

Tri-County Behavioral Healthcare Board of Trustees Meeting

July 30, 2015



Notice is hereby given that a regular meeting of the Board of Trustees of Tri-County Behavioral Healthcare will be held on Thursday, July 30, 2015. The Business Committee will convene at 8:30 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 10:05 a.m.

AGENDA

I. Organizational Items

- A. Chairman Calls Meeting to Order
- B. Public Comment
- C. Quorum
- D. Review & Act on Requests for Excused Absence

II. Longevity Recognition Presentations

III. Approve Minutes - May 28, 2015

IV. Executive Director's Report - Evan Roberson

- A. DSHS
 - 1. PETC Facility Review
 - 2. Substance Abuse Outreach, Screening, Assessment & Referral Hotline
 - 3. Crisis Need Assessments
 - 4. Certified Community Behavioral Health Center
- B. DADS
 - 1. IDD Authority Services Corrective Action Plan Review
 - 2. PASRR Service Provision
- C. Walker & Montgomery County Budget Hearings
- D. Radio Appearances
- E. Foundation Board
- F. Anasazi Human Resources/Fiscal Software
- G. Independence Oaks Grand Opening

V. Chief Financial Officer's Report - Millie McDuffey

- A. FY 2016 Budget Process
- B. Mobile Clinic Update
- C. Year End Budget Revision
- D. FY 2015 Audit
- E. Fixed Asset Inventory
- F. FEMA Audit
- G. Liability Insurance Coverage

VI. Program Committee

Information Items

- A. Community Resources Report..... *Pages 10-12*
- B. Consumer Services Reports for May & June 2015..... *Pages 13-15*
- C. Program Updates..... *Pages 16-19*
- D. Year-to-Date FY 2015 Goals & Objectives Progress Report..... *Pages 20-24*
- E. 3rd Quarter FY 2015 Corporate Compliance & Quality Management Report..... *Pages 25-27*
- F. 4th Quarter FY 2015 Corporate Compliance Training..... *Pages 28-30*
- G. Medicaid 1115 Transformation Waiver Project Status Report..... *Pages 31-33*

VII. Executive Committee

Action Items

- A. Appoint Nominating Committee for FY 2016 Board Officers..... *Page 34*
B. Appoint Executive Director Evaluation Committee..... *Page 35*

Information Items

- C. Personnel Reports for May & June 2015..... *Pages 36-42*
D. Texas Council Risk Management Fund Claim Summaries for May & June 2015..... *Pages 43-45*

VIII. Business Committee

Action Items

- A. Approve May 2015 Financial Statements..... *Pages 46-58*
B. Approve June 2015 Financial Statements..... *Pages 59-72*
C. Approve FY 2015 Audit Engagement Letter..... *Pages 73-80*
D. Approve Participation in Texas Council Risk Management Fund Minimum Contribution
Plan for Workers' Compensation Coverage..... *Pages 81-82*
E. Approve Recommendation for Tri-County Employee Health Insurance & Ancillary Plans..... *Pages 83-85*
F. Approve FY 2014-2015 DADS Performance Contract Amendment Packet #6..... *Page 86*
G. Approve FY 2015 DSHS Performance Contract Amendment..... *Page 87*
H. Approve FY 2015 DSHS Youth Empowerment Services Performance Contract
(Authority Services) #2015-046617-010..... *Pages 88-89*
I. Approve FY 2015 DSHS Youth Empowerment Services Provider Agreement
General Revenue Expansion Contract #2015-047922-001..... *Page 90*
J. Approve FY 2015 Contract Amendment for Cypress Creek Hospital..... *Page 91*
K. Approve 2000 Panther Lane, Liberty, Texas Cost Overruns..... *Pages 92-93*
L. Approve Extension of Option for Consolidated Montgomery County Site and/or Approve
Property Purchase of Sgt. Ed Holcomb Drive..... *Pages 94-113*

Information Items

- M. 3rd Quarter FY 2015 Investment Report..... *Pages 114-118*
N. Board of Trustees Unit Financial Statements for May & June 2015..... *Pages 119-121*
O. Review Intermediate Care Facility Requests for Proposal Responses & Determine
Next Steps..... *Page 122*
P. Montgomery Supported Housing, Inc. Update..... *Page 123*
Q. Cleveland Supported Housing, Inc. Monthly Update..... *Pages 124-134*

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

Posted By:

Stephanie Eveland
Executive Assistant

Tri-County Behavioral Healthcare

P.O. Box 3067
Conroe, TX 77305

BOARD OF TRUSTEES MEETING

May 28, 2015

Board Members Present:

Brad Browder
Sharon Walker
Tracy Sorensen
Patti Atkins
Richard Duren
Morris Johnson
Cecil McKnight
Jacob Paschal

Board Members Absent:

Janet Qureshi

Tri-County Staff Present:

Evan Roberson, Executive Director
Millie McDuffey, Chief Financial Officer
Kenneth Barfield, Director of Management Information Systems
Tanya Bryant, Director of Quality Management and Support
Amy Foerster, Director of Human Resources
Kathy Foster, Director of IDD Provider Services
Catherine Prestigiovanni, Behavioral Health Director
Breanna Robertson, Director of Crisis Services
Kelly Shropshire, Director of IDD Authority Services
Stephanie Eveland, Executive Assistant
Tabatha Abbott, Cost Accountant
Mary Lou Flynn-DuPart, Legal Counsel
Lisa Bradt, CJ Services Program Administrator
Jeanette Foy, Senior HR Specialist
Brandy Maraviglia, Rights Protection Officer
Danielle Newlon, Admin Team Lead
Cynthia Peterson, Medicaid Transformation Waiver Administrator
Maegan Richards, Level I Help Desk Support
Kyle Sommers, Administrator of Quality Management
Amanda Stiles, HR Generalist

Guests:

None

Call to Order: Chairman, Brad Browder, called the meeting to order at 10:02 a.m. at 1506 FM 2854, Conroe, Texas.

Public Comment: There were no public comments.

Quorum: There being seven (7) members present, a quorum was established.

The Chairman of the Board, Brad Browder, suspended the agenda to move to Executive Committee Information Item VII-F, Board of Trustees Oath of Office. Richard Duren was appointed by the Montgomery County Commissioner's Court on May 4, 2015. He recited the Oath of Office at 10:06 a.m. bringing the quorum to eight (8) members present.

Resolution #05-15-01

Motion Made By: Patti Atkins

Seconded By: Sharon Walker, with affirmative votes by Brad Browder, Tracy Sorensen, Richard Duren, Morris Johnson, Cecil McKnight and Jacob Paschal that it be...

Resolved: That the Board excuse the absence of Janet Qureshi.

Longevity Recognitions were presented to Tri-County staff.

Resolution #05-15-02

Motion Made By: Morris Johnson

Seconded By: Patti Atkins, with affirmative votes by Brad Browder, Sharon Walker, Tracy Sorensen, Richard Duren, Cecil McKnight and Jacob Paschal that it be...

Resolved: That the Board approve the minutes of the April 23, 2015 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:

Resolution #05-15-03

Motion Made By: Tracy Sorensen

Seconded By: Morris Johnson, with affirmative votes by Brad Browder, Sharon Walker, Patti Atkins, Richard Duren, Cecil McKnight and Jacob Paschal that it be...

Resolved:

That the Board appoint James Morris to the Intellectual and Developmental Disabilities Planning Network Advisory Committee for the remainder of a two year term expiring August 31, 2016.

The Community Resources Report was reviewed for information purposes only.

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

The Program Updates were reviewed for information purposes only.

Program Presentation – Lisa Bradt presented information regarding Criminal Justice Services.

EXECUTIVE COMMITTEE:

Resolution #05-15-04

Motion Made By: Morris Johnson

Seconded By: Tracy Sorensen, with affirmative votes by Brad Browder, Sharon Walker, Patti Atkins, Richard Duren, Cecil McKnight and Jacob Paschal that it be...

Resolved:

That the Board approve the revised Board Policy F.1 – Employment/Hiring/Background Checks with minor changes to be made as advised by legal counsel.

Resolution #05-15-05

Motion Made By: Patti Atkins

Seconded By: Morris Johnson, with affirmative votes by Brad Browder, Sharon Walker, Tracy Sorensen, Richard Duren, Cecil McKnight and Jacob Paschal that it be...

Resolved:

That the Board approve the revised Board Policy F.5 – Personnel Records with minor changes to be made as advised by legal counsel.

Resolution #05-15-06

Motion Made By: Patti Atkins

Seconded By: Sharon Walker, with affirmative votes by Brad Browder, Tracy Sorensen, Richard Duren, Morris Johnson, Cecil McKnight and Jacob Paschal that it be...

Resolved:

That the Board approve the revised Board Policy F.14 – Professionalism with minor changes to be made as advised by legal counsel.

Resolution #05-15-07

Motion Made By: Patti Atkins

Seconded By: Tracy Sorensen, with affirmative votes by Brad Browder, Sharon Walker, Richard Duren, Morris Johnson, Cecil McKnight and Jacob Paschal that it be...

Resolved:

That the Board approve Board Policy F.21 – Employee Benefits with minor changes to be made as advised by legal counsel.

Resolution #05-15-08

Motion Made By: Patti Atkins

Seconded By: Sharon Walker, with affirmative votes by Brad Browder, Tracy Sorensen, Richard Duren, Morris Johnson, Cecil McKnight and Jacob Paschal that it be...

Resolved:

That the Board approve the following revised Board Policies with minor changes to be made as advised by legal counsel:

- F.4 – Performance Evaluation
- F.6 – Employee Compensation System
- F.7 – Nepotism
- F.8 – Employee Complaints
- F.10 – Conflicts of Interest
- F.17 – Reduction-in-Force or Reconfiguration
- F.18 – Arbitration and Single-employee Resolution

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

The Texas Council Risk Management Fund Claims Summary for April 2015 was reviewed for information purposes only.

BUSINESS COMMITTEE:

Resolution #05-15-09

Motion Made By: Morris Johnson

Seconded By: Cecil McKnight, with affirmative votes by Brad Browder, Sharon Walker, Tracy Sorensen, Patti Atkins, Richard Duren and Jacob Paschal that it be...

Resolved:

That the Board approve the April 2015 Financial Statements.

Resolution #05-15-10

Motion Made By: Morris Johnson

Seconded By: Richard Duren, with affirmative votes by Brad Browder, Sharon Walker, Tracy Sorensen, Patti Atkins, Cecil McKnight and Jacob Paschal that it be...

Resolved:

That the Board approve the purchase of a mobile clinic for the 1115 Integrated Healthcare Program from Mobile Specialty Vehicles in Jasper, Texas at a not to exceed price of \$300,000.

Resolution #05-15-11

Motion Made By: Morris Johnson

Seconded By: Cecil McKnight, with affirmative votes by Brad Browder, Sharon Walker, Tracy Sorensen, Patti Atkins, Richard Duren and Jacob Paschal that it be...

Resolved:

That the Board approve the FY 2014-2015 DADS Performance Contract Amendment Packet #4.

Resolution #05-15-12

Motion Made By: Morris Johnson

Seconded By: Cecil McKnight, with affirmative votes by Brad Browder, Sharon Walker, Tracy Sorensen, Patti Atkins, Richard Duren and Jacob Paschal that it be...

Resolved:

That the Board approve the FY 2015 DSHS Adult Substance Abuse Treatment Contract Amendment #2015-046998-001A.

Resolution #05-15-13

Motion Made By: Morris Johnson

Seconded By: Cecil McKnight, with affirmative votes by Brad Browder, Sharon Walker, Tracy Sorensen, Patti Atkins, Richard Duren and Jacob Paschal that it be...

Resolved:

That the Board approve the addendum to extend the FY 2015 Dr. Frank Chen contract for psychiatric services with an additional contract maximum of \$15,000 for a total of \$65,000.

Resolution #05-15-14

Motion Made By: Morris Johnson

Seconded By: Cecil McKnight, with affirmative votes by Brad Browder, Sharon Walker, Tracy Sorensen, Patti Atkins, Richard Duren and Jacob Paschal that it be...

Resolved:

That the Board approve the addendum to extend the FY 2015 Dr. Jerri Sethna contract for psychiatric services with an additional contract maximum of \$7,000 for a total of \$82,000.

The Board of Trustees' Unit Financial Statement for April 2015 was reviewed for information purposes only.

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

There was no need for Executive Session.

The regular meeting of the Board of Trustees adjourned at 11:50 a.m.

Adjournment:



Brad Browder
Chairman

Date

Attest:



Tracy Sorensen
Secretary

Date



Executive Director's Report

July 30, 2015

Announcements

- The next regularly scheduled Board meeting is scheduled for Thursday, August 27th. As is usually the case in August, we expect this to be a full agenda.
- I wanted to remind each of you that the annual Burnham Classic will be at the Magnolia Ridge Country Club in Liberty on August 7-9th. Over the last 25 years, the Burnham Classic has raised over \$500,000 for Tri-County and our consumers. Several of us will attend on Friday night and the Board is welcome to join us. Big thanks to Mr. Cecil McKnight and his wife, Mable, for their years of support of the tournament.
- Thank you for your attendance at the annual Board and Management Team Strategic Planning meeting on Saturday, July 11th. I know it is difficult to give up a day on the weekend, but the staff and I certainly appreciate your feedback on FY 2016 planning.
- Also, please be aware that the ETBHN Board Strategic Planning meeting has been tentatively scheduled for October 15-16th at the Moody Gardens Hotel in Galveston. I have attached the agenda for your reference. Please let Stephanie Eveland or me know if you are interested in attending and we will make the arrangements.
- We have received word that our FY 2016-2017 contracts with the Department of Aging and Disability Services (DADS) and the Department of State Health Services (DSHS) will be in the new Health and Human Services Commission (HHSC) contract format. While we expect the content to be essentially the same, the contract format will change significantly. At this time, we expect our contracts to arrive sometime next month. However, we also anticipate that these will be 'base' contracts with additional contract requirements related to the Legislative Session coming in the first quarter of FY 2016.
- The cake today is in honor of Mr. Jacob Paschal who celebrated a birthday on Monday, July 6th and Ms. Janet Qureshi who celebrated a birthday on Wednesday, July 8th.

Department of State Health Services

- Facility license auditors from the Department of State Health Services (DSHS) completed a **Psychiatric Emergency Treatment Center (PETC) Facility Review** on Friday, June 19, 2015 related to an incident from March.

They included:

- Procedure and training on staff rounds.
- Facility modifications.

After some modifications to our timeline for correcting the facility issues, the corrective action plan was accepted.

- Senate Bill 1507 moves the responsibility for **Outreach, Screening, Assessment and Referral (OSAR) and Substance Abuse Hotline function** from substance abuse organizations to Community Centers. The Department is required to make these changes by Tuesday, September 1, 2015.

DSHS suggested Community Centers to contract back with the OSAR that covers our service area for FY 2016. After reviewing the requirements and timeline, I determined that this would be the best tactic for us this year.

The Legislature felt these functions should be joined together because the clients are often the same. However, the service designs for Local Mental Health Authorities and OSARs are very different and modification in design will likely be required before most Centers will be successful in integrating these functions. In addition, there are only 11 current OSARs and 37 Local Mental Health Authorities, so not every Center will be able to serve as the OSAR.

- DSHS offered Centers the opportunity to submit **Needs and Crisis Assessments** (program requests) to supplement the Crisis Services in our three county service area. Based on previous conversations with local law enforcement, we proposed a Crisis Intervention Response Team (CIRT) with the Conroe Police Department and a Mental Health Deputy program for Liberty County. The CIRT program will place licensed clinical staff in police cars with officers to serve as the primary response units when someone is in a mental health crisis. The Mental Health Deputy program will provide two deputies for Liberty County to transport persons to psychiatric hospitals and other appropriate treatment environments.

We anticipate finding out whether these requests are approved by the end of the first quarter of FY 2016.

- The Texas Legislature required HHSC to apply for an Excellence in Mental Health Planning grant by Wednesday, August 5, 2015. One of the grant requirements is the creation of criteria for **“Certified Community Behavioral Health Clinics (CCBHCs)”**. CCBHC is a federal standard, related to the Affordable Care Act, for Community Centers across the United States. If approved as a CCBHC, the organization will be eligible for a higher reimbursement rate from CMS. The Texas Council requested that each Community Center complete the CCBHC Certification Criteria Readiness Tool (CCRT).

The CCBHC CCRT was provided to the management team of each Community Behavioral Health Clinic considering participation in the demonstration program so they have the ability to review the required CCBHC certification criteria. The CCRT provides a level of concern rating that supports awareness of the level of change management that may be needed to support enhanced service delivery processes, staffing, scope of services, quality outcomes, reporting and governance areas.

Department of Aging and Disability Services

- New this year, the Department of Aging and Disability Services (DADS) completed an **IDD Authority Services Corrective Action Plan Review** as follow-up to the Authority audit in January. The purpose of the review was to ensure that the Center was implementing the corrective plan as indicated. The DADS survey team was complimentary of many of our responses and follow through as result of the January survey. They were most appreciative of our 90 day review that they feel assists in meeting contract compliance along with assuring that clients' needs are met.

The team had several "suggestions" (technical assistance) that we may want to consider implementing, such as:

Texas Home Living (TxHmL)

- Ensuring that critical services are designated that way on the Person Directed Plan (PDP).

Home and Community-based Services (HCS)

- Adding new services to the PDP when they are identified, even if they are 'non-waiver' services, instead of waiting until the annual plan review.
 - Updates to the PDP monitoring tool.
- As part of the **Pre-Admission Screening and Resident Review (PASRR) process**, the State issued a new requirement that now **includes providing services** to persons with intellectual and developmental disabilities, even while they are still in the nursing facility. In addition, Centers cannot put PASRR clients on a waiting list for these services.

Services that Centers are required to provide include:

- Service coordination, which includes alternate placement assistance;
- Employment assistance;
- Supported employment;
- Day habilitation;
- Independent living skills training; and,
- Behavioral support.

The IDD staff and I are very concerned about the expectation that we provide these services, especially day habilitation and behavioral support, as neither is readily available at the Center currently. Habilitation sites in Cleveland, Liberty and Huntsville

are literally at capacity (although Liberty will soon have available space), and behavioral support (usually done by a psychologist) can be very difficult to find in our area.

I have expressed my concerns about these expectations to the Texas Council, but there hasn't been any movement at this point.

Walker and Montgomery County Budget Hearings

- On Tuesday, July 7th, I had the opportunity to speak with the Walker County Commissioners Court about our budget request increase of \$10,000 for FY 2016. The Judge and Commissioners were very receptive to our presentation and the discussion went very well. They also referred us to the Walker County Hospital District for additional funding.
- On Tuesday, July 28th, I had the opportunity to speak with the Montgomery County Commissioners Court. As the Board will remember, we did not request additional funds from them this year, but they requested that we come to the budget hearing and make a presentation. Soon after beginning my presentation, the Commissioners stopped me and asked if we requested any additional funding. When I indicated that we did not make a request, they stopped my presentation, thanked us for the work in the jail and thanked me for my time. I did leave them with a detailed handout with data regarding the services we provided.

Radio Appearances

- On Wednesday, June 24th, I recorded a radio interview on Lone Star Internet Radio, during the 'Willis Hour' that aired on Monday, July 6th. I was invited to be a guest on the show by the Willis Chief of Police, James Nowak. We had a good visit and discussed many aspects of what we do at Tri-County.
- Mr. Cecil McKnight and I were invited to speak on KSHN (99.9 F.M.) in Liberty, Texas on Friday, July 31st. We will be visiting about the annual Burnham Classic along with other questions about Tri-County.
- I have also been asked to speak on KTHT in Cleveland, Texas, but I am still working to finalize the details for that presentation.

Obviously, there is a lot of misinformation about what Tri-County does and the persons we serve. I am pleased to have these opportunities.

Foundation Board Members

- The first Foundation Board meeting to review the initial planning process was held on Monday, June 8th. There were only two of the five potential Board members who were able to attend; however, since this meeting, one of these two members declined

continued participation due to a business deal that he is working on that will require him to be out of town frequently. Another potential Board member indicated that he may be unable to participate as well.

There are currently three members willing to actively serve on the Foundation Board, but I would like to have two more individuals involved. Of these three members, two are Tri-County Board members (Patti Atkins and Richard Duren) and the third is a professor at Lone Star College. If you have suggestions for Board membership, please pass these names on to Stephanie or me.

Time and busyness are the primary concerns that we have heard when speaking with potential Board members; however, we think the time commitment will be fairly small after the Board is formed.

The next Foundation Board meeting has been scheduled for Monday, August 10th.

Anasazi Human Resources and Fiscal Software

- We have been notified by Cerner Anasazi that they will 'Sunset' (stop supporting) the Anasazi HR and Fiscal software products at the end of FY 2017. I have formed a team which includes Amy Foerster, Millie McDuffey, Kenneth Barfield and staff from their areas to begin looking for new software to replace this one. I anticipate that the Board will need to approve new software in FY 2016 for implementation in FY 2017.

Independence Oaks Grand Opening

- I am very pleased to announce the Grand Opening Ceremony for Independence Oaks Apartments in Cleveland, Texas will be held on Friday, July 31st at 10:00 a.m. I am very grateful to the Cleveland Supported Housing, Inc. Board, project team and our staff for their work on this project. I would like to extend a special thanks to Crystal Sullivan and Tanya Bryant for their work on this project.

Unlike previous projects, we must wait for HUD approval to occupy the project even though we have the City of Cleveland's Certificate of Occupancy. As a result, we cannot move consumers into the new apartments until after this approval is obtained.

ETBHN Center Board Retreat

Excellence through Cooperation

October 15th

1:00pm: Welcome

Mike Winburn

1:05pm: ETBHN Current Status and Introduction of staff - Gary Bramlett & ETBHN Staff Panel

2:15pm: New Developments at HHSC and the Impact for Community Centers - Sonja Gaines (introduced by Charlie Harris):

2:30pm: Break

2:45pm: Legislative Update - Lee Johnson (introduced by Susan Rushing)

3:15pm: Future Directions - Danette Castle (introduced by John Delaney)

4:30pm: Adjourn

October 16th

8:30am: Continental Breakfast

9:00am: Center Innovative Programs - Center CEOs

10:30am: Break

10:45am: Center Board Roundtable Discussion - Jamie Travis

Noon: Adjourn

*Galveston Island
Moody Gardens*

Floral Hall Room A2

October 15-16th, 2015

*RSVP by September 1st
to Darlene Stewart at
Darlene.stewart@etbhn.org*

*A room block has been
setup at Moody
Gardens and each
Center needs to make
their own reservations.*

*Reservation
Phone Number
1-888-388-8484*

East Texas Behavior Healthcare Network

2001 South Medford Drive
Lufkin, Texas 75901

Phone 936-633-5632
Email
Darlene.Stewart@etbhn.org



CHIEF FINANCIAL OFFICER'S REPORT

July 30, 2015

FY 2016 Budget Process – We are still working on the FY 2016 budget. As of the time of this report, we have received the DSHS allocations with no change in funding so we will continue with these numbers. We will be expecting new funds sometime after the start of this fiscal year which means we will have a very early budget revision coming up. On the DADS side, we still have not received the new-year funding so we anticipate receiving those at any time.

Mobile Clinic Update – The new mobile clinic was ordered in June. As per our contract, we expect completion by November. We anticipate that we will have a trip or two coming up to see the progress and review interior options. This is a very exciting project and we can't wait to see the finished vehicle.

Year End Budget Revision – As we do every year, we are working on the final budget revision that will be on the August agenda. One area of concern is the timing of the 1115 Waiver payments and how the auditor will reflect these earned funds. From the start, this has been an unusual source of funding and the timing of the payments does not match up with the expenditures in the program. Depending on conversations with the auditor regarding this issue, we will probably have an agenda item in August to move funds from the Reserve account set up for the 1115 programs. This will help offset a portion of the large accounts receivable that will be crossing over fiscal years and the length of time for collections of these funds that is allowable per accounting standards.

FY 2015 Audit – We have been in contact with the auditors to start the planning process for the FY 2015 audit. We have scheduled the dates for their on-site work to begin. Their first visit will be week of August 31st and a second visit during the week of November 2nd. They will provide us with lists of requested items to be available for each visit and we expect the work to go smoothly. In between the on-site visits, we will be sending electronic data as needed.

Fixed Asset Inventory – The fixed asset inventory process is complete for this fiscal year. But with the transition to the consolidated facility in Liberty, we will have new additions and the movement of equipment that we are keeping from the existing locations which will happen at the very end of August before we finalize and give the information to the auditors.

FEMA Audit – I had reported in prior meetings on the FEMA payback of \$43,653.60 and our counterclaim disputing that amount. Our research determined we owed only \$28,431. We have had a couple of email exchanges in regards to settling this matter, but as of this time they have not confirmed or approved our amount.

Cyber Liability Insurance Coverage – Texas Council Risk management fund is offering a new coverage to centers that will cover Cyber Threats. The annual premium for this coverage is \$7,784. Cyber crime is one of the latest emerging exposures in the market place. The need for coverage for this exposure has been highlighted by the recent Health and Human Services Data Use Agreement's insurance requirements. We are in the final stages of completing the application to obtain this new coverage.

Agenda Item: Community Resources Report Committee: Program	Board Meeting Date July 30, 2015
Background Information: None	
Supporting Documentation: Community Resources Report	
Recommended Action: For Information Only	

Community Resources Report

May 29, 2015 – July 30, 2015

Volunteer Hours:

Location	May	June
Conroe	94.25	222.5
Cleveland	6	6.5
Liberty	19.5	5
Huntsville	18.5	18
Total	138.25	252

COMMUNITY ACTIVITIES:

5/29/15	Veterans Hot Dog Giveaway Event with Conroe American Legion	Conroe
6/1/15	Homeless Coalition Board Meeting	Conroe
6/1/15	Conducted Veteran Lay-In at the Texas Department of Criminal Justice Unit	Dayton
6/2/15	Veterans Planning Meeting for VA Mental Health Summit	Houston
6/4/15	Cleveland Chamber of Commerce Luncheon	Cleveland
6/9/15	Montgomery County Community Assistance Recovery Efforts and Services Meeting	The Woodlands
6/15/15	Veterans Basic Training Course for Veterans Treatment Court Staff	Conroe
6/24/15	Liberty/Cleveland Area Red Cross Facility Meetings	Liberty
6/24/15	Montgomery County Emergency Assistance Hands Up Meeting	The Woodlands
6/24/15	Lone Star Internet Radio Interview	Conroe
6/25/15	Veterans Planning Meeting for Women Veterans Field Day	Liberty
6/30/15	Child Abuse Prevention Collaboration Meeting	Conroe
6/30/15	American Legion Radio Interview for Veterans with PTSD	The Woodlands
7/2/15	Walker County Community Resource Coordination Group	Huntsville
7/2/15	Cleveland Chamber of Commerce Luncheon	Cleveland
7/9/15	Huntsville Chamber of Commerce Breakfast	Huntsville
7/13/15	Youth Mental Health First Aid Training	Conroe
7/15/15	Liberty/Dayton Chamber of Commerce Meeting	Liberty
7/16/15	Jail Diversion Working Group	Conroe
7/20/15	Walker County Voluntary Organizations Active in Disaster	Huntsville
7/21/15	Montgomery County Community Resource Coordination Group Meeting	Conroe

UPCOMING ACTIVITIES:

7/31/15	KSHN Radio Interview	Liberty
7/31/15	Independence Oaks Apartments Grand Opening	Cleveland
8/4/15	Child Fatality Review Team Meeting	The Woodlands
8/6/15	Walker County Community Resource Coordination Group	Huntsville
8/7/15- 8/9/15	Burnham Classic Golf Tournament	Liberty
8/11/15	Montgomery County Community Assistance Recovery Efforts and Services Meeting	The Woodlands
8/13/15	Huntsville Chamber of Commerce Breakfast	Huntsville
8/14/15	Liberty/Dayton Chamber Evening Auction 500	Dayton
8/18/15	Montgomery County Community Resource Coordination Group	Conroe
8/26/15	Montgomery County Emergency Assistance Hands Up Meeting	The Woodlands

Agenda Item: Consumer Services Reports for May and June 2015 Committee: Program	Board Meeting Date July 30, 2015
Background Information: None	
Supporting Documentation: Consumer Services Reports for May and June 2015	
Recommended Action: For Information Only	

Consumer Services Report

May 2015

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total
Crisis Services, MH Adults/Children					
Persons Screened, Intakes, Other Crisis Services	491	38	31	52	612
Crisis and Transitional Services (LOC 0, LOC 5)	76	2	7	2	87
Psychiatric Emergency Treatment Center (PETC) Served	60	3	3	6	72
Psychiatric Emergency Treatment Center (PETC) Bed Days	274	18	13	20	325
Contract Hospital Admissions	5	0	1	2	8
Diversion Admits	12	1	0	3	16
Total State Hospital Admissions	5	0	0	2	7
Routine Services, MH Adults/Children					
Adult Service Packages (LOC 1m,1s,2,3,4)	852	119	72	115	1158
Adult Medication Services	593	62	60	86	801
Child Service Packages (LOC 1-4 and YC)	484	47	19	57	607
Child Medication Services	148	15	6	17	186
TCOOMMI (Adult Only)	102	11	5	9	127
Adult Jail Diversions	5	0	0	0	5
Persons Served by Program, IDD					
Number of New Enrollments for IDD Services	23	3	1	0	27
Service Coordination	544	36	51	63	694
Persons Enrolled in Programs, IDD					
Center Waiver Services (HCS, Supervised Living, TxHmL)	44	6	22	27	99
Contractor Provided ICF-MR	17	11	11	6	45
Substance Abuse Services					
Children and Youth Prevention Services	66	0	0	57	123
Youth Substance Abuse Treatment Services/COPSD	18	0	0	0	18
Adult Substance Abuse Treatment Services/COPSD	33	0	0	2	35
Waiting/Interest Lists as of Month End					
Home and Community Based Services Interest List	1517	130	135	133	1915
May Served by County					
Adult Mental Health Services	1212	130	100	172	1614
Child Mental Health Services	507	51	21	57	636
Intellectual and Developmental Disabilities Services	615	55	56	69	795
Total Served by County	2334	236	177	298	3045
April Served by County					
Adult Mental Health Services	1390	155	126	207	1878
Child Mental Health Services	512	44	20	56	632
Intellectual and Developmental Disabilities Services	609	53	53	69	784
Total Served by County	2511	252	199	332	3294
March Served by County					
Adult Mental Health Services	1437	147	116	197	1897
Child Mental Health Services	496	45	22	61	624
Intellectual and Developmental Disabilities Services	582	52	53	68	755
Total Served by County	2515	244	191	326	3276

Consumer Services Report

June 2015

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total
Crisis Services, MH Adults/Children					
Persons Screened, Intakes, Other Crisis Services	422	41	41	51	555
Crisis and Transitional Services (LOC 0, LOC 5)	69	2	9	3	83
Psychiatric Emergency Treatment Center (PETC) Served	45	2	4	3	54
Psychiatric Emergency Treatment Center (PETC) Bed Days	175	2	18	16	211
Contract Hospital Admissions	3	0	0	1	4
Diversion Admits	19	1	1	4	25
Total State Hospital Admissions	3	0	0	1	4
Routine Services, MH Adults/Children					
Adult Service Packages (LOC 1m,1s,2,3,4)	964	138	95	111	1308
Adult Medication Services	680	76	64	69	889
Child Service Packages (LOC 1-4 and YC)	476	47	19	60	602
Child Medication Services	196	14	7	11	228
TCOOMMI (Adult Only)	95	13	5	6	119
Adult Jail Diversions	5	0	0	0	5
Persons Served by Program, IDD					
Number of New Enrollments for IDD Services	14	2	3	4	23
Service Coordination	564	41	47	67	719
Persons Enrolled in Programs, IDD					
Center Waiver Services (HCS, Supervised Living, TxHmL)	44	6	22	27	99
Contractor Provided ICF-MR	17	12	11	6	46
Substance Abuse Services					
Children and Youth Prevention Services	0	0	35	23	58
Youth Substance Abuse Treatment Services/COPSD	16	0	0	0	16
Adult Substance Abuse Treatment Services/COPSD	30	0	0	0	30
Waiting/Interest Lists as of Month End					
Home and Community Based Services Interest List	1537	130	135	134	1936
June Served by County					
Adult Mental Health Services	1303	156	121	166	1746
Child Mental Health Services	441	49	21	60	571
Intellectual and Developmental Disabilities Services	642	59	55	74	830
Total Served by County	2386	264	197	300	3147
May Served by County					
Adult Mental Health Services	1212	130	100	172	1614
Child Mental Health Services	507	51	21	57	636
Intellectual and Developmental Disabilities Services	615	55	56	69	795
Total Served by County	2334	236	177	298	3045
April Served by County					
Adult Mental Health Services	1390	155	126	207	1878
Child Mental Health Services	512	44	20	56	632
Intellectual and Developmental Disabilities Services	609	53	53	69	784
Total Served by County	2511	252	199	332	3294

Agenda Item: Program Updates Committee: Program	Board Meeting Date July 30, 2015
Background Information: None	
Supporting Documentation: Program Updates	
Recommended Action: For Information Only	

Program Updates

May 29, 2015 – July 30, 2015

MH Crisis Services

1. After trainings were facilitated with officers in the Cleveland and Liberty areas, keys and alarm codes were provided for the rural outpatient clinics to assist with expedient assessments after hours. Now when officers suspect an individual is in need of acute behavioral health services, they can take the identified person to a local office to be assessed by a QMHP and/or doctor via televideo. A determination of risk, recommendations for appropriate level of care and inpatient placement can be arranged if indicated.
2. A meeting was held with Doctors Diagnostic Hospital in Cleveland so that Tri-County can begin to assist individuals in the ER with any emergent behavioral health needs.
3. Rusk diversion beds are on target to achieve the annual DSHS required target. The average daily census of five (5) was met during the month of June.

MH Adult Services

1. Four (4) new field clinicians joined Tri-County at the beginning of July, and four (4) additional field clinicians will begin in August. We are enjoying the excitement and the energy that the new clinicians are bringing to our staff and clients at William E. Hall.
2. We are providing stable short-term housing for one (1) year for thirteen (13) clients. The supported housing specialist is assisting sixteen (16) clients in achieving their goals of maintaining housing on their own when Tri-County's rental assistance ends.
3. Since March 2015, PATH case managers have enrolled 120 homeless people with possible mental health issues in order to provide them with mental health services. They have had 980 separate contacts with these PATH enrolled clients and made 698 outreach contacts.

MH Child Services

1. We are working to build our provider network in preparation for implementation of the YES Waiver Program.
2. C&A continues to recruit and train new staff to serve our growing population.

Criminal Justice Services

1. Outpatient Competency Restoration had ten (10) admissions and fourteen (14) served for FY 2015.
2. The Jail Diversion Clinician assessed 165 people and recommended diversion for sixteen (16) individuals.
3. TCOOMMI Adult Program caseloads are slightly above contracted numbers and revenue continues to be strong.

Substance Abuse Services

1. The Youth Outpatient Program continues to receive a high number of referrals even though school is out.

IDD Services

1. IDD Authority has begun contacting and working with individuals for the Community First Choice (CFC) Program. We have promoted a current staff person as the Service Coordinator Supervisor.
2. The Pre-Admission Screening and Resident Review (PASRR) has evolved with new contract expectations. To meet these needs, we have promoted a staff person as the Diversion Coordinator who will be very involved in the transition of individuals from nursing facilities into the community and reporting to DADS.
3. The Home and Community-based Services (HCS) Program is at maximum capacity with 67 enrolled. The Texas Home Living (TxHmL) Program has 28 enrolled, so we are still exceeding our CAP of twelve (12).
4. IDD Provider Corrective Action Plans from the HCS and TxHmL audits were submitted to DADS as required. Processes have been implemented to eliminate risk of future citations.

Support Services

1. **Quality Management:**
 - a. Staff attended the Regional Planning Network Advisory Committee (RPNAC) via teleconference on June 25th, along with Board member Richard Duren.
 - b. Staff received one chart request from Aetna dating back from January 1, 2014 to the present date, and was sent off July 9th.
 - c. Staff are currently in the process of coordinating with United Behavioral Healthcare (UBH) for an upcoming site visit.
2. **Utilization Management:**
 - a. Staff have been working with Center managers to collect and report quarterly grant data to Montgomery County United Way.
 - b. Staff reviewed high utilizers of services within the Center to determine causality and identify ways to improve recognition and treatment of high need individuals. The trends identified included higher average of unstable housing, co-occurring physical health conditions and substance abuse issues among this population.
3. **Veterans Affairs:**
 - a. Staff are currently collaborating with the Houston VA to plan and host the annual 2015 Veterans Mental Health summit taking place on August 14, 2015.
 - b. Staff are in the process of finalizing a formal Memorandum of Understanding (MOU) with Tri-County and the Montgomery County Attorney's office that will establish the Center as the official provider for the Veterans Treatment Court Mentor Team.
4. **Mental Health Planning Network Advisory Committee (MHPNAC):**
 - a. The MHPNAC was held on June 10th, and committee members discussed the YES Waiver and community outreach regarding the Center's rebranding.

Community Activities

1. The Cleveland Chamber of Commerce held its monthly luncheon on June 4th at the Cleveland Civic Center. The guest speaker was KORG-LF FM Radio's manager, Jeff McClain.
2. The Texas Council of Community Centers held its 30th Annual Conference on June 17-19th at the Westin Galleria in Houston, Texas. Staff from Tri-County along with representatives from several Texas Centers attended the conference.

Agenda Item: FY 2015 Goals and Objectives Progress Report Committee: Program	Board Meeting Date July 30, 2015
Background Information: <p>The Board of Trustees and Management Team met on July 19, 2014 for the annual strategic planning retreat to develop the goals for FY 2015. Goals were discussed and a consensus was reached. Subsequently, the Management Team developed objectives for each of the goals. These goals are in addition to the contractual requirements of the Center's contracts with the Department of State Health Services and the Department of Aging and Disability Services.</p> <p>The Board also requested that quarterly progress reports be presented as a "year-to-date summary."</p> <p>This report shows progress through the 3rd Quarter of FY 2015.</p>	
Supporting Documentation: FY 2015 Goals and Objectives Progress Report	
Recommended Action: For Information Only	

Year-to-Date Progress Report

September 1, 2014 – May 31, 2015

Goal #1 – Community Awareness

Objective #1

Develop new name/logo branding materials and market them to our stakeholders by February 28, 2015.

- The name, Tri-County Behavioral Healthcare, was approved by all three (3) Commissioners' Courts and staff filed the necessary documents to make this final.
- The new logo and tagline were approved by the Board in April and rebranding efforts have begun.

Objective #2

Develop or renew four (4) collaborative relationships/partnerships by May 31, 2015.

- A series of training and outreach events have been held with the Montgomery County Hospital District EMTs.
- We developed a memorandum of understanding with MHMRA Brazos Valley so they can begin utilizing the Crisis Stabilization Unit in the third quarter.
- The Veterans Task Force was created and a Veteran's Expo was planned for March 17th.
- An informal group has been established working with Conroe ISD in a type of pilot program working with children with complex needs.

Objective #3

Develop four (4) educational/outreach/marketing events by May 31, 2015.

- Six (6) Mental Health First Aid trainings have been held year-to-date.

Goal #2 – Funding

Objective #1

Develop sponsors/underwriters for educational/outreach/marketing events in our community.

- Our Veteran's Liaison secured sponsors for the Veteran's Expo in March.

Objective #2

Develop a Board Policy about establishing a trust fund to benefit Tri-County consumers by December 31, 2014.

- In December, the Board agreed to form a Tri-County Consumer Foundation.
- A Board Policy on the creation of the foundation was approved.

Objective #3

Develop a trust fund to benefit Tri-County consumers by August 31, 2015.

- Staff are working with legal staff from Jackson Walker to officially form the new organization. The Board will need to approve the formation documents and the Board members at a meeting in the fourth quarter.
- An informational Foundation Board meeting was scheduled with potential Board members for the beginning of the fourth quarter.

Goal #3 – Staff Development

Objective #1

Schedule four (4) leadership development courses for managers in FY 2015.

- One (1) leadership development course was held in the first quarter. A second leadership development course was scheduled for the fourth quarter.
- Dr. Watson presented parts 1 and 2 of his Leadership Development Series in February.
- Three (3) Middle Managers were scheduled to attend the National Council's Middle Management Academy in San Antonio in the third quarter.
- Monthly management trainings with Jon Stigliano started in the third quarter.

Objective #2

Implement quarterly supervisor training in FY 2015.

- The first quarter supervisor training was held in November and focused on FMLA, ADA accommodations, and leave.
- Financial training for supervisors was scheduled in third quarter.
- Another supervisor training was scheduled to take place in the beginning of the fourth quarter to discuss new Human Resources procedures.

Objective #3

Hold at least four (4) Texas Council Risk Management Fund training events in FY 2015.

- September 23, 2014
 - Communicating Effectively
 - Situational Leadership
- November 5, 2014
 - Dealing Effectively with Supervisors
 - Are You Thriving or Surviving
- November 6, 2014
 - Dealing with Difficult People
 - Dealing Effectively with Supervisors
- February 10 & 11, 2015
 - Interviewing & Selection
 - Time Management

- April 21 & 22, 2015
 - Ethics for Managers
 - Effective Delegation
 - Ethics for Staff

Goal #4 – Facilities

Objective #1

Develop a facility consolidation plan with the assistance of consultants that can be presented to DSHS/DADS/County Judges/stakeholders by February 28, 2015.

- The Board approved the purchase of 2000 Panther Lane in Liberty, Texas which will serve persons with mental illnesses and intellectual disabilities.
 - Staff finalized and sent paperwork to DSHS/DADS for approval of this site.
 - Construction is underway to remodel the facility with an anticipated grand opening date of September 1, 2015.
- Architects were hired to develop a site plan for the consolidated Montgomery County facility. Staff are meeting with the architect regularly for building and office designs to best meet client and staff needs.
- Staff worked with our building consultant to find and secure a suitable location for the consolidated facility in Montgomery County.
 - The potential building site is currently under option.
 - Anticipate construction to begin on January 1, 2016 if all goes well and the purchase of the property is approved.

Objective #2

Provide quarterly progress updates to the Board regarding building consolidation.

- Quarterly updates on building consolidation were provided to the Board in October and January.
- Monthly updates were presented to the Board during the third quarter.

Objective #3

Attain approval from DSHS/DADS/commissioners for the facility consolidation plan by May 31, 2015.

- Approval was received from DSHS and DADS to purchase the facility in Liberty.
- Documents are being prepared to seek approval from DSHS and DADS for the facility in Montgomery County.

Goal #5 – Technology

Objective #1

Develop a technology plan for the consolidated facility including cost projections.

- The Board approved a set of information technology equipment and related upgrades which will serve as the platform for the server room at a consolidated facility.

- The kickoff meeting for the install was held in late February with installation scheduled for the third quarter.

Objective #2

Develop a new staffing plan for Information Technology and hire at least one (1) of these staff by February 28, 2015.

- The staffing plan was reviewed and a meeting was held with Human Resources to try to identify other advertising sources as well as to conduct an additional market salary survey.
- The staffing plan, which is in motion, includes providing technical certification trainings for an existing employee to gain the skills necessary to fill IT staffing gaps.

Agenda Item: 3 rd Quarter FY 2015 Corporate Compliance and Quality Management Report Committee: Program	Board Meeting Date July 30, 2015
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 2015 are included in this Board packet.	
Supporting Documentation: 3 rd Quarter FY 2015 Corporate Compliance and Quality Management Report	
Recommended Action: For Information Only	

Corporate Compliance and Quality Management Report

3rd Quarter, FY 2015

Corporate Compliance Activities

A. Key Statistics:

1. There were two (2) Corporate Compliance reviews in the 3rd quarter of FY 2015.
 - a. The first case was reported by a program manager who had some concerns about quality of documentation as well as parental complaints. This case was unconfirmed with payback in the amount of \$1,070.97 and was followed by additional staff training and education.
 - b. The second case was reported by IT staff following an inquiry from direct care staff on changing documentation. This report involved inappropriate documentation practices. This case was unconfirmed with no payback, followed by additional training and education from a quality management perspective.
2. Quality Assurance of staff documentation continues to be a focus across the Center. The Quality Management Department continues to perform daily reviews of documentation in order to identify any compliance or billing concerns and correct them immediately. Compliance training continues to be provided to new employees, quarterly to all staff, and in specific areas identified as having a need.

B. Committee Activities:

1. The Corporate Compliance Committee met on May 3, 2015. The committee reviewed the following:
 - a. A summary of the 4th quarter investigations;
 - b. Audits that were requested by different funding sources;
 - c. Findings of daily Quality Assurance reviews; and
 - d. Legal updates on compliance issues

Quality Management Initiatives

A. Key Statistics:

1. Staff responded to one (1) Managed Care on-site audit request.
2. Staff responded to five (5) Managed Care chart requests.

B. Reviews/Audits:

1. Cenpatico performed an on-site review of three (3) client records and were focused on reviewing child and adolescent UM authorizations. Overall the reviewer was pleased with the quality of the client records and did not make any recommendations.
2. Staff reviewed and submitted one (1) chart going back two years for Molina. The request focused on medication services and blood pressure readings.

3. Staff reviewed and submitted two (2) charts going back one year for United Healthcare. The request focused on medication services and blood pressure readings.
4. Staff reviewed and submitted one (1) chart going back one year for an individual with a private payer. The request focused on medication services.
5. Staff reviewed and submitted one (1) chart going back one year for United Healthcare. The request focused on medication services and diabetes information.
6. Staff reviewed and submitted one (1) chart going back one year for Amerigroup. The request focused on medication services and diabetes information.

C. Internal Programs Reviewed by Quality Management:

1. Staff completed the Rural Rehab Program Review which focused on reviewing psychosocial rehabilitation services provided in Walker and Liberty Counties.

D. Other Quality Management Activities

1. Staff continued to implement improvements as indicated in the Corrective Action Plan from the DSHS on-site Quality Management Review.
 - i. Staff revised the Mental Health Treatment Plan to be in line with the State's Recovery Planning Model and retrained agency staff on how to use the new Recovery Plan.
 - ii. Staff developed new training checklists that will be completed and tracked in our electronic training system, Relias Learning, and will be quickly accessible by administrative staff during any future review.

Agenda Item: 4 th Quarter FY 2015 Corporate Compliance Training Committee: Program	Board Meeting Date July 30, 2015
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 2015 Corporate Compliance Training	
Recommended Action: For Information Only	

Corporate Compliance Reporting and Investigations

Quarterly Corporate Compliance Training
4th Quarter, FY 2015

Training Goal: To review reporting information, demystify the investigation process following a report and maintain a positive culture surrounding Corporate Compliance at Tri-County Behavioral Healthcare.

How to Report:

Reports can be made to your supervisor or to the Corporate Compliance Officer, Tanya Bryant. Reports to the Corporate Compliance Officer can be made in the following ways:

- By phone at (936) 521-6115 or toll free at 1-866-243-9252. You may always choose to remain anonymous.
- By email at tanyab@tcbhc.org or corporatecompliance@tcbhc.org
- By face to face appointment at 1020 Riverwood Court or another location by special request.

When a Report is Made:

- The Corporate Compliance Officer and Corporate Compliance Investigator meet to review 100% of reports made to determine if they are corporate compliance in nature.
- If the report is not corporate compliance in nature then the concern is routed to the appropriate Management Team member and the individual reporting is notified; unless the report was made anonymously.
- If the report is determined to be related to corporate compliance, then a review is initiated by the Corporate Compliance Officer. 100% of the reports determined to be corporate compliance in nature are reviewed.
- Following review, if it is determined that there is potential for a corporate compliance concern, a full investigation is initiated.

During an Investigation:

- Information is kept confidential to the highest degree possible during an investigation to ensure that the integrity of the investigation is maintained.
- It is unlikely that you will know there is an ongoing investigation in your area unless you are directly contacted by the Corporate Compliance Officer or Compliance Investigator.
- Interviews may be conducted during an investigation.

Steps taken following an Investigation:

- Recommendations from the Compliance Officer are provided to the Executive Director for review and final determination.
- Supervisors are contacted following the determination of the finding and provide the follow up to the appropriate area (if the supervisor is involved in the report, then the next level manager is contacted).
- Additional training, payback, and or disciplinary action may result from these investigations. There may also be a determination that the report is unconfirmed.
- Follow up is conducted on a need to know basis to ensure that confidentiality is maintained to the highest degree. Unless you are specifically impacted by the investigation, you may not (and many times should not) know that there has been a Corporate Compliance investigation conducted.

Important Reminders:

It is the policy of Tri-County Behavioral Healthcare that Retaliation not be tolerated. Any staff reporting a Compliance concern in good faith need not fear retaliation and should report any such behavior to the Corporate Compliance officer immediately.

It is our belief that Confidentiality is a key component to a healthy Compliance Program. Confidentiality is maintained at the highest possible level during each investigation. As a reminder, any information shared outside of the Compliance program cannot be controlled. There have been situations where information has been shared with others outside of the compliance program. If you report a compliance concern it is recommended that you do not discuss your concerns with other staff to maintain the integrity of the investigation.

The Quality Management Department conducts ongoing reviews to monitor, review and improve quality of care. If you are informed of information regarding an ongoing compliance investigation and you have concern that this information was shared, please notify the Corporate Compliance Officer. It is important to us that you feel comfortable and confident in reporting any concerns.

At no time is it ever appropriate for any staff to discuss the investigations with the individuals we serve beyond ensuring that any report they make themselves will be taken seriously and has been reported.

Staff Printed Name/Signature

Date

Agenda Item: Medicaid 1115 Transformation Waiver Project Status Report Committee: Program	Board Meeting Date July 30, 2015
Background Information: <p>The Tri-County 1115 projects will complete Round 2 of Demonstration Year (DY 4) on September 30, 2015 and submit remaining reports to the Texas Health and Human Services Commission (HHSC) by October 31, 2015.</p> <p>In Round 1 of DY 4, ending March 31st, three programs achieved 50% or better of their required metrics and were approved for payment in July. The other two have now achieved their target numbers to report in October for payment in January. Additional metrics requiring narrative and data reports on Rapid Cycle Improvement methods being utilized, transportation gaps, costs avoided using lower cost crisis alternatives, and benchmark performance measures will make up the balance of reporting for payment.</p> <p>The Intensive Evaluation and Diversion program (IED), which houses the Extended Observation Unit (EOU) that started on January 19, 2015, continues to divert persons in crisis to lower cost settings through use of the EOU and IED staff referrals. Their DY 4 goal of serving 325 persons in crisis has already been exceeded and will report in October. They have a diversion rate of approximately 77%.</p> <p>The IDD ACT program, with a goal of 50, has admitted 53 individuals to date. With a goal of 50% cost avoidance from higher cost alternatives, the program has a 55% crisis diversion rate. The program's Category 3 performance outcomes for the Aberrant Behavior Checklist survey will show a >5% decrease in behavior symptoms meeting the criteria for payment and will report for the full DY 4 in October 2015.</p> <p>Both Expanded Psychiatry Delivery projects covering Montgomery, Walker and Liberty Counties have exceeded their volume service goals and reported achievement in April for July payment. The Category 3 survey, PHQ-SADS, is expected to show a >5% decrease in behavioral health symptoms and will also be reported for payment in October.</p> <p>Integrated Primary and Behavioral Health Care has exceeded the number of patients required to be served (175) by serving >380 so far, as well as exceeding its targets for appointments available and visits. Those metrics were reported on in April for July payment. The mobile clinic component Purchase Agreement was signed on June 30, 2015 and the chassis and engine were ordered. The expectation is to have the vehicle delivered before the end of the year.</p>	
Supporting Documentation: Medicaid 1115 Transformation Waiver Project Status Report	
Recommended Action: For Information Only	

Tri-County Services

Medicaid 1115 Transformation Waiver Projects

DY 4 - 10/1/2014 - 09/30/2015

Status Update: 10/1/2014 - 6/30/2015 - 3rd Qtr / Round 2

Source: Internal Reporting / HHSC Reports



On Target to Meet DY4 Outcomes



Starting DY 4



Pending HHSC Approval

Project	County	DY 4 Targets	As of 6/30/15	Progress Towards Goals	Status	Barriers / Comments
1.1.1 Intensive Evaluation & Diversion	Montgomery Walker	DY 3 - 25 Persons presenting in crisis DY 4 - 300	354	Of the 354 persons seen in crisis, 138 were diverted to the EOU. As of 7/10.		25 individuals who were to be seen in DY 3 will be added to the 300 to be seen in DY 4.
Required Milestones/Metrics		1: 4 Stakeholder mtgs. 2. 50% Costs avoided	75%	4 Stakeholder meetings have been held in DY 4 with an average of 6 persons which is below the target of 8-10.		DY 4 Estimated Incentive Bundle Amount: \$2,137,234
Category 3 Performance Outcomes		PHQ-9 -Depression Survey Establish baseline	50%	PHQ-9 50% baseline was established during April reporting. 50% achievement to be reported in October.		To be completed in DY 4. \$129,117. 50% completed for payment as of 7/2015
1.1.2 IDD ACT	Montgomery Walker	50 Unique Individuals	100%	On target to achieve goal by 9/30/15		
Required Milestones/Metrics		1. 4 Stakeholder mtgs. 2. 50% Costs avoided	100%	1. Will report for full payment in 10/15 2. Will report for full payment in 10/15		DY 4 Estimated Incentive Bundle Amount: \$337,880
Category 3 Performance Outcomes		Aberrant Behavior Checklist (ABC) 28 Pre/19 Posttests	TBD	On target to achieve goal by 9/30/15		DY 4 Incentive Payment: \$129,117
1.1.3 Expanded Psychiatry Delivery	Montgomery Walker	1. 100 Unique clients 2. 250 Visits 3. 500 Appts	1. 208 2. 845 3. 997	On target to report 100% achievement in April reporting period.		Increase services in Walker County and underserved rural areas.
Required Milestones/Metrics		1. Gaps in accessibility Evidence of improved access	2.	Will report in Round 2 (Oct 15 reporting period)		DY 4 Estimated Incentive Bundle Amount: \$666,283




Tri-County Services








Source: Internal Reporting / HHSC Reports

Medicaid Transformation Waiver Projects

DY 4 - 10/1/2014 - 9/30/2015

Status Update: 10/1/2014 - 6/30/2015 - 3rd Qtr / Round 2

-  On Target to Meet DY4 Outcomes
-  Carry Forward to DY 4
-  Pending HHSC Approval

Project	County	DY 4 Target	As of 6/30/15	Update	Status	Barriers / Comments
Category 3 Performance Outcomes		PHQ-SADS - Depression/Anxiety Establish baseline	Baseline = 36.8	Will report a ≥ 5% decrease in behavioral health symptoms due to treatment		DY 4 Incentive Payment: \$129,117
1.2.1 Integrated Primary & Behavioral Healthcare	Montgomery Walker	1. 500 Available Appointments 2. 175 persons with both physical & BH care	1. 1093 2. 379	Reported achievement in April reporting period.		Expand services in Walker County outreach to primary care practices and social service agencies to begin. HTN & data entry in EHR need consistency
Required Milestones/Metrics		1. Expand appts. 2. CQI activities 3. % receiving both primary & BH care	1. 100% 2. Data Measures & EHR 3. 100%	Reported 66% achievement in April reporting period. Ongoing data is collected showing strengths & weaknesses for continuous quality improvement (CQI)		DY 4 Estimated Incentive Bundle Amount: \$1,254,782
Category 3 Performance Outcomes		Dx of HTN : Report BP ≤ 140/90 in last 6 months of DY4	TBD	Data being gathered through EHRs and charts		DY 4 Incentive Payment: \$129,117
Mobile Clinic Component		RFP > Order of bus	Chassis & engine ordered	Purchase Agreement signed 6/30/15. Final purchase price \$267,085. 40% deposit of \$106,834 made 6/30/15.		Completion of mobile clinic is expected by end of year.
1.1.1 Expanded Psychiatry Delivery	Liberty	1. 25 Unique clients 2. 70 Visits 3. 125 Appts Avail	1. 94 2. 459 3. 577	50% achievement reported in April		Numbers and staffing are barriers to expanding hours to include occasional week night/Sat morning
Required Milestones/Metrics		1. Gaps in accessibility 2. Evidence of improved access	TBD	To be reported in October for 50% payment.		DY 4 Estimated Incentive Bundle Amount: \$1286,750
Category 3 Performance Outcomes		PHQ-SADS - Depression/Anxiety Establish baseline	47.2 = Baseline	Will report in Round 2 (Oct 15 reporting period)		DY 4 Incentive Payment: \$31,860

Agenda Item: Appoint Nominating Committee for FY 2016 Board Officers Committee: Executive	Board Meeting Date July 30, 2015
Background Information: The Board Chair will select representatives for the Nominating Committee for FY 2016 Board Officers. Typically, the committee is made up of three members and includes a representative from each county. One of the members will also be designated to serve at the chair of the committee. The annual election of officers will occur at the August Board meeting.	
Supporting Documentation: None	
Recommended Action: Appoint Nominating Committee for FY 2016 Board Officers	

Agenda Item: Appoint Executive Director Evaluation Committee Committee: Executive	Board Meeting Date July 30, 2015
Background Information: The Board Chairman will select representatives for the FY 2015 Executive Director Evaluation Committee. Typically, the committee has been made up of three members and includes a representative from each county. One of the members will also be designated to serve at the chair of the committee. The results of the Executive Director Evaluation will be reviewed at the August Board meeting.	
Supporting Documentation: None	
Recommended Action: Appoint Executive Director Evaluation Committee	

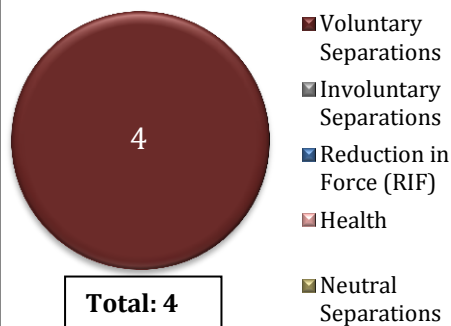
Agenda Item: Personnel Reports for May and June 2015 Committee: Executive	Board Meeting Date July 30, 2015
Background Information: None	
Supporting Documentation: Personnel Reports for May and June 2015	
Recommended Action: For Information Only	

Personnel Report May 2015

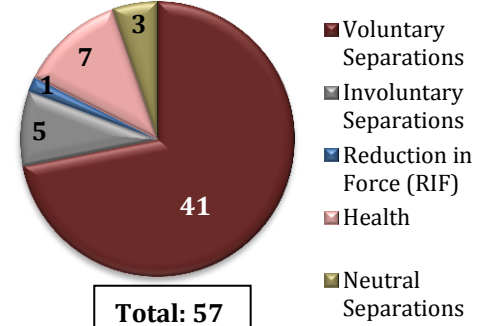
May 2015	FY15	FY14
Number of Active Employees	330	318
Number of Monthly Separations	4	7
Number of Separations YTD	57	45
Year to Date Turnover Rate	17%	14%
May Turnover	1%	2%

Separations by Reason	May Separations	Year to Date
Retired	0	4
Involuntarily Terminated	0	5
Neutral Termination	0	3
Dissatisfied	0	10
Lack of Support from Administration	1	1
Micro-managing supervisor	1	1
Co-workers	0	1
Work Related Stress	0	1
RIF	0	1
Deceased	0	0
Pay	0	2
Health	0	7
Relocation	0	4
School	2	3
Personal	0	2
Unknown	0	1
New Job	0	10
Temp	0	1
Total Separations	4	57

May 2015 Voluntary, Involuntary, RIF, Health, & Neutral Separations



Year to Date Voluntary, Involuntary, RIF, Health & Neutral Separations



Total Applications received in May=323

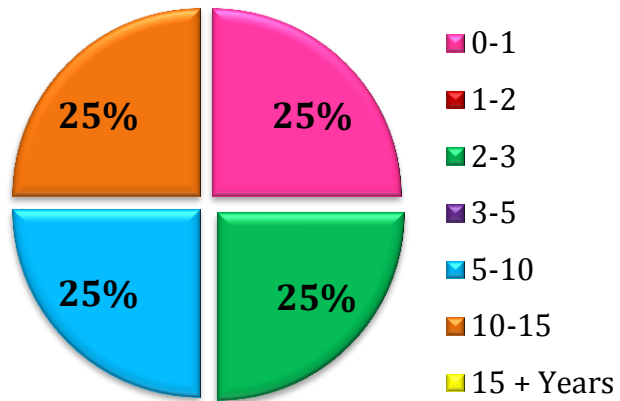
Total New Hires for the month of May=7

Total New Hires Year to date =70

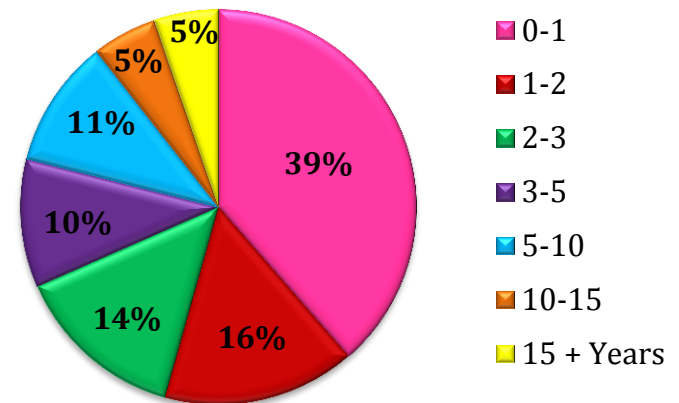
Management Team	# of Employees	Monthly Separations	Year to Date Separations	% May	% Year to Date
Evan Roberson	14	0	1	0%	7%
Millie McDuffey	44	0	2	0%	5%
Amy Foerster	8	0	0	0%	0%
Tanya Bryant	8	0	0	0%	0%
Catherine Prestigiovanni	129	1	31	1%	24%
Breanna Robertson	51	3	10	6%	20%
Kelly Shropshire	33	0	4	0%	12%
Kathy Foster	35	0	8	0%	23%
Kenneth Barfield	8	0	1	0%	13%
Total	330	4	57		

Separation by EEO Category	# of Employees	Monthly Separations	Year to Date Separations	% May	% Year to Date
Supervisors & Managers	24	1	3	4%	13%
Medical (MD,DO, LVN, RN, APN, Psychologist)	38	0	6	0%	16%
Professionals (QMHP)	90	2	23	2%	26%
Professionals (QIDP)	27	0	4	0%	15%
Licensed Staff (LCDC, LPC...)	16	0	2	0%	13%
Business Services (Accounting)	11	0	0	0%	0%
Central Administration (HR, IT, Executive Director)	21	0	1	0%	5%
Program Support(Financial Counselors, QA, Training, Med. Records)	40	0	5	0%	13%
Nurse Technicians/Aides	16	1	3	6%	19%
Service/Maintenance	22	0	2	0%	9%
Direct Care (HCS, Respite, Life Skills)	25	0	8	0%	32%
Total	330	4	57		

May 2015 Separations by Tenure



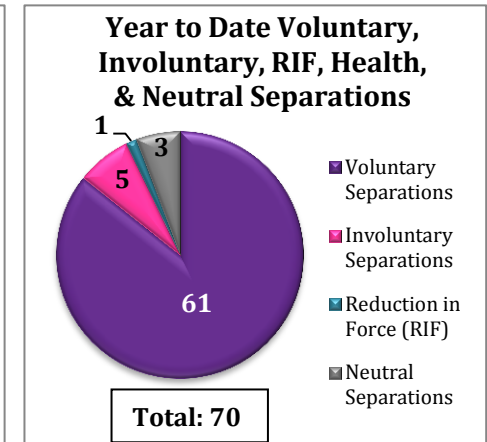
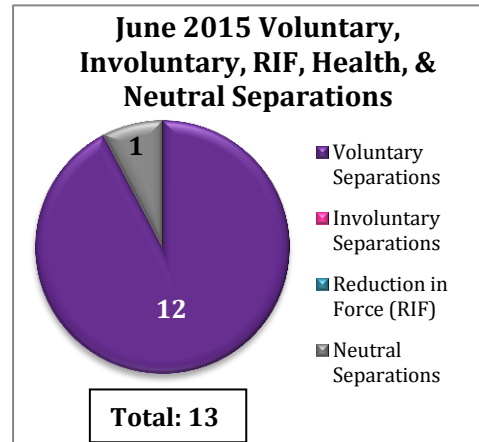
Year to Date Separations by Tenure



Personnel Report June 2015

June 2015	FY15	FY14
Number of Active Employees	330	316
Number of Monthly Separations	13	8
Number of Separations YTD	70	53
Year to Date Turnover Rate	21%	15%
June Turnover	4%	2%

Separations by Reason	June Separations	Year to Date
Retired	0	4
Involuntarily Terminated	0	5
Neutral Termination	1	3
Dissatisfied	0	10
Lack of Support from Administration	0	1
Micro-managing supervisor	0	1
Lack of growth opportunities/recognition	1	1
Difficulty learning new job	1	1
Co-workers	0	1
Work Related Stress/Environment	1	2
RIF	0	1
Deceased	0	0
Pay	2	4
Health	1	9
Family	4	4
Relocation	2	6
School	0	3
Personal	0	2
New Job	0	10
Temp	0	2
Total Separations	13	70

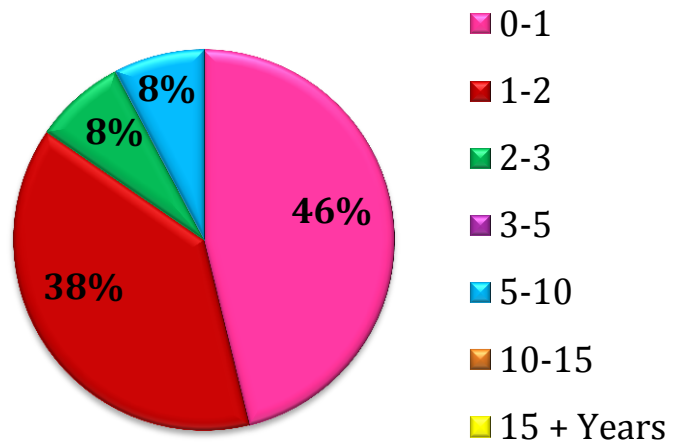


Total Applications received in June=485
Total New Hires for the month of June=13
Total New Hires Year to date =83

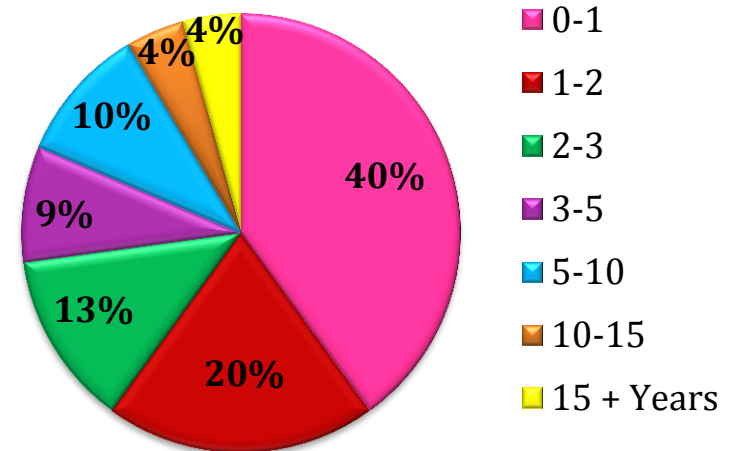
Management Team	# of Employees	Monthly Separations	Year to Date Separations	% June	% Year to Date
Evan Roberson	14	0	1	0%	7%
Millie McDuffey	45	1	3	2%	7%
Amy Foerster	8	1	1	13%	13%
Tanya Bryant	8	0	0	0%	0%
Catherine Prestigiovanni	124	10	41	8%	33%
Breanna Robertson	54	1	11	2%	20%
Kelly Shropshire	33	0	4	0%	12%
Kathy Foster	35	0	8	0%	23%
Kenneth Barfield	9	0	1	0%	11%
Total	330	13	70		

Separation by EEO Category	# of Employees	Monthly Separations	Year to Date Separations	% June	% Year to Date
Supervisors & Managers	22	2	5	9%	23%
Medical (MD,DO, LVN, RN, APN, PA, Psychologist)	39	1	7	3%	18%
Professionals (QMHP)	85	8	31	9%	36%
Professionals (QIDP)	27	0	4	0%	15%
Licensed Staff (LCD, LPC...)	18	0	2	0%	11%
Business Services (Accounting)	11	0	0	0%	0%
Central Administration (HR, IT, Executive Director)	22	1	2	5%	9%
Program Support(Financial Counselors, QA, Training, Med. Records)	42	0	5	0%	12%
Nurse Technicians/Aides	17	0	3	0%	18%
Service/Maintenance	22	1	3	5%	13%
Direct Care (HCS, Respite, Life Skills)	25	0	8	0%	32%
Total	330	13	70		

June 2015 Separations by Tenure



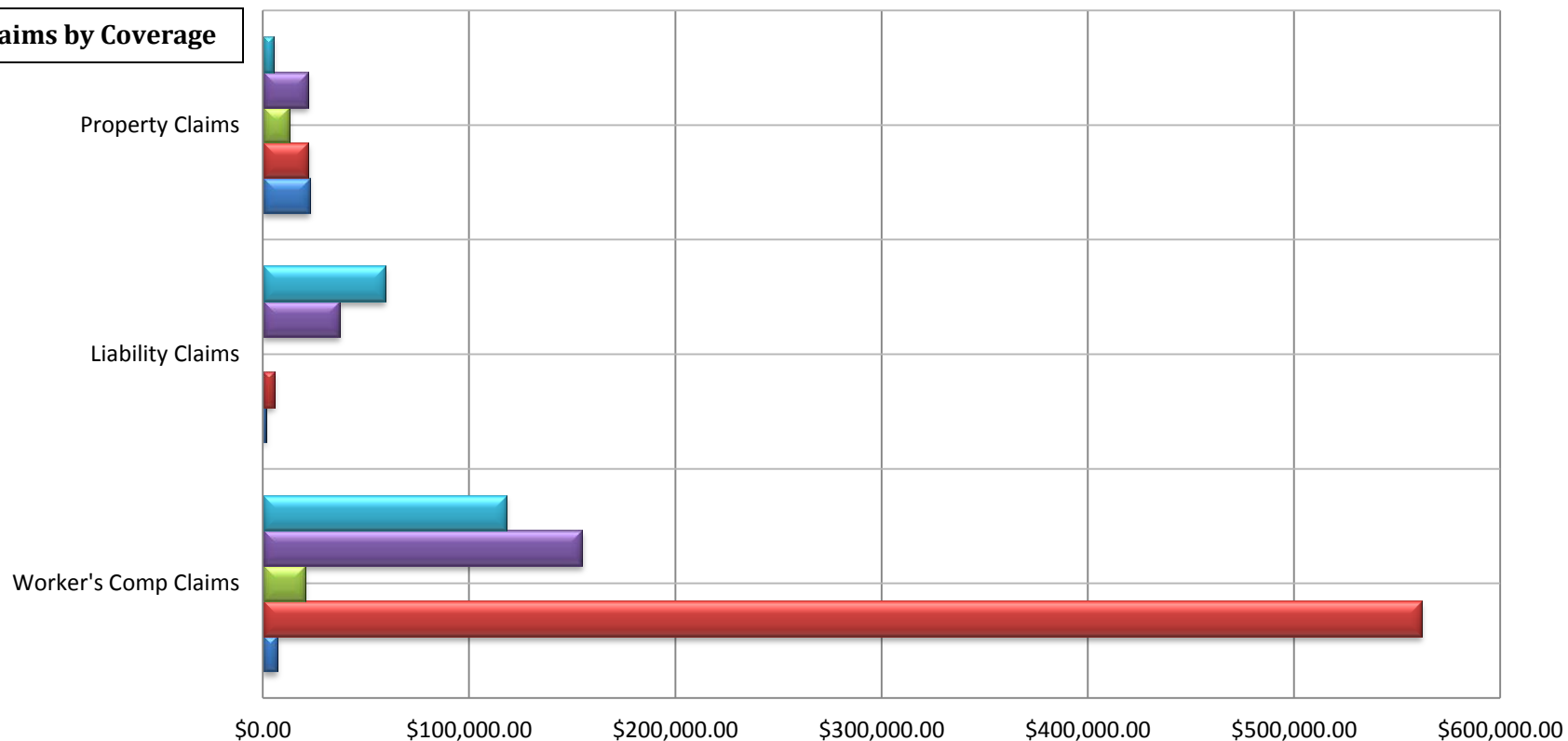
Year to Date Separations by Tenure



Agenda Item: Texas Council Risk Management Fund Claim Summaries for May and June 2015 Committee: Executive	Board Meeting Date July 30, 2015
Background Information: None	
Supporting Documentation: Texas Council Risk Management Fund Claim Summaries for May and June 2015	
Recommended Action: For Information Only	

TCRMF Claims Summary May 2015

Claims by Coverage



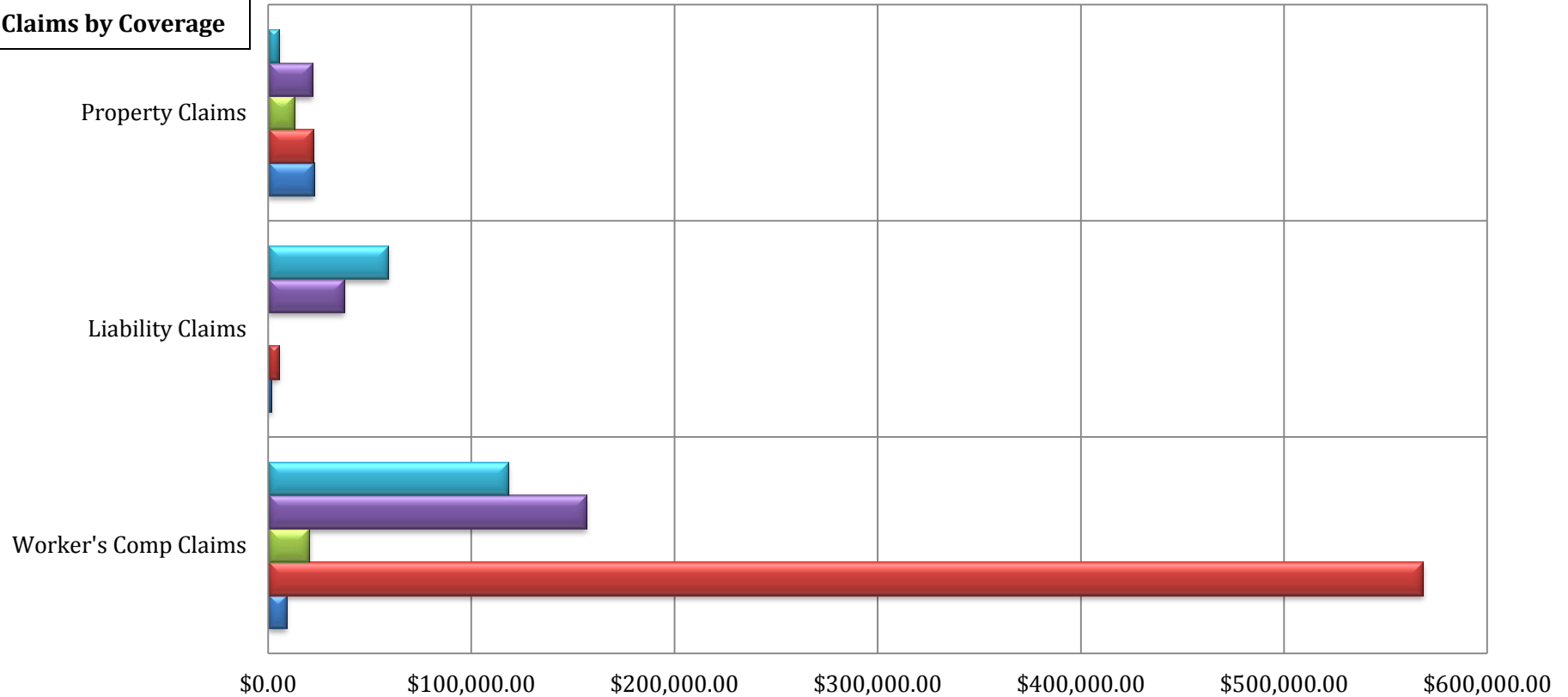
	Worker's Comp Claims	Liability Claims	Property Claims
2011	\$117,981.00	\$59,008.00	\$5,057.00
2012	\$154,744.00	\$37,206.00	\$21,595.00
2013	\$20,263.00	\$0.00	\$12,869.00
2014	\$561,960.00	\$5,295.00	\$21,931.00
2015	\$6,873.00	\$1,307.00	\$22,505.00

Gross Total Reported

**Total Open
Worker's Comp
Claims: 9**

TCRMF Claims Summary June 2015

Claims by Coverage



	Worker's Comp Claims	Liability Claims	Property Claims
2011	\$117,981.00	\$59,008.00	\$5,057.00
2012	\$156,487.00	\$37,206.00	\$21,595.00
2013	\$20,263.00	\$0.00	\$12,869.00
2014	\$568,404.00	\$5,295.00	\$21,931.00
2015	\$9,029.00	\$1,585.00	\$22,505.00

Gross Total Reported

**Total Open
Worker's Comp
Claims: 9**

Agenda Item: Approve May 2015 Financial Statements Committee: Business	Board Meeting Date July 30, 2015
Background Information: None	
Supporting Documentation: May 2015 Financial Statements	
Recommended Action: Approve May 2015 Financial Statements	

May 2015 Financial Summary

Revenues for May 2015 were \$2,323,810 and operating expenses were \$2,239,127 resulting in a gain in operations of \$84,684. There were no Capital Expenditures or Extraordinary Expenses to report for May. Total revenues were 99.48% of the monthly budgeted revenues and total expenses were 96.85% of the monthly budgeted expenses.

Year to date revenues are \$21,167,112 and operating expenses are \$20,390,290 leaving excess operating revenues of \$776,822. YTD Capital Expenditures and Extraordinary Expenses are \$283,435 resulting in a gain YTD of \$493,387. Total revenues are 99.74% of the YTD budgeted revenues and total expenses are 98.20% 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
DSHS – Gen Rev - NGM	506,069	562,986	89.89%	56,917

DSHS – Gen Rev – NGM – This line item pays for medication and is also used to fund numerous staff positions across the agency. We have had an APN position vacant since February and just recently have found a person to fill that position.

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
For the Month Ended May 31, 2015**

	TOTALS COMBINED FUNDS May 2015	TOTALS COMBINED FUNDS April 2015	Increase (Decrease)
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	5,290	5,250	40
Cash on Deposit-General Fund	7,876,039	9,290,933	(1,414,894)
Cash on Deposit-Debt Fund	-	-	-
Accounts Receivable	1,658,447	1,369,657	288,790
Inventory	9,231	9,290	(59)
TOTAL CURRENT ASSETS	9,549,007	10,675,130	(1,126,123)
FIXED ASSETS	5,487,590	5,487,590	-
OTHER ASSETS	30,088	14,193	15,895
TOTAL ASSETS	\$ 15,066,685	\$ 16,176,914	\$ (1,110,228)
LIABILITIES, DEFERRED REVENUE, FUND BALANCE:			
CURRENT LIABILITIES	777,334	800,151	(22,817)
NOTES PAYABLE	536,765	536,765	-
DEFERRED REVENUE	(96,591)	1,081,670	(1,178,261)
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	729,789	749,498	(19,709)
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	493,387	408,703	84,684
Debt Service Fund	-	-	-
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt Service	(729,789)	(749,497)	19,708
Reserved for Debt Retirement	963,631	963,631	-
COMMITTED			
Net Assets-Property and Equipment	5,487,590	5,487,590	-
Reserved for Vehicles & Equipment Replacement	327,871	327,871	-
Reserved for Facility Improvement & Acquisitions	2,426,254	2,426,254	-
Reserved for Board Initiatives	1,500,000	1,500,000	-
Reserved for 1115 Waiver Programs	516,833	516,833	-
ASSIGNED			
Reserved for Workers' Compensation	183,620	183,620	-
Reserved for Current Year Budgeted Reserve	55,499	49,332	6,167
Reserved for Insurance Deductibles	100,000	100,000	-
Reserved for Accrued Paid Time Off	(536,765)	(536,765)	-
UNASSIGNED			
Unrestricted and Undesignated	2,331,257	2,331,257	-
TOTAL LIABILITIES/FUND BALANCE	\$ 15,066,685	\$ 16,176,914	\$ (1,110,229)

**TRI-COUNTY SERVICES
CONSOLIDATED BALANCE SHEET
For the Month Ended May 31, 2015**

		TOTALS	
		Memorandum Only	
	General Operating Funds	May 2015	Final August 2014
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	5,290	5,290	4,350
Cash on Deposit-General Fund	7,876,039	7,876,039	7,523,501
Cash on Deposit-Debt Fund	-	-	-
Accounts Receivable	1,658,447	1,658,447	1,634,194
Inventory	9,231	9,231	8,787
TOTAL CURRENT ASSETS	9,549,007	9,549,007	9,170,832
FIXED ASSETS	5,487,590	5,487,590	5,487,590
OTHER ASSETS	30,088	30,088	42,111
		-	-
	\$ 15,066,685	\$ 15,066,686	\$ 14,700,532
LIABILITIES, DEFERRED REVENUE, FUND BALANCES			
CURRENT LIABILITIES			
	777,334	777,334	908,243
NOTES PAYABLE	536,765	536,765	536,765
DEFERRED REVENUE	(96,591)	(96,591)	(195,556)
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	729,789	729,789	905,707
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	493,387	493,387	391,867
Debt Service Fund	-	-	-
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt service-Restricted	(729,789)	(729,789)	(905,708)
Reserved for Debt Retirement	963,631	963,631	963,631
COMMITTED			
Net Assets-Property and Equipment-Committed	5,487,590	5,487,590	5,487,590
Reserved for Vehicles & Equipment Replacement	327,871	327,871	387,871
Reserved for Facility Improvement & Acquisitions	2,426,254	2,426,254	2,426,254
Reserved for Board Initiatives	1,500,000	1,500,000	1,500,000
Reserved for 1115 Waiver Programs	516,833	516,833	516,833
ASSIGNED			
Reserved for Workers' Compensation-Assigned	183,620	183,620	274,409
Reserved for Current Year Budgeted Reserve -Assigned	55,499	55,499	-
Reserved for Insurance Deductibles-Assigned	100,000	100,000	100,000
Reserved for Accrued Paid Time Off	(536,765)	(536,765)	(536,765)
UNASSIGNED			
Unrestricted and Undesignated	2,331,257	2,331,257	1,939,391
TOTAL LIABILITIES/FUND BALANCE	\$ 15,066,685	\$ 15,066,685	\$ 14,700,532

TRI-COUNTY SERVICES
Revenue and Expense Summary
For the Month Ended May 2015
and Year To Date as of May 2015

INCOME:	MONTH OF May 2015	YTD May 2015
Local Revenue Sources	92,410	1,117,484
Earned Income	1,122,307	9,479,702
General Revenue-Contract	1,109,094	10,569,926
TOTAL INCOME	\$ 2,323,810	\$ 21,167,112
EXPENSES:		
Salaries	1,232,997	11,054,958
Employee Benefits	243,095	2,261,368
Medication Expense	54,800	408,578
Travel-Board/Staff	33,231	334,823
Building Rent/Maintenance	40,804	219,539
Consultants/Contracts	412,962	4,139,076
Other Operating Expenses	221,237	1,971,948
TOTAL EXPENSES	\$ 2,239,127	\$ 20,390,290
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 84,684	\$ 776,822
CAPITAL EXPENDITURES		
Capital Outlay-FF&E, Automobiles, Building	-	283,435
Capital Outlay-Debt Service Payments	-	-
TOTAL CAPITAL EXPENDITURES	\$ -	\$ 283,435
GRAND TOTAL EXPENDITURES	\$ 2,239,127	\$ 20,673,725
Excess (Deficiency) of Revenues and Expenses	\$ 84,684	\$ 493,387

TRI-COUNTY SERVICES
Revenue and Expense Summary
Compared to Budget
Year to Date as of May 2015

	YTD May 2015	APPROVED BUDGET	Increase (Decrease)
INCOME:			
Local Revenue Sources	1,117,484	1,120,325	(2,841)
Earned Income	9,479,702	9,461,927	17,775
General Revenue-Contract	10,569,926	10,639,411	(69,485)
TOTAL INCOME	\$ 21,167,112	\$ 21,221,663	\$ (54,551)
EXPENSES:			
Salaries	11,054,958	11,091,769	(36,811)
Employee Benefits	2,261,368	2,271,297	(9,929)
Medication Expense	408,578	427,007	(18,429)
Travel-Board/Staff	334,823	333,683	1,140
Building Rent/Maintenance	219,539	257,207	(37,668)
Consultants/Contracts	4,139,076	4,270,943	(131,867)
Other Operating Expenses	1,971,948	2,099,442	(127,494)
TOTAL EXPENSES	\$ 20,390,290	\$ 20,751,348	\$ (361,058)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 776,822	\$ 470,315	\$ 306,507
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	283,435	300,963	(17,528)
Capital Outlay-Debt Service Payments	-	-	-
TOTAL CAPITAL EXPENDITURES	\$ 283,435	\$ 300,963	\$ (17,528)
GRAND TOTAL EXPENDITURES	\$ 20,673,725	\$ 21,052,311	\$ (378,586)
Excess (Deficiency) of Revenues and Expenses	\$ 493,387	\$ 169,352	\$ 324,035

TRI-COUNTY SERVICES
Revenue and Expense Summary
Compared to Budget
For the Month Ended May 2015

INCOME:	MONTH OF May 2015	APPROVED BUDGET	Increase (Decrease)
Local Revenue Sources	92,410	96,948	(4,538)
Earned Income	1,122,307	1,119,961	2,346
General Revenue-Contract	1,109,094	1,118,967	(9,873)
TOTAL INCOME	\$ 2,323,810	\$ 2,335,876	\$ (12,066)
EXPENSES:			
Salaries	1,232,997	1,259,713	(26,716)
Employee Benefits	243,095	245,957	(2,862)
Medication Expense	54,800	51,556	3,244
Travel-Board/Staff	33,231	37,912	(4,681)
Building Rent/Maintenance	40,804	23,041	17,763
Consultants/Contracts	412,962	446,785	(33,823)
Other Operating Expenses	221,237	246,574	(25,337)
TOTAL EXPENSES	\$ 2,239,127	\$ 2,311,538	\$ (72,411)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 84,684	\$ 24,338	\$ 60,346
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	-	392	(392)
Capital Outlay-Debt Service Payments	-	-	-
TOTAL CAPITAL EXPENDITURES	\$ -	\$ 392	\$ (392)
GRAND TOTAL EXPENDITURES	\$ 2,239,127	\$ 2,311,930	\$ (72,803)
Excess (Deficiency) of Revenues and Expenses	\$ 84,684	\$ 23,946	\$ 60,738

TRI-COUNTY SERVICES
Revenue and Expense Summary
With May 2014 Comparative Data
Year to Date as of May 2015

INCOME:	YTD May 2015	YTD May 2014	Increase (Decrease)
Local Revenue Sources	1,117,484	1,077,833	39,651
Earned Income	9,479,702	7,003,765	2,475,937
General Revenue-Contract	10,569,926	10,749,321	(179,395)
TOTAL INCOME	\$ 21,167,112	\$ 18,830,919	\$ 2,336,193
EXPENSES:			
Salaries	11,054,958	9,615,844	1,439,114
Employee Benefits	2,261,368	1,872,053	389,315
Medication Expense	408,578	299,376	109,202
Travel-Board/Staff	334,823	302,425	32,398
Building Rent/Maintenance	219,539	264,236	(44,697)
Consultants/Contracts	4,139,076	4,107,478	31,598
Other Operating Expenses	1,971,948	1,932,311	39,637
TOTAL EXPENSES	\$ 20,390,290	\$ 18,393,723	\$ 1,996,567
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 776,822	\$ 437,196	\$ 339,626
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	283,435	152,392	131,043
Capital Outlay-Debt Service Payments	-	-	-
TOTAL CAPITAL EXPENDITURES	\$ 283,435	\$ 152,392	\$ 131,043
GRAND TOTAL EXPENDITURES	\$ 20,673,725	\$ 18,546,115	\$ 2,127,610
Excess (Deficiency) of Revenues and Expense:	\$ 493,387	\$ 284,804	\$ 208,583

TRI-COUNTY SERVICES
Revenue and Expense Summary
With May 2014 Comparative Data
For the Month Ended May 2015

INCOME:	MONTH OF May 2015	MONTH OF May 2014	Increase (Decrease)
Local Revenue Sources	92,410	111,424	(19,014)
Earned Income	1,122,307	861,221	261,086
General Revenue-Contract	1,109,094	1,205,780	(96,686)
TOTAL INCOME	\$ 2,323,810	\$ 2,178,425	\$ 145,385
EXPENSES:			
Salaries	1,232,997	1,136,708	96,289
Employee Benefits	243,095	222,027	21,068
Medication Expense	54,800	40,321	14,479
Travel-Board/Staff	33,231	35,076	(1,845)
Building Rent/Maintenance	40,804	23,246	17,558
Consultants/Contracts	412,962	482,785	(69,823)
Other Operating Expenses	221,237	221,289	(52)
TOTAL EXPENSES	\$ 2,239,127	\$ 2,161,452	\$ 77,675
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 84,684	\$ 16,973	\$ 67,711
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	-	3,709	(3,709)
Capital Outlay-Debt Service Payments	-	-	-
TOTAL CAPITAL EXPENDITURES	\$ -	\$ 3,709	\$ (3,709)
GRAND TOTAL EXPENDITURES	\$ 2,239,127	\$ 2,165,161	\$ 73,966
Excess (Deficiency) of Revenues and Expenses	\$ 84,684	\$ 13,264	\$ 71,420

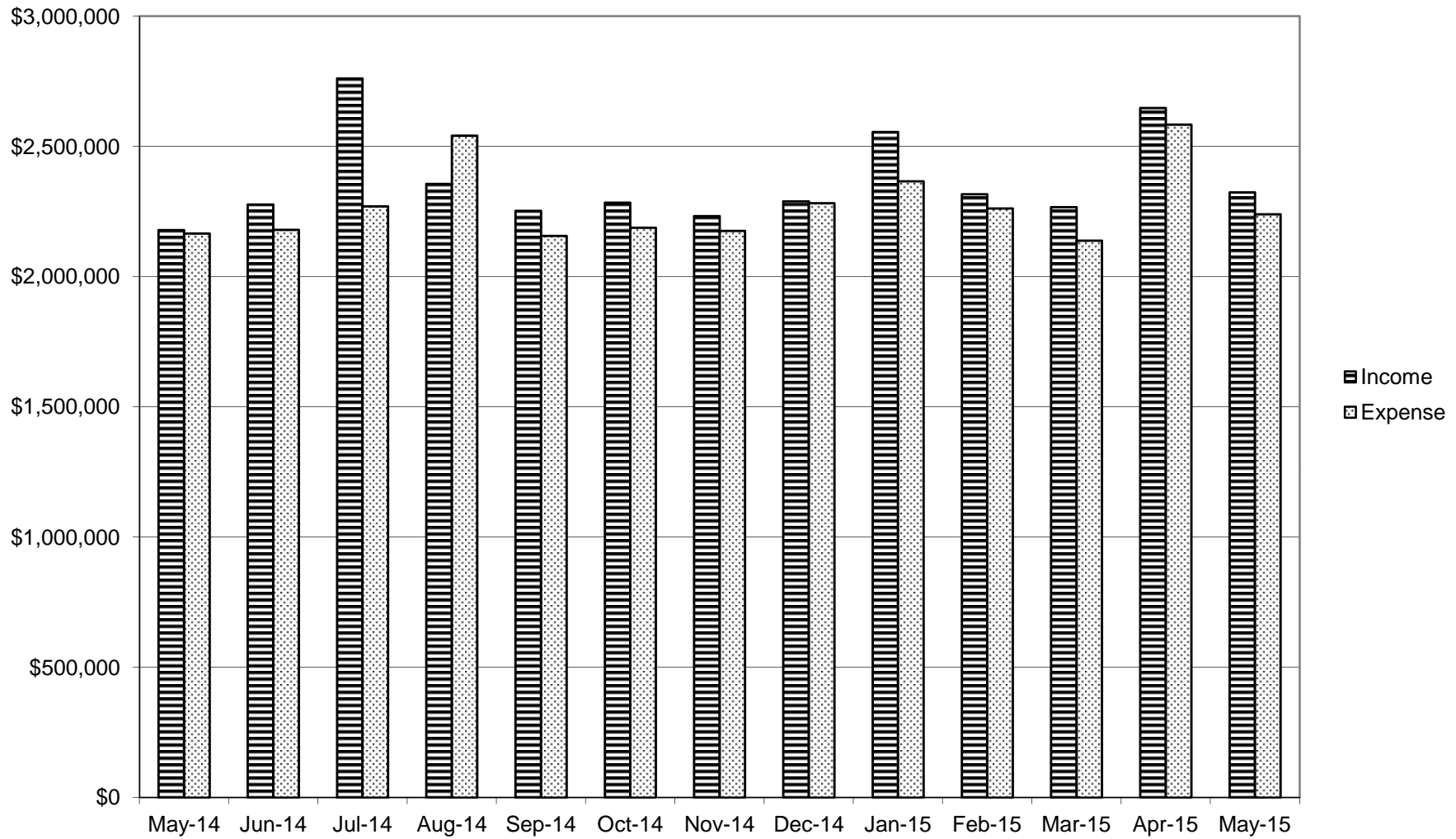
TRI-COUNTY SERVICES
Revenue and Expense Summary
With April 2015 Comparative Data
For the Month Ended May 2015

	<u>MONTH OF</u> <u>May 2015</u>	<u>MONTH OF</u> <u>April 2015</u>	<u>Increase</u> <u>(Decrease)</u>
INCOME:			
Local Revenue Sources	92,410	270,850	(178,441)
Earned Income	1,122,307	1,146,979	(24,672)
General Revenue-Contract	1,109,094	1,229,887	(120,793)
TOTAL INCOME	\$ 2,323,810	\$ 2,647,716	\$ (323,906)
EXPENSES:			
Salaries	1,232,997	1,388,353	(155,356)
Employee Benefits	243,095	350,659	(107,564)
Medication Expense	54,800	42,291	12,508
Travel-Board/Staff	33,231	55,557	(22,327)
Building Rent/Maintenance	40,804	25,819	14,985
Consultants/Contracts	412,962	501,706	(88,743)
Other Operating Expenses	221,237	219,270	1,968
TOTAL EXPENSES	\$ 2,239,127	\$ 2,583,655	\$ (344,529)
 Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	 \$ 84,684	 \$ 64,061	 \$ 20,623
 CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	-	62,113	(62,113)
Capital Outlay-Debt Service Payments	-	-	-
TOTAL CAPITAL EXPENDITURES	\$ -	\$ 62,113	\$ (62,113)
 GRAND TOTAL EXPENDITURES	 \$ 2,239,127	 \$ 2,645,768	 \$ (406,642)
 Excess (Deficiency) of Revenues and Expenses	 \$ 84,684	 \$ 1,948	 \$ 82,736

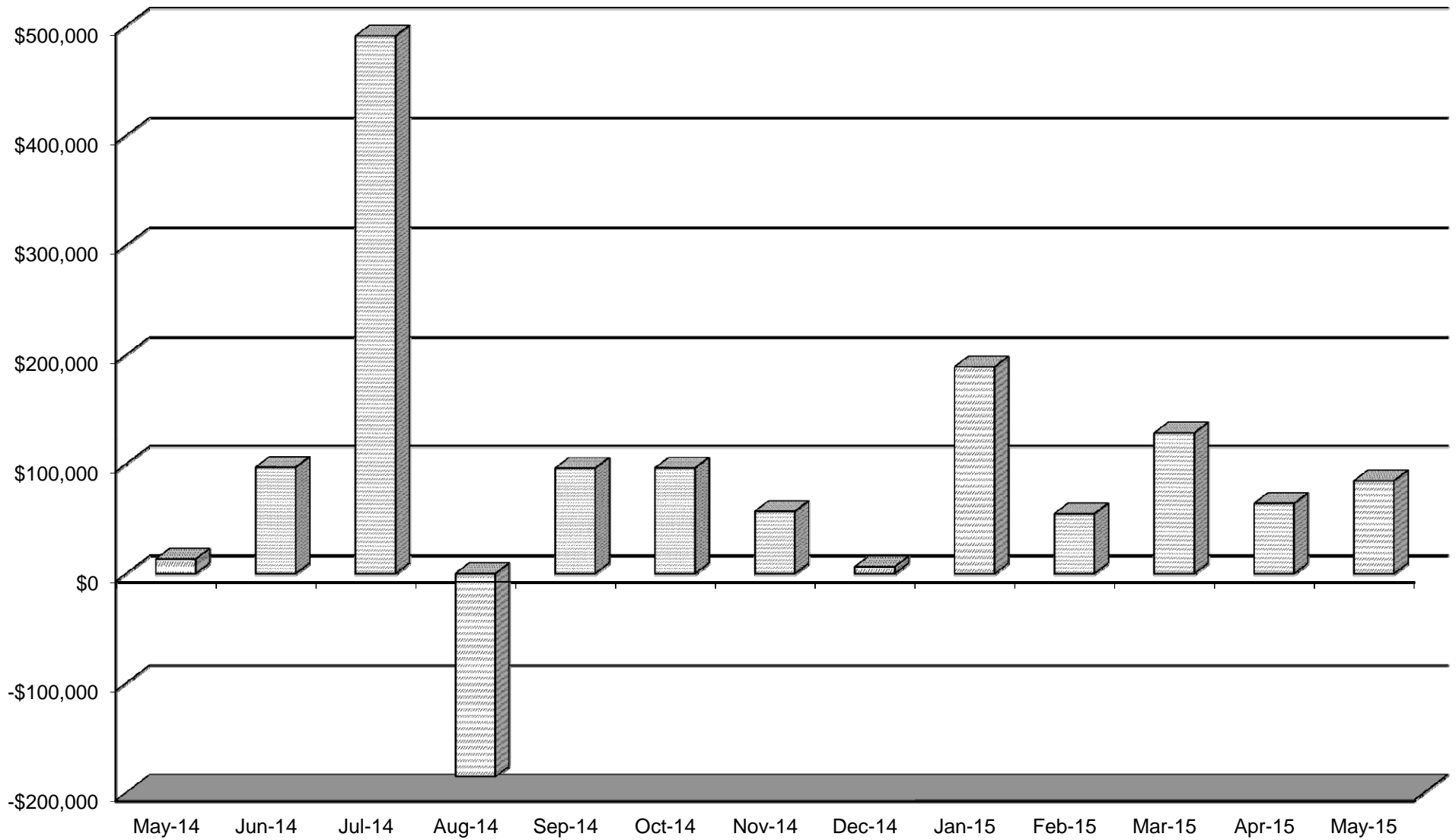
TRI-COUNTY SERVICES
Revenue and Expense Summary by Service Type
Compared to Budget
Year To Date as of May 2015

	YTD Mental Health May 2015	YTD IDD May 2015	YTD Other Services May 2015	YTD Agency Total May 2015	YTD Approved Budget May 2015	Increase (Decrease)
INCOME:						
Local Revenue Sources	892,380	204,841.9	20,262	1,117,484	1,120,325	(2,841)
Earned Income	246,676	4,229,845	2,783,093	9,479,702	9,461,927	17,775
General Revenue-Contract	9,074,071	1,348,322	147,533	10,569,926	10,639,411	(69,485)
TOTAL INCOME	\$ 12,433,215	\$ 5,783,009	\$ 2,950,888	\$ 21,167,112	\$ 21,221,663	\$ (54,551)
EXPENSES:						
Salaries	7,220,080	2,050,779	1,784,099	11,054,958	11,091,769	(36,811)
Employee Benefits	1,493,808	437,051	330,510	2,261,368	2,271,297	(9,929)
Medication Expense	319,187		89,390	408,578	427,007	(18,429)
Travel-Board/Staff	207,052	84,285	43,486	334,823	333,683	1,140
Building Rent/Maintenance	125,754	69,460	24,323	219,539	257,207	(37,668)
Consultants/Contracts	1,470,949	2,501,381	166,748	4,139,076	4,270,943	(131,867)
Other Operating Expenses	1,296,564	433,516	241,867	1,971,948	2,099,442	(127,494)
TOTAL EXPENSES	\$ 12,133,394	\$ 5,576,472	\$ 2,680,423	\$ 20,390,290	\$ 20,751,348	\$ (361,058)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 299,821	\$ 206,537	\$ 270,465	\$ 776,822	\$ 470,315	\$ 306,507
CAPITAL EXPENDITURES						
Capital Outlay-FF&E, Automobiles	132,267	65,746	85,422	283,435	300,963	(17,528)
Capital Outlay-Debt Service Payments	0			0	-	0
TOTAL CAPITAL EXPENDITURES	\$ 132,267	\$ 65,746	\$ 85,422	\$ 283,435	\$ 300,963	\$ (17,528)
GRAND TOTAL EXPENDITURES	\$ 12,265,661	\$ 5,642,218	\$ 2,765,845	\$ 20,673,725	\$ 21,052,311	\$ (378,586)
Excess (Deficiency) of Revenues and Expenses	\$ 167,554	\$ 140,791	\$ 185,043	\$ 493,387	\$ 169,352	\$ 324,035

TRI-COUNTY SERVICES Income and Expense



TRI-COUNTY SERVICES
Income after Expense



Agenda Item: Approve June 2015 Financial Statements Committee: Business	Board Meeting Date July 30, 2015
Background Information: None	
Supporting Documentation: June 2015 Financial Statements	
Recommended Action: Approve June 2015 Financial Statements	

June 2015 Financial Summary

Revenues for June 2015 were \$2,562,391 and operating expenses were \$2,230,285 resulting in a gain in operations of \$332,106. Capital Expenditures and Extraordinary Expenses for June were \$326,035 resulting in a gain of \$6,071. Total revenues were 97.75% of the monthly budgeted revenues and total expenses were 97.63% of the monthly budgeted expenses.

Year to date revenues are \$23,768,591 and operating expenses are \$22,430,087 leaving excess operating revenues of \$1,338,504. YTD Capital Expenditures and Extraordinary Expenses are \$799,959 resulting in a gain YTD of \$538,545. Total revenues are 99.69% of the YTD budgeted revenues and total expenses are 98.14% 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
EHR Medicaid Incentive	21,250	0.00	0%	21,250
ICF Program – Title XIX	1,777,382	1,844,699	96.35%	67,317
Rehab – Title XIX	1,663,437	1,682,498	98.86%	19,061
DSHS – Gen Rev - NGM	566,671	625,540	90.58%	58,869

EHR Medicaid Incentive – This line item shows a refund of the Electronic Health Record Medicaid Incentive payment that we received for prescribers in past fiscal years. We received the payment in error for a Nurse Practitioner position which was not eligible for this incentive payment.

ICF Program – Title XIX - This line item is back on the variance listing mainly due to clients that we were unable to bill for services due to problems with Medicaid coverage. When these problems are resolved, we should be able to back bill for their services. Since this is a cost reimbursement program, there will also be an offset in the expense side of the program.

Rehab – Title XIX - This line item is also back on the variance report due to the adult rehab programs that have had numerous vacant positions for the past couple of months. The children's program is over budget and providing more services than ever due to the ever increasing demand in that population. We have hired for the many vacant positions and after the initial training we should see an increase in this revenue line.

DSHS – Gen Rev – NGM – This line item pays for medication and is also used to fund numerous staff positions across the agency. Currently, we have a vacancy in an APN

position which has caused the lapse in this line item. We have recently filled this position so this amount should not continue to increase.

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
Principal & Interest-Prosperity	13,859	0.00	0%	13,859

Principal & Interest-Prosperity – This is a new line item which is the payment for the Liberty property that we recently purchased. This amount will be included in the year end budget revision as well as our new FY 2016 annual budget.

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

	TOTALS COMBINED FUNDS June 2015	TOTALS COMBINED FUNDS May 2015	Increase (Decrease)
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	5,290	5,290	-
Cash on Deposit-General Fund	8,654,165	7,876,039	778,126
Cash on Deposit-Debt Fund	-	-	-
Accounts Receivable	1,504,647	1,658,447	(153,801)
Inventory	9,009	9,231	(221)
TOTAL CURRENT ASSETS	10,173,111	9,549,007	624,104
FIXED ASSETS	5,487,590	5,487,590	-
OTHER ASSETS	17,934	30,088	(12,154)
TOTAL ASSETS	\$ 15,678,636	\$ 15,066,685	\$ 611,950
LIABILITIES, DEFERRED REVENUE, FUND BALANCE:			
CURRENT LIABILITIES	915,360	777,334	138,026
NOTES PAYABLE	536,765	536,765	-
DEFERRED REVENUE	509,559	(96,591)	606,150
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	710,087	729,789	(19,702)
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	538,545	493,387	45,158
Debt Service Fund	-	-	-
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt Service	(710,087)	(729,789)	19,702
Reserved for Debt Retirement	963,631	963,631	-
COMMITTED			
Net Assets-Property and Equipment	5,487,590	5,487,590	-
Reserved for Vehicles & Equipment Replacement	327,871	327,871	-
Reserved for Facility Improvement & Acquisitions	2,242,704	2,426,254	-
Reserved for Board Initiatives	1,500,000	1,500,000	-
Reserved for 1115 Waiver Programs	516,833	516,833	-
ASSIGNED			
Reserved for Workers' Compensation	183,620	183,620	-
Reserved for Current Year Budgeted Reserve	61,666	55,499	6,167
Reserved for Insurance Deductibles	100,000	100,000	-
Reserved for Accrued Paid Time Off	(536,765)	(536,765)	-
UNASSIGNED			
Unrestricted and Undesignated	2,331,257	2,331,257	-
TOTAL LIABILITIES/FUND BALANCE	\$ 15,678,636	\$ 15,066,685	\$ 795,500

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

	General Operating Funds	TOTALS	
		Memorandum Only	
		June 2015	Final August 2014
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	5,290	5,290	4,350
Cash on Deposit-General Fund	8,654,165	8,654,165	7,523,501
Cash on Deposit-Debt Fund	-	-	-
Accounts Receivable	1,504,647	1,504,647	1,634,194
Inventory	9,009	9,009	8,787
TOTAL CURRENT ASSETS	10,173,111	10,173,111	9,170,832
FIXED ASSETS	5,487,590	5,487,590	5,487,590
OTHER ASSETS	17,934	17,934	42,111
		-	-
	\$ 15,678,636	\$ 15,678,636	\$ 14,700,532
LIABILITIES, DEFERRED REVENUE, FUND BALANCES			
CURRENT LIABILITIES			
	915,360	915,360	908,243
NOTES PAYABLE	536,765	536,765	536,765
DEFERRED REVENUE	509,559	509,559	(195,556)
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	710,087	710,087	905,707
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	538,545	538,545	391,867
Debt Service Fund	-	-	-
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt service-Restricted	(710,087)	(710,087)	(905,708)
Reserved for Debt Retirement	963,631	963,631	963,631
COMMITTED			
Net Assets-Property and Equipment-Committed	5,487,590	5,487,590	5,487,590
Reserved for Vehicles & Equipment Replacement	327,871	327,871	387,871
Reserved for Facility Improvement & Acquisitions	2,242,704	2,242,704	2,426,254
Reserved for Board Initiatives	1,500,000	1,500,000	1,500,000
Reserved for 1115 Waiver Programs	516,833	516,833	516,833
ASSIGNED			
Reserved for Workers' Compensation-Assigned	183,620	183,620	274,409
Reserved for Current Year Budgeted Reserve -Assigned	61,666	61,666	-
Reserved for Insurance Deductibles-Assigned	100,000	100,000	100,000
Reserved for Accrued Paid Time Off	(536,765)	(536,765)	(536,765)
UNASSIGNED			
Unrestricted and Undesignated	2,331,257	2,331,257	1,939,391
TOTAL LIABILITIES/FUND BALANCE	\$ 15,678,636	\$ 15,678,636	\$ 14,700,532

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

INCOME:	MONTH OF June 2015	YTD June 2015
Local Revenue Sources	306,740	1,424,224
Earned Income	1,068,396	10,587,185
General Revenue-Contract	1,187,255	11,757,182
TOTAL INCOME	\$ 2,562,391	\$ 23,768,591
EXPENSES:		
Salaries	1,254,037	12,308,995
Employee Benefits	243,680	2,505,049
Medication Expense	57,220	465,797
Travel-Board/Staff	34,808	369,632
Building Rent/Maintenance	40,279	259,818
Consultants/Contracts	408,231	4,547,308
Other Operating Expenses	192,029	1,973,488
TOTAL EXPENSES	\$ 2,230,285	\$ 22,430,087
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 332,106	\$ 1,338,504
CAPITAL EXPENDITURES		
Capital Outlay-FF&E, Automobiles, Building	291,566	575,002
Capital Outlay-Debt Service Bonds	34,469	224,958
TOTAL CAPITAL EXPENDITURES	\$ 326,035	\$ 799,959
GRAND TOTAL EXPENDITURES	\$ 2,556,320	\$ 23,230,046
Excess (Deficiency) of Revenues and Expenses	\$ 6,071	\$ 538,545

Debt Service and Fixed Asset Fund:		
Bond Payments Receipts	34,469	224,958
Bond Payments Disbursements		
Interest Income		
Excess(Deficiency) of revenues over Expenses	34,469	224,958

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

	YTD June 2015	APPROVED BUDGET	Increase (Decrease)
INCOME:			
Local Revenue Sources	1,424,224	1,407,345	16,879
Earned Income	10,587,185	10,643,911	(56,726)
General Revenue-Contract	11,757,182	11,791,744	(34,562)
TOTAL INCOME	\$ 23,768,591	\$ 23,843,000	\$ (74,409)
EXPENSES:			
Salaries	12,308,995	12,356,082	(47,087)
Employee Benefits	2,505,049	2,517,252	(12,203)
Medication Expense	465,797	478,564	(12,767)
Travel-Board/Staff	369,632	368,321	1,311
Building Rent/Maintenance	259,818	279,248	(19,430)
Consultants/Contracts	4,547,308	4,747,029	(199,721)
Other Operating Expenses	1,973,488	2,121,844	(148,356)
TOTAL EXPENSES	\$ 22,430,087	\$ 22,868,340	\$ (438,253)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 1,338,504	\$ 974,660	\$ 363,844
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	575,002	590,760	(15,758)
Capital Outlay-Debt Service Bonds	224,958	211,595	13,363
TOTAL CAPITAL EXPENDITURES	\$ 799,959	\$ 802,355	\$ (2,396)
GRAND TOTAL EXPENDITURES	\$ 23,230,046	\$ 23,670,695	\$ (440,649)
Excess (Deficiency) of Revenues and Expenses	\$ 538,545	\$ 172,305	\$ 366,240

Debt Service and Fixed Asset Fund:			
Bond Payments Receipts	224,958	211,595	13,363
Bond Payments Disbursements		-	-
Interest Income			
Excess(Deficiency) of revenues over Expenses	224,958	211,595	13,363

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

INCOME:	MONTH OF June 2015	APPROVED BUDGET	Increase (Decrease)
Local Revenue Sources	306,740	287,020	19,720
Earned Income	1,068,396	1,181,984	(113,588)
General Revenue-Contract	1,187,255	1,152,333	34,922
TOTAL INCOME	\$ 2,562,391	\$ 2,621,337	\$ (58,946)
EXPENSES:			
Salaries	1,254,037	1,264,313	(10,276)
Employee Benefits	243,680	245,955	(2,275)
Medication Expense	57,220	51,557	5,663
Travel-Board/Staff	34,808	34,638	170
Building Rent/Maintenance	40,279	22,041	18,238
Consultants/Contracts	408,231	476,086	(67,855)
Other Operating Expenses	192,029	212,837	(20,808)
TOTAL EXPENSES	\$ 2,230,285	\$ 2,307,427	\$ (77,142)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 332,106	\$ 313,910	\$ 18,196
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	291,566	289,797	1,769
Capital Outlay-Debt Service Bonds	34,469	21,160	13,309
TOTAL CAPITAL EXPENDITURES	\$ 326,035	\$ 310,957	\$ 15,078
GRAND TOTAL EXPENDITURES	\$ 2,556,320	\$ 2,618,384	\$ (62,064)
Excess (Deficiency) of Revenues and Expenses:	\$ 6,071	\$ 2,953	\$ 3,118

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	34,469	21,160	13,309
Bond Payments Disbursements		-	-
Interest Income			
Excess(Deficiency) of revenues over Expense:	34,469	21,160	13,309

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

INCOME:	YTD June 2015	YTD June 2014	Increase (Decrease)
Local Revenue Sources	1,424,224	1,181,685	242,539
Earned Income	10,587,185	7,827,720	2,759,465
General Revenue-Contract	11,757,182	12,097,976	(340,794)
TOTAL INCOME	\$ 23,768,591	\$ 21,107,381	\$ 2,661,210
EXPENSES:			
Salaries	12,308,995	10,729,535	1,579,460
Employee Benefits	2,505,049	2,093,000	412,049
Medication Expense	465,797	335,052	130,745
Travel-Board/Staff	369,632	345,863	23,769
Building Rent/Maintenance	259,818	311,694	(51,876)
Consultants/Contracts	4,547,308	4,586,499	(39,191)
Other Operating Expenses	1,973,488	2,166,654	(193,166)
TOTAL EXPENSES	\$ 22,430,087	\$ 20,568,297	\$ 1,861,790
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 1,338,504	\$ 539,084	\$ 799,420
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	575,002	157,340	417,662
Capital Outlay-Debt Service Bonds	224,958		224,958
TOTAL CAPITAL EXPENDITURES	\$ 799,959	\$ 157,340	\$ 642,619
GRAND TOTAL EXPENDITURES	\$ 23,230,046	\$ 20,725,637	\$ 2,504,409
Excess (Deficiency) of Revenues and Expense:	\$ 538,545	\$ 381,744	\$ 156,801

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	224,958	-	224,958
Bond Payments Disbursements			-
Interest Income			-
Excess(Deficiency) of revenues over Expense:	224,958	-	224,958

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

INCOME:	MONTH OF June 2015	MONTH OF June 2014	Increase (Decrease)
Local Revenue Sources	306,740	103,853	202,887
Earned Income	1,068,396	823,955	244,441
General Revenue-Contract	1,187,255	1,348,655	(161,400)
TOTAL INCOME	\$ 2,562,391	\$ 2,276,463	\$ 285,928
EXPENSES:			
Salaries	1,254,037	1,113,691	140,346
Employee Benefits	243,680	220,947	22,733
Medication Expense	57,220	35,676	21,544
Travel-Board/Staff	34,808	43,438	(8,630)
Building Rent/Maintenance	40,279	47,458	(7,179)
Consultants/Contracts	408,231	479,021	(70,790)
Other Operating Expenses	192,029	234,344	(42,315)
TOTAL EXPENSES	\$ 2,230,285	\$ 2,174,575	\$ 55,710
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 332,106	\$ 101,888	\$ 230,218
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	291,566	4,948	286,618
Capital Outlay-Debt Service Bonds	34,469		34,469
TOTAL CAPITAL EXPENDITURES	\$ 326,035	\$ 4,948	\$ 321,087
GRAND TOTAL EXPENDITURES	\$ 2,556,320	\$ 2,179,523	\$ 376,797
Excess (Deficiency) of Revenues and Expense:	\$ 6,071	\$ 96,940	\$ (90,869)

Debt Service and Fixed Asset Fund:

Bond Payments Receipts	34,469	-	34,469
Bond Payments Disbursements			-
Interest Income			-
Excess(Deficiency) of revenues over Expense:	34,469	-	34,469

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With May 2015 Comparative Data
For the Month Ended June 2015

INCOME:	MONTH OF June 2015	MONTH OF May 2015	Increase (Decrease)
Local Revenue Sources	306,740	92,410	214,331
Earned Income	1,068,396	1,122,307	(53,911)
General Revenue-Contract	1,187,255	1,109,094	78,161
TOTAL INCOME	\$ 2,562,391	\$ 2,323,810	\$ 238,581
EXPENSES:			
Salaries	1,254,037	1,232,997	21,040
Employee Benefits	243,680	243,095	585
Medication Expense	57,220	54,800	2,420
Travel-Board/Staff	34,808	33,231	1,578
Building Rent/Maintenance	40,279	40,804	(525)
Consultants/Contracts	408,231	412,962	(4,731)
Other Operating Expenses	192,029	221,237	(29,208)
TOTAL EXPENSES	\$ 2,230,285	\$ 2,239,127	\$ (8,842)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 332,106	\$ 84,684	\$ 247,423
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	291,566	-	291,566
Capital Outlay-Debt Service Bonds	34,469	-	34,469
TOTAL CAPITAL EXPENDITURES	\$ 326,035	\$ -	\$ 326,035
GRAND TOTAL EXPENDITURES	\$ 2,556,320	\$ 2,239,127	\$ 317,194
Excess (Deficiency) of Revenues and Expenses:	\$ 6,071	\$ 84,684	\$ (78,613)

Debt Service and Fixed Asset Fund:

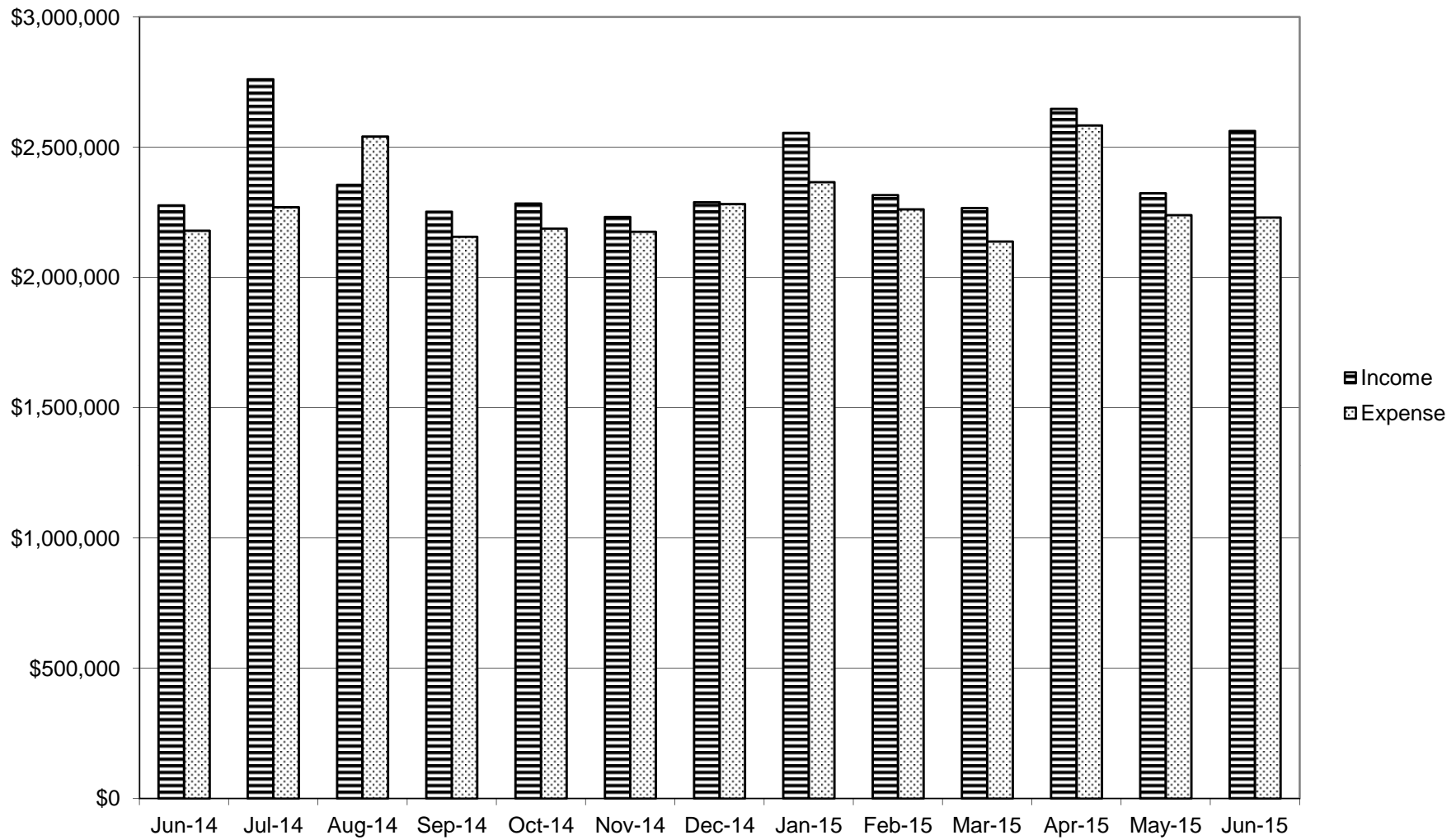
Bond Payments Receipts	34,469	-	34,469
Bond Payments Disbursements			-
Interest Income			
Excess(Deficiency) of revenues over Expense:	34,469	-	34,469

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

	YTD Mental Health June 2015	YTD IDD June 2015	YTD Other Services June 2015	YTD Agency Total June 2015	YTD Approved Budget June 2015	Increase (Decrease)
INCOME:						
Local Revenue Sources	1,119,278	281,572	23,374	1,424,224	1,407,345	16,879
Earned Income	2,747,506	4,639,903	3,199,775	10,587,185	10,643,911	(56,726)
General Revenue-Contract	10,230,166	1,527,016		11,757,182	11,791,744	(34,562)
TOTAL INCOME	\$ 14,096,950	\$ 6,448,491	\$ 3,223,149	\$ 23,768,590	\$ 23,843,000	\$ (74,410)
EXPENSES:						
Salaries	8,015,756	2,300,790	1,992,451	12,308,995	12,356,082	(47,087)
Employee Benefits	1,646,296	490,350	368,402	2,505,049	2,517,252	(12,203)
Medication Expense	361,181		104,616	465,797	478,564	(12,767)
Travel-Board/Staff	229,626	93,247	46,758	369,632	368,321	1,311
Building Rent/Maintenance	157,602	75,847	26,367	259,818	279,248	(19,430)
Consultants/Contracts	1,640,248	2,727,365	179,695	4,547,308	4,747,029	(199,721)
Other Operating Expenses	1,220,268	479,981	273,239	1,973,488	2,121,844	(148,356)
TOTAL EXPENSES	\$ 13,270,977	\$ 6,167,580	\$ 2,991,528	\$ 22,430,087	\$ 22,868,340	\$ (438,253)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 825,973	\$ 280,911	\$ 231,621	\$ 1,338,503	\$ 974,660	\$ 363,843
CAPITAL EXPENDITURES						
Capital Outlay-FF&E, Automobiles	242,381	118,341	214,279	575,002	590,760	(15,758)
Capital Outlay-Debt Service Bonds	219,414	3,881	1,663	224,958	211,595	13,363
TOTAL CAPITAL EXPENDITURES	\$ 461,795	\$ 122,222	\$ 215,942	\$ 799,960	\$ 802,355	\$ (2,395)
GRAND TOTAL EXPENDITURES	\$ 13,732,772	\$ 6,289,802	\$ 3,207,470	\$ 23,230,047	\$ 23,670,695	\$ (440,648)
Excess (Deficiency) of Revenues and Expenses	\$ 364,178	\$ 158,689	\$ 15,679	\$ 538,545	\$ 172,305	\$ 366,238

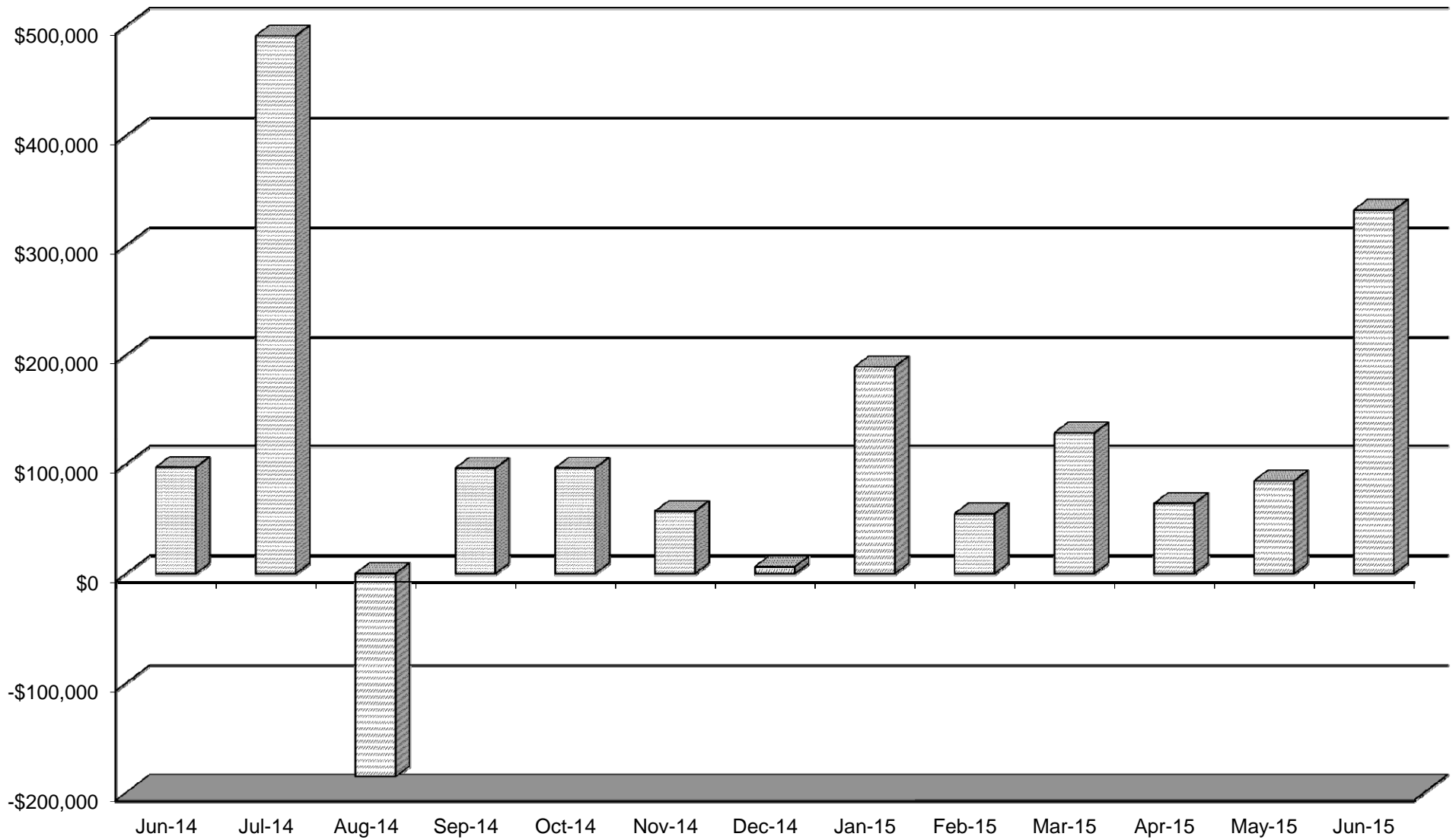
Debt Service and Fixed Asset Fund:						
Bond Payments Receipts	219,414	3,881	1,663	224,958	211,595	7,819
Bond Payments Disbursements		-	-	-	-	-
Interest Income		-	-	-	-	-
Excess(Deficiency) of revenues over Expenses	219,414	3,881	1,663	224,958	211,595	7,819

TRI-COUNTY BEHAVIORAL HEALTHCARE Income and Expense



TRI-COUNTY BEHAVIORAL HEALTHCARE

Income after Expense



Agenda Item: Approve FY 2015 Auditor Engagement Letter Committee: Business	Board Meeting Date July 30, 2014
Background Information: At the April 23 rd Board meeting, the Board authorized staff to solicit the Annual Financial Audit Engagement Letter from Scott, Singleton, Fincher and Company, P.C. for the FY 2015 Independent Financial Audit.	
Supporting Documentation: Copy of Engagement Letter from Scott, Singleton, Fincher and Company, P.C.	
Recommended Action: Approve the Engagement Letter from Scott, Singleton, Fincher and Company, P.C. for the FY 2015 Independent Financial Audit	

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

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

Kelley D. Fincher, CPA
Tommy L. Nelson, CPA
Hannah C. Nelson-Rix, CPA
Abigail E. Evans, CPA

Members of:
American Institute of
Certified Public Accountants
Texas Society of
Certified Public Accountants

June 1, 2015

To the Board of Trustees and Management
Tri-County Behavioral Health Care
P. O. Box 3067
Conroe, Texas 77305

We are pleased to confirm our understanding of the services we are to provide Tri-County Behavioral Health Care for the year ended August 31, 2015. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Tri-County Behavioral Health Care as of and for the year ended August 31, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Tri-County Behavioral Health Care's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Tri-County Behavioral Health Care's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedule – General Fund

We have also been engaged to report on supplementary information other than RSI that accompanies Tri-County Behavioral Health Care's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

- 1) Schedule of expenditures of federal and state awards.

The following other information accompanying the 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 not provide an opinion or any assurance.

1) Supplementary schedules required by the Texas Health and Human Services Commission Audit Guidelines

Our responsibility for this other information included in the documents containing the entity's audited financial statements and auditor's report does not extend beyond the financial information included in the report. In addition, as auditor's we have no responsibility for determining whether such other information is properly stated.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Texas *Single Audit Circular* (TSAC).

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and OMB Circular A-133 and TSAC in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

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 Act Amendments of 1996; the provisions of OMB Circular A-133, the State of Texas *Single Audit Circular* (TSAC), and the current *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers* provided by the Texas Health and Human Services Commission (THHSC). Our audit will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133 and TSAC, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. We will make reference to Taboada and Company's audit of the aggregate component units in our report on your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, 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 opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements, schedule of expenditures of federal and state awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal and state awards in accordance with the requirements of OMB Circular A-133 and TSAC. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal and state awards, and related notes. You will be required to acknowledge in the written management representation letter our assistance with preparation of the financial statements and schedule of expenditures of federal and state awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferable from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that 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; for the fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; 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 (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the 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 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 the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts 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 the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133 and TSAC, 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 of prior audit findings, if applicable, should be available for our review on the date we begin our field work.

You are responsible for preparation of the schedule of expenditures of federal and state awards in conformity with OMB Circular A-133 and TSAC. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon or make the audited financial statements readily available to users of the schedule of expenditures of federal and state awards no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with OMB Circular A-133 and TSAC; (2) that you believe the schedule of expenditures of federal and state awards, including its form and content, is fairly presented in accordance with OMB Circular A-133 and TSAC; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

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, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

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 (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do 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 or noncompliance 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 major programs. However, we will inform the appropriate level of management of any material errors, 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, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors 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, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your 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 Controls

Our audit will include obtaining an understanding of the entity 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 consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to 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 issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133 and TSAC, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state award 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 and TSAC.

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

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Tri-County Behavioral Health Care's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 and TSAC require that we also 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 Texas Health and Human Services Commission's *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*, for the types of compliance requirements that could have a direct and material effect on each of Tri-County Behavioral Health Care's major programs. The purpose of these procedures will be to express an opinion on Tri-County Behavioral Health Care's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133 and TSAC.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. 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, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit 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 auditors' 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 audits. Management is responsible for providing the report to the Texas Health and Human Services Commission by February 1 of the following year. Management is also responsible for providing any other appropriate governmental agencies with copies of the audit report according to the instructions in the current edition of the *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*.

The audit documentation for this engagement is the property of Scott, Singleton, Fincher and 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 Services Commission Office of Inspector General (OIG) or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office 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 Scott, Singleton, Fincher and Company, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties 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 or for any additional period requested by the Texas Health and Human Service Commission Office of Inspector General, federal awarding agency, or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on mutually agreed upon dates and to issue our reports on in accordance with the dates specified in your request for proposal. Tommy Nelson is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). We estimate that our gross fee, including expenses, will not exceed \$26,700. Our standard hourly rates vary according to the degree of responsibility involved and the

experience level of the personnel assigned to your audit. 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 30 days or more overdue and may 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(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. 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.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2012 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Tri-County Behavioral Health Care 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,

Scott, Singleton, Fincher and Company, P.C.

Scott, Singleton, Fincher and Company, P.C.

RESPONSE:

This letter correctly sets forth the understanding of Tri-County Behavioral Health Care.

Board Signature:

By: _____

Title: Brad Browder, Board Chair

Date: July 30, 2015

Management Signature:

By: _____

Title: Evan Roberson, Executive Director

Date: July 30, 2015

Agenda Item: Approve Participation in Texas Council Risk Management Fund Minimum Contribution Plan for Workers' Compensation Coverage Committee: Business	Board Meeting Date July 30, 2015
Background Information: <p>The Texas Council Risk Management Fund adopted revised coverage options for Workers' Compensation; the revised Minimum Contribution Plan (MCP) offers a minimum contribution of 80% with a maximum contribution of 100%, depending upon the Center's level of equity in the Fund. The Center would budget the 80% contribution and reserve the remaining 20% as Workers' Compensation Reserves.</p> <p>Staff are recommending that the Board adopt the resolution to participate in the Minimum Contribution Plan for Workers' Compensation.</p>	
Supporting Documentation: Amendment to Interlocal Agreement from Texas Council Risk Management Fund	
Recommended Action: Approve Amendment to the Interlocal Agreement to Participate in Texas Council Risk Management Fund's Minimum Contribution Plan for Workers' Compensation Coverage	

**AMENDMENT TO
INTERLOCAL AGREEMENT
TEXAS COUNCIL RISK MANAGEMENT FUND**

This contract and amendment to the Interlocal Agreement is entered into between the Texas Council Risk Management Fund (the Fund) and the undersigned member of the Fund.

WHEREAS, the Fund and the undersigned have previously entered into an Interlocal Agreement evidencing the undersigned's self-insurance coverage through the Fund;

WHEREAS, the undersigned is eligible for the Minimum Contribution Plan (MCP) for workers' compensation, as established by the board of Trustees of the Fund, which modifies the normal calculation of contribution under Section 7 of the Interlocal Agreement;

WHEREAS, the parties desire to modify Section 7 of the Interlocal Agreement to reflect the implementations of a MCP for workers' compensation.

NOW, THEREFORE, for and in consideration of the premises, the premises contained herein, and other good and valuable consideration, the parties agree as follows:

This amendment to the Texas Council Risk Management Fund Interlocal Agreement is for The Fund Year period of September 1, 2015 through August 31, 2016.

It is agreed that the (the member) will pay workers' compensation contributions relative to its own loss experience. This will be subject to a minimum and a maximum MCP factor (as set forth below). In determining final contribution, ultimate losses and expenses will be compared to standard contribution to determine the combined ratio. (i.e., the sum of ultimate losses and expenses divided by standard contribution.)

**Tri-County Behavioral Healthcare elects the following option for Fund Year 2015-2016
(Check only one)**

- ☒ 80% (minimum MCP factor) of standard contribution up-front with the potential of eventually paying up to 100% (maximum MCP factor) of standard contribution over six annual adjustments; or
- ☐ MCP Option Declined

A combined ratio less than or equal to the minimum MCP factor will result in a contribution equal to the product of the minimum MCP factor and the standard Fund contribution. A combined ratio between the minimum and maximum MCP factors will result in a contribution equal to the product of the combined ratio and the standard Fund contribution. A combined ratio greater than or equal to the maximum MCP factor will result in a contribution equal to the product of the maximum MCP factor and the standard Fund contribution.

The member agrees to pay contributions based on actual payrolls during this period. Adjustments will be made on January 1 for each of the six years following the end of the 2015-2016 Fund year. These adjustments could require that the member make an additional contribution to the Fund.

All other provisions of the Interlocal Agreement, as amended, shall remain in full force and effect.

Tri-County Behavioral Healthcare

TEXAS COUNCIL RISK MANAGEMENT FUND

By: _____
Signature of Authorized Center Official

By: _____
Signature of Authorized Fund Official

Title: **EVAN ROBERSON, EXECUTIVE DIRECTOR**

Title: **Board Chair**

Date: **JULY 30, 2015**

Date: _____

<p>Agenda Item: Approve Recommendation for Tri-County Employee Health Insurance & Ancillary Plans</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>July 30, 2015</p>
<p>Background Information:</p> <p>Tri-County currently has employee health insurance coverage through Aetna (we offer a structure of four plan types) that will expire on September 30, 2015. In May 2015, Benefit Solutions requested quotes (on our behalf) for FY 2016 employee health insurance coverage and provided fully funded plan quotes to the Management Team for review.</p> <p>Aetna provided a quote for continuation of coverage on the four plans with a 4% increase from what our FY 2015 premiums are. The benefits for each plan did not change.</p> <p>Quotes were received from BCBS, United Healthcare and Humana. BCBS's quote was a 20% increase from our current premiums, with United Healthcare's being a 23% increase and Humana's being a 28% increase. These plans were not considered due to the increased cost over our current Aetna premiums. The Management Team is recommending that Tri-County stay with Aetna at the 4% increase in premiums.</p> <p>The FY 2016 plan options provided for employees are described below:</p> <p>Aetna HSA 3000 Savings Plus Plans:</p> <p>The HSA Savings Plus Plan Level I has a \$3,000/\$6,000 deductible and pays benefits at 90% once the deductible is met, if employees see a physician or hospital in the Level I Network. The Level II plan will pay 70% if the employee chooses to go to the OAMC Network. In an emergency, expenses will be paid at the Level 1 rate if taken to a Level II facility. Employees will pay 100% for other medical services and prescriptions until their deductible is met. The cost of this plan is \$386.91 per month for employee only coverage. Tri-County will pay \$360.29 per month. Therefore, the out of pocket cost to the employee for employee only coverage is \$26.62 per month; employee and spouse is \$483.89; employee and children is \$441.14 and employee and family is \$898.41.</p> <p>Aetna HSA Middle Plan (C-15):</p> <p>The HSA Middle Plan has a \$1,500/\$3,000 deductible and includes the preventive prescription rider with a co-pay of \$15/35/50 for prescriptions for certain medical conditions including asthma, diabetes, high blood pressure, and cholesterol. The prescription rider allows employees to pay co-pay amounts for certain drugs without having to first meet the deductible. This plan will pay 80% of all medical once the deductible is met, for services within the Level I Network. Employees are responsible for co-pays for prescription medications after the deductible is met. The cost for this plan is \$611.04 for employee only coverage. Tri-County will pay \$360.29. Therefore, the out of pocket cost to the employee for employee only coverage is \$250.75 per month. The cost to the employee for employee and spouse is \$876.17; employee and children is \$817.70, and employee and family is \$1,439.37.</p>	

Background Information (Continued):**Aetna Savings Plus 1500 PPO:**

The Level I option has a \$1,500/\$4,500 deductible and the Level II option has a \$3,000/\$9,000 deductible. Level I pays at 80%, Level II pays at 60%. Office visits are \$30 when seeing a Level I provider and the same in Level II. However, Specialty Doctor office visits are \$50 for Level I providers and \$70 for Level II providers. In an emergency, expenses will be paid at the Level I rate if taken to a Level II facility. Level I and II expenses accumulate separately. Employees must choose from the beginning whether they are going to utilize Level I or Level II providers in order to maximize their benefit. Prescriptions co-pays are \$10/\$40/\$70 and/or 30%. The cost of this plan is \$490.69. Tri-County will pay \$360.29 toward the employee only cost. The out of pocket cost for employee only coverage is \$130.40 per month. The cost to the employee for employee and spouse is \$876.17; employee and children is \$817.70 and employee and family is \$1,439.37.

Aetna PPO Buy Up (OMAC PPO):

This option offers a \$2,500/\$7,500 deductible with a 70%/30% coinsurance, \$50 PCP and \$60 Specialist office co-pay. Prescription co-pays are available at \$20/\$40/\$70 after a \$200 deductible. The cost of this plan is \$665.95. Tri-County will pay \$360.29 toward the employee only cost. The out of pocket cost for employee only coverage is \$305.66 per month. The cost to the employee for employee and spouse is \$957.69; employee and children is \$896.75 and employee and family is \$1,548.78.

Ancillary Plans

Tri-County pays for Basic Life/Accidental Death and Dismemberment (AD&D) and Long Term Disability (LTD) coverage for all full time employees. Coverage is currently provided through Lincoln Financial. The renewal for Basic Life/AD&D and LTD coverage received a rate pass – with no increase to our current premiums.

Supporting Documentation:

Tri-County Employee Health Insurance Spreadsheet

Recommended Action:

Approve Recommendation for FY 2016 Employee Health Insurance, Basic Life/Accidental Death & Dismemberment, and Long Term Disability Plans

Tri-County Behavioral Healthcare
Medical Spreadsheet
Effective Date: **October 1, 2015**

					CURRENT				NEGOTIATED RENEWAL			
Carrier Name					AETNA				AETNA			
Plan Name					SP HSA 3000 (In Network Only)	HSA C15 (In Network Only)	SP 1500 80/60/50 (In Network Only)	PPO Buy Up (In Network Only)	SP HSA 3000 (In Network Only)	HSA C15 (In Network Only)	SP 1500 80/60/50 (In Network Only)	PPO Buy Up (In Network Only)
Plan Network					Savings Plus/OAMC	OAMC	Savings Plus/OAMC	OAMC	Savings Plus/OAMC	OAMC	Savings Plus/OAMC	OAMC
Benefit Details					Embedded	Aggregate	PPO	PPO	Embedded	Aggregate	PPO	PPO
Office Visit	SP HSA 3000	H SA C15	SP 1500	BUY UP PPO	Ded. & Coins.	Ded. & Coins.	\$30/\$30 Copay	\$50 Copay	Ded. & Coins.	Ded. & Coins.	\$30/\$30 Copay	\$50 Copay
Specialty Doctor Office Visit					Ded. & Coins.	Ded. & Coins.	\$50/\$70 Copay	\$60 Copay	Ded. & Coins.	Ded. & Coins.	\$50/\$70 Copay	\$60 Copay
Preventive Care					Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%
Individual Deductible-In Network					\$3,000/\$3,000	\$1,500	\$1,500/ \$3,000	\$2,500	\$3,000/\$3,000	\$1,500	\$1,500/ \$3,000	\$2,500
Family Deductible-In Network					\$6,000/\$6,000	\$3,000	\$4,500/ \$9,000	\$7,500	\$6,000/\$6,000	\$3,000	\$4,500/ \$9,000	\$7,500
Coinsurance					90%/70%	80%	80%/60%	70%	90%/70%	80%	80%/60%	70%
Calendar Year Maximums							copays and rx apply to the OOP	copays and rx apply to the OOP			copays and rx apply to the OOP	copays and rx apply to the OOP
Individual OOP - In-Network <i>(includes deductible)</i>					\$4,000/\$6,000	\$2,500	\$5,000/ \$6,350	\$6,000	\$4,000/\$6,000	\$2,500	\$5,000/ \$6,350	\$6,000
Family OOP - In-Network <i>(includes deductible)</i>					\$8,000/\$12,000	\$5,000	\$10,000/ \$12,700	\$12,000	\$8,000/\$12,000	\$5,000	\$10,000/ \$12,700	\$12,000
Lifetime Maximum					Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Diagnostic Lab & Xrays					Ded. & Coins.	Ded. & Coins.	covered with OV if part of OV and billed by physician	covered with OV if part of OV and billed by physician	Ded. & Coins.	Ded. & Coins.	covered with OV if part of OV and billed by physician	covered with OV if part of OV and billed by physician
In/Out Patient Hospital Services					Ded. & Coins.	Ded. & Coins.	Ded. & Coins.	Ded. & Coins.	Ded. & Coins.	Ded. & Coins.	Ded. & Coins.	Ded. & Coins.
Urgent Care					Ded. & Coins.	Ded. & Coins.	\$75 Copay	\$50 Copay	Ded. & Coins.	Ded. & Coins.	\$75 Copay	\$50 Copay
Emergency Room					Ded & 10%	Ded. & Coins.	\$200 Co-pay + 20%	\$150 Copay + 30%	Ded & 10%	Ded. & Coins.	\$200 Co-pay + 20%	\$150 Copay + 30%
Prescription Calendar Year Maximum					Integrated w/Medical	Integrated w/Medical	Integrated w/Medical	Integrated w/Medical	Integrated w/Medical	Integrated w/Medical	Integrated w/Medical	Integrated w/Medical
Prescription Drugs					After Deductible \$10/\$40/\$70/30%	After Deductible \$15/\$35/\$50	\$10/\$40/\$70/30%	\$200/\$600 Deductible* \$20/\$40/\$70	After Deductible \$10/\$40/\$70/30%	After Deductible \$15/\$35/\$50	\$10/\$40/\$70/30%	\$200/\$600 Deductible* \$20/\$40/\$70
Preventive Medications Rider					None	\$15/\$35/\$50	N/A	N/A	None	\$15/\$35/\$50	N/A	N/A
Monthly Total Rate					SP HSA 3000	HSA C15	SP 1500 80/60/50	PPO Buy Up	SP HSA 3000	HSA C15	SP 1500 80/60/50	PPO Buy Up
Employee Only	118	6	71	2	\$372.03	\$587.54	\$471.82	\$640.34	\$386.91	\$611.04	\$490.69	\$665.95
Employee/Spouse	3	1	1	0	\$811.71	\$1,188.90	\$1,029.41	\$1,267.29	\$844.18	\$1,236.46	\$1,070.59	\$1,317.98
Employee/Children	8	0	8	0	\$770.61	\$1,132.68	\$977.30	\$1,208.69	\$801.43	\$1,177.99	\$1,016.39	\$1,257.04
Employee/Family	3	0	4	0	\$1,210.29	\$1,730.44	\$1,534.91	\$1,835.64	\$1,258.70	\$1,799.66	\$1,596.31	\$1,909.07
Monthly Total / Plan	132	7	84	2	\$56,130	\$4,714	\$48,487	\$1,281	\$58,375	\$4,903	\$50,426	\$1,332
Annual Total/Plan					\$673,565	\$56,570	\$581,840	\$15,368	\$700,506	\$58,832	\$605,111	\$15,983
Combined Annual Total	225				\$1,327,343				\$1,380,432			
\$ Change from Current					n/a				\$53,089			
% Change from Current					n/a				4.0%			

6/25/2015*PPO Rx Deductible applies to all tiers

For illustrative purpose, out of network is not shown but is available for all plans.

*This proposal is a general description of coverage (s) provided. For a detailed description of policy terms and conditions, please refer to the policy itself. If a conflict exists between this proposal and the policy, the policy will be controlling. Proposed rates are estimated and based on census provided. Final rates are based on effective date, plan design & actual enrollment.
Rates are based on information provided at time of quote.*

<p>Agenda Item: Approve FY 2014-2015 DADS Performance Contract Amendment Packet #6</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>July 30, 2015</p>
<p>Background Information:</p> <p>The Department of Aging and Disability Services (DADS) has issued Amendment Packet #6 to the FY 2014-2015 Performance Contract.</p> <p>Amendment Packet #6 includes "Special Terms and Conditions" for the "Enhanced Community Coordination Demonstration Project." Additional dollars, up to \$42,207, will be available in FY 2015 on a fee for service basis.</p> <p>Originally, Enhanced Service Coordination was envisioned to be an enhanced rate for Service Coordination services provided to persons in the Pre-Admission Screening and Resident Review (PASRR) who required more complex services. The idea was that Centers would be made whole for the costs incurred in PASRR which were not reimbursed by current Service Coordination rates.</p> <p>However, ultimately, Enhanced Service Coordination actually became a separate 'Money Follows the Person' service which will be used to help transition complex clients from State Supported Living Centers or Nursing Facilities to community providers or Intermediate Care Facilities for Individuals with Intellectual Disabilities. This amendment represents a new program and new expense rather than a mechanism to make PASRR whole.</p> <p>The contract includes a requirement that "each individual with IDD who is transitioning from an SSLC or an NF, the LIDDA (Center) shall assign an enhanced community coordinator..." Kelly Shropshire is still trying to determine whether an additional position will need to be hired for this program or if an existing staff can serve in this role.</p> <p>Services are currently reimbursed by submitting a secure spreadsheet to the state which will not be efficient for our program or financial staff. It is unknown how Enhanced Service Coordination as a program will perform financially.</p>	
<p>Supporting Documentation:</p> <p>Contract Amendment Available for Review at Board Meeting</p>	
<p>Recommended Action:</p> <p>Approve FY 2014-2015 DADS Performance Contract Amendment Packet #6</p>	

<p>Agenda Item: Approve FY 2015 DSHS Performance Contract Amendment</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>July 30, 2015</p>
<p>Background Information:</p> <p>The Department of State Health Services (DSHS) issued an amendment to our performance contract for FY 2015.</p> <p>Included in the amendment were changes to the following:</p> <ul style="list-style-type: none"> • 2015-046617-001A: Mental Health Performance Contract Notebook • 2015-046617-006A: Pre-Admission Screening and Resident Review (PASRR) • 2015-046617-008A: Residential Treatment Center Integration (RTCI) <p>All changes went into effect on June 1, 2015.</p> <p>Performance Contract Notebook changes include changes to Adult and Youth Engagement targets and Adult Jail Diversion targets. In addition, administrative requirements for using the U.S. Department of Homeland Security's E-Verify system to screen employees, and clarification of collection of co-payments for persons with Marketplace ACA plans has been added to the contract.</p> <p>The PASRR contract is for persons with mental illnesses that reside in nursing facilities. Additional requirements related to attending Interdisciplinary Team meetings and requirements that we "perform a comprehensive assessment including psychological, diagnostic and uniform assessment" for persons who are determined to have a mental illness have been added.</p> <p>The RTCI contract provides administrative support for youth who are referred by the Department of Family and Protective Services for residential treatment funded by DSHS. RTCI contract changes include clarification that the psychological assessment includes both intelligence and personality testing and must be completed within 20 days and requirements that RTCI individuals be discharged into the YES waiver.</p> <p>The contract includes an additional \$203,290 to cover state match requirements for Medicaid services provided to persons with Medicaid/Medicare that were not transitioned to Managed Care as initially planned by the Department.</p> <p>Staff have reviewed the contract changes and recommend approval.</p>	
<p>Supporting Documentation:</p> <p>Contract Amendment Available for Review at Board Meeting</p>	
<p>Recommended Action:</p> <p>Approve FY 2015 DSHS Performance Contract Amendment</p>	

<p>Agenda Item: Approve FY 2015 DSHS Youth Empowerment Services Performance Contract (Authority Services) #2015-046617-010</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>July 30, 2015</p>
<p>Background Information:</p> <p>As the Board is aware, Tri-County has been working with the Department of State Health Services (DSHS) to establish the Youth Empowerment Services (YES) Medicaid waiver for much of this fiscal year.</p> <p>The YES waiver is designed to prevent custody relinquishment by parents (to the state) for youth with serious emotional disturbances (SED). The YES waiver has the following goals:</p> <ul style="list-style-type: none"> • Reducing out-of-home placement and inpatient psychiatric treatment by all child-serving agencies; and, • Providing a more complete continuum of community-based services and supports for YES recipients and their families by providing wrap-around services including non-traditional supports. <p>DSHS has designated Local Mental Health Authorities (LMHA) to coordinate waiver services locally. LMHAs, as a part of their authority role, are responsible for:</p> <ul style="list-style-type: none"> • Recruiting and accepting referrals of potential waiver participants; • Evaluating waiver applicants and recommending a level of care; • Providing potential participants with a choice of waiver providers; • Performing UM functions; • Transition planning; and, • Administrative support. <p>Originally, DSHS anticipated that other comprehensive providers would be willing to provide the YES services and that the Centers would only serve in the authority role above. However, as the program has been rolled out across the state, it became clear that Centers would also need to serve as “providers of last resort” in much of the state, including our service area. Provider functions will be covered in a separate contract from the Department.</p> <p>To facilitate the development of a provider network, DSHS is providing \$75,000 in one-time funding which must be expended in FY 2015 (32 days remaining). Unused funds must be returned to DSHS. In the future, these responsibilities will transfer to the DSHS Performance Contract section outlining Local Provider Network Development (LPND) responsibilities and no additional DSHS funding will be provided.</p>	

Background Information (Continued):

In addition to the duties above, Tri-County must provide Targeted Case Management (TCM) services to YES recipients with a maximum caseload size of 10. It is envisioned that TCM reimbursement of 70 hours a month (7 hours per caseload member, depending on medical necessity) will cover both direct and indirect costs of the program. To breakeven, Tri-County will need caseworkers to bill 5.5 hours a month per YES recipient and the pilot sites have been challenged to average that amount of billing.

Reimbursement for YES Authority Services will come from Managed Care Organizations through traditional billing mechanisms. TCM services have been consistently reimbursed at the pilot sites.

Supporting Documentation:

Contract Available for Review at Board Meeting

Recommended Action:

Approve FY 2015 DSHS Youth Empowerment Services Performance Contract (Authority Services) #2015-046617-010

<p>Agenda Item: Approve FY 2015 DSHS Youth Empowerment Services Provider Agreement General Revenue Expansion Contract #2015-047922-001</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>July 30, 2015</p>
<p>Background Information:</p> <p>The Department of State Health Services (DSHS) originally envisioned that Centers like Tri-County would only serve in their Local Mental Health Authority (LMHA) role for the Youth Empowerment Services (YES) waiver. However, as the program has been rolled out across the state, it became clear that Centers would also need to serve as 'providers of last resort' in much of the state, including our service area.</p> <p>DSHS has requested that each LMHA enter into a Medicaid Provider Agreement for the provision of YES services. This provider role is, at least theoretically, optional for Centers and several Centers considered declining this role for the following reasons:</p> <ul style="list-style-type: none"> • There is a requirement of entry of all YES Waiver services into the Clinical Management for Behavioral Health Services (CMBHS) System with no capability of batching services into CMBHS from local systems; <ul style="list-style-type: none"> ◦ This will mean additional administrative cost for Centers for data entry staff. • YES providers will not be able to have a waiting list for services and there is a concern about the ability to hire staff fast enough to meet the demand; <ul style="list-style-type: none"> ◦ A related concern is the training for the YES waiver must be provided by the state and there is concern that, even if staff are hired, it may be difficult to get them trained to provide services. • Finding providers that will provide 'non-traditional' services to YES recipients who are willing to complete all of the additional DSHS training requirements is anticipated to be difficult in most service areas; • A separate provider number must be secured and this will delay YES billing; and, • CMS may ultimately have concerns over network adequacy when considering approval of statewide expansion as a waiver program because they expect there to be providers which are not affiliated with the Centers. <p>DSHS has indicated that it expects Centers to serve as the 'provider of last resort' if other providers are not available.</p> <p>After a great deal of discussion, most Centers are planning to sign the provider agreement. Tri-County staff recognizes the concerns above and believe that this is likely to be a program that operates in the red-at least initially-but is recommending signature by the Board because the services will benefit our more complex youth.</p> <p>Our internal estimate is that up to 100 of our youth may qualify for the YES waiver.</p>	
<p>Supporting Documentation:</p> <p>Contract Available for Review at Board Meeting</p>	
<p>Recommended Action:</p> <p>Approve FY 2015 DSHS Youth Empowerment Services Provider Agreement General Revenue Expansion Contract #2015-047922-001</p>	

<p>Agenda Item: Approve FY 2015 Contract Amendment for Cypress Creek Hospital</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>July 30, 2015</p>
<p>Background Information:</p> <p>Cypress Creek Hospital is one of the two inpatient contract facilities that Tri-County Behavioral Healthcare utilizes. Cypress Creek provides treatment to adolescent and adult populations. Cypress Creek offers stabilization for individuals that are more acute and in need of longer term care than what is available through programs at the Psychiatric Emergency Treatment Center.</p> <p>The maximum contract allowance for Cypress Creek Hospital in FY 2015 was initially set at \$600,000 for behavioral health inpatient stabilization. However, due to an increase in demand for adolescent and adult hospital level of care services, an amendment revision is requested for the amount of \$650,000. This is not a reflection of a budget increase but rather a re-allocation of funding due to hospitalization utilization trends. This will permit Tri-County individuals in crisis to continue to use Cypress Creek Hospital as a resource for mental health stabilization.</p>	
<p>Supporting Documentation:</p> <p>Contract Amendment Available for Review at Board Meeting</p>	
<p>Recommended Action:</p> <p>Approve Addendum to Extend the FY 2015 Cypress Creek Hospital Contract for Psychiatric Services, an Additional Contract Maximum of \$50,000 for a Total of \$650,000</p>	

<p>Agenda Item: Approve 2000 Panther Lane, Liberty, Texas Cost Overruns</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>July 30, 2015</p>
<p>Background Information:</p> <p>At the April 23, 2015 Board meeting, the Board of Trustees approved a \$300,000 remodel budget for 2000 Panther Lane in Liberty, Texas. In addition to the \$300,000 budget, the Board approved a \$30,000 contingency for cost overruns.</p> <p>After construction began, the City of Liberty made requests for a stamped copy of construction plans to be submitted, and has subsequently required several changes in the design of the project. In addition to these design changes, the City has also charged a significant amount for permitting.</p> <p>Mike Duncum will be at the Board meeting to provide additional details on projected remodel costs.</p>	
<p>Supporting Documentation:</p> <p>2000 Panther Lane Cost Overrun Summary</p>	
<p>Recommended Action:</p> <p>Approve 2000 Panther Lane, Liberty, Texas Cost Overruns in the Amount of 55,000</p>	

PW15.01 CP SCHEDULE
PROJECT: 2000 PANTHER LN.

Revised:

CP	Description	Date Requested	Vendor Pricing	Action Status				
				Returned To Architect	Approval Status	Amount of Change	Contract Days	Allow or Chg Order
	Pending							
6	City of Liberty Permit	05/29/15	complete	07/07/15	CONTESTED	21,479	34	
	Ansul system refurb				ESTIMATE	1,800		
	Exterior wall panel repair				ESTIMATE	750		
	Electrical city comments				UNKNOWN			
	Plumbing city comments				UNKNOWN			
	Knox box				ESTIMATE	750		
	Extend fire lane				ESTIMATE	400		
		Pending Change Order Total				23,279	34	
	Approved Change Order 01							
2	Sound attenuating wall insulation Conf. & Child Waiting	05/26/15	complete	06/09/15	APPROVED	869	0	CO
5	Project design	05/29/15	complete	07/07/15	APPROVED	3,887	0	
7	Fire Alarm upgrade per Fire Marshall	06/18/15	complete	07/08/15	APPROVED	34,542	0	
		Change Order 01 Total				39,298	0	
	PURCHASE ORDERS							
1	Asbestos Survey	06/02/15	complete	06/02/15	APPROVED	1,392	0	
3	Retrofit existing T12 fixtures with T8 kit	06/09/15	complete	06/11/15	APPROVED	16,461		Maintenance Item
						0		
						0		
						0		
		PURCHASE ORDER TOTALS				17,853	0	
	SUMMARY							
	Total Pending					\$23,279		
	Total Change Orders Approved					\$39,298		
	Total Purchase Orders Approved					\$17,853		
	Total Contract Days Approved					0		
	Total Original Allowance					\$1,000		
	Total Allowance Authorizations					\$0		
	Total Current Allowance Balance					\$1,000		
TOTAL						82,430		

<p>Agenda Item: Approve Extension of Option for Consolidated Montgomery County Site and/or Approve Property Purchase Sgt. Ed Holcomb Drive</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>July 30, 2015</p>
<p>Background Information:</p> <p>At the April 23, 2015 Board meeting, the Board of Trustees approved the Architectural and Engineering Agreement with Identity Architects for the consolidated Montgomery County facility and approved a total expenditure not to exceed \$550,000 transferred from the Reserve for Facility Improvement and Acquisitions fund.</p> <p>The option period for the property we have been evaluating will expire on August 15, 2015. The cost to extend the option 45 days is \$50,000. Environmental and geotechnical assessments have been completed on the property and the property appears to be suitable for construction of this facility.</p> <p>To keep the project moving, the Board will need to extend the option which expires August 15, 2015. In addition to the cost of extending the option, we would need to have the option transferred from Whitestone Reality (Mike Duncum's Company) to Tri-County and we would need to reimburse Whitestone for the \$15,000 deposit that they have provided the property owner. This \$65,000 would be non-refundable and will allow us another 45 days from August 15th to close on the property.</p> <p>The Architectural and Engineering Agreement that the Board approved in April included the cost of having a contractor provide construction cost estimate for the new facility. We have received this cost estimate and it is in line with previous estimates provided to the Board. Therefore, it appears that it would be possible for the Board to approve the construction of the new building if all of your questions are answered at the Board meeting.</p> <p>Mike will be at the Board meeting to review the environmental assessments of the property. If the Board is satisfied with the information provided about the property and would like to approve purchasing the property, the full cost of the property is \$1,481,040. If the Board would rather approve the entire project, staff would ask for approval of a not-to-exceed cost of \$15,000,000. Authorizing the entire project would allow staff to seek the required state and local approvals, which will take a while to complete.</p> <p>If the Board decides to purchase the property or move forward with entire project, staff would need to seek approval from DADS/DSHS, County Judges and secure financing.</p> <p>The full bid specifications for the building will be ready in September and we will have to go out to bid for final construction costs. The Board would still be required to select the contractor for the project after all bids are received and evaluated. In addition, the Board will need to evaluate the financing options for the project.</p>	

Supporting Documentation:

Phase I Environmental Assessment (Available for Review at Board Meeting)

Geotechnical Report (Available for Review at Board Meeting)

Property Contract

Recommended Action:

Approve Extension of Option for Montgomery County Project Site and/or Authorize the Executive Director to Purchase Property on Sgt. Ed Holcomb at the Price of \$1,481,040 and/or Approve the Montgomery County Building Project with a Not-To-Exceed Price of \$15,000,000 After Required Approvals and Financing are Obtained; and, Authorize the Executive Director to Sign All Necessary Documents with Consultation from Jackson Walker



**TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - UNIMPROVED PROPERTY**

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
©Texas Association of REALTORS®, Inc. 2014

- 1. PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: Bobby Yancey

Address: P.O. Box 3159, Conroe, TX 77305

Phone: (936) 524-3187

E-mail: _____

Fax: _____

Other: _____

Buyer: WhiteStone Realty Consulting, or it's Assigns

Address: 11452 Outpost Cove Dr., Willis, TX 77318

Phone: (936) 890-3434

E-mail: mike@wsrealty.net

Fax: _____

Other: _____

2. PROPERTY:

- A. "Property" means that real property situated in Montgomery County, Texas at +/- 8 acres on the NEC of Sgt Ed Holcomb & Anderson Rd. (address) and that is legally described on the attached Exhibit A or as follows: +/-8 acres of land out of Tract 3 of the James Denward Survey, A0289 R44221

- B. Seller will sell and convey the Property together with:

- (1) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (2) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
- (3) Seller's interest in all licenses and permits related to the Property.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)

(If mineral rights are to be reserved an appropriate addendum should be attached.)

3. SALES PRICE:

- A. At or before closing, Buyer will pay the following sales price for the Property:

(1) Cash portion payable by Buyer at closing \$ 1,481,040.00

(2) Sum of all financing described in Paragraph 4 \$ _____

(3) Sales price (sum of 3A(1) and 3A(2)) \$ 1,481,040.00

(TAR-1802) 4-1-14

Initialed for Identification by Seller _____, _____ and Buyer _____

Page 1 of 13

Wade Nelson, 101 Fairwater Montgomery, TX 77356
Phone: 713-907-3482

Fax: 281-441-6185

Wade Nelson

Yancey - Sgt. Ed

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.ziplogix.com

Commercial Contract - Unimproved Property concerning +/- 8 acres on the NEC of Sgt Ed Holcomb & Anderson Rd.

B. Adjustment to Sales Price: (Check (1) or (2) only.)

- ☐ (1) The sales price will not be adjusted based on a survey.
- ☒ (2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B.
- (a) The sales price is calculated on the basis of \$ 4.25 per:
- ☒ (i) square foot of ☒ total area ☐ net area.
- ☐ (ii) acre of ☐ total area ☐ net area.
- (b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property within:
- ☐ (i) public roadways;
- ☐ (ii) rights-of-way and easements other than those that directly provide utility services to the Property; and
- ☐ (iii) _____
- (c) If the sales price is adjusted by more than 10.000 % of the stated sales price, either party may terminate this contract by providing written notice to the other party within 10 days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3A(2) as follows:

- ☒ A. **Third Party Financing:** One or more third party loans in the total amount of \$ 1,110,780.00. This contract:
- ☐ (1) is not contingent upon Buyer obtaining third party financing.
- ☒ (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR-1931).
- ☐ B. **Assumption:** In accordance with the attached Commercial Contract Financing Addendum (TAR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.
- ☐ C. **Seller Financing:** The delivery of a promissory note and deed of trust to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR-1931) in the amount of \$ _____.

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ 15,000.00 as earnest money with Chicago Title Company (title company) at 18001 Hwy 105 West, Ste 108, Montgomery, TX (address) Kandi Vogt (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
- B. Buyer will deposit an additional amount of \$ 50,000.00 with the title company to be made part of the earnest money on or before:
- ☒ (i) 120 days after Buyer's right to terminate under Paragraph 7B expires; or
- ☐ (ii) _____
- Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.

- C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY AND SURVEY:

A. Title Policy:

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
- (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
- ☒ (a) will not be amended or deleted from the title policy.
 - ☐ (b) will be amended to read "shortages in areas" at the expense of ☐ Buyer ☐ Seller.
- (3) Within 10 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within 45 days after the effective date:

- ☒ (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. ~~Seller will reimburse Buyer~~ (insert amount) of the cost of the survey at closing, if closing occurs.
- ☐ (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- ☐ (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, Seller, at Seller's expense, will obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to Buyer and the title company within 20 days after Seller receives notice that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for Seller to deliver an acceptable survey within the time required. Buyer will reimburse Seller (insert amount) of the cost of the new or updated survey at closing, if closing occurs.

C. Buyer's Objections to the Commitment and Survey:

- (1) Within 10 days after Buyer receives the commitment, copies of the documents evidencing the title exceptions, and any required survey, Buyer may object in writing to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a

special flood hazard area (an "A" or "V" zone as defined by FEMA). If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date of Buyer's actual receipt of the survey; or (ii) of the deadline specified in Paragraph 6B.

- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

- A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: _____

- B. Feasibility Period: Buyer may terminate this contract for any reason within 120 days after the effective date (feasibility period) by providing Seller written notice of termination. *(Check only one box.)*

- ☒ (1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 100.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

- ☐ (2) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

C. Inspections, Studies, or Assessments:

- (1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.
- (2) Buyer must:
- (a) employ only trained and qualified inspectors and assessors;
 - (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
 - (c) abide by any reasonable entry rules or requirements of Seller;
 - (d) not interfere with existing operations or occupants of the Property; and
 - (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

- (3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

- (1) Delivery of Property Information: Within 10 days after the effective date, Seller will deliver to Buyer: *(Check all that apply.)*
- ☐ (a) copies of all current leases pertaining to the Property, including any modifications, supplements, or amendments to the leases;
 - ☐ (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
 - ☐ (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
 - ☒ (d) copies property tax statements for the Property for the previous 2 calendar years;
 - ☒ (e) plats of the Property;
 - ☒ (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
 - ☐ (g) _____

- (2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*
- ☒ (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
 - ☐ (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied; and
 - ☐ (c) deliver copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.
- This Paragraph 7D(2) survives termination of this contract.

- E. Contracts Affecting Operations:** Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

- A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:
- (1) any failure by Seller to comply with Seller's obligations under the leases;
 - (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
 - (3) any advance sums paid by a tenant under any lease;

Commercial Contract - Unimproved Property concerning +/- 8 acres on the NEC of Sgt Ed Holcomb & Anderson Rd.

- (4) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
(5) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.

B. **Estoppel Certificates:** Within _____ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 – Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: <u>Wade Nelson</u>	Cooperating Broker: _____
Agent: _____	Agent: _____
Address: <u>101 Fairwater</u>	Address: _____
<u>Montgomery, TX 77356</u>	_____
Phone & Fax: <u>(713) 907-3482</u>	Phone & Fax: _____
E-mail: <u>wade@nelsoncompanyllc.com</u>	E-mail: _____
License No.: <u>466413</u>	License No.: _____

Principal Broker: (Check only one box)

- ☒ represents Seller only.
☐ represents Buyer only.
☐ is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. **Fees:** (Check only (1) or (2) below.)
(Complete the Agreement Between Brokers on page 13 only if (1) is selected.)

☐ (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

☒ (2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:

☒ 6.000 % of the sales price.

☐ 3.0 % of the sales price.

Cooperating Broker a total cash fee of:

☐ _____ % of the sales price.

☐ _____ % of the sales price.

The cash fees will be paid in Montgomery County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

(TAR-1802) 4-1-14

Initialed for Identification by Seller _____, _____ and Bu _____

Page 6 of 13

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

Yancey - Sgt. Ed

10. CLOSING:

- A. The date of the closing of the sale (closing date) will be on or before the later of:
- (1) ☒ 30 days after the expiration of the feasibility period.
☐ _____ (specific date).
☐ _____
 - (2) 7 days after objections made under Paragraph 6C have been cured or waived.
- B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.
- C. At closing, Seller will execute and deliver, at Seller's expense, a ☐ general ☐ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:
- (1) with no liens, assessments, or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
 - (2) without any assumed loans in default; and
 - (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.
- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:
- (1) tax statements showing no delinquent taxes on the Property;
 - (2) an assignment of all leases to or on the Property;
 - (3) to the extent assignable, an assignment to Buyer of any licenses and permits related to the Property;
 - (4) evidence that the person executing this contract is legally capable and authorized to bind Seller;
 - (5) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service (IRS) together with appropriate tax forms; and
 - (6) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and issuance of the title policy, all of which must be completed by Seller as necessary.
- E. At closing, Buyer will:
- (1) pay the sales price in good funds acceptable to the title company;
 - (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
 - (3) sign and send to each tenant in a lease for any part of the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;
 - (4) sign an assumption of all leases then in effect; and
 - (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.
- F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

Buyer will have one (1) option to extend the Feasibility Period for an additional forty-five (45) days at which time the Buyer will provide an additional fifty thousand dollars (\$50,000.00) of Earnest Money for the right to extend. Once the Buyer has exercised it's right to extend then the original Earnest Money and the additional Earnest Money will become Non-Refundable and released to Seller.

13. SALES EXPENSES:

- A. Seller's Expenses: Seller will pay for the following at or before closing:
- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
 - (2) release of Seller's loan liability, if applicable;
 - (3) tax statements or certificates;
 - (4) preparation of the deed;
 - (5) one-half of any escrow fee;
 - (6) costs to record any documents to cure title objections that Seller must cure; and
 - (7) other expenses that Seller will pay under other provisions of this contract.
- B. Buyer's Expenses: Buyer will pay for the following at or before closing:
- (1) all loan expenses and fees;
 - (2) preparation of any deed of trust;
 - (3) recording fees for the deed and any deed of trust;
 - (4) premiums for flood insurance as may be required by Buyer's lender;
 - (5) one-half of any escrow fee;
 - (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

- A. Prorations:
- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
 - (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
 - (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.
- B. Rollback Taxes: If Seller changes the use of the Property before closing or if a denial of a special valuation on the Property claimed by Seller results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.
- C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental

payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(3) which Seller may pursue; or
(Check if applicable)
☐ enforce specific performance, or seek such other relief as may be provided by law.
- B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) extend the time for performance up to 15 days and the closing will be extended as necessary.
- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CONDEMNATION: If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- A. terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration paid under Paragraph 7B(1), will be refunded to Buyer; or
- B. appear and defend in the condemnation proceedings and any award will, at Buyer's election, belong to:
(1) Seller and the sales price will be reduced by the same amount; or
(2) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.

- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for liquidated damages in an amount equal to the sum of: (i) three times the amount of the earnest money; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. ☐ Seller ☐ Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- ☐ A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TAR-1408).
- ☒ B. Except as otherwise provided in this contract, Seller is not aware of:
 - (1) any subsurface: structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(10) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- ☐ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- ☐ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of

a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- D. Addenda which are part of this contract are: *(Check all that apply.)*
- ☐ (1) Property Description Exhibit identified in Paragraph 2;
 - ☒ (2) Commercial Contract Financing Addendum (TAR-1931);
 - ☐ (3) Commercial Property Condition Statement (TAR-1408);
 - ☐ (4) Commercial Contract Addendum for Special Provisions (TAR-1940);
 - ☐ (5) Notice to Purchaser of Real Property in a Water District (MUD);
 - ☐ (6) Addendum for Coastal Area Property (TAR-1915);
 - ☐ (7) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
 - ☒ (8) Information About Brokerage Services (TAR-2501); and
 - ☐ (9) _____

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

- E. Buyer ☒ may ☐ may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receipts this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:



- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can

receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract.
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract.
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on _____, the offer will lapse and become null and void.

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. CONSULT your attorney BEFORE signing.

<p>Seller: <u>Bobby Yancey</u> </p> <p>By: _____</p> <p>By (signature): _____</p> <p>Printed Name: _____</p> <p>Title: _____</p> <p>By: _____</p> <p>By (signature): _____</p> <p>Printed Name: _____</p> <p>Title: _____</p>	<p>WhiteStone Realty Consulting, or it's</p> <p>Buyer: <u>Assigns</u> _____</p> <p>By: </p> <p>By (signature): _____</p> <p>Printed Name: <u>James M. Duncum</u></p> <p>Title: <u>Owner</u></p> <p>By: _____</p> <p>By (signature): _____</p> <p>Printed Name: _____</p> <p>Title: _____</p>
--	--

Commercial Contract - Unimproved Property concerning +/- 8 acres on the NEC of Sgt Ed Holcomb & Anderson Rd.

AGREEMENT BETWEEN BROKERS

(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay _____ (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

- ☐ \$ _____, or
☐ _____ % of the sales price, or
☐ _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: _____ Cooperating Broker: _____

By: _____ By: _____

ATTORNEYS

Seller's attorney: _____ Buyer's attorney: _____

Address: _____ Address: _____

Phone & Fax: _____ Phone & Fax: _____

E-mail: _____ E-mail: _____

Seller's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Seller.
☐ Buyer sends to Seller.

Buyer's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Buyer.
☐ Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

- ☒ A. the contract on this day 4/17/15 (effective date);
☐ B. earnest money in the amount of \$ 15,000 in the form of CK 1594
on 4/17/15.

Title company: Chicago Title Address: 2251 N. Loop 336 W. Ste A

By: [Redacted] Carroll TX 77304

Phone & Fax: 936.441.1411 / 713.341.6388

Assigned file number (GF#): CTT15052068 E-mail: Kandi.vogt@ctt.com



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT FINANCING ADDENDUM

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
©Texas Association of REALTORS®, Inc. 2010

ADDENDUM TO COMMERCIAL CONTRACT BETWEEN THE UNDERSIGNED PARTIES CONCERNING
THE PROPERTY AT

+/- 8 acres on the NEC of Sgt Ed Holcomb & Anderson Rd.

The portion of the Sales Price not payable in cash will be paid as follows: *(Check all that apply.)*

☒ A. THIRD PARTY FINANCING:

- (1) The contract is contingent upon Buyer obtaining a third party loan(s) secured by the Property in the amount of \$ 1,110,780.00 for not less than _____ years with the initial interest rate not to exceed 3.000 % per annum and payments calculated on an amortization period of no less than _____ years.
- (2) Buyer will apply for the third party loan(s) described in Paragraph A(1) promptly after the effective date. If Buyer cannot obtain the loan(s), Buyer may give Seller written notice within _____ days after the effective date and the contract will terminate and the earnest money, less any independent consideration under Paragraph 7B(1) of the contract, will be refunded to Buyer. **If Buyer does not give such notice within the time required, this contract will no longer be subject to the contingency described in this Paragraph A.**
- (3) Each note to be executed under this addendum is to be secured by vendor's and deed of trust liens.

☐ B. ASSUMPTION:

- (1) Buyer will assume the unpaid principal balance of the existing promissory note secured by the Property payable to _____ dated _____ which balance at closing will be \$ _____.
- (2) Buyer's initial payment will be the first payment due after closing. Buyer's assumption of the existing note includes all obligations imposed by the deed of trust securing the note, recorded in _____ (recording reference) in the real property records of the county where the Property is located.
- (3) If the unpaid principal balance of the assumed loan as of the date of closing varies from the loan balance stated in Paragraph B(1), the cash payable at closing will be adjusted by the net amount of any variance; provided, if the total principal balance of the assumed loan varies in an amount greater than \$ _____ at closing, either party may terminate this contract and the earnest money will be refunded to Buyer unless either party elects to eliminate the excess in the variance by an appropriate adjustment at closing.
- (4) Buyer may terminate the contract and the earnest money, less any independent consideration under Paragraph 7B(1) of the contract, will be refunded to Buyer if the note holder on assumption requires:
 - (a) Buyer to pay an assumption fee in excess of \$ _____ and Seller declines to pay such excess;
 - (b) an increase in the interest rate to more than _____ %; or
 - (c) any other modification of the loan documents.
- (5) Unless Seller is released of liability on any assumed note, Seller requires a vendor's lien and deed of trust to secure assumption, which will be automatically released on execution and delivery of a release by the note holder.

(TAR-1931) 1-26-10

Initialed for Identification by Seller: _____, _____, and Buyer _____

Page 1 of 4

Wade Nelson, 101 Fairwater Montgomery, TX 77356
Phone: 713-907-3482

Fax: 281-441-6185

Wade Nelson

Yancey - Sgt. Ed

Produced with ZipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

- (6) If assumption approval is required by the note holder, Buyer will apply for assumption approval within _____ days after the effective date of the contract and will make every reasonable effort to obtain assumption approval. If Buyer cannot obtain assumption approval, Buyer may give Seller written notice within _____ days after the effective date and the contract will terminate and the earnest money, less any independent consideration under Paragraph 7B(1) of the contract, will be refunded to Buyer. **If Buyer does not give such notice within the time required and Buyer does not close because Buyer is not able to assume the existing note, Buyer will be in default.**

☐ C. **SELLER FINANCING:**

- (1) At closing, Buyer will execute and deliver a promissory note (the note) from Buyer to Seller in the amount of \$ _____, bearing _____ % interest per annum. Matured, unpaid amounts will bear interest at the maximum rate of interest allowed by law.
- (2) The note will be payable as follows:
- ☐ (a) In one payment, due _____ after the date of the note, with interest payable: ☐ (i) monthly ☐ (ii) _____.
- ☐ (b) In installments of \$ _____ ☐ including interest ☐ plus interest beginning _____ after the date of the note and continuing at ☐ monthly ☐ _____ intervals thereafter for _____ when the entire balance of the note will be due and payable.
- ☐ (c) Interest only in ☐ monthly ☐ _____ installments for the first _____ years and thereafter in installments of \$ _____ ☐ including interest ☐ plus interest beginning _____ after the date of the note and continuing at ☐ monthly ☐ _____ intervals thereafter for _____ when the entire balance of the note will be due and payable.
- (3) The note will be secured by vendor's and deed of trust liens and an assignment of leases payable at the place designated by Seller.
- (4) The note will provide that if Buyer fails to timely pay an installment within 10 days after the installment is due, Buyer will pay a late fee equal to 5% of the installment not paid.
- (5) The note ☐ will ☐ will not provide for liability (personal or corporate) against the maker in the event of default.
- (6) The note may be prepaid in whole or in part at any time without penalty. Any prepayments are to be applied to the payment of the installments of principal last maturing and interest will immediately cease on the prepaid principal.
- (7) The lien securing payment of the note will be inferior to any lien securing any superior note described in this addendum. If an owner's policy of title insurance is furnished, Buyer, at Buyer's expense, will furnish Seller with a mortgagee title policy in the amount of the note at closing.
- (8) If all or any part of the Property is sold or conveyed without Seller's prior written consent, Seller, at Seller's option, may declare the outstanding principal balance of the note, plus accrued interest, immediately due and payable. Any of the following is not a sale or conveyance of the Property:
- (a) the creation of a subordinate lien;
 - (b) a sale under a subordinate lien;
 - (c) a deed under threat or order of condemnation;
 - (d) a conveyance solely between the parties; or
 - (e) the passage of title by reason of death of a maker or operation of law.

- (9) Deposits for Taxes and Insurance: Together with the principal and interest installments, Buyer ☐ will ☐ will not deposit with Seller a pro rata part of the estimated annual ad valorem taxes on the Property and a pro rata part of the estimated annual insurance premiums for the improvements on the Property.
- (a) If Buyer deposits taxes and insurance deposits with Seller, Buyer agrees that the taxes and insurance deposits are only estimates and may be insufficient to pay total taxes and insurance premiums. Buyer agrees to pay any deficiency within 30 days after Seller notifies Buyer of any deficiency. Buyer's failure to pay the deficiency is a default under the deed of trust.
- (b) If any superior lien holder on the Property collects payments for taxes and insurance, any requirement to deposit taxes and insurance deposits with Seller under this addendum is inoperative so long as payments are being made to the superior lien holder.
- (10) Any event that constitutes a default under any superior lien constitutes a default under the deed of trust securing the note.
- (11) The note will include a provision for reasonable attorney's fees for any collection action.
- (12) Unless the parties agree otherwise, the form of the note and loan documents will be as found in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

☐ D. CREDIT APPROVAL ON ASSUMPTION OR SELLER FINANCING:

- (1) To establish Buyer's creditworthiness for assumption approval or seller financing, Buyer will deliver to Seller the following information (Buyer's documentation) within _____ days after the effective date of the contract:
- ☐ (a) verification of employment, including salary;
- ☐ (b) verification of funds on deposit in financial institutions;
- ☐ (c) current financial statement;
- ☐ (d) credit report;
- ☐ (e) tax returns for the following years _____;
- ☐ (f) _____.
- (2) If Buyer does not timely deliver Buyer's documentation or Seller determines, in Seller's sole discretion, that Buyer's creditworthiness is not acceptable, Seller may terminate the contract by giving written notice to Buyer not later than _____ days after the date Buyer must deliver Buyer's documentation under Paragraph D(1) and the earnest money, less any independent consideration under Paragraph 7B(1) of the contract, will be refunded to Buyer. If Seller does not timely terminate the contract under this paragraph, Seller will be deemed to have accepted Buyer's credit.

☐ E. SPECIAL PROVISIONS:

Commercial Contract Financing Addendum concerning +/- 8 acres on the NEC of Sgt Ed Holcomb & Anderson Rd.

Seller: _____

By: _____

By (signature): _____

Printed Name: _____

Title: _____

By: _____

By (signature): _____

Printed Name: _____

Title: _____

Buyer: _____

By: _____

By (signature) _____

Printed Name: James M. Duncan

Title: Owner

By: _____

By (signature): _____

Printed Name: _____

Title: _____

PROPERTY ANALYST INC
11452 OUTPOST COVE DR
WILLIS, TX 77318

FIRST BANK
P.O. BOX 1280 - 936-760-1888
CONROE, TEXAS 77305

1594

88-1464-1131

4/17/2015

PAY TO THE

ORDER OF Chicago Title

\$ **15,000.00

Fifteen Thousand and 00/100 ***** DOLLARS

Chicago Title

MEMO

⑈001594⑈ ⑆113114647⑈ ⑈109

Vertical text on the right margin, likely a reference or tracking number.

NP

Agenda Item: 3 rd Quarter FY 2015 Quarterly Investment Report Committee: Business	Board Meeting Date July 30, 2015
Background 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.	
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, 2015

GENERAL INFORMATION

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

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

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

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

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

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

TexPool is governed by the following specific portfolio diversification limitations;

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

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

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

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

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

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

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

STATISTICAL INFORMATION

Market Value for the Period

Portfolio Summary	March	April	May
Uninvested Balance	\$179.13	(\$570,980.14)	\$1,440,019.11
Accrual of Interest Income	3,820,409.30	4,159,566.62	5,291,726.99
Interest and Management Fees Payable	(631,325.19)	(639,883.25)	(664,450.50)
Payable for Investments Purchased	0.00	0.00	0.00
Accrued Expense & Taxes	0.00	0.00	0.00
Repurchase Agreements	2,235,905,452.50	2,106,054,037.50	2,007,844,540.00
Mutual Fund Investments	200,018,226.60	200,020,952.90	201,020,952.90
Government Securities	11,388,615,649.16	11,181,397,285.75	10,290,241,671.03
U.S. Treasury Bills	0.00	0.00	0.00
U.S. Treasury Notes	1,386,441,229.86	1,067,711,510.00	1,363,765,523.00
TOTAL	\$15,214,169,821.35	\$14,558,132,489.38	\$13,868,939,982.53

Book Value for the Period

Type of Asset	Beginning Balance	Ending Balance
Uninvested Balance	(\$25,716,364.50)	\$1,440,019.11
Accrual of Interest Income	2,059,163.71	5,291,726.99
Interest and Management Fees Payable	(561,575.10)	(664,450.50)
Payable for Investments Purchased	(89,995,320.90)	0.00
Repurchase Agreements	1,884,968,000.00	2,007,872,000.00
Mutual Fund Investments	350,014,068.65	201,020,952.90
Government Securities	12,903,446,802.12	10,289,457,314.30
U.S. Treasury Bills	0.00	0.00
U.S. Treasury Notes	1,050,541,968.14	1,363,683,012.10
TOTAL	\$16,074,756,742.12	\$13,868,100,574.90

Portfolio by Maturity as of May 31, 2015

1 to 7 days	8 to 90 day	91 to 180 days	181 + days
26.9%	59.4%	11.1%	2.6%

Portfolio by Type of Investments as of May 31, 2015

Agencies	Repurchase Agreements	Treasuries	Money Market Funds
76.1%	14.5%	8.0%	1.4%

SUMMARY INFORMATION

On a simple daily basis, the monthly average yield was 0.05% for March, 0.05% for April and 0.06% 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, 2015 was 51 days.

The net asset value as of May 31, 2015 was 1.00006.

The total amount of interest distributed to participants during the period was \$1,935,523.97.

This quarter TexPool 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 2,329.

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

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

Submitted by:

[Redacted Signature]

Millie McDunley
Chief Financial Officer / Investment Officer

[Redacted Signature]

Date

[Redacted Signature]

Evan Roberson
Executive Director / Investment Officer

[Redacted Signature]

Date

**TRI-COUNTY SERVICES
QUARTERLY INTEREST EARNED REPORT
FISCAL YEAR 2015
As Of May 31, 2015**

BANK NAME	INTEREST EARNED				
	1st QTR.	2nd QTR.	3rd QTR.	4th QTR.	YTD TOTAL
Alliance Bank - Central Texas CD	\$ 423.87	\$ 419.21	\$ 428.53		\$ 1,271.61
Citizens 1st Bank CD	\$ 277.28	\$ 274.23	\$ 280.32		\$ 831.83
First Liberty National Bank	\$ 1.82	\$ 0.16	\$ 0.08		\$ 2.06
First Liberty National Bank CD	\$ 409.58	\$ 414.03	\$ 441.43		\$ 1,265.04
JP Morgan Chase (HBS)	\$ 492.44	\$ 594.48	\$ 539.26		\$ 1,626.18
Prosperity Bank	\$ 12.62	\$ 12.58	\$ 36.06		\$ 61.26
TexPool Participants	\$ 48.59	\$ 71.89	\$ 86.42		\$ 206.90
Tradition Bank	\$ 3,693.11	\$ 3,652.76	\$ 21.96		\$ 7,367.83
Total Earned	\$ 5,359.31	\$ 5,439.35	\$ 1,834.06	\$ -	\$ 12,632.72

Agenda Item: Board of Trustees' Unit Financial Statements for May and June 2015 Committee: Business	Board Meeting Date July 30, 2015
Background Information: None	
Supporting Documentation: May and June 2015 Board of Trustees' Unit Financial Statements	
Recommended Action: For Information Only	

Unit Financial Statement

FY 2015

	May 2015 Actuals	May 2015 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues								
Allocated Revenue	\$ 3,440	\$ 3,440	\$ -	\$ 24,360	\$ 24,360	\$ -	100%	\$ 31,680
Total Revenue	\$ 3,440	\$ 3,440	\$ -	\$ 24,360	\$ 24,360	\$ -	100%	\$ 31,680
Expenses								
Food Items	\$ -	\$ 167	\$ (167)	\$ 1,778	\$ 1,499	\$ 279	119%	\$ 2,000
Insurance-Worker Compensation	\$ 11	\$ 19	\$ (8)	\$ 72	\$ 173	\$ (101)	42%	\$ 230
Legal Fees	\$ 1,500	\$ 1,500	\$ -	\$ 13,500	\$ 13,500	\$ -	100%	\$ 18,000
Postage-Express Mail	\$ -	\$ 4	\$ (4)	\$ -	\$ 38	\$ (38)	0%	\$ 50
Supplies-Office	\$ -	\$ 4	\$ (4)	\$ 12	\$ 38	\$ (26)	0%	\$ 50
Training	\$ 885	\$ 300	\$ 585	\$ 2,285	\$ 3,300	\$ (1,015)	69%	\$ 3,600
Travel - Local	\$ -	\$ 63	\$ (63)	\$ 605	\$ 561	\$ 44	108%	\$ 750
Travel - Non-local Mileage/Air	\$ -	\$ 167	\$ (167)	\$ 1,174	\$ 1,499	\$ (325)	78%	\$ 2,000
Travel - Non-local Hotel	\$ -	\$ 317	\$ (317)	\$ 2,041	\$ 2,849	\$ (808)	72%	\$ 3,800
Travel - Meals	\$ (127)	\$ 100	\$ (227)	\$ 710	\$ 900	\$ (190)	79%	\$ 1,200
Total Expenses	\$ 2,269	\$ 2,641	\$ (372)	\$ 22,177	\$ 24,357	\$ (2,180)	91%	\$ 31,680
Total Revenue minus Expenses	\$ 1,171	\$ 799	\$ 372	\$ 2,183	\$ 3	\$ 2,180	9%	\$ -

Unit Financial Statement

FY 2015

	June 2015 Actuals	June 2015 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues								
Allocated Revenue	\$ 2,440.00	\$ 2,440.00	\$ -	\$ 26,800.00	\$ 26,800.00	\$ -	100.00%	\$ 31,680.00
Total Revenue	\$ 2,440.00	\$ 2,440.00	\$ -	\$ 26,800.00	\$ 26,800.00	\$ -	100.00%	\$ 31,680.00
Expenses								
Food Items	\$ 195.25	\$ 167.00	\$ 28.25	\$ 1,973.61	\$ 1,666.00	\$ 307.61	118.46%	\$ 2,000.00
Insurance-Worker Compensation	\$ 5.22	\$ 19.00	\$ (13.78)	\$ 77.43	\$ 192.00	\$ (114.57)	40.33%	\$ 230.00
Legal Fees	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	100.00%	\$ 18,000.00
Postage-Express Mail	\$ -	\$ 4.00	\$ (4.00)	\$ -	\$ 42.00	\$ (42.00)	0.00%	\$ 50.00
Supplies-Office	\$ -	\$ 4.00	\$ (4.00)	\$ 12.00	\$ 42.00	\$ (30.00)	0.00%	\$ 50.00
Training	\$ -	\$ 300.00	\$ (300.00)	\$ 2,285.00	\$ 3,600.00	\$ (1,315.00)	63.47%	\$ 3,600.00
Travel - Local	\$ 80.79	\$ 63.00	\$ 17.79	\$ 685.93	\$ 624.00	\$ 61.93	109.92%	\$ 750.00
Travel - Non-local Mileage/Air	\$ -	\$ 167.00	\$ (167.00)	\$ 1,173.56	\$ 1,666.00	\$ (492.44)	70.44%	\$ 2,000.00
Travel - Non-local Hotel	\$ -	\$ 317.00	\$ (317.00)	\$ 2,040.87	\$ 3,166.00	\$ (1,125.13)	64.46%	\$ 3,800.00
Travel - Meals	\$ -	\$ 100.00	\$ (100.00)	\$ 710.04	\$ 1,000.00	\$ (289.96)	71.00%	\$ 1,200.00
Total Expenses	\$ 1,781.26	\$ 2,641.00	\$ (859.74)	\$ 23,958.44	\$ 26,998.00	\$ (3,039.56)	88.74%	\$ 31,680.00
Total Revenue minus Expenses	\$ 658.74	\$ (201.00)	\$ 859.74	\$ 2,841.56	\$ (198.00)	\$ 3,039.56	11.26%	\$ -

<p>Agenda Item: Review Intermediate Care Facility Requests for Proposal Responses and Determine Next Steps</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>July 30, 2015</p>
<p>Background Information:</p> <p>In June, staff posted a Request for Proposals (RFP) to manage our eight (8), six (6) bed Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID). Our current provider, Educare Community Living Corporation-Gulf Coast (Educare) was the only company that responded by the July 20th deadline.</p> <p>Staff continue to be uncertain about the contract services provided by Educare and will be prepared to have a discussion with the Board about next steps for the management of the ICF homes.</p>	
<p>Supporting Documentation:</p> <p>Educare RFP Available for Review at Board Meeting</p>	
<p>Recommended Action:</p> <p>For Information Only</p>	

Agenda Item: Montgomery Supported Housing, Inc. Update Committee: Business	Board Meeting Date July 30, 2015
Background Information: <p>The Montgomery Supported Housing, Inc. Board (MSHI) met on June 23, 2015 where they reviewed project updates and financial information.</p> <p>On June 1, 2015, the property had a HUD REAC inspection and scored a 99a (99.76 out of 100 possible points). There were no significant maintenance issues on the property. Due to the high score, HUD will not conduct another inspection for three years.</p> <p>McDougal has requested HUD approval to make some modifications to the parking lot. Currently, the only handicapped parking spaces are near the community room. They are requesting to add some of these spaces on the other end of the parking lot to accommodate current and future residents with wheel chairs who reside at the other end of the property.</p> <p>McDougal Property Management has selected a new Property Manager. She will be transferring from the Alvin property as soon as her replacement has been trained. At this time, the official transition date is still pending.</p> <p>As a reminder, the next MSHI Board meeting is scheduled for September 22, 2015.</p>	
Supporting Documentation: None	
Recommended Action: For Information Only	

Agenda Item: Cleveland Supported Housing Inc. Update Committee: Business	Board Meeting Date July 30, 2015
Background Information: <p>The Cleveland Supported Housing, Inc. Board (CSHI) held a telephone meeting on June 12, 2015.</p> <p>On June 26th, the project team met at the property to compose the punch list. The items in need of repair were minor and were completed by July 15th. Cook Construction received the Certificate of Occupancy on July 13, 2015 from the City of Cleveland.</p> <p>We are happy to report that McDougal Property Management has hired a Community Director for the Cleveland property and they are currently undergoing training. In mid-April, McDougal began working on the applications for the property. Applicant approval can sometimes take up to 60 days. Currently, they have six applicants approved and eight are still being processed. New applications are being distributed and received as individuals continue to become aware of this new housing opportunity.</p> <p>On May 29th, the project team met with HUD on-site to review the progress and discuss the allocations for the 9th requisition.</p> <p>Tri-County Staff are in the process of preparing for the Grand Opening which will be held at the property on July 31, 2015.</p>	
Supporting Documentation: Recent Project Pictures	
Recommended Action: For Information Only	

Independence Oaks Apartments
Photos Taken July 15, 2015

Interior of the Community Room



Independence Oaks Apartments
Photos Taken July 15, 2015



Independence Oaks Apartments
Photos Taken July 15, 2015



Independence Oaks Apartments
Photos Taken July 15, 2015

Manager's Unit



Independence Oaks Apartments
Photos Taken July 15, 2015



Independence Oaks Apartments
Photos Taken July 15, 2015



Independence Oaks Apartments
Photos Taken July 15, 2015

Interior of one Unit



Independence Oaks Apartments
Photos Taken July 15, 2015



Independence Oaks Apartments Photos Taken July 15, 2015

Exterior of Buildings



Independence Oaks Apartments
Photos Taken July 15, 2015



UPCOMING MEETINGS

August 27th, 2015 – Board Meeting

- Approve Minutes from July 30, 2015 Board Meeting
- Approve Goals & Objectives for FY 2016
- Community Resources Report
- Consumer Services Report for July 2015
- Program Updates
- Annual Election of FY 2016 Board Officers
- Executive Director's Evaluation, Compensation & Contract for FY 2016
- Nominations for the Texas Council Risk Management Fund's Board of Trustees
- Personnel Report for July 2015
- Texas Council Risk Management Fund Claim Summary for July 2015
- Texas Council Quarterly Board Meeting Update
- Approve July 2015 Financial Statements
- Approve FY 2015 Year End Budget Revision
- Approve Proposed FY 2016 Operating Budget
- Approve FY 2016-2017 DADS Contract
- Approve FY 2016 DSHS Contract
- Board of Trustees Unit Financial Statement for July 2015
- Cleveland Supported Housing, Inc. Monthly Update
- Other Business Committee Issues

September 24th, 2015 – Board Meeting

- Approve Minutes from August 27, 2015 Board Meeting
- Reappoint Mental Health Planning Network Advisory Committee Members
- Reappoint Intellectual/Developmental Disabilities Planning Network Advisory Committee Members
- Community Resources Report
- Consumer Services Report for August 2015
- Program Updates
- Annual Corporate Compliance & Quality Management Report
- 1st Quarter FY 2016 Corporate Compliance Training
- Annual Planning Network Advisory Committee Reports
- Final FY 2015 Goals & Objectives Progress Report
- Appoint Texas Council Representative & Alternate for FY 2016
- Board of Trustees Reappointments & Oaths of Office
- Personnel Report for August 2015
- Texas Council Risk Management Fund Claim Summary for August 2015
- Analysis of Board Members Attendance for FY 2015 Regular & Special Called Board Meetings
- 401(a) Account Review
- Review August 2015 Financial Statements
- Board of Trustees Unit Financial Statement for August 2015
- Montgomery Supported Housing, Inc. Update
- Cleveland Supported Housing, Inc. Monthly Update
- Other Business Committee Issues