

In our three counties, thus far at least, we have seen a noticeable increase in referrals to our staff at the Montgomery County jail, and there has been a meeting with the Walker County Judges and jail staff. Ultimately, in both cases, a decision was made to screen these forms closely, but to only involve Tri-County in approximately the same way as we historically have been, for now at least.

Please let us know if you need additional support in your counties related to this new process.

### **Department of Aging and Disability Services (DADS)**

- We have the **DADS Authority Survey** going on this week at the Loop. In the Authority Survey, DADS audits the Local Intellectual and Developmental Disability Authority (LIDDA) oversight activities associated with our performance contract. These LIDDA responsibilities include: Service Coordination for IDD consumers, Continuity of Care for IDD consumers, Waiver enrollment (including Community First Choice), the Planning Network Advisory Committee, local planning, risk management and quality management activities.

While we have historically done very well on this audit, DADS has been progressively raising their standards, largely in response to legislative pressure, and Centers have not done quite as well this year as they have in the past.

The auditors will exit sometime today, perhaps while we are in the meeting. We will have more detailed results to share with you at the next meeting.

- Currently, Tri-County, as the LIDDA, is responsible for Service Coordination for all persons receiving a state Medicaid waiver slot (like Home and Community-based

Services [HCS]). This service is provided in the home or community and each consumer receives at least one face-to-face contact and an average of 3.5 total contacts per month.

Managed Care Organizations (MCOs) also provide a service called Service Coordination which varies but is most often 2-4 phone calls a year and up to one face-to-face visit.

For some time, we have recognized that the **Service Coordination definition** for these two distinct services would cause confusion. LIDDAs believe these services to be qualitatively different, but recently, MCOs have begun talking about these two services being duplicative and are discussing taking over LIDDA Service Coordination. If they took over LIDDA Service Coordination, it would also mean that they would assume the funding for these services and reduce the role of the Center.

As you will remember, DADS has the expectation that LIDDA Service Coordinators not only provide the service in the community, but that they review the consumer in multiple treatment environments to ensure there are no concerns about the care that is provided. We are concerned that MCOs assumption of these duties would lead to poorer outcomes for those we serve.

- As you will remember, as a part of Senate Bill 7 in the 83<sup>rd</sup> Legislative Session, DADS created a new service called **Community First Choice** (CFC). CFC provides Habilitation and Attendant services to persons who are Medicaid eligible and who are waiting for the HCS or Texas Home Living (TxHmL) waiver through contracts with MCOs. In addition to bringing new persons into services, the CFC program also funded services within the HCS and TxHmL waiver (to bring down additional Federal Medicaid dollars).

When the state created CFC, they did so without full understanding of statutory conflicts between CFC and HCS/TxHmL program rules, including prohibitions for family providing certain services. The addition of CFC services for TxHmL consumers has greatly increased the cost of this program which was supposed to be revenue neutral.

DADS has recognized these problems and plans to send out a letter to CFC recipients in March to tell families that they will no longer be able to provide services to the family members. In addition to making families angry, the Center will also be required to find providers for these services for families who receive HCS or TxHmL from our Center. Finding providers for these services can be very difficult because the services (e.g. helping someone take a shower) are not very long and we can only get reimbursed for face-to-face time. In the past, there have been persons at the far reaches of our service area which require small amounts of care and these services are very cost prohibitive.

## **1115 Renewal Updates**

- As the Board is aware, we have five programs which have been funded by the Medicaid 1115 Transformation Waiver that the State of Texas received from the Centers for Medicare and Medicaid Services (CMS). Statewide, the Community Centers have almost \$1 billion of programs through the waiver. Tri-County's five programs will bring in about \$3.5 million to cover program expenses in FY 2016.

The program, originally for five years, is currently in Demonstration Year 5 (DY 5). Texas HHSC has been working on a renewal application for an additional five years of the waiver, but it is expected that CMS will change the program requirements as part of this renewal.

Currently, it is anticipated that DY 6, which begins October 1, 2016, will likely be funded as it currently is, but that DY 7 will include funding changes and DYs 8-10 are likely to be funded via Managed Care rather than through HHSC. In DY 6, we will not have the opportunity to redesign our programs, but we can combine like programs across state regions (we have one program that qualifies).

The latest update we have from our Regional Anchor on 1115 renewal is:

- HHSC is currently waiting on formal written feedback from CMS.
- HHSC is working on required independent analysis related to Uncompensated Care (UC) reimbursement for hospital systems.
- HHSC is exploring CMS' request for possible further financial integration of DSRIP into Medicaid managed care.

We will be watching this closely and will provide you more updates as they become available.

## **Meadows Mental Health Policy Institute Leadership Changes**

- I wanted to let you know that it was announced that Dr. Andy Keller, Ph.D. will take over for Tom Luce as the President of the Meadows Mental Health Policy Institute. Meadows has been active with legislative staff around the state and is interested in providing recommendations for mental health policy changes at the state level. Mr. Luce was an advocate for the Community Center system in Texas, but Dr. Keller has been less positive about our role and has stated publically that he believes there is enough money in the system for mental health if it were spent appropriately.

In addition, Meadows has hired a couple of very well thought of staff in the last few months including Nelson Jarrin from Senator Schwertner's office and BJ Gaines from TCOOMMI. We look forward to many conversations with Meadows about the future of the mental health system in the next legislative session.

## **CHIEF FINANCIAL OFFICER'S REPORT**

### **January 28, 2016**

**Mid-Year Budget Revision** - We have started work on our first budget revision for FY 2016. This revision will be mainly to adjust for any changes in trends that we have seen the first five months of the fiscal year as well as any new contracts or program changes that have been received since the beginning of the year. We anticipate that the revision will be ready by the March board meeting.

**Cost Accounting Methodology (CAM)** – We have started the CAM process for the FY 2015 fiscal period. We are only required to provide CAM reports for the DSHS services. The due date for the preliminary report is January 28, 2016 and the final report is due on February 28, 2016. So we are currently tweaking our numbers to get the preliminary report in today and then we will continue to review and revise for the final submission date if needed. After the report is submitted, we run comparisons to prior years CAM reports to identify changes in cost data.

**Worker's Compensation Audit** – We had our Worker's Compensation auditor visit on October 7<sup>th</sup>. It went really smooth for a change. We provided the following information: Payroll Journals for FY 2015, Individual earnings records, Quarterly Payroll Tax returns (941 & State Unemployment Reports), Amounts Paid to Subcontractors, and Certificates of Insurance for Subcontractors.

We received the final report back and we had a reconciliation payment of \$364 out of over \$20 million dollars in payroll and contracts payments. That is a very good report.

**Vacant Building Update** - We now have four vacant buildings in Liberty County. If you will remember, we have tried to sell the two vacant Cleveland properties for quite a few years and have not been successful. We will be bringing a plan to the board to get these buildings to a more marketable state. They have been vacant for so long that they are literally falling down. And it continues to cost us utilities and insurance to maintain these buildings.

We now also have the two vacant buildings in Liberty that we consolidated to the new facility on Panther Lane. We have had some interest in these properties so there is an agenda item that we will review today.

<p><b>Agenda Item:</b> Intellectual and Developmental Disabilities Planning Network Advisory Committee's FY 2016 Recommendation</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>January 28, 2016</p>
<p><b>Background Information:</b></p> <p>In addition to the Intellectual and Developmental Disabilities Planning Network Advisory Committee's (IDDPNAC's) Annual Report to the Board, the Committee is tasked with making reports to the Board, per contract, based upon the needs and priorities of the Local Service Area (LSA). On December 2, 2015, the IDDPNAC met to discuss the current service gaps and needs of our local service area and identified the following:</p> <ul style="list-style-type: none"> <li>• More education is needed for local employers on the benefits of employing individuals with IDD. There are several service gaps for individuals with IDD transitioning from young adulthood to adulthood and having integrated employment opportunities when appropriate can drastically improve this transitional phase.</li> <li>• Additional education is needed for employers, families, and providers related to the impact of employment on an individual's government benefits as well as taking into account the overall quality of life benefit versus any reduction of income.</li> <li>• More employment opportunities are needed for individuals with IDD, including those with Autism Spectrum disorders.</li> </ul> <p>After further discussion and consultation with Center staff, the IDDPNAC would like to recommend that the Board consider adding an objective to the already established FY 2016 Board Goal of Community Awareness. The recommended objective would involve arranging a special presentation for our LSA Chambers of Commerce to better educate local employers about individuals with IDD, jobs for which they may have appropriate skill levels, how employment impacts their quality of life, and providing information related to tax credits and other benefits available for employers who give back.</p> <p>The Committee believes that it is important for Tri-County to assist with educating local employers on the benefits of working with agencies like ours to employ individuals with IDD. The Committee hopes that by presenting information through the Chambers, we can better educate local employers about individuals with IDD and increase their involvement with employing individuals with disabilities.</p> <p>If approved, the proposed Board Objective would state, "Hold at least one meeting for local employers, in coordination with each of our Chamber of Commerce memberships in our LSA, to discuss employment needs, opportunities, and benefits for individuals with IDD by August 31, 2016."</p>	
<p><b>Supporting Documentation:</b></p> <p>None</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve IDDPNAC's FY 2016 Recommendation for an Additional Objective for the Board Goal of Community Awareness</b></p>	



<p><b>Agenda Item:</b> Approve DSHS Provider Network Development Plan for FY 2016-17</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>January 28, 2016</p>
<p><b>Background Information:</b></p> <p>The Provider Network Development Rule requires that the Center complete a Network Development Planning process every two (2) years. The goal of the plan is to explain how the Center will be in compliance with the Provider Network Development Rule by serving primarily as the manager of mental health services rather than the provider of these services.</p> <p>In compliance with the rule in previous planning cycles, Tri-County staff had to identify and reach out to providers that had voiced interest or had the ability to provide outpatient mental health services. There has only been two (2) providers that expressed interest, but no one has ever completed the Request for Proposal to provide services.</p> <p>In this planning cycle, in an attempt to lessen administrative cost of developing a full RFP, we are only required to offer opportunities to contract full levels of care and the Center is no longer required to develop a plan for procurement if there are no interested parties.</p> <p>As a part of this year's planning process, staff have reached out to previously interested providers that could possibly be able to provide full levels of care in our service area. To date, we have not received any response.</p> <p>After plan approval by the Board, Tri-County staff will post the draft LPND plan on our website, where it will remain for public comment for thirty (30) days. Following the thirty (30) day timeframe, the final plan will be submitted to DSHS and posted on our website, <a href="http://www.tcbhc.org">www.tcbhc.org</a>.</p>	
<p><b>Supporting Documentation:</b></p> <p>Draft LPND Plan Available for Review at the Board Meeting</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve the DSHS Provider Network Development Plan for FY 2016-17</b></p>	

<b>Agenda Item:</b> Community Resources Report  <b>Committee:</b> Program	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Community Resources Report	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# Community Resources Report

## October 23, 2015 – January 28, 2016

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### Volunteer Hours:

Location	October	November	December
Conroe	272.5	213	145.5
Cleveland	0	0	0
Liberty	14	5	6
Huntsville	47.5	13.5	8.5
<b>Total</b>	<b>334</b>	<b>231.5</b>	<b>160</b>

### COMMUNITY ACTIVITIES:

10/28/15	The Lions Club	Conroe
10/28/15	Criminal Justice Community Planning Meeting	Conroe
10/28/15	Veterans Radio Interview with Chief Nowak, Willis Police	Conroe
10/28/15	Houston-Galveston Area Council (HGAC) Community Planning Meeting for Montgomery County	Conroe
10/28/15	Veterans Treatment Court Meeting	Conroe
10/28/15	Montgomery Community Plan Meeting	Montgomery
10/30/15	Q&A with the Heritage Project at HEARTS Museum	Huntsville
10/30/15	ExxonMobil Day of Caring Project at River Pointe Facility	Conroe
11/2/15	Montgomery County Homeless Coalition Board Meeting	Conroe
11/2/15	Lucile Plane State Jail Veterans Lay-In	Dayton
11/3/15	Wounded Warrior Project Couples' Workshop for Veterans	The Woodlands
11/3/15	Anadarko Family Choice – From The Heart Presentation	The Woodlands
11/3/15	Montgomery County United Way Health and Wellness Impact Council Meeting	The Woodlands
11/4/15	Senior Veterans Meeting	The Woodlands
11/4/15	The Lions Club	Conroe
11/5/15	Walker County Community Resource Coordination Group	Huntsville
11/5/15	Anadarko Veteran Recognition Event	The Woodlands
11/5/15	Cleveland Chamber of Commerce Luncheon	Cleveland
11/5/15	Veterans Behavioral Health Initiative Annual Gala	Houston
11/7/15	Out of the Darkness Walk for Suicide Prevention	The Woodlands
11/8/15	Stephen Ministries Group – Post-Traumatic Stress Disorder (PTSD) Presentation	Huntsville
11/9/15	Veterans Workshop with the Gains Center	Huntsville
11/10/15	Walker County Emergency Community Resource Coordination Group	Huntsville
11/10/15	Montgomery County Community Assistance Recovery Efforts & Services Meeting	The Woodlands
11/11/15	The Lions Club	Conroe

## COMMUNITY ACTIVITIES (cont'd):

11/11/15	Veteran's Day Commemorative Ceremony	Conroe
11/11/15	Veteran's Day Luncheon	Conroe
11/11/15	Wounded Warrior Banquet	Huntsville
11/12/15	Huntsville Chamber of Commerce Breakfast	Huntsville
11/12/15	Poverty Simulation Program	Conroe
11/17/15	Montgomery County Community Resource Coordination Group	Conroe
11/17/15	Conroe ISD – Tri-County Solutions Workgroup	Conroe
11/18/15	Liberty/Dayton Chamber of Commerce Luncheon	Liberty
11/18/15	Empty Bowls Luncheon	Conroe
11/19/15	Willis ISD Counselors – Child & Adolescent Crisis Presentation	Willis
11/19/15	Veterans Taskforce Meeting	Conroe
11/20/15	SSI/SSDI Outreach, Access & Recovery Initiative (SOAR) Meeting	Conroe
11/21/15	Christmas Tree Lighting Ceremony	Spring
11/30/15	Walker County Jail Screening Form Meeting	Huntsville
12/2/15	American Legion Executive Board Meeting	Conroe
12/2/15	Veterans of Foreign Wars Meeting	Conroe
12/3/15	Walker County Community Resource Coordination Group	Huntsville
12/3/15	Cleveland Chamber of Commerce Luncheon	Cleveland
12/4/15	Elks Lodge Awards Presentation for the Bring Everyone In The Zone (BEITZ) Group Facilitators	Liberty
12/7/15	Military Veteran Peer Network Manager Tim Keesling Meeting	Conroe
12/8/15	Montgomery County Community Resource Coordination Group	Conroe
12/8/15	American Legion Monthly Meeting	Conroe
12/9/15	Veterans Treatment Court	Conroe
12/9/15	Walker County Child Fatality Review Team	Huntsville
12/10/15	Huntsville Chamber of Commerce Breakfast	Huntsville
12/11/15	Veterans Treatment Court Start Up Meeting	Huntsville
12/14/15	End-of-Year Veterans Wrap Up Luncheon	Conroe
12/15/15	Wounded Warrior Project Couples Workshop	The Woodlands
12/16/15	Liberty/Dayton Chamber of Commerce Luncheon	Liberty
12/16/15	Liberty County Child Fatality Review Team	Dayton
12/16/15	Veterans Treatment Court	Conroe
12/17/15	Veterans Affairs Advisory Board Meeting	Huntsville
12/17/15	Lone Star Veterans Association Volunteer Event	The Woodlands
1/4/16	Youth Mental Health First Aid – Kangaroo School	The Woodlands
1/4/16	Veteran Employment Meeting – Goodwill	Conroe
1/5/16	Veteran Service Officer Meeting	Liberty
1/5/16	Veteran Offenders Meeting – Plane State Jail	Dayton
1/6/16	The Lions Club	Conroe
1/6/16	Veterans of Foreign Wars Meeting	Conroe
1/6/16	American Legion Executive Board Meeting	Conroe

**COMMUNITY ACTIVITIES (cont'd):**

1/7/16	Walker County Community Resource Coordination Group	Huntsville
1/7/16	Cleveland Chamber of Commerce Luncheon	Cleveland
1/8/16	Youth Mental Health First Aid – Angel Reach	Conroe
1/9/16	Conroe ISD Employee Health Fair	The Woodlands
1/11/16	Conroe ISD Counseling Leadership Meeting	Conroe
1/12/16	American Legion Monthly Meeting	Conroe
1/12/16	Montgomery County Community Assistance Recovery Efforts & Services (MCCARES)	Conroe
1/13/16	The Lions Club	Conroe
1/13/16	Veterans Treatment Court	Conroe
1/14/16	Veterans Taskforce Meeting	Conroe
1/14/16	Huntsville Chamber of Commerce Breakfast	Huntsville
1/14/16	Veterans Affairs Advisory Board Meeting	Huntsville
1/15/16	Veterans Volunteer Event – Touchstone Neurorecovery Center	Conroe
1/16/16	Veterans Group Presentation – Polunsky Unit Jail	Livingston
1/18/16	Military Veteran Peer Network Coordinator Meeting	College Station
1/19/16	Montgomery County Community Resource Coordination Group	Conroe
1/19/16	Veterans Resource Briefing to the Huntsville Parole Office	Huntsville
1/20/16	The Lions Club	Conroe
1/20/16	Liberty/Dayton Chamber of Commerce Luncheon	Liberty
1/20/16	Veterans Resource Briefing to the Liberty Probation Office	Liberty
1/21/16	Youth Mental Health First Aid – Willis ISD	Willis
1/26/16	Veterans Wounded Warrior Banquet	Huntsville
1/26/16	Montgomery County Business Women's Association Luncheon	Conroe
1/26/16	Veterans Social Hour Meeting – The Conservatory	The Woodlands
1/27/16	The Lions Club	Conroe
1/27/16	Veterans Treatment Court Meeting	Conroe
1/27/16	Veterans Resource Briefing to the Conroe Parole Office	Conroe

**UPCOMING ACTIVITIES:**

1/29/16	Fifth Annual Community Health Fair – Dayton Community Center	Dayton
2/4/16	Walker County Community Resource Coordination Group	Huntsville
2/4/16	Cleveland Chamber of Commerce Luncheon	Cleveland
2/11/16	Huntsville Chamber of Commerce Breakfast	Huntsville
2/16/16	Montgomery County Community Resource Coordination Group	Conroe



<b>Agenda Item:</b> Consumer Services Report as of December 2015  <b>Committee:</b> Program	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Consumer Services Report as of December 2015	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# Consumer Services Report

## December 2015

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total
<b>Crisis Services, MH Adults/Children</b>					
Persons Screened, Intakes, Other Crisis Services	411	27	33	49	520
Crisis and Transitional Services (LOC 0, LOC 5)	46	1	2	3	52
Psychiatric Emergency Treatment Center (PETC) Served	51	5	0	10	66
Psychiatric Emergency Treatment Center (PETC) Bed Days	255	16	0	39	310
Contract Hospital Admissions	6	0	1	1	8
Diversion Admits	13	0	0	1	14
Total State Hospital Admissions	2	1	0	0	3
<b>Routine Services, MH Adults/Children</b>					
Adult Service Packages (LOC 1m,1s,2,3,4)	1038	144	86	96	1364
Adult Medication Services	721	77	72	86	956
Child Service Packages (LOC 1-4 and YC)	412	27	19	52	510
Child Medication Services	244	11	19	31	305
TCOOMMI (Adult Only)	105	24	20	5	154
Adult Jail Diversions	3	0	0	0	3
<b>Persons Served by Program, IDD</b>					
Number of New Enrollments for IDD Services	15	0	0	0	15
Service Coordination	620	48	53	63	784
<b>Persons Enrolled in Programs, IDD</b>					
Center Waiver Services (HCS, Supervised Living, TxHmL)	42	6	20	24	92
Contractor Provided ICF-MR	17	10	10	6	43
<b>Substance Abuse Services</b>					
Children and Youth Prevention Services	162	0	135	32	329
Youth Substance Abuse Treatment Services/COPSD	16	0	0	1	17
Adult Substance Abuse Treatment Services/COPSD	23	0	0	4	27
<b>Waiting/Interest Lists as of Month End</b>					
Home and Community Based Services Interest List	1642	132	137	139	2050
<b>December Served by County</b>					
Adult Mental Health Services	1356	157	110	172	1795
Child Mental Health Services					0
Intellectual and Developmental Disabilities Services					0
<b>Total Served by County</b>	<b>1356</b>	<b>157</b>	<b>110</b>	<b>172</b>	<b>1795</b>
<b>November Served by County</b>					
Adult Mental Health Services	1338	165	96	171	1770
Child Mental Health Services	499	32	21	53	605
Intellectual and Developmental Disabilities Services	692	51	54	73	870
<b>Total Served by County</b>	<b>2529</b>	<b>248</b>	<b>171</b>	<b>297</b>	<b>3245</b>
<b>October Served by County</b>					
Adult Mental Health Services	1431	149	117	202	1899
Child Mental Health Services	492	40	23	53	608
Intellectual and Developmental Disabilities Services	698	56	57	78	889
<b>Total Served by County</b>	<b>2621</b>	<b>245</b>	<b>197</b>	<b>333</b>	<b>3396</b>

<b>Agenda Item:</b> Program Updates  <b>Committee:</b> Program	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Program Updates	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# **Program Updates**

## **October 23, 2015 – January 28, 2016**

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### **MH Crisis Services**

1. Local area high schools in Conroe Independent School District (CISD) have been utilizing Tri-County as a resource with increasing frequency. Recently, the crisis department was asked for assistance on connecting parents with strategies related to managing teens and texting. At the beginning of the year, a meeting was held with a CISD Crisis Intervention Specialist to brainstorm methods to assist and identify adolescents in crisis due to the growing number of teen suicides.
2. Officers from Conroe Police Department have been selected to serve on Tri-County's upcoming Critical Incident Response Team (CIRT). The CIRT program will be a partnership between Conroe Police Department and Tri-County. Two (2) clinicians will accompany officers for preventative and crisis-related mental health calls. Because the prospective clinicians will work closely with the officers in this program, the police department will participate in the final interview process.
3. Tri-County is looking at expanding the employee health clinic hours. With the assistance of the PETC Physician's Assistant, employees will have the option to address health concerns after business hours.

### **MH Adult Services**

1. Two (2) staff have completed training on Cognitive Processing Therapy for treatment of PTSD in November. They are currently attending weekly supervision calls to complete their credentialing.
2. One (1) staff passed Cognitive Behavioral Therapy competency in December.
3. The feedback from our patients has been overwhelmingly positive in regards to the new facility in Liberty. However, Brazos transportation service does not pick up or drop off at our new location. Staff are working to get this issue resolved.

### **MH Child Services**

1. We are working to fill empty positions to serve our growing population, including a Bilingual Licensed Practitioner of the Healing Arts (LPHA) position.
2. Our Youth Empowerment Services (YES) Waiver program is progressing both in number of clients enrolled and existing clients moving forward in wraparound.
3. We continue to keep very busy building relationships with schools through collaboration and presentations.

### **Criminal Justice Services**

1. The Outpatient Competency Restoration (OCR) program admitted one (1) individual for services in December and has successfully restored competency for six (6) individuals so far in FY 2016.
2. The Jail Services Liaison assessed 31 individuals at the jail in November and 29 in December.

3. Jail Diversion admitted one (1) individual in November bringing the total to two (2) admissions for this fiscal year.
4. The new TCOOMMI caseload in Liberty County reached maximum capacity at the end of December.

### **Substance Abuse Services**

1. The Youth Prevention program has met nine (9) of fourteen (14) performance measures for the quarter and five (5) measures for the year. The program will begin focusing on obtaining adult numbers, which we are lacking, by coordinating with local schools for Parent Nights as well as communicating with several area agencies to offer presentations and information dissemination.
2. The Substance Abuse Program Manager is participating in meetings with Walker County Probation as well as attending a networking meeting at Kingwood Pines. The Adult Substance Abuse program anticipates referrals to increase as a result.
3. The Adult Substance Abuse program is now fully staffed with the addition of one (1) COPSD Counselor.

### **IDD Services**

1. Liberty Life Skills is very busy with the transition to the new consolidated facility located at 2000 Panther Lane.
2. The Home and Community-Based Services (HCBS) and Texas Home Living (TxHmL) programs are working through regulation changes that went into effect on November 15, 2015 to ensure compliance.
3. DADS is conducting a Quality Assurance Authority Review from January 25-29<sup>th</sup>. This is a full survey in which all IDD Authority programs will be reviewed.
4. Each Local Intellectual Developmental Disability Authority (LIDDA) is requesting funding through DADS to assist with IDD Crisis Response services. DADS will determine the funding as to need per LIDDA.

### **Support Services**

1. **Quality Management:**
  - a. Staff are continuing work on the Consolidated Local Plan and Local Provider Network Development Plan. Surveys were sent out to stakeholders and consumers around our catchment area in order to obtain feedback to guide our Center over the next biennium. A series of meetings aimed at educating stakeholders and obtaining feedback have taken place in our three service counties.
  - b. The Administrator of Quality Management attended a Person Centered Recovery Training in Austin from January 13-14<sup>th</sup>.
2. **Utilization Management:** Following the release of the first DSHS contract amendment, staff have been updating reports and monitoring performance on benchmarking measures. At this time, we are meeting expectations and are in line with State averages on the majority of measures. Staff are beginning discussions on how we can adjust and improve data collection and monitoring to demonstrate our effectiveness to the community and other stakeholders.



3. **Veteran Affairs:**

- a. The Veterans Service Liaison has partnered with the Wounded Warrior Project to conduct a couples' workshop for fifteen (15) warrior couples. In addition, a lesson was facilitated on Dr. Gary Chapman's Five Love Languages. Another workshop was held on December 14<sup>th</sup>.
- b. Staff collaborated with the Conroe American Legion to host a commemorative ceremony for Veteran's Day. It was a very successful ceremony with many prominent officials from the county present.
- c. Staff presented a much-deserved award to the two (2) trained Bring Everyone In The Zone (BEITZ) facilitators for their efforts in leading a PTSD support group every Sunday night at the Elks Lodge in Liberty.

4. **Mental Health Planning Network Advisory Committee (MHPNAC):** The MHPNAC met on December 9<sup>th</sup> to discuss local planning and Center updates. The committee members also received a tour of the PETC. During the Local Planning review and discussion, the committee recommended that we continue to seek local opportunities for residential crisis services for children.

**Community Activities**

1. A total of six (6) Youth Mental Health First Aid (YMHFA) trainings were held this month with four (4) more scheduled for February.
2. Staff participated in the CISD Health Fair on January 9<sup>th</sup> where they spoke with over 300 CISD employees about Tri-County and the services we offer. So many had no idea what we do and who we serve – it was a great branding opportunity.
3. From the Heart was a great success this year. It takes a great deal of work to organize such a huge endeavor. The fact that volunteers were able to drop off presents to the rural clinics had a significant impact. This allowed staff to spend more time with the patients instead of traveling back and forth.

<b>Agenda Item:</b> FY 2016 Goals and Objectives Progress Report  <b>Committee:</b> Program	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  <p>The Board of Trustees and Management Team met on July 11, 2015 for the annual strategic planning retreat to develop the goals for FY 2016. Goals were discussed and a consensus was reached. Subsequently, the Management Team developed objectives for each of the goals. These goals are in addition to the contractual requirements of the Center's contracts with the Department of State Health Services and the Department of Aging and Disability Services.</p> <p>The Board also requested that quarterly progress reports be presented as a "year-to-date summary."</p> <p>This report shows progress through the 1<sup>st</sup> Quarter of FY 2016.</p>	
<b>Supporting Documentation:</b>  FY 2016 Goals and Objectives Progress Report	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# **Year-to-Date Progress Report**

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*September 1, 2015 – November 30, 2015*

## **Goal #1 – Facilities**

### **Objective #1**

**Open the new service location in Liberty by October 1, 2015.**

- After a series of delays associated with receiving the Certificate of Occupancy for the new facility on Panther Lane, Tri-County staff scheduled a Grand Opening Ceremony for December 1, 2015.

### **Objective #2**

**Select a contractor for the construction of the new Conroe facility by December 1, 2015.**

- After reviewing responses to the Request for Proposals, Axiom Construction was selected to construct the new Montgomery County Facility by the Board of Trustees at the October Board meeting.

### **Objective #3**

**Break ground on the new Conroe facility by January 31, 2016.**

- Staff continued to work on financing of the project in the first quarter. After financing is completed, the contractor will be able to start construction within one day.

### **Objective #4**

**Update appraisals on existing vacant properties and list these properties for sale by March 1, 2016.**

- There was no activity on this objective in the first quarter of FY 2016.

## **Goal #2 – Community Awareness**

### **Objective #1**

**Meet one on one with all County Judges and County Commissioners to discuss Tri-County Behavioral Healthcare and seek feedback about service gaps by May 31, 2016.**

- The Director of Strategic Development met with Judge Craig Doyal in Montgomery County in the first quarter.

### **Objective #2**

**Hold at least one meeting with local legislative staff to discuss Tri-County Behavioral Healthcare and feature one of our programs by May 31, 2016.**

- Planning for this objective began in the first quarter of FY 2016.

### **Objective #3**

**Hold at least one sponsored community outreach event focused on issues that would interest Tri-County families and the community by May 31, 2016.**

- Staff offered counseling services at the Out of Darkness Walk for Suicide Prevention on October 7, 2015. Arrangements have been made with the American Foundation for Suicide Prevention Community Walk Chair to sponsor the 2016 walk.

### **Objective #4**

**With the cooperation of Tri-County's Consumer Foundation, plan at least one fundraising event before August 31, 2016.**

- There was no activity on this objective in the first quarter of FY 2016.

## **Goal #3 – Staff Development/Retention**

### **Objective #1**

**Start the second Jon Stigliano Leadership Course in FY 2016.**

- Staff have spoken with Jon Stigliano regarding our desire to start a second Leadership Course. The current session will end in May 2016 and the second class would start in July 2016.

### **Objective #2**

**Develop at least two targeted training courses for our Bachelor's level Qualified Mental Health Professionals (QMHPs) and Qualified Intellectual Disability Professionals (QIDPs) by February 28, 2016.**

- Staff have spoken with QMHPs and QIDPs about trainings that they would find valuable; however, no trainings were scheduled by the end of the first quarter.

### **Objective #3**

**Review Center compensation systems and consider salary increases for employees based on determined objective criteria by May 31, 2016.**

- There was no activity on this objective in the first quarter of FY 2016.

## **Goal #4 – Technology**

### **Objective #1**

**Make a recommendation to the Board of Trustees related to a replacement for Anasazi Human Resources and Fiscal software by February 28, 2016.**

- A committee was formed to review Human Resources and Fiscal software that may need Center needs.
- Initial reviews narrowed the available options down to two or three software packages that would meet both Human Resources and Fiscal needs.

**Objective #2**

**Develop a plan for the new Conroe facility to transition phone systems and copiers/printers by April 30, 2016.**

- There was an initial conversation with a vendor that might be able to assist us with this project in the first quarter.

**Goal #5 – Quality Management**

**Objective #1**

**Conduct a Privacy and Security Audit of Tri-County Behavioral Healthcare to identify risks and develop an improvement plan based on audit results by March 31, 2016.**

- Staff has researched pricing with a few different vendors and is in the process of selecting an agency to conduct the Independent Privacy and Security Audit.

**Objective #2**

**Create a quality management auditing system to replace the Program Review process that is currently used by May 31, 2016.**

- The current process was reviewed along with contract and State regulations. Discussions have taken place to determine a process that will continue to meet these regulations but will also help advance our Center in its ability to proactively monitor, show improvement and keep up with quality trends across the State in the coming years.

<b>Agenda Item:</b> 1 <sup>st</sup> Quarter FY 2016 Corporate Compliance and Quality Management Report  <b>Committee:</b> Program	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  The Department of State Health Services' Performance Contract has a requirement that the Quality Management Department provide "routine" reports to the Board of Trustees about "Quality Management Program activities."  Although Quality Management Program activities have been included in the program updates, it was determined that it might be appropriate, in light of this contract requirement, to provide more details regarding these activities.  Since the Corporate Compliance Program and Quality Management Program activities are similar in nature, the decision was made to incorporate the Quality Management Program activities into the Quarterly Corporate Compliance Report to the Board and to format this item similar to the program updates. The Corporate Compliance and Quality Management Report for the 1 <sup>st</sup> Quarter of FY 2016 are included in this Board packet.	
<b>Supporting Documentation:</b>  1 <sup>st</sup> Quarter FY 2016 Corporate Compliance and Quality Management Report	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# **Corporate Compliance and Quality Management Report**

## **1<sup>st</sup> Quarter, FY 2016**

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### **Corporate Compliance Activities**

#### **A. Key Statistics:**

1. There were (2) Corporate Compliance reviews in the 1<sup>st</sup> quarter of FY 2016. The results for both cases are pending.
2. Quality assurance of staff documentation continues to be a focus across the Center. Compliance training continues to be provided to new employees, as well as quarterly to all current staff. In an effort to ensure that ongoing education is offered to staff, the Corporate Compliance Officer has been providing face-to-face trainings to review Corporate Compliance and HIPAA tips and to address commonly asked questions. Additional face-to-face trainings are being offered to other agency staff and may be requested by supervisors at any time.

#### **B. Committee Activities:**

1. The Corporate Compliance Committee met on October 7, 2015. The committee reviewed the following:
  - a. A summary of the 1<sup>st</sup> quarter investigations;
  - b. Audits that were requested by different funding sources;
  - c. Findings of Daily Quality Assurance Reviews; and
  - d. Legal Updates on compliance issues

### **Quality Management Initiatives**

#### **A. Key Statistics:**

1. Staff responded to one (1) Managed Care on-site audit request.
2. Staff reviewed and submitted seven (7) MCO record requests, totaling twenty-six (26) charts.

#### **B. Reviews/Audits:**

1. Texas Children's performed an on-site review in September where fifteen (15) client records were reviewed. The review resulted in a passing score.
2. Staff reviewed and submitted one (1) chart going back one year to Blue Cross Blue Shield, five (5) charts going back one year for Cigna HealthSpring, one (1) chart going back one and a half years for Amerigroup, and one (1) chart going back two years for Molina.

#### **C. Internal Programs Reviewed by Quality Management:**

1. The Quality Management Department is working on revising the Internal Program Review process to ensure best value for the Center. Staff continue to monitor monthly quality assurance of documentation by managers and are working on assisting agency managers to develop a standardized training checklist by position

type and auditing training files to ensure all required trainings have been completed and are on file.

**D. Other Quality Management Activities:**

1. The YES waiver QM plan section was drafted to be added into the Center QM Plan following Local Planning next quarter. The YES waiver QM plan is required to be in place by March 31, 2016.



<b>Agenda Item:</b> 2 <sup>nd</sup> Quarter FY 2016 Corporate Compliance Training  <b>Committee:</b> Program	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  As part of the Center’s Corporate Compliance Program, training is developed each quarter for distribution to staff by their supervisors.  This training is included in the packet for ongoing education of the Tri-County Board of Trustees on Corporate Compliance issues.	
<b>Supporting Documentation:</b>  2 <sup>nd</sup> Quarter FY 2016 Corporate Compliance Training	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# Understanding Coding, Billing, and Documentation Requirements

## 2<sup>nd</sup> Quarter FY 2016

### INTRODUCTION:

One of the most significant risk areas for community behavioral health organizations (CBHOs) such as Tri-County Behavioral Healthcare, is the coding, billing, and documentation of claims submitted to federal health care programs such as Medicare and Medicaid for payment or reimbursement. Although our compliance program does have various internal auditing built in to assist with identifying and quickly correcting any issues in these areas, it is important that you understand the following:

- The definition of the service you are providing
- The definition of other similar codes to ensure that you are coding correctly
- The elements that are required in your note in order to bill

### Here are some questions to assess your compliance with Coding, Billing, and Documentation Requirements:

- 1) Have you been trained in Coding, Billing, and Documentation guidelines?
- 2) Have you reviewed the definition of the services you provide as well as similar service code definitions in the past year?
- 3) Have you received feedback on your documentation in the past year?
- 4) Do you know how and have the ability to access the definitions for the service codes you are using?
- 5) Do you know how and have the ability to access the documentation elements required for the service codes you are providing?
- 6) If providing MH TRR services, do you know what Levels of Care the services you are providing are limited to and/or allowable in?
- 7) If providing Group Services have you been trained on the maximum number of individuals allowable in each group?
- 8) Are you aware of the common things that might interfere with billing and/or cause documentation to be paid back?

**\*\*If you answered 'No' to any of the questions above please review these items with your supervisor. If you are a current supervisor, you may contact Quality Management at x6237 or the Compliance Officer at x6115 for assistance and/or training.**

### Common errors that may lead to payback:

- Providing an intervention without adding it to the individuals Recovery Plan or Person Directed Plan.
- Providing an intervention more than once without documenting why it continues to be medically necessary.
- Documenting a service without identifying the goal you are working on.
- Documenting a service without clearly identifying the intervention you provided.
- Documenting a service without documenting in line with the service code definition (not enough information or the information is outside of the definition for that service code).
- Using unapproved templates or not completing provided templates in their entirety.
- Some codes have the potential to be coded incorrectly due to similarities with other codes. If you provide any of the codes listed below, you should take the time to read the definitions of the other codes to ensure you are documenting appropriately to support the service you are providing:

Psychosocial Rehabilitation (46)  
Routine Case Management (50)  
Medication Education & Support (44)  
IDD Supported Employment (82)  
Supported Housing Services and Supports (87)

Skills Training (40)  
Intensive Case Management (51)  
Supported Employment (84)  
Employment Assistance (83)  
Supported Housing (86)

**Note: All clients deserve quality treatment that is driven by medical necessity, ie. their needs and treatment plan. With the movement of rehab and case management into managed care staff have become increasingly aware of payment sources, however, as the provider of last resort, we are tasked with the important job of providing quality care to individuals in our community who have nowhere else to turn. The quality and amount of service offered should be equal regardless of pay source.**

**Final Considerations:**

In conclusion, it is important to understand the definitions and limitations of the codes you are using to bill for services at Tri-County Behavioral Healthcare. Understanding the elements that are required in order to bill for a specific code as well as the elements in other similar services, will assist you with staying compliant and using and documenting the correct codes. Remember, if you are not sure it is always better to ask questions.

**Note: The Complete Service Code Master Spreadsheet with definitions of all codes can be located on Nexus>Document Center>Agency Forms>UM Folder and is titled Service Code FY 2016**




<p><b>Agenda Item:</b> Medicaid 1115 Transformation Waiver Project Status Report</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>January 28, 2016</p>
<p><b>Background Information:</b></p> <p>The Health and Human Services Commission (HHSC) reviewed and approved, as achieved, all Demonstration Year 4 (DY 4) 1115 program metrics submitted in October 2015. Incentive payments totaling \$4,073,094.83 will be paid on January 29, 2016.</p> <p>In DY 5, October 1, 2015 through September 30, 2016, Tri-County will continue to report on five (5) projects, four (4) of which are in Region 17 covering Montgomery and Walker Counties and one in Region 2, covering Liberty County.</p> <p>In the first quarter of DY 5, with a goal of 500, the Intensive Evaluation and Diversion (IED) program has thus far serviced 160 persons in crisis with 58 admissions to the Extended Observation Unit (EOU). The Category 3 performance outcome measure, Patient Health Questionnaire (PHQ-9), is a depression study which needs to show a 10% decrease from its baseline score in DY 5.</p> <p>The IDD ACT program has served 23 unique individuals so far and will again have to hold a minimum of 4 stakeholder meetings in DY 5. The Aberrant Behavior Checklist (ABC) is the Category 3 tool which also must show a 10% decrease in its baseline score for achievement.</p> <p>Both Expanded Psychiatry Delivery (EPD) programs will report volume numbers showing increased access to care and will show a decrease in use of emergency departments in their respective regions due to the availability of the programs. The Liberty Expanded Psychiatry program has already exceeded its targets in the first quarter and is reviewing the maximum medical capacity it can handle going forward. The PHQ-Somatic, Anxiety, and Depression (SADS) survey is the Category 3 tool for the EPD programs and requires a 10% decrease from baseline in DY 5.</p> <p>Integrated Primary and Behavioral Health Care has also exceeded its DY 5 goal of serving 225 unique persons in the first quarter. Additional volume metrics and continuous quality improvement (CQI) activities using a rapid cycle methodology strategy Plan-Do-Study-Act (PDSA) will continue to be reviewed for achievement. Category 3 continues to be the HTN- <i>Controlling High Blood Pressure</i> study with a goal of 10% Improvement Over Self (IOS) over its DY 4 baseline.</p>	
<p><b>Supporting Documentation:</b></p> <p>Medicaid 1115 Transformation Waiver Project Status Report</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	











## Tri-County Behavioral Healthcare Medicaid 1115 Transformation Waiver Projects

DY 5 - 10/1/2015 - 09/30/2016

Status Update: 10/1/2015 - 12/30/2015 - 1st Qtr / Round 1

Source: Internal Reporting / HHSC Reports

-  On Target to Meet DY5 Outcomes
-  Not Started / To be completed in DY 5
-  Pending HHSC Approval

Project	County	DY 5 Targets	As of 12/31/15	Progress Towards Goals	Status	Barriers / Comments
<b>1.1.1 Intensive Evaluation &amp; Diversion</b>	Montgomery Walker	DY 5 - 500 Persons presenting in crisis	160	Of the 160 persons seen in crisis, 58 were diverted to the EOU as of 12/30/15.		On target to report for achievement in October 2016.
Required Milestones/Metrics		1. 4 Stakeholder mtgs. 2. 500 persons/ 50% costs avoided	1. 25% 2. TBD	1. 1/4 Stakeholder meetings w/ an avg. of 8+ participants. 2. TBD	 	DY 5 Estimated Incentive Bundle Amount: \$2,189,622
Category 3 Performance Outcomes		PHQ-9 -Depression Survey Baseline: 10.43		Will need to show 10% improvement in Oct 2016. Avg score: 9.97		DY 5 Incentive Payment: \$
<b>1.1.2 IDD ACT</b>	Montgomery Walker	50 Unique Individuals	27 or 54%	On target to report for payment in 4/16 or 10/16		
Required Milestones/Metrics		1. 4 Stakeholder mtgs. 2. 50% Costs avoided	1. 0% 2. TBD	1. 0/4 Stakeholder meetings w/ an avg. of 8+ participants. 2. Will report for full payment in 10/16	 	DY 5 Estimated Incentive Bundle Amount: \$349,351
Category 3 Performance Outcomes		Aberrant Behavior Checklist (ABC) 13 Pre / 3 Posttests	10% IOS Baseline: 89.25	Will report a ≥ 10% decrease in behavioral health symptoms due to treatment. DY5 Goal:		DY 5 Incentive Payment: \$
<b>1.1.3 Expanded Psychiatry Delivery</b>	Montgomery Walker	1. 275 Unique clients 2. a. 375 Visits b. 750 Appts	1. 113 2. 252 3. 319	1. On target to report for achievement in April 2016 2. On target to report for achievement in April 2016		DY 5 Estimated Incentive per metric: \$344,979
Required Milestones/Metrics		1. Use of ED by persons with MI 2. Evidence of improved access	1. 10% ↓ 2. Volume #'s above	1. Maintaining Plan-Do-Study-Act system to calculate % in decrease use in ED. To report in 10/16.		DY 5 Estimated Incentive Bundle Amount: \$689,958




## Tri-County Behavioral Healthcare









### Medicaid Transformation Waiver Projects

DY 5 - 10/1/2015 - 09/30/2016

Status Update: 10/1/2015 - 12/30/2015 - 1st Qtr / Round 1

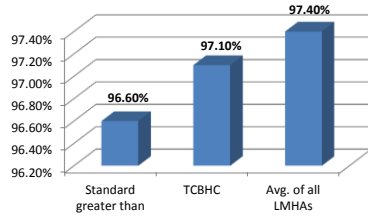
Source: Internal Reporting / HHSC Reports

-  On Target to Meet DY5 Outcomes
-  Not Started / To be completed in DY 5
-  Pending HHSC Approval

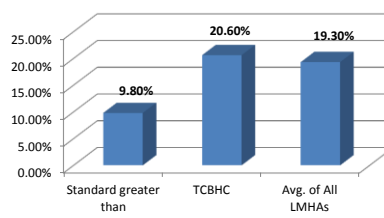
Project	County	DY 5 Target	As of 12/31/15	Update	Status	Barriers / Comments
Category 3 Performance Outcomes		PHQ-SADS - Depression/Anxiety Establish baseline	Baseline = 36.8	Will report a ≥ 10% decrease in behavioral health symptoms due to treatment		DY 5 Incentive Payment: \$129,117
<b>1.2.1 Integrated Primary &amp; Behavioral Healthcare</b>	Montgomery Walker	1. 1250 Available Appointments 2. 225 persons with both physical & BH care	1. 570 2. 237	1. On target to report for achievement in Oct 2016		HTN & appt.data entry in EHR need consistency. Better track warm hand-offs.
Required Milestones/Metrics		1. Expand appts. 2. CQI activities 3. % receiving both primary & BH care	1. Yes 2. Data Measures & EHR 3. 100%	Ongoing data is collected showing strengths & weaknesses for continuous quality improvement (CQI)		DY 5 Estimated Incentive Bundle Amount: \$1,254,782
Category 3 Performance Outcomes		Report controlled BPs in last 6 months of DY5	Baseline: 55.56%	Data being gathered through EHRs and charts		DY 5 Incentive Payment: \$
Mobile Clinic Component		Completed bus	Assembly in process	Final purchase price \$267,085. Second 40% deposit of \$106,834 made 12/10/15.		Completion of mobile clinic is January 2016.
<b>1.1.1 Expanded Psychiatry Delivery</b>	Liberty	1. 100 Unique clients 2. 125 Visits 3. 250 Appts Avail	1. 92 2. 218 3. 249	Achievement to be reported in April 2016		Caseload will exceed medical capacity of the program in DY5. Program will reduce admissions to accommodate.
Required Milestones/Metrics		1. Use of ED by persons with MI 2. Evidence of improved access	1. 10% ↓ 2. Volume #'s above	1. To be reported in October		DY 5 Estimated Incentive Bundle Amount: \$307,940
Category 3 Performance Outcomes		PHQ-SADS - Depression/Anxiety Establish baseline	47.2 = Baseline	Will report 10% ↓ over baseline in Oct 2016 reporting period		DY 5 Incentive Payment: \$

<b>Agenda Item:</b> 10% Withhold Performance Contract Measures Update  <b>Committee:</b> Program	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  <p>As you may remember, we previously updated you on a series of Department of State Health Services (DSHS) performance contract measurements that included a 10% penalty if not met. This penalty equates to roughly \$40,000 for each measurement not met during the required reporting period. The penalty is then distributed between centers that did meet the measurement requirements.</p> <p>Attached is an update on where the Center currently stands on each 10% Withhold measure.</p>	
<b>Supporting Documentation:</b>  10% Withhold Measures Handout	
<b>Recommended Action:</b>  <b>For Informational Only</b>	

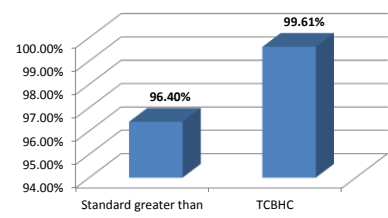
### Housing



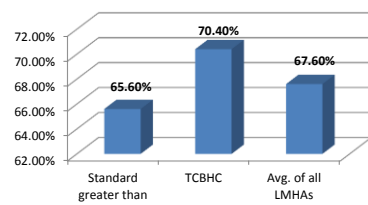
### Employment



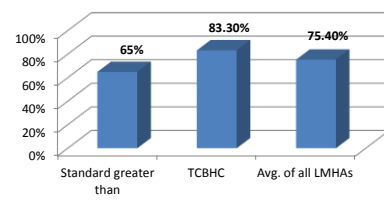
### Community Tenure-Adults



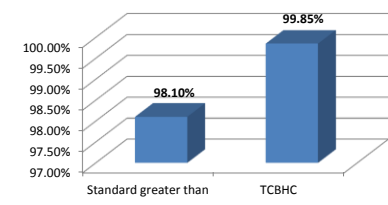
### Adult Service Provision



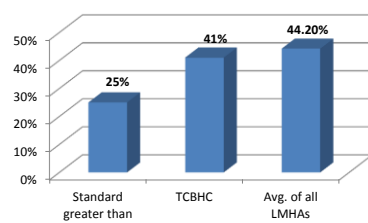
### Child Service Provision



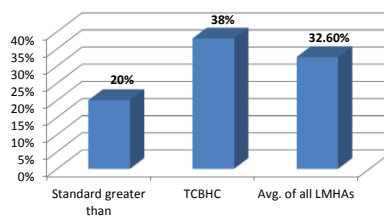
### Community Tenure-Children



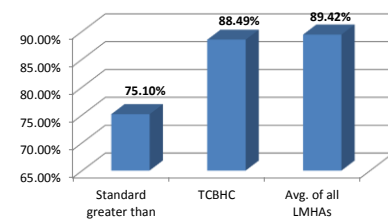
### Improvement-Children



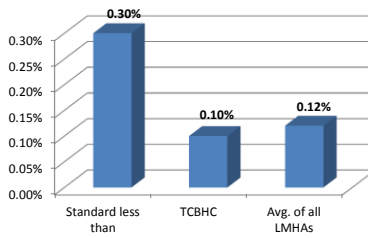
### Improvement-Adults



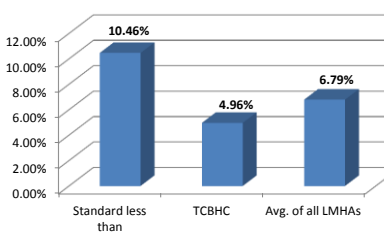
### Effective Crisis Response



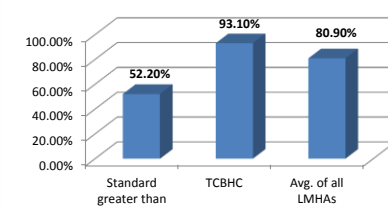
### Frequent Admissions



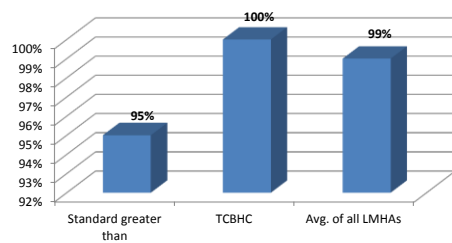
### Jail Diversion



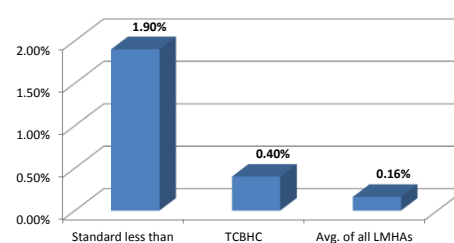
### Access to Crisis Response Services



### Juvenile Justice Avoidance



### Hospitalization





Tri-County Behavioral Healthcare 10% Withhold Measures				
Measure	Info Item-C Contract Definition	What It Is Actually Measuring	Why Is This Important	Source
Supported Employment	The percentage of adults authorized into a full level of care (FLOC) with an Adult Uniform Assessment Community Data Section 4.B Paid employment Type score 1 (Independent/Competitive/Supported/Self Employment).	How well our center is doing with assisting adults to find and maintain desirable employment.	80% of individuals with a mental illness are unemployed despite a desire and ability to work.	NAMI
Supported Housing	The percentage of adults authorized into a full level of care (FLOC) with an Adult Uniform Assessment Community Data Section 4.A Residence Status score of 1 (Independent/Dependent in Family Home/Supported Housing) or 2 (Group Home/Assisted living/Treatment-Training Rehab Center).	How well our center is doing with assisting adults to find and maintain stable/desirable housing.	In 2012 there were an estimated 400,000 homeless individuals who were mentally ill on any given night in the United States.	HUD
Community Tenure - Adult/Child	The percentage of adults/children authorized into a full level of care (FLOC) during the measurement period (Q2) who avoid hospitalization in a DSHS purchased bed.	How effective are we at helping individuals we service avoid the need for inpatient psychiatric hospitalization.	In 2010, 1.5 million individuals were hospitalized in the US due to a mental illness.	CDC
Adult Service Provision	The percentage of adults authorized in a FLOC receiving at least one face to face, telehealth, or telemedicine encounter of any service per month of any length of time.	Are we providing frequent services to our high risk adults.	An estimated 72% of individuals are at a lower risk of hospitalization when provided monthly services. Estimated average cost of a hospital bed day is \$2,400.	US National Library of Medicine
Child Service Provision	The percentage of children and youth authorized in a FLOC or LOC-Y (Yes Waiver) receiving at least one face to face, telehealth or telemedicine encounter of any service per month of any length of time.	Are we providing frequent services to our high risk youth.	An estimated 72% of individuals are at a lower risk of hospitalization when provided monthly services. Estimated average cost of a hospital bed day is \$2,400.	US National Library of Medicine
Improvement	How many of the adults/children we serve in a FLOC are reporting improvement in at least one of the following areas during reassessment: <b>Adults</b> - Risk Behaviors, Behavioral Health Needs, Life Domain Functioning, Strengths, Substance Use, and/or Trauma <b>Children</b> - Caregiver Needs/Strengths, Child Strengths, Behavioral Needs, Life Domain Functioning, Child Risk Behaviors, Adjustment to Trauma, School Performance, Substance Use.	Are our services being provided assisting the individuals to move towards recovery.	The state has made a conscientious effort to move away from measuring results of whether or not a service occurred and rather towards whether the service was effective.	DSHS
Juvenile Jail Avoidance	How many of the individuals we serve in a FLOC are showing no arrests (acceptable) or a reduction of arrests (improving) from the time of the first assessment to the time of the last assessment within the measurement period.	Whether the services that we are providing are keeping the youth out of the criminal justice system.	An estimated 9% to 21% of youth experience a serious emotional disturbance. Approximately 50% of youth offenders in the US have a mental illness.	Psychiatric Institute and Clinic of the University of Pittsburgh School of Medicine
Jail Diversion	The equity-adjusted percentage of valid adult TLETS bookings with a match in CARE.	Are we doing an effective job at serving individuals with mental illness before they end up in the criminal justice system.	An estimated 16% of incarcerated adults have a mental illness.	US Department of Justice
Frequent Admissions	The percentage of adults and children authorized in a FLOC who are admitted 3 or more times within 180 days to a DSHS Operated or Contracted Inpatient psychiatric Bed.	How well are we doing at reducing the recidivism of psychiatric hospitalizations.	Individuals who are frequently admitted into a psychiatric hospital account for approximately 62.5% of the total hospitalizations in the country.	US National Library of Medicine
Effective Crisis Response	The percentage of individuals receiving crisis services who avoid admission to a DSHS Operated or Contracted Inpatient Bed within 30 days of the start of the crisis episode.	How well is our Center doing at providing intervention and supports to an individual served who presents in a crisis situation.	An estimated 64% of people who attempt suicide visit their doctor or contact a crisis hotline 1 week before their attempt.	American Foundation for Suicide Prevention
Access to Crisis Response	The percentage of crisis hotline calls (with CARE ID) that result in face to face encounters within one day.	How well our staff are doing at responding and following to crisis calls.	An estimated 64% of people who attempt suicide visit their doctor or contact a crisis hotline 1 week before their attempt.	American Foundation for Suicide Prevention
Hospitalization	The equity-adjusted rate of adult and child inpatient DSHS Operated or Contracted psychiatric Inpatient Beds for the population of the local service area.	Of the entire population in our service area, what is the % that is being admitted to a DSHS purchased hospital bed.	In 2010, 1.5 million individuals were hospitalized in the US due to a mental illness.	CDC

<b>Agenda Item:</b> Election of FY 2016 Board Officers  <b>Committee:</b> Executive	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  In August, the Board of Trustees elected the following Board Officers for FY 2016: <ul style="list-style-type: none"> <li>• Brad Browder, Chair (Liberty County)</li> <li>• Sharon Walker, Vice-Chair (Montgomery County)</li> <li>• Tracy Sorensen, Secretary (Walker County)</li> </ul> In September, Brad Browder announced his intent to resign from the Board of Trustees. As a result, Sharon Walker, Vice-Chair, selected representatives to serve on the Nominating Committee to re-elect Board officers for FY 2016. Typically, the committee is made up of three members and includes a representative from each county.  Cecil McKnight, Chair of the Nominating Committee, will present the slate of officers for election. Members of the Nominating Committee also include Morris Johnson and Janet Qureshi.	
<b>Supporting Documentation:</b>  None	
<b>Recommended Action:</b>  <b>Elect Officers for FY 2016 Board of Trustees</b>	

<p><b>Agenda Item:</b> Approve Revision to Board Policy E.1 – Internal Control and Handling</p> <p><b>Committee:</b> Executive</p>	<p><b>Board Meeting Date</b></p> <p>January 28, 2016</p>
<p><b>Background Information:</b></p> <p>As a part of our initiative to update Board Policy, staff has been working on completing the Fiscal portion of the Board Policy Manual.</p> <p>Board Policy E.1 – Internal Control and Handling includes the following revisions:</p> <ul style="list-style-type: none"> <li>• Clean up of staff titles and agency department names;</li> <li>• Adding reference to compliance with governmental accounting standards;</li> <li>• Clean up of language on the security of financial records;</li> <li>• Clarification of the CFO’s role in determining access to electronic records related financial transactions; and,</li> <li>• Change of capitalization thresholds to \$3,000 for furniture, fixtures and equipment and \$10,000 for leasehold improvements.</li> </ul> <p>Our auditor has indicated that a change in our capitalization threshold is indicated. Staff will still be required to account for items which do not meet the capitalization threshold, but will do so with a separate process that will not be a part of the annual audit.</p>	
<p><b>Supporting Documentation:</b></p> <p>Board Policy E.1 – Internal Control and Handling (Markup Version)</p> <p>Board Policy E.1 – Internal Control and Handling (Final Version)</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve Revision to Board Policy E.1 – Internal Control and Handling</b></p>	

# TRI-COUNTY BEHAVIORAL HEALTHCARE

## STATEMENT OF POLICY

\_\_\_\_\_  
Signature of Board Chair

\_\_\_\_\_  
Date

ORIGINAL EFFECTIVE DATE: September 30, 1993

REVISION DATE(S): January 28, 2016

SUBJECT: Internal Control and Handling

Internal control is composed of adopted policies and procedures of Tri-County Behavioral Healthcare ("Tri-County") to safeguard its assets, to insure the accuracy and reliability of its financial data and to promote operational efficiency.

Procedures will be developed by the Chief Financial Officer (CFO) ~~the Business and Finance Component~~ and approved by the Executive Director to ~~provide for the separation of duties to the extent of available staff.~~ ensure appropriate internal control mechanisms are in place so that Tri-County is in compliance with governmental accounting standards.

The accounting records of Tri-County will be in accordance with Generally Accepted Accounting Principles. The books of original entry (~~computer~~ general ledger), the source documents, and other financial records are the basis of the accounting system. The security of these documents are necessary to ensure that Tri-County provides reliable, accurate, consistent auditable financial information. Records of Tri-County must be maintained to meet specific requirements of the various funding sources including length of time records must be retained.

All financial documents, when not being used by authorized personnel, will be adequately stored and secured. Electronic information will have appropriate access levels determined by the CFO, in cooperation with Management Information Systems, to ensure that they are only accessed by persons that have a need to know the information. Security specifically relates, but is not limited to the following: checks, payroll records, financial records, purchase orders, general ledgers, fixed assets, equipment and facilities.

The ~~accounting section~~ business office of Tri-County will provide prompt, accurate, and comprehensive financial data, covering each Cost Center Reporting Unit. The Cost Center Reporting Unit being defined as a department, program, grant, or contract as needed or required.

The data will be required for:

1. Effective fiscal control;
2. Operating efficiency;
3. Support for appropriation request;
4. Reporting as required by funding sources; and/or
5. Other internal tracking.

The accounting records will be maintained on the modified accrual basis to be in accordance with generally accepted governmental accounting principles.

Furniture, fixtures, equipment, vehicles and leasehold improvements are recorded at cost.

Tri-County will record as a capital outlay:

1. Furniture, fixtures, equipment, and vehicles with a cost of estimated market value of ~~\$3,000 600.00~~ or more and a life expectancy of more than one (1) year.
2. Leasehold improvements with a cost of ~~\$10,000~~ or more will be amortized over the remaining life of the lease including anticipated renewal periods or five (5) year.

## TRI-COUNTY BEHAVIORAL HEALTHCARE

### STATEMENT OF POLICY

\_\_\_\_\_  
Signature of Board Chair

\_\_\_\_\_  
Date

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The business office of Tri-County will provide prompt, accurate, and comprehensive financial data, covering each Cost Center. The Cost Center being defined as a department, program, grant, or contract as needed or required.

The data will be required for:

1. Effective fiscal control;
2. Operating efficiency;
3. Support for appropriation request;
4. Reporting as required by funding sources; and/or
5. Other internal tracking.

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Furniture, fixtures, equipment, vehicles and leasehold improvements are recorded at cost.

Tri-County will record as a capital outlay:

1. Furniture, fixtures, equipment, and vehicles with a cost of estimated market value of \$3,000 or more and a life expectancy of more than one (1) year.
2. Leasehold improvements with a cost of \$10,000 or more will be amortized over the remaining life of the lease including anticipated renewal periods or five (5) year.

<p><b>Agenda Item:</b> Approve Revision to Board Policy E.4 – Allowable Expenditures</p> <p><b>Committee:</b> Business/Executive</p>	<p><b>Board Meeting Date</b></p> <p>January 28, 2016</p>
<p><b>Background Information:</b></p> <p>As a part of our initiative to update Board Policy, staff has been working on completing the Fiscal portion of the Board Policy Manual.</p> <p>Board Policy E.4 – Allowable Expenditures includes the following revisions:</p> <ul style="list-style-type: none"> <li>• Allowance for food and/or refreshments at Component Board meetings;</li> <li>• Allowance for expenditures on staff or Board members at conferences;</li> <li>• Addition of language from our performance contracts related to the Uniform Grant Management Standards and other relevant cost principles;</li> <li>• Addition of Contract references around limitations on the use of contract funds; and,</li> <li>• Reference to administrative overhead (indirect) rates.</li> </ul>	
<p><b>Supporting Documentation:</b></p> <p>Board Policy E.4 – Allowable Expenditures (Markup Version)</p> <p>Board Policy E.4 – Allowable Expenditures (Final Version)</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve Revision to Board Policy E.4 – Allowable Expenditures</b></p>	



## TRI-COUNTY BEHAVIORAL HEALTHCARE

### STATEMENT OF POLICY

\_\_\_\_\_  
Signature of Board Chair

\_\_\_\_\_  
Date

ORIGINAL EFFECTIVE DATE: September 29, 1988

REVISION DATE(S): January 29, 2015; **January 28, 2016**

SUBJECT: Allowable Expenditures

It is the policy of the Board of Trustees that local funds may be expended for certain items and/or services which are not addressed in any other section of the Policy and Procedure Manual. These expenditures are as follows:

- I. Food and/or refreshments served at meetings of the Board of Trustees, **Component Board meetings**, Advisory Board, Board Planning Meetings, staff training activities and training conferences sponsored by Tri-County **Behavioral Healthcare ("Tri-County" or "Center")**.
- II. Facilities, rental equipment and incidental expenses for the aforementioned functions.
- III. Consultants for training at the aforementioned functions.
- IV. Public relations and courtesies. Such expenses will be allowable for the Management Staff or Board Members only. The Executive Director may give specific instruction or authorization to other staff when deemed necessary for Tri-County business.
  - A. Such expenditures will be reasonable and the business purpose documented (such as Board of Trustee training **and conferences**).
  - B. The Executive Director must approve those expenditures for payment and the Business and Finance Committee of the Board will review them on a regular basis.
- V. **Only those costs allowable under UGMS, and any revisions thereto, plus any applicable federal cost principles are allowable costs under this Contract.**

Applicable cost principles, audit requirements, and administrative requirements include:

<b>Applicable Cost Principles</b>	<b>Audit Requirements</b>	<b>Administrative Requirements</b>
OMB Circular A-87, State, Local & Tribal Governments	OMB Circular A-133 and UGMS	UGMS

OMB Circulars shall be applied with the modifications prescribed by UGMS, with effect given to whichever provision imposes the more stringent requirement in the event of a conflict.

- VI. Tri-County will obtain prior written approval from the Department of State Health Services and/or the Department of Aging and Disability Services for expenditures on selected items of costs with Contract funds, as required by UGMS.
- VII. Tri-County will maintain administrative overhead for services at a rate not to exceed 10 percent of the total contract amount unless as specifically defined by the contract. If Tri-County's general administration expenses exceed 10 percent, the Center will use earned income or other funds, other than required local match, to pay for the excess.

## TRI-COUNTY BEHAVIORAL HEALTHCARE

### STATEMENT OF POLICY

\_\_\_\_\_  
Signature of Board Chair

\_\_\_\_\_  
Date

ORIGINAL EFFECTIVE DATE: September 29, 1988

REVISION DATE(S): January 29, 2015; January 28, 2016

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- III. Consultants for training at the aforementioned functions.
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Applicable Cost Principles	Audit Requirements	Administrative Requirements
OMB Circular A-87, State, Local & Tribal Governments	OMB Circular A-133 and UGMS	UGMS

OMB Circulars shall be applied with the modifications prescribed by UGMS, with effect given to whichever provision imposes the more stringent requirement in the event of a conflict.

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<p><b>Agenda Item:</b> Approve Revisions to Fiscal Administration Board Policies</p> <p><b>Committee:</b> Executive</p>	<p><b>Board Meeting Date</b></p> <p>January 28, 2016</p>
<p><b>Background Information:</b></p> <p>As a part of our initiative to update Board Policy, staff have been working on completing the Fiscal portion of the Board Policy Manual.</p> <p>Minor revisions were made to four (4) fiscal policies and are listed as one action item for review and approval. All changes include cleanup of language related to the name change and formatting.</p> <p>Additional revisions include:</p> <ul style="list-style-type: none"> <li>• <b>E.2 – Handling of Client Mail</b> – Recommend deletion; incorporated into E.3.</li> <li>• <b>E.3 – Receipting of Mail</b> – Language incorporated from E.2 related to handling of client mail and added the handling of checks that are received in the mail.</li> <li>• <b>E.5 – Depositories</b> – Updated in February of 2013; this procedure only requires changes related to formatting and name change.</li> <li>• <b>E.7 – Annual Fiscal Audit</b> – Includes updating of language related to HHSC’s audit guidelines and DSHS audit guidelines.</li> </ul>	
<p><b>Supporting Documentation:</b></p> <p>E.2 – Handling of Client Mail (Current Version)</p> <p>E.3 – Receipting of Mail (Markup Version)</p> <p>E.3 – Receipting of Mail (Final Version)</p> <p>E.5 – Depositories (Markup Version)</p> <p>E.5 – Depositories (Final Version)</p> <p>E.7 – Annual Fiscal Audit (Markup Version)</p> <p>E.7 – Annual Fiscal Audit (Final Version)</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve Revisions to Board Policies E.3 – Receipting of Mail, E.5 – Depositories, and E.7 – Annual Fiscal Audit; and, Deletion of Board Policy E.2 – Handling of Client Mail</b></p>	

**TRI-COUNTY MENTAL HEALTH MENTAL RETARDATION SERVICES**

STATEMENT OF POLICY

\_\_\_\_\_  
Richard Herpin, Chairman

\_\_\_\_\_  
Date

Subject:        Handling of Client Mail

It is the policy of the Board of Trustees to provide standards compliance in programs and consideration of privacy for those clients who may receive mail through the Agency's postal system.

Designation of individuals to be responsible for ensurance of standards compliance is that of the Director of Fiscal Services, although, the Administrative Assistant is responsible for assigning to staff the position of handling incoming client mail.

## TRI-COUNTY BEHAVIORAL HEALTHCARE

### STATEMENT OF POLICY

\_\_\_\_\_  
Signature of Board Chair

\_\_\_\_\_  
Date

ORIGINAL EFFECTIVE DATE: September 29, 1988

REVISION DATE(S): January 29, 2015; **January 28, 2016**

SUBJECT: Handling of Tri-County Mail and Receipt of Checks through the Mail

It is the policy of the Board of Trustees ~~to ensure~~ that **Tri-County Behavioral Healthcare (“Tri-County”) is in compliance** with all applicable Generally Accepted Accounting Principles, **including the handling of checks that are received in the mail.** ~~are followed.~~

- I. Procedures will be established in regards to **the processing of** all incoming mail and checks. ~~to Tri-County.~~
  - A. These procedures are to be utilized by all offices of Tri-County which receive mail. Availability of staff may have some bearing on the separation of duties involved.
  - B. Procedures are developed by the Chief Financial Officer and approved by the Executive Director. Although not directly involved with the initial gathering and distribution of incoming mail, it is the responsibility of the Business Office staff to monitor compliance standards.

## TRI-COUNTY BEHAVIORAL HEALTHCARE

### STATEMENT OF POLICY

\_\_\_\_\_  
Signature of Board Chair

\_\_\_\_\_  
Date

ORIGINAL EFFECTIVE DATE: September 29, 1988

REVISION DATE(S): January 29, 2015; January 28, 2016

SUBJECT: Handling of Tri-County Mail and Receipt of Checks through the Mail

It is the policy of the Board of Trustees that Tri-County Behavioral Healthcare (“Tri-County”) is in compliance with all applicable Generally Accepted Accounting Principles, including the handling of checks that are received in the mail.

- I. Procedures will be established in regards to the processing of all incoming mail and checks.
  - A. These procedures are to be utilized by all offices of Tri-County which receive mail. Availability of staff may have some bearing on the separation of duties involved.
  - B. Procedures are developed by the Chief Financial Officer and approved by the Executive Director. Although not directly involved with the initial gathering and distribution of incoming mail, it is the responsibility of the Business Office staff to monitor compliance standards.



# TRI-COUNTY BEHAVIORAL HEALTHCARE

## STATEMENT OF POLICY

\_\_\_\_\_  
Signature of Board Chair

\_\_\_\_\_  
Date

ORIGINAL EFFECTIVE DATE: September 29, 1988

REVISION DATE(S): October 31, 1996; December 11, 1997; March 25, 2010; December 8, 2011; February 28, 2013; **January 28, 2016**

SUBJECT: Depositories

Tri-County ~~Services~~ **Behavioral Healthcare** (“Tri-County” or “Center”) is a public non-profit agency, a unit of local government, established by the local units of government which sponsor its operation and appoint its Board of Trustees. The nine (9) member Board of Trustees is responsible for the administration of Tri-County (Texas Health and Safety Code, Chapter 534, Section 534.008). Entrusted with authority over public funds, it is the intent of the Board of Trustees to handle said funds frugally, responsibly, and in a reasonable fashion to ensure that services are continually provided to citizens of Tri-County.

- I. Therefore, the Board adopts the following policies:
  - A. Tri-County shall share the deposit of its revenues amongst the available financial institutions in the Tri-County region based upon the following criteria:
    1. Convenience and efficiency for the operation and transaction of Tri-County’s business.
    2. Quality, accurate and timely service with the lowest possible cost to Tri-County.
  - B. Funds not needed for immediate use shall be handled as follows:
    1. This policy is hereby enacted pursuant to Chapter 2256 (as amended) of the Texas Government Code, the Public Funds Investment Act. The Executive Director is hereby charged with the responsibility of investing any and all funds under the control of Tri-County, and managing prudently and properly the investments. Because these funds may be called upon, it is essential that absolute maturity horizons are identifiable for the purpose of liquidity. Moreover, these funds must be invested only in investments which are appropriately authorized under Chapter 2256, and more specifically within this

Investment Policy. This Investment Policy addresses eligible investments, as well as the methods, procedures, and practices which must be exercised to ensure effective and sound fiscal management.

II. Scope

- A. This policy shall apply to the investment of financial assets of specified funds over which the Center exercises financial control. The specified funds to which this policy shall apply are listed in Appendix I.

III. Objectives

- A. The Center's principal investment objectives in order of importance are:
  - 1. Preservation of capital and the protection of investment principal.
  - 2. Maintenance of sufficient liquidity to meet anticipated disbursements and cash flows.
  - 3. Attainment of a rate of return consistent with market condition at the time.
- B. In addition, the Center intends to conform with all Federal, State and other legal requirements, and to avoid incurring unreasonable risks regarding securities owned.

IV. Delegation of Authority

- A. The ultimate responsibility and authority of investment transactions involving the Center resides with the Executive Director. The Executive Director may appoint other members of the Center's staff to assist him/her in the cash management and investment function. Other persons who are authorized to transact business and wire funds on behalf of the Center are listed in Appendix II to this policy. An outside Investment Advisor may be appointed to assist the Executive Director in the management of Center funds, and may be granted limited investment discretion within the guidelines of this Investment Policy.
- B. The Executive Director shall be responsible for all investment decisions and activities, and shall establish written administrative procedures for the operation of the Center's investment program consistent with this Investment Policy. The investment officer acting within these procedures shall not be held personally liable for specific investment transactions conducted consistent with this Investment Policy.

V. Prudence

- A. The standard of prudence to be used for managing the Center's assets is the "prudent investor" rule which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment

considering the probable safety of their capital as well as the probable income to be derived.”

VI. Eligible Investments. The Center will limit its investments to the following types of investments:

- A. Securities – The following direct obligations of the United States Government are authorized investments under this Policy:
1. United States Treasury Obligations (T-Bills, T-Notes, T-Bonds).
  2. Treasury Strips (book-entry U.S. Treasury securities whose coupon has been removed) with maturities not exceeding two years.
  3. Federal Agencies and Instrumentalities (Restricted to Bonds And Debentures) – the following only:
    - a. Federal National Mortgage Association (FNMA);
    - b. Federal Home Loan Bank (FHLB); and
    - c. Federal Home Loan Mortgage Corporation (FHLMC).

Repurchase Agreements secured by direct obligations of the U.S. Government, collateralized at a minimum of 102 percent of the purchase price of the Repurchase Agreement, with the accrued interest accumulated on the collateral included in the calculation.

- B. Certificate of Deposit – A certificate of deposit is an authorized investment under this Policy if the certificate is issued by a state or national bank domiciled in the State of Texas, a savings and loan association domiciled in the State of Texas, or a state or federal credit union domiciled in the State of Texas, and is:
1. fully guaranteed or insured by the Federal Deposit Insurance Corporation or its successor; or
  2. fully guaranteed or insured by the National Credit Union Share Insurance Fund or its successor; or
  3. fully secured by Securities described above as eligible investments within this Policy.
- C. Commercial Paper – Commercial paper is an authorized investment under this Policy if the commercial paper:
1. has a stated maturity of 270 days or less; and
  2. is issued on U.S. corporations which are rated A-1 by Moody's or P-1 by Standard & Poor's, or an equivalent rating by at least two nationally recognized credit rating agencies.
- D. Mutual Funds
1. No-load money market mutual funds are authorized investments under this policy if the fund is:
    - a. regulated by the Securities and Exchange Commission; and

- b. a fund that includes in its investment objective the maintenance of a stable net asset value of \$1 for each share; and
  - c. invested exclusively in the obligations approved within this Policy; and
  - d. rated in the highest rating category by Moody's of AAAm or AAAm-G by Standard & Poor's.
- 2. In addition to no-load money market mutual funds, a no-load mutual fund is an authorized investment under this Policy if the mutual fund is:
  - a. registered by the Securities and Exchange Commission; and
  - b. has an average weighted maturity of less than two years; and
  - c. invested exclusively in obligations approved within this Policy; and
  - d. rated in the highest rating category by Moody's of AAA or AAA by Standard & Poor's.

The Investment Officer shall monitor, on no less than a monthly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer shall immediately sell the security, if possible, regardless of a loss of principal.

#### VII. Other Investments

- A. It is the intent of the Board that the foregoing list of authorized securities be strictly interpreted and that any deviation from this list must be pre-approved by the Executive Director in writing.
- B. The Board acknowledges that securities other than those listed above may be owned by the Center at the time this policy is adopted. Existing investments may be liquidated in the normal course of business; however, any new investment transactions shall be made in accordance with the guidelines of this policy.

#### VIII. Investment Diversification

- A. The Center's objective is to diversify the investment instruments within the portfolio to avoid incurring unreasonable risks inherent in overinvesting in specific instruments, individual financial institutions, or maturities. The asset allocation in the portfolio should, however, be flexible depending upon the outlook for the economy and the securities markets.
- B. The Center may invest to the following maximum limits:
  - 1. 75% in qualified Money Market Mutual Funds
  - 2. 100% in U.S. Treasury Obligations
  - 3. 100% in Repurchase Agreements collateralized by U.S. Treasury Obligations
  - 4. 50% in Federal Agencies or Instrumentalities
  - 5. 50% in qualified Certificates of Deposit

6. 25% in qualified Commercial Paper

IX. Investment Maturity and Liquidity

- A. The Center shall at all times maintain a minimum of 30% of its total investment portfolio in instruments maturing in 90 days or less. The investment maturity schedule shall correspond with the Center's cash flow needs.
- B. Investments, except for Debt Service Reserves used as security for debt service payments on the Center's bonds, shall be limited to maturities not exceeding four years. Investments of Debt Service Reserves shall have a defined maturity not in excess of the final maturity of the bonds for which the reserves serve as security.

X. Other Investment Guidelines

- A. Each investment transaction, other than qualified mutual funds or certificates of deposits used for collateralizing of loan transactions, must be competitively transacted. For the acquisition of a repurchase agreement, a Master Repurchase Agreement must be executed between the Center and a Primary Dealer or financial institution before a repurchase agreement shall be transacted with that institution.
- B. **The purchase and sale of all securities, including repurchase agreements, shall be on a delivery versus payment basis (i.e. moneys will not be released by the Center until securities are received at the Federal Reserve Bank).**

XI. Selection of Financial Institutions and Broker/Dealers

- A. The Executive Director shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes, and it shall be the policy of the Center to purchase securities only from those authorized institutions and firms. To be eligible for authorization, a broker/dealer must:
  1. have been given a copy of this Investment Policy; and
  2. have received and thoroughly reviewed the Investment Policy of the Center's; and
  3. acknowledged in writing that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the Center and the organization; and
  4. for the acquisition of repurchase agreements, the dealer must be recognized as a Primary Dealer by the Federal Reserve Bank of New York.
- B. An investment officer of the Center who has a business relationship with an entity seeking to sell an investment to the Center shall file a written statement to the Center's Board of Trustees disclosing that personal business interest prior to conducting business

with that entity. An investment officer of the Center who is related, either directly, or indirectly through marriage, to an individual seeking to sell an investment to the investment officer's center shall be required to file with the Texas Ethics Commission as well as providing the above described disclosure to the Center's Board of Trustees prior to conducting business with that individual.

XII. Selection of Mutual Funds

- A. Mutual Funds shall be selected by reviewing the Prospectus of the fund to determine qualifications as compared to the requirements of this Policy.

XIII. Safekeeping

- A. Investment securities purchased by the Center will be delivered by either book entry or physical delivery and held in third-party safekeeping by a Federal Reserve member financial institution designated as the Center's depository. The Center may designate more than one depository.
- B. A Safekeeping Agreement shall be executed with each depository prior to the Center utilizing the depository's services.
- C. It is the intent of the Board that all securities be perfected in the name of the Center. All book entry securities owned by the Center shall be evidenced by:
  - 1. a safekeeping receipt issued to the Center by its custodial bank. This document will be signed by the appropriate officer at the custodian bank and shall state that the securities are held in the Federal Reserve system in a trust department account; and
  - 2. the custodian bank will also furnish to the Center a copy of the delivery advice received by the custodian bank from the Federal Reserve. This document shall state that the name of the customer for whom the securities are held is the Center.

XIV. Reporting

- A. An investment report shall be prepared, at least quarterly, listing all of the investments held by the Center, the current market valuation of the investments, transaction summaries and performance results. The quarterly investment report shall be submitted in a timely manner to the Board of Trustees. A record shall be maintained of all bids and offerings for securities transactions in order to insure that the Center receives competitive pricing.

XV. Performance Review

- A. The Executive Director shall annually review the portfolio's adherence to appropriate risk levels and shall compare the portfolio's total return to the established investment objectives and goals.
- B. The Executive Director shall periodically establish a benchmark yield for the Center's investments which shall be equal to the average yield on the U.S. Treasury security which most closely corresponds to the portfolio's actual weighted average maturity. When comparing the performance of the Center's portfolio, all fees and expenses involved with managing the portfolio should be included in the computation of the portfolio's rate of return.

XVI. Professional Support Services

- A. The Executive Director may engage the services of outside professionals to enhance the Center's cash management and investment function. Such professional services may include independent rating services, credit analysis reports, investment advisory services provided by SEC registered firms, third party custodian services, and safekeeping arrangements.

XVII. Ethics and Conflicts of Interest

- A. Officers and employees involved in the investment of the Center's funds shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Executive Director any material financial interests in financial institutions that conduct business with the Center, and they shall further disclose any personal financial/investment positions that could be related to the performance of the Center's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the Center, particularly with regard to the timing of purchases and sales.

XVIII. Policy Revision

- A. This Investment Policy will be reviewed annually by the Board of Trustees and may be amended as conditions warrant. The data contained in the Appendices to this document may be updated by the Executive Director as necessary, provided the changes in no way affect the substance or intent of this Investment Policy.

## **APPENDIX I**

### **Funds Covered by the Investment Policy**

This Investment Policy shall apply to all contract and other revenues of the Center, including proceeds from the issuance of bonds (including Debt Service Reserves relating to the bond issues) that may be from time to time authorized by the Board of Trustees.



## APPENDIX II

### Authorized Personnel

The following persons are authorized to conduct investment transactions and wire transfer funds on behalf of The Center:

<u>Evan Roberson</u>	Executive Director
<u>Millie McDuffey</u>	Chief Financial Officer
<u>Sheryl Baldwin</u>	Business Manager

# TRI-COUNTY BEHAVIORAL HEALTHCARE

## STATEMENT OF POLICY

\_\_\_\_\_  
Signature of Board Chair

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Date

ORIGINAL EFFECTIVE DATE: September 29, 1988

REVISION DATE(S): October 31, 1996; December 11, 1997; March 25, 2010; December 8, 2011; February 28, 2013; January 28, 2016

SUBJECT: Depositories

Tri-County Behavioral Healthcare (“Tri-County” or “Center”) is a public non-profit agency, a unit of local government, established by the local units of government which sponsor its operation and appoint its Board of Trustees. The nine (9) member Board of Trustees is responsible for the administration of Tri-County (Texas Health and Safety Code, Chapter 534, Section 534.008). Entrusted with authority over public funds, it is the intent of the Board of Trustees to handle said funds frugally, responsibly, and in a reasonable fashion to ensure that services are continually provided to citizens of Tri-County.

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  - A. Tri-County shall share the deposit of its revenues amongst the available financial institutions in the Tri-County region based upon the following criteria:
    - 1. Convenience and efficiency for the operation and transaction of Tri-County’s business.
    - 2. Quality, accurate and timely service with the lowest possible cost to Tri-County.
  - B. Funds not needed for immediate use shall be handled as follows:
    - 1. This policy is hereby enacted pursuant to Chapter 2256 (as amended) of the Texas Government Code, the Public Funds Investment Act. The Executive Director is hereby charged with the responsibility of investing any and all funds under the control of Tri-County, and managing prudently and properly the investments. Because these funds may be called upon, it is essential that absolute maturity horizons are identifiable for the purpose of liquidity. Moreover, these funds must be invested only in investments which are appropriately authorized under Chapter 2256, and more specifically within this Investment Policy. This Investment Policy addresses eligible investments, as well

as the methods, procedures, and practices which must be exercised to ensure effective and sound fiscal management.

II. Scope

- A. This policy shall apply to the investment of financial assets of specified funds over which the Center exercises financial control. The specified funds to which this policy shall apply are listed in Appendix I.

III. Objectives

- A. The Center's principal investment objectives in order of importance are:
  - 1. Preservation of capital and the protection of investment principal.
  - 2. Maintenance of sufficient liquidity to meet anticipated disbursements and cash flows.
  - 3. Attainment of a rate of return consistent with market condition at the time.
- B. In addition, the Center intends to conform with all Federal, State and other legal requirements, and to avoid incurring unreasonable risks regarding securities owned.

IV. Delegation of Authority

- A. The ultimate responsibility and authority of investment transactions involving the Center resides with the Executive Director. The Executive Director may appoint other members of the Center's staff to assist him/her in the cash management and investment function. Other persons who are authorized to transact business and wire funds on behalf of the Center are listed in Appendix II to this policy. An outside Investment Advisor may be appointed to assist the Executive Director in the management of Center funds, and may be granted limited investment discretion within the guidelines of this Investment Policy.
- B. The Executive Director shall be responsible for all investment decisions and activities, and shall establish written administrative procedures for the operation of the Center's investment program consistent with this Investment Policy. The investment officer acting within these procedures shall not be held personally liable for specific investment transactions conducted consistent with this Investment Policy.

V. Prudence

- A. The standard of prudence to be used for managing the Center's assets is the "prudent investor" rule which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment

considering the probable safety of their capital as well as the probable income to be derived.”

VI. Eligible Investments. The Center will limit its investments to the following types of investments:

- A. Securities – The following direct obligations of the United States Government are authorized investments under this Policy:
  - 1. United States Treasury Obligations (T-Bills, T-Notes, T-Bonds).
  - 2. Treasury Strips (book-entry U.S. Treasury securities whose coupon has been removed) with maturities not exceeding two years.
  - 3. Federal Agencies and Instrumentalities (Restricted to Bonds And Debentures) – the following only:
    - a. Federal National Mortgage Association (FNMA);
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    - c. Federal Home Loan Mortgage Corporation (FHLMC).

Repurchase Agreements secured by direct obligations of the U.S. Government, collateralized at a minimum of 102 percent of the purchase price of the Repurchase Agreement, with the accrued interest accumulated on the collateral included in the calculation.

- B. Certificate of Deposit – A certificate of deposit is an authorized investment under this Policy if the certificate is issued by a state or national bank domiciled in the State of Texas, a savings and loan association domiciled in the State of Texas, or a state or federal credit union domiciled in the State of Texas, and is:
  - 1. fully guaranteed or insured by the Federal Deposit Insurance Corporation or its successor; or
  - 2. fully guaranteed or insured by the National Credit Union Share Insurance Fund or its successor; or
  - 3. fully secured by Securities described above as eligible investments within this Policy.
- C. Commercial Paper – Commercial paper is an authorized investment under this Policy if the commercial paper:
  - 1. has a stated maturity of 270 days or less; and
  - 2. is issued on U.S. corporations which are rated A-1 by Moody’s or P-1 by Standard & Poor’s, or an equivalent rating by at least two nationally recognized credit rating agencies.
- D. Mutual Funds
  - 1. No-load money market mutual funds are authorized investments under this policy if the fund is:
    - a. regulated by the Securities and Exchange Commission; and

- b. a fund that includes in its investment objective the maintenance of a stable net asset value of \$1 for each share; and
  - c. invested exclusively in the obligations approved within this Policy; and
  - d. rated in the highest rating category by Moody's of AAAm or AAAm-G by Standard & Poor's.
- 2. In addition to no-load money market mutual funds, a no-load mutual fund is an authorized investment under this Policy if the mutual fund is:
  - a. registered by the Securities and Exchange Commission; and
  - b. has an average weighted maturity of less than two years; and
  - c. invested exclusively in obligations approved within this Policy; and
  - d. rated in the highest rating category by Moody's of AAA or AAA by Standard & Poor's.

The Investment Officer shall monitor, on no less than a monthly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer shall immediately sell the security, if possible, regardless of a loss of principal.

#### VII. Other Investments

- A. It is the intent of the Board that the foregoing list of authorized securities be strictly interpreted and that any deviation from this list must be pre-approved by the Executive Director in writing.
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- B. The Center may invest to the following maximum limits:
  - 1. 75% in qualified Money Market Mutual Funds
  - 2. 100% in U.S. Treasury Obligations
  - 3. 100% in Repurchase Agreements collateralized by U.S. Treasury Obligations
  - 4. 50% in Federal Agencies or Instrumentalities
  - 5. 50% in qualified Certificates of Deposit

- 6. 25% in qualified Commercial Paper

IX. Investment Maturity and Liquidity

- A. The Center shall at all times maintain a minimum of 30% of its total investment portfolio in instruments maturing in 90 days or less. The investment maturity schedule shall correspond with the Center's cash flow needs.
- B. Investments, except for Debt Service Reserves used as security for debt service payments on the Center's bonds, shall be limited to maturities not exceeding four years. Investments of Debt Service Reserves shall have a defined maturity not in excess of the final maturity of the bonds for which the reserves serve as security.

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  - 1. have been given a copy of this Investment Policy; and
  - 2. have received and thoroughly reviewed the Investment Policy of the Center's; and
  - 3. acknowledged in writing that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the Center and the organization; and
  - 4. for the acquisition of repurchase agreements, the dealer must be recognized as a Primary Dealer by the Federal Reserve Bank of New York.
- B. An investment officer of the Center who has a business relationship with an entity seeking to sell an investment to the Center shall file a written statement to the Center's Board of Trustees disclosing that personal business interest prior to conducting business

with that entity. An investment officer of the Center who is related, either directly, or indirectly through marriage, to an individual seeking to sell an investment to the investment officer's center shall be required to file with the Texas Ethics Commission as well as providing the above described disclosure to the Center's Board of Trustees prior to conducting business with that individual.

XII. Selection of Mutual Funds

- A. Mutual Funds shall be selected by reviewing the Prospectus of the fund to determine qualifications as compared to the requirements of this Policy.

XIII. Safekeeping

- A. Investment securities purchased by the Center will be delivered by either book entry or physical delivery and held in third-party safekeeping by a Federal Reserve member financial institution designated as the Center's depository. The Center may designate more than one depository.
- B. A Safekeeping Agreement shall be executed with each depository prior to the Center utilizing the depository's services.
- C. It is the intent of the Board that all securities be perfected in the name of the Center. All book entry securities owned by the Center shall be evidenced by:
  - 1. a safekeeping receipt issued to the Center by its custodial bank. This document will be signed by the appropriate officer at the custodian bank and shall state that the securities are held in the Federal Reserve system in a trust department account; and
  - 2. the custodian bank will also furnish to the Center a copy of the delivery advice received by the custodian bank from the Federal Reserve. This document shall state that the name of the customer for whom the securities are held is the Center.

XIV. Reporting

- A. An investment report shall be prepared, at least quarterly, listing all of the investments held by the Center, the current market valuation of the investments, transaction summaries and performance results. The quarterly investment report shall be submitted in a timely manner to the Board of Trustees. A record shall be maintained of all bids and offerings for securities transactions in order to insure that the Center receives competitive pricing.

XV. Performance Review

- A. The Executive Director shall annually review the portfolio's adherence to appropriate risk levels and shall compare the portfolio's total return to the established investment objectives and goals.
- B. The Executive Director shall periodically establish a benchmark yield for the Center's investments which shall be equal to the average yield on the U.S. Treasury security which most closely corresponds to the portfolio's actual weighted average maturity. When comparing the performance of the Center's portfolio, all fees and expenses involved with managing the portfolio should be included in the computation of the portfolio's rate of return.

XVI. Professional Support Services

- A. The Executive Director may engage the services of outside professionals to enhance the Center's cash management and investment function. Such professional services may include independent rating services, credit analysis reports, investment advisory services provided by SEC registered firms, third party custodian services, and safekeeping arrangements.

XVII. Ethics and Conflicts of Interest

- A. Officers and employees involved in the investment of the Center's funds shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Executive Director any material financial interests in financial institutions that conduct business with the Center, and they shall further disclose any personal financial/investment positions that could be related to the performance of the Center's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the Center, particularly with regard to the timing of purchases and sales.

XVIII. Policy Revision

- A. This Investment Policy will be reviewed annually by the Board of Trustees and may be amended as conditions warrant. The data contained in the Appendices to this document may be updated by the Executive Director as necessary, provided the changes in no way affect the substance or intent of this Investment Policy.



## **APPENDIX I**

### **Funds Covered by the Investment Policy**

This Investment Policy shall apply to all contract and other revenues of the Center, including proceeds from the issuance of bonds (including Debt Service Reserves relating to the bond issues) that may be from time to time authorized by the Board of Trustees.

## **APPENDIX II**

### **Authorized Personnel**

The following persons are authorized to conduct investment transactions and wire transfer funds on behalf of The Center:

<u>Evan Roberson</u>	Executive Director
<u>Millie McDuffey</u>	Chief Financial Officer
<u>Sheryl Baldwin</u>	Business Manager

# TRI-COUNTY BEHAVIORAL HEALTHCARE

## STATEMENT OF POLICY

\_\_\_\_\_  
Signature of Board Chair

\_\_\_\_\_  
Date

ORIGINAL EFFECTIVE DATE: September 29, 1988

REVISION DATE(S): June 27, 1991; **January 28, 2016**

SUBJECT: Annual Fiscal Audit

Tri-County **Behavioral Healthcare (“Tri-County”)** ~~Mental Health Mental Retardation Services~~ will engage an independent audit firm on an annual basis for the purpose of ~~conducting a fiscal audit in compliance with accepted governmental auditing standards and~~ **a comprehensive financial and compliance audit for the previous state fiscal year prepared in accordance with THSC §534.068, Title 25 TAC Chapter 411, Subchapter G, HHSC’s *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers* (21<sup>st</sup> Revision - February 2005) (the ‘Audit Guidelines’), and the Department of State Health Services Contractor’s Financial Procedures Manual. the Rules of the Commissioner, and the Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers promulgated by the Texas Department of Mental Health Mental Retardation (as revised).**

The Board will utilize a Request for Proposals, based on guideline requirements from Certified Public Accounting firms licensed by the Texas State Board of Public Accountancy.

Due to the expense associated with changing audit firms, the Board may elect to accept a proposal covering more than one year, to be extended on an annual basis. **However, the Board of Trustees may not engage the same audit firm for more than six (6) consecutive years from the initial date of engagement.** The need to seek a **Request for Proposals** will be reviewed annually.

- I. Criteria for selection of auditors:
  - A. Auditor’s reputation in the community.
  - B. Auditor’s experience in auditing **Community Centers** ~~governmental agencies~~ and with Single Audit requirements.
  - C. Demonstrated professional competence.

- D. Estimated fees and expenses.
- E. Auditor's reliability and willingness to assist Tri-County ~~MHMR Services~~ with advice on financial issues.
- F. Tri-County's ~~MHMR Services~~ confidence in auditor.
- G. Auditor's participation within the previous three (3) years in a peer review of auditing practices and procedures.

## TRI-COUNTY BEHAVIORAL HEALTHCARE

### STATEMENT OF POLICY

\_\_\_\_\_  
Signature of Board Chair

\_\_\_\_\_  
Date

ORIGINAL EFFECTIVE DATE: September 29, 1988

REVISION DATE(S): June 27, 1991; January 28, 2016

SUBJECT: Annual Fiscal Audit

Tri-County Behavioral Healthcare (“Tri-County”) will engage an independent audit firm on an annual basis for the purpose of a comprehensive financial and compliance audit for the previous state fiscal year prepared in accordance with THSC §534.068, Title 25 TAC Chapter 411, Subchapter G, HHSC’s *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers* (21<sup>st</sup> Revision - February 2005) (the ‘Audit Guidelines’), and the Department of State Health Services Contractor’s Financial Procedures Manual.

The Board will utilize a Request for Proposals, based on guideline requirements from Certified Public Accounting firms licensed by the Texas State Board of Public Accountancy.

Due to the expense associated with changing audit firms, the Board may elect to accept a proposal covering more than one year, to be extended on an annual basis. However, the Board of Trustees may not engage the same audit firm for more than six (6) consecutive years from the initial date of engagement. The need to seek a Request for Proposals will be reviewed annually.

- I. Criteria for selection of auditors:
  - A. Auditor’s reputation in the community.
  - B. Auditor’s experience in auditing Community Centers and with Single Audit requirements.
  - C. Demonstrated professional competence.
  - D. Estimated fees and expenses.

- E. Auditor's reliability and willingness to assist Tri-County with advice on financial issues.
- F. Tri-County's confidence in auditor.
- G. Auditor's participation within the previous three (3) years in a peer review of auditing practices and procedures.

<b>Agenda Item:</b> Personnel Report as of December 2015  <b>Committee:</b> Executive	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Personnel Report as of December 2015	
<b>Recommended Action:</b>  <b>For Information Only</b>	

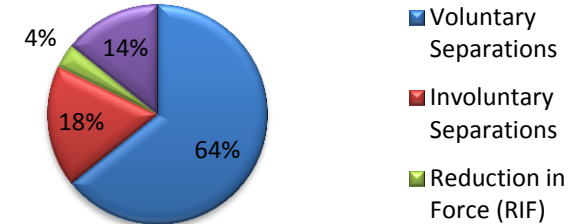
# Personnel Report as of December 31, 2015

Total New Hires Year to Date = 35

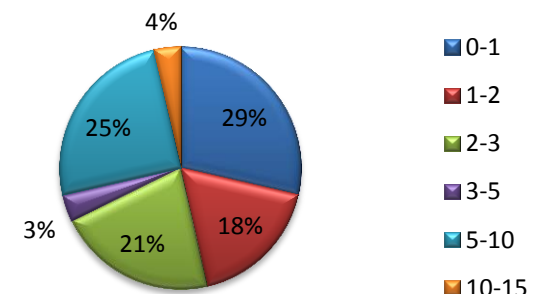
As of December 31	FY16	FY15
Number of Active Employees	331	324
Number of Separations YTD	28	27
Year to Date Turnover Rate	8%	8%

Separations by Reason	Year to Date
Retired	0
Involuntarily Terminated	5
Neutral Termination	4
Dissatisfied	1
Lack of Support from Administration	0
Micro-managing Supervisor	0
Lack of Growth Opportunities/Recognition	0
Difficulty Learning New Job	0
Co-workers	0
Work Related Stress/Environment	2
RIF	1
Deceased	0
Pay	0
Health	1
Family	1
Relocation	3
School	0
Personal	0
Unknown	1
New Job	9
<b>Total Separations</b>	<b>28</b>

Year to Date Voluntary, Involuntary, RIF, and Neutral Separations



Year to Date Separations by Tenure



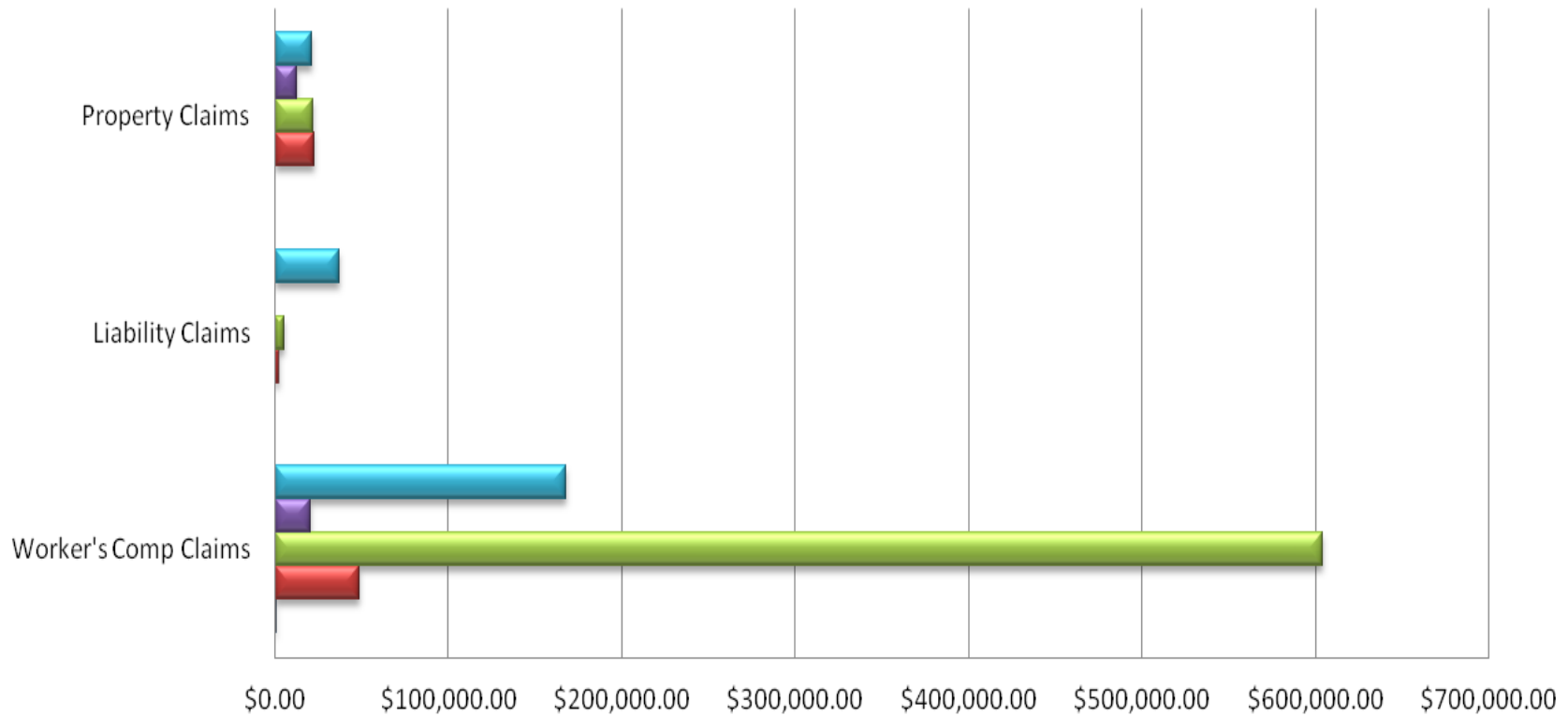


Management Team	# of Employees	Year to Date Separations	% Year to Date
Evan Roberson	14	1	7%
Millie McDuffey	45	1	2%
Amy Foerster	7	1	14%
Tanya Bryant	8	1	13%
MH Director	126	11	9%
Breanna Robertson	49	8	16%
Kelly Shropshire	33	3	9%
Kathy Foster	39	2	5%
Kenneth Barfield	10	0	0%
<b>Total</b>	<b>331</b>	<b>28</b>	

Separation by EEO Category	# of Employees	Year to Date Separations	% Year to Date
Supervisors & Managers	23	0	0%
Medical (MD,DO, LVN, RN, APN, PA, Psychologist)	36	3	8%
Professionals (QMHP)	88	12	14%
Professionals (QIDP)	28	3	11%
Licensed Staff (LCDC, LPC...)	19	0	0%
Business Services (Accounting)	11	0	0%
Central Administration (HR, IT, Executive Director)	24	2	8%
Program Support (Financial Counselors, QA, Training, Med. Records)	40	1	3%
Nurse Technicians/Aides	16	4	25%
Service/Maintenance	20	1	5%
Direct Care (HCS, Respite, Life Skills)	26	2	8%
<b>Total</b>	<b>331</b>	<b>28</b>	

<b>Agenda Item:</b> Texas Council Risk Management Fund Claims Summary as of December 2015  <b>Committee:</b> Executive	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Texas Council Risk Management Fund Claims Summary as of December 2015	
<b>Recommended Action:</b>  <b>For Information Only</b>	

## TCRMF Claims Summary December 2015



	Worker's Comp Claims	Liability Claims	Property Claims
■ 2012	\$167,628.00	\$37,206.00	\$21,595.00
■ 2013	\$20,263.00	\$0.00	\$12,869.00
■ 2014	\$604,416.00	\$5,295.00	\$21,931.00
■ 2015	\$48,504.00	\$2,528.00	\$22,505.00
■ 2016	\$784.00	\$0.00	\$0.00

<b>Agenda Item:</b> Approve October 2015 Financial Statements  <b>Committee:</b> Business	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  October 2015 Financial Statements	
<b>Recommended Action:</b>  <b>Approve October 2015 Financial Statements</b>	

### October 2015 Financial Summary

Revenues for October 2015 were \$2,866,970 and operating expenses were \$2,339,925 resulting in a gain in operations of \$527,045. Capital Expenditures and Extraordinary Expenses for October were \$477,382 resulting in a gain of \$49,663. Total revenues were 99.70% of the monthly budgeted revenues and total expenses were 98.63% of the monthly budgeted expenses.

Year to date revenues are \$5,228,429 and operating expenses are \$4,628,995 leaving excess operating revenues of \$599,434. YTD Capital Expenditures and Extraordinary Expenses are \$530,339 resulting in a gain YTD of \$69,094. Total revenues are 98.92% of the YTD budgeted revenues and total expenses are 97.88% of the YTD budgeted expenses.

#### **REVENUES**

YTD Revenue items that are below the budget by more than \$10,000:

<b>Revenue Source</b>	<b>YTD Revenue</b>	<b>YTD Budget</b>	<b>% of Budget</b>	<b>\$ Variance</b>
No items to report				

#### **EXPENSES**

YTD Individual line expense items that exceed the YTD budget by more than \$10,000:

<b>Expense Source</b>	<b>YTD Expenses</b>	<b>YTD Budget</b>	<b>% of Budget</b>	<b>\$ Variance</b>
Building Repairs & Maintenance	62,587	45,832	1.37%	16,755
Small Equipment & Furniture	36,189	5,488	6.59%	30,701

Building Repairs & Maintenance – This expense line went over budget mostly due to lengthy summer weather and continued air conditioning repairs. This line should settle down over the next couple of months.

Small Equipment & Furniture – This line item reflects the new items purchased for the new Liberty building. The existing furniture at the locations that we are vacating is old and falling apart and therefore needed to be replaced.

**TRI-COUNTY BEHAVIORAL HEALTHCARE  
CONSOLIDATED BALANCE SHEET  
For the Month Ended October 31, 2015**

	<b>TOTALS COMBINED FUNDS October 2015</b>	<b>TOTALS COMBINED FUNDS September 2015</b>	<b>Increase (Decrease)</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Imprest Cash Funds	5,198	5,117	81
Cash on Deposit-General Fund	6,770,849	4,894,681	1,876,168
Cash on Deposit-Debt Fund			-
Accounts Receivable	1,070,667	1,177,175	(106,508)
Inventory	9,351	9,587	(237)
<b>TOTAL CURRENT ASSETS</b>	<b>7,856,064</b>	<b>6,086,560</b>	<b>1,769,504</b>
<b>FIXED ASSETS</b>	<b>7,091,888</b>	<b>5,487,590</b>	<b>1,604,297</b>
<b>OTHER ASSETS</b>	<b>38,439</b>	<b>36,461</b>	<b>1,978</b>
<b>TOTAL ASSETS</b>	<b>\$ 14,986,392</b>	<b>\$ 11,610,612</b>	<b>\$ 3,375,780</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCE:</b>			
<b>CURRENT LIABILITIES</b>	<b>977,786</b>	<b>786,012</b>	<b>191,774</b>
<b>NOTES PAYABLE</b>	<b>549,129</b>	<b>536,765</b>	<b>12,364</b>
<b>DEFERRED REVENUE</b>	<b>(157,365)</b>	<b>(2,901,672)</b>	<b>2,744,307</b>
<b>LONG-TERM LIABILITIES FOR</b>			
Line of Credit - Tradition Bank	630,803	650,702	(19,898)
Note Payable Prosperity Bank	732,763	-	732,763
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR</b>			
General Fund	(997,866)	512,218	(1,510,084)
Debt Service Fund	-	-	-
<b>FUND EQUITY</b>			
<b>RESTRICTED</b>			
Net Assets Reserved for Debt Service	(1,363,566)	(650,702)	(712,865)
Reserved for Debt Retirement	963,631	963,631	-
<b>COMMITTED</b>			
Net Assets-Property and Equipment	7,091,888	5,487,590	1,604,297
Reserved for Vehicles & Equipment Replacement	678,112	292,803	385,309
Reserved for Facility Improvement & Acquisitions	1,695,376	1,758,154	(62,779)
Reserved for Board Initiatives	1,500,000	1,500,000	-
Reserved for 1115 Waiver Programs	516,833	516,833	-
<b>ASSIGNED</b>			
Reserved for Workers' Compensation	274,409	183,620	90,789
Reserved for Current Year Budgeted Reserve	12,332	80,166	(67,834)
Reserved for Insurance Deductibles	100,000	100,000	-
Reserved for Accrued Paid Time Off	(549,129)	(536,765)	(12,364)
<b>UNASSIGNED</b>			
Unrestricted and Undesignated	2,331,257	2,331,257	-
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>\$ 14,986,392</b>	<b>\$ 11,610,612</b>	<b>\$ 3,375,780</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE  
CONSOLIDATED BALANCE SHEET  
For the Month Ended October 31, 2015**

	<b>TOTALS</b>		
	<b>Memorandum Only</b>		
	<b>General Operating Funds</b>	<b>October 2015</b>	<b>Preliminary August 2015</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Imprest Cash Funds	5,198	5,198	3,165
Cash on Deposit-General Fund	6,770,849	6,770,849	5,696,280
Cash on Deposit-Debt Fund	-	-	-
Accounts Receivable	1,070,667	1,070,667	1,689,938
Inventory	9,351	9,351	9,877
<b>TOTAL CURRENT ASSETS</b>	<b>7,856,064</b>	<b>7,856,064</b>	<b>7,399,260</b>
<b>FIXED ASSETS</b>	<b>7,091,888</b>	<b>7,091,888</b>	<b>5,487,590</b>
<b>OTHER ASSETS</b>	<b>38,439</b>	<b>38,439</b>	<b>38,891</b>
	<b>\$ 14,986,392</b>	<b>\$ 14,986,392</b>	<b>\$ 12,925,741</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCES</b>			
<b>CURRENT LIABILITIES</b>	977,786	977,786	803,430
<b>NOTES PAYABLE</b>	549,129	549,129	536,765
<b>DEFERRED REVENUE</b>	(157,365)	(157,365)	(1,617,237)
<b>LONG-TERM LIABILITIES FOR</b>			
Line of Credit - Tradition Bank	630,803	630,803	670,521
Note Payable Prosperity Bank	732,763	732,763	-
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR</b>			
General Fund	(997,866)	(997,866)	510,720
Debt Service Fund	-	-	-
<b>FUND EQUITY</b>			
<b>RESTRICTED</b>			
Net Assets Reserved for Debt service-Restricted	(1,363,566)	(1,363,566)	(670,521)
Reserved for Debt Retirement	963,631	963,631	963,631
<b>COMMITTED</b>			
Net Assets-Property and Equipment-Committed	7,091,888	7,091,888	5,487,590
Reserved for Vehicles & Equipment Replacement	678,112	678,112	292,803
Reserved for Facility Improvement & Acquisitions	1,695,376	1,695,376	1,779,094
Reserved for Board Initiatives	1,500,000	1,500,000	1,500,000
Reserved for 1115 Waiver Programs	516,833	516,833	516,833
<b>ASSIGNED</b>			
Reserved for Workers' Compensation-Assigned	274,409	274,409	183,620
Reserved for Current Year Budgeted Reserve -Assigned	12,332	12,332	74,000
Reserved for Insurance Deductibles-Assigned	100,000	100,000	100,000
Reserved for Accrued Paid Time Off	(549,129)	(549,129)	(536,765)
<b>UNASSIGNED</b>			
Unrestricted and Undesignated	2,331,257	2,331,257	2,331,257
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>\$ 14,986,392</b>	<b>\$ 14,986,392</b>	<b>\$ 12,925,741</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**For the Month Ended October 2015**  
**and Year To Date as of October 2015**

<b>INCOME:</b>	<b>MONTH OF October 2015</b>	<b>YTD October 2015</b>
Local Revenue Sources	544,394	657,447
Earned Income	1,107,519	2,208,111
General Revenue-Contract	1,215,057	2,362,871
<b>TOTAL INCOME</b>	<b>\$ 2,866,970</b>	<b>\$ 5,228,429</b>
<b>EXPENSES:</b>		
Salaries	1,304,566	2,612,758
Employee Benefits	247,192	485,849
Medication Expense	45,905	94,049
Travel-Board/Staff	39,979	80,388
Building Rent/Maintenance	20,865	65,750
Consultants/Contracts	430,045	830,922
Other Operating Expenses	251,372	459,278
<b>TOTAL EXPENSES</b>	<b>\$ 2,339,925</b>	<b>\$ 4,628,995</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 527,045</b>	<b>\$ 599,434</b>
<b>CAPITAL EXPENDITURES</b>		
Capital Outlay-FF&E, Automobiles, Building	442,060	459,695
Capital Outlay-Debt Service Bonds	35,322	70,644
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 477,382</b>	<b>\$ 530,339</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 2,817,307</b>	<b>\$ 5,159,334</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>\$ 49,663</b>	<b>\$ 69,094</b>

<b>Debt Service and Fixed Asset Fund:</b>		
Bond Payments Receipts	35,322	70,644
Bond Payments Disbursements		
Interest Income		
<b>Excess(Deficiency) of revenues over Expenses</b>	<b>35,322</b>	<b>70,644</b>



**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**Compared to Budget**  
**Year to Date as of October 2015**

	YTD October 2015	APPROVED BUDGET	Increase (Decrease)
<b>INCOME:</b>			
Local Revenue Sources	657,447	655,589	1,858
Earned Income	2,208,111	2,228,488	(20,377)
General Revenue-Contract	2,362,871	2,401,500	(38,629)
<b>TOTAL INCOME</b>	<b>\$ 5,228,429</b>	<b>\$ 5,285,577</b>	<b>\$ (57,148)</b>
<b>EXPENSES:</b>			
Salaries	2,612,758	2,702,583	(89,825)
Employee Benefits	485,849	495,720	(9,871)
Medication Expense	94,049	102,568	(8,519)
Travel-Board/Staff	80,388	76,121	4,267
Building Rent/Maintenance	65,750	49,414	16,336
Consultants/Contracts	830,922	887,151	(56,229)
Other Operating Expenses	459,278	433,951	25,327
<b>TOTAL EXPENSES</b>	<b>\$ 4,628,995</b>	<b>\$ 4,747,508</b>	<b>\$ (118,513)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 599,434</b>	<b>\$ 538,069</b>	<b>\$ 61,365</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	459,695	453,662	6,033
Capital Outlay-Debt Service Bonds	70,644	70,118	526
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 530,339</b>	<b>\$ 523,780</b>	<b>\$ 6,559</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 5,159,334</b>	<b>\$ 5,271,288</b>	<b>\$ (111,954)</b>
<b>Excess (Deficiency) of Revenues and Expense:</b>	<b>\$ 69,094</b>	<b>\$ 14,289</b>	<b>\$ 54,805</b>

<b>Debt Service and Fixed Asset Fund:</b>			
Bond Payments Receipts	70,644	70,118	526
Bond Payments Disbursements		-	-
Interest Income			
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>70,644</b>	<b>70,118</b>	<b>526</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**Compared to Budget**  
**For the Month Ended October 2015**

<b>INCOME:</b>	<b>MONTH OF October 2015</b>	<b>APPROVED BUDGET</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	544,394	531,462	12,932
Earned Income	1,107,519	1,115,896	(8,378)
General Revenue-Contract	1,215,057	1,228,263	(13,206)
<b>TOTAL INCOME</b>	<b>\$ 2,866,970</b>	<b>\$ 2,875,621</b>	<b>\$ (8,651)</b>
<b>EXPENSES:</b>			
Salaries	1,304,566	1,353,475	(48,909)
Employee Benefits	247,192	247,857	(665)
Medication Expense	45,905	51,284	(5,379)
Travel-Board/Staff	39,979	38,060	1,919
Building Rent/Maintenance	20,865	30,957	(10,092)
Consultants/Contracts	430,045	450,334	(20,289)
Other Operating Expenses	251,372	218,979	32,393
<b>TOTAL EXPENSES</b>	<b>\$ 2,339,925</b>	<b>\$ 2,390,946</b>	<b>\$ (51,021)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 527,045</b>	<b>\$ 484,675</b>	<b>\$ 42,370</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	442,060	430,430	11,630
Capital Outlay-Debt Service Bonds	35,322	35,059	263
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 477,382</b>	<b>\$ 465,489</b>	<b>\$ 11,893</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 2,817,307</b>	<b>\$ 2,856,435</b>	<b>\$ (39,128)</b>
<b>Excess (Deficiency) of Revenues and Expenses:</b>	<b>\$ 49,663</b>	<b>\$ 19,186</b>	<b>\$ 30,477</b>

**Debt Service and Fixed Asset Fund:**

Bond Payments Receipts	35,322	35,059	263
Bond Payments Disbursements		-	-
Interest Income			
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>35,322</b>	<b>35,059</b>	<b>263</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**With October 2014 Comparative Data**  
**Year to Date as of October 2015**

<b>INCOME:</b>	<b>YTD October 2015</b>	<b>YTD October 2014</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	657,447	218,547	438,900
Earned Income	2,208,111	2,024,674	183,437
General Revenue-Contract	2,362,871	2,292,696	70,175
<b>TOTAL INCOME</b>	<b>\$ 5,228,429</b>	<b>\$ 4,535,917</b>	<b>\$ 692,512</b>
<b>EXPENSES:</b>			
Salaries	2,612,758	2,343,655	269,103
Employee Benefits	485,849	454,911	30,938
Medication Expense	94,049	73,789	20,260
Travel-Board/Staff	80,388	77,307	3,081
Building Rent/Maintenance	65,750	29,798	35,952
Consultants/Contracts	830,922	914,663	(83,741)
Other Operating Expenses	459,278	449,343	9,935
<b>TOTAL EXPENSES</b>	<b>\$ 4,628,995</b>	<b>\$ 4,343,466</b>	<b>\$ 285,529</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 599,434</b>	<b>\$ 192,451</b>	<b>\$ 406,983</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	459,695	30,277	429,418
Capital Outlay-Debt Service Bonds	70,644	-	70,644
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 530,339</b>	<b>\$ 30,277</b>	<b>\$ 500,062</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 5,159,334</b>	<b>\$ 4,373,743</b>	<b>\$ 785,591</b>
<b>Excess (Deficiency) of Revenues and Expense:</b>	<b>\$ 69,094</b>	<b>\$ 162,174</b>	<b>\$ (93,080)</b>

**Debt Service and Fixed Asset Fund:**

Bond Payments Receipts	70,644	-	70,644
Bond Payments Disbursements			-
Interest Income			-
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>70,644</b>	<b>-</b>	<b>70,644</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**With October 2014 Comparative Data**  
**For the Month Ended October 2015**

<b>INCOME:</b>	<b>MONTH OF October 2015</b>	<b>MONTH OF October 2014</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	544,394	121,901	422,493
Earned Income	1,107,519	1,022,200	85,319
General Revenue-Contract	1,215,057	1,139,577	75,480
<b>TOTAL INCOME</b>	<b>\$ 2,866,970</b>	<b>\$ 2,283,678</b>	<b>\$ 583,292</b>
Salaries	1,304,566	1,187,680	116,886
Employee Benefits	247,192	229,672	17,520
Medication Expense	45,905	48,828	(2,923)
Travel-Board/Staff	39,979	40,565	(586)
Building Rent/Maintenance	20,865	11,750	9,115
Consultants/Contracts	430,045	437,058	(7,013)
Other Operating Expenses	251,372	231,799	19,573
<b>TOTAL EXPENSES</b>	<b>\$ 2,339,925</b>	<b>\$ 2,187,352</b>	<b>\$ 152,573</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 527,045</b>	<b>\$ 96,326</b>	<b>\$ 430,719</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	442,060	3,685	438,375
Capital Outlay-Debt Service Bonds	35,322	-	35,322
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 477,382</b>	<b>\$ 3,685</b>	<b>\$ 473,697</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 2,817,307</b>	<b>\$ 2,191,037</b>	<b>\$ 626,270</b>
<b>Excess (Deficiency) of Revenues and Expense:</b>	<b>\$ 49,663</b>	<b>\$ 92,641</b>	<b>\$ (42,978)</b>

**Debt Service and Fixed Asset Fund:**

Bond Payments Receipts	35,322	-	35,322
Bond Payments Disbursements			-
Interest Income			-
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>35,322</b>	<b>-</b>	<b>35,322</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**With September 2015 Comparative Data**  
**For the Month Ended October 2015**

<b>INCOME:</b>	<b>MONTH OF October 2015</b>	<b>MONTH OF September 2015</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	544,394	113,053	431,341
Earned Income	1,107,519	1,100,592	6,926
General Revenue-Contract	1,215,057	1,147,814	67,243
<b>TOTAL INCOME</b>	<b>\$ 2,866,970</b>	<b>\$ 2,361,459</b>	<b>\$ 505,511</b>
<b>EXPENSES:</b>			
Salaries	1,304,566	1,308,192	(3,625)
Employee Benefits	247,192	238,658	8,534
Medication Expense	45,905	48,144	(2,239)
Travel-Board/Staff	39,979	40,409	(429)
Building Rent/Maintenance	20,865	44,885	(24,019)
Consultants/Contracts	430,045	400,878	29,167
Other Operating Expenses	251,372	207,906	43,466
<b>TOTAL EXPENSES</b>	<b>\$ 2,339,925</b>	<b>\$ 2,289,070</b>	<b>\$ 50,854</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 527,045</b>	<b>\$ 72,389</b>	<b>\$ 454,656</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	442,060	17,635	424,425
Capital Outlay-Debt Service Bonds	35,322	35,322	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 477,382</b>	<b>\$ 52,957</b>	<b>\$ 424,425</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 2,817,307</b>	<b>\$ 2,342,028</b>	<b>\$ 475,279</b>
<b>Excess (Deficiency) of Revenues and Expenses:</b>	<b>\$ 49,663</b>	<b>\$ 19,431</b>	<b>\$ 30,231</b>

**Debt Service and Fixed Asset Fund:**

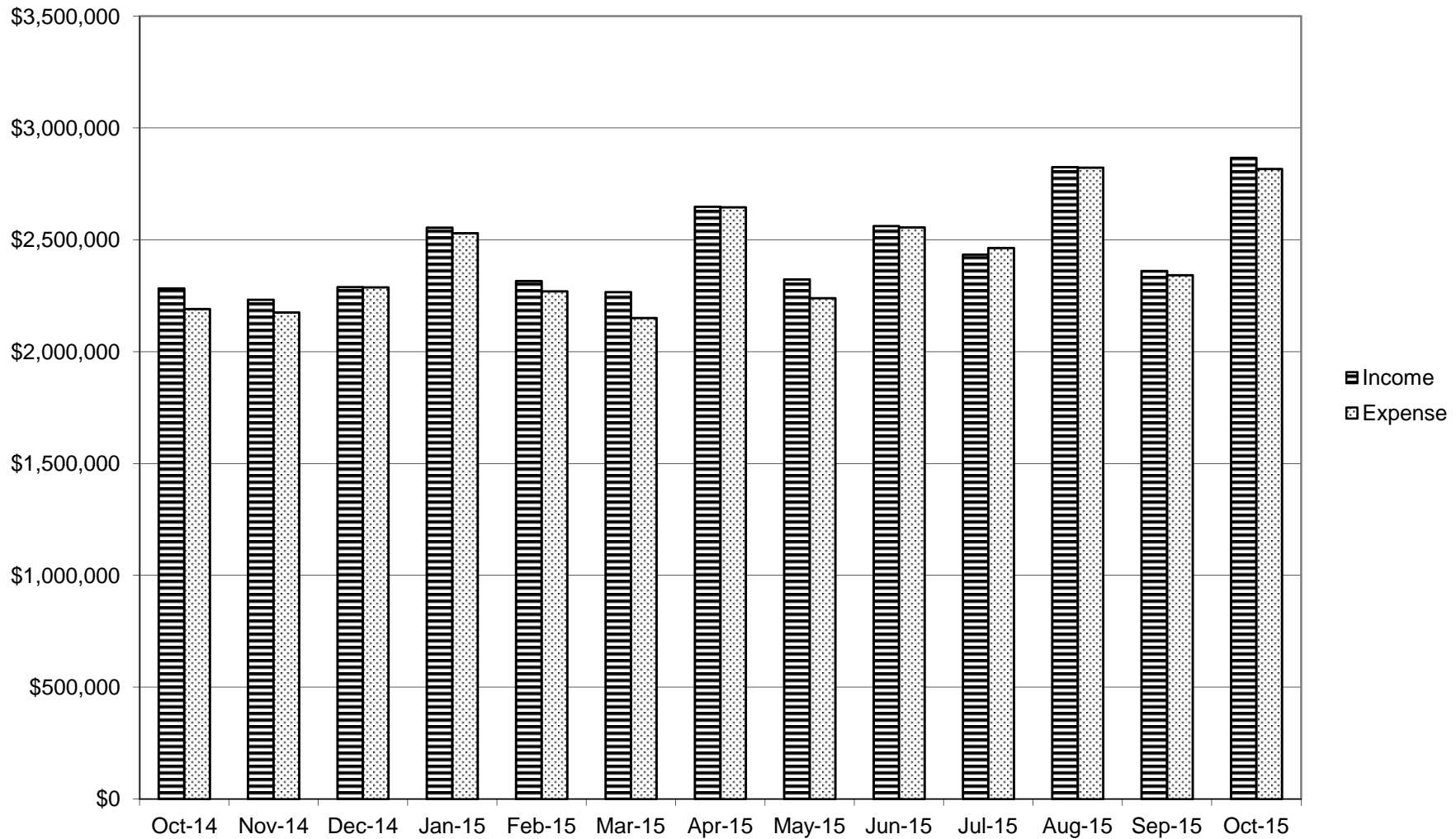
Bond Payments Receipts	35,322	35,322	-
Bond Payments Disbursements			-
Interest Income			
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>35,322</b>	<b>35,322</b>	<b>-</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary by Service Type**  
**Compared to Budget**  
**Year To Date as of October 2015**

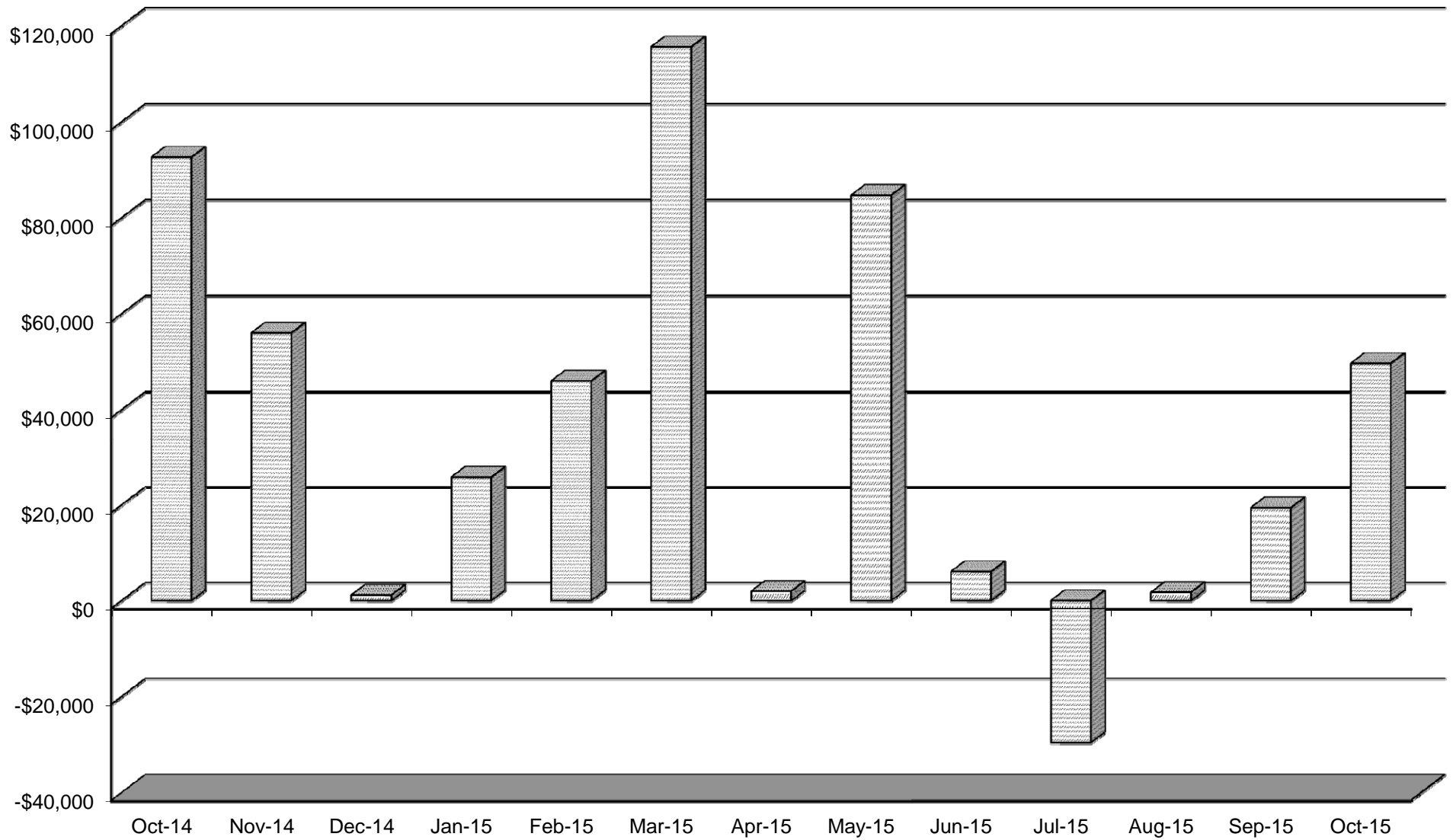
	YTD Mental Health October 2015	YTD IDD October 2015	YTD Other Services October 2015	YTD Agency Total October 2015	YTD Approved Budget October 2015	Increase (Decrease)
<b>INCOME:</b>						
Local Revenue Sources	514,136	168,331	(25,021)	657,447	655,589	1,858
Earned Income	603,119	946,328	658,664	2,208,111	2,228,488	(20,377)
General Revenue-Contract	2,102,963	259,908		2,362,871	2,401,500	(38,629)
<b>TOTAL INCOME</b>	<b>\$ 3,220,218</b>	<b>\$ 1,374,567</b>	<b>\$ 633,643</b>	<b>\$ 5,228,429</b>	<b>\$ 5,285,577</b>	<b>\$ (57,148)</b>
<b>EXPENSES:</b>						
Salaries	1,666,530	514,605	431,622	2,612,758	2,702,583	(89,825)
Employee Benefits	307,233	105,098	73,517	485,849	495,720	(9,871)
Medication Expense	63,727		30,322	94,049	102,568	(8,519)
Travel-Board/Staff	46,877	22,798	10,713	80,388	76,121	4,267
Building Rent/Maintenance	39,055	17,544	9,151	65,750	49,414	16,336
Consultants/Contracts	336,825	469,088	25,010	830,922	887,151	(56,229)
Other Operating Expenses	269,126	113,116	77,035	459,278	433,951	25,327
<b>TOTAL EXPENSES</b>	<b>\$ 2,729,373</b>	<b>\$ 1,242,249</b>	<b>\$ 657,370</b>	<b>\$ 4,628,994</b>	<b>\$ 4,747,508</b>	<b>\$ (118,514)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 490,845</b>	<b>\$ 132,318</b>	<b>\$ (23,727)</b>	<b>\$ 599,435</b>	<b>\$ 538,069</b>	<b>\$ 61,366</b>
<b>CAPITAL EXPENDITURES</b>						
Capital Outlay-FF&E, Automobiles	278,586	118,125	62,984	459,695	453,662	6,033
Capital Outlay-Debt Service Bonds	59,275	7,390	3,979	70,644	70,118	526
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 337,861</b>	<b>\$ 125,515</b>	<b>\$ 66,963</b>	<b>\$ 530,339</b>	<b>\$ 523,780</b>	<b>\$ 6,559</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 3,067,234</b>	<b>\$ 1,367,764</b>	<b>\$ 724,333</b>	<b>\$ 5,159,333</b>	<b>\$ 5,271,288</b>	<b>\$ (111,955)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>\$ 152,984</b>	<b>\$ 6,803</b>	<b>\$ (90,690)</b>	<b>\$ 69,094</b>	<b>\$ 14,289</b>	<b>\$ 54,807</b>

<b>Debt Service and Fixed Asset Fund:</b>						
Bond Payments Receipts	59,275	7,390	3,979	70,644	70,118	(10,843)
Bond Payments Disbursements		-	-	-	-	-
Interest Income		-	-	-	-	-
<b>Excess(Deficiency) of revenues over Expenses</b>	<b>59,275</b>	<b>7,390</b>	<b>3,979</b>	<b>70,644</b>	<b>70,118</b>	<b>(10,843)</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Income and Expense**  
**including Capital Expenditures**



**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Income after Expense**  
**including Capital Expenditures**





<b>Agenda Item:</b> Approve November 2015 Financial Statements  <b>Committee:</b> Business	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  November 2015 Financial Statements	
<b>Recommended Action:</b>  <b>Approve November 2015 Financial Statements</b>	

## November 2015 Financial Summary

Revenues for November 2015 were \$2,654,883 and operating expenses were \$2,328,279 resulting in a gain in operations of \$326,604. Capital Expenditures and Extraordinary Expenses for November were \$292,265 resulting in a gain of \$34,339. Total revenues were 99.73% of the monthly budgeted revenues and total expenses were 96.90% of the monthly budgeted expenses.

Year to date revenues are \$7,883,312 and operating expenses are \$6,957,274 leaving excess operating revenues of \$926,038. YTD Capital Expenditures and Extraordinary Expenses are \$822,604 resulting in a gain YTD of \$103,434. Total revenues are 98.86% of the YTD budgeted revenue and total expenses are 97.53% of the YTD budgeted expenses.

### **REVENUES**

YTD Revenue items that are below the budget by more than \$10,000:

<b>Revenue Source</b>	<b>YTD Revenue</b>	<b>YTD Budget</b>	<b>% of Budget</b>	<b>\$ Variance</b>
Rehab – Title XIX	424,828	442,893	95.95%	18,064

Rehab – This line item is under budget due to staff vacancies in the Child and Adolescent program. Also November is a holiday month and historically services trend down during this period. We will continue to monitor and probably see an increase in services in January.

### **EXPENSES**

YTD Individual line expense items that exceed the YTD budget by more than \$10,000:

<b>Expense Source</b>	<b>YTD Expenses</b>	<b>YTD Budget</b>	<b>% of Budget</b>	<b>\$ Variance</b>
Building Repairs & Maintenance	86,590	62,498	1.39%	24,092
Contract - Clinical	195,335	154,126	1.27%	41,209
Small Equipment & Furniture	37,909	8,237	4.60%	29,672

Building Repairs & Maintenance – This line item has had unexpected expenses in our Huntsville building with roof repairs. We have also seen air conditioning repairs at various locations during the first month of the new fiscal year.

Contract - Clinical – This line item is mainly increasing due to the use of contract doctors while we try to fill vacant staff doctor positions. We have a decrease in the payroll salary and fringe expense lines that offset this increased expense.

Small Equipment & Furniture – We have purchased new equipment and furniture for the remodeled Liberty building so this expense should even out going forward since the Liberty project is complete.

**TRI-COUNTY BEHAVIORAL HEALTHCARE  
CONSOLIDATED BALANCE SHEET  
For the Month Ended November 30, 2015**

	<b>TOTALS COMBINED FUNDS November 2015</b>	<b>TOTALS COMBINED FUNDS October 2015</b>	<b>Increase (Decrease)</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Imprest Cash Funds	5,098	5,198	(100)
Cash on Deposit-General Fund	5,594,273	6,770,849	(1,176,576)
Cash on Deposit-Debt Fund			-
Accounts Receivable	1,193,526	1,070,667	122,859
Inventory	9,334	9,351	(17)
<b>TOTAL CURRENT ASSETS</b>	<b>6,802,231</b>	<b>7,856,064</b>	<b>(1,053,834)</b>
<b>FIXED ASSETS</b>	7,091,888	7,091,888	-
<b>OTHER ASSETS</b>	58,477	38,439	20,038
<b>TOTAL ASSETS</b>	<b>\$ 13,952,596</b>	<b>\$ 14,986,392</b>	<b>\$ (1,033,796)</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCES</b>			
<b>CURRENT LIABILITIES</b>	919,962	977,786	(57,824)
<b>NOTES PAYABLE</b>	549,129	549,129	-
<b>DEFERRED REVENUE</b>	(1,001,864)	(157,365)	(844,498)
<b>LONG-TERM LIABILITIES FOR</b>			
Line of Credit - Tradition Bank	610,904	630,803	(19,899)
Note Payable Prosperity Bank	720,230	732,763	(12,533)
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR</b>			
General Fund	(961,702)	(997,866)	36,164
Debt Service Fund	-	-	-
<b>FUND EQUITY</b>			
<b>RESTRICTED</b>			
Net Assets Reserved for Debt Service	(1,331,134)	(1,363,566)	32,432
Reserved for Debt Retirement	963,631	963,631	-
<b>COMMITTED</b>			
Net Assets-Property and Equipment	7,091,888	7,091,888	-
Reserved for Vehicles & Equipment Replacement	678,112	678,112	-
Reserved for Facility Improvement & Acquisitions	1,521,572	1,695,376	(173,804)
Reserved for Board Initiatives	1,500,000	1,500,000	-
Reserved for 1115 Waiver Programs	516,833	516,833	-
<b>ASSIGNED</b>			
Reserved for Workers' Compensation	274,409	274,409	-
Reserved for Current Year Budgeted Reserve	18,498	12,332	6,166
Reserved for Insurance Deductibles	100,000	100,000	-
Reserved for Accrued Paid Time Off	(549,129)	(549,129)	-
<b>UNASSIGNED</b>			
Unrestricted and Undesignated	2,331,257	2,331,257	-
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>\$ 13,952,596</b>	<b>\$ 14,986,392</b>	<b>\$ (1,033,796)</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE  
CONSOLIDATED BALANCE SHEET  
For the Month Ended November 30, 2015**

		TOTALS	
		Memorandum Only	
	General Operating Funds	November 2015	Preliminary August 2015
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Imprest Cash Funds	5,098	5,098	3,165
Cash on Deposit-General Fund	5,594,273	5,594,273	5,696,280
Cash on Deposit-Debt Fund	-	-	-
Accounts Receivable	1,193,526	1,193,526	1,689,938
Inventory	9,334	9,334	9,877
<b>TOTAL CURRENT ASSETS</b>	<b>6,802,231</b>	<b>6,802,231</b>	<b>7,399,260</b>
<b>FIXED ASSETS</b>	<b>7,091,888</b>	<b>7,091,888</b>	<b>5,487,590</b>
<b>OTHER ASSETS</b>	<b>58,477</b>	<b>58,477</b>	<b>38,891</b>
		-	-
	<b>\$ 13,952,596</b>	<b>\$ 13,952,596</b>	<b>\$ 12,925,741</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCES</b>			
<b>CURRENT LIABILITIES</b>	919,962	919,962	803,430
<b>NOTES PAYABLE</b>	549,129	549,129	536,765
<b>DEFERRED REVENUE</b>	(1,001,864)	(1,001,864)	(1,617,237)
<b>LONG-TERM LIABILITIES FOR</b>			
Line of Credit - Tradition Bank	610,904	610,904	670,521
Note Payable Prosperity Bank	720,230	720,230	-
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR</b>			
General Fund	(961,702)	(961,702)	510,720
Debt Service Fund	-	-	-
<b>FUND EQUITY</b>			
<b>RESTRICTED</b>			
Net Assets Reserved for Debt service-Restricted	(1,331,134)	(1,331,134)	(670,521)
Reserved for Debt Retirement	963,631	963,631	963,631
<b>COMMITTED</b>			
Net Assets-Property and Equipment-Committed	7,091,888	7,091,888	5,487,590
Reserved for Vehicles & Equipment Replacement	678,112	678,112	292,803
Reserved for Facility Improvement & Acquisitions	1,521,572	1,521,572	1,779,094
Reserved for Board Initiatives	1,500,000	1,500,000	1,500,000
Reserved for 1115 Waiver Programs	516,833	516,833	516,833
<b>ASSIGNED</b>			
Reserved for Workers' Compensation-Assigned	274,409	274,409	183,620
Reserved for Current Year Budgeted Reserve -Assigned	18,498	18,498	74,000
Reserved for Insurance Deductibles-Assigned	100,000	100,000	100,000
Reserved for Accrued Paid Time Off	(549,129)	(549,129)	(536,765)
<b>UNASSIGNED</b>			
Unrestricted and Undesignated	2,331,257	2,331,257	2,331,257
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>\$ 13,952,596</b>	<b>\$ 13,952,595</b>	<b>\$ 12,925,741</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**For the Month Ended November 2015**  
**and Year To Date as of November 2015**

<b>INCOME:</b>	<b>MONTH OF November 2015</b>	<b>YTD November 2015</b>
Local Revenue Sources	275,697	933,143
Earned Income	1,189,725	3,397,835
General Revenue-Contract	1,189,462	3,552,333
<b>TOTAL INCOME</b>	<b>\$ 2,654,883</b>	<b>\$ 7,883,312</b>
<b>EXPENSES:</b>		
Salaries	1,299,138	3,911,896
Employee Benefits	250,508	736,357
Medication Expense	59,183	153,233
Travel-Board/Staff	41,307	121,695
Building Rent/Maintenance	24,932	90,682
Consultants/Contracts	437,556	1,268,479
Other Operating Expenses	215,654	674,932
<b>TOTAL EXPENSES</b>	<b>\$ 2,328,279</b>	<b>\$ 6,957,274</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 326,604</b>	<b>\$ 926,038</b>
<b>CAPITAL EXPENDITURES</b>		
Capital Outlay-FF&E, Automobiles, Building	256,943	716,638
Capital Outlay-Debt Service Bonds	35,322	105,967
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 292,265</b>	<b>\$ 822,604</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 2,620,544</b>	<b>\$ 7,779,878</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>\$ 34,339</b>	<b>\$ 103,434</b>

<b>Debt Service and Fixed Asset Fund:</b>		
Bond Payments Receipts	35,322	105,967
Bond Payments Disbursements		
Interest Income		
<b>Excess(Deficiency) of revenues over Expenses</b>	<b>35,322</b>	<b>105,967</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**Compared to Budget**  
**Year to Date as of November 2015**

	YTD November 2015	APPROVED BUDGET	Increase (Decrease)
<b>INCOME:</b>			
Local Revenue Sources	933,143	924,329	8,814
Earned Income	3,397,835	3,457,952	(60,117)
General Revenue-Contract	3,552,333	3,592,267	(39,934)
<b>TOTAL INCOME</b>	<b>\$ 7,883,312</b>	<b>\$ 7,974,548</b>	<b>\$ (91,236)</b>
<b>EXPENSES:</b>			
Salaries	3,911,896	4,080,057	(168,161)
Employee Benefits	736,357	743,579	(7,222)
Medication Expense	153,233	153,852	(619)
Travel-Board/Staff	121,695	114,182	7,513
Building Rent/Maintenance	90,682	67,871	22,811
Consultants/Contracts	1,268,479	1,297,138	(28,659)
Other Operating Expenses	674,932	654,525	20,407
<b>TOTAL EXPENSES</b>	<b>\$ 6,957,274</b>	<b>\$ 7,111,204</b>	<b>\$ (153,930)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 926,038</b>	<b>\$ 863,344</b>	<b>\$ 62,694</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	716,638	760,697	(44,059)
Capital Outlay-Debt Service Bonds	105,967	105,177	790
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 822,604</b>	<b>\$ 865,874</b>	<b>\$ (43,270)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 7,779,878</b>	<b>\$ 7,977,078</b>	<b>\$ (197,200)</b>
<b>Excess (Deficiency) of Revenues and Expense:</b>	<b>\$ 103,434</b>	<b>\$ (2,530)</b>	<b>\$ 105,964</b>

<b>Debt Service and Fixed Asset Fund:</b>			
Bond Payments Receipts	105,967	105,177	790
Bond Payments Disbursements		-	-
Interest Income			
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>105,967</b>	<b>105,177</b>	<b>790</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**Compared to Budget**  
**For the Month Ended November 2015**

<b>INCOME:</b>	<b>MONTH OF November 2015</b>	<b>APPROVED BUDGET</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	275,697	268,740	6,957
Earned Income	1,189,725	1,229,464	(39,739)
General Revenue-Contract	1,189,462	1,190,767	(1,305)
<b>TOTAL INCOME</b>	<b>\$ 2,654,883</b>	<b>\$ 2,688,971</b>	<b>\$ (34,088)</b>
<b>EXPENSES:</b>			
Salaries	1,299,138	1,377,474	(78,336)
Employee Benefits	250,508	247,859	2,649
Medication Expense	59,183	51,284	7,899
Travel-Board/Staff	41,307	38,061	3,246
Building Rent/Maintenance	24,932	18,457	6,475
Consultants/Contracts	437,556	409,987	27,569
Other Operating Expenses	215,654	220,574	(4,920)
<b>TOTAL EXPENSES</b>	<b>\$ 2,328,279</b>	<b>\$ 2,363,696</b>	<b>\$ (35,417)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 326,604</b>	<b>\$ 325,275</b>	<b>\$ 1,329</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	256,943	305,675	(48,732)
Capital Outlay-Debt Service Bonds	35,322	35,059	263
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 292,265</b>	<b>\$ 340,734</b>	<b>\$ (48,469)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 2,620,544</b>	<b>\$ 2,704,430</b>	<b>\$ (83,886)</b>
<b>Excess (Deficiency) of Revenues and Expenses:</b>	<b>\$ 34,339</b>	<b>\$ (15,459)</b>	<b>\$ 49,798</b>

**Debt Service and Fixed Asset Fund:**

Bond Payments Receipts	35,322	35,059	263
Bond Payments Disbursements		-	-
Interest Income			
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>35,322</b>	<b>35,059</b>	<b>263</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**With November 2014 Comparative Data**  
**Year to Date as of November 2015**

<b>INCOME:</b>	<b>YTD November 2015</b>	<b>YTD November 2014</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	933,143	112,337	820,806
Earned Income	3,397,835	958,823	2,439,012
General Revenue-Contract	3,552,333	1,160,831	2,391,502
<b>TOTAL INCOME</b>	<b>\$ 7,883,312</b>	<b>\$ 2,231,991</b>	<b>\$ 5,651,321</b>
<b>EXPENSES:</b>			
Salaries	3,911,896	1,209,188	2,702,708
Employee Benefits	736,357	239,977	496,380
Medication Expense	153,233	32,300	120,933
Travel-Board/Staff	121,695	34,522	87,173
Building Rent/Maintenance	90,682	13,847	76,835
Consultants/Contracts	1,268,479	438,953	829,526
Other Operating Expenses	674,932	206,426	468,506
<b>TOTAL EXPENSES</b>	<b>\$ 6,957,274</b>	<b>\$ 2,175,213</b>	<b>\$ 4,782,061</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 926,038</b>	<b>\$ 56,778</b>	<b>\$ 869,260</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	716,638	768	715,870
Capital Outlay-Debt Service Bonds	105,967	-	105,967
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 822,604</b>	<b>\$ 768</b>	<b>\$ 821,836</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 7,779,878</b>	<b>\$ 2,175,981</b>	<b>\$ 5,603,897</b>
<b>Excess (Deficiency) of Revenues and Expense:</b>	<b>\$ 103,434</b>	<b>\$ 56,010</b>	<b>\$ 47,424</b>

<b>Debt Service and Fixed Asset Fund:</b>			
Bond Payments Receipts	105,967	-	105,967
Bond Payments Disbursements			-
Interest Income			-
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>105,967</b>	<b>-</b>	<b>105,967</b>



**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**With November 2014 Comparative Data**  
**For the Month Ended November 2015**

<b>INCOME:</b>	<b>MONTH OF November 2015</b>	<b>MONTH OF November 2014</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	275,697	112,337	163,360
Earned Income	1,189,725	958,823	230,902
General Revenue-Contract	1,189,462	1,160,831	28,631
<b>TOTAL INCOME</b>	<b>\$ 2,654,883</b>	<b>\$ 2,231,991</b>	<b>\$ 422,892</b>
Salaries	1,299,138	1,209,188	89,950
Employee Benefits	250,508	239,977	10,531
Medication Expense	59,183	32,300	26,883
Travel-Board/Staff	41,307	34,522	6,785
Building Rent/Maintenance	24,932	13,847	11,085
Consultants/Contracts	437,556	438,953	(1,397)
Other Operating Expenses	215,654	206,426	9,228
<b>TOTAL EXPENSES</b>	<b>\$ 2,328,279</b>	<b>\$ 2,175,213</b>	<b>\$ 153,066</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 326,604</b>	<b>\$ 56,778</b>	<b>\$ 269,826</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	256,943	768	256,175
Capital Outlay-Debt Service Bonds	35,322	-	35,322
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 292,265</b>	<b>\$ 768</b>	<b>\$ 291,497</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 2,620,544</b>	<b>\$ 2,175,981</b>	<b>\$ 444,563</b>
<b>Excess (Deficiency) of Revenues and Expense:</b>	<b>\$ 34,339</b>	<b>\$ 56,010</b>	<b>\$ (21,671)</b>

**Debt Service and Fixed Asset Fund:**

Bond Payments Receipts	35,322	-	35,322
Bond Payments Disbursements			-
Interest Income			-
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>35,322</b>	<b>-</b>	<b>35,322</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**With October 2015 Comparative Data**  
**For the Month Ended November 2015**

<b>INCOME:</b>	<b>MONTH OF November 2015</b>	<b>MONTH OF October 2015</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	275,697	544,394	(268,697)
Earned Income	1,189,725	1,107,519	82,206
General Revenue-Contract	1,189,462	1,215,057	(25,595)
<b>TOTAL INCOME</b>	<b>\$ 2,654,883</b>	<b>\$ 2,866,970</b>	<b>\$ (212,086)</b>
<b>EXPENSES:</b>			
Salaries	1,299,138	1,304,566	(5,429)
Employee Benefits	250,508	247,192	3,316
Medication Expense	59,183	45,905	13,278
Travel-Board/Staff	41,307	39,979	1,328
Building Rent/Maintenance	24,932	20,865	4,067
Consultants/Contracts	437,556	430,045	7,512
Other Operating Expenses	215,654	251,372	(35,718)
<b>TOTAL EXPENSES</b>	<b>\$ 2,328,279</b>	<b>\$ 2,339,925</b>	<b>\$ (11,645)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 326,604</b>	<b>\$ 527,045</b>	<b>\$ (200,441)</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	256,943	442,060	(185,117)
Capital Outlay-Debt Service Bonds	35,322	35,322	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 292,265</b>	<b>\$ 477,382</b>	<b>\$ (185,117)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 2,620,544</b>	<b>\$ 2,817,307</b>	<b>\$ (196,763)</b>
<b>Excess (Deficiency) of Revenues and Expenses:</b>	<b>\$ 34,339</b>	<b>\$ 49,663</b>	<b>\$ (15,324)</b>

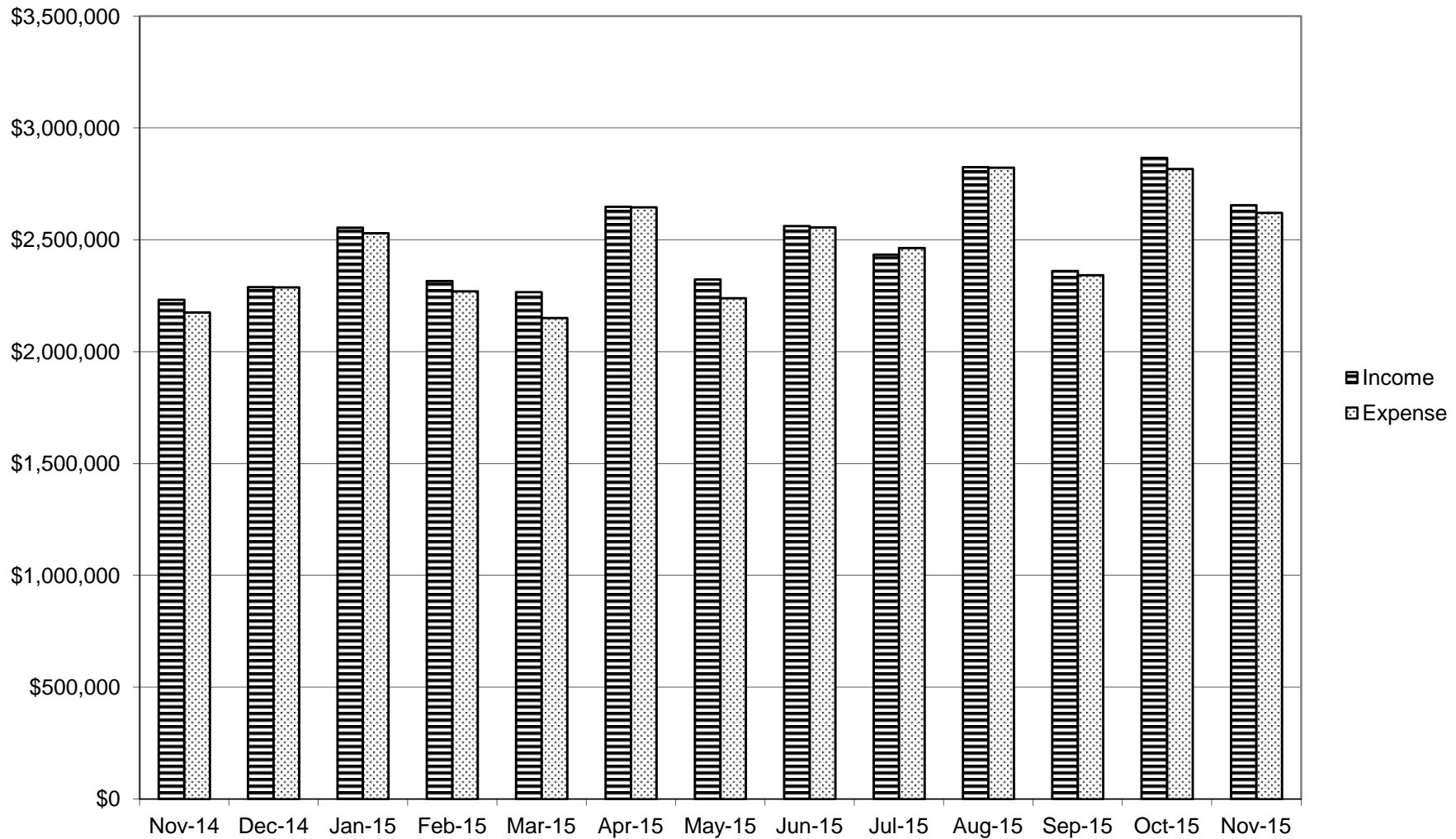
**Debt Service and Fixed Asset Fund:**

Bond Payments Receipts	35,322	35,322	-
Bond Payments Disbursements			-
Interest Income			
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>35,322</b>	<b>35,322</b>	<b>-</b>

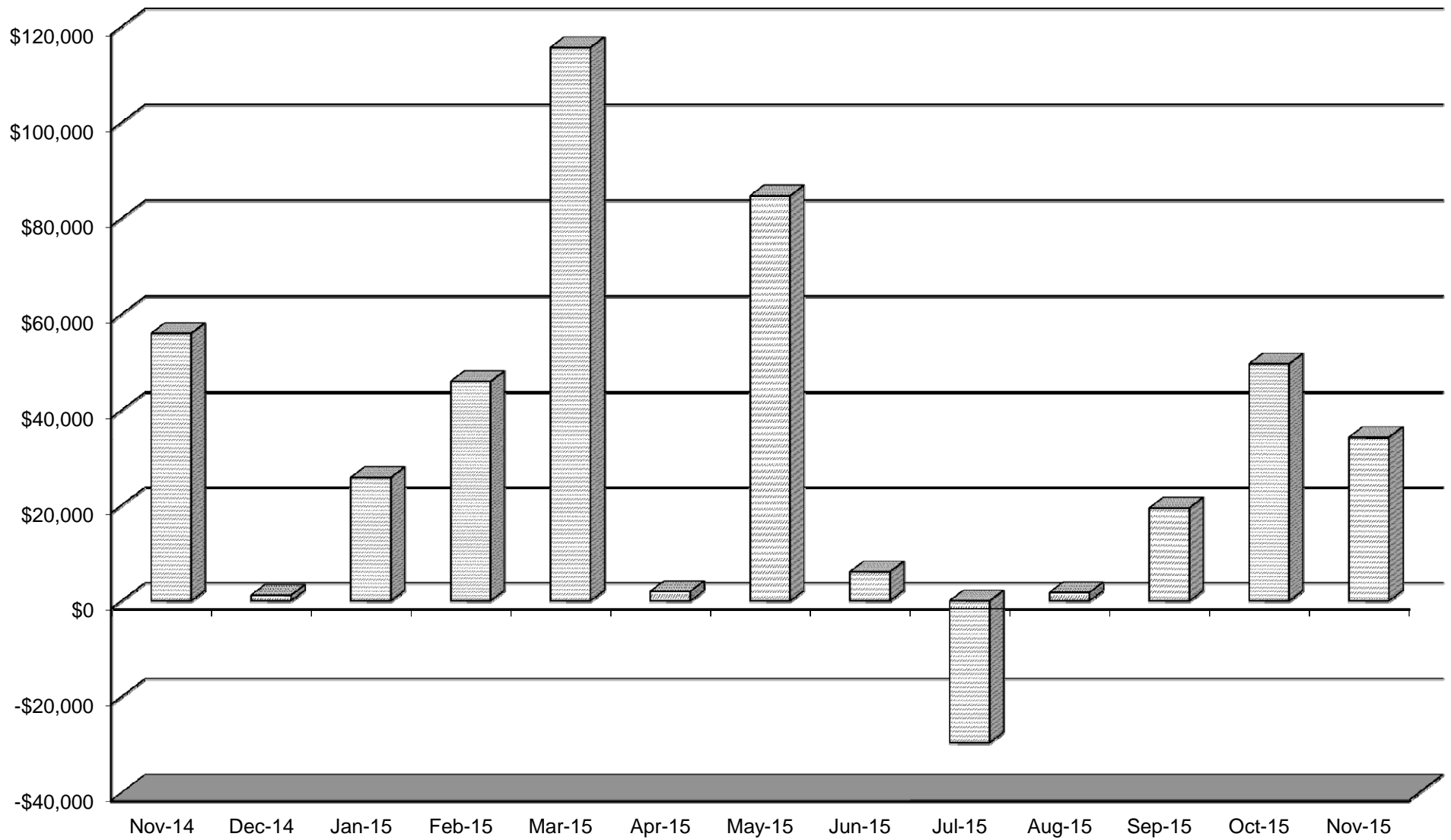
**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary by Service Type**  
**Compared to Budget**  
**Year To Date as of November 2015**

	YTD Mental Health November 2015	YTD IDD November 2015	YTD Other Services November 2015	YTD Agency Total November 2015	YTD Approved Budget November 2015	Increase (Decrease)
<b>INCOME:</b>						
Local Revenue Sources	735,628	225,142	(27,626)	933,143	924,329	8,814
Earned Income	839,286	1,382,680	1,175,869	3,397,835	3,457,952	(60,117)
General Revenue-Contract	3,158,790	393,544		3,552,333	3,592,267	(39,934)
<b>TOTAL INCOME</b>	<b>\$ 4,733,704</b>	<b>\$ 2,001,366</b>	<b>\$ 1,148,243</b>	<b>\$ 7,883,311</b>	<b>\$ 7,974,548</b>	<b>\$ (91,237)</b>
<b>EXPENSES:</b>						
Salaries	2,480,994	773,794	657,108	3,911,896	4,080,057	(168,161)
Employee Benefits	471,014	154,923	110,421	736,357	743,579	(7,222)
Medication Expense	102,732		50,501	153,233	153,852	(619)
Travel-Board/Staff	69,481	35,950	16,264	121,695	114,182	7,513
Building Rent/Maintenance	58,002	21,785	10,896	90,682	67,871	22,811
Consultants/Contracts	545,585	685,674	37,220	1,268,479	1,297,138	(28,659)
Other Operating Expenses	402,727	160,928	111,279	674,932	654,525	20,407
<b>TOTAL EXPENSES</b>	<b>\$ 4,130,535</b>	<b>\$ 1,833,054</b>	<b>\$ 993,689</b>	<b>\$ 6,957,274</b>	<b>\$ 7,111,204</b>	<b>\$ (153,930)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 603,169</b>	<b>\$ 168,312</b>	<b>\$ 154,554</b>	<b>\$ 926,037</b>	<b>\$ 863,344</b>	<b>\$ 62,693</b>
<b>CAPITAL EXPENDITURES</b>						
Capital Outlay-FF&E, Automobiles	364,615	159,342	192,680	716,638	760,697	(44,059)
Capital Outlay-Debt Service Bonds	88,912	11,086	5,969	105,967	105,177	790
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 453,527</b>	<b>\$ 170,428</b>	<b>\$ 198,649</b>	<b>\$ 822,605</b>	<b>\$ 865,874</b>	<b>\$ (43,269)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 4,584,062</b>	<b>\$ 2,003,482</b>	<b>\$ 1,192,338</b>	<b>\$ 7,779,879</b>	<b>\$ 7,977,078</b>	<b>\$ (197,199)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>\$ 149,642</b>	<b>\$ (2,116)</b>	<b>\$ (44,095)</b>	<b>\$ 103,434</b>	<b>\$ (2,530)</b>	<b>\$ 105,962</b>
<b>Debt Service and Fixed Asset Fund:</b>						
Bond Payments Receipts	88,912	11,086	5,969	105,967	105,177	(16,265)
Bond Payments Disbursements		-	-	-	-	-
Interest Income		-	-	-	-	-
<b>Excess(Deficiency) of revenues over Expenses</b>	<b>88,912</b>	<b>11,086</b>	<b>5,969</b>	<b>105,967</b>	<b>105,177</b>	<b>(16,265)</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Income and Expense**  
**including Capital Expenditures**



**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Income after Expense**  
**including Capital Expenditures**



<b>Agenda Item:</b> Approve December 2015 Financial Statements  <b>Committee:</b> Business	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  December 2015 Financial Statements	
<b>Recommended Action:</b>  <b>Approve December 2015 Financial Statements</b>	

## December 2015 Financial Summary

Revenues for December 2015 were \$2,563,763 and operating expenses were \$2,476,812 resulting in a gain in operations of \$86,951. Capital Expenditures and Extraordinary Expenses for December were \$51,482 resulting in a gain of \$35,469. Total revenues were 99.39% of the monthly budgeted revenues and total expenses were 100.62% of the monthly budgeted expenses.

Year to date revenues are \$10,447,074 and operating expenses are \$9,434,086 leaving excess operating revenues of \$1,012,989. YTD Capital Expenditures and Extraordinary Expenses are \$874,086 resulting in a gain YTD of \$138,903. Total revenues are 98.99% of the YTD budgeted revenues and total expenses are 98.27% of the YTD budgeted expenses

### **REVENUES**

YTD Revenue items that are below the budget by more than \$10,000:

<b>Revenue Source</b>	<b>YTD Revenue</b>	<b>YTD Budget</b>	<b>% of Budget</b>	<b>\$ Variance</b>
Rehab – Title XIX	561,374	599,255	93.67%	37,881

Rehab – This line item is under budget due to staff vacancies in the Child and Adolescent program. We will continue to monitor and will probably see an increase in services in January.

### **EXPENSES**

YTD Individual line expense items that exceed the YTD budget by more than \$10,000:

<b>Expense Source</b>	<b>YTD Expenses</b>	<b>YTD Budget</b>	<b>% of Budget</b>	<b>\$ Variance</b>
Building Repairs & Maintenance	111,370	79,164	1.41%	32,206
Small Equipment & Furniture	38,310	10,986	3.49%	27,324

Building Repairs & Maintenance – We continue to have maintenance issues on our facilities. We started out the fiscal year with air conditioning repairs and tree removals and now we are having our routine safety fire inspections which are reflected on this line item.

Small Equipment & Furniture – We have purchased new equipment and furniture for the remodeled Liberty building so this expense will be adjusted during the first budget revision.

**TRI-COUNTY BEHAVIORAL HEALTHCARE  
CONSOLIDATED BALANCE SHEET  
For the Month Ended December 31, 2015**

	<b>TOTALS COMBINED FUNDS December 2015</b>	<b>TOTALS COMBINED FUNDS November 2015</b>	<b>Increase (Decrease)</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Imprest Cash Funds	5,373	5,098	275
Cash on Deposit-General Fund	4,959,751	5,594,273	(634,521)
Cash on Deposit-Debt Fund			-
Accounts Receivable	963,107	1,193,526	(230,419)
Inventory	9,090	9,334	(244)
<b>TOTAL CURRENT ASSETS</b>	<b>5,937,321</b>	<b>6,802,231</b>	<b>(864,909)</b>
<b>FIXED ASSETS</b>	<b>8,577,947</b>	<b>7,091,888</b>	<b>1,486,059</b>
<b>OTHER ASSETS</b>	<b>49,939</b>	<b>58,477</b>	<b>(8,539)</b>
<b>TOTAL ASSETS</b>	<b>\$ 14,565,207</b>	<b>\$ 13,952,596</b>	<b>\$ 612,611</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCE:</b>			
<b>CURRENT LIABILITIES</b>	<b>972,136</b>	<b>919,962</b>	<b>52,174</b>
<b>NOTES PAYABLE</b>	<b>549,129</b>	<b>549,129</b>	<b>-</b>
<b>DEFERRED REVENUE</b>	<b>(1,955,457)</b>	<b>(1,001,864)</b>	<b>(953,593)</b>
<b>LONG-TERM LIABILITIES FOR</b>			
Line of Credit - Tradition Bank	590,930	610,904	(19,974)
Note Payable Prosperity Bank	707,668	720,230	(12,562)
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR</b>			
General Fund	(926,233)	(961,702)	35,469
<b>FUND EQUITY</b>			
<b>RESTRICTED</b>			
Net Assets Reserved for Debt Service	(1,298,598)	(1,331,134)	32,536
Reserved for Debt Retirement	963,631	963,631	-
<b>COMMITTED</b>			
Net Assets-Property and Equipment	8,577,947	7,091,888	1,486,059
Reserved for Vehicles & Equipment Replacement	678,112	678,112	-
Reserved for Facility Improvement & Acquisitions	1,507,908	1,521,572	(13,664)
Reserved for Board Initiatives	1,500,000	1,500,000	-
Reserved for 1115 Waiver Programs	516,833	516,833	-
<b>ASSIGNED</b>			
Reserved for Workers' Compensation	274,409	274,409	-
Reserved for Current Year Budgeted Reserve	24,664	18,498	6,166
Reserved for Insurance Deductibles	100,000	100,000	-
Reserved for Accrued Paid Time Off	(549,129)	(549,129)	-
<b>UNASSIGNED</b>			
Unrestricted and Undesignated	2,331,257	2,331,257	-
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>\$ 14,565,207</b>	<b>\$ 13,952,596</b>	<b>\$ 612,612</b>



**TRI-COUNTY BEHAVIORAL HEALTHCARE  
CONSOLIDATED BALANCE SHEET  
For the Month Ended December 31, 2015**

	<b>General Operating Funds December 2015</b>	<b>Memorandum Only Preliminary August 2015</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Imprest Cash Funds	5,373	3,165
Cash on Deposit-General Fund	4,959,751	5,696,280
Cash on Deposit-Debt Fund	-	-
Accounts Receivable	963,107	1,689,938
Inventory	9,090	9,877
<b>TOTAL CURRENT ASSETS</b>	<b>5,937,321</b>	<b>7,399,260</b>
<b>FIXED ASSETS</b>	<b>8,577,947</b>	<b>5,487,590</b>
<b>OTHER ASSETS</b>	<b>49,939</b>	<b>38,891</b>
	<b>\$ 14,565,207</b>	<b>\$ 12,925,741</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCES</b>		
<b>CURRENT LIABILITIES</b>	972,136	803,430
<b>NOTES PAYABLE</b>	549,129	536,765
<b>DEFERRED REVENUE</b>	(1,955,457)	(1,617,237)
<b>LONG-TERM LIABILITIES FOR</b>		
Line of Credit - Tradition Bank	590,930	670,521
Note Payable Prosperity Bank	707,668	-
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR</b>		
General Fund	(926,233)	510,720
<b>FUND EQUITY</b>		
<b>RESTRICTED</b>		
Net Assets Reserved for Debt service-Restricted	(1,298,598)	(670,521)
Reserved for Debt Retirement	963,631	963,631
<b>COMMITTED</b>		
Net Assets-Property and Equipment-Committed	8,577,947	5,487,590
Reserved for Vehicles & Equipment Replacement	678,112	292,803
Reserved for Facility Improvement & Acquisitions	1,507,908	1,779,094
Reserved for Board Initiatives	1,500,000	1,500,000
Reserved for 1115 Waiver Programs	516,833	516,833
<b>ASSIGNED</b>		
Reserved for Workers' Compensation-Assigned	274,409	183,620
Reserved for Current Year Budgeted Reserve -Assigned	24,664	74,000
Reserved for Insurance Deductibles-Assigned	100,000	100,000
Reserved for Accrued Paid Time Off	(549,129)	(536,765)
<b>UNASSIGNED</b>		
Unrestricted and Undesignated	2,331,257	2,331,257
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>\$ 14,565,207</b>	<b>\$ 12,925,741</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**For the Month Ended December 2015**  
**and Year To Date as of December 2015**

	<b>MONTH OF December 2015</b>	<b>YTD December 2015</b>
<b>INCOME:</b>		
Local Revenue Sources	135,945	1,069,088
Earned Income	1,251,560	4,649,395
General Revenue-Contract	1,176,258	4,728,591
<b>TOTAL INCOME</b>	<b>\$ 2,563,763</b>	<b>\$ 10,447,074</b>
<b>EXPENSES:</b>		
Salaries	1,340,771	5,252,667
Employee Benefits	255,552	991,910
Medication Expense	48,662	201,895
Travel-Board/Staff	35,309	157,004
Building Rent/Maintenance	26,213	116,895
Consultants/Contracts	546,397	1,814,875
Other Operating Expenses	223,907	898,840
<b>TOTAL EXPENSES</b>	<b>\$ 2,476,812</b>	<b>\$ 9,434,086</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 86,951</b>	<b>\$ 1,012,989</b>
<b>CAPITAL EXPENDITURES</b>		
Capital Outlay-FF&E, Automobiles, Building	16,159	732,797
Capital Outlay-Debt Service	35,322	141,289
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 51,482</b>	<b>\$ 874,086</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 2,528,293</b>	<b>\$ 10,308,171</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>\$ 35,469</b>	<b>\$ 138,903</b>

<b>Debt Service and Fixed Asset Fund:</b>		
Debt Service	35,322	141,289
<b>Excess(Deficiency) of revenues over Expenses</b>	<b>35,322</b>	<b>141,289</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**Compared to Budget**  
**Year to Date as of December 2015**

	YTD December 2015	APPROVED BUDGET	Increase (Decrease)
<b>INCOME:</b>			
Local Revenue Sources	1,069,088	1,078,934	(9,846)
Earned Income	4,649,395	4,703,681	(54,286)
General Revenue-Contract	4,728,591	4,771,319	(42,728)
<b>TOTAL INCOME</b>	<b>\$ 10,447,074</b>	<b>\$ 10,553,934</b>	<b>\$ (106,860)</b>
<b>EXPENSES:</b>			
Salaries	5,252,667	5,407,529	(154,862)
Employee Benefits	991,910	1,007,785	(15,875)
Medication Expense	201,895	205,136	(3,241)
Travel-Board/Staff	157,004	152,242	4,762
Building Rent/Maintenance	116,895	86,328	30,567
Consultants/Contracts	1,814,875	1,829,125	(14,250)
Other Operating Expenses	898,840	873,782	25,058
<b>TOTAL EXPENSES</b>	<b>\$ 9,434,086</b>	<b>\$ 9,561,927</b>	<b>\$ (127,841)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 1,012,989</b>	<b>\$ 992,007</b>	<b>\$ 20,982</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	732,797	787,593	(54,796)
Capital Outlay-Debt Service	141,289	140,236	1,053
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 874,086</b>	<b>\$ 927,829</b>	<b>\$ (53,743)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 10,308,171</b>	<b>\$ 10,489,756</b>	<b>\$ (181,585)</b>
<b>Excess (Deficiency) of Revenues and Expense:</b>	<b>\$ 138,903</b>	<b>\$ 64,178</b>	<b>\$ 74,725</b>

<b>Debt Service and Fixed Asset Fund:</b>			
Debt Service	141,289	140,236	1,053
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>141,289</b>	<b>140,236</b>	<b>1,053</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**Compared to Budget**  
**For the Month Ended December 2015**

<b>INCOME:</b>	<b>MONTH OF December 2015</b>	<b>APPROVED BUDGET</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	135,945	154,605	(18,660)
Earned Income	1,251,560	1,245,729	5,831
General Revenue-Contract	1,176,258	1,179,052	(2,794)
<b>TOTAL INCOME</b>	<b>\$ 2,563,763</b>	<b>\$ 2,579,386</b>	<b>\$ (15,623)</b>
<b>EXPENSES:</b>			
Salaries	1,340,771	1,327,472	13,299
Employee Benefits	255,552	264,206	(8,654)
Medication Expense	48,662	51,284	(2,622)
Travel-Board/Staff	35,309	38,060	(2,751)
Building Rent/Maintenance	26,213	18,457	7,756
Consultants/Contracts	546,397	531,987	14,410
Other Operating Expenses	223,907	219,257	4,650
<b>TOTAL EXPENSES</b>	<b>\$ 2,476,812</b>	<b>\$ 2,450,723</b>	<b>\$ 26,089</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 86,951</b>	<b>\$ 128,663</b>	<b>\$ (41,712)</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	16,159	26,896	(10,737)
Capital Outlay-Debt Service	35,322	35,059	263
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 51,482</b>	<b>\$ 61,955</b>	<b>\$ (10,473)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 2,528,293</b>	<b>\$ 2,512,678</b>	<b>\$ 15,615</b>
<b>Excess (Deficiency) of Revenues and Expenses:</b>	<b>\$ 35,469</b>	<b>\$ 66,708</b>	<b>\$ (31,239)</b>

<b>Debt Service and Fixed Asset Fund:</b>			
Debt Service	35,322	35,059	263
<b>Excess(Deficiency) of revenues over Expenses:</b>	<b>35,322</b>	<b>35,059</b>	<b>263</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**With December 2014 Comparative Data**  
**Year to Date as of December 2015**

<b>INCOME:</b>	<b>YTD December 2015</b>	<b>YTD December 2014</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	1,069,088	435,091	633,997
Earned Income	4,649,395	3,966,532	682,863
General Revenue-Contract	4,728,591	4,655,000	73,591
<b>TOTAL INCOME</b>	<b>\$ 10,447,074</b>	<b>\$ 9,056,623</b>	<b>\$ 1,390,451</b>
<b>EXPENSES:</b>			
Salaries	5,252,667	4,759,355	493,312
Employee Benefits	991,910	935,588	56,322
Medication Expense	201,895	145,385	56,510
Travel-Board/Staff	157,004	141,526	15,478
Building Rent/Maintenance	116,895	66,583	50,312
Consultants/Contracts	1,814,875	1,849,611	(34,736)
Other Operating Expenses	898,840	903,152	(4,312)
<b>TOTAL EXPENSES</b>	<b>\$ 9,434,086</b>	<b>\$ 8,801,200</b>	<b>\$ 632,886</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 1,012,989</b>	<b>\$ 255,423</b>	<b>\$ 757,566</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	732,797	36,088	696,709
Capital Outlay-Debt Service	141,289	-	141,289
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 874,086</b>	<b>\$ 36,088</b>	<b>\$ 837,998</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 10,308,171</b>	<b>\$ 8,837,288</b>	<b>\$ 1,470,883</b>
<b>Excess (Deficiency) of Revenues and Expense:</b>	<b>\$ 138,903</b>	<b>\$ 219,335</b>	<b>\$ (80,432)</b>

<b>Debt Service and Fixed Asset Fund:</b>			
Debt Service	141,289	-	141,289
			-
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>141,289</b>	<b>-</b>	<b>141,289</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**With December 2014 Comparative Data**  
**For the Month Ended December 2015**

<b>INCOME:</b>	<b>MONTH OF December 2015</b>	<b>MONTH OF December 2014</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	135,945	104,207	31,738
Earned Income	1,251,560	983,034	268,526
General Revenue-Contract	1,176,258	1,201,473	(25,215)
<b>TOTAL INCOME</b>	<b>\$ 2,563,763</b>	<b>\$ 2,288,714</b>	<b>\$ 275,049</b>
Salaries	1,340,771	1,206,512	134,259
Employee Benefits	255,552	240,700	14,852
Medication Expense	48,662	39,297	9,365
Travel-Board/Staff	35,309	29,696	5,613
Building Rent/Maintenance	26,213	22,938	3,275
Consultants/Contracts	546,397	495,995	50,402
Other Operating Expenses	223,907	247,383	(23,476)
<b>TOTAL EXPENSES</b>	<b>\$ 2,476,812</b>	<b>\$ 2,282,521</b>	<b>\$ 194,291</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 86,951</b>	<b>\$ 6,193</b>	<b>\$ 80,758</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	16,159	5,044	11,115
Capital Outlay-Debt Service	35,322	-	35,322
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 51,482</b>	<b>\$ 5,044</b>	<b>\$ 46,438</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 2,528,293</b>	<b>\$ 2,287,565</b>	<b>\$ 240,728</b>
<b>Excess (Deficiency) of Revenues and Expense:</b>	<b>\$ 35,469</b>	<b>\$ 1,149</b>	<b>\$ 34,320</b>

**Debt Service and Fixed Asset Fund:**

Debt Service	35,322	-	35,322
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>35,322</b>	<b>-</b>	<b>35,322</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**With November 2015 Comparative Data**  
**For the Month Ended December 2015**

<b>INCOME:</b>	<b>MONTH OF December 2015</b>	<b>MONTH OF November 2015</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	135,945	275,697	(139,752)
Earned Income	1,251,560	1,189,725	61,836
General Revenue-Contract	1,176,258	1,189,462	(13,204)
<b>TOTAL INCOME</b>	<b>\$ 2,563,763</b>	<b>\$ 2,654,883</b>	<b>\$ (91,121)</b>
<b>EXPENSES:</b>			
Salaries	1,340,771	1,299,138	41,634
Employee Benefits	255,552	250,508	5,045
Medication Expense	48,662	59,183	(10,521)
Travel-Board/Staff	35,309	41,307	(5,998)
Building Rent/Maintenance	26,213	24,932	1,280
Consultants/Contracts	546,397	437,556	108,841
Other Operating Expenses	223,907	215,654	8,253
<b>TOTAL EXPENSES</b>	<b>\$ 2,476,812</b>	<b>\$ 2,328,279</b>	<b>\$ 148,533</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 86,951</b>	<b>\$ 326,604</b>	<b>\$ (239,653)</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	16,159	256,943	(240,783)
Capital Outlay-Debt Service	35,322	35,322	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 51,482</b>	<b>\$ 292,265</b>	<b>\$ (240,783)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 2,528,293</b>	<b>\$ 2,620,544</b>	<b>\$ (92,251)</b>
<b>Excess (Deficiency) of Revenues and Expenses:</b>	<b>\$ 35,469</b>	<b>\$ 34,339</b>	<b>\$ 1,130</b>

**Debt Service and Fixed Asset Fund:**

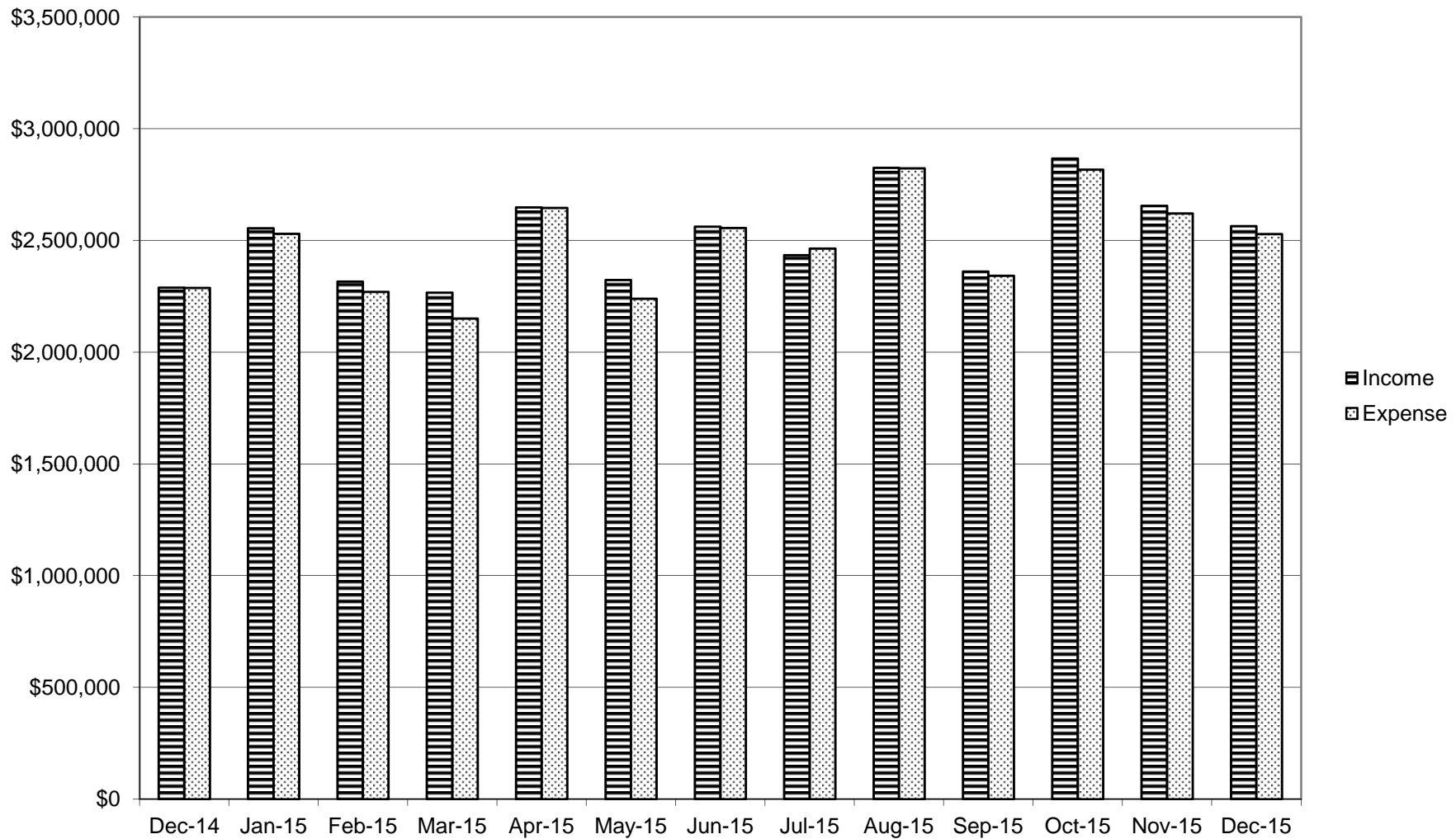
Debt Service	35,322	35,322	-
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>35,322</b>	<b>35,322</b>	<b>-</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary by Service Type**  
**Compared to Budget**  
**Year To Date as of December 2015**

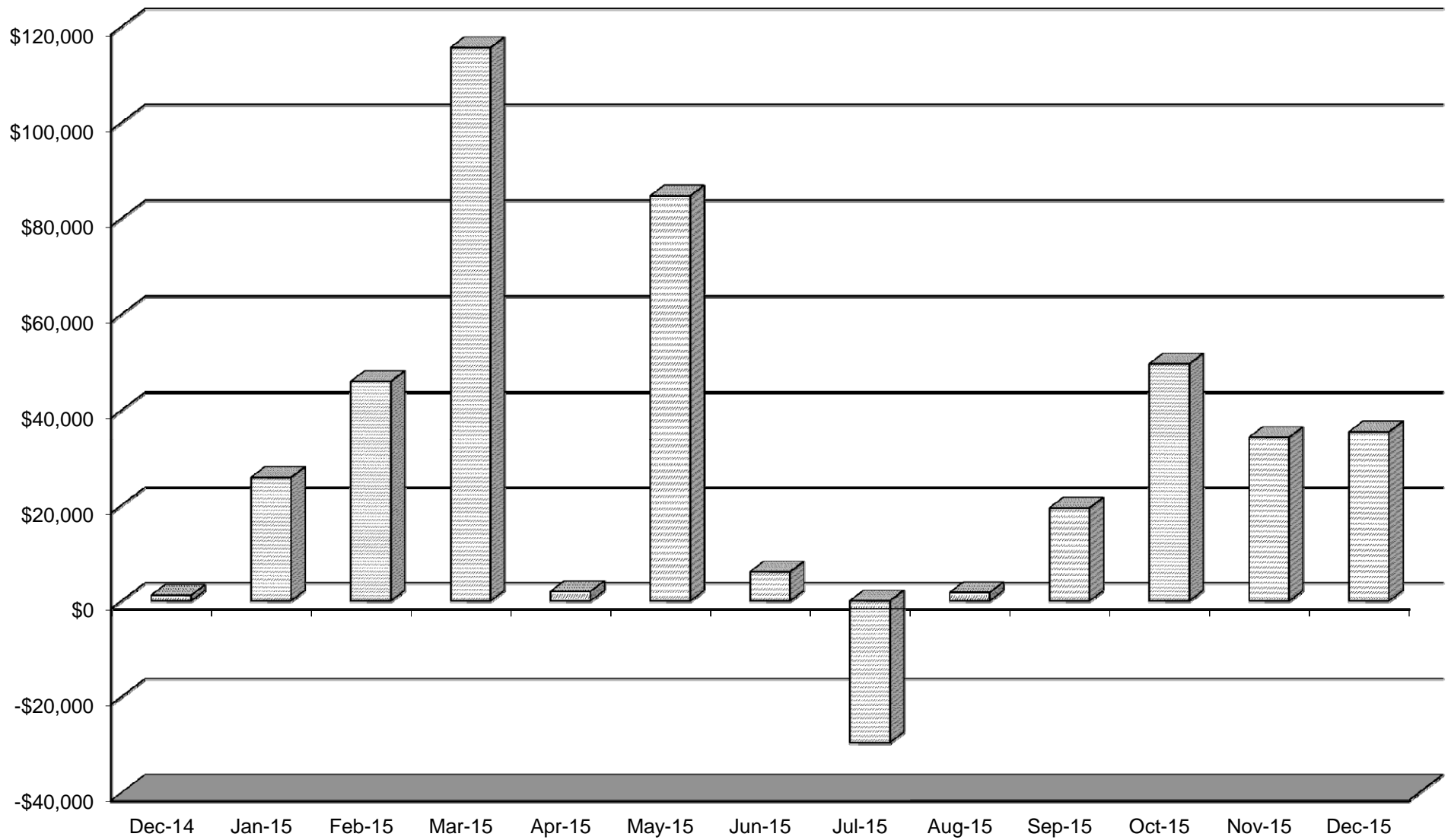
	YTD Mental Health December 2015	YTD IDD December 2015	YTD Other Services December 2015	YTD Agency Total December 2015	YTD Approved Budget December 2015	Increase (Decrease)
<b>INCOME:</b>						
Local Revenue Sources	900,063	247,524	(78,499)	1,069,088	1,078,934	(9,846)
Earned Income	1,118,811	2,004,806	1,525,779	4,649,395	4,703,681	(54,286)
General Revenue-Contract	4,205,173	523,418		4,728,591	4,771,319	(42,728)
<b>TOTAL INCOME</b>	<b>\$ 6,224,047</b>	<b>\$ 2,775,748</b>	<b>\$ 1,447,280</b>	<b>\$ 10,447,074</b>	<b>\$ 10,553,934</b>	<b>\$ (106,860)</b>
<b>EXPENSES:</b>						
Salaries	3,326,328	1,045,237	881,102	5,252,667	5,407,529	(154,862)
Employee Benefits	633,524	208,792	149,594	991,910	1,007,785	(15,875)
Medication Expense	141,061		60,834	201,895	205,136	(3,241)
Travel-Board/Staff	89,933	46,922	20,149	157,004	152,242	4,762
Building Rent/Maintenance	73,819	28,542	14,534	116,895	86,328	30,567
Consultants/Contracts	707,959	1,057,196	49,721	1,814,875	1,829,125	(14,250)
Other Operating Expenses	538,487	215,927	144,426	898,840	873,782	25,058
<b>TOTAL EXPENSES</b>	<b>\$ 5,511,111</b>	<b>\$ 2,602,616</b>	<b>\$ 1,320,360</b>	<b>\$ 9,434,086</b>	<b>\$ 9,561,927</b>	<b>\$ (127,841)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 712,936</b>	<b>\$ 173,132</b>	<b>\$ 126,920</b>	<b>\$ 1,012,988</b>	<b>\$ 992,007</b>	<b>\$ 20,981</b>
<b>CAPITAL EXPENDITURES</b>						
Capital Outlay-FF&E, Automobiles	374,775	163,242	194,780	732,797	787,593	(54,796)
Capital Outlay-Debt Service	118,549	14,781	7,959	141,289	140,236	1,053
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 493,324</b>	<b>\$ 178,023</b>	<b>\$ 202,739</b>	<b>\$ 874,086</b>	<b>\$ 927,829</b>	<b>\$ (53,743)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 6,004,435</b>	<b>\$ 2,780,639</b>	<b>\$ 1,523,099</b>	<b>\$ 10,308,172</b>	<b>\$ 10,489,756</b>	<b>\$ (181,584)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>\$ 219,612</b>	<b>\$ (4,891)</b>	<b>\$ (75,819)</b>	<b>\$ 138,903</b>	<b>\$ 64,178</b>	<b>\$ 74,724</b>
<b>Debt Service and Fixed Asset Fund:</b>						
Debt Service	118,549	14,781	7,959	141,289	140,236	(21,687)
		-	-	-	-	-
<b>Excess(Deficiency) of revenues over Expenses</b>	<b>118,549</b>	<b>14,781</b>	<b>7,959</b>	<b>141,289</b>	<b>140,236</b>	<b>(21,687)</b>



**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Income and Expense**  
**including Capital Expenditures**



**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Income after Expense**  
**including Capital Expenditures**



<b>Agenda Item:</b> Approve FY 2015 Independent Financial Audit  <b>Committee:</b> Business	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  Scott, Singleton, Fincher & Company PC audited Tri-County's Financial Statements for the fiscal year ending August 31, 2015. There were no material findings related to the financial statements.	
<b>Supporting Documentation:</b>  Copy of Preliminary Audited Financial Statements – Emailed to Board Members	
<b>Recommended Action:</b>  <b>Approve FY 2015 Independent Financial Audit</b>	

<b>Agenda Item:</b> Authorize Executive Director to Sell Vacant Liberty Properties for No Less than Current Appraised Value with Review by Jackson Walker	<b>Board Meeting Date</b>
<b>Committee:</b> Business	January 28, 2016
<b>Background Information:</b>	
The Life Skills building located at 2221 Commerce and the Medication Clinic located at 612 Hwy 90 have been consolidated to the new location at 2000 Panther Lane, Liberty, TX.	
Staff are requesting approval to move forward with the process of selling the now vacant facilities. We will go in and do a little refreshing and cleaning and begin the marketing process, if approved.	
<b>Supporting Documentation:</b>	
None	
<b>Recommended Action:</b>	
<b>Authorize the Executive Director to Sell Vacant Liberty Properties for No Less than Current Appraised Value with Review by Jackson Walker</b>	

<p><b>Agenda Item:</b> Approve Recommendation to Declare 2005 Chevrolet Astro Van as Surplus</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>January 28, 2016</p>
<p><b>Background Information:</b></p> <p>Staff has recommended that the 2005 Chevrolet Astro Van be declared as surplus due to the age of the vehicle, high mileage, increased maintenance and repair costs and safety.</p> <p><b>Vehicle Description:</b></p> <ul style="list-style-type: none"> <li>• 2005 Chevrolet Astro Van <ul style="list-style-type: none"> <li>○ License # – BG1-5504</li> <li>○ Mileage – 139,267</li> </ul> </li> </ul>	
<p><b>Supporting Documentation:</b></p> <p>None</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve Recommendation to Declare 2005 Chevrolet Astro Van as Surplus and Approve Sale to the Highest Bidder</b></p>	

<p><b>Agenda Item:</b> Ratify HHSC Enterprise Agency Contract Amendment #537-16-0124-00035A</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>January 28, 2016</p>
<p><b>Background Information:</b></p> <p>As part of the transition of the Department of State Health Services (DSHS) into the Health and Human Services Commission (HHSC), all mental health contracts are now released by HHSC's Contracting Department. The new Enterprise Agency Contract now encompasses seven separate contracts from FY 2015 – Core Performance Contract, Mental Health First Aid, Outpatient Competence Restoration, Psychiatric Emergency Services Contract (PETC), Private Psychiatric Beds, Supported Housing and Veteran Services.</p> <p>As a result of delays with incorporating changes from the 84<sup>th</sup> Legislative Session, HHSC released a base contract for FY 2016 at the end of August and indicated that an amendment to the base contract would be coming in the first quarter of FY 2016.</p> <p>The changes in this contract amendment are significant and include the following:</p> <ul style="list-style-type: none"> <li>• The removal of a clause that would have required prior written consent to subcontract work related to this contract;</li> <li>• The removal of New Generation Medication funding requirements for separate tracking and performance measures;</li> <li>• Modification of Standard Terms and Conditions related to HHSC's execution of the contract within 30 days of execution by the other party has been revised to 90 days;</li> <li>• Additional program requirements related to Home and Community Based Services, Adult Mental Health (HCBS-AMH);</li> <li>• Additional requirements related to Youth Empowerment Services (YES) waiver;</li> <li>• Multiple contract performance measures (client data measurements) have been deleted, revised or added to the scope of work; and,</li> <li>• Additional awards for crisis projects have been included, including our Crisis Intervention Response Team (CIRT) pilot program with the Conroe Police Department.</li> </ul> <p>Change in data measurements will be monitored closely by Utilization Management staff this fiscal year, but currently, it appears that the new targets will be reasonable for the Center.</p> <p>Due to delays in processing, and subsequently, the receipt of funds, Evan Roberson spoke with acting Board Chair, Sharon Walker, who authorized signature of the contract.</p>	
<p><b>Supporting Documentation:</b></p> <p>Summary of DSHS Funding Changes</p> <p>Contract Amendment Available for Review at the Board Meeting</p>	
<p><b>Recommended Action:</b></p> <p><b>Ratify HHSC Enterprise Agency Contract Amendment #537-16-0124-00035A</b></p>	

**Summary of DSHS Contract Amendment Funding Changes**

<b>Scope of Work Number</b>	<b>Program ID</b>	<b>Original Contract Amount</b>	<b>Amended Contract Amount</b>	<b>Increase or (Decrease)</b>
A01	MH/PCN	\$ 8,902,158	\$ 9,444,917	\$ 542,759
A02	MH/CMHH	\$ -	\$ -	\$ -
A03	MH/COS	\$ -	\$ -	\$ -
A04	MH/MHD	\$ -	\$ -	\$ -
A05	MH/MHFA	\$ 23,000	\$ 10,000	\$ (13,000)
A06	MH/OCR	\$ 220,000	\$ 220,000	\$ -
A07	MH/PESC	\$ 1,893,130	\$ 2,036,466	\$ 143,336
A08	MH/PPB	\$ 1,104,125	\$ 1,104,125	\$ -
A09	MH/RTCI	\$ -	\$ -	\$ -
A10	MH/RTPCM	\$ -	\$ -	\$ -
A11	MH/SHR	\$ 218,177	\$ 218,177	\$ -
A12	MH/VET	\$ 99,286	\$ 99,286	\$ -
A13	MH/CMBHS PC	\$ -	\$ -	\$ -
A14	MH/YESPC	\$ -	\$ -	\$ -
A15	MH/PASRR	\$ -	\$ -	\$ -
A16	MH/RPA	\$ -	\$ -	\$ -
A17	RBI	\$ -	\$ -	\$ -
A18	Monthly Financials	\$ -	\$ -	\$ -
Total		\$ 12,459,875	\$ 13,132,971	\$ 673,095

\*\* DSHS match increased from \$1,355,967 to \$1,548,058 → an increase of \$192,091

<b>Agenda Item:</b> Reappoint Independence Communities, Inc. Board of Directors  <b>Committee:</b> Business	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  Mr. Morris Johnson and Mr. M. Lee Murrah serve on the Independence Communities, Inc. Board and have terms expiring in January 2016.  Mr. Johnson and Mr. Murrah have been contacted and are willing to serve an additional two-year term, which would expire in January 2018.	
<b>Supporting Documentation:</b>  None	
<b>Recommended Action:</b>  <b>Reappoint Mr. Johnson and Mr. Murrah to Serve on the Independence Communities, Inc. Board of Directors for an Additional Two-Year Term Expiring in January 2018</b>	



<p><b>Agenda Item:</b> Reappoint Montgomery Supported Housing, Inc. Board of Directors</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>January 28, 2016</p>
<p><b>Background Information:</b></p> <p>Mrs. Barbara Duren serves on the Montgomery Supported Housing, Inc. Board and has a term expiring in January 2016.</p> <p>Mrs. Duren has been contacted and is willing to serve an additional two-year term, which would expire in January 2018.</p>	
<p><b>Supporting Documentation:</b></p> <p>None</p>	
<p><b>Recommended Action:</b></p> <p><b>Reappoint Mrs. Duren to Serve on the Montgomery Supported Housing, Inc. Board of Directors for an Additional Two-Year Term Expiring in January 2018</b></p>	

<p><b>Agenda Item:</b> Reappoint Cleveland Supported Housing, Inc. Board of Directors</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>January 28, 2016</p>
<p><b>Background Information:</b></p> <p>Mr. Joe Bazar and Mr. Brad Browder serve on the Cleveland Supported Housing, Inc. Board and have terms expiring in January 2016.</p> <p>Mr. Bazar has been contacted and is willing to serve an additional two-year term, which would expire in January 2018. Staff have attempted to contact Mr. Browder; however, a response to renew his term has not been received. Consequently, Mr. Browder will be removed from this Board effective January 28<sup>th</sup> unless he responds with the interest of serving another two-year term by the Board of Trustees meeting.</p>	
<p><b>Supporting Documentation:</b></p> <p>None</p>	
<p><b>Recommended Action:</b></p> <p><b>Reappoint Mr. Bazar to Serve on the Cleveland Supported Housing, Inc. Board of Directors for an Additional Two-Year Term Expiring in January 2018</b></p>	

<b>Agenda Item:</b> 1 <sup>st</sup> Quarter FY 2016 Quarterly Investment Report  <b>Committee:</b> Business	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  This report is provided to the Board of Trustees of Tri-County Services in accordance with Board Policy on fiscal management and in compliance with Chapter 2256: Subchapter A of the Public Funds Investment Act.	
<b>Supporting Documentation:</b>  Quarterly TexPool Investment Report  Quarterly Interest Report	
<b>Recommended Action:</b>  <b>For Information Only</b>	

## **QUARTERLY INVESTMENT REPORT TEXPOOL FUNDS**

**For the Period Ending November 30, 2015**

### **GENERAL INFORMATION**

This report is provided to the Board of Trustees of Tri-County Behavioral Healthcare in accordance with Board Policy on fiscal management and in compliance with Chapter 2256; Subchapter A of the Public Funds Investment Act.

Center funds for the period have been partially invested in the Texas Local Government Investment Pool (TexPool), organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. Pursuant to the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. ("Federated"). The Comptroller maintains oversight of the services provided. In addition, the TexPool Advisory Board, composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool, advise on investment policy and approves fee increases.

TexPool investment policy restricts investment of the portfolio to the following types of investments:

- Obligations of the United States Government or its agencies and instrumentalities with a maximum final maturity of 397 days for fixed rate securities and 24 months for variable rate notes;

- Fully collateralized repurchase agreements and reverse repurchase agreements with defined termination dates may not exceed 90 days unless the repurchase agreements have a provision that enables TexPool to liquidate the position at par with no more than seven days notice to the counterparty. The maximum maturity on repurchase agreements may not exceed 181 days. These agreements may be placed only with primary government securities dealers or a financial institution doing business in the State of Texas.

- No-load money market mutual funds are registered and regulated by the Securities and Exchange Commission and rated AAA or equivalent by at least one nationally recognized rating service. The money market mutual fund must maintain a dollar weighted average stated maturity of 90 days or less and include in its investment objectives the maintenance of a stable net asset value of \$1.00.

TexPool is governed by the following specific portfolio diversification limitations;

- 100% of the portfolio may be invested in obligations of the United States.

- 100% of the portfolio may be invested in direct repurchase agreements for liquidity purposes.

- Reverse repurchase agreements will be used primarily to enhance portfolio return within a limitation of up to one-third (1/3) of total portfolio assets.

- No more than 15% of the portfolio may be invested in approved money market mutual funds.

The weighted average maturity of TexPool cannot exceed 60 days calculated using the reset date for variable rate notes and 90 days calculated using the final maturity date for variable rate notes.

The maximum maturity for any individual security in the portfolio is limited to 397 days for fixed rate securities and 24 months for variable rate notes.

TexPool seeks to maintain a net asset value of \$1.00 and is designed to be used for investment of funds which may be needed at any time.

## STATISTICAL INFORMATION

### Market Value for the Period

Portfolio Summary	September	October	November
Uninvested Balance	\$615.52	(\$768,227.07)	\$697,748.61
Accrual of Interest Income	9,945,684.19	5,910,660.06	1,570,284.27
Interest and Management Fees Payable	(829,661.99)	(991,833.28)	(1,091,696.74)
Payable for Investments Purchased	0.00	(99,914,250.00)	0.00
Accrued Expense & Taxes	0.00	0.00	0.00
Repurchase Agreements	1,939,968,783.00	3,988,674,873.25	2,544,213,859.25
Mutual Fund Investments	275,022,103.88	0.00	0.00
Government Securities	8,612,758,529.60	6,561,686,324.02	6,097,846,241.17
U.S. Treasury Bills	0.00	239,969,280.00	1,689,944,550.00
U.S. Treasury Notes	1,150,772,987.00	1,653,636,673.00	1,711,858,291.41
<b>TOTAL</b>	<b>\$11,987,639,041.20</b>	<b>\$12,348,203,499.98</b>	<b>\$12,045,039,277.97</b>

### Book Value for the Period

Type of Asset	Beginning Balance	Ending Balance
Uninvested Balance	\$152,210.60	\$697,748.61
Accrual of Interest Income	9,429,485.71	1,570,284.27
Interest and Management Fees Payable	(786,759.77)	(1,091,696.74)
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	0.00	(15,046.49)
Repurchase Agreements	2,284,319,000.00	2,544,241,000.00
Mutual Fund Investments	275,020,952.90	0.00
Government Securities	8,049,559,428.46	6,098,418,971.67
U.S. Treasury Bills	0.00	1,689,944,247.25
U.S. Treasury Notes	1,908,377,492.68	1,712,339,778.78
<b>TOTAL</b>	<b>\$12,526,071,810.58</b>	<b>\$12,046,105,287.35</b>

### Portfolio by Maturity as of November 30, 2015

1 to 7 days	8 to 90 day	91 to 180 days	181 + days
36.1%	46.5%	11.0%	6.4%

### Portfolio by Type of Investments as of November 30, 2015

Agencies	Repurchase Agreements	Treasuries	Money Market Funds
55.9%	21.1%	20.7%	2.3%

## SUMMARY INFORMATION

On a simple daily basis, the monthly average yield was 0.09% for September, 0.10% for October and 0.11% for November.

As of the end of the reporting period, market value of collateral supporting the Repurchase Agreements was at least 102% of the Book Value.

The weighted average maturity of the fund as of November 30, 2015 was 46 days.

The net asset value as of November 30, 2015 was 0.99991.

The total amount of interest distributed to participants during the period was \$2,912,829.39.

This quarter TexPool rates did not exceeded the 90 Day T-Bill rates during the entire reporting period.

TexPool has a current money market fund rating of AAAm by Standard and Poor's.

During the reporting period, the total number of participants has increased to 2,345.

Funds assets are safe kept at the State Street Bank in the name of TexPool in a custodial account.

During the reporting period, the investment portfolio was in full compliance with Tri-County Behavioral Healthcare's Investment Policy and with the Public Funds Investment Act.

Submitted by:

\_\_\_\_\_  
Millie McDuffey  
Chief Financial Officer / Investment Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Evan Roberson  
Executive Director / Investment Officer

\_\_\_\_\_  
Date

**TRI-COUNTY BEHAVIORAL HEALTHCARE  
QUARTERLY INTEREST EARNED REPORT  
FISCAL YEAR 2016  
As Of November 30, 2015**

BANK NAME	INTEREST EARNED				
	1st QTR.	2nd QTR.	3rd QTR.	4th QTR.	YTD TOTAL
Alliance Bank - Central Texas CD	\$ 605.53				\$ 605.53
Citizens 1st Bank CD	\$ 234.57				\$ 234.57
First Liberty National Bank	\$ 0.21				\$ 0.21
First Liberty National Bank CD	\$ 498.62				\$ 498.62
JP Morgan Chase (HBS)	\$ 237.97				\$ 237.97
Prosperity Bank	\$ 43.23				\$ 43.23
TexPool Participants	\$ 160.37				\$ 160.37
Tradition Bank	\$ 3,693.16				\$ 3,693.16
Total Earned	\$ 5,473.66				\$ 5,473.66

<b>Agenda Item:</b> Board of Trustees Unit Financial Statement as of December 2015  <b>Committee:</b> Business	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  December 2015 Board of Trustees Unit Financial Statement	
<b>Recommended Action:</b>  <b>For Information Only</b>	



Unit Financial Statement  
FY 2016

	December 2015 Actuals	December 2015 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues								
Allocated Revenue	\$ 2,596.00	\$ 2,596.00	\$ -	\$ 10,382.00	\$ 10,382.00	\$ -	100.00%	\$ 31,150.00
Total Revenue	\$ 2,596.00	\$ 2,596.00	\$ -	\$ 10,382.00	\$ 10,382.00	\$ -	100.00%	\$ 31,150.00
Expenses								
Food Items	\$ -	\$ 209.00	\$ (209.00)	\$ 468.79	\$ 836.00	\$ (367.21)	56.08%	\$ 2,500.00
Insurance-Worker Compensation	\$ 3.48	\$ 16.00	\$ (12.52)	\$ 21.75	\$ 64.00	\$ (42.25)	33.98%	\$ 200.00
Legal Fees	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 6,000.00	\$ 6,000.00	\$ -	100.00%	\$ 18,000.00
Postage-Express Mail	\$ -	\$ 4.00	\$ (4.00)	\$ -	\$ 18.00	\$ (18.00)	0.00%	\$ 50.00
Supplies-Office	\$ -	\$ 9.00	\$ (9.00)	\$ 244.77	\$ 36.00	\$ 208.77	0.00%	\$ 100.00
Training	\$ -	\$ 300.00	\$ (300.00)	\$ -	\$ 1,200.00	\$ (1,200.00)	0.00%	\$ 3,600.00
Travel - Local	\$ -	\$ 75.00	\$ (75.00)	\$ 161.57	\$ 300.00	\$ (138.43)	53.86%	\$ 900.00
Travel - Non-local Mileage/Air	\$ -	\$ 150.00	\$ (150.00)	\$ -	\$ 600.00	\$ (600.00)	0.00%	\$ 1,800.00
Travel - Non-local Hotel	\$ -	\$ 250.00	\$ (250.00)	\$ 342.70	\$ 1,000.00	\$ (657.30)	34.27%	\$ 3,000.00
Travel - Meals	\$ -	\$ 84.00	\$ (84.00)	\$ -	\$ 336.00	\$ (336.00)	0.00%	\$ 1,000.00
Total Expenses	\$ 1,503.48	\$ 2,597.00	\$ (1,093.52)	\$ 7,239.58	\$ 10,390.00	\$ (3,150.42)	69.68%	\$ 31,150.00
Total Revenue minus Expenses	\$ 1,092.52	\$ (1.00)	\$ 1,093.52	\$ 3,142.42	\$ (8.00)	\$ 3,150.42	30.32%	\$ -

<b>Agenda Item:</b> Cleveland Supported Housing, Inc. Update  <b>Committee:</b> Business	<b>Board Meeting Date</b>  January 28, 2016
<b>Background Information:</b>  <p>The Cleveland Supported Housing, Inc. Board held a telephone meeting on August 28, 2015 to review and discuss project status updates, upcoming items, and the FY 2014 990 for informational purposes.</p> <p>Since the opening of the property, they have reached full capacity, and continue to process incoming applications that are received.</p> <p>Funding for the property has been delayed due to some medical leave absences within HUD. We are in the process of getting this resolved and they should hopefully be receiving funds in January. HUD is processing the Cost Certification at this time. Once it is completed, a date for the Final Closing will be set.</p> <p>An email update to the Board was sent out on December 15, 2015 with updates on the progress of move ins. The Board plans to reconvene in January to re-elect officers. The next face-to-face Board meeting will take place on February 12, 2016.</p>	
<b>Supporting Documentation:</b>  None	
<b>Recommended Action:</b>  <b>For Information Only</b>	

<p><b>Agenda Item:</b> 2000 Panther Lane, Liberty, Texas Grand Opening Ceremony</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>January 28, 2016</p>
<p><b>Background Information:</b></p> <p>A Grand Opening Ceremony was held on December 1, 2015 at our new consolidated facility in Liberty. Patti Atkins and Cecil McKnight were in attendance.</p> <p>Services resumed on December 7, 2015.</p>	
<p><b>Supporting Documentation:</b></p> <p>Ceremony Pictures</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	













# UPCOMING MEETINGS

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## **February 25<sup>th</sup>, 2016 – Board Meeting**

- Approve Minutes from January 28, 2016 Board Meeting
- Longevity Recognition Presentations
- Community Resources Report
- Consumer Services Report for January 2016
- Program Updates
- Program Presentation – Veteran Services
- Personnel Report for January 2016
- Texas Council Risk Management Fund Claims Summary for December 2015
- Approve January 2016 Financial Statements
- 401(a) Retirement Plan Account Review
- Board of Trustees Unit Financial Statement for January 2016
- Other Business Committee Issues

## **March 24<sup>th</sup>, 2016 – Board Meeting**

- Approve Minutes from February 25, 2016 Board Meeting
- Longevity Recognition Presentations
- Community Resources Report
- Consumer Services Report for February 2016
- Program Updates
- Year-to-Date FY 2016 Goals & Objectives Progress Report
- 2<sup>nd</sup> Quarter FY 2016 Corporate Compliance & Quality Management Report
- 3<sup>rd</sup> Quarter FY 2016 Corporate Compliance Training
- Medicaid 1115 Transformation Waiver Project Status Report
- Program Presentation
- Personnel Report for February 2016
- Texas Council Risk Management Fund Claims Summary for January 2016
- Approve February 2016 Financial Statements
- 2<sup>nd</sup> Quarter FY 2016 Investment Report
- Board of Trustees Unit Financial Statement for February 2016
- Cleveland Supported Housing, Inc. Update
- Other Business Committee Issues