

Tri-County Services Board of Trustees Meeting

July 26, 2012



Notice is hereby given that a regular meeting of the Board of Trustees of Tri-County Services will be held on Thursday, July 26, 2012. The Business Committee will convene at 9:00 a.m., the Program Committee will convene at 9:30 a.m. and the Board meeting will convene at 10:00 a.m. at 1506 FM 2854, Conroe, Texas. The public is invited to attend and offer comments to the Board of Trustees between 10:00 a.m. and 10:15 a.m.

AGENDA

I. Organizational Items

- A. Chairman Calls Meeting to Order
- B. Public Comment
- C. Quorum

II. Longevity Recognition Presentations

III. Approve Minutes - May 24, 2012

IV. Executive Director's Report - Cindy Sill

- A. Department of State Health Services
 - 1. Civil Commitment Beds
 - 2. Additional Funds for CSU
 - 3. Children's MH Summer Camp
- B. Public MH Study Update
- C. Department of Aging & Disability Services
 - 1. Progress Towards Target Achievement
 - 2. Respite & Summer Camps
- D. Medicaid 1115 Transformation Waiver
- E. MTM Consultation
- F. Splash of Hope

V. Chief Financial Officer's Report - Millie McDuffey

- A. FY 2013 Budget
- B. County Annual Funding Request
- C. FY 2012 Audit
- D. FY 2011 HCS & ICF Cost Reports
- E. Fixed Asset Inventory
- F. Surplus Sale
- G. Conroe Properties

VI. Program Committee

Action Items

- A. Ratify FY 2012-13 Montgomery County United Way Funding Agreement..... Pages 8-11

Information Items

- B. Community Resources Report for May & June 2012..... Pages 12-13
- C. Consumer Services Report for May & June 2012..... Pages 14-16
- D. Program Updates for May & June 2012..... Pages 17-20
- E. Year-to-Date Goals & Objectives Progress Report..... Pages 21-24
- F. 3rd Quarter FY 2012 Corporate Compliance & Quality Management Report..... Pages 25-27
- G. 4th Quarter FY 2012 Corporate Compliance Training..... Pages 28-29
- H. Program Presentation - Regional Authorization

VII. Executive Committee

Information Items

- A. Appoint Nominating Committee for FY 2013 Board Officers..... *Page 30*
B. Appoint Executive Director Evaluation Committee..... *Page 31*
C. Personnel Report for May & June 2012..... *Pages 32-34*

VIII. Business Committee

Action Items

- A. Approve May 2012 Financial Statements..... *Pages 35-47*
B. Approve June 2012 Financial Statements..... *Pages 48-60*
C. Approve FY 2012 Auditor Engagement Letter..... *Pages 61-67*
D. Approve Recommendation for FY 2013 Employee Health Insurance Plans..... *Pages 68-71*
E. Approve Participation in Medicaid 1115 Transformation Waiver..... *Pages 72-74*
F. Approve FY 2013 ICF Services Contract with Empowerment Options..... *Page 75*
G. Ratify the FY 2012-13 DSHS Contract Amendment..... *Pages 76-85*
H. Ratify Contract Amendments with Kingwood Pines & Cypress Creek Hospitals..... *Page 86*

Information Items

- I. 3rd Quarter FY 2012 Investment Report..... *Pages 87-91*
J. Board of Trustees' Unit Financial Statement for May & June 2012..... *Pages 92-94*

IX. Executive Session in compliance with Texas Government Code Section 551.071, Consultation with Attorney and Section 551.074, Personnel.

Posted By:

Stephanie Eveland
Executive Assistant

Tri-County Services

P.O. Box 3067
Conroe, TX 77305

BOARD OF TRUSTEES' MEETING

May 24, 2012

Board Members Present:

Len George
David Walker
Brad Browder
Patti Atkins
Morris Johnson
Cecil McKnight
Janet Qureshi
Tracy Sorensen
Sharon Walker

Board Members Absent:

None

Tri-County Staff Present:

Cindy Sill, Executive Director
Millie McDuffey, Chief Financial Officer
Evan Roberson, Director of Organizational Support
Don Teeler, Director of Operations
Sandy Kelly, Director of Administrative Support
Stephanie Eveland, Administrative Assistant
Shane Burks, Coordinator of Community Resources
Mervin Cleveland, Staff
Trish Janek, Staff
Stella Montemayor, Staff
Beverly Standley, Staff
Cathy Tumlinson, Staff
Melissa Zemencsik, Staff
David Deaton, Legal Counsel

Guests:

None

Call to Order: Chairman, Len George, called the meeting to order at 10:00 a.m. at 1506 FM 2854, Conroe, TX.

Public Comment: There were no public comments.

Quorum: There being eight (8) members present, a quorum was established.

Presentation of employee recognitions to Tri-County staff for completion of a management training course with Dr. Watson.

Cont.

Resolution #05-12-01

Motion Made By: Morris Johnson

Seconded By: Patti Atkins, with affirmative votes by Len George, David Walker, Brad Browder, Cecil McKnight, Janet Qureshi and Sharon Walker that it be...

Resolved:

That the Board approve the minutes of the April 26, 2012 meeting of the Board of Trustees.

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 for April 2012 was reviewed for information purposes only.

The Consumer Services Report for April 2012 was reviewed for information purposes only.

The Program Updates for April 2012 were reviewed for information purposes only.

Program Presentation – Trish Janek presented information regarding HCS Service Coordination.

Tracy Sorensen arrived at 10:55 a.m. which brought the quorum to nine (9) members present.

EXECUTIVE COMMITTEE:

The Personnel Report for April 2012 was reviewed for information purposes only.

BUSINESS COMMITTEE:

Resolution #05-12-02

Motion Made By: Morris Johnson

Seconded By: Cecil McKnight, with affirmative votes by Len George, David Walker, Brad Browder, Patti Atkins, Janet Qureshi, Tracy Sorensen and Sharon Walker that it be...

Resolved:

That the Board approve the April 2012 financial statements.

Resolution #05-12-03

Motion Made By: Morris Johnson

Seconded By: Brad Browder, with affirmative votes by Len George, David Walker, Patti Atkins, Cecil McKnight, Janet Qureshi, Tracy Sorensen and Sharon Walker that it be...

Resolved:

That the Board direct staff to solicit an Engagement Letter from Carlos Taboada and Company, P.C. for FY 2012 independent financial audit.

Resolution #05-12-04

Motion Made By: Morris Johnson

Seconded By: Brad Browder, with affirmative votes by Len George, David Walker, Patti Atkins, Cecil McKnight, Janet Qureshi, Tracy Sorensen and Sharon Walker that it be...

Resolved:

That the Board approve new six-month listings for the properties located at 406-B N. Washington Avenue and 117 N. College Street, Cleveland, Texas, with Cameron Real Estate subject to attorney review and authorize the Executive Director to execute listing agreements.

Resolution #05-12-05

Motion Made By: Morris Johnson

Seconded By: Cecil McKnight, with affirmative votes by Len George, David Walker, Brad Browder, Patti Atkins, Janet Qureshi, Tracy Sorensen and Sharon Walker that it be...

Resolved:

That the Board approve the opt-in request to participate in the Texas Department of Housing and Community Affairs HOME Reservation System, approve resolution regarding available cash reserves for the project and authorize the Executive Director to execute any necessary documents.

Resolution #05-12-06

Motion Made By: Morris Johnson

Seconded By: Patti Atkins, with affirmative votes by Len George, David Walker, Brad Browder, Cecil McKnight, Janet Qureshi, Tracy Sorensen and Sharon Walker that it be...

Resolved:

That the Board approve payment of non-refundable option money to the property owner for the Independence Oaks project site.

The Board of Trustees' Unit Financial Statement for April 2012 was reviewed for information purposes only.

The Montgomery Supported Housing, Inc. Quarterly Update was reviewed for information purposes only.

The Cleveland Supported Housing, Inc. Quarterly Update was reviewed for information purposes only.

There was no need for Executive Session.

Resolution #05-12-07

Motion Made By: Cecil McKnight

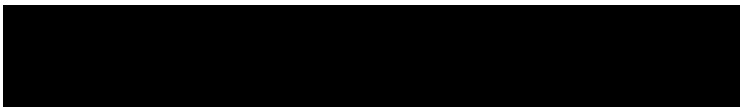
Seconded By: Patti Atkins, with affirmative votes by Len George, David Walker, Brad Browder, Morris Johnson, Janet Qureshi, Tracy Sorensen and Sharon Walker that it be...

Resolved:

That the May 24, 2012 meeting of the Board of Trustees be adjourned at 11:45 a.m.

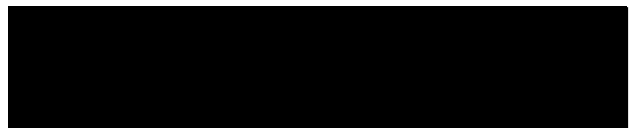
Adjournment:

Attest:



David Walker
Vice-Chairman

Date



Brad Browder
Secretary

Date

Executive Director's Report
July 26, 2012

Information

- The next regularly scheduled Board meeting is Thursday, August 30th (5th Thursday rather than the 4th due to budget and DADS and DSHS contracts)
- Our annual strategic planning is this Saturday, July 28th, 9-2 p.m.
- The quarterly Texas Council Board and Executive Director meeting is August 2-4th in Austin. Legislative priorities for the 83rd Legislative session will be discussed at the meeting.
- The quarterly Texas Council Risk Management Fund Board meeting is August 10th.
- The 23rd Annual Burnham Golf Tournament is next week, August 3-5th. I hope you'll be able to attend the Friday evening kick-off dinner.

Operations

- Department of State Health Services (DSHS) -- After lengthy (and sometimes intense) negotiations with DSHS and with our area private psychiatric hospitals, we were finally able to reach mutually agreeable terms for the Rusk diversion civil commitment beds. We have five (5) beds to be used for adults in need of this level of care and we are delighted. As of this week, we had three (3) individuals receiving treatment at these hospitals.

Our contract manager, Chris Dickinson, contacted me earlier this summer and asked if we could use approximately \$90,000 in additional funds for the Psychiatric Emergency Treatment Center (CSU). After confirming that additional match would not be required, I quickly accepted the funding on behalf of the Center.

Our summer camp for youth with serious emotional disturbances began in mid-June and will continue through August 10th. It has been well received by the youth participants and their families and quality rehabilitative services are being provided along with some fun activities. The camp is proving to be very

McDuffey and I have been devoting a significant amount of time on this initiative and it has the potential to bring to significant new funds to our area.

- The Texas Council supported Access improvement process has entered the 2nd phase and the Rapid Cycle Change Team will be analyzing the data gathered by the gap analysis team. The first phase 2 webinar with MTM Consulting will be next week. The goal is to improve access to services and reduce the time that individuals wait for their first appointment with a clinician.
- "Splash of Hope" is a fundraising project that we have undertaken with some of our consumers. Under the guidance of an area artist, Vickie McMillan, a group of our adult and child clients began a painting that will be completed in August. The painting will be displayed at The Woodlands mall for 6 months and we will eventually auction and/or sale the painting to raise funds for Tri-County. The painting will be "unveiled" at the mall on August 29th and we will send you additional information about that when the details are finalized.

CHIEF FINANCIAL OFFICER'S REPORT

July 26, 2012

FY 2013 Budget – We are continuing to work on the FY 2013 budget (see the attached Preliminary Budget). We currently are showing a positive bottom line, but there are still areas that will need to be reviewed. At this time, we still only have estimates for both DADS and DSHS allocations, but hope to have real numbers within the next two weeks. We also have not determined any changes in salaries, new equipment requests or facility improvements. We will continue to fine tune our numbers between now and the August board meeting.

County Annual Funding Request – We have submitted all the county funding requests for FY 2013. We attended the Budget hearing for Walker County on July 10th and the Montgomery County Budget hearing yesterday, July 25th. Walker County will notify us of changes prior to the new fiscal year. Montgomery County did not approve our request for an increase. Liberty County does not conduct budget hearings, so we will be notified if there are any changes to our funding, hopefully, prior to the beginning of the fiscal year.

FY 2012 Audit – We will be starting the preliminary work for the FY 2012 audit in August. This consists of account reconciliations, copies of contracts, board minutes, backup and approval for any fixed asset purchases. This makes the process go smoothly when the audit field work begins, sometime after the beginning of September.

FY 2011 HCS & ICF Cost Reports - The HCS, ICF and Texas Home Living cost reports are in the final stages of being completed. We are currently running reports and reviewing the data prior to the submission date of August 6th.

Fixed Asset Inventory – The fixed asset inventory process is near completion. In August, we will do some spot checks in each facility to ensure accuracy of submissions from staff and then complete reports to be used for the Audit process.

Surplus Sale – We had a pretty successful surplus sale in June. We sold a grand total of \$ 1,511.50. We still have to get out and have a mini sale in Cleveland for items in the Liberty County locations. We will probably do that in the fall.

Conroe Properties – I spoke with our realtor regarding the Conroe property listings. We have had over 100 hits on the HAR internet site. We have had 3 showings. At the Bryant Road location, interested parties wanted more warehouse space and less office space. The interest in the Thompson street property has been from lawyers since it's so close to the court house.

**TRI-COUNTY MHMR SERVICES
PROPOSED FY 2013 BUDGET COMPARED TO
CURRENT FY 2012 APPROVED BUDGET**

	PROPOSED FY 2013 BUDGET	CURRENT FY 2012 APPROVED BUDGET	Increase (Decrease)
INCOME:			
Local Revenue Sources	1,659,040	1,676,038	(16,998)
Earned Income	10,050,153	9,597,848	452,305
General Revenue	11,420,882	11,252,313	168,569
TOTAL INCOME	23,130,075	22,526,199	603,877
EXPENSES:			
Salaries	11,856,184	11,253,036	603,149
Employee Benefits	2,396,271	2,354,108	42,163
Travel-Board/Staff	433,746	386,190	47,556
Medication Expense	338,067	373,026	(34,959)
Building Rent/Maintenance	236,000	216,315	19,685
Consultants/Contracts	4,687,496	4,830,290	(142,794)
Other Operating Expenses	2,452,541	2,474,863	(22,322)
TOTAL EXPENSES	22,400,305	21,887,827	512,478
Excess (Deficiency) of Revenues over Expenses before Capital Expenditures	729,771	638,372	91,399
CAPITAL EXPENDITURES			
Capital Outlay - FF&E, Automobiles	15,750	24,596	(8,846)
Capital Outlay - Debt Services Bonds	425,785	443,543	(17,758)
TOTAL CAPITAL EXPENDITURES	441,535	468,139	(26,604)
GRAND TOTAL EXPENDITURES	22,841,840	22,355,966	485,874
Excess (Deficiency) of Revenues and Expenses	288,236	170,233	118,003

<p>Agenda Item: Approve FY 2012-13 Montgomery County United Way Award</p> <p>Committee: Program</p>	<p>Board Meeting Date</p> <p>July 26, 2012</p>
<p>Background Information:</p> <p>Earlier this year, Tri-County submitted a funding proposal to Montgomery County United Way (MCUW), requesting funds for the Crisis Stabilization Day Treatment Services, summer camp and respite for individuals with intellectual/developmental disabilities (IDD), and substance abuse treatment services. On June 4th, Tri-County received the notice of awards for the programs as follows:</p> <ul style="list-style-type: none"> • Crisis Stabilization Unit – \$130,000 • IDD Authority Services – \$16,000 • Substance Abuse & Treatment Program – \$74,500 <p>This is the same award as last year since the MCUW campaign results were similar to last year's donations. The funding agreement must be approved by the Board of Trustees, signed and returned to MCUW. Since the agreement was due June 28th, the MCUW leadership was contacted and we were advised to submit the executed agreement with the Executive Director's signature by June 28th and submit the agreement with the Board Chair's signature after Board approval at the July 26th meeting. A cover letter will be sent with the approved agreement indicating that Tri-County will conduct its annual "From the Heart" campaign during MCUW's annual fund drive.</p>	
<p>Supporting Documentation:</p> <p>Copy of Cover Letter from Montgomery County United Way</p> <p>FY 2012-13 Montgomery County United Way Funding Agreement</p>	
<p>Recommended Action:</p> <p>Accept the FY 2012-13 Montgomery County United Way Awards and Approve the Funding Agreement</p>	

RECEIVED

JUN 04 2012

**Board of Directors
Executive Committee**

Roz Dauzat, Chair
Chip Ray, Vice-Chair
Michael Daniel
Hector Forestier
Jim Fredricks
Mario Rosales
Danielle Scheiner

Board Members

Bob Abendschein
Rachel Anderson
Steve Bergstrom
Larry Calhoun
Andrew Cantu
Rod Chaves
Joe Constantino
Mary Cubillas
Bob Evans
Cam Heathcott
Dr. Bret Jimerson
Dr. Austin Lane
Rev. David Lindwall
Megan Marietta
Lucinda Owen
Lisa Schott
Anne Sundquist

Contact Information

1600 Lake Front Circle
Suite 248
The Woodlands, TX 77380
or
P.O. Box 8965
The Woodlands, TX 77387
(281) 292-4155
(888) 844-6289
Fax (281) 298-8900
and
731 West Davis
Conroe, TX 77301
(936) 760-4179
(888) 825-9682
Fax (936) 760-4167

www.mcuw.org

June 1, 2012

Cindy Sill
Tri-County Services
PO Box 3067
Conroe, Texas 77305

Dear Ms. Sill,

On behalf of the board of Montgomery County United Way, Community Impact Committee, the Impact Councils, and the Strategic Investment volunteers, thank you for submitting your agency's Request for Revenue and participating in the 2012 Montgomery County United Way Strategic Investment process. We are pleased to inform you of the funding decisions approved by the Montgomery County United Way Board of Directors on Friday, May 18, 2012, which can be found in the enclosed documents.

Enclosed, please find the following items:

- Two (2) copies of the 2012 Montgomery County United Way Agreement for Funding. Please keep the document marked "Agency Copy." Please sign the additional copy and return it in the envelope provided.
- Memo from the Investment Committee with feedback regarding your agency's 2012 request for funding.
- Your copy of the Montgomery County United Way Policy, "*Community Impact Councils and Strategic Investment Committees Principles of Operation.*"

Please return the necessary documents by June 28, 2012 so we can begin the 2012-2013 payment cycle in July. If you have any questions regarding these documents, please contact Debra Dyason, Director of Initiatives, or Vicky Shelledy, Director of Community Impact.

Best regards,

Roz Dauzat, Chair
Montgomery County United Way
Board of Directors

Danielle Scheiner, Chair
Montgomery County United Way
Community Impact Committee

**MONTGOMERY COUNTY UNITED WAY
2012-2013
AGREEMENT FOR FUNDING**

Tri-County Services

It is hereby affirmed that the governing board of *Tri-County Services* has, by majority vote of a quorum of the board, agreed to accept funds from the Montgomery County United Way for the period of July 1, 2012 through June 30, 2013 in the following program categories:

INVESTMENT AREA:

HELPING PEOPLE COPE

IDD Authority Services \$16,000.00

PREVENTING AND TREATING DRUG AND ALCOHOL ABUSE

Substance Abuse & Treatment Program \$74,500.00

RESPONDING TO CRISES

Crisis Stabilization Unit \$130,000.00

The funds will be distributed subject to the conditions outlined below which summarize significant policies and/or procedures of the Montgomery County United Way Board of Directors.

151. The agency shall maintain all necessary licensing and accrediting requirements of appropriate professional and governmental organizations.
152. The agency shall maintain its non-profit/tax exempt status and shall meet filing requirements of the Internal Revenue Service.
153. The agency shall adopt Generally Accepted Accounting Principles for health and welfare organizations and maintain an adequate accounting system and fiscal controls.
154. The agency shall adhere to sound management practices as defined by general practice.
155. The agency shall identify itself as a Montgomery County United Way Funded Partner, using the local logo, at all its facilities and in all its print, fundraising and marketing efforts and shall cooperate with the United Way in areas of mutual interest and benefit, e.g. campaign, agency-wide events, et cetera. A copy of the MCUW's Co-Branding policy was included in the Request for Funding package.
156. The agency shall provide the annual audit, including the management letter, once accepted by its board of directors to Montgomery County United Way. Funding will be withheld if the audit and management letter or a letter signed by the agency's chief volunteer officer and the agency's chief staff officer stating there is no management letter, are not received by the end of the sixth month of the agency's fiscal budget year.

157. In view of the uncertain future of several government funding programs, it is requested that upon notification of any significant change in government funding as reflected in the revised budget, the agency shall contact the president of Montgomery County United Way. The agency is advised to review and, if necessary, realign programs in preparation for any anticipated decreases in government support.
158. In consideration of the above, the agency is advised to continue its efforts to develop community financial support of its programs.
159. The agency shall not conduct any fund raising events during the annual United Way Campaign period without Montgomery County United Way Board of Directors approval. During 2012, the campaign period will be August 15, 2012 through November 15, 2012.
160. In recognition and support of the mission of MCUW to "improve lives by mobilizing the caring power of community", the agency is required to submit paperwork to MCUW to participate in the State Employees Charitable Campaign (SECC) and all other employee oriented fund raising efforts as a part of the MCUW federation of agencies as well as conduct an employee campaign allowing all agency employees an opportunity to contribute to MCUW.

The budget submitted by *Tri-County Services* to Montgomery County United Way detailed specific use for the funds requested. It is the expectation of the Board of MCUW that the program funds received this year will be used by *Tri-County Services* for the purposes presented in writing and orally to the members of the Strategic Investment Panel.

MCUW requests informal, periodic updates from the agency on its progress on programs beyond the required reports noted in Item 6.

The Board of Directors also understands that receipt of these funds is contingent upon the Montgomery County United Way receiving payment on the pledges made in the last campaign. Should this not be achieved, funding may be reconsidered along with that of all other agencies.

Further, it is agreed that failure to comply with the recommendations and/or conditions outlined, and/or the policies and procedures of the Montgomery County United Way can result in temporary or permanent suspension of funding.

[Redacted Signature]
Danielle Scheiner, Chair
Community Impact Committee
Montgomery County United Way

Approved by the Board of Directors of *Tri-County Services* on this ____ day of ____, 2012.

Chairman/President of the Board of Directors

Date

[Redacted Signature]

~~President~~/Executive Director/Chief Staff Officer

[Redacted Signature]

Date

Agenda Item: Community Resources Report for May & June 2012 Committee: Program	Board Meeting Date July 26, 2012
Background Information: None	
Supporting Documentation: Community Resources Report for May & June 2012	
Recommended Action: For Information Only	

Community Resources Report

Volunteer Hours:

Location	May	June
Conroe	126	45
Cleveland	71	2.5
Liberty	72.5	5.5
Huntsville	169	8.5
Total	438.5	61.5

COMMUNITY ACTIVITIES:

5/29/12	Montgomery County 1115 Planning Meeting	Conroe
6/5/12	Walker County 1115 Planning Meeting	Huntsville
6/5/12	Montgomery County United Way Well Being Council Meeting	The Woodlands
6/6/12	Liberty County Community Resource Coordination Group	Liberty
6/7/12	Region 17 (Montgomery/Walker) 1115 Planning Meeting	Bryan
6/7/12	Walker County Community Resource Coordination Group	Huntsville
6/15/12	Region 2 (Liberty) 1115 Planning Meeting	League City
6/17/12	Montgomery County United Way Disaster Recovery Taskforce	The Woodlands
6/19/12	Montgomery County Community Resource Coordination Group	Conroe
6/19/12	Region 17 (Montgomery/Walker) 1115 Planning Meeting	Bryan
6/20/12	Mass Fatality Incident Response Workshop	Houston
6/20/12	Homeless Coalition Board Meeting	Conroe
7/5/12	Cleveland Chamber of Commerce Luncheon	Cleveland
7/5/12	Walker County Community Resource Coordination Group	Huntsville
7/12/12	Huntsville Chamber of Commerce Breakfast	Huntsville
7/17/12	Montgomery County Community Resource Coordination Group	Conroe
7/18/12	Liberty/Dayton Chamber of Commerce Luncheon	Liberty
7/19/12	Adult Protective Services Task Force Meeting	Conroe
7/25/12	Montgomery County Health Information Exchange Board Meeting	Montgomery

UPCOMING ACTIVITIES:

8/1/12	Liberty County Community Resource Coordination Group	Liberty
8/2/12	Cleveland Chamber of Commerce Luncheon	Cleveland
8/2/12	Texas Latino Leadership Roundtable	The Woodlands
8/2/12	Walker County Community Resource Coordination Group	Huntsville
8/3–8/5	Burnham Classic Golf Tournament	Liberty
8/7/12	Montgomery County United Way Well Being Council Meeting	The Woodlands
8/15/12	Liberty/Dayton Chamber of Commerce Luncheon	Liberty
8/21/12	Montgomery County United Way Disaster Recovery Taskforce	The Woodlands
8/21/12	Montgomery County Community Resource Coordination Group	Conroe

Agenda Item: Consumer Services Report for May & June 2012 Committee: Program	Board Meeting Date July 26, 2012
Background Information: None	
Supporting Documentation: Consumer Services Report for May & June 2012	
Recommended Action: For Information Only	

CONSUMER SERVICES REPORT
May 2012

Crisis Services, MH Adults/Children	MONTGOMERY COUNTY	CLEVELAND	LIBERTY	WALKER COUNTY	TOTAL
Persons Screened, Intakes, Other Crisis Services	493	32	32	55	612
Crisis and Transitional Services (SP 0, SP5)	60	2	4	0	66
Psychiatric Emergency Treatment Center (PETC) Served	56	2	2	4	64
Psychiatric Emergency Treatment Center (PETC) bed days	264	8	17	30	319
Total Contract Hospital Admissions	8	0	2	1	11
Total State Hospital Admissions	16	1	1	0	18
Routine Services, MH Adults/Children					
Adult Service Packages (SP 1-4)	701	94	75	132	1002
Adult Medication Services	551	61	75	95	782
Child Service Packages (SP 1.1-4)	284	13	4	41	342
Child Medication Services	152	6	3	21	182
TCOOMMI (Adult Only)	89	6	3	16	114
Adult Jail Diversion Services	20	1	0	0	21
Juvenile Detention Diversion Services	3	0	0	0	3
Persons Served by Program, IDD					
Number of New Enrollments for IDD Services	16	0	0	2	18
Service Coordination	437	20	38	51	546
Persons Enrolled in Programs, IDD					
Center Waiver Services (HCS, Supervised Living, TXHmL)	54	7	24	25	110
Contractor Provided ICF-MR	18	13	12	6	49
Substance Abuse Services					
Children and Youth Prevention Services	205	0	0	0	205
Youth Substance Abuse Treatment Services/COPSD	6	0	0	2	8
Adult Substance Abuse Treatment Services/COPSD	25	0	0	2	27
Waiting/Interest Lists as of Month End					
Department of State Health Services-Adults	234	28	40	9	311
Department of State Health Services-Children	16	1	1	2	20
Home and Community Based Services Interest List	1172	94	98	101	1465
Persons Served Outside of the State Contracts					
Benefit Package 3 Adult/Child	54	14	6	3	77
May Served by County					
Adult Mental Health Services	1169	119	115	184	1587
Child Mental Health Services	322	15	6	48	391
Intellectual and Developmental Disabilities Services	497	53	45	59	654
Total Served by County	1988	187	166	291	2632
April Served by County					
Adult Mental Health Services	1190	128	94	168	1580
Child Mental Health Services	337	13	4	53	407
Intellectual and Developmental Disabilities Services	475	46	53	57	631
Total Served by County	2002	187	151	278	2618
March Served by County					
Adult Mental Health Services	1181	122	94	154	1551
Child Mental Health Services	343	17	4	45	409
Intellectual and Developmental Disabilities Services	457	42	49	60	608
Total Served by County	1981	181	147	259	2568

CONSUMER SERVICES REPORT
June 2012

Crisis Services, MH Adults/Children	MONTGOMERY COUNTY	CLEVELAND	LIBERTY	WALKER COUNTY	TOTAL
Persons Screened, Intakes, Other Crisis Services	497	33	26	54	610
Crisis and Transitional Services (SP 0, SP5)	62	4	3	0	69
Psychiatric Emergency Treatment Center (PETC) Served	54	6	3	3	66
Psychiatric Emergency Treatment Center (PETC) bed days	262	16	12	18	308
Total Contract Hospital Admissions	4	2	1	0	7
Total State Hospital Admissions	6	3	1	0	10
Routine Services, MH Adults/Children					
Adult Service Packages (SP 1-4)	704	76	69	114	963
Adult Medication Services	544	43	53	89	729
Child Service Packages (SP 1.1-4)	276	18	6	39	339
Child Medication Services	142	11	1	12	166
TCOOMMI (Adult Only)	88	4	4	16	112
Adult Jail Diversion Services	2	0	0	0	2
Juvenile Detention Diversion Services	3	0	0	0	3
Persons Served by Program, IDD					
Number of New Enrollments for IDD Services	6	0	0	3	9
Service Coordination	431	29	39	49	548
Persons Enrolled in Programs, IDD					
Center Waiver Services (HCS, Supervised Living, TXHmL)	55	8	25	25	113
Contractor Provided ICF-MR	18	11	12	6	47
Substance Abuse Services					
Children and Youth Prevention Services	0	0	0	0	0
Youth Substance Abuse Treatment Services/COPSD	8	0	0	0	8
Adult Substance Abuse Treatment Services/COPSD	33	0	1	2	36
Waiting/Interest Lists as of Month End					
Department of State Health Services-Adults	228	26	39	9	302
Department of State Health Services-Children	16	0	0	2	18
Home and Community Based Services Interest List	1191	100	99	105	1495
Persons Served Outside of the State Contracts					
Benefit Package 3 Adult/Child	39	15	1	8	63
June Served by County					
Adult Mental Health Services	1145	109	98	171	1523
Child Mental Health Services	272	19	7	46	344
Intellectual and Developmental Disabilities Services	479	45	53	59	636
Total Served by County	1896	173	158	276	2503
May Served by County					
Adult Mental Health Services	1169	119	115	184	1587
Child Mental Health Services	322	15	6	48	391
Intellectual and Developmental Disabilities Services	497	53	45	59	654
Total Served by County	1988	187	166	291	2632
April Served by County					
Adult Mental Health Services	1190	128	94	168	1580
Child Mental Health Services	337	13	4	53	407
Intellectual and Developmental Disabilities Services	475	46	53	57	631
Total Served by County	2002	187	151	278	2618

Agenda Item: Program Updates for May & June 2012 Committee: Program	Board Meeting Date July 26, 2012
Background Information: None	
Supporting Documentation: Program Updates for May & June 2012	
Recommended Action: For Information Only	

Program Updates

May & June 2012

MH Crisis and Admission Services

A. Key Statistics:

1. Number of new admissions during the month: **May**-98; **June**-122
2. PETC average daily census: **May**-11.39; **June**-12.4

B. Program Comments:

1. The average daily census for the PETC is increasing.
2. We are increasing the utilization of existing staff in our Mobile Crisis Outreach Outpatient Program.
3. We are scheduling an increased number of assessment slots as part of our effort to admit individuals from our waiting list.

MH Adult Services

A. Key Statistics:

1. Number of adults served during the month: **May**-1,587; **June**-1,523
2. Number of adults served in Medication Services: **May**-782; **June**-729

B. Program Comments:

1. We have had some unexpected turnover in Adult Rehabilitation positions, and we have been interviewing for replacements.
2. We are increasing the number of clients receiving New Generation Medication in our efforts to fully utilize state funding for this revenue area.

MH Child Services

A. Key Statistics:

1. Number of children served during the month: **May**-391; **June**-344
2. Number of children served in Medication Services: **May**-182; **June**-166

B. Program Comments:

1. We have implemented the Summer Day Treatment/Camp Program, and it has been very well received by children and their families.
2. Our New Family Partner Program employee has been diligently providing additional services as part of our summer effort to meet contract requirements.
3. We have had difficulties in stabilizing a key management position in this area; we have had a resignation in this position, shortly after it was recently filled.

Criminal Justice Services

A. Key Statistics:

1. Number of adults served through Texas Office on Offenders with Medical and Mental Impairments (TCOOMMI): **May-114; June-112**
2. Number of jail diversions: **May-5; June-7**

B. Program Comments:

1. Our Outpatient Competency Restoration Program is continuing successful operations, and we are on target to meet our contract targets.
2. We have had an increase in services to Medicaid recipients in this program area, and we expect to earn more Medicaid revenue than previously budgeted.

Substance Abuse Services

A. Key Statistics:

1. Number of children served in prevention services: **May-205; June-0**
2. Number of adults served in substance abuse/COPSD treatment services:
 - a. Substance Abuse Outpatient: **May-26; June-35**
 - b. COPSD: **May-10; June-14**
 - c. Total unique clients served: **May-27; June-36**
3. Number of children served in substance abuse treatment services: **May-8; June-8**

B. Program Comments:

1. With schools being closed for the summer, our Prevention Services are more in support of child summer camp programs.
2. We have had turnover in one Adult position and we are now recruiting for replacement.
3. We have had a slight increase in services at our Walker County site, but overall the services here are much less than we expected.

IDD Services

A. Key Statistics:

1. Total number of admissions for the month: **May-18; June-9**
2. Total number enrolled in the Home and Community Based Services (HCS) and Texas Home Living (TxHmL) Provider Services for the month: HCS = **May-70; June-72**
TxHmL = **May-40; June-41**
3. Total number served within the department: HCS = **May-60; June-58**
TxHmL = **May-26; June-24**
4. Total number served in all IDD services for the month: **May-654; June-636**

B. Program Comments:

1. We have begun an increased number of respite services for this summer.
2. We have focused on increasing the number of services to individuals receiving general revenue support this summer to meet state contract requirements.

3. We continue enrolling a significant number of individuals into our Texas Home Living Program this summer.

Support Information

- A. **Training:** The Training Department hosted Concurrent/Collaborative Documentation training for all clinical staff in June. One hundred six (106) staff attended one of the four 3-hour training sessions.
- B. **Information Services:**
 1. Scanning of mental health charts continued in Huntsville and Cleveland.
 2. We are exploring hardware solutions to replace the mechanism staff use to access the Anasazi system.
- C. **Mental Health Planning Network Advisory Committee (MHPNAC):** The Mental Health PNAC met and reviewed contract performance through the third quarter, discussed expanding and diversifying membership on the committee and the draft PCG review of Community Centers in Texas.

Community Activities

- A. On June 19th, Vickie McMillan from Because Art Matters (BAM!) held a painting session **for Children's summer camp attendees and Adult Clients. The purpose was to complete a mural for the Tri-County fundraiser "Splash of Hope."**
- B. On June 22nd, a Tri-County staff member attended the Education for Tomorrow's Alliance (EFTA) luncheon. **The event was held at the Woodland's Waterway Marriot and honored interns that participated in the summer internship program. Tri-County had two interns involved in the program.**

<p>Agenda Item: Year-to-Date FY 2012 Goals and Objectives Progress Report</p> <p>Committee: Program</p>	<p>Board Meeting Date</p> <p>July 26, 2012</p>
<p>Background Information:</p> <p>The Board of Trustees and Leadership Team met on July 23, 2011 for the annual strategic planning retreat and to develop the goals for FY 2012. Goals were discussed and a consensus was reached. Subsequently, the Leadership 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 is the third "year-to-date" progress report of the FY 2012 Goals and Objectives which provides a summary from September 1, 2011 through May 31, 2012.</p>	
<p>Supporting Documentation:</p> <p>Year-to-Date FY 2012 Goals and Objectives Progress Report</p>	
<p>Recommended Action:</p> <p>For Information Only</p>	

FY 2012 Goals and Objectives

Year-to-Date Progress Report

September 1, 2011 – May 31, 2012

GOAL #1

**Provide Training and Education for Staff,
Consumers/Clients, Community Stakeholders**

Objective #1

Provide at least 6 education and professional development events for staff.

- Six training events were held in the first two quarters of the year.
- Prosumers, training for all staff on mental health recovery from a consumer's perspective, was held on March 29th and 30th.
- Jon Stigliano, Strategic Solutions Group, presented training at the Leadership Forum on June 26th titled "Attracting, Hiring and Retaining "A" Players for Your Organization.

Objective #2

Develop and routinely distribute topical electronic bulletins for specific stakeholder groups, such as attorneys, judiciary and law enforcement and general stakeholder groups.

- Electronic bulletins completed for first three quarters. Will work on 4th quarter bulletin when topics are determined.

Objective #3

Develop and routinely distribute electronic bulletin for consumers/clients and families.

- Electronic bulletins completed for first three quarters. Will work on 4th quarter bulletin when topics are determined.

Objective #4

Submit at least 12 press releases to area newspapers.

- Four press releases were submitted to area newspapers during the 1st quarter. Topics included From the Heart kickoff, Helen Dishongh open house, Veteran's program, and the Burnham Golf Tournament check presentation.
- Four additional press releases were submitted to all local newspapers. Topics included May is Mental Health Month, Barbara Duren receiving the Frank M. Adams Award, Sharon Walker receiving the Woman of Distinction Award and the longevity presentation for Christine Charles.

GOAL #2

Recruit and Retain Quality Staff

Objective #1

Analyze effectiveness of incentive plans, modify and implement as needed.

- Design changes have been made and results will be evaluated at end of FY 2012.
- Effective June 1st, 2012 the Centerwide Performance Incentive Plan was revised and implemented to provide incentives throughout the year to increase productivity.

Objective #2

Enhance employee recognition through gift cards, merchant discounts and other methods.

- The VIP Team met to develop a recommendation to provide rewards and recognition.
- Several gift cards were received from area merchants and were distributed to staff.
- Anniversary photos were sent to area newspapers and many were published in the 2nd quarter.
- The VIP Team contacted merchants to obtain discount cards for employees for restaurants, work-out facilities and other activities.
- Effective June 1st, 2012, the VIP Team implemented several methods to recognize employees:
 - Above and Beyond recognition by peers;
 - Supervisor recognition for outstanding job performance for employee(s) or department; and
 - Shining Star Award for up to three employees each quarter for outstanding achievement or performance.

Objective #3

Analyze effectiveness of RN recruitment and retention strategies and modify as needed.

- Significant improvements were made and implemented in the 1st quarter and turnover has decreased.
- We are continuing to consider additional improvements for possible implementation during the 2nd quarter.
- We have had more difficulties in filling vacant RN positions to work on nights and weekends. We will assess possible improvements needed.

GOAL #3

Develop Additional Resources to Support Center Services

Objective #1

Streamline volunteer application and training process (in compliance with law and TAC).

- The volunteer application and training process has been streamlined in the new Volunteer Procedure that was completed.
- The volunteer application was added to the Tri-County website during the 3rd quarter.

Objective #2

Expand volunteer involvement in Center services and recognize them for the service.

- Splashtown staff assisted with From the Heart as did other family and friends.

- There was significant volunteer involvement in the first two quarters. ExxonMobil and United Way had about 60 volunteers complete a major landscape upgrade at our Riverpointe location.
- Contact was made to National Honor Society groups at local high schools with the hope of setting up projects during the summer months.
- Two high school students from Education for Tomorrow's Alliance participated in internships at the Administration and Riverpointe locations during the 3rd quarter.
- More contact was made to local high school honor societies to identify high school volunteers after the summer break.

Objective #3

Expand opportunities for interns and practicum students.

- We continue to receive interest from interns and practicum students. Expect increased interest when fall semester begins.

Objective #4

Write and submit at least 8 grant and/or contract proposals.

- Seven grant applications were submitted through the 3rd quarter of FY 2012.
- Staff were notified that we received funding from the Junior League of North Harris and South Montgomery Counties in the 3rd quarter.
- Applications to two foundations for the Cleveland Supported Housing, Inc. project are underway.

GOAL #4

Explore and Implement Additional Operational Efficiencies

Objective #1

Consolidate operations when efficiencies can be gained.

- An ETBHN planning meeting was held in early November. ETBHN teams looking at efficiency have not yet begun.

Objective #2

Automate additional processes and practices.

- Staff have been updating and organizing electronic forms for use on the agency Intranet.
- Scanning of clinical records are complete in Cleveland and are underway in Huntsville and Liberty. Plans for scanning of other paper documents are currently being made.
- The time clock is up and functioning at the PETC facility. We are in the test phase still to determine the procedures that will be developed for using for the official pay documents.

Objective #3

Analyze electrical and utilities usage efficiencies.

- We have vacated two buildings in the Conroe area and consolidated services into other buildings that had available space. As a result of these changes through the May financials, we have seen a cost savings of just over \$16,000 in utility usage. We will continue to monitor.

Agenda Item: 3 rd Quarter FY 2012 Corporate Compliance and Quality Management Report Committee: Program	Board Meeting Date July 26, 2012
Background Information: 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 3 rd quarter of FY 2012 is included in this Board packet.	
Supporting Documentation: 3 rd Quarter FY 2012 Corporate Compliance and Quality Management Report	
Recommended Action: For Information Only	

Corporate Compliance and Quality Management Report

3rd Quarter, FY 2012

Corporate Compliance Activities

A. Key Statistics:

1. There were two (2) Corporate Compliance investigations in the 3rd quarter of FY 2012.
 - a. The first case did not involve any payback or write-off.
 - b. The second case had \$1,777.38 written off after completion of the case. No actual payback was made.
2. A Corporate Compliance Committee meeting was held on May 3, 2012.

B. Committee Activities

1. Compliance activities were reviewed for the 3rd quarter of FY 2012.
2. External audit activities were reviewed for the 2nd and 3rd quarters of FY 2012.
3. A rewrite of the Corporate Compliance Training was reviewed.
4. Legal updates impacting compliance activities were discussed.

C. Corporate Compliance Cases Investigated

1. There were two (2) Corporate Compliance investigations in the 3rd quarter. Both cases originated from consumer complaints about services.
 - a. The first case involved a complaint that staff was not providing services as documented in the Electronic Medical Record (EMR). After investigation, it was determined that services were not completed as documented in the EMR and the staff was terminated. There was no payback in this case because the services were not billable.
 - b. The second case also involved a complaint that staff was not providing services as documented in the EMR. After investigation, it was determined that services were not completed as documented in the EMR and the staff was terminated. Services were suspended during the case and these services were written off (bills were not sent), but no cash payback was made.

Quality Management Initiatives

A. Key Statistics:

1. Intellectual and Developmental Disabilities Mystery Caller Survey
2. One (1) Managed Care Records Review
3. One (1) Department of State Health Services (DSHS) Substance Abuse Clinical Management for Behavioral Health Services (CMBHS) Desk Review
4. One (1) Internal Program Review was completed (PETC)

B. Reviews/Audits:

1. Intellectual and Developmental Disabilities Mystery Caller Survey is completed as a project of the Quality Management Consortium for Texas Centers.

- a. Three (3) calls are made to clinics in attempt to make an appointment for intake.
 - i. The Center is scored on their ability to give someone a follow-up appointment.
 - ii. Staff is rated on customer service.
- 2. One (1) Managed Care company requested records for review.
 - a. Documents from fifteen (15) client charts were reviewed and submitted.
- 3. One (1) Department of State Health Services (DSHS) Substance Abuse Clinical Management for Behavioral Health Services (CMBHS) Desk Review was completed.
 - a. A series of documents were requested from the DSHS Quality Management Department to assess what contractors were doing to manage access to CMBHS clinical information.

C. Internal Programs Reviewed by Quality Management:

- 1. The Psychiatric Emergency Treatment Center Program Review was underway during the 3rd Quarter of FY 2012.

Agenda Item: 4 th Quarter FY 2012 Corporate Compliance Training Committee: Program	Board Meeting Date July 26, 2012
Background Information: 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.	
Supporting Documentation: 4 th Quarter FY 2012 Corporate Compliance Training	
Recommended Action: For Information Only	

Monitoring Progress Notes to Ensure Compliance

Corporate Compliance Training

4th Quarter, FY 2012

In the modern world of service delivery, staff is required to complete an extensive amount of documentation in support of the services they provide. This data forms the basis for billing which is reviewed by internal departments and external monitors to ensure that services are being provided within the guidelines and expectations of funding sources. Government contractors have been incentivized to find data problems and have become much more sophisticated in their ability to monitor these data in the last few years. They use very intricate algorithms to sort through massive amounts of data to find providers with data that is dissimilar to others. These outliers are often the focus of investigation.

To prevent Tri-County from becoming the focus of an external review, the Corporate Compliance Program works with our internal Electronic Medical Record and other sources of data to identify patterns and trends in service delivery. If reports reflect that a staff person is providing an extensive amount of service each month compared to peers, that person is considered an outlier and might warrant additional review. Often, it is discovered that outliers are exceptional performers that have very efficient methods of doing their job. However, there are occasions when it is discovered that a staff person has reported services for more time than was actually provided or services which did not occur as documented. In these instances, persons must be investigated further.

In addition to reviewing the billing data that is associated with the progress note, it is also important to review content of the documentation. One purpose of this review is to determine whether the note demonstrates that there was medical necessity for the service as required by all funding sources. To be correct, progress notes should be tied directly to consumer needs for treatment and progress on their goals and objectives. In addition, the content of a note should reflect the amount of time spent with a consumer. When a staff person writes a similar progress note every month for a given consumer or writes similar progress notes for many of the consumers, additional investigation is warranted. Staff and their supervisors should monitor notes to ensure that the appropriate level of quality is present in all clinical documentation.

Documentation review efforts are crucial in an effective Corporate Compliance Program. It requires a partnership between administrative staff, program staff, quality management staff, and utilization management staff to review the data being submitted and ensure that it is accurate. These activities should be ongoing and proactive in nature whenever possible.

Agenda Item: Appoint Nominating Committee for FY 2013 Board Officers Committee: Executive	Board Meeting Date July 26, 2012
Background Information: The presiding officer will appoint the nominating committee for FY 2013 Board Officers. The annual election of officers will occur at the August meeting of the Board of Trustees.	
Supporting Documentation: None	
Recommended Action: For Information Only	

Agenda Item: Appoint Executive Director Evaluation Committee Committee: Executive	Board Meeting Date July 26, 2012
Background Information: The presiding officer will appoint a committee chair and two additional members to the Executive Director Evaluation Committee as prescribed by Board policy.	
Supporting Documentation: None	
Recommended Action: For Information Only	

Agenda Item: Personnel Report for May & June 2012 Committee: Executive	Board Meeting Date July 26, 2012
Background Information: None	
Supporting Documentation: Personnel Report for May & June 2012	
Recommended Action: For Information Only	

TRI-COUNTY SERVICES PERSONNEL BOARD REPORT MAY 2012

STAFF CLASSIFICATIONS	NEW HIRES		SEPARATED		VOLUNTARY SEPARATION		INVOLUNTARY SEPARATION		BUDGETED POSITIONS	FILLED POSITIONS	MONTHLY TURNOVER PERCENT	YEARLY TURNOVER PERCENT
	MO.	YTD.	MO.	YTD.	MO.	YTD.	MO.	YTD.				
Bachelor's												
Qualified Mental Health Professionals	3	22	3	18	2	13	1	5	78	69	4%	26%
Qualified Developmental Disability Professionals (State Title)		4		3		3			12	12	0%	25%
Licensed Staff		4		3		2		1	17	13	0%	23%
Medical												
Physicians		3		2		2			6	5	0%	40%
Advanced Practice Nurses									2	2	0%	0%
RN's		1		2				2	11	9	0%	22%
LVN's		2		1		1			11	9	0%	11%
Techs/Aides												
MH	1	4		6		5		1	17	11	0%	55%
IDD	2	11	4	14	3	11	1	3	39	32	13%	44%
Supervisor/Manager												
MH				1		1			13	13	0%	8%
IDD		5							6	6	0%	0%
Program Support		4	1	4	1	2		2	40	38	3%	11%
Central Administration			1	3	1	3			17	16	6%	19%
Business Services									15	15	0%	0%
Maintenance/Janitorial/Lawn		1		1		1			21	19	0%	5%
GRAND TOTALS	6	61	9	58	7	44	2	14	305	269	3%	22%
Previous YTD											1%	16%

TRI-COUNTY SERVICES PERSONNEL BOARD REPORT JUNE 2012

STAFF CLASSIFICATIONS	NEW HIRES		SEPARATED		VOLUNTARY SEPARATION		INVOLUNTARY SEPARATION		BUDGETED POSITIONS	FILLED POSITIONS	MONTHLY TURNOVER PERCENT	YEARLY TURNOVER PERCENT
	MO.	YTD.	MO.	YTD.	MO.	YTD.	MO.	YTD.				
Bachelor's												
Qualified Mental Health Professionals	3	25	2	20	2	15		5	79	73	3%	27%
Qualified Developmental Disability Professionals (State Title)		4		3		3			14	12	0%	25%
Licensed Staff		4	1	4		2	1	2	17	13	8%	31%
Medical												
Physicians		3		2		2			6	5	0%	40%
Advanced Practice Nurses									2	2	0%	0%
RN's		1		2				2	11	8	0%	25%
LVN's		2		1		1			11	9	0%	11%
Techs/Aides												
MH	2	6		6		5		1	17	13	0%	46%
IDD		11		14		11		3	38	37	0%	38%
Supervisor/Manager												
MH				1		1			13	12	0%	8%
IDD		5							6	6	0%	0%
Program Support		4		4		2		2	40	38	0%	11%
Central Administration				3		3			17	16	0%	19%
Business Services									15	15	0%	0%
Maintenance/Janitorial/Lawn		1		1		1			21	19	0%	5%
GRAND TOTALS	5	66	3	61	2	46	1	15	307	278	1%	22%
Previous YTD											2%	18%

Agenda Item: Approve May 2012 Financial Statements	Board Meeting Date July 26, 2012
Committee: Business	
Background Information: None	
Supporting Documentation: May 2012 Financial Statements	
Recommended Action: Approve May 2012 Financial Statements	

May 2012 Financial Summary

Revenues for May 2012 were \$1,916,491 and operating expenses were \$1,776,605 resulting in a gain in operations of \$139,886. Capital Expenditures and Extraordinary Expenses for May were \$37,444 resulting in a gain of \$102,442. Total revenues were 99.31% of the monthly budgeted revenues and total expenses were 95.55% of the monthly budgeted expenses.

Year to date revenues are \$16,722,583 and operating expenses are \$15,913,344 leaving excess operating revenues of \$809,239. YTD Capital Expenditures and Extraordinary Expenses are \$342,345 resulting in a gain YTD of \$466,894. Total revenues are 99.94% of the YTD budgeted revenues and total expenses are 97.31% of the YTD budgeted expenses.

REVENUES

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

Revenue Source	YTD Revenue	YTD Budget	% of Budget	\$ Variance
HCS Program – Title XIX	1,401,616	1,417,397	98.89%	15,781
ICF Program - Title XIX	1,994,854	2,042,171	97.69%	47,317
Medicaid Regular – Title XIX	264,028	277,051	95.30%	13,023
Texas Home Living – Title XIX	179,797	194,197	92.59%	14,400
DSHS Gen Rev - NGM	476,002	534,622	89.04%	58,620
DSHS SA Prevention	85,406	97,212	87.86%	11,806

HCS Program – Revenue is down in the HCS program due to hospitalizations and a decrease in some services being provided based on consumer needs.

ICF Program – The ICF program is a cost reimbursement program. We are under budget in this line item due to long-term hospitalizations and numerous vacancies that we have had in this program throughout this fiscal year.

Medicaid Regular – This line item is trending lower. We will continue to analyze this line through the summer months to determine if this trend will continue.

Texas Home Living – This line item is under budget based on consumers not accessing all the services available to them on their plan of care. It is anticipated that more services will be utilized over the summer so this line item should increase.

DSHS Gen Rev – NGM – This line item reflects the reimbursement of the cost of New Generation Medication. As we have seen over the past couple of years, our expenses for all medications have continued to decrease due to the patient assistant programs that pay for medications for our consumers. As allowed by our DSHS contract, we have identified other direct services where the lapsed funds can be used. Therefore, we should see this variance decrease over the remaining part of the fiscal year.

DSHS SA Prevention – This is a cost reimbursement program and revenue and expenses are both down as this program has had a few obstacles in gaining admission into schools to provide services to children.

EXPENSES

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

Expense Source	YTD Expenses	YTD Budget	% of Budget	\$ Variance
No items to report				

TRI-COUNTY SERVICES
CONSOLIDATED BALANCE SHEET
As of May 31, 2012

	TOTALS COMBINED FUNDS May 2012	TOTALS COMBINED FUNDS April 2012	Increase (Decrease)
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	4,917	4,817	100
Cash on Deposit-General Fund	6,455,562	7,258,825	(803,263)
Cash on Deposit-Debt Fund	355,991	319,193	36,798
Accounts Receivable	1,448,025	1,628,766	(180,741)
Inventory	35,832	36,137	(305)
TOTAL CURRENT ASSETS	8,300,326	9,247,738	(947,412)
FIXED ASSETS	6,386,044	6,386,044	-
OTHER ASSETS	42,941	25,117	17,823
TOTAL ASSETS	14,729,311	15,658,900	(929,589)
LIABILITIES, DEFERRED REVENUE, FUND BALANCES			
CURRENT LIABILITIES	1,141,087	1,296,629	(155,543)
NOTES PAYABLE	417,673	417,673	-
DEFERRED REVENUE	765,577	1,648,232	(882,655)
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	1,461,020	1,482,700	(21,680)
Bond Series 2004	820,000	820,000	-
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	466,894	364,451	102,442
Debt Service Fund	-	-	-
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt Service	(2,694,892)	(2,716,572)	21,680
Reserved for Debt Retirement	1,230,000	1,230,000	-
Reserved for Debt Service	-	-	-
COMMITTED			
Net Assets-Property and Equipment	6,386,044	6,386,044	-
Reserved for Board Policy Requirements	879,405	879,405	-
Reserved for Equipment Reserve	354,290	354,290	-
Reserved for Inventory Reserve	32,973	32,973	-
Reserved for Operations and Programs	2,000,000	2,000,000	-
ASSIGNED			
Reserved for Workers' Compensation	274,409	274,409	-
Reserved for Current Year Budgeted Reserve	55,498	49,331	6,167
Reserved for Insurance Deductibles	100,000	100,000	-
UNASSIGNED			
Unrestricted and Undesignated	1,039,334	1,039,334	-
TOTAL LIABILITIES/FUND BALANCE	14,729,311	15,658,900	(929,589)

TRI-COUNTY SERVICES
CONSOLIDATED BALANCE SHEET
As of May 31, 2012

TOTALS
Memorandum Only

	<u>General Operating Funds</u>	<u>May 2012</u>	<u>FINAL August 2011</u>
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	4,917	4,917	3,925
Cash on Deposit-General Fund	6,455,562	6,455,562	5,556,400
Cash on Deposit-Debt Fund	355,991	355,991	474,276
Accounts Receivable	1,448,025	1,448,025	1,468,854
Inventory	35,832	35,832	33,893
TOTAL CURRENT ASSETS	8,300,326	8,300,326	7,537,348
FIXED ASSETS	6,386,044	6,386,044	6,386,044
OTHER ASSETS	42,941	42,941	36,364
AMOUNT TO BE PROVIDED FOR THE RETIREMENT OF LONG TERM DEBT		-	1,647,673
TOTAL ASSETS	14,729,311	14,729,311	15,607,427
LIABILITIES, DEFERRED REVENUE, FUND BALANCES			
CURRENT LIABILITIES	1,141,087	1,141,087	1,081,898
NOTES PAYABLE	417,673	417,673	417,673
DEFERRED REVENUE	765,577	765,577	107,127
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	1,461,020	1,461,020	1,652,992
Bond Series 2004	820,000	820,000	1,230,000
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	466,894	466,894	860,675
Debt Service Fund	-	-	(3,229)
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt service-Restricted	(2,694,892)	(2,694,892)	(1,652,992)
Reserved for Debt Retirement	1,230,000	1,230,000	1,230,000
Reserved for Debt Service	-	-	477,505
COMMITTED			
Net Assets-Property and Equipment-Committed	6,386,044	6,386,044	6,386,044
Reserved for Board Policy Requirements-Committed	879,405	879,405	879,405
Reserved for Equipment Reserve-Committed	354,290	354,290	354,290
Reserved for Inventory Reserve-Committed	32,973	32,973	32,973
Reserved for Operations and Programs -Committed	2,000,000	2,000,000	2,000,000
ASSIGNED			
Reserved for Workers' Compensation-Assigned	274,409	274,409	274,409
Reserved for Current Year Budgeted Reserve -Assigned	55,498	55,498	-
Reserved for Insurance Deductibles-Assigned	100,000	100,000	-
UNASSIGNED			
Unrestricted and Undesignated	1,039,334	1,039,334	278,658
TOTAL LIABILITIES/FUND BALANCE	14,729,311	14,729,311	15,607,427

TRI-COUNTY SERVICES
Revenue and Expense Summary
For the Month Ended May 2012
and YTD as of May 2012

INCOME:	MONTH OF May 2012	YTD May 2012
Local Revenue Sources	159,140	1,393,851
Earned Income	837,132	7,044,326
General Revenue-Contract	920,220	8,284,407
TOTAL INCOME	1,916,491	16,722,583
EXPENSES:		
Salaries	942,793	8,381,673
Employee Benefits	180,657	1,674,161
Medication Expense	24,801	209,463
Travel-Board/Staff	33,374	267,088
Building Rent/Maintenance	18,798	203,880
Consultants/Contracts	372,920	3,452,287
Other Operating Expenses	203,263	1,724,792
TOTAL EXPENSES	1,776,605	15,913,344
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	139,886	809,239
CAPITAL EXPENDITURES		
Capital Outlay-FF&E, Automobiles, Building	646	12,368
Capital Outlay-Debt Service Bonds	36,798	329,978
TOTAL CAPITAL EXPENDITURES	37,444	342,345
GRAND TOTAL EXPENDITURES	1,814,049	16,255,690
Excess (Deficiency) of Revenues and Expenses	102,442	466,894

TRI-COUNTY SERVICES
Revenue and Expense Summary
Compared to Budgeted
Year to Date as of May 2012

	YTD May 2012	APPROVED BUDGET	Increase (Decrease)
INCOME:			
Local Revenue Sources	1,393,851	1,277,939	115,912
Earned Income	7,044,326	7,105,108	(60,783)
General Revenue-Contract	8,284,407	8,350,779	(66,372)
TOTAL INCOME	16,722,583	16,733,826	(11,243)
EXPENSES:			
Salaries	8,381,673	8,450,742	(69,069)
Employee Benefits	1,674,161	1,752,685	(78,524)
Medication Expense	209,463	260,590	(51,127)
Travel-Board/Staff	267,088	288,403	(21,315)
Building Rent/Maintenance	203,880	197,612	6,268
Consultants/Contracts	3,452,287	3,559,034	(106,747)
Other Operating Expenses	1,724,792	1,845,352	(120,560)
TOTAL EXPENSES	15,913,344	16,354,418	(441,074)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	809,239	379,408	429,831
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	12,368	19,427	(7,059)
Capital Outlay-Debt Service Bonds	329,978	332,255	(2,278)
TOTAL CAPITAL EXPENDITURES	342,345	351,682	(9,337)
GRAND TOTAL EXPENDITURES	16,255,690	16,706,100	(450,410)
Excess (Deficiency) of Revenues and Expenses	466,894	27,726	439,168

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	329,978	332,255	(2,278)
Bond Payments Disbursements		-	-
Interest Income			
Excess(Deficiency) of revenues over Expense:	329,978	332,255	(2,278)

TRI-COUNTY SERVICES
Revenue and Expense Summary
Compared to Budget
For the Month Ended May 2012

INCOME:	MONTH OF May 2012	APPROVED BUDGET	Increase (Decrease)
Local Revenue Sources	159,140	132,791	26,349
Earned Income	837,132	863,561	(26,429)
General Revenue-Contract	920,220	933,446	(13,226)
TOTAL INCOME	1,916,491	1,929,798	(13,307)
EXPENSES:			
Salaries	942,793	950,382	(7,589)
Employee Benefits	180,657	203,490	(22,833)
Medication Expense	24,801	35,997	(11,196)
Travel-Board/Staff	33,374	32,771	603
Building Rent/Maintenance	18,798	15,901	2,897
Consultants/Contracts	372,920	416,402	(43,482)
Other Operating Expenses	203,263	204,991	(1,728)
TOTAL EXPENSES	1,776,605	1,859,934	(83,329)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	139,886	69,864	70,022
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	646	1,583	(937)
Capital Outlay-Debt Service Bonds	36,798	37,097	(300)
TOTAL CAPITAL EXPENDITURES	37,444	38,680	(1,236)
GRAND TOTAL EXPENDITURES	1,814,049	1,898,614	(84,565)
Excess (Deficiency) of Revenues and Expenses	102,442	31,184	71,258

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	36,798	37,097	(300)
Bond Payments Disbursements		-	-
Interest Income			
Excess(Deficiency) of revenues over Expenses	36,798	37,097	(300)

TRI-COUNTY SERVICES
Revenue and Expense Summary
With May 2011 Comparative Data
Year to Date as of May 2012

INCOME:	YTD May 2012	YTD May 2011	Increase (Decrease)
Local Revenue Sources	1,393,851	2,521,252	(1,127,401)
Earned Income	7,044,326	7,507,733	(463,408)
General Revenue-Contract	8,284,407	8,880,857	(596,450)
TOTAL INCOME	16,722,583	18,909,842	(2,187,259)
EXPENSES:			
Salaries	8,381,673	8,792,858	(411,185)
Employee Benefits	1,674,161	1,839,439	(165,278)
Medication Expense	209,463	305,945	(96,482)
Travel-Board/Staff	267,088	279,009	(11,921)
Building Rent/Maintenance	203,880	175,974	27,906
Consultants/Contracts	3,452,287	3,510,158	(57,871)
Other Operating Expenses	1,724,792	1,702,549	22,243
TOTAL EXPENSES	15,913,344	16,605,932	(692,588)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	809,239	2,303,910	(1,494,671)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	12,368	1,517,663	(1,505,295)
Capital Outlay-Debt Service Bonds	329,978	343,899	(13,922)
TOTAL CAPITAL EXPENDITURES	342,345	1,861,562	(1,519,217)
GRAND TOTAL EXPENDITURES	16,255,690	18,467,494	(2,211,804)
Excess (Deficiency) of Revenues and Expenses	466,894	442,348	24,546

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	329,978	343,899	(13,922)
Bond Payments Disbursements			-
Interest Income			-
Excess(Deficiency) of revenues over Expenses	329,978	343,899	(13,922)

TRI-COUNTY SERVICES
Revenue and Expense Summary
With May 2011 Comparative Data
For the Month May 2012

INCOME:	MONTH OF May 2012	MONTH OF May 2011	Increase (Decrease)
Local Revenue Sources	159,140	107,228	51,912
Earned Income	837,132	817,891	19,241
General Revenue-Contract	920,220	1,048,124	(127,904)
TOTAL INCOME	1,916,491	1,973,243	(56,752)
EXPENSES:			
Salaries	942,793	905,775	37,018
Employee Benefits	180,657	187,703	(7,046)
Medication Expense	24,801	18,924	5,877
Travel-Board/Staff	33,374	34,429	(1,055)
Building Rent/Maintenance	18,798	22,892	(4,094)
Consultants/Contracts	372,920	384,711	(11,791)
Other Operating Expenses	203,263	173,131	30,132
TOTAL EXPENSES	1,776,605	1,727,565	49,040
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	139,886	245,678	(105,792)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	646	3,956	(3,310)
Capital Outlay-Debt Service Bonds	36,798	38,113	(1,316)
TOTAL CAPITAL EXPENDITURES	37,444	42,069	(4,625)
GRAND TOTAL EXPENDITURES	1,814,049	1,769,634	44,415
Excess (Deficiency) of Revenues and Expenses	102,442	203,609	(101,167)

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	36,798	38,113	(1,316)
Bond Payments Disbursements			-
Interest Income			-
Excess(Deficiency) of revenues over Expenses	36,798	38,113	(1,316)

TRI-COUNTY SERVICES
Revenue and Expense Summary
With April 2012 Comparative Data
As of May 2012

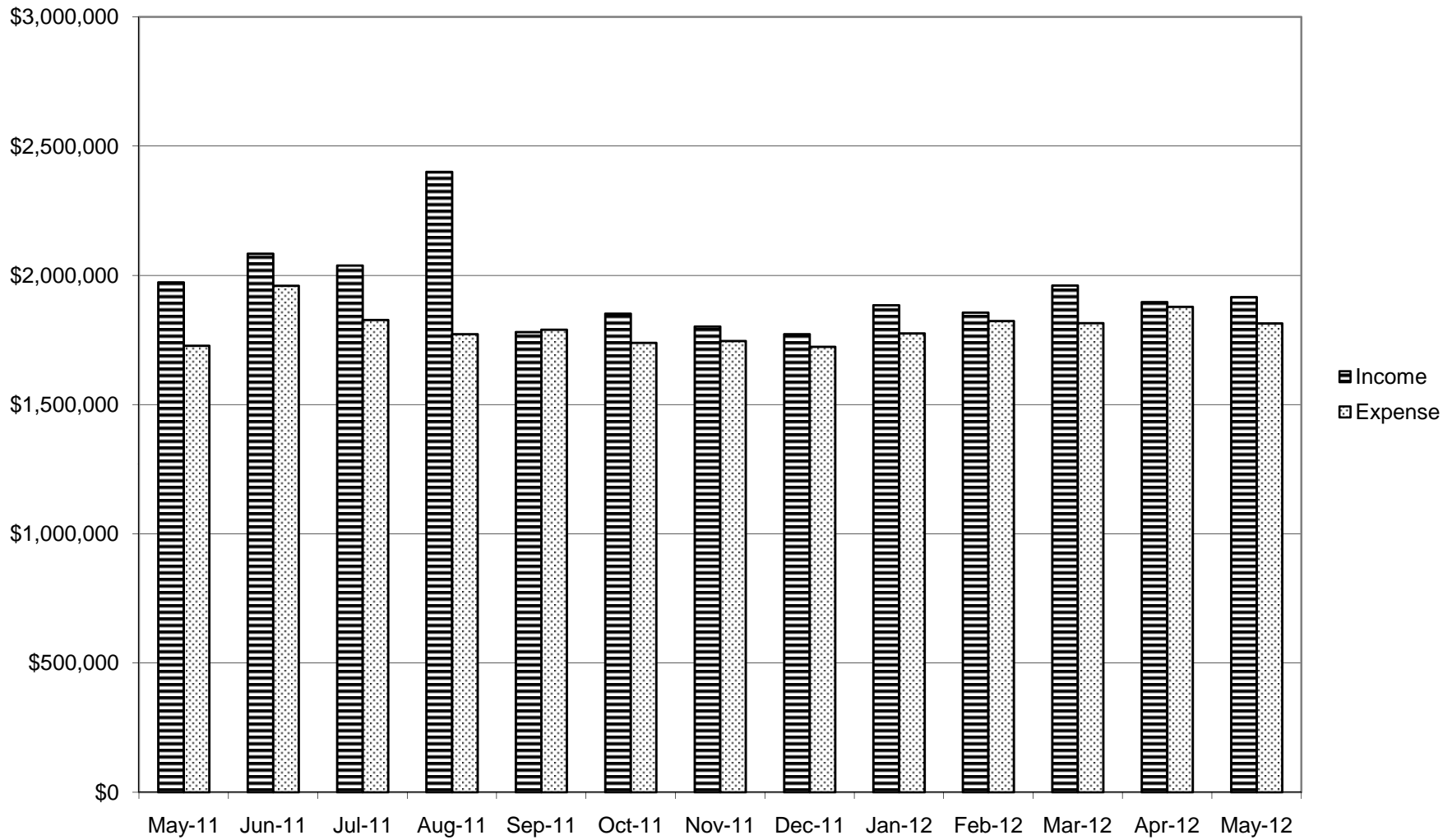
INCOME:	MONTH OF May 2012	MONTH OF April 2012	Increase (Decrease)
Local Revenue Sources	159,140	130,323	28,817
Earned Income	837,132	819,148	17,983
General Revenue-Contract	920,220	947,357	(27,137)
TOTAL INCOME	1,916,491	1,896,829	19,663
EXPENSES:			
Salaries	942,793	957,309	(14,516)
Employee Benefits	180,657	182,880	(2,223)
Medication Expense	24,801	31,706	(6,905)
Travel-Board/Staff	33,374	36,007	(2,633)
Building Rent/Maintenance	18,798	33,637	(14,839)
Consultants/Contracts	372,920	417,503	(44,583)
Other Operating Expenses	203,263	179,226	24,037
TOTAL EXPENSES	1,776,605	1,838,267	(61,662)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	139,886	58,561	81,325
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	646	4,321	(3,675)
Capital Outlay-Debt Service Bonds	36,798	35,598	1,200
TOTAL CAPITAL EXPENDITURES	37,444	39,919	(2,475)
GRAND TOTAL EXPENDITURES	1,814,049	1,878,186	(64,137)
Excess (Deficiency) of Revenues and Expenses	102,442	18,643	83,800

Debt Service and Fixed Asset Fund:			
Bond Payments Receipts	36,798	35,598	1,200
Bond Payments Disbursements			-
Interest Income			
Excess(Deficiency) of revenues over Expenses	36,798	35,598	1,200

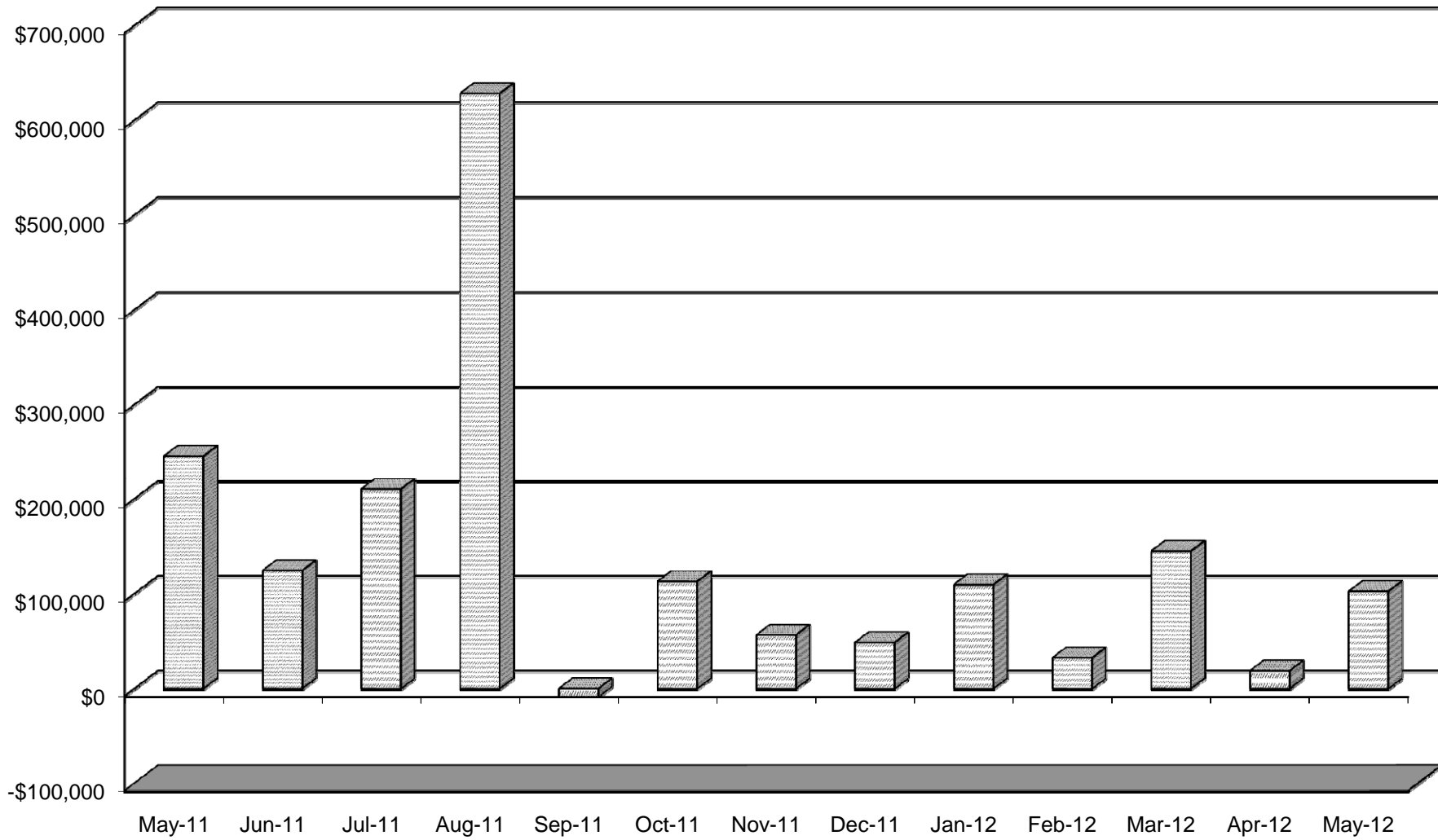
TRI-COUNTY SERVICES
Revenue and Expense Summary by Service Type
Compared to Budget
As of YTD Ended May 2012

	YTD Mental Health May 2012	YTD IDD May 2012	YTD Other Services May 2012	YTD Agency Total May 2012	YTD Approved Budget May 2012	Increase (Decrease)
INCOME:						
Local Revenue Sources	1,087,112	98,549	208,192	1,393,851	1,277,939	115,912
Earned Income	1,682,741	4,477,939	883,646	7,044,326	7,105,108	(60,782)
General Revenue-Contract	7,367,330	917,077	-	8,284,407	8,350,779	(66,372)
TOTAL INCOME	10,137,183	5,493,565	1,091,838	16,722,584	16,733,826	(11,242)
EXPENSES:						
Salaries	6,079,751	1,611,217	690,705	8,381,673	8,450,742	(69,069)
Employee Benefits	1,190,771	345,841	137,550	1,674,161	1,752,685	(78,524)
Medication Expense	198,516	-	10,947	209,463	260,590	(51,127)
Travel-Board/Staff	170,023	71,016	26,049	267,088	288,403	(21,315)
Building Rent/Maintenance	132,556	57,208	14,116	203,880	197,612	6,268
Consultants/Contracts	629,327	2,755,019	67,941	3,452,287	3,559,034	(106,747)
Other Operating Expenses	1,139,219	381,210	204,363	1,724,792	1,845,352	(120,560)
TOTAL EXPENSES	9,540,163	5,221,511	1,151,671	15,913,344	16,354,418	(441,074)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	597,020	272,054	(59,833)	809,240	379,408	429,832
CAPITAL EXPENDITURES						
Capital Outlay-FF&E, Automobiles	10,035	1,711	622	12,368	19,427	(7,059)
Capital Outlay-Debt Service Bonds	207,209	88,488	34,281	329,978	332,255	(2,277)
TOTAL CAPITAL EXPENDITURES	217,244	90,199	34,903	342,345	351,682	(9,336)
GRAND TOTAL EXPENDITURES	9,757,407	5,311,710	1,186,574	16,255,689	16,706,100	(450,410)
Excess (Deficiency) of Revenues and Expenses	379,776	181,855	(94,736)	466,894	27,726	439,168
Debt Service and Fixed Asset Fund:						
Bond Payments Receipts	207,209	88,488	34,281	329,978	332,255	(125,046)
Bond Payments Disbursements	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Excess(Deficiency) of revenues over Expenses	207,209	88,488	34,281	329,978	332,255	(125,046)

TRI-COUNTY SERVICES Income and Expense



TRI-COUNTY SERVICES
Income after Expense



Agenda Item: Approve June 2012 Financial Statements	Board Meeting Date July 26, 2012
Committee: Business	
Background Information: None	
Supporting Documentation: June 2012 Financial Statements	
Recommended Action: Approve June 2012 Financial Statements	

June 2012 Financial Summary

Revenues for June 2012 were \$1,873,065 and operating expenses were \$1,802,436 resulting in a gain in operations of \$70,628. Capital Expenditures and Extraordinary Expenses for June were \$36,798 resulting in a gain of \$33,831. Total revenues were 96.02% of the monthly budgeted revenues and total expenses were 96.51% of the monthly budgeted expenses.

Year to date revenues are \$18,595,648 and operating expenses are \$17,715,781 leaving excess operating revenues of \$879,867. YTD Capital Expenditures and Extraordinary Expenses are \$379,143 resulting in a gain YTD of \$500,724. Total revenues are 99.52% of the YTD budgeted revenues and total expenses are 97.21% of the YTD budgeted expenses.

REVENUES

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

Revenue Source	YTD Revenue	YTD Budget	% of Budget	\$ Variance
HCS Program – Title XIX	1,556,740	1,593,948	97.67%	37,208
ICF Program - Title XIX	2,206,861	2,272,078	97.13%	65,217
Medicaid Regular – Title XIX	294,840	310,813	94.86%	15,973
Texas Home Living – Title XIX	206,419	232,324	88.85%	25,905
Rehab – Title XIX	1,185,528	1,205,165	98.37%	19,637
DSHS Gen Rev - NGM	551,741	607,041	90.89%	55,300
DSHS SA Prevention	89,941	108,680	82.76%	18,739

HCS Program – Revenue is down in the HCS program due to hospitalizations and a decrease in some services being provided based on consumer needs.

ICF Program – The ICF program is a cost reimbursement program. We are under budget in this line item due to long-term hospitalizations and numerous vacancies that we have had in this program throughout this fiscal year.

Medicaid Regular – This line item is trending lower. We will continue to analyze this line through the summer months to determine the cause of the downward trend and possible corrective action.

Texas Home Living – This line item is under budget based on consumers not accessing all the services available to them on their plan of care. It is anticipated that more services will be utilized over the summer so this line item should show an increase.

Rehab – This line item has increased from the beginning of the fiscal year based on the Revenue Improvement Plan that was put in place in January. However, we have seen a slight decrease in revenue in June, mainly due to staff turnover in the Conroe program area, as well as the Group Services program in Conroe. We have hired staff in these vacant positions and should see this trend turn around after they are trained and fully functioning in these positions.

DSHS Gen Rev – NGM – This line item reflects the reimbursement of the cost of New Generation Medication. As we have seen over the past couple of years, our expenses for all medications have continued to decrease due to the patient assistance programs that pay for medications for our consumers. As allowed by our DSHS contract, we have identified other direct services where the lapsed funds can be used. Therefore, we should see this variance decrease over the remaining part of the fiscal year.

DSHS SA Prevention – This is a cost reimbursement program, and revenue and expenses are both down as this program has had a few obstacles in gaining admission into schools to provide services to children.

EXPENSES

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

Expense Source	YTD Expenses	YTD Budget	% of Budget	\$ Variance
No items to report				

TRI-COUNTY SERVICES
CONSOLIDATED BALANCE SHEET
As of June 30, 2012

	TOTALS COMBINED FUNDS June 2012	TOTALS COMBINED FUNDS May 2012	Increase (Decrease)
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	4,917	4,917	-
Cash on Deposit-General Fund	7,370,736	6,455,562	915,174
Cash on Deposit-Debt Fund	355,991	355,991	-
Accounts Receivable	1,412,579	1,448,025	(35,447)
Inventory	35,284	35,832	(548)
TOTAL CURRENT ASSETS	9,179,506	8,300,326	879,180
FIXED ASSETS	6,386,044	6,386,044	-
OTHER ASSETS	28,267	42,941	(14,674)
TOTAL ASSETS	15,593,817	14,729,311	864,506
LIABILITIES, DEFERRED REVENUE, FUND BALANCES			
CURRENT LIABILITIES	1,154,658	1,141,087	13,572
NOTES PAYABLE	417,673	417,673	-
DEFERRED REVENUE	1,576,514	765,577	810,937
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	1,439,415	1,461,020	(21,605)
Bond Series 2004	820,000	820,000	-
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	500,724	466,894	33,831
Debt Service Fund	-	-	-
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt Service	(2,673,287)	(2,694,892)	21,605
Reserved for Debt Retirement	1,230,000	1,230,000	-
Reserved for Debt Service	-	-	-
COMMITTED			
Net Assets-Property and Equipment	6,386,044	6,386,044	-
Reserved for Board Policy Requirements	879,405	879,405	-
Reserved for Equipment Reserve	354,290	354,290	-
Reserved for Inventory Reserve	32,973	32,973	-
Reserved for Operations and Programs	2,000,000	2,000,000	-
ASSIGNED			
Reserved for Workers' Compensation	274,409	274,409	-
Reserved for Current Year Budgeted Reserve	61,665	55,498	6,167
Reserved for Insurance Deductibles	100,000	100,000	-
UNASSIGNED			
Unrestricted and Undesignated	1,039,334	1,039,334	-
TOTAL LIABILITIES/FUND BALANCE	15,593,817	14,729,311	864,506

TRI-COUNTY SERVICES
CONSOLIDATED BALANCE SHEET
As of June 30, 2012

	TOTALS		
	Memorandum Only		
	General Operating Funds	June 2012	FINAL August 2011
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	4,917	4,917	3,925
Cash on Deposit-General Fund	7,370,736	7,370,736	5,556,400
Cash on Deposit-Debt Fund	355,991	355,991	474,276
Accounts Receivable	1,412,579	1,412,579	1,468,854
Inventory	35,284	35,284	33,893
TOTAL CURRENT ASSETS	9,179,506	9,179,506	7,537,348
FIXED ASSETS	6,386,044	6,386,044	6,386,044
OTHER ASSETS	28,267	28,267	36,364
AMOUNT TO BE PROVIDED FOR THE RETIREMENT OF LONG TERM DEBT		-	1,647,673
TOTAL ASSETS	15,593,817	15,593,817	15,607,427
LIABILITIES, DEFERRED REVENUE, FUND BALANCES			
CURRENT LIABILITIES	1,154,658	1,154,658	1,081,898
NOTES PAYABLE	417,673	417,673	417,673
DEFERRED REVENUE	1,576,514	1,576,514	107,127
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	1,439,415	1,439,415	1,652,992
Bond Series 2004	820,000	820,000	1,230,000
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	500,724	500,724	860,675
Debt Service Fund	-	-	(3,229)
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt service-Restricted	(2,673,287)	(2,673,287)	(1,652,992)
Reserved for Debt Retirement	1,230,000	1,230,000	1,230,000
Reserved for Debt Service	-	-	477,505
COMMITTED			
Net Assets-Property and Equipment-Committed	6,386,044	6,386,044	6,386,044
Reserved for Board Policy Requirements-Committed	879,405	879,405	879,405
Reserved for Equipment Reserve-Committed	354,290	354,290	354,290
Reserved for Inventory Reserve-Committed	32,973	32,973	32,973
Reserved for Operations and Programs -Committed	2,000,000	2,000,000	2,000,000
ASSIGNED			
Reserved for Workers' Compensation-Assigned	274,409	274,409	274,409
Reserved for Current Year Budgeted Reserve -Assigned	61,665	61,665	-
Reserved for Insurance Deductibles-Assigned	100,000	100,000	-
UNASSIGNED			
Unrestricted and Undesignated	1,039,334	1,039,334	278,658
TOTAL LIABILITIES/FUND BALANCE	15,593,817	15,593,817	15,607,427

TRI-COUNTY SERVICES
Revenue and Expense Summary
For the Month Ended June 2012
and YTD as of June 2012

INCOME:	MONTH OF June 2012	YTD June 2012
Local Revenue Sources	139,167	1,533,018
Earned Income	795,420	7,839,745
General Revenue-Contract	938,478	9,222,885
TOTAL INCOME	1,873,065	18,595,648
EXPENSES:		
Salaries	964,724	9,346,397
Employee Benefits	185,124	1,859,284
Medication Expense	17,889	227,351
Travel-Board/Staff	35,492	302,580
Building Rent/Maintenance	18,570	222,451
Consultants/Contracts	394,348	3,846,635
Other Operating Expenses	186,290	1,911,082
TOTAL EXPENSES	1,802,436	17,715,781
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	70,628	879,867
CAPITAL EXPENDITURES		
Capital Outlay-FF&E, Automobiles, Building	-	12,368
Capital Outlay-Debt Service Bonds	36,798	366,775
TOTAL CAPITAL EXPENDITURES	36,798	379,143
GRAND TOTAL EXPENDITURES	1,839,234	18,094,923
Excess (Deficiency) of Revenues and Expenses	33,831	500,724

TRI-COUNTY SERVICES
Revenue and Expense Summary
Compared to Budgeted
Year to Date as of June 2012

	YTD June 2012	APPROVED BUDGET	Increase (Decrease)
INCOME:			
Local Revenue Sources	1,533,018	1,410,735	122,283
Earned Income	7,839,745	7,980,335	(140,590)
General Revenue-Contract	9,222,885	9,293,450	(70,565)
TOTAL INCOME	18,595,648	18,684,520	(88,872)
EXPENSES:			
Salaries	9,346,397	9,402,357	(55,960)
Employee Benefits	1,859,284	1,951,146	(91,862)
Medication Expense	227,351	297,587	(70,236)
Travel-Board/Staff	302,580	321,175	(18,595)
Building Rent/Maintenance	222,451	220,513	1,938
Consultants/Contracts	3,846,635	3,978,439	(131,804)
Other Operating Expenses	1,911,082	2,049,184	(138,102)
TOTAL EXPENSES	17,715,781	18,220,401	(504,620)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	879,867	464,119	415,748
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	12,368	23,670	(11,302)
Capital Outlay-Debt Service Bonds	366,775	369,351	(2,576)
TOTAL CAPITAL EXPENDITURES	379,143	393,021	(13,878)
GRAND TOTAL EXPENDITURES	18,094,923	18,613,422	(518,499)
Excess (Deficiency) of Revenues and Expenses	500,724	71,098	429,626

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	366,775	369,351	(2,576)
Bond Payments Disbursements		-	-
Interest Income			
Excess(Deficiency) of revenues over Expense:	366,775	369,351	(2,576)

TRI-COUNTY SERVICES
Revenue and Expense Summary
Compared to Budget
For the Month Ended June 2012

INCOME:	MONTH OF June 2012	APPROVED BUDGET	Increase (Decrease)
Local Revenue Sources	139,167	132,796	6,371
Earned Income	795,420	875,227	(79,807)
General Revenue-Contract	938,478	942,671	(4,193)
TOTAL INCOME	1,873,065	1,950,694	(77,629)
EXPENSES:			
Salaries	964,724	951,615	13,109
Employee Benefits	185,124	196,887	(11,763)
Medication Expense	17,889	36,997	(19,108)
Travel-Board/Staff	35,492	32,772	2,720
Building Rent/Maintenance	18,570	22,901	(4,331)
Consultants/Contracts	394,348	419,405	(25,057)
Other Operating Expenses	186,290	203,832	(17,542)
TOTAL EXPENSES	1,802,436	1,864,409	(61,973)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	70,628	86,285	(15,657)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	-	4,243	(4,243)
Capital Outlay-Debt Service Bonds	36,798	37,096	(299)
TOTAL CAPITAL EXPENDITURES	36,798	41,339	(4,542)
GRAND TOTAL EXPENDITURES	1,839,234	1,905,748	(66,514)
Excess (Deficiency) of Revenues and Expenses	33,831	44,946	(11,115)

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	36,798	37,096	(299)
Bond Payments Disbursements		-	-
Interest Income			
Excess(Deficiency) of revenues over Expenses	36,798	37,096	(299)

TRI-COUNTY SERVICES
Revenue and Expense Summary
With June 2011 Comparative Data
Year to Date as of June 2012

INCOME:	YTD June 2012	YTD June 2011	Increase (Decrease)
Local Revenue Sources	1,533,018	2,628,784	(1,095,766)
Earned Income	7,839,745	8,411,943	(572,198)
General Revenue-Contract	9,222,885	9,953,288	(730,403)
TOTAL INCOME	18,595,648	20,994,015	(2,398,367)
EXPENSES:			
Salaries	9,346,397	9,777,981	(431,584)
Employee Benefits	1,859,284	2,038,848	(179,564)
Medication Expense	227,351	337,294	(109,943)
Travel-Board/Staff	302,580	313,822	(11,242)
Building Rent/Maintenance	222,451	250,693	(28,242)
Consultants/Contracts	3,846,635	3,948,419	(101,784)
Other Operating Expenses	1,911,082	1,898,731	12,351
TOTAL EXPENSES	17,715,781	18,565,788	(850,007)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	879,867	2,428,227	(1,548,360)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	12,368	1,520,871	(1,508,503)
Capital Outlay-Debt Service Bonds	366,775	382,012	(15,237)
TOTAL CAPITAL EXPENDITURES	379,143	1,902,883	(1,523,740)
GRAND TOTAL EXPENDITURES	18,094,923	20,468,671	(2,373,748)
Excess (Deficiency) of Revenues and Expenses	500,724	525,344	(24,620)

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	366,775	382,012	(15,237)
Bond Payments Disbursements			-
Interest Income			-
Excess(Deficiency) of revenues over Expenses	366,775	382,012	(15,237)

TRI-COUNTY SERVICES
Revenue and Expense Summary
With June 2011 Comparative Data
For the Month June 2012

INCOME:	MONTH OF June 2012	MONTH OF June 2011	Increase (Decrease)
Local Revenue Sources	139,167	107,532	31,635
Earned Income	795,420	904,210	(108,790)
General Revenue-Contract	938,478	1,072,431	(133,953)
TOTAL INCOME	1,873,065	2,084,173	(211,108)
EXPENSES:			
Salaries	964,724	985,124	(20,400)
Employee Benefits	185,124	199,409	(14,285)
Medication Expense	17,889	31,349	(13,460)
Travel-Board/Staff	35,492	34,813	679
Building Rent/Maintenance	18,570	74,719	(56,149)
Consultants/Contracts	394,348	438,262	(43,914)
Other Operating Expenses	186,290	196,182	(9,892)
TOTAL EXPENSES	1,802,436	1,959,858	(157,422)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	70,628	124,315	(53,687)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	-	3,208	(3,208)
Capital Outlay-Debt Service Bonds	36,798	38,113	(1,316)
TOTAL CAPITAL EXPENDITURES	36,798	41,321	(4,524)
GRAND TOTAL EXPENDITURES	1,839,234	2,001,179	(161,945)
Excess (Deficiency) of Revenues and Expenses	33,831	82,994	(49,163)

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	36,798	38,113	(1,316)
Bond Payments Disbursements			-
Interest Income			-
Excess(Deficiency) of revenues over Expenses	36,798	38,113	(1,316)

TRI-COUNTY SERVICES
Revenue and Expense Summary
With May 2012 Comparative Data
As of June 2012

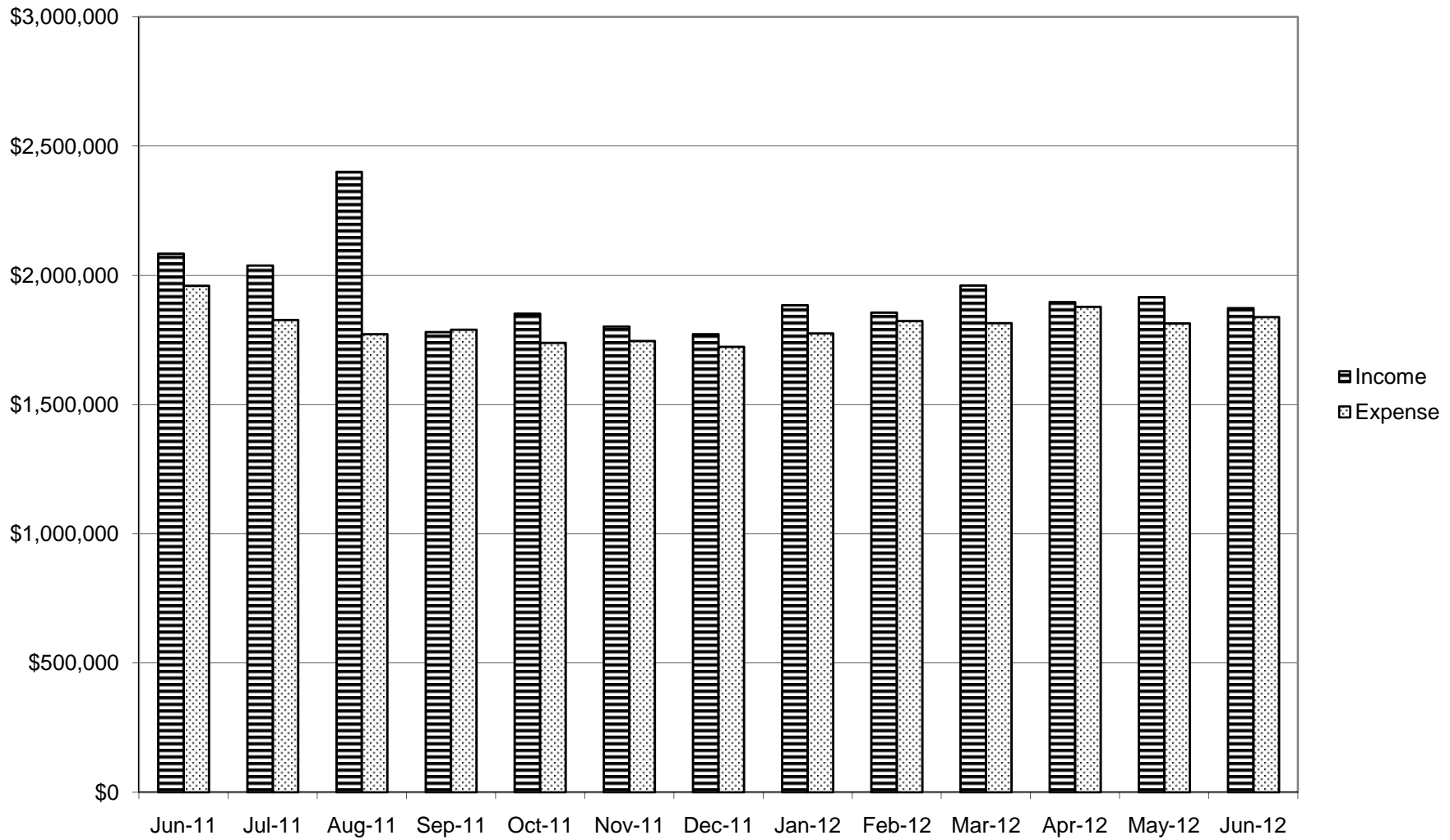
	MONTH OF June 2012	MONTH OF May 2012	Increase (Decrease)
INCOME:			
Local Revenue Sources	139,167	159,140	(19,973)
Earned Income	795,420	837,132	(41,712)
General Revenue-Contract	938,478	920,220	18,258
TOTAL INCOME	1,873,065	1,916,491	(43,427)
EXPENSES:			
Salaries	964,724	942,793	21,931
Employee Benefits	185,124	180,657	4,467
Medication Expense	17,889	24,801	(6,912)
Travel-Board/Staff	35,492	33,374	2,118
Building Rent/Maintenance	18,570	18,798	(228)
Consultants/Contracts	394,348	372,920	21,427
Other Operating Expenses	186,290	203,263	(16,972)
TOTAL EXPENSES	1,802,436	1,776,605	25,831
 Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	 70,628	 139,886	 (69,258)
 CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	-	646	(646)
Capital Outlay-Debt Service Bonds	36,798	36,798	-
TOTAL CAPITAL EXPENDITURES	36,798	37,444	(646)
 GRAND TOTAL EXPENDITURES	 1,839,234	 1,814,049	 25,185
 Excess (Deficiency) of Revenues and Expenses	 33,831	 102,442	 (68,612)

Debt Service and Fixed Asset Fund:			
Bond Payments Receipts	36,798	36,798	-
Bond Payments Disbursements			-
Interest Income			
Excess(Deficiency) of revenues over Expenses	36,798	36,798	-

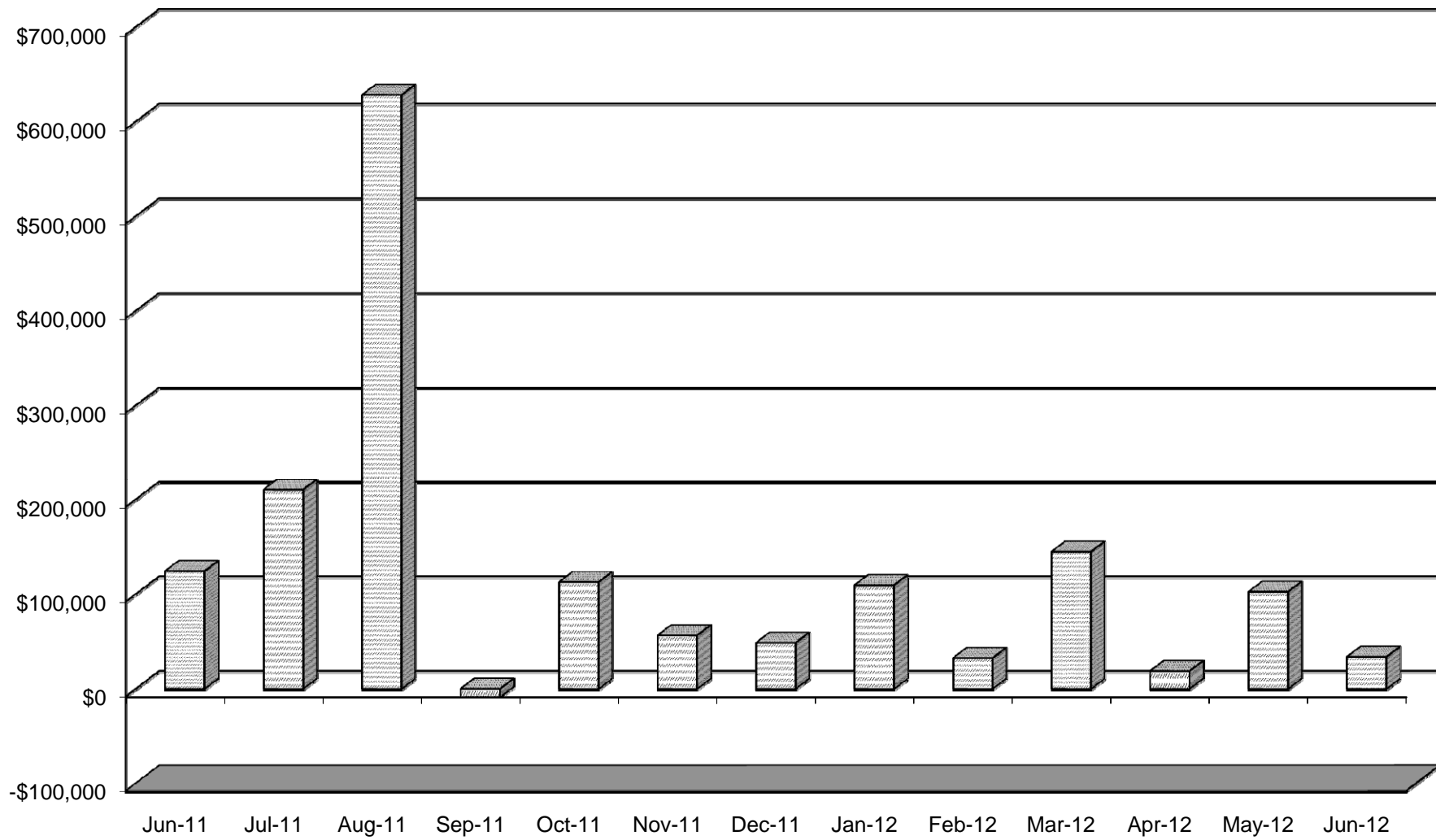
TRI-COUNTY SERVICES
Revenue and Expense Summary by Service Type
Compared to Budget
As of YTD Ended June 2012

	YTD Mental Health June 2012	YTD IDD June 2012	YTD Other Services June 2012	YTD Agency Total June 2012	YTD Approved Budget June 2012	Increase (Decrease)
INCOME:						
Local Revenue Sources	1,193,926	100,199	238,894	1,533,017	1,410,735	122,282
Earned Income	1,888,008	4,972,692	979,044	7,839,745	7,980,335	(140,590)
General Revenue-Contract	8,173,780	1,049,105	-	9,222,885	9,293,450	(70,565)
TOTAL INCOME	11,255,714	6,121,996	1,217,938	18,595,647	18,684,520	(88,873)
EXPENSES:						
Salaries	6,783,075	1,792,519	770,802	9,346,397	9,402,357	(55,960)
Employee Benefits	1,323,086	382,460	153,739	1,859,284	1,951,146	(91,862)
Medication Expense	215,364	-	11,987	227,351	297,587	(70,236)
Travel-Board/Staff	194,530	77,947	30,102	302,579	321,175	(18,596)
Building Rent/Maintenance	145,737	61,161	15,553	222,451	220,513	1,938
Consultants/Contracts	702,572	3,071,031	73,032	3,846,635	3,978,439	(131,804)
Other Operating Expenses	1,270,211	419,073	221,799	1,911,082	2,049,184	(138,102)
TOTAL EXPENSES	10,634,575	5,804,191	1,277,014	17,715,779	18,220,401	(504,622)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	621,139	317,805	(59,076)	879,868	464,119	415,749
CAPITAL EXPENDITURES						
Capital Outlay-FF&E, Automobiles	10,035	1,711	622	12,368	23,670	(11,302)
Capital Outlay-Debt Service Bonds	230,381	98,309	38,086	366,775	369,351	(2,576)
TOTAL CAPITAL EXPENDITURES	240,416	100,020	38,708	379,142	393,021	(13,878)
GRAND TOTAL EXPENDITURES	10,874,991	5,904,211	1,315,722	18,094,921	18,613,422	(518,500)
Excess (Deficiency) of Revenues and Expenses	380,723	217,785	(97,784)	500,724	71,098	429,627
Debt Service and Fixed Asset Fund:						
Bond Payments Receipts	230,381	98,309	38,086	366,775	369,351	(138,970)
Bond Payments Disbursements	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Excess(Deficiency) of revenues over Expenses	230,381	98,309	38,086	366,775	369,351	(138,970)

TRI-COUNTY SERVICES Income and Expense



TRI-COUNTY SERVICES
Income after Expense



Agenda Item: Approve FY 2012 Auditor Engagement Letter Committee: Business	Board Meeting Date July 26, 2012
Background Information: At the May 24 th Board meeting, the Board authorized staff to solicit an annual financial audit Engagement Letter from Carlos Taboada & Company, P.C. for the FY 2012 Independent Financial Audit.	
Supporting Documentation: Copy of Engagement Letter from Carlos Taboada & Company, P.C.	
Recommended Action: Approve the Engagement Letter from Carlos Taboada & Company, P.C. for the FY 2012 Independent Financial Audit	

June 18, 2012

Board of Trustees
Tri-County Services
1506 Old Montgomery Road
Conroe, Texas 77304

Ladies and gentlemen:

We are pleased to confirm our understanding of the services we are to provide for Tri-County Mental Health Mental Retardation Service, dba Tri-County Health Services, Inc. (TCS) for the year ended August 31, 2012.

We will audit the financial statements of the governmental activities, and each major fund, which collectively comprises the basic financial statements, of TCS as of and for the year ended August 31, 2012. Accounting standards generally accepted in the United State provide for certain required supplementary information (RSI), such as managements' discussion and analysis ((MD&A), to accompany TCS's basic financial statements. As part of our engagement, we will apply certain limited procedures to TCS' RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is requires by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis

Supplementary information other than RSI accompanies TCS' basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on it on relation to the basic financial statements:

1. Schedule of expenditures of federal and state awards
2. Budgetary comparison schedule of the general fund
3. Schedule of capital assets used in the operation of governmental funds

The following additional information accompanying the basic financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion.

1. Schedules included in this statistical section

We will also prepare the Federal information return (Form 990) for the year then ended.

Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements taken as a whole The objective also includes reporting on:

1. Internal control related to the financial statements and compliance with laws, regulations,

contracts and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.

2. Internal controls related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, contracts and grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and the Texas Single Audit Act.

The report on internal control and compliance will each include a statement that the report is intended solely for the information and use of management, individuals in charge of governance, others within the organization, regulatory bodies, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Amendments of 1996; the provisions of OMB Circular A-133 and the Guidelines for Financial Audits of Community MHMR Centers and will include tests of your accounting record, a determination of major programs in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such an opinion and render the required reports. If our opinion on the financial statements or the Single Audit compliance opinion is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representation contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for the preparation of the schedule of expenditures of federal and state awards in accordance with OMB Circular A-133. As part of the audit, we will assist you with preparation of your financial statements, schedule expenditures of federal and state awards and related notes. You are responsible for making all management decisions and performing all management functions relating to your financial statements, schedule of expenditures of federal and state awards, and related notes and for accepting responsibilities for such decisions. You will be required to acknowledge in the representation letter our assistance with preparation of your financial statements, the RSI, schedule of expenditures of federal and state awards and related notes prior to the issuance and have acknowledged responsibility for them. Further, you are responsible for designating an individual with suitable skill, knowledge, or experience to oversee the tax and any other nonattest services we provide; and for evaluating the adequacy and result of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities; to help ensure the appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; and for the fair presentation in the financial statements of TCS and each major fund, its financial position, changes in financial position in conformity with U.S. generally accepted accounting principle; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (a) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of the audit, and (c) unrestricted access to persons within the

organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include identifying any vendor relationships in which a vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting TCS involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting TCS received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring TCS complies with applicable laws, regulations, contracts, agreements and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule should be available for our review by September 1, 2012.

You are responsible for the preparation of the schedule of expenditures of federal and state awards in conformity with OMB Circular A-133 and the Texas Single Audit Act. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicated we reported on the schedule of federal and state awards. You also agree to include the financial statements with any presentation of the schedule of federal and state awards that include our report thereon. Your responsibilities include acknowledging to us in the representation letter that (a) you are responsible for presentation of the schedule of federal awards in accordance to OMB Circular A-133 and the Texas Single Audit Act, (b) that you believe the schedule of federal awards, including its form and content, is fairly stated in accordance with OMB Circular A-133, (c) that the methods of measurement or presentation have not changed from those used in the prior period and (d) you have disclosed to us significant assumptions or interpretations underlying the measurement or presentation of the information.

You are responsible for the preparation of the RSI and the schedules included in the statistical section, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the RSI and the schedules included in the statistical section. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (a) you are responsible for presentation of the supplementary information in accordance to GAAP, (b) that you believe the supplementary information, including its form and content, is fairly stated in accordance with GAAP, (c) that the methods of measurement or presentation have not changed from those used in the prior period and (d) you have disclosed to us significant assumptions or interpretations underlying the measurement or presentation of the information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us, previous financial audits attestation engagements, performance audits and other studies related to the objectives discussed above. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements or other studies. You are responsible for providing management's views on current findings, conclusions and recommendations, as well as the planned corrective actions for the report and for the timing and format for providing that information.

Audit Procedures

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (a) errors, (b) fraudulent financial reporting, (c) misappropriation of assets, or (d) violations of laws or governmental regulations that are attributable to TCS or to acts by management or employees acting on behalf of TCS. Because the determination of abuse is subjective, Government Auditing Standards does not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as an auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of physical existence of property and equipment, direct confirmation of receivables and certain assets and liabilities by correspondence with selected financial institutions. We will also request written representations from TCS' attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures- Internal Control

Our audit will include obtaining an understanding of TCS and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we considered relevant to preventing and detecting errors and fraud that are material to the financial statements and to prevent preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control pursuant to Government Auditing Standards.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we considered relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during we will communicate to you and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards Government Auditing Standards and OMB Circular A-133.

Audit Procedures- Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we will perform test of TCS' compliance with provisions of applicable laws, regulations, contracts, and agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express an opinion in our report on compliance issued pursuant to Government Auditing Standards.

OMB Circular A-133 requires that we plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the "OMB Circular A-133 Compliance Supplement" and the Guidelines for Financial Audits of Community MHMR Centers for the types of compliance requirements that could have a direct and material effect on each of TCS' major programs. The purpose of these procedures will be to express an opinion on TCS' compliance with the requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations and any supporting schedules and will locate any documents selected by us for testing. Your employees will also prepare the MDA and RSI and the schedules included in the statistical section.

At the conclusion of the engagement, we will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide 35 copies of the auditor's reports to you; however, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal and state awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditor's reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit. At the conclusion of the engagement, we will provide information to management as to where the reporting packages should be submitted and the number to submit.

The audit documentation for this engagement is the property of Carlos Taboada & Company, P.C. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the Texas Health and Human Service Commission (THHSC), the Inspector General, and the Government Accountability Office or their representatives for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of our personnel. Furthermore, upon request, we may provide copies of selected audit documentation to THHSC or the Government Accountability Office representatives. THHSC or the Government Accountability Office representatives may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by THHSC. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

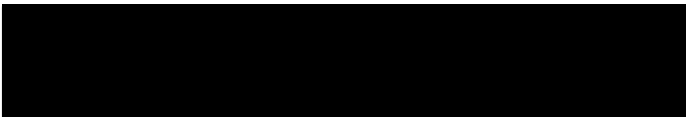
Carlos Taboada is responsible for supervising the engagement and signing the report. We expect to begin our fieldwork on August 20, 2012 and issue a draft of our report no later than January 4, 2013. We will present the audit to the Board of Trustees on January 24, 2013.

We estimate that our fees for these services will not exceed \$26,000 for the audit and the Data Collection Form and \$1,950 for the tax return. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

A solid black rectangular box used to redact the signature of Carlos Taboada.

Carlos Taboada & Company, P.C.

RESPONSE:

This letter correctly sets forth the understanding of Tri-County Services

Authorized signature: _____

Title: _____

Date: _____

Agenda Item: Approve Recommendation for Tri-County Services
Employee Health Insurance

Board Meeting Date

July 26, 2012

Committee: Business

Background Information:

Tri-County Services currently has employee health insurance coverage through Aetna that will expire on September 30, 2012. In May, 2012 Gene Darnell, Benefit Solutions, exclusive agent for Tri-County Services requested quotes for the FY 2013 employee health insurance coverage and provided fully funded plans to the Leadership Team for review. Aetna provided a rate pass on the health insurance for this year. The benefits for each plan did not change. Physicians and hospitals are all contracted through Aetna and there are sufficient doctors in all counties. While United Healthcare and Blue Cross Blue Shield provided quotes, they did not include the preventive drug coverage provided by Aetna. United Healthcare and Blue Cross Blue Shield do not offer preventive drug coverage which is very favorable to staff. The Leadership Team is recommending Aetna because the rate pass includes the preventive drug coverage. The plan options provided for employees are described below.

Aetna HSA Base Plan (C40):

The HSA Base Plan has a \$4,000/\$8,000 deductible and includes preventive medical care with coverage at 100%. The preventive prescription plan, which is included in the premium, provides for a co-pay of \$15/35/50 for prescriptions for certain medical conditions including asthma, diabetes, high blood pressure, and cholesterol prior to meeting the deductible. The HSA Base Plan will pay 100% of all medical once the deductible is met. However, employees will still be responsible for co-pays for prescription medications of \$15/35/50 after the deductible is met. The cost for the HSA Base Plan is \$450. Tri-County will pay \$360 for budgetary reasons. The cost to the employee for employee only coverage this year will be \$90 monthly. The monthly cost to the employee for employee and spouse is \$622; employee and children is \$572 and employee and family is \$1103. The HSA employee account can be administered through JPMorgan Chase Bank or through other bank choices.

Aetna HSA Middle Plan (C-15):

The HSA Middle Plan has a \$1,500/\$3,000 deductible and includes preventive medical care with coverage at 100%. The preventive prescription plan, which is included in the premium, provides for a co-pay of \$15/35/50 for prescriptions for certain medical conditions including asthma, diabetes, high blood pressure, and cholesterol prior to meeting the deductible. The HSA Buy-Up Plan will pay 80% of all medical once the deductible is met. However, employees will still be responsible for co-pays for prescription medications of \$15/35/50 after the deductible is met. The cost for the HSA Buy-Up Plan is \$573. Tri-County will pay \$360. The employee only cost is \$213 per month. The cost to the employee for employee and spouse is \$799; employee and children is \$744, and employee and family is \$1327. The HSA employee account can be administered through JPMorgan Chase Bank or through other bank choices.

Aetna PPO Plan Buy Up (OMAC PPO):

This option offers a \$2,500/\$7,500 deductible with a 70%/30% coinsurance, \$50 PCP/\$60 Specialist office co-pay and prescriptions at \$20/40/70 after a \$200 deductible. The cost of this plan is \$624.46. Tri-County will pay \$360 toward the employee only cost. The cost to the employee is \$264 per month. The cost to the employee for employee and spouse is \$876; employee and children is \$818 and employee and family is \$1430.

Supporting Documentation:

Spreadsheet – FY 2013 Health Insurance HSA and PPO Options

Recommended Action:

Approve Recommendation for Tri-County Services FY 2013 Employee Health Insurance Plans

Health Proposal for
Tri County Services
Effective October 1, 2012

Carrier Name				Aetna Current			Aetna Renewal		
Plan Network				OAMC			OAMC		
Plan Name				HSA C40 (In Network)	HSA C15 (In Network)	B15 (In Network)	HSA C40 (In Network)	HSA C15 (In Network)	B15 (In Network)
Benefit Details				Embedded	Aggregate	PPO	Embedded	Aggregate	PPO
Office Visit	B A S E	M I D D L E	H I G H	Deductible	Ded. & Coins.	\$50 Copay	Deductible	Ded. & Coins.	\$50 Copay
Specialty Doctor Office Visit				Deductible	Ded. & Coins.	\$60 Copay	Deductible	Ded. & Coins.	\$60 Copay
Preventive Care*				Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%
Individual Deductible-In Network				\$4,000	\$1,500	\$2,500	\$4,000	\$1,500	\$2,500
Family Deductible-In Network				\$8,000	\$3,000	\$7,500	\$8,000	\$3,000	\$7,500
Coinsurance				100%	80%	70%	100%	80%	70%
Individual OOP - In-Network <i>(includes deductible)</i>				\$4,000	\$2,500	\$6,000	\$4,000	\$2,500	\$6,000
Family OOP - In-Network <i>(includes deductible)</i>				\$8,000	\$5,000	\$18,000	\$8,000	\$5,000	\$18,000
Lifetime Maximum				Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
In/Out Patient Hospital Services				Deductible	Ded. & Coins.	Ded. & Coins.	Deductible	Ded. & Coins.	Ded. & Coins.
Urgent Care				Deductible	Ded. & Coins.	\$50 copay	Deductible	Ded. & Coins.	\$50 copay
Emergency Room				Deductible	Ded. & Coins.	\$150 Copay + 30%	Deductible	Ded. & Coins.	\$150 Copay + 30%
Prescriptions				Copays apply after Deductible	after deductible \$15/\$35/\$50	\$200/\$600 deductible* \$20/\$40/\$70	Copays apply after Deductible	after deductible \$15/\$35/\$50	\$200/\$600 deductible* \$20/\$40/\$70
Preventive Medications Rider				\$15/\$35/\$50	\$15/\$35/\$50	N/A	\$15/\$35/\$50	\$15/\$35/\$50	N/A
Preventive Care				*See Policy	*See Policy	N/A	*See Policy	*See Policy	N/A
Monthly Total Rate				HSA C40 (In Network)	HSA C15 (In Network)	B15 (In Network)	HSA C40 (In Network)	HSA C15 (In Network)	B15 (In Network)
Employee Only	107	24	13	\$449.91	\$572.97	\$624.46	\$449.91	\$572.97	\$624.46
Employee/Spouse	3	2	1	\$981.61	\$1,159.42	\$1,235.87	\$981.61	\$1,159.42	\$1,235.87
Employee/Children	4	1	0	\$931.91	\$1,104.59	\$1,178.72	\$931.91	\$1,104.59	\$1,178.72
Employee/Family	0	2	0	\$1,463.62	\$1,687.53	\$1,790.12	\$1,463.62	\$1,687.53	\$1,790.12
	114	29	14	\$54,812.84	\$20,549.77	\$9,353.85	\$54,812.84	\$20,549.77	\$9,353.85
Annual Total				\$1,016,598			\$1,016,598		
% Change from Current				N/A			0.0%		

*PPO Rx Deductible applies to all Tiers

Health Proposal for
Tri County Services
Effective October 1, 2012

Carrier Name				Aetna Current			BCBS - QUOTE		
Plan Network				OAMC			BLUE CHOICE NETWORK		
Plan Name				HSA C40 (In Network)	HSA C15 (In Network)	B15 (In Network)	HSA - BASE (In Network)	HSA MIDDLE (In Network)	PPO - HIGH (In Network)
Benefit Details				Embedded	Aggregate	PPO	Embedded	Aggregate	PPO
Office Visit	B A S E	M I D D L E	H I G H	Deductible	Ded. & Coins.	\$50 Copay	Deductible	Ded. & Coins.	\$50 Copay
Specialty Doctor Office Visit				Deductible	Ded. & Coins.	\$60 Copay	Deductible	Ded. & Coins.	\$60 Copay
Preventive Care*				Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%
Individual Deductible-In Network				\$4,000	\$1,500	\$2,500	\$4,000	\$1,500	\$2,500
Family Deductible-In Network				\$8,000	\$3,000	\$7,500	\$8,000	\$3,000	\$7,500
Coinsurance				100%	80%	70%	100%	80%	70%
Individual OOP - In-Network <i>(includes deductible)</i>				\$4,000	\$2,500	\$6,000	\$4,000	\$2,500	\$6,000
Family OOP - In-Network <i>(includes deductible)</i>				\$8,000	\$5,000	\$18,000	\$8,000	\$5,000	\$18,000
Lifetime Maximum				Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
In/Out Patient Hospital Services				Deductible	Ded. & Coins.	Ded. & Coins.	Deductible	Ded. & Coins.	Ded. & Coins.
Urgent Care				Deductible	Ded. & Coins.	\$50 copay	Deductible	Ded. & Coins.	\$50 copay
Emergency Room				Deductible	Ded. & Coins.	\$150 Copay + 30%	Deductible	Ded. & Coins.	\$150 Copay + Deductible + 30%
Prescriptions				Copays apply after Deductible	after deductible \$15/\$35/\$50	\$200/\$600 deductible* \$20/\$40/\$70	Deductible	after deductible \$15/\$35/\$50	\$200/\$600 deductible* \$20/\$40/\$70
Preventive Medications Rider				\$15/\$35/\$50	\$15/\$35/\$50	N/A	None	None	N/A
Preventive Care				*See Policy	*See Policy	N/A	N/A	N/A	N/A
Monthly Total Rate				HSA C40 (In Network)	HSA C15 (In Network)	B15 (In Network)	HSA - BASE (In Network)	HSA MIDDLE (In Network)	PPO - HIGH (In Network)
Employee Only	107	24	13	\$449.91	\$572.97	\$624.46	\$449.90	\$572.97	\$529.76
Employee/Spouse	3	2	1	\$981.61	\$1,159.42	\$1,235.87	\$981.61	\$1,159.42	\$1,057.25
Employee/Children	4	1	0	\$931.91	\$1,104.59	\$1,178.72	\$931.91	\$1,104.59	\$1,016.55
Employee/Family	0	2	0	\$1,463.62	\$1,687.53	\$1,790.12	\$1,463.62	\$1,687.53	\$1,390.44
	114	29	14	\$54,812.84	\$20,549.77	\$9,353.85	\$54,811.77	\$20,549.77	\$7,944.13
Annual Total				\$1,016,598			\$999,668		
% Change from Current				N/A			-1.7%		

*PPO Rx Deductible applies to all Tiers

Health Proposal for
Tri County Services
Effective October 1, 2012

Carrier Name				Aetna Current			UHC - QUOTE		
Plan Network				OAMC			CHOICE PLUS NETWORK		
Plan Name				HSA C40 (In Network)	HSA C15 (In Network)	B15 (In Network)	HSA - BASE (In Network)	HSA MIDDLE (In Network)	PPO - HIGH (In Network)
Benefit Details				Embedded	Aggregate	PPO	Embedded	Aggregate	PPO - T75-P
Office Visit	B S E	A D D L E	M I D D L E	Deductible	Ded. & Coins.	\$50 Copay	Deductible	Ded. & Coins.	\$30 Copay
Specialty Doctor Office Visit				Deductible	Ded. & Coins.	\$60 Copay	Deductible	Ded. & Coins.	\$60 Copay
Preventive Care*				Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%
Individual Deductible-In Network				\$4,000	\$1,500	\$2,500	\$4,000	\$1,500	\$2,500
Family Deductible-In Network				\$8,000	\$3,000	\$7,500	\$8,000	\$3,000	\$5,000
Coinsurance				100%	80%	70%	100%	80%	70%
Individual OOP - In-Network <i>(includes deductible)</i>				\$4,000	\$2,500	\$6,000	\$5,000	\$3,000	\$7,500
Family OOP - In-Network <i>(includes deductible)</i>				\$8,000	\$5,000	\$18,000	\$10,000	\$6,000	\$15,000
Lifetime Maximum				Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
In/Out Patient Hospital Services				Deductible	Ded. & Coins.	Ded. & Coins.	Deductible	Ded. & Coins.	Ded. & Coins.
Urgent Care				Deductible	Ded. & Coins.	\$50 copay	Deductible	Ded. & Coins.	\$75 copay
Emergency Room				Deductible	Ded. & Coins.	\$150 Copay + 30%	Deductible	Ded. & Coins.	\$200 Copay + 30%
Prescriptions				Copays apply after Deductible	after deductible \$15/\$35/\$50	\$200/\$600 deductible* \$20/\$40/\$70	after deductible \$10/\$35/\$60	after deductible \$10/\$35/\$60	\$100/\$300 deductible* \$15/\$40/\$75
Preventive Medications Rider				\$15/\$35/\$50	\$15/\$35/\$50	N/A	None	None	N/A
Preventive Care				*See Policy	*See Policy	N/A	N/A	N/A	N/A
Monthly Total Rate				HSA C40 (In Network)	HSA C15 (In Network)	B15 (In Network)	HSA - BASE (In Network)	HSA MIDDLE (In Network)	PPO - HIGH (In Network)
Employee Only	107	24	13	\$449.91	\$572.97	\$624.46	\$517.12	\$576.14	\$530.94
Employee/Spouse	3	2	1	\$981.61	\$1,159.42	\$1,235.87	\$1,127.32	\$1,255.99	\$1,157.45
Employee/Children	4	1	0	\$931.91	\$1,104.59	\$1,178.72	\$1,070.44	\$1,192.61	\$1,099.05
Employee/Family	0	2	0	\$1,463.62	\$1,687.53	\$1,790.12	\$1,680.64	\$1,872.46	\$1,725.56
Monthly Totals	114	29	14	\$54,812.84	\$20,549.77	\$9,353.85	\$62,995.56	\$21,276.87	\$8,059.67
Annual Total				\$1,016,598			\$1,107,985		
% Change from Current				N/A			9.0%		

*PPO Rx Deductible only applies to Tier 2 & 3

Agenda Item: Medicaid 1115 Transformation Waiver Committee: Business	Board Meeting Date July 26, 2012
Background Information: <p>The Medicaid 1115 Transformation Waiver offers the opportunity to improve, expand and enhance health and behavioral health services across Texas. The Health and Human Services Commission (HHSC) is overseeing this waiver and developed the criteria for participation and eligible services. The waiver has two (2) main funding components: for Uncompensated Care (UC) and Delivery System Reform Incentive Payment (DSRIP) and community centers are eligible to participate in DSRIP projects. Matching funds for these funding pools must be local dollars controlled and managed by local governmental entities and community centers were determined to be a governmental entity eligible to use certain funds for Intergovernmental transfers (IGT). Additionally, centers are eligible "performing providers", entities that can receive direct payments from HHSC. Therefore, Tri-County can participate as an IGT entity and a performing provider.</p> <p>Montgomery and Walker Counties are in Region 17 and Liberty County is in Region 2 and each region must submit their plans to HHSC by August 31, 2012. Performing providers submit their proposed DSRIP projects to their regions and the IGT entities determine which ones to financially support. We have submitted proposed DSRIP projects for both regions (a brief summary of the projects is included).</p> <p>In order to receive the DSRIP funds, each project must have measurable matrix that must be met in order to receive funding; payments are made semi-annually. For every dollar of eligible IGT funds that are used, the performing provider will receive \$1.72 federal dollar <u>and</u> the \$1 IGT used as match.</p> <p>We must determine how much of our local funds we are willing to use as IGT funds prior to the regional plan submission. If Tri-County can provide the necessary IGT funds to finance our own projects and they meet HHSC requirements for eligible DSRIP projects, then our projects are included in the regional plan.</p>	
Supporting Documentation: Summary of Proposed DSRIP Projects	
Recommended Action: Approve Tri-County's Participation in the Medicaid 1115 Transformation Waiver, Determine Funds to be Committed and Authorize the Executive Director to Commit these Funds Through the Regional Plan Approval Process	

Medicaid 1115 Transformation Waiver Delivery System Reform Incentive Payment (DSRIP)

Tri-County submitted or will submit several DSRIP projects to each of our two (2) regions. A brief summary of each of the projects is listed below:

1. Mental Health First Aid is a program to educate the community about mental illnesses and substance abuse disorders. This training assists in reducing the stigma associated with mental illness, improves mental health literacy and teaches the public to identify, understand and respond to signs of mental illnesses and substance abuse disorders.
The value of the training is as follows:
1st yr. -- \$25,500, 2nd yr. -- \$154,782 & 3-5 yrs. -- \$255,000 each
2. Treatment for Non-Priority Diagnoses -- this program will provide medication and care coordination services for individuals who normally are put on waiting lists or individuals who have a mental illness diagnosis which does not qualify them for DSHS performance contract funded services. Treatment would be provided by an Advanced Practice Nurse and/or Physician Assistant and a bachelor's level care coordinator.
The value of this program is as follows:
1st yr. -- 48,109, 2nd yr. -- 360,824 & 3-5 yrs. -- \$481,099 each
3. Mental Health Extended Observation, Evaluation and Diversion -- this program will attempt to divert additional individuals with mental illness from hospital emergency rooms and county jails by providing an alternative site for extended observation, evaluation and diversion to treatment sites that focus of mental illness intervention.
The value of this program is as follows:
1st yr. -- \$149,155, 2nd yr. -- \$845,777 & 3-5 yrs. -- \$1,491,553 each
4. Integration of Primary and Behavioral Healthcare -- this program will provide basic physical healthcare for individuals with mental illnesses who have co-occurring illnesses such as diabetes, hypertension, high cholesterol and other metabolic illnesses often associated with mental illness treatment. Treating both the physical and behavioral health needs of our clientele should improve overall health for these individuals. The physical health care treatment will be provided by a contracted primary care physician.
The value of this program is as follows:
1st yr. -- \$57,947, 2nd yr. -- \$541,679, & 3-5 yrs. -- \$579,471 each

5. Residential Substance Abuse Treatment (non-medical detoxification) -- this program will provide intensive intervention and residential treatment for adults with substance abuse disorders. In addition to improving the quality of life for these individuals, the program also will attempt to divert individuals from hospitals and jails who need detoxification and treatment. The Center will contract with an established treatment provider to manage this program and is proposing to remodel the William E. Hall building for this service.

The value of this program is as follows:

1st yr. -- \$169,737, 2nd yr. -- \$1,258,984, & 3-5 yrs. -- \$1,697,739

6. Assertive Community Treatment for Individuals with Intellectual/ Developmental Disabilities -- this program will provide intensive intervention for individuals with IDD who also have severe and often disruptive behavioral episodes. These individuals often require law enforcement intervention and hospital emergency hospital care and are occasionally admitted to inpatient hospitals to prevent harm to themselves and/or others.

The value of this program is as follows:

1st yr. -- \$28,432, 2nd yr. -- \$213,242 & 3-5 yrs. -- \$284,322

<p>Agenda Item: Approve the FY 2013 ICF Services Contract with Empowerment Options</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>July 26, 2012</p>
<p>Background Information:</p> <p>Tri-County Services has eight Intermediate Care Facilities for Persons with Developmental Disabilities (ICF/DD) homes for persons with intellectual and developmental disabilities in our service area. There are three homes in Montgomery County, four in Liberty County and one in Walker County. Empowerment Options has been the provider of these services for many years.</p> <p>Each year, staff has revised the contract to reflect changes in law and modify existing language to address any areas of concern. Tri-County and Empowerment Options staff has agreed upon contract language for the FY 2013 contract period. One significant change in the FY 2013 contract is:</p> <ul style="list-style-type: none"> • A change in the expectation for when Empowerment Options needs to train their staff in Satori Alternatives for Managing Aggression (SAMA). <p>There are no changes in the payment for services.</p> <p>These contract changes have been made in consultation with legal counsel from Jackson Walker.</p>	
<p>Supporting Documentation:</p> <p>The Complete Contract will be Available for Review at the Board Meeting</p>	
<p>Recommended Action:</p> <p>Approve the FY 2013 ICF Services Contract with Empowerment Options</p>	

<p>Agenda Item: Ratify the FY 2012-13 DSHS Contract Amendment - Private Psychiatric Hospital Civil Commitment Beds</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>July 26, 2012</p>
<p>Background Information:</p> <p>As previously discussed at various meetings, the Department of State Health Services was seeking contracts with select community centers that would sub-contract for local civil commitment beds with area private psychiatric hospitals. After lengthy, extensive and evolving discussions, DSHS offered Tri-County the opportunity to contract for five (5) such beds and we were finally able to reach mutually agreeable terms with two (2) area hospitals, Cypress Creek and Kingwood Pines. The funding is \$550/per bed/day plus ten percent (10%) for administration and contract management. The contract term is July 16, 2012 through August 31, 2013; the FY 2012 amount is \$142,175. If our average usage of these beds is significantly below five (5) per day, DSHS will recoup a portion of these funds. However, since we average more than fourteen (14) commitments per month, we do not anticipate underutilizing these beds. We are hiring two (2) additional staff to assist in the oversight and quality management of this contract as well as completing all the required reports.</p> <p>Time being of the essence, DSHS requested that we execute the contract amendment as soon as possible. I discussed this contract amendment with a few of our Board members and signed the contract upon receipt.</p>	
<p>Supporting Documentation:</p> <p>Copy of DSHS Contract Amendment</p>	
<p>Recommended Action:</p> <p>Ratify Execution of FY 2012-13 DSHS Contract Amendment - Private Psychiatric Hospital Civil Commitment Beds</p>	

DEPARTMENT OF STATE HEALTH SERVICES



This contract, number 2012-039597 (Contract), is entered into by and between the Department of State Health Services (DSHS or the Department), an agency of the State of Texas, and TRI-COUNTY MHMR SERVICES (Contractor), a Government Entity, (collectively, the Parties).

1. **Purpose of the Contract.** DSHS agrees to purchase, and Contractor agrees to provide, services or goods to the eligible populations as described in the Program Attachments.
2. **Total Amount of the Contract and Payment Method(s).** The total amount of this Contract is \$9,780,490.00, and the payment method(s) shall be as specified in the Program Attachments.
3. **Funding Obligation.** This Contract is contingent upon the continued availability of funding. If funds become unavailable through lack of appropriations, budget cuts, transfer of funds between programs or health and human services agencies, amendment to the Appropriations Act, health and human services agency consolidation, or any other disruptions of current appropriated funding for this Contract, DSHS may restrict, reduce, or terminate funding under this Contract.
4. **Term of the Contract.** This Contract begins on 09/01/2011 and ends on 08/31/2013. DSHS has the option, in its sole discretion, to renew the Contract as provided in each Program Attachment. DSHS is not responsible for payment under this Contract before both parties have signed the Contract or before the start date of the Contract, whichever is later.
5. **Authority.** DSHS enters into this Contract under the authority of Health and Safety Code, Chapter 1001.
6. **Documents Forming Contract.** The Contract consists of the following:
 - a. Core Contract (this document)
 - b. Program Attachments:
 - 2012-039597-001B Mental Health Performance Contract Notebook
 - 2012-039597-002 Psychiatric Emergency Service Center and Associated Projects
 - 2012-039597-003 Veterans Services
 - 2012-039597-004 Mental Health/Outpatient Competency Restoration
 - 2012-039597-005 Mental Health Private Psychiatric Beds
 - c. General Provisions (Sub-recipient)
 - d. Solicitation Document(s), and
 - e. Contractor's response(s) to the Solicitation Document(s).
 - f. Exhibits

Any changes made to the Contract, whether by edit or attachment, do not form part of the Contract unless expressly agreed to in writing by DSHS and Contractor and incorporated herein.

7. **Conflicting Terms.** In the event of conflicting terms among the documents forming this Contract, the order of control is first the Core Contract, then the Program Attachment(s), then the General Provisions, then the Solicitation Document, if any, and then Contractor's response to the Solicitation Document, if any.

8. **Payee.** The Parties agree that the following payee is entitled to receive payment for services rendered by Contractor or goods received under this Contract:

Name: TRI-COUNTY MHMR SERVICES

Address: PO BOX 3067

CONROE, TX 77305

Vendor Identification Number: 17600326627005

9. **Entire Agreement.** The Parties acknowledge that this Contract is the entire agreement of the Parties and that there are no agreements or understandings, written or oral, between them with respect to the subject matter of this Contract, other than as set forth in this Contract.

By signing below, the Parties acknowledge that they have read the Contract and agree to its terms, and that the persons whose signatures appear below have the requisite authority to execute this Contract on behalf of the named party.

DEPARTMENT OF STATE HEALTH SERVICES

By: 
Signature of Authorized Official


Date

Michael D. Maples, LPC, LMFT

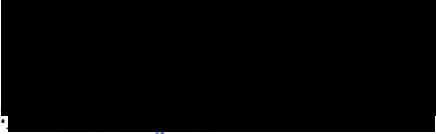
Assistant Commissioner for Mental Health
and Substance Abuse

1100 WEST 49TH STREET
AUSTIN, TEXAS 78756

512.206.5968

mike.maples@dshs.state.tx.us

TRI-COUNTY MHMR SERVICES

By: 
Signature

7/11/2012
Date

Cindy Sill, Executive Director
Printed Name and Title

P.O. Box 3067
Address

Conroe, TX 77305
City, State, Zip

(936) 521-6119
Telephone Number

CindyS@tricityservices.org
E-mail Address for Official Correspondence

CONTRACT NO.07/16/2012
PROGRAM ATTACHMENT NO.005
PURCHASE ORDER NO. 0000385671

CONTRACTOR: TRI-COUNTY MHMR SERVICES

DSHS PROGRAM: Mental Health Private Psychiatric Beds

TERM: 07/16/2012

THRU: 08/31/2013

SECTION I. STATEMENT OF WORK

A. GENERAL:

1. Contractor shall expend funds allocated under this Program Attachment on the provision of inpatient mental health services at a licensed psychiatric hospital (the Hospital).
2. Contractor shall require the Hospital to provide Contractor with evidence that it maintains, throughout the term of this Program Attachment, a license as a private psychiatric hospital in accordance with Chapter 577 of the Texas Health and Safety Code and with 25 Texas Administrative Code Chapter 134, concerning Private Psychiatric Hospitals and Crisis Stabilization Units, or a General or Special Hospital in accordance with Chapter 241 of the Texas Health and Safety Code and with 25 Texas Administrative Code Chapter 133, concerning Hospital Licensing
3. Contractor shall require the Hospital to provide Contractor with evidence that it maintains its accreditation with The Joint Commission (TJC) as a hospital throughout the term of this Program Attachment.
4. Contractor shall designate a point of contact who shall be responsible for all communication, correspondence, and reporting to the Department of State Health Services (DSHS) and who must accompany DSHS personnel on all site visits scheduled with the Hospital during the term of this Program Attachment.
5. Contractor shall require the Hospital to notify Contractor no later than 90 days prior to discontinuing the provision of inpatient mental health services received at the Hospital.
6. If Contractor determines that the safety and well-being of patients served by the Hospital is in jeopardy, Contractor shall make arrangements to transfer the patients to another hospital that meets the requirements outlined in Section I. A. 2. and 3. of this Program Attachment and shall notify DSHS immediately.
7. Funds allocated and paid under this Program Attachment, together with any available third-party insurance, indigent care programs, or other local medical care programs, must cover the costs for all medical care and treatment, including the cost of psychiatric and physician services and all non-prescription and prescription medications incurred by or on behalf of patients admitted to the Hospital. Contract inpatient hospitals will be directly responsible for covering the costs of onsite medical care and treatment. This includes all on-site medical care and treatment, as well as all outside medical care and treatment, emergency

room and hospitalization costs, as well as any and all charges by specialists, consultants, and laboratories, incurred by or on behalf of patients admitted. No additional DSHS funds will be made available for this purpose. If the medical condition requires emergency room and/or outside hospital treatment, the contract inpatient hospital may utilize their normal arrangements of ensuring the patient will receive the necessary medical care, at no additional charges to the contractor under this contract. The contract inpatient hospital may implement customary discharge and readmission processes, when the medical treatment issue has been sufficiently resolved, to permit continuation of necessary psychiatric inpatient treatment. The private hospital may exercise discretion in evaluating medical clearance consistent with DSHS medical exclusionary criteria when making admission decisions.

8. Contractor shall not use funds allocated under this Program Attachment to pay the cost of services provided to patients admitted to the Hospital who do not meet the requirements specified in Section B. of this Program Attachment.
9. During the term of this Program Attachment, DSHS will evaluate demand and utilization based upon occupancy within the county(ies) served. If DSHS determines that demand and utilization within the county(ies) served does not align with the total amount allocated to Contractor under this Program Attachment, then, with 45 days notice, DSHS may reduce, or increase funding to address statewide need.

B. CAPACITY AND PATIENTS SERVED:

1. Contractor shall purchase bed days, as needed, to manage utilization of the available capacity.
2. Five beds will be reduced by DSHS from Contractor's State Hospital Allocation Methodology.
3. The local service area for patients served under this Program Attachment includes the following county(ies): Liberty, Montgomery, WalkerLiberty, Montgomery, Walker
4. Contractor shall require the Hospital to serve patients who present either voluntarily or through the civil commitment process.
5. Contractor shall serve as the gatekeeper for patients served under this Program Attachment, and shall establish a process for approving patient admissions to, and continued stay at, the Hospital. This process must incorporate provisions that allow the Hospital to conduct medical screening evaluations, make medical condition determinations, and admit individuals who either present voluntarily or through the civil commitment process.
6. A patient is not eligible for admission to the Hospital if the patient is adjudicated incompetent to stand trial pursuant to Texas Code of Criminal Procedure, Article 46B.073(d), Article 46B.080, or Article 46B.102, or if pending charges make the patient eligible for maximum security admission pursuant to Texas Code of Criminal Procedure, Article 46B.073(c) or Article 46B.104.

C. COMPLIANCE WITH APPLICABLE LAW:

Contractor shall require the Hospital to comply with all applicable state and federal laws and regulations related to:

1. The provision of inpatient mental health services, including, but not limited to:
 - a. Emergency Medical Treatment and Labor Act of 1986;
 - b. Texas Health and Safety Code Chapters 241, 571, 575, 576, and 577; and
 - c. Title 25 Texas Administrative Code:
 - i. Chapter 133 (relating to Hospital Licensing)
 - ii. Chapter 134 (relating to Private Psychiatric Hospitals and Crisis Stabilization Units);
 - iii. Chapter 404, Subchapter E (relating to Rights of Persons Receiving Mental Health Services);
 - iv. Chapter 405, Subchapter E (relating to Electroconvulsive Therapy);
 - v. Chapter 411, Subchapter J (relating to Standards of Care and Treatment in Psychiatric Hospitals);
 - vi. Chapter 414, Subchapter I (relating to Consent to Treatment with Psychoactive Medication – Mental Health Services); and
 - vii. Chapter 415, Subchapter F (relating to Interventions in Mental Health Programs).
2. Medications and medication-related services provided to patients served under this Program Attachment as specified in Title 25 Texas Administrative Code, Chapter 415 C (relating to Use and Maintenance of TDMHMR Drug Formulary).

D. OVERSIGHT REQUIREMENTS:

Contractor shall:

1. Develop written oversight policies and procedures, by which Contractor and the Hospital will manage the admission, service delivery, continuity of care and discharge requirements outlined in Section F. of this Program Attachment, coordinate with other local mental health authorities (LMHAs) affected by this Program Attachment, and report to DSHS in accordance with the terms and conditions of this Program Attachment; and
2. Develop and enter into written agreements with other LMHAs affected by this Program Attachment, if applicable, that specify the processes by which patients are to be admitted, served and discharged, and how services are reported in accordance with the terms and conditions of this Program Attachment.

E. DATA COLLECTION AND REPORTING

1. Contractor shall require the Hospital to collect data and other information that is sufficient to report on the indicators identified in Exhibit A (Performance Indicators) in accordance with the schedule outlined in Exhibit A (Performance Indicators).
2. Contractor shall budget and report expenditure data on the Client Assignment and Registration (CARE) Report III within the Community Hospital strategy C.2.1.1 using line 758 Other General Revenue - DSHS.
3. Contractor shall ensure that patient registration, diagnostics, admission and discharge data is reported by using the CARE screens and action codes listed below. For details related to

the use of these screens and action codes, Contractor can refer to the CARE Reference Manual at <http://www2.mhmr.state.tx.us/655/cis/training/CAREguide.html>:

- a. Screen: Campus-Based Assignments (Add/Change/Delete), Action Code: 305;
- b. Screen: Campus-Based Discharge/Community Placement (Add/Change/Delete), Action Code: 310;
- c. Screen: Joint Community Support Plan (Add/Change/Delete), Action Code: 312;
- d. Screen: Register Client, Action Code: 325;
- e. Screen: Diagnostics (Add/Change/Delete), Action Code: 330;
- f. Screen: Voluntary Admission and Commitment (Add/Change/Delete), Action Code 332; and
- g. Screen: Campus-Based Residential Ward/Dorm (Add/Change/Delete), Action Code 615.

F. ADMISSION, CONTINUITY OF CARE, AND DISCHARGE REQUIREMENTS

1. Contractor shall ensure that the Hospital provides a full array of services that comply with the following principles for treatment:
 - a. Effective, responsive, individualized, and least restrictive treatment;
 - b. Treatment and care through the development and implementation of a Comprehensive Treatment Plan and corresponding intervention(s) including but not limited to:
 - i. A reasonable and appropriate discharge plan that is jointly developed by the LMHA and the Hospital; and
 - ii. Communication that will facilitate the exchange of information needed to accomplish common Utilization Management activities.
 - c. Promotion of recovery, independence, and self-sufficiency;
 - d. Health Insurance Portability and Accountability Act of 1996 (HIPAA) privacy rules;
 - e. Comprehensive client/patient rights consistent with regulatory and TJC requirements;
 - f. Interdisciplinary, goal-directed and evidence-based treatment;
 - g. Behavior management program;
 - h. Culturally competent treatment; and
 - i. Telemedicine provided in accordance with applicable rules and regulations.
2. Contractor shall ensure that the Hospital demonstrates efforts to reduce restraint and seclusion by adopting and implementing the following restraint/seclusion reduction tools:
 - a. Using assessment tools to identify risk factors for violence and seclusion and restraint history;
 - b. Using a trauma assessment;
 - c. Using tools to identify persons with risk factors for death and injury;
 - d. Using de-escalating or safety surveys; and
 - e. Making environmental changes to include comfort and sensory rooms and other meaningful clinical interventions that assist people in emotional self-management.
3. Contractor shall ensure that the Hospital complies with the following standards regarding Admission, Continuity of Care and Discharge:
 - a. The Hospital must not allow admissions without prior LMHA/Contractor approval;
 - b. When the Hospital admits a patient, a physician must issue and sign a written order admitting the patient;
 - c. The Hospital must conduct an intake process as soon as possible, but not later than 24 hours after the patient is admitted;

- d. When the Hospital admits a patient, the Hospital must promptly notify the designated LMHA of the admission and the admission status;
- e. Upon admission of a patient to the Hospital, the Hospital and the designated LMHA must begin discharge planning for the patient;
- f. Discharge planning must involve the Hospital treatment team, the designated LMHA liaison staff or other LMHA-designated staff, the designated mental retardation authority (MRA) liaison staff if appropriate, the patient, the patient's legally authorized representative (LAR), if any, and any other individual authorized by the patient;
- g. Discharge planning must include, at a minimum, the following activities:
 - i. A determination of the following:
 - 1. The amount of medication that will be provided upon discharge or transfer, and the amount of medication the patient will need after discharge or transfer until the patient is evaluated by a physician; and
 - 2. The name of the individual or entity responsible for providing and paying for the medication needed after discharge or transfer until the patient is evaluated by a physician; and
 - ii. Development of a transportation plan.

SECTION II. PERFORMANCE MEASURES:

The following performance measures will be used to assess, in part, Contractor's effectiveness in providing the services described in this Program Attachment, without waiving the enforceability of any of the terms of this Program Attachment:

- A. Contractor shall submit to DSHS the name of the designated point of contact who will be responsible for all communication, correspondence, and reporting to DSHS no later than 15 days after this Contract is executed.
- B. Contractor shall complete and submit CARE Report III in accordance with Information Item D and submission timelines as outlined in Information Item S of the 2012-2013 DSHS Performance Contract Forms.
- C. No later than October 15, 2012 for FY12 and October 15, 2013 for FY13, Contractor shall report to DSHS the total amount paid to the Hospital for services provided under this Program Attachment, and the total amount used by Contractor for the administration of the provision of services under this Program Attachment. If the funding paid by DSHS exceeds the total paid to the Hospital plus the total used by Contractor for administration, Contractor shall return to DSHS the unspent funds paid under this Program Attachment. Contractor's duty to submit reports survives the termination or expiration of this Program Attachment.
- D. Contractor shall electronically submit to the DSHS Contract Manager the reports, data and other information identified in Exhibit A (Performance Indicators) in accordance with the schedule outlined in Exhibit A (Performance Indicators).
- E. All reports, documentation, and other information required of Contractor by this Program Attachment must be sent to the address listed below. Where electronic submission is determined acceptable by DSHS, reports, documentation, and other information required of Contractor must be sent electronically to the Performance.Contracts@dshs.state.tx.us email address, as well as to the assigned DSHS Contract Manager.

Department of State Health Services
Contract Management Unit (Mail Code 2058)
909 West 45th Street, Bldg. 4, Austin, TX78751
P.O. Box 149347, Austin, TX78714-9347
Fax: (512) 206-5782

SECTION III. SOLICITATION DOCUMENT:

Exempt – Governmental Entity

SECTION IV. RENEWALS:

N/A

SECTION V. PAYMENT METHOD:

Periodic Allocations

SECTION VI. BILLING INSTRUCTIONS

N/A

SECTION VII. BUDGET

- A. Payment for services provided in accordance with the terms and conditions of this Program Attachment will be made in one lump sum payment upon execution of the contract.
- B. Total payments made under this Program Attachment shall not exceed \$142,175.00.
- C. The amount expended by Contractor for administration of the provision of services under this Program Attachment must not exceed 10% of the total allocation.

DUNS#: 102639093

SOURCE OF FUNDS: State

SECTION VIII. SPECIAL PROVISIONS:

N/A

<p>Agenda Item: Ratify Contract Amendments for Kingwood Pines and Cypress Creek Hospitals</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>July 26, 2012</p>
<p>Background Information:</p> <p>After extensive negotiations, we were able to reach mutually agreeable terms with both Kingwood Pines and Cypress Creek hospitals to provide treatment for individuals civilly committed for treatment in lieu of treatment at Rusk State Hospital. Heather Robison did outstanding work in these negotiations and worked very diligently to reach agreement. DSHS is providing the funds for these services and provided an amendment to the Center's FY 2012-13 performance contract (separate agenda item).</p> <p>The terms of the amendment were reviewed and discussed with Ms. Alverson, Jackson Walker. DSHS was anxious that these services begin as soon as possible once the terms were negotiated and these contract amendments were executed.</p>	
<p>Supporting Documentation:</p> <p>Copy of Amendment Available at Board Meeting</p>	
<p>Recommended Action:</p> <p>Ratify Execution of Contract Amendments with Kingwood Pines and Cypress Creek Hospitals for Civil Commitment Psychiatric Inpatient Treatment</p>	

Agenda Item: 3 rd Quarter FY 2012 Quarterly Investment Report	Board Meeting Date
Committee: Business	July 26, 2012
Background Information:	
<p>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.</p>	
Supporting Documentation:	
Quarterly TexPool Investment Report	
Quarterly Interest Report	
Recommended Action:	
For Information Only	

QUARTERLY INVESTMENT REPORT TEXPOOL FUNDS

For the Period Ending May 31, 2012

GENERAL INFORMATION

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.

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 Chase Bank of Texas National Association; its parent company, The Chase Manhattan Bank; and the First Southwest Asset Management, Inc. 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, advises 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 maturity of 13 months;

Fully collateralized repurchase agreements and reverse repurchase agreements with a defined termination date not to exceed 90 days, secured by any obligation of the United States, its agencies or its instrumentalities. These agreements may be placed only with primary government securities dealers, state or national banks doing business in the State of Texas.

No-load money market mutual funds are 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 60 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 and the maximum maturity for any individual security in the portfolio is limited to thirteen (13) months.

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	March	April	May
Uninvested Balance	(850.11)	1,611.021	781.40
Accrual of Interest Income	6,733,651.43	7,779,270.11	8,435,159.60
Interest and Management Fees Payable	(1,717,115.19)	(1,527,092.74)	(1,694,987.80)
Payable for Investments Purchased	0.00	0.00	(50,000,000.00)
Repurchase Agreements	9,687,241,900.00	9,211,287,700.00	8,828,029,150.00
Mutual Fund Investments	0.00	0.00	0.00
Government Securities	7,007,975,895.84	6,828,963,688.68	6,406,926,401.58
U.S. Treasury Bills	0.00	0	0
U.S. Treasury Notes	401,384,800.00	401,072,300.00	400,744,150.00
TOTAL	\$17,101,618,281.97	\$16,447,577,477.07	\$15,592,440,654.78

Book Value for the Period

Type of Asset	Beginning Balance	Ending Balance
Uninvested Balance	(37,701.53)	781.40
Accrual of Interest Income	4,731,181.74	8,435,159.60
Interest and Management Fees Payable	(1,388,055.32)	(1,694,987.80)
Payable for Investments Purchased	0.00	(50,000,000.00)
Repurchase Agreements	10,900,261,000.00	8,828,049,000.00
Mutual Fund Investments	0.00	0.00
Government Securities	6,333,176,746.43	6,405,855,754.65
U.S. Treasury Bills	299,997,083.34	0
U.S. Treasury Notes	301,118,274.24	400,736,525.57
TOTAL	\$17,837,858,528.90	\$15,591,382,233.42

Portfolio by Maturity as of May 31, 2012

1 to 7 days	8 to 90 day	91 to 180 days	181 + days
63.37%	22.5%	8.2%	6.0%

Portfolio by Type of Investments as of May 31, 2012

Agencies	Mutual Funds	Repurchase Agreements	Treasuries
41.0%	None	56.4%	2.6%

SUMMARY INFORMATION

On a simple daily basis, the monthly average yield was 0.12% for March, 0.11% for April and 0.12% for May.

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 May 31, 2012 was 41 days.

The net asset value as of May 31, 2012 was 1.00007.

The total amount of interest distributed to participants during the period was \$1,695,141.22.

This quarter TexPool interest rates 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 2,265.

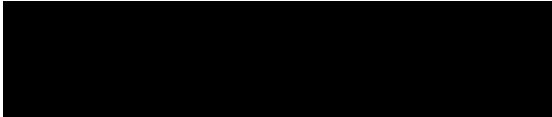
Funds assets are safe kept at the State Street Bank in the name of TexPool in a custodial account.

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

Submitted by:


Millie McDuffey
Chief Financial Officer / Investment Officer


Date


Cindy Smith
Executive Director / Investment Officer


Date

**TRI-COUNTY SERVICES
QUARTERLY INTEREST EARNED REPORT
FISCAL YEAR 2012
AS OF MAY 2012**

BANK NAME	INTEREST EARNED				
	1st QTR.	2nd QTR.	3rd QTR.	4th QTR.	YTD TOTAL
Alliance Bank - Central Texas CD-3/29/12			\$ 455.67		\$ 455.67
Citizens 1st Bank CD-3/30/12			\$ 211.58		\$ 211.58
First Liberty National Bank	\$ 24.23	\$ 24.61	\$ 25.16		\$ 74.00
First Liberty National Bank CD-5/1/12			\$ 184.93		\$ 184.93
JP Morgan Chase (HBS)	\$ 527.60	\$ 2,042.19	\$ 1,514.17		\$ 4,083.96
Prosperity Bank	\$ 11.85	\$ 11.37	\$ 11.65		\$ 34.87
TexPool Participants	\$ 155.72	\$ 141.47	\$ 194.27		\$ 491.46
Redeemed 10/21/11 Hillcrest Bank	\$ 392.70	\$ -			\$ 392.70
Tradition Bank	\$ 9,843.98	\$ 10,059.82	\$ 9,633.63		\$ 29,537.43
Total Earned	\$ 10,956.08	\$ 12,279.46	\$ 12,231.07	\$ -	\$ 35,466.61

Agenda Item: May & June 2012 Board of Trustees' Unit Financial Statements Committee: Business	Board Meeting Date July 26, 2012
Background Information: None	
Supporting Documentation: May & June 2012 Board of Trustees' Unit Financial Statements	
Recommended Action: For Information Only	

Unit Financial Statement

FY 2012

	May 12 Actuals	May 12 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues								
80103998 Allocated Revenue	\$ 2,804.00	\$ 2,804.00	\$ -	\$ 25,233.00	\$ 25,233.00	\$ -	100.00%	\$ 33,645.00
Total Revenue	\$ 2,804.00	\$ 2,804.00	\$ -	\$ 25,233.00	\$ 25,233.00	\$ -	100.00%	\$ 33,645.00
Expenses								
80105030 Application Fees	\$ -	\$ -	\$ -	\$ 4.50	\$ -	\$ 4.50	0.00%	\$ -
80105275 Food Items	\$ 159.88	\$ 183.00	\$ (23.12)	\$ 1,447.06	\$ 1,651.00	\$ (203.94)	87.65%	\$ 2,200.00
80105320 Insurance-Worker Compensation	\$ 23.66	\$ 18.00	\$ 5.66	\$ 119.42	\$ 166.00	\$ (46.58)	71.94%	\$ 220.00
80105388 Legal Fees	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 13,500.00	\$ 13,500.00	\$ -	100.00%	\$ 18,000.00
80105415 Miscellaneous Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
80105605 Postage-Express Mail	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
80105715 Supplies - Office	\$ 11.20	\$ 15.00	\$ (3.80)	\$ 64.20	\$ 135.00	\$ (70.80)	47.56%	\$ 180.00
80105750 Training	\$ 1,590.00	\$ 369.00	\$ 1,221.00	\$ 1,590.00	\$ 3,318.00	\$ (1,728.00)	47.92%	\$ 4,425.00
80105755 Travel - Local	\$ 155.53	\$ 100.00	\$ 55.53	\$ 671.59	\$ 900.00	\$ (228.41)	74.62%	\$ 1,200.00
80105757 Travel - Non-local Mileage/Air	\$ -	\$ 167.00	\$ (167.00)	\$ 942.11	\$ 1,500.00	\$ (557.89)	62.81%	\$ 2,001.00
80105758 Travel - Non-local Hotel	\$ -	\$ 377.00	\$ (377.00)	\$ 959.78	\$ 3,388.00	\$ (2,428.22)	28.33%	\$ 4,519.00
80105759 Travel - Meals	\$ -	\$ 75.00	\$ (75.00)	\$ 258.56	\$ 675.00	\$ (416.44)	38.31%	\$ 900.00
Total Expenses	\$ 3,440.27	\$ 2,804.00	\$ 636.27	\$ 19,557.22	\$ 25,233.00	\$ (5,675.78)	77.51%	\$ 33,645.00
Total Revenue minus Expenses	\$ (636.27)	\$ -	\$ (636.27)	\$ 5,675.78	\$ -	\$ 5,675.78	22.49%	\$ -

Unit Financial Statement

FY 2012

	June 12 Actuals	June 12 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues								
80103998 Allocated Revenue	\$ 2,804.00	\$ 2,804.00	\$ -	\$ 28,037.00	\$ 28,037.00	\$ -	100.00%	\$ 33,645.00
Total Revenue	\$ 2,804.00	\$ 2,804.00	\$ -	\$ 28,037.00	\$ 28,037.00	\$ -	100.00%	\$ 33,645.00
Expenses								
80105030 Application Fees	\$ -	\$ -	\$ -	\$ 4.50	\$ -	\$ 4.50	0.00%	\$ -
80105275 Food Items	\$ 192.22	\$ 183.00	\$ 9.22	\$ 1,639.28	\$ 1,834.00	\$ (194.72)	89.38%	\$ 2,200.00
80105320 Insurance-Worker Compensation	\$ 4.51	\$ 18.00	\$ (13.49)	\$ 123.93	\$ 184.00	\$ (60.07)	67.35%	\$ 220.00
80105388 Legal Fees	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	100.00%	\$ 18,000.00
80105415 Miscellaneous Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
80105605 Postage-Express Mail	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
80105715 Supplies - Office	\$ -	\$ 15.00	\$ (15.00)	\$ 64.20	\$ 150.00	\$ (85.80)	42.80%	\$ 180.00
80105750 Training	\$ -	\$ 369.00	\$ (369.00)	\$ 1,590.00	\$ 3,687.00	\$ (2,097.00)	43.12%	\$ 4,425.00
80105755 Travel - Local	\$ -	\$ 100.00	\$ (100.00)	\$ 671.59	\$ 1,000.00	\$ (328.41)	67.16%	\$ 1,200.00
80105757 Travel - Non-local Mileage/Air	\$ 1,178.32	\$ 167.00	\$ 1,011.32	\$ 2,120.43	\$ 1,667.00	\$ 453.43	127.20%	\$ 2,001.00
80105758 Travel - Non-local Hotel	\$ 1,956.45	\$ 377.00	\$ 1,579.45	\$ 2,916.23	\$ 3,765.00	\$ (848.77)	77.46%	\$ 4,519.00
80105759 Travel - Meals	\$ 161.31	\$ 75.00	\$ 86.31	\$ 419.87	\$ 750.00	\$ (330.13)	55.98%	\$ 900.00
Total Expenses	\$ 4,992.81	\$ 2,804.00	\$ 2,188.81	\$ 24,550.03	\$ 28,037.00	\$ (3,486.97)	87.56%	\$ 33,645.00
Total Revenue minus Expenses	\$ (2,188.81)	\$ -	\$ (2,188.81)	\$ 3,486.97	\$ -	\$ 3,486.97	12.44%	\$ -

UPCOMING MEETINGS

August 30th, 2012 - Board Meeting

- Approve Minutes from July 26, 2012 Board Meeting
- Approve Goals & Objectives for FY 2013
- Community Resources Report for July 2012
- Consumer Services Report for July 2012
- Program Updates for July 2012
- Program Presentation - Veteran Services
- Annual Election of FY 2013 Board Officers
- Executive Director's Evaluation, Compensation & Contract for FY 2013
- Nominations for the Texas Council Risk Management Fund's Board of Trustees
- Personnel Report for July 2012
- Texas Council Quarterly Board Meeting Update
- Approve July 2012 Financial Statements
- Approve FY 2012 Year End Budget Revision
- Approve Proposed FY 2013 Operating Budget
- Approve Amendment to the FY 2012-2013 Department of State Health Services Performance Contract
- Approve Amendment to the FY 2012-2013 Department of Aging & Disability Services Performance Contract
- Approve FY 2013 Kingwood Pines Inpatient Hospital Contract
- Approve FY 2013 Cypress Creek Inpatient Hospital Contract
- Approve FY 2013 Avail Solutions Contract
- Board of Trustees' Unit Financial Statements for July 2012
- Other Business Committee Issues

September 27th, 2012 - Board Meeting

- Approve Minutes from August 30, 2012 Board Meeting
- Longevity Recognition Presentations
- Reappoint Mental Health Planning Network Advisory Committee Members
- Reappoint Intellectual & Developmental Disabilities Planning Network Advisory Committee Members
- Community Resources Report for August 2012
- Consumer Services Report for August 2012
- Program Updates for August 2012
- Annual Corporate Compliance & Quality Management Report
- 1st Quarter FY 2013 Corporate Compliance Training
- Annual Planning Network Advisory Committee Reports
- Final FY 2012 Goals & Objectives Progress Report
- Program Presentation
- Appoint Texas Council Representative and Alternate for FY 2013
- Board of Trustees Reappointments and Oaths of Office
- Board of Trustees Committee Appointments
- Personnel Report for August 2012
- Analysis of Board Members Attendance for FY 2012 Regular & Called Board Meetings
- Review August 2012 Financial Statements
- 401(a) Account Review
- Board of Trustees' Unit Financial Statement for August 2012
- Montgomery Supported Housing, Inc. Quarterly Update
- Cleveland Supported Housing, Inc. Quarterly Update
- Other Business Committee Issues