

Tri-County Behavioral Healthcare Board of Trustees Meeting

July 26, 2018



Notice is hereby given that a regular meeting of the Board of Trustees of Tri-County Behavioral Healthcare will be held on Thursday, July 26, 2018. The Business Committee will convene at 9:00 a.m., the Program Committee will convene at 9:00 a.m. and the Board meeting will convene at 10:00 a.m. at 233 Sgt. Ed Holcomb Blvd S, 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. Chair Calls Meeting to Order
- B. Public Comment
- C. Quorum
- D. Review & Act on Requests for Excused Absence

II. Approve Minutes - May 24, 2018

III. Program Presentation - Essay Contest Winners

IV. Program Presentations - Longevity Recognition

V. Executive Director's Report - Evan Roberson

- A. IDD and Managed Care
- B. HCS and TxHmL Provider Audit
- C. Certified Community Behavioral Health Clinic
- D. 2nd Street Updates

VI. Chief Financial Officer's Report - Millie McDuffey

- A. FY 2019 Budget Process
- B. Year End Budget Revision
- C. FY 2018 Audit
- D. County Annual Funding Request
- E. Fixed Asset Inventory

VII. Program Committee

Information Items

A. Community Resources Report	Pages 7-10
B. Consumer Services Reports for May & June 2018	Pages 11-13
C. Program Updates	Pages 14-18
D. FY 2018 Goals & Objectives Progress Report	Pages 19-24
E. 3 rd Quarter FY 2018 Corporate Compliance & Quality Management Report	Pages 25-27
F. 4 th Quarter FY 2018 Corporate Compliance Training	Pages 28-29
G. Medicaid 1115 Transformation Waiver Project Status Report	Page 30

VIII. Executive Committee

Action Items

A. Appoint Nominating Committee for FY 2019 Board Officers	Page 31
B. Appoint Executive Director Evaluation Committee	Page 32

Information Items

C. Personnel Reports for May & June 2018	Pages 33-37
D. Texas Council Risk Management Fund Claims Summary as of May & June 2018	Pages 38-40

IX. Business Committee

Action Items

A. Approve May 2018 Financial Statements	Pages 41-53
B. Approve June 2018 Financial Statements	Pages 54-66
C. Approve FY 2018 Auditor Engagement Letter	Pages 67-75
D. Approve Recommendation for Tri-County Employee Health Insurance & Ancillary Plans	Pages 76-78
E. Approve Texas Council Risk Management Fund Minimum Contribution Plan for Workers' Compensation Coverage	Pages 79-80
F. Ratify HHSC Contract No. 529-17-0038-00035, Amendment No. 3	Page 81
G. Ratify HHCS Youth Prevention-Selective (YPS) Contract No. 2016-048029-003, Amd. No. 3	Page 82
H. Ratify HHSC Contract No. HHS000134400010, Mental Health SB 292 (Urban)	Page 83
I. School-Based Clinic Interlocal Agreement	Pages 84-101
J. Approve Recommendation to Declare Two Vehicles as Surplus	Page 102
K. Discussion of Unresolved Building Issues at 233 Sgt. Ed Holcomb Blvd, South	Page 103

Information Items

L. Review Tri-County's 2016 990 Tax Return Prepared by Scott, Singleton, Fincher & Company, P.C.	Pages 104-150
M. 3 rd Quarter FY 2018 Investment Report	Pages 151-155
N. Board of Trustees Unit Financial Statements for May & June 2018	Pages 156-158
O. HUD 811 Updates - (Cleveland, Montgomery and Huntsville)	Pages 159-161
P. Tri-County Consumer Foundation Board Update	Page 162

X. Executive Session in Compliance with Texas Government Code Section 551.071, Consultation with Attorney; Section 551.072, Real Property, 233 Sgt. Ed Holcomb Blvd S, Conroe, TX; Section 551.074, Personnel Matters.

Posted By:

Ava Green
Executive Assistant

Tri-County Behavioral Healthcare

P.O. Box 3067
Conroe, TX 77305

BOARD OF TRUSTEES MEETING

May 24, 2018

Board Members Present:

Patti Atkins
Richard Duren
Morris Johnson
Tracy Sorensen
Sharon Walker

Board Members Absent:

Janet Qureshi
Jacob Paschal
Gail Page

Tri-County Staff Present:

Evan Roberson, Executive Director
Millie McDuffey, Chief Financial Officer
Kathy Foster, Director of IDD Provider Services
Tanya Bryant, Director of Quality Management and Support
Amy Foerster, Chief Compliance Officer
Kelly Shropshire, Director of IDD Authority Services
Kenneth Barfield, Director of Management Info Systems
Breanna Robertson, Director of Crisis Services
Ava Green, Executive Assistant
Tabatha Abbott, Cost Accountant

Call to Order: Board Chair, Patti Atkins, called the meeting to order at 10:02 a.m. at 233 Sgt. Ed Holcomb Blvd. S., Conroe, TX.

Public Comment: There was no public comment.

Quorum: There being five (5) Board Members present, a quorum was established.

Resolution #05-18-01

Motion Made By: Morris Johnson

Seconded By: Sharon Walker, with affirmative votes by Patti Atkins, Tracy Sorensen and Richard Duren that it be...

Resolved:

That the Board excuse the absence of Janet Qureshi, Gail Page and Jacob Paschal.

Resolution #05-18-02

Motion Made By: Morris Johnson

Seconded By: Richard Duren, with affirmative votes by Patti Atkins, Tracy Sorensen and Sharon Walker that it be...

Resolved:

That the Board approve the minutes of the April 26, 2018 meeting of the Board of Trustees.

Program Presentation – Longevity Recognitions

Executive Director's Report:

The Executive Director's report is on file.

Chief Financial Officer's Report:

The Chief Financial Officer's report is on file.

PROGRAM COMMITTEE:

The Community Resources Report was reviewed for information purposes only.

The Consumer Services Report for April 2018 was reviewed for information purposes only.

The Program Updates Report was reviewed for information purposes only.

The RPNAC Evaluation of Services, Community Hospital Survey, was reviewed for information purposes only.

The RPNAC Evaluation of Services, Local Plan Network Development, was reviewed for information purposes only.

EXECUTIVE COMMITTEE:

The Personnel Report for April 2018 was reviewed for information purposes only.

The Texas Council Risk Management Fund Claims Summary for April 2018 was reviewed for information purposes only.

BUSINESS COMMITTEE:

Resolution #05-18-03

Motion Made By: Morris Johnson

Seconded By: Tracy Sorensen, with affirmative votes by Patti Atkins, Sharon Walker and Richard Duren that it be...

Resolved:

That the Board approve the April 2018 Financial Statements.

The Board of Trustees Unit Financial Statements for April 2018 was reviewed for information purposes only.

There was no need for Executive Session.

The regular meeting of the Board of Trustees adjourned at 10:48 a.m.

Adjournment:

Attest:

Patti Atkins
Chair

Date

Gail Page
Secretary

Date



Executive Director's Report

July 26, 2018

Announcements

- The next regular Board meeting will be August 30, 2018.
- I wanted to let you know that we were notified in June that the Burnham Classic golf tournament has been cancelled for 2018. The City of Liberty is purchasing the Magnolia Ridge Country Club and golf course, but the purchase is not yet complete and the course is not available for the tournament. We are hopeful that the tournament can continue in the future. Last year was the 28th year for the Burnham Classic.
- I am pleased to announce that Tri-County received the Texas Council Risk Management Fund's William E. Hall, Jr. Award for Excellence in Workman's Compensation Loss Prevention at the Annual Community Center Conference in June. The William E. Hall, Jr. award is the TCRMF's highest workman's compensation award. Mary Lou Flynn-Dupart wanted to let you know that she was thrilled for Tri-County to receive this award and that it was even more exciting because Bill Hall was one of our founding Board members and also one of the founding Board members of the Risk Management Fund.
- As a security precaution, we have made some changes to the Board packets that are sent to you and also those that are posted on our website. We will no longer have actual signatures in the Board packet because they can be used by cyber terrorists in cyber-attacks. Going forward, these signatures will be covered by black boxes in the Board packet. In addition, we have made some recommended changes to our website and plan to remove much of the personal information about staff and the Board from our site. While it is our desire to be open and available to our stakeholders, we must also be wise about the amount of information that is easily accessed by those that have the desire to harm the Center via cyber-attack.
- I wanted to let you know that the ACT grant was finally submitted to the Substance Abuse and Mental Health Services Administration (SAMHSA) last week after the federal government had to make a series of changes to their on-line grant submission sites after a cyber-attack. We had previously submitted the application electronically, but only to one of the two required websites. Selection of ACT grant recipients is supposed to occur in October of this year.

- As you are aware, our Director of Crisis Services, Breanna Robertson, has resigned from the Center effective June 12, 2018. Breanna worked very hard for the Center and it will be hard to replace her. I have spent a good bit of time at the Psychiatric Emergency Treatment Center since she has departed and I am close to posting a crisis program director position.
- Gary Bramlett, the Executive Director for the East Texas Behavioral Health Network, has resigned effective July 9, 2018. Gary had been the Executive Director for 12 years. The Interim Executive Director is the Deputy Chief Executive Officer at Burke, Melanie Taylor.
- I am pleased to announce that Tri-County is one of three Centers that have been selected by the Texas System of Care to participate in the Transition Age Youth (TAY) Policy Academy. Transition Age Youth are people between the ages of 16 and 25. Individuals in this age group are at high risk for substance use and mental health disorders, but they are also among those least likely to seek help. The TAY Policy Academy Centers are brought together to learn about best practices for providing behavioral health services to Transition Age Youth, including addressing organizational barriers, key workforce competencies, engagement and outreach strategies, and services and supports.
- I would like to welcome our Adult Mental Health Program Director, Sara Bradfield, and our Child and Youth Mental Health Program Director, Melissa Zemencik to our Board meeting today. Both ladies will be joining the Program Committee and will begin attending the Board meeting when their schedules allow. Both Sara and Melissa do an excellent job for the Center and I know you will enjoy getting to know them.
- The birthday Cake today is in honor of Jacob Paschal that had a birthday on July 6th and Janet Qureshi that had a birthday on July 8th.



**Our 'own' US Congress Lifetime Achievement Staff
Finalist, Janet Qureshi - Director of Case Management
Rep. Kevin Brady (R-TX)**

Qureshi has spent over 20 years working for Congressman Kevin Brady, having joined him during his tenure in the Texas State Legislature. In 2011, the Montgomery County Women's Council of Organizations honored her as a Woman of Distinction. Additionally, many letters to the editor and news articles have recognized her for outstanding constituent support, including one example that detailed her efforts to obtain the release of a constituent wrongly imprisoned in the Dominican Republic. Qureshi also works closely with the Lone Survivor Foundation to help veterans needing government assistance. Prior to working for Congressman Brady, she was an operating room nurse and volunteer. "I enjoy taking care of people, I love being an advocate for our constituents, and I hope to continue to do that," Qureshi said in a video from Congressman Brady's office.

Congratulations Janet!!!

IDD and Managed Care

- As the Board is aware, there is much concern from families and advocates about the transition of persons with Intellectual and Developmental Disabilities into Managed Care, which is currently scheduled to begin in Fiscal Year 2019. In a letter to Acting Executive Commissioner of HHSC Cecile Young, the Chair of the IDD System Redesign Committee, Clay Boatright, stated the following as part of a five page letter:

“The IDD System Redesign Advisory Committee, created as a part of SB7 by the 83rd Legislature, is charged with advising HHSC on the implementation of long-term services and supports for Texas with IDD. Consistent with this charge, IDD SRAC strongly recommends that HHSC not move forward with the transition of long term services and supports for any IDD Medicaid-waivers at this time...”

Mr. Boatright continued by stating that HHSC should take ten specific steps before continuing with the movement of IDD services into managed care.

The IDD SRAC voted unanimously to recommend delay of the potential transition of TxHmL services for at least three years (2023) and of HCS, CLASS, DBMD, and ICF/IID for at least seven years (2027 or 2028).

In addition to the pressure placed on HHSC by the Dallas Morning News articles about the state of Managed Care in Texas, we are hopeful that this letter will cause HHSC to delay the transition of these services into Managed Care. However, the legislature would ultimately have to approve any delay to current timelines in the next Legislative Session.

HCS/TxHmL Provider Report

- I want to let the Board know that Kathy Foster and her staff scored a perfect score (zero deficiencies) on their Home and Community-based Services/Texas Home Living provider audit in June. Kathy has had zero deficiencies on ten previous occasions. These are very complex audits and only a few providers have ever had one perfect audit. She and her staff do a great job and I am very proud of the work that they do. The Board can be confident that you have a remarkable HCS Provider program.

Second Street Updates

I wanted to let the Board know that we plan to begin officing staff at the 111 Second Street building in early August. We have been busy getting network equipment, including phones, at the building and making a few modifications to the security features of the building. One item that has been completed is a new front desk security window pictured below.



Security Window at 111 South Second Street Facility

Certified Community Behavioral Health Clinic

As I have discussed with you previously, Texas Community Centers are going to be working together to become Certified Community Behavioral Health Clinics (CCBHC) in the next two years.

The Excellence Act established a federal definition and criteria for Certified Community Behavioral Health Clinics (CCBHCs) and stipulated that CCBHCs may receive an enhanced Medicaid reimbursement rate based on their anticipated costs of care. CCBHCs are responsible for directly providing (or contracting with partner organizations to provide) nine required types of services, with an emphasis on the provision of 24-hour crisis care, utilization of evidence-based practices, care coordination, and integration with physical health care.

The process of becoming a CCBHC is at least as complex as becoming accredited. Certification will be an 'all hands on deck' type of activity for the Center and will impact all service locations.

Ultimately we need to find a way to leverage additional funds if we are going to continue to expand services to meet the needs of our community. CCBHC has to potential, if funded, to bring enhanced Medicaid rates to Centers and this would make a big difference in our ability to serve our communities.

CHIEF FINANCIAL OFFICER'S REPORT

July 26, 2018

FY 2019 Budget Process – We are getting near the end of the FY 2019 budget process. Over the past few months, we have consolidated all the manager budget submissions into the master agency-wide budget for FY 2019. We have compared the preliminary budget to the current center trends to determine accuracy and made adjustments where needed. We are currently analyzing the vacancy rate for the current fiscal year to determine the actual lapse rate to budget for the new fiscal year. After all these steps are completed, we should be at a zero bottom line for the August Board report.

Year End Budget Revision – As we do every year, we are working on the final budget revision for FY 2018. You will see this item on the August agenda. The main areas we look at are salary and benefits. Occasionally, delays in the start-up of new programs may effect budget categories as well. This year has been relatively smooth compared to the past few years where we were dealing with building construction and sales of vacated Tri-County properties.

FY 2018 Audit – We have been in contact with the auditors to start the planning process for the FY 2018 audit. We have scheduled the dates for their on-site work to begin. Their first visit will be earlier this year and is scheduled for August 13th thru August 17th. The next site visit will be October 29th thru November 2nd. They will provide us with details 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.

County Annual Funding Request – We presented budget requests at both Walker and Montgomery County Commissioner's courts. Presentations went well, but we doubt we will be given an increase in funding.

Fixed Asset Inventory – The fixed asset inventory process is almost complete. Every two years we conduct a complete inventory count, so this is that complete count year. Last year we verified programs that had moved and all new items purchased. This year we will get a complete review of all inventoried items. This is a pretty labor-intensive process, so we bring in building coordinators to assist with the actual count at each location. We have received back the initial counts and will determine any variances that we may need to go recount if needed.

Agenda Item: Community Resources Report Committee: Program	Board Meeting Date: July 26, 2018
Background Information: None	
Supporting Documentation: Community Resources Report	
Recommended Action: For Information Only	

Community Resources Report

May 25, 2018 – July 26, 2018

Volunteer Hours:

Location	May	June
Conroe	128.75	284.25
Cleveland	0	3.0
Liberty	8.0	37.0
Huntsville	14.5	4.0
Total	151.25	328.25

COMMUNITY ACTIVITIES:

5/25/18	VETS Pod Memorial Day Ceremony	Conroe
5/28/18	American Legion Memorial Day Ceremony	Conroe
5/28/18	Veterans of Foreign Wars (VFW) Memorial Day Ceremony	Conroe
5/30/18	Conroe Noon Lions Club Luncheon	Conroe
5/30/18	YMHFA Hull-Daisetta ISD	Liberty
5/30/18	Violence Prevention Steering Committee – St. Luke’s Hospital	The Woodlands
5/30/18	Bringing Everyone into the Zone (BEITZ) Veteran Facilitators Meeting	Huntsville
5/31/18	Mental Health Awareness Event Tri-County	Liberty
6/4/18	Montgomery County Homeless Coalition Board Meeting	Conroe
6/5/18	American Addiction Centers Referral Meeting	Conroe
6/6/18	Conroe Noon Lions Club	Conroe
6/6/18	The Woodlands Chamber Community Relations Team	The Woodlands
6/6/18	Outreach, Screening, Assessment and Referral (OSAR) Meeting	League City
6/6/18	American Legion Executive Board Meeting	Conroe
6/7/18	Cleveland Chamber of Commerce Luncheon	Cleveland
6/7/18	Montgomery County Area Business Women’s Association Luncheon	Montgomery
6/7/18	MCCARES Meeting	Conroe
6/7/18	Office of Emergency Management Meeting	Conroe
6/8/18	Mental Health Awareness Event Tri-County	Cleveland
6/8/18	Veteran Stakeholder Check-in Meeting	Huntsville
6/11/18	Toured Restore Texas Ministries (A work/live program for Veterans)	Huntsville
6/11/18	Monthly Veteran Mentor Training – Bowling Event	The Woodlands
6/12/18	American Legion Monthly Meeting	Conroe
6/12/18	Montgomery County Child Fatality Review Team Meeting	Conroe
6/13/18	Conroe Noon Lions Club	Conroe
6/13/18	Liberty County Community Resource Coordination Group	Liberty
6/13/18	Family and Community Coalition Meeting	Conroe
6/13/18	Veteran’s Treatment Court	Conroe
6/14/18	Walker County Chamber of Commerce Small Business Meeting	Huntsville
6/14/18	Liberty County Health Coalition	Liberty

6/14/18	Advocate Networking Luncheon	Cleveland
6/15/18	Montgomery County Food Bank Meeting	Conroe
6/18/18	Veteran's Jail Mentor Meeting with Montgomery County Sherriff's Office (MCSO)	Conroe
6/19/18	Montgomery County Community Resource Coordination Group	Conroe
6/19/18	North Houston Area Networking Partnership Meeting	The Woodlands
6/20/18	Liberty/Dayton Chamber of Commerce Luncheon	Liberty
6/20/18	Conroe Noon Lions Club	Conroe
6/21/18	Homeless Coalition Meeting	Conroe
6/21/18	Educational Outcomes Meeting	Conroe
6/25/18	Military Veteran Peer Network Basic Training	Conroe
6/26/18	Montgomery County Business Women's Association Luncheon	Conroe
6/26/18	Salvation Army – Meeting with New Social Services Coordinator	Conroe
6/27/18	Conroe Noon Lions Club	Conroe
6/28/18	Montgomery County Business Luncheon	Magnolia
7/3/18	Gulf Coast Trade Center	New Waverly
7/5/18	Cleveland Chamber of Commerce Luncheon	Cleveland
7/9/18	YMHFA – Juvenile Probation Officers	Conroe
7/9/18	Montgomery County Homeless Coalition Board Meeting	Conroe
7/9/18	Creekside Assisted Living	Huntsville
7/9/18	Monthly Mentor Training with MCSO Discussion Session	Conroe
7/10/18	Civil Service Meeting	Conroe
7/11/18	Conroe Noon Lions Club	Conroe
7/11/18	Texas Children's Hospital Meeting	Conroe
7/11/18	Toured the Funeral Museum with the Conroe VFW Honor Guard	Houston
7/12/18	Advocate Networking Luncheon	Cleveland
7/12/18	Walker County Chamber of Commerce Small Business Meeting	Huntsville
7/13/18	Outpatient Competency Restoration External Stakeholder Rules Workgroup	Austin
7/16/18	Liberty Networking Group	Liberty
7/16/18	Mental Health Court Expansion Meeting	Conroe
7/17/18	North Houston Area Networking Partnership Meeting	The Woodlands
7/17/18	Montgomery County Community Resource Coordination Group	Conroe
7/18/18	Conroe Noon Lions Club	Conroe
7/18/18	Liberty/Dayton Chamber of Commerce Luncheon	Liberty
7/18/18	Multidisciplinary Behavioral Health Team Quarterly Meeting	Huntsville
7/18/18	Gulf Coast Region Veterans Coordinating Council Meeting	Conroe
7/19/18	Homeless Coalition Meeting	Conroe
7/19/18	Walker County Community Resource Coordination Group	Huntsville
7/19/18	Veteran Affairs Advisory Board (VAAB) Meeting	Huntsville
7/20/18	Veteran Lay-In at Plane State Jail	Dayton
7/23/18	Military Veteran Peer Network Basic Training	Conroe
7/25/18	Conroe Noon Lions Club	Conroe

7/25/18	Magnolia ISD Counselor Presentation	Magnolia
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UPCOMING ACTIVITIES:

7/27/18	Outpatient Competency Restoration External Stakeholder Rules Workgroup	Conroe
8/2/18	Cleveland Chamber of Commerce Luncheon	Cleveland
8/8/18	Walker County Chamber of Commerce Small Business Meeting	Huntsville
8/8/18	Liberty County Community Resource Coordination Group	Liberty
8/15/18	Liberty/Dayton Chamber of Commerce Luncheon	Liberty
8/16/18	Homeless Coalition Meeting	Conroe
8/17/18	Outpatient Competency Restoration External Stakeholder Rules Workgroup	Conroe
8/21/18	North Houston Area Networking Partnership Meeting	The Woodlands
8/21/18	Montgomery County Community Resource Coordination Group	Conroe
8/31/18	Outpatient Competency Restoration External Stakeholder Rules Workgroup	Conroe

Agenda Item: Consumer Services Report for May and June 2018 Committee: Program	Board Meeting Date: July 26, 2018
Background Information: None	
Supporting Documentation: Consumer Services Report for May and June 2018	
Recommended Action: For Information Only	

Consumer Services Report

May 2018

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total
Crisis Services, MH Adults/Children					
Persons Screened, Intakes, Other Crisis Services	652	38	35	63	788
Crisis and Transitional Services (LOC 0, LOC 5)	20	0	0	1	21
Psychiatric Emergency Treatment Center (PETC) Served	69	4	6	5	84
Psychiatric Emergency Treatment Center (PETC) Bed Days	328	17	30	17	392
Contract Hospital Admissions	14	0	1	1	16
Diversion Admits	21	0	1	1	23
Total State Hospital Admissions	0	0	0	0	0
Routine Services, MH Adults/Children					
Adult Service Packages (LOC 1m,1s,2,3,4)	1387	169	119	135	1810
Adult Medication Services	972	81	83	74	1210
Child Service Packages (LOC 1-4 and YC)	635	59	20	75	789
Child Medication Services	274	24	8	32	338
TCOOMMI (Adult Only)	139	15	22	8	184
Adult Jail Diversions	6	0	0	0	6
Persons Served by Program, IDD					
Number of New Enrollments for IDD Services	1	0	0	0	1
Service Coordination	641	37	51	67	796
Persons Enrolled in Programs, IDD					
Center Waiver Services (HCS, Supervised Living)	23	4	12	21	60
Substance Abuse Services					
Children and Youth Prevention Services	87	12	0	9	108
Youth Substance Abuse Treatment Services/COPSD	6	0	0	0	6
Adult Substance Abuse Treatment Services/COPSD	37	0	0	0	37
Waiting/Interest Lists as of Month End					
Adult Mental Health Services	49	1	0	0	50
Home and Community Based Services Interest List	1726	109	112	116	2063
May Served by County					
Adult Mental Health Services	1868	163	130	205	2366
Child Mental Health Services	921	63	27	83	1094
Intellectual and Developmental Disabilities Services	659	44	55	70	828
Total Served by County	3448	270	212	358	4288
April Served by County					
Adult Mental Health Services	1723	165	115	194	2197
Child Mental Health Services	729	64	36	87	916
Intellectual and Developmental Disabilities Services	651	44	55	69	819
Total Served by County	3103	273	206	350	3932
March Served by County					
Adult Mental Health Services	1790	152	135	196	2273
Child Mental Health Services	685	60	28	79	852
Intellectual and Developmental Disabilities Services	655	44	54	71	824
Total Served by County	3130	256	217	346	3949

Consumer Services Report

June 2018

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total
Crisis Services, MH Adults/Children					
Persons Screened, Intakes, Other Crisis Services	537	34	34	49	654
Crisis and Transitional Services (LOC 0, LOC 5)	19	1	0	0	20
Psychiatric Emergency Treatment Center (PETC) Served	76	4	5	6	91
Psychiatric Emergency Treatment Center (PETC) Bed Days	330	21	11	29	391
Contract Hospital Admissions	13	1	1	3	18
Diversion Admits	14	1	0	3	18
Total State Hospital Admissions	0	0	0	0	0
Routine Services, MH Adults/Children					
Adult Service Packages (LOC 1m,1s,2,3,4)	1284	140	129	122	1675
Adult Medication Services	920	65	80	30	1095
Child Service Packages (LOC 1-4 and YC)	572	55	19	72	718
Child Medication Services	231	13	7	21	272
TCOOMMI (Adult Only)	120	16	20	4	160
Adult Jail Diversions	6	0	0	0	6
Persons Served by Program, IDD					
Number of New Enrollments for IDD Services	1	0	0	1	2
Service Coordination	654	36	48	68	806
Persons Enrolled in Programs, IDD					
Center Waiver Services (HCS, Supervised Living)	23	4	12	21	60
Substance Abuse Services					
Children and Youth Prevention Services	10	0	0	21	31
Youth Substance Abuse Treatment Services/COPSD	8	0	0	0	8
Adult Substance Abuse Treatment Services/COPSD	40	0	0	0	40
Waiting/Interest Lists as of Month End					
Adult Mental Health Services	80	3	0	0	83
Home and Community Based Services Interest List	1748	111	114	117	2090
June Served by County					
Adult Mental Health Services	1734	157	138	182	2211
Child Mental Health Services	637	57	24	75	793
Intellectual and Developmental Disabilities Services	668	43	55	75	841
Total Served by County	3039	257	217	332	3845
May Served by County					
Adult Mental Health Services	1868	163	130	205	2366
Child Mental Health Services	921	63	27	83	1094
Intellectual and Developmental Disabilities Services	659	44	55	70	828
Total Served by County	3448	270	212	358	4288
April Served by County					
Adult Mental Health Services	1723	165	115	194	2197
Child Mental Health Services	729	64	36	87	916
Intellectual and Developmental Disabilities Services	651	44	55	69	819
Total Served by County	3103	273	206	350	3932

Agenda Item: Program Updates Committee: Program	Board Meeting Date: July 26, 2018
Background Information: None	
Supporting Documentation: Program Updates	
Recommended Action: For Information Only	

Program Updates

May 25, 2018 – July 26, 2018

Crisis Services

1. We have had a series of staffing challenges at the Psychiatric Emergency Treatment Center (PETC) which has forced us to close the Extended Observation Unit (EOU) since mid-June. Staff are being hired and we anticipate reopening the EOU on August 1, 2018.
2. With turnover in the Crisis Director role, Evan Roberson has been based at the PETC most of the time and is working with managers to oversee crisis services. Recruitment of bachelor's level staff has been the priority since mid-June and several staff have started training while others are scheduled for New Employee Orientation in the coming weeks.
3. Crisis Services had unprecedented need for indigent crisis hospitalization this summer including 64 persons without insurance hospitalized in the month of June for 448 beddays and approximate cost of \$250,000. In addition to hospitalization, the PETC has remained full or nearly full for most of June and July. The increased demand for hospitalization, which is always highest for adults in the summer, seems to be primarily driven by population growth.

MH Adult Services

1. We have hired a psychiatrist to fill the 5th Adult Outpatient prescriber role in Conroe, but he will be used to cover vacancies in Cleveland, Liberty and Huntsville outpatient clinics via televideo until we can hire prescribers or figure out coverage plans for those locations. In addition to utilizing our new psychiatrist, we continue to contract with ETBHN for nurse practitioners and use nursing Brief Office Visits to provide coverage.
2. The Adult Intake department continues to see improvement in the ability to provide immediate admission to services over the past few months. Intake has consistently provided options for same day evaluations to the majority of individuals presenting to the walk-in clinic and can generally offer evaluations within one week for those who are unable to take advantage of same day slots.

MH Child Services

1. We are busy planning for two Conroe Independent School District school-based clinics – one at Grangerland Intermediate School and one at Armstrong Elementary.
2. Our Administrator of C&Y Rural Services is stepping down at the end of July, so we are working on a plan to fill the supervision and community support role that she has been fulfilling. This staff has been, for example, managing the Liberty County Community Resource Coordination Group (CRCG) for over a year.

Criminal Justice Services

1. The Outpatient Competency Restoration program will be participating in an External Stakeholder Workgroup, which is intended to develop program rules and guidelines to align with new legislation.
2. The Jail Services Liaison assessed 24 individuals and coordinated the treatment of 68 others in Montgomery County Jail in June and the Jail Diversion clinician is providing MH diagnosis training to Specialized probation officers in July.
3. The Jail Diversion program diverted 1 individual in June for a total of 12 for FY 18.

Substance Abuse Services

1. The Adult Substance Abuse program has observed an increase in census over the past several months as well as an increase in positive individual outcomes. The program anticipates filling a vacancy in the co-occurring disorders rule, which will allow for individual therapy for clients who are identified as having mental health and substance use disorders.
2. Over the summer, our Youth Substance Abuse Prevention team is holding a very small day-camp two days per week to provide the Youth Substance Abuse Prevention curriculum to our clients.
3. We are fully staffed this summer in the Substance Abuse Prevention program, which is making it possible for the team to be prepared to start the upcoming school year.

IDD Services

1. Authority Services is preparing for the HHSC Autism Contract. This program, once implemented, will be titled, Tri-County Autism Program (TAP).
2. The Crisis Intervention Services is working with a number of individuals who have complex needs to prevent or assist while in crisis.
3. Provider Services is working to fill all vacant positions. This has been more challenging as we have taken full time positions and split into part time positions to be more cost effective. Currently we have two full time and four part time openings.

Support Services

1. **Quality Management:**
 - a. Staff completed the Program Survey for Criminal Justice Services.
 - b. Following feedback from a United Behavioral Healthcare (UBH) audit, staff updated the Recovery Plan document to include individualized discharge plans.
 - c. Staff is currently working through the Health and Human Services Commission (HHSC) review tool in preparation for the on-site Quality Management review expected sometime this Fall.
 - d. Staff reviewed and submitted thirty-two (32) charts going back to January 2017. Twenty-four (24) were requested by Amerigroup, one (1) from WellCare Texan Plus, and seven (7) from Cigna HealthSpring.
2. **Utilization Management:**

- a. Staff completed the Utilization Management Self Assessment which is reviewed annually by the Regional Utilization Management Committee (RUM).
- b. Staff incorporated new funding for hospitalization bed-days into data tracking and reports provided monthly to HHSC.
- c. The Adult Mental Health waitlist continues to grow and staff are monitoring these individuals as appropriate and providing outside resources when available.

3. Training:

- a. Staff provided recovery plan training to new hires in Adult Outpatient.
- b. The Clinical Trainer has initiated Documentation Refresher Trainings with current staff and 90 Day Documentation Refresher Trainings with and Quality Management Staff provided follow up documentation training to two (2) staff identified as needing additional guidance in this area.
- c. Ninety (90) day documentation refresher trainings have now been implemented with all new hires.
- d. The Training Department is currently looking into the possibility of offering Continuing Education Units (CEUs) for specific trainings.

4. Planning and Network Advisory Committee(s):

The Intellectual and Developmental Disability Planning Network Advisory Committee met on June 27, 2018 and reviewed Center Updates, Performance Measures, Financial Summary Reports, Service Reports, and discussed goals and objectives for the next year. The committee recommended that the Center explore options for increasing community awareness surrounding the Interest List and specifically cited the school system as the mechanism that they felt would be the most effective for this collaboration.

5. Veteran Services:

- a. The Veteran's Services Liaison co-presented a break-out session at the National Association of Drug Court Professionals (NADCP) Conference in Houston on May, 31, 2018.
- b. Staff coordinated a Women's Veteran's Day event at Painting with a Twist on June 9, 2018.
- c. Staff implemented walk-in hours for resource navigation to better meet the needs of the Veteran community. These hours began in early July and, if successful, will continue to be provided.

Community Activities

- 1. Staff continue to collaborate with community agencies. We have arranged with the Montgomery County Sheriff's office to hold their NOVA (Network of Victim Assistance) training here at Tri-County in October. Staff are also working with Educational Outcomes. This agency provides Trauma Informed GED prep classes at a very reduced rate for our clients. The agency has a 90% pass rate for individuals who are struggling with mental health issues and/or trauma. We are hopeful the Foundation will be able to cover the remaining costs.

2. Over 30 staff participated in our CHI St. Luke's Blood Drive here at Tri-County in June. We had a couple of staff with rare blood types AB(-) and O(-); which made CHI St. Luke's very happy.
3. The Texans Recovering Together Team have had Hurricane Preparedness trainings throughout all 3 counties every week since June 1st; which was the official start of hurricane season. They were also invited to participate in the Extreme Weather Expo in Houston, where they met with experts in the field and learned additional Hurricane Preparedness ideas to share in our 3 counties.

Agenda Item: Third Quarter FY 2018 Goals and Objectives Progress Report Committee: Program	Board Meeting Date July 26, 2018
Background Information: The Management Team met on July 6, 2017 to update the five year strategic plan and to develop the goals for FY 2018. The strategic plan and related goals were approved by the Board of Trustees at the August 2017 Board meeting. 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 Health and Human Services Commission or other contractors. This report shows progress through the 3 rd Quarter of Fiscal Year 2018.	
Supporting Documentation: FY 2018, 3 rd Quarter Goals and Objectives Progress Report	
Recommended Action: For Information Only	

Year-to-Date Progress Report

September 1, 2017 – May 31, 2018

Goal #1 – Professional Facilities

Objective 1:

Facility improvements to the PETC lobby area will be completed by January 1, 2018.

- Flooring was replaced in the PETC lobby, Extended Observation Unit, administrative office and triage hallways by the above deadline.
- Walls in the triage and lobby areas were also reinforced for durability.

Objective 2:

Staff will develop a facility improvement plan for Cleveland by March 31, 2018.

- Staff is working with a modular building company to price adding temporary space to the Cleveland facility. Construction on site may cause drainage problems for the current building and may not be practical. Staff will look into purchasing a facility in FY 2019 or building a new facility in Cleveland.

Goal #2 – Community Connectedness

Objective 1:

The Tri-County Consumer Foundation will hold at least one fundraising event by March 31, 2018.

- The “Changing Lives Breakfast” was held on March 8, 2018.

Objective 2:

Tri-County will launch the ‘I Choose Life’ website with the youth and caregiver commitments that can be made online by December 31, 2018.

- The I Choose Life website is up and functioning at www.IChooseLife.us.
- We have begun promoting this site via social media.

Objective 3:

Tri-County will host, on average, at least one community stakeholder meeting at one of our facilities each month.

- Tri-County has hosted four MC-CARES meetings following Hurricane Harvey at the Sgt. Ed Holcomb location (two in September, one in October and one in January).
- Tri-County has hosted seven Montgomery County Community Resource Coordination Groups (CRCGs) so far this fiscal year (October, December, January, February, March, April and May) and continues to arrange the meetings for the 3rd Tuesday of each month.

- A meeting was held in October at the Sgt. Ed Holcomb building to explore possible grant opportunities designed to divert individuals in a mental health crisis from inappropriate placements such as: emergency centers, jail, etc. A local judge, representatives from adult probation, the mental health court and a lawyer from the Montgomery County District Attorney's Office all participated in the collaborative discussion.
- Tri-County hosted a Veterans Taskforce Meeting on November 21, 2018, which was attended by various veteran service organizations in the community.
- Tri-County hosted a Rural Veterans Needs Assessment on December 6, 2018 which included representatives from the Veteran Services Office and the Texas Veterans Commission.
- Tri-County held several Local Planning meetings open to the public in February, including one Spanish planning meeting, to gather community feedback on the direction of Tri-County Behavioral Healthcare over the next two years.
- Beginning in early FY 18, Tri-County entered into an MOU with the Veterans Affairs Readjustment Counseling Program through the Vet Center to host bi-monthly PTSD support groups for Vietnam Veterans at the Sgt. Ed. Holcomb location.
- The Woodlands Attention Deficit Disorders Association (ADDA) group held their April 23rd meeting at the Sgt. Ed. Holcomb location which was attended by our Director of Child and Youth Services.
- The Veterans Services Department hosted two meetings at the Sgt. Ed. Holcomb location in May. Community Veteran service organizations met on May 21, 2018 to discuss the process for distributing the 20 HUD-VASH vouchers awarded to Montgomery County and the Quarterly Veteran's Taskforce was held on May 22, 2018.

Objective 4:

At least two different Management Team members will accompany the Executive Director on visits to the capitol to meet with legislative staff.

- Texas Council days at the capitol were not held in the first quarter and the second quarter conflicted with Evan Roberson's Behavioral Health Consortium meeting. Evan Roberson and Kelly Shropshire attended in April, for the third quarter. There have been a series of conflicts with scheduled Austin visits and Consortia or Board meetings, but plan to take another staff to the capital in August.

Goal #3 – Clinical Excellence

Objective 1:

Tri-County will screen persons for substance use and/or the use of tobacco at their initial intake and at each doctor visit by February 28, 2018.

- Assessment questions for screening persons for substance use and/or tobacco use were added to the doctor's intake assessment and the doctor's pharmacological management assessment by May 1, 2018.

Objective 2:

Tri-County will develop detailed program manuals for all major adult mental health programs by August 31, 2018.

- Manuals for Levels of Care 1S, 1S Field and LOC 3 are complete. Manual for LOC 4 is in draft format and will be completed in the fourth quarter.

Objective 3:

Tri-County will start the Autism Services Program by February 28, 2018.

- HHSC has accepted our application and we are awaiting a contract for services. HHSC contract templates have been revised and this has delayed contract dispersal. It is our understanding that receipt of the contract should be at any time.

Objective 4:

A team of staff will evaluate if there is a viable financial model for a children's inpatient crisis program in our communities, and report on their findings to the Mental Health Planning Network Advisory Committee by May 31, 2018.

- Staff met on January 29, 2018 to brainstorm ideas, advantages, disadvantages and to discuss known factors related to cost for developing a financially viable model for a children's inpatient crisis program in our community. Staff researched the governing codes and accreditation standards and consulted with other Centers that operate children's inpatient crisis programs around the State. Staff is currently investigating the cost of construction for a facility that would meet licensing requirements and should know if there is a viable business model once those costs are fully understood.

Goal #4 – Staff Development

Objective 1:

Tri-County will train all Licensed Professional Counselors/Licensed Clinical Social Workers and any LPC/SW interns in Psychological First Aid by May 31, 2018.

- All identified licensed staff were trained in Psychological First Aid by May 31, 2018. A total of Thirty-Four (34) staff have been trained in Psychological First Aid, including the Hurricane Harvey Crisis Counseling Team.

Objective 2:

Tri-County will develop a new annual evaluation process for staff and will complete training on the new process for all supervisors by May 31, 2018.

- New Annual Evaluation and progressive discipline tools were created and implemented on June 1, 2018. All Tri-County supervisors attended training (during the month of May) on this new performance cycle.

Objective 3:

Tri-County will develop a monthly face to face refresher course for new employees at their 6-month anniversary on compliance and documentation guidelines by May 31, 2018.

- Following further analysis on the training needs of new hires as well as a review of optimal timeframe for promoting long-term retention of information, staff have determined that a cursory overview of Corporate Compliance and Documentation shall be provided during onboarding and a more in-depth face to face training on these topics will be provided at the three (3) month mark. Training on both compliance and documentation guidelines have been finalized and staff are in the process of rolling the documentation training out to current supervisors and employees with a plan to begin new hire implementation for both trainings on June 27th.

Objective 4:

Tri-County will train all staff in Trauma Informed Care basic training by August 31, 2018.

- Two hundred and forty-two (242) staff (including positions having turnover) have been trained in Trauma Informed Care as of May 31, 2018. One hundred and forty-three (143) staff still require training.

Goal #5 – Administrative Competence

Objective 1:

A team will be developed to analyze Human Resources and Fiscal Services software and will make a recommendation to stay with Anasazi or purchase new software by April 30, 2018.

- A team has been selected to review software options. Several software packages have been reviewed, but staff does not yet have a recommendation for new software. This objective will be carried over into FY 2019.

Objective 2:

Software which will be used in the development of Center forms will be selected and purchased by March 31, 2018.

- An initial assessment of software was completed. Further research and discussion is needed prior to purchase.

Goal #6 – Fiscal Responsibility

Objective 1:

Tri-County fiscal and clinical staff will interview other center staff and will create a plan for revenue diversification opportunities by May 31, 2018.

- Reviewing the feasibility of becoming a CLASS provider.

Objective 2:

The Chief Financial Officer will develop a workgroup to look at revenue maximization in the first quarter of FY 2018.

- We have made no progress on this objective.

<p>Agenda Item: 3rd Quarter FY 2018 Corporate Compliance and Quality Management Report</p> <p>Committee: Program</p>	<p>Board Meeting Date</p> <p>July 26, 2018</p>
<p>Background Information:</p> <p>The Health and Human Service Commission's Performance Contract Notebook has a requirement that the Quality Management Department provide "routine" reports to the Board of Trustees about "Quality Management Program activities."</p> <p>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.</p> <p>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.</p> <p>The Corporate Compliance and Quality Management Report for the 3rd Quarter of FY 2018 are included in this Board packet.</p>	
<p>Supporting Documentation:</p> <p>3rd Quarter FY 2018 Corporate Compliance and Quality Management Report</p>	
<p>Recommended Action:</p> <p>For Information Only</p>	

Corporate Compliance and Quality Management Report

3rd Quarter, FY 2018

Corporate Compliance Activities

A. Key Statistics:

Four (4) investigations were completed in the 3rd Quarter.

1. One investigation was completed and resulted in staff termination. Payback was made in the amount of \$1,298.25.
2. A second investigation was completed and payback was made in the amount of \$504.66. The staff received a final written warning.
3. A third investigation was completed and resulted in staff termination. Write-offs made prior to billing equaled \$1,476.40.
4. A fourth investigation was completed and payback was made in the amount of \$2,289.05. The staff received a final written warning.

B. Committee Activities:

The Corporate Compliance Committee met on June 13, 2018. The committee reviewed the following:

1. A summary of the 3rd Quarter investigations;
2. Legal updates on compliance issues;
3. Trending items; and
4. HIPAA review.

Quality Management Initiatives

A. Key Statistics:

1. Staff reviewed and submitted four (4) record requests, totaling eleven (11) charts.

B. Reviews/Audits:

1. Staff reviewed and submitted one (1) chart to Optum/UBH for services they were billed for dating back to October 1, 2016.
2. Staff reviewed and submitted five (5) entire charts to Amerigroup for services dating back as far as January 1, 2016.
3. Staff reviewed and submitted two (2) entire charts to CHIP/Medicaid for services they were billed for during timeframes January 1, 2017 to December 31, 2017.
4. Staff reviewed and submitted three (3) charts to Aetna for services they were billed dating back to January 1, 2017.

C. Other Quality Management Activities:

1. Staff reviewed 30 surveys from individuals who were hospitalized in our State Hospital Diversion beds via contract facilities. The majority of the feedback was positive with only a few individuals scoring their providers below average. Upon further review there were no trends identified related to these concerns.
2. Staff reviewed eighty-nine (89) notes that used the Co-Occurring Psychiatric and Substance Use Disorder (COPSD) modifier to ensure that the intervention was used

appropriately. This review indicated an increase in the number of staff tracking their utilization of this intervention.

3. Staff conducted sixteen (16) Telemedicine surveys all resulting in positive feedback.
4. Staff conducted a Fidelity Review of the Evidence Based Practice (EBP), Trauma-Focused Cognitive Behavioral Therapy, which is one of the EBP's required by our contract to be used with Children and Youth as appropriate.

Agenda Item: 4th Quarter FY 2018 Corporate Compliance Training Committee: Program	Board Meeting Date July 26, 2018
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: 4th Quarter FY 2018 Corporate Compliance Training	
Recommended Action: For Information Only	



Compliance

FY 2018, 4th Quarter July 2018

Business Code of Conduct

Why is it important?

The Business Code of Conduct provides standards by which employees of Tri-County will conduct themselves in order to protect and promote organization-wide integrity and enhance Tri-County's ability to achieve its mission.

6 Principals of the Business Code of Conduct:

Principal 1 Legal Compliance

The Center and its employees will strive to ensure all activity by or on behalf of the organization is in compliance with applicable local, state and federal laws, rules and regulations.

Principal 2 Business Ethics

All Center business shall be conducted in an environment of highest ethical professional standards.

Principal 3 Confidentiality

The Center and its employees will diligently safeguard all Center records deemed confidential including information about Center consumers and their families, Center employees, and internal operations in accordance with Center policy and applicable local, state and federal laws, rules and regulations.

Principal 4 Conflicts of Interest

Employees are expected to exhibit professional loyalty to the Center and shall avoid conflicts of interest and opportunities for personal gain for themselves, members of their immediate families and others. Employees should advise their Management Team member and seek approval for any activity which may be deemed a Conflict of Interest.

Principal 5 Business Relationships

Business transactions with vendors, contractors and other third parties shall be transacted without offers or solicitation of gifts and factors or other improper inducements in exchange for the influence or assistance in a transaction.

Principal 6 Protection of Assets

Each employee is expected to use the Center's resources economically and safeguard Center assets at all times. Each employee will strive to continually improve the Center's services and cost competitiveness to meet the individual needs of the Centers consumers.

The complete Business Code of Conduct can be found on Nexus.



Compliance Department:

Amy Foerster
Chief Compliance Officer

Heather Hensley
Administrator of Compliance

Michelle Walker
Administrator of Compliance

How to contact the Compliance Department:

♦ Phone: 936-521-6152 or toll free at 1-866-243-9252

(Dial *69 to block your number if you prefer to remain anonymous.)

Messages can be left confidentially.

Please leave a detailed message with helpful information.

♦ Email: corporatecompliance@tcbhc.org; or

♦ By appointment, your Corporate Compliance team is located at 233 Sgt. Ed Holcomb Blvd. S., Conroe, TX 77304



Staff Acknowledgement: _____

Print

Signature

Date

Agenda Item: Medicaid 1115 Transformation Waiver Project Status Report Committee: Program	Board Meeting Date July 26, 2018
<p>In DY7, 20% of our funding is tied to the submission of the updated Regional Healthcare Partnership (RHP) Plan which outlines the community needs of each DSRIP/UC provider. All three of our counties have been rolled under RHP 17 which submitted its regional plan to HHSC in May. Tri-County had no corrections cited. A payment to us of \$850,787 should be made in July, 2018.</p> <p>Questions regarding the correct implementation of the hundreds of measures offered continue to come into Health and Human Services (HHS) for reporting in October. Additional outcome measure calls have been scheduled for mental health centers on July 26, 2018.</p> <p>HHS has also offered an optional early reporting period if providers feel they can accurately report a baseline for the measurement period ending by 6/30/18. Reports are due by August 3, 2018. Tri-County will try to report two measures by compiling existing data on Controlling High Blood Pressure and Diabetes Care: BP Control. Baselines must be reported and reviewed by HHSC before performance can be reported to ensure providers have significant volume and needed system components for selected measures.</p> <p>Our target population for each measure will be a subset of Tri-County's total eligible population including only those who meet the criteria of the measure like diagnoses of diabetes and hypertension. Preventive care and screening measures for Body Mass Index (BMI) and tobacco use will only include MH and IDD adults. Assessments for persons with substance abuse problems will cover adults and adolescents and are administered during a psychiatric evaluation.</p> <p>Success at achieving each measure will no longer be based on numbers or volume, but showing improvement in line with national benchmarks and overall population health.</p> <p>Funding will also be tied to maintaining a 94.6% rate of Medicaid, low income and/or uninsured clients. Maintenance at that level will be worth \$739,089.</p>	
Supporting Documentation: None	
Recommended Action: For Information Only	

Agenda Item: Appoint Nominating Committee for FY 2019 Board Officers Committee: Executive	Board Meeting Date July 26, 2018
Background Information: The Board Chair will select representatives for the Nominating Committee for FY 2019 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 2019 Board Officers	

Agenda Item: Appoint Executive Director Evaluation Committee Committee: Executive	Board Meeting Date July 26, 2018
Background Information: The Board Chair will select representatives for the FY 2018 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 as 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 Report for May and June 2018 Committee: Executive	Board Meeting Date: July 26, 2018
Background Information: None	
Supporting Documentation: Personnel Report for May and June 2018	
Recommended Action: For Information Only	

Personnel Report May 2018

Total Applications received in May = 456

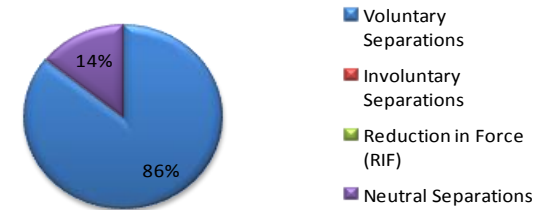
Total New Hires for the month of May = 18

Total New Hires Year to Date = 93

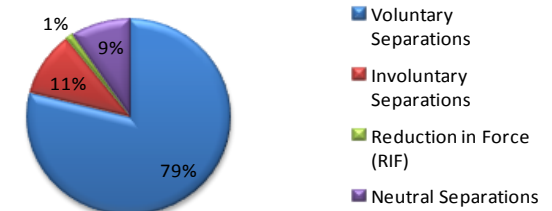
May Turnover - FY18 compared to FY17	FY18	FY17
Number of Active Employees	351	344
Number of Monthly Separations	14	7
Number of Separations YTD	76	65
Year to Date Turnover Rate	22%	19%
May Turnover Rate	4%	2%

Separations by Reason	May Separations	FY18 YTD
Retired	2	4
Involuntarily Terminated	0	8
Neutral Termination	2	6
Dissatisfied	1	3
Lack of Support from Administration	1	1
Micro-managing supervisor	0	1
Lack of growth opportunities/recognition	0	0
Difficulty learning new job	0	0
Co-workers	0	0
Work Related Stress/Environment	0	1
RIF	0	1
Deceased	0	0
Pay	0	2
Health	0	4
Family	0	6
Relocation	3	7
School	1	1
Personal	0	1
Unknown	1	6
New Job	3	24
Total Separations	14	76

May Voluntary, Involuntary, RIF and Neutral Separations



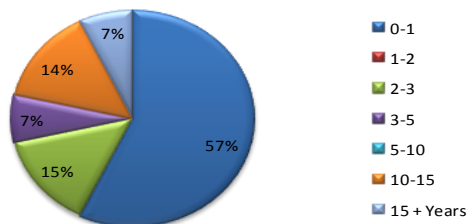
Year to Date Voluntary, Involuntary, RIF and Neutral Separations



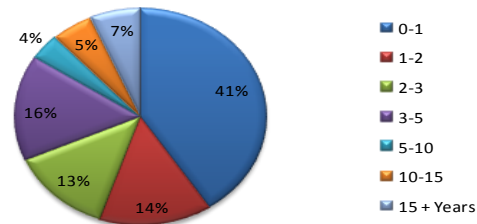
Management Team	# of Employees	Monthly Separations	Year to Date Separations	% May	% YTD
Evan Roberson	19	1	5	5%	26%
Millie McDuffey	30	3	9	10%	30%
Amy Foerster	11	0	1	0%	9%
Tanya Bryant	11	0	1	0%	9%
MH Adult	83	3	14	4%	17%
MH Child & Youth	59	2	15	3%	25%
Catherine Prestigiovanni	9	0	1	0%	11%
PETC	53	4	17	8%	32%
Kelly Shropshire	35	0	9	0%	26%
Kathy Foster	32	1	4	3%	13%
Kenneth Barfield	9	0	0	0%	0%
Total	351	14	76		

Separation by EEO Category	# of Employees	Monthly Separations	Year to Date	% May	% Year to Date
Supervisors & Managers	24	0	1	0%	4%
Medical (MD,DO, LVN, RN, APN, PA, Psychologist)	43	3	12	7%	28%
Professionals (QMHP)	105	5	33	5%	31%
Professionals (QIDP)	30	0	8	0%	27%
Licensed Staff (LCDC, LPC...)	16	0	1	0%	6%
Business Services (Accounting)	13	2	4	15%	31%
Central Administration (HR, IT, Executive Director)	23	1	2	4%	9%
Program Support(Financial Counselors, QA, Training, Med. Records)	45	1	7	2%	16%
Nurse Technicians/Aides	17	1	3	6%	18%
Service/Maintenance	9	0	1	0%	11%
Direct Care (HCS, Respite, Life Skills)	26	1	4	4%	15%
Total	351	14	76		

May Separations by Tenure



Year to Date Separations by Tenure



Personnel Report June 2018

Total Applications received in June = 405

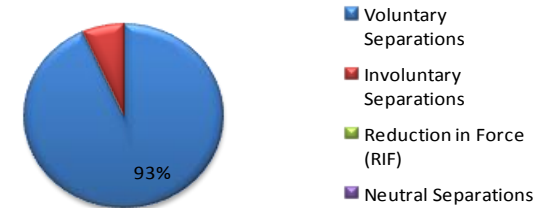
Total New Hires for the month of June = 9

Total New Hires Year to Date = 102

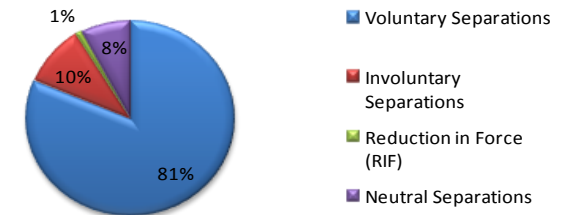
June Turnover - FY18 compared to FY17	FY18	FY17
Number of Active Employees	345	334
Number of Monthly Separations	15	14
Number of Separations YTD	91	79
Year to Date Turnover Rate	26%	23%
June Turnover Rate	4%	4%

Separations by Reason	June Separations	FY18 YTD
Retired	0	4
Involuntarily Terminated	1	9
Neutral Termination	0	6
Dissatisfied	1	4
Lack of Support from Administration	1	2
Micro-managing supervisor	0	1
Lack of growth opportunities/recognition	0	0
Difficulty learning new job	0	0
Co-workers	0	0
Work Related Stress/Environment	0	1
RIF	0	1
Deceased	0	0
Pay	0	2
Health	0	4
Family	0	6
Relocation	1	8
School	2	3
Personal	1	2
Unknown	1	7
New Job	7	31
Total Separations	15	91

June Voluntary, Involuntary, RIF and Neutral Separations



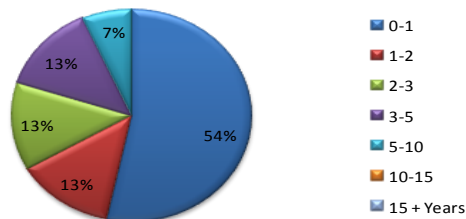
Year to Date Voluntary, Involuntary, RIF and Neutral Separations



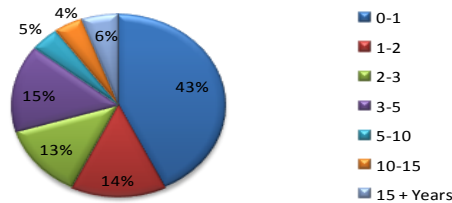
Management Team	# of Employees	Monthly Separations	Year to Date Separations	% June	% YTD
Evan Roberson	20	1	6	5%	30%
Millie McDuffey	29	1	10	3%	34%
Amy Foerster	11	0	1	0%	9%
Tanya Bryant	11	0	1	0%	9%
MH Adult	79	6	20	8%	25%
MH Child & Youth	58	1	16	2%	28%
Catherine Prestigiovanni	8	1	2	13%	25%
PETC	53	4	21	8%	40%
Kelly Shropshire	36	0	9	0%	25%
Kathy Foster	31	1	5	3%	16%
Kenneth Barfield	9	0	0	0%	0%
Total	345	15	91		

Separation by EEO Category	# of Employees	Monthly Separations	Year to Date	% June	% Year to Date
Supervisors & Managers	22	2	3	9%	14%
Medical (MD,DO, LVN, RN, APN, PA, Psychologist)	44	1	13	2%	30%
Professionals (QMHP)	101	8	41	8%	41%
Professionals (QIDP)	31	0	8	0%	26%
Licensed Staff (LCDC, LPC...)	17	0	1	0%	6%
Business Services (Accounting)	13	0	4	0%	31%
Central Administration (HR, IT, Executive Director)	22	1	3	5%	14%
Program Support(Financial Counselors, QA, Training, Med. Records)	44	2	9	5%	20%
Nurse Technicians/Aides	17	0	3	0%	18%
Service/Maintenance	9	0	1	0%	11%
Direct Care (HCS, Respite, Life Skills)	25	1	5	4%	20%
Total	345	15	91		

June Separations by Tenure

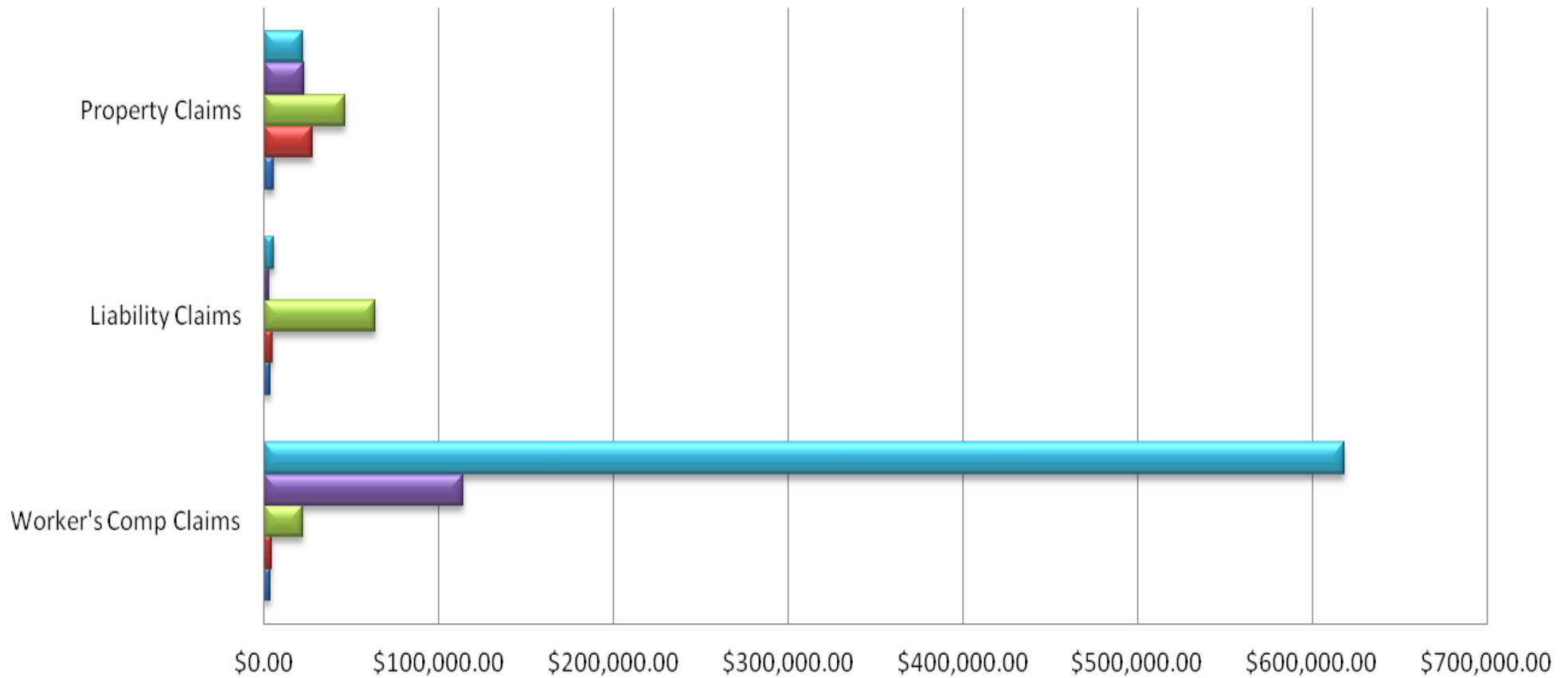


Year to Date Separations by Tenure



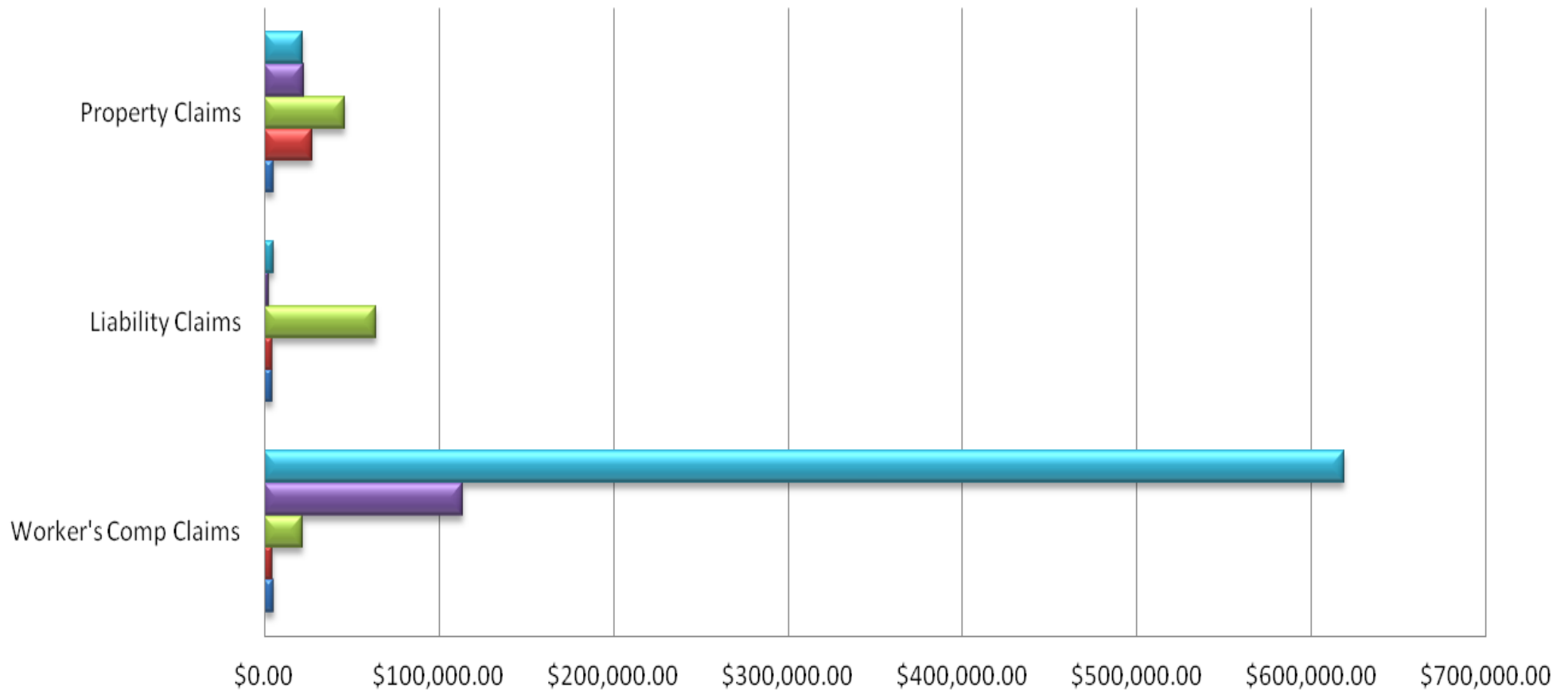
Agenda Item: Texas Council Risk Management Fund Claims Summary as of May and June 2018 Committee: Executive	Board Meeting Date: July 26, 2018
Background Information: None	
Supporting Documentation: Texas Council Risk Management Fund Claims Summary as of May and June 2018	
Recommended Action: For Information Only	

TCRMF Claims Summary May 2018



	Worker's Comp Claims	Liability Claims	Property Claims
2014	\$618,722.00	\$5,295.00	\$21,931.00
2015	\$113,917.00	\$2,556.00	\$22,505.00
2016	\$21,902.00	\$63,524.00	\$46,114.00
2017	\$4,517.00	\$4,893.00	\$27,455.00
2018	\$3,812.00	\$3,782.00	\$5,626.00

TCRMF Claims Summary June 2018



	Worker's Comp Claims	Liability Claims	Property Claims
2014	\$618,722.00	\$5,295.00	\$21,931.00
2015	\$113,917.00	\$2,556.00	\$22,505.00
2016	\$21,902.00	\$64,062.00	\$46,114.00
2017	\$4,517.00	\$4,893.00	\$27,455.00
2018	\$5,486.00	\$4,590.00	\$5,626.00

Agenda Item: Approve May 2018 Financial Statements Committee: Business	Board Meeting Date July 26, 2018
Background Information: None	
Supporting Documentation: May 2018 Financial Statements	
Recommended Action: Approve May 2018 Financial Statements	

May 2018 Financial Summary

Revenues for May 2018 were \$2,530,140 and operating expenses were \$2,451,908; resulting in a gain in operations of \$78,232. Capital Expenditures and Extraordinary Expenses for May were \$100,922; resulting in a loss of \$22,690. Total revenues were 98.45% of the monthly budgeted revenues and total expenses were 99.27% of the monthly budgeted expenses.

Year to date revenues are \$21,922,802 and operating expenses are \$20,809,930; leaving excess operating revenues of \$1,112,872. YTD Capital Expenditures and Extraordinary Expenses are \$871,638; resulting in a gain YTD of \$241,234. Total revenues are 100.20% of the YTD budgeted revenues and total expenses are 98.83% 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
No items to report				

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
Contract Hospital - Child	171,100	156,002	109.68%	15,098

Contract Hospital – Child – This line represents dollars spent on contract hospitals for children admissions. Every year, we set a budget based on past trends and this line item has already exceeded our annual projected amount budgeted. Hospital admissions are not slowing down for this population. We will be adjusting this line on the end of year budget revision.

TRI-COUNTY BEHAVIORAL HEALTHCARE
CONSOLIDATED BALANCE SHEET
For the Month Ended May 31, 2018

	TOTALS COMBINED FUNDS May 2018	TOTALS COMBINED FUNDS April 2018	Increase (Decrease)
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	3,960	3,910	50
Cash on Deposit-General Fund	8,883,129	10,446,053	(1,562,924)
Cash on Deposit-Debt Fund			-
Accounts Receivable	1,890,209	1,841,623	48,586
Inventory	4,412	4,512	(100)
TOTAL CURRENT ASSETS	10,781,709	12,296,098	(1,514,388)
FIXED ASSETS	20,760,463	20,760,463	-
OTHER ASSETS	95,087	46,002	49,085
TOTAL ASSETS	\$ 31,637,260	\$ 33,102,563	\$ (1,465,302)
LIABILITIES, DEFERRED REVENUE, FUND BALANCES			
CURRENT LIABILITIES	1,234,912	1,194,103	40,809
NOTES PAYABLE	642,552	642,552	-
DEFERRED REVENUE	358,792	1,889,774	(1,530,982)
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	-	-	-
Note Payable Prosperity Bank	-	-	-
First Financial loan tied to CD	779,167	802,083	(22,917)
First Financial Construction Loan	12,248,659	12,286,589	(37,930)
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	241,234	222,531	18,703
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt Service	(13,027,826)	(13,088,672)	60,846
Reserved for Debt Retirement	-	-	-
COMMITTED			
Net Assets-Property and Equipment	20,760,463	20,760,463	-
Reserved for Vehicles & Equipment Replacement	678,112	678,112	-
Reserved for Facility Improvement & Acquisitions	-	-	-
Reserved for Board Initiatives	1,500,000	1,500,000	-
Reserved for 1115 Waiver Programs	516,833	516,833	-
ASSIGNED			
Reserved for Workers' Compensation	274,409	274,409	-
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	(642,552)	(642,552)	-
UNASSIGNED			
Unrestricted and Undesignated	5,917,008	5,917,008	-
TOTAL LIABILITIES/FUND BALANCE	\$ 31,637,260	\$ 33,102,563	\$ (1,465,303)

**TRI-COUNTY BEHAVIORAL HEALTHCARE
CONSOLIDATED BALANCE SHEET
For the Month Ended May 31, 2018**

	General Operating Funds	Memorandum Only Final August 2017
ASSETS		
CURRENT ASSETS		
Imprest Cash Funds	3,960	3,854
Cash on Deposit-General Fund	8,883,129	5,383,227
Cash on Deposit-Debt Fund	-	-
Accounts Receivable	1,890,209	4,136,003
Inventory	4,412	4,986
TOTAL CURRENT ASSETS	10,781,709	9,528,070
FIXED ASSETS	20,760,463	20,760,463
OTHER ASSETS	95,087	205,342
	\$ 31,637,260	\$ 30,493,875
LIABILITIES, DEFERRED REVENUE, FUND BALANCES		
CURRENT LIABILITIES	1,234,912	1,169,877
NOTES PAYABLE	642,552	642,552
DEFERRED REVENUE	358,792	(422,827)
LONG-TERM LIABILITIES FOR		
Line of Credit - Tradition Bank	-	-
Note Payable Prosperity Bank	-	-
First Financial loan tied to CD	779,167	985,417
First Financial Construction Loan	12,248,659	12,399,793
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR		
General Fund	241,234	3,492,382
FUND EQUITY		
RESTRICTED		
Net Assets Reserved for Debt service-Restricted	(13,027,826)	(13,385,209)
Reserved for Debt Retirement	-	-
COMMITTED		
Net Assets-Property and Equipment-Committed	20,760,463	20,760,463
Reserved for Vehicles & Equipment Replacement	678,112	678,112
Reserved for Facility Improvement & Acquisitions	-	-
Reserved for Board Initiatives	1,500,000	1,500,000
Reserved for 1115 Waiver Programs	516,833	516,833
ASSIGNED		
Reserved for Workers' Compensation-Assigned	274,409	274,409
Reserved for Current Year Budgeted Reserve -Assigned	55,499	-
Reserved for Insurance Deductibles-Assigned	100,000	100,000
Reserved for Accrued Paid Time Off	(642,552)	(642,552)
UNASSIGNED		
Unrestricted and Undesignated	5,917,008	2,424,625
TOTAL LIABILITIES/FUND BALANCE	\$ 31,637,260	\$ 30,493,875

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
For the Month Ended May 2018
and Year To Date as of May 2018

INCOME:	MONTH OF May 2018	YTD May 2018
Local Revenue Sources	77,940	904,341
Earned Income	1,006,786	9,165,507
General Revenue-Contract	1,445,413	11,852,954
TOTAL INCOME	\$ 2,530,140	\$ 21,922,802
EXPENSES:		
Salaries	1,413,709	12,668,508
Employee Benefits	334,850	2,512,440
Medication Expense	50,000	511,630
Travel-Board/Staff	38,067	326,828
Building Rent/Maintenance	19,446	223,854
Consultants/Contracts	406,709	2,811,168
Other Operating Expenses	189,127	1,755,503
TOTAL EXPENSES	\$ 2,451,908	\$ 20,809,930
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 78,232	\$ 1,112,872
CAPITAL EXPENDITURES		
Capital Outlay-FF&E, Automobiles, Building	6,832	208,485
Capital Outlay-Debt Service	94,091	663,153
TOTAL CAPITAL EXPENDITURES	\$ 100,922	\$ 871,638
GRAND TOTAL EXPENDITURES	\$ 2,552,831	\$ 21,681,568
Excess (Deficiency) of Revenues and Expenses	\$ (22,690)	\$ 241,234

Debt Service and Fixed Asset Fund:

Debt Service	94,091	663,153
Excess(Deficiency) of revenues over Expenses	94,091	663,153

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
Compared to Budget
Year to Date as of May 2018

	YTD May 2018	APPROVED BUDGET	Increase (Decrease)
INCOME:			
Local Revenue Sources	904,341	870,132	34,209
Earned Income	9,165,507	9,136,343	29,164
General Revenue-Contract	11,852,954	11,872,095	(19,141)
TOTAL INCOME	\$ 21,922,802	\$ 21,878,570	\$ 44,232
EXPENSES:			
Salaries	12,668,508	12,778,175	(109,667)
Employee Benefits	2,512,440	2,507,347	5,093
Medication Expense	511,630	527,244	(15,614)
Travel-Board/Staff	326,828	335,880	(9,052)
Building Rent/Maintenance	223,854	220,280	3,574
Consultants/Contracts	2,811,168	2,869,894	(58,726)
Other Operating Expenses	1,755,503	1,799,023	(43,520)
TOTAL EXPENSES	\$ 20,809,930	\$ 21,037,843	\$ (227,913)
 Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	 \$ 1,112,872	 \$ 840,727	 \$ 272,145
 CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	208,485	246,310	(37,825)
Capital Outlay-Debt Service	663,153	654,152	9,001
TOTAL CAPITAL EXPENDITURES	\$ 871,638	\$ 900,462	\$ (28,824)
 GRAND TOTAL EXPENDITURES	 \$ 21,681,568	 \$ 21,938,305	 \$ (256,737)
 Excess (Deficiency) of Revenues and Expenses	 \$ 241,234	 \$ (59,735)	 \$ 300,969

Debt Service and Fixed Asset Fund:

Debt Service	663,153	654,152	9,001
Excess(Deficiency) of revenues over Expenses	663,153	654,152	9,001

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
Compared to Budget
For the Month Ended May 2018

INCOME:	MONTH OF May 2018	APPROVED BUDGET	Increase (Decrease)
Local Revenue Sources	77,940	74,992	2,948
Earned Income	1,006,786	1,052,860	(46,074)
General Revenue-Contract	1,445,413	1,442,251	3,162
TOTAL INCOME	\$ 2,530,140	\$ 2,570,103	\$ (39,963)
EXPENSES:			
Salaries	1,413,709	1,485,731	(72,022)
Employee Benefits	334,850	295,967	38,883
Medication Expense	50,000	54,641	(4,641)
Travel-Board/Staff	38,067	37,016	1,051
Building Rent/Maintenance	19,446	18,012	1,434
Consultants/Contracts	406,709	360,506	46,203
Other Operating Expenses	189,127	218,181	(29,054)
TOTAL EXPENSES	\$ 2,451,908	\$ 2,470,054	\$ (18,146)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 78,232	\$ 100,049	\$ (21,817)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	6,832	7,583	(751)
Capital Outlay-Debt Service	94,091	94,070	21
TOTAL CAPITAL EXPENDITURES	\$ 100,922	\$ 101,653	\$ (731)
GRAND TOTAL EXPENDITURES	\$ 2,552,831	\$ 2,571,707	\$ (18,877)
Excess (Deficiency) of Revenues and Expenses	\$ (22,690)	\$ (1,604)	\$ (21,086)

Debt Service and Fixed Asset Fund:

Debt Service	94,091	94,070	21
Excess(Deficiency) of revenues over Expenses	94,091	94,070	21

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With May 2017 Comparative Data
Year to Date as of May 2018

INCOME:	YTD May 2018	YTD May 2017	Increase (Decrease)
Local Revenue Sources	904,341	3,655,496	(2,751,155)
Earned Income	9,165,507	10,927,647	(1,762,140)
General Revenue-Contract	11,852,954	11,430,759	422,195
TOTAL INCOME	\$ 21,922,802	\$ 26,013,902	\$ (4,091,100)
EXPENSES:			
Salaries	12,668,508	12,343,289	325,219
Employee Benefits	2,512,440	2,448,690	63,750
Medication Expense	511,630	513,601	(1,971)
Travel-Board/Staff	326,828	349,809	(22,981)
Building Rent/Maintenance	223,854	327,978	(104,124)
Consultants/Contracts	2,811,168	4,621,668	(1,810,500)
Other Operating Expenses	1,755,503	2,026,687	(271,184)
TOTAL EXPENSES	\$ 20,809,930	\$ 22,631,722	\$ (1,821,792)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 1,112,872	\$ 3,382,180	\$ (2,269,308)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	208,485	913,128	(704,643)
Capital Outlay-Debt Service	663,153	571,258	91,895
TOTAL CAPITAL EXPENDITURES	\$ 871,638	\$ 1,484,386	\$ (612,748)
GRAND TOTAL EXPENDITURES	\$ 21,681,568	\$ 24,116,108	\$ (2,434,540)
Excess (Deficiency) of Revenues and Expenses	\$ 241,234	\$ 1,897,794	\$ (1,656,560)

Debt Service and Fixed Asset Fund:

Debt Service	663,153	571,258	91,895
Excess(Deficiency) of revenues over Expenses	663,153	571,258	91,895

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With May 2017 Comparative Data
For the Month Ended May 2018

INCOME:	MONTH OF May 2018	MONTH OF May 2017	Increase (Decrease)
Local Revenue Sources	77,940	124,959	(47,019)
Earned Income	1,006,786	1,275,538	(268,752)
General Revenue-Contract	1,445,413	1,187,048	258,365
TOTAL INCOME	\$ 2,530,140	\$ 2,587,545	\$ (57,405)

Salaries	1,413,709	1,352,263	61,446
Employee Benefits	334,850	275,216	59,634
Medication Expense	50,000	39,703	10,297
Travel-Board/Staff	38,067	38,883	(816)
Building Rent/Maintenance	19,446	41,552	(22,106)
Consultants/Contracts	406,709	587,487	(180,778)
Other Operating Expenses	189,127	192,310	(3,183)
TOTAL EXPENSES	\$ 2,451,908	\$ 2,527,414	\$ (75,506)

Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 78,232	\$ 60,131	\$ 18,101
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CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	6,832	76,587	(69,755)
Capital Outlay-Debt Service	94,091	88,215	5,876
TOTAL CAPITAL EXPENDITURES	\$ 100,922	\$ 164,802	\$ (63,880)

GRAND TOTAL EXPENDITURES	\$ 2,552,831	\$ 2,692,216	\$ (139,386)
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Excess (Deficiency) of Revenues and Expenses	\$ (22,690)	\$ (104,671)	\$ 81,981
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Debt Service and Fixed Asset Fund:			
Debt Service	94,091	88,215	5,876
			-
Excess(Deficiency) of revenues over Expenses	94,091	88,215	5,876

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With April 2018 Comparative Data
For the Month Ended May 2018

INCOME:	MONTH OF May 2018	MONTH OF April 2018	Increase (Decrease)
Local Revenue Sources	77,940	108,216	(30,276)
Earned Income	1,006,786	1,068,429	(61,642)
General Revenue-Contract	1,445,413	1,317,689	127,724
TOTAL INCOME	\$ 2,530,140	\$ 2,494,334	\$ 35,806
EXPENSES:			
Salaries	1,413,709	1,502,102	(88,393)
Employee Benefits	334,850	272,664	62,186
Medication Expense	50,000	53,258	(3,258)
Travel-Board/Staff	38,067	44,524	(6,458)
Building Rent/Maintenance	19,446	9,024	10,422
Consultants/Contracts	406,709	202,516	204,194
Other Operating Expenses	189,127	213,915	(24,788)
TOTAL EXPENSES	\$ 2,451,908	\$ 2,298,004	\$ 153,904
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 78,232	\$ 196,330	\$ (118,099)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	6,832	1,220	5,612
Capital Outlay-Debt Service	94,091	94,190	(100)
TOTAL CAPITAL EXPENDITURES	\$ 100,922	\$ 95,410	\$ 5,513
GRAND TOTAL EXPENDITURES	\$ 2,552,831	\$ 2,393,413	\$ 159,417
Excess (Deficiency) of Revenues and Expenses	\$ (22,690)	\$ 100,921	\$ (123,611)

Debt Service and Fixed Asset Fund:

Debt Service	94,091	94,190	(100)
Excess(Deficiency) of revenues over Expenses	94,091	94,190	(100)

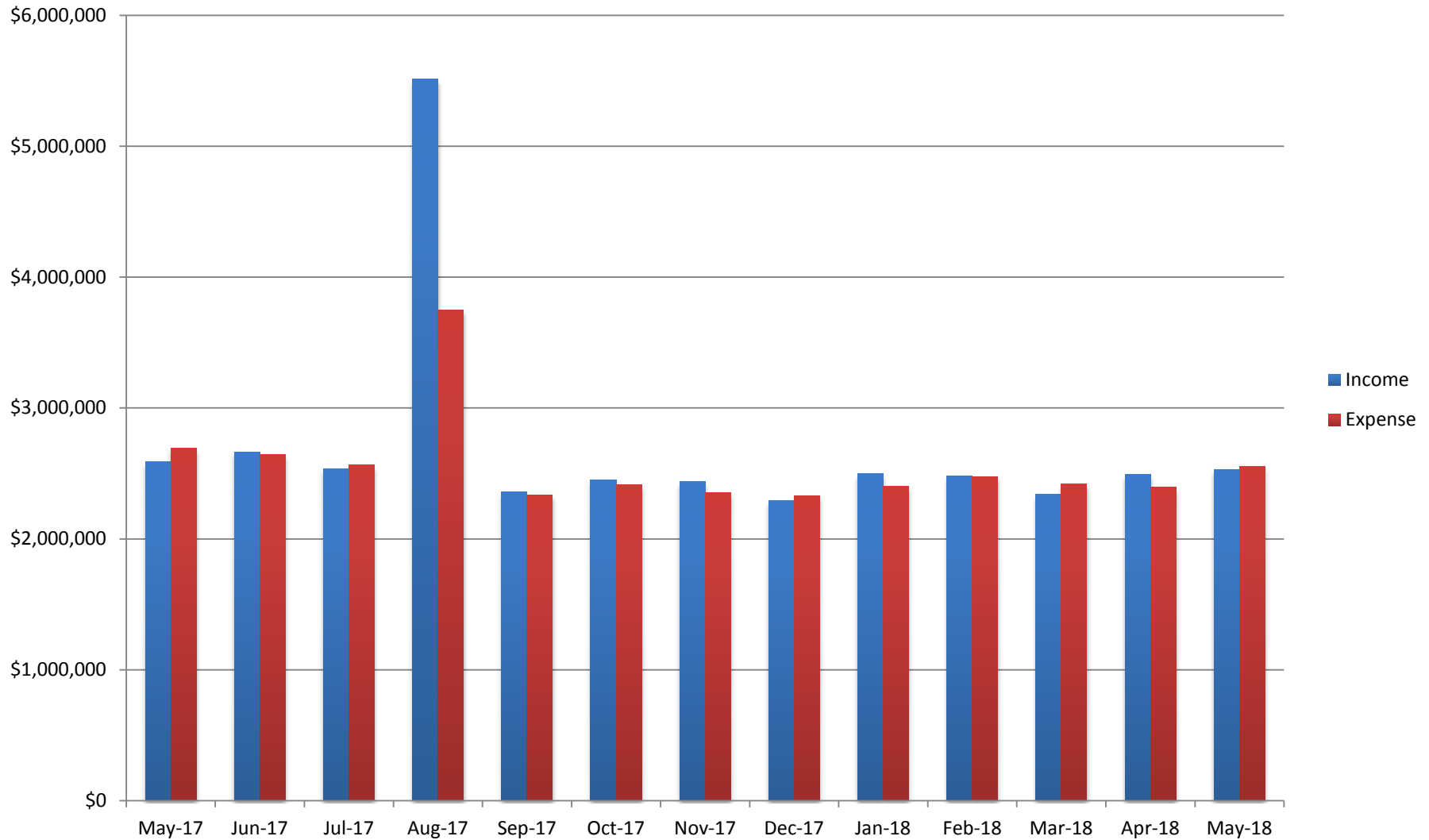
TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary by Service Type
Compared to Budget
Year To Date as of May 2018

	YTD Mental Health May 2018	YTD IDD May 2018	YTD Other Services May 2018	YTD Agency Total May 2018	YTD Approved Budget May 2018	Increase (Decrease)
INCOME:						
Local Revenue Sources	1,501,326	38,335	(635,321)	904,341	870,132	34,209
Earned Income	3,175,005	2,811,520	3,178,981	9,165,507	9,136,343	29,164
General Revenue-Contract	9,760,843	1,412,947	679,164	11,852,954	11,872,095	(19,141)
TOTAL INCOME	\$ 14,437,174	\$ 4,262,802	\$ 3,222,824	\$ 21,922,802	\$ 21,878,570	\$ 44,232
EXPENSES:						
Salaries	8,415,528	2,221,073	2,031,907	12,668,508	12,778,175	(109,667)
Employee Benefits	1,640,566	484,227	387,646	2,512,440	2,507,347	5,093
Medication Expense	423,498		88,132	511,630	527,244	(15,614)
Travel-Board/Staff	176,779	94,313	55,736	326,828	335,880	(9,052)
Building Rent/Maintenance	167,583	29,447	26,824	223,854	220,280	3,574
Consultants/Contracts	1,817,172	790,550	203,446	2,811,168	2,869,894	(58,726)
Other Operating Expenses	1,095,954	410,725	248,825	1,755,503	1,799,023	(43,520)
TOTAL EXPENSES	\$ 13,737,080	\$ 4,030,335	\$ 3,042,516	\$ 20,809,931	\$ 21,037,843	\$ (227,912)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 700,094	\$ 232,467	\$ 180,308	\$ 1,112,871	\$ 840,727	\$ 272,144
CAPITAL EXPENDITURES						
Capital Outlay-FF&E, Automobiles	136,504	57,081	14,898	208,485	246,310	(37,825)
Capital Outlay-Debt Service	382,986	184,890	95,277	663,153	654,152	9,001
TOTAL CAPITAL EXPENDITURES	\$ 519,490	\$ 241,971	\$ 110,175	\$ 871,638	\$ 900,462	\$ (28,824)
GRAND TOTAL EXPENDITURES	\$ 14,256,570	\$ 4,272,306	\$ 3,152,691	\$ 21,681,569	\$ 21,938,305	\$ (256,736)
Excess (Deficiency) of Revenues and Expenses	\$ 180,604	\$ (9,504)	\$ 70,133	\$ 241,234	\$ (59,735)	\$ 300,968
Debt Service and Fixed Asset Fund:						
Debt Service	382,986	184,890	95,277	663,153	654,152	(271,166)
Excess(Deficiency) of revenues over Expenses	382,986	184,890	95,277	663,153	654,152	(271,166)

TRI-COUNTY BEHAVIORAL HEALTHCARE

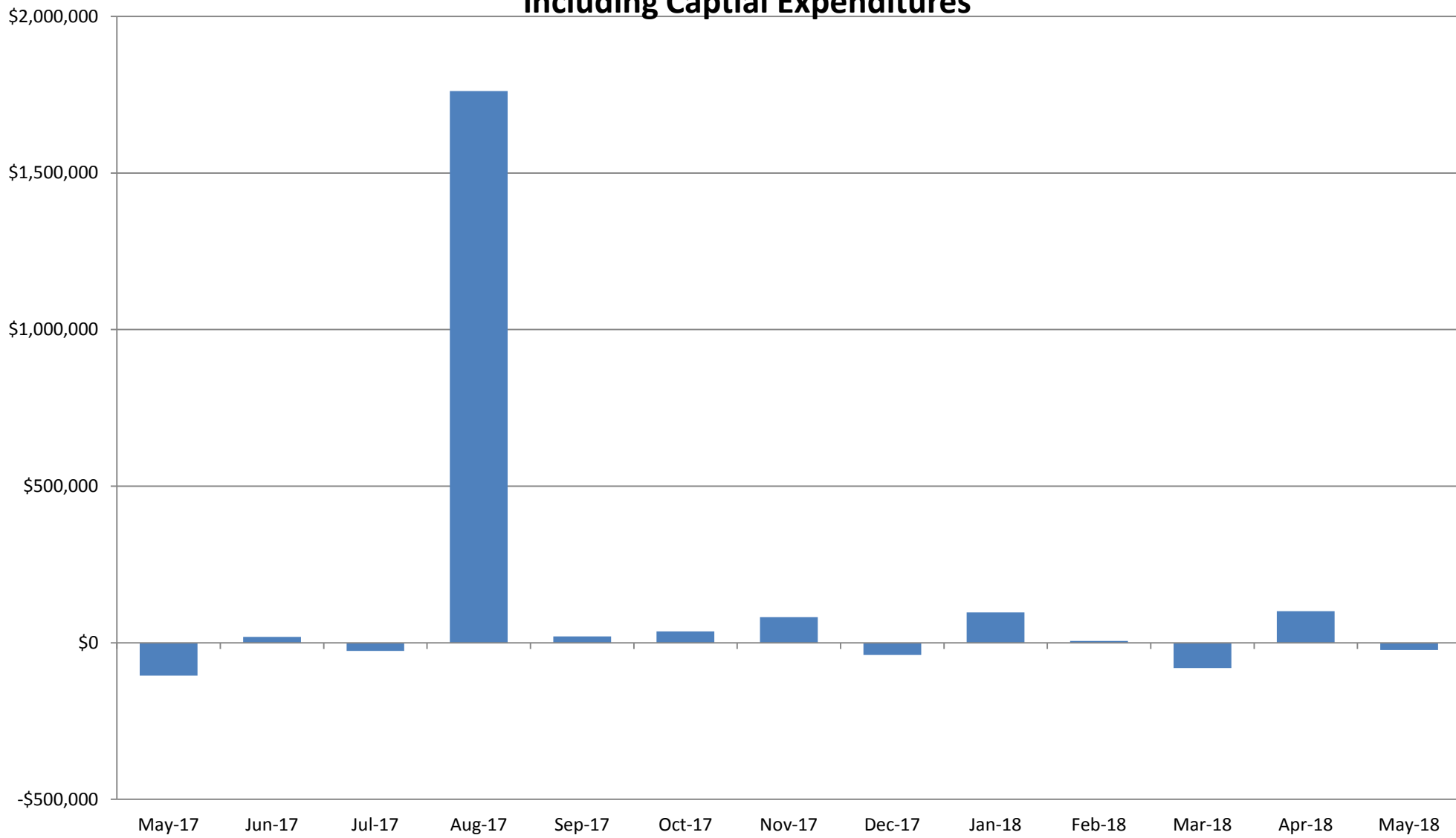
Income and Expense

including Capital Expenditures



TRI-COUNTY BEHAVIORAL HEALTHCARE

Income after Expense including Capital Expenditures



Agenda Item: Approve June 2018 Financial Statements	Board Meeting Date July 26, 2018
Committee: Business	
Background Information: None	
Supporting Documentation: June 2018 Financial Statements	
Recommended Action: Approve June 2018 Financial Statements	

June 2018 Financial Summary

Revenues for June 2018 were \$2,552,938 and operating expenses were \$2,443,794; resulting in a gain in operations of \$109,144. Capital Expenditures and Extraordinary Expenses for June were \$100,686; resulting in a gain of \$8,458. Total revenues were 97.55% of the monthly budgeted revenues and total expenses were 96.99% of the monthly budgeted expenses.

Year to date revenues are \$24,475,740 and operating expenses are \$23,253,725; leaving excess operating revenues of \$1,222,016. YTD Capital Expenditures and Extraordinary Expenses are \$972,324; resulting in a gain YTD of \$249,692. Total revenues are 99.92% of the YTD budgeted revenues and total expenses are 98.63% 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 – SA Treatment Adult	58,885	71,446	82.42%	12,561

DSHS – SA Treatment Adult – As the Board is aware, we have struggled to generate revenue in this program for several years. We have made some changes to the program design and as positions are filled, we anticipate better outcomes for this program in the future.

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
Contract Hospital - Child	192,350	156,002	123.30%	36,348

Contract Hospital – Child – This line item represents the dollars spent on contract hospital admissions for children. Hospital admissions are continuing to increase in all of our service populations. We will be closely monitoring this line through the balance of this fiscal year.

**TRI-COUNTY BEHAVIORAL HEALTHCARE
CONSOLIDATED BALANCE SHEET
For the Month Ended June 30, 2018**

	TOTALS COMBINED FUNDS June 2018	TOTALS COMBINED FUNDS May 2018	Increase (Decrease)
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	3,710	3,960	(250)
Cash on Deposit-General Fund	10,380,260	8,883,129	1,497,131
Cash on Deposit-Debt Fund			-
Accounts Receivable	1,931,557	1,890,209	41,348
Inventory	4,412	4,412	-
TOTAL CURRENT ASSETS	12,319,938	10,781,709	1,538,229
FIXED ASSETS	20,760,463	20,760,463	-
OTHER ASSETS	62,732	95,087	(32,355)
TOTAL ASSETS	\$ 33,143,134	\$ 31,637,260	\$ 1,505,874
LIABILITIES, DEFERRED REVENUE, FUND BALANCES			
CURRENT LIABILITIES	1,334,067	1,234,912	99,155
NOTES PAYABLE	642,552	642,552	-
DEFERRED REVENUE	1,750,885	358,792	1,392,093
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	-	-	-
Note Payable Prosperity Bank	-	-	-
First Financial loan tied to CD	756,250	779,167	(22,917)
First Financial Construction Loan	12,211,677	12,248,659	(36,983)
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	249,692	241,234	8,458
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt Service	(12,967,926)	(13,027,826)	59,899
Reserved for Debt Retirement	-	-	-
COMMITTED			
Net Assets-Property and Equipment	20,760,463	20,760,463	-
Reserved for Vehicles & Equipment Replacement	678,112	678,112	-
Reserved for Facility Improvement & Acquisitions	-	-	-
Reserved for Board Initiatives	1,500,000	1,500,000	-
Reserved for 1115 Waiver Programs	516,833	516,833	-
ASSIGNED			
Reserved for Workers' Compensation	274,409	274,409	-
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	(642,552)	(642,552)	-
UNASSIGNED			
Unrestricted and Undesignated	5,917,008	5,917,008	-
TOTAL LIABILITIES/FUND BALANCE	\$ 33,143,134	\$ 31,637,260	\$ 1,505,874

**TRI-COUNTY BEHAVIORAL HEALTHCARE
CONSOLIDATED BALANCE SHEET
For the Month Ended June 30, 2018**

	General Operating Funds	Memorandum Only Final August 2017
ASSETS		
CURRENT ASSETS		
Imprest Cash Funds	3,710	3,854
Cash on Deposit-General Fund	10,380,260	5,383,227
Cash on Deposit-Debt Fund	-	-
Accounts Receivable	1,931,557	4,136,003
Inventory	4,412	4,986
TOTAL CURRENT ASSETS	12,319,938	9,528,070
FIXED ASSETS	20,760,463	20,760,463
OTHER ASSETS	62,732	205,342
	\$ 33,143,134	\$ 30,493,875
LIABILITIES, DEFERRED REVENUE, FUND BALANCES		
CURRENT LIABILITIES	1,334,067	1,169,877
NOTES PAYABLE	642,552	642,552
DEFERRED REVENUE	1,750,885	(422,827)
LONG-TERM LIABILITIES FOR		
Line of Credit - Tradition Bank	-	-
Note Payable Prosperity Bank	-	-
First Financial loan tied to CD	756,250	985,417
First Financial Construction Loan	12,211,677	12,399,793
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR		
General Fund	249,692	3,492,382
FUND EQUITY		
RESTRICTED		
Net Assets Reserved for Debt service-Restricted	(12,967,926)	(13,385,209)
Reserved for Debt Retirement	-	-
COMMITTED		
Net Assets-Property and Equipment-Committed	20,760,463	20,760,463
Reserved for Vehicles & Equipment Replacement	678,112	678,112
Reserved for Facility Improvement & Acquisitions	-	-
Reserved for Board Initiatives	1,500,000	1,500,000
Reserved for 1115 Waiver Programs	516,833	516,833
ASSIGNED		
Reserved for Workers' Compensation-Assigned	274,409	274,409
Reserved for Current Year Budgeted Reserve -Assigned	61,666	-
Reserved for Insurance Deductibles-Assigned	100,000	100,000
Reserved for Accrued Paid Time Off	(642,552)	(642,552)
UNASSIGNED		
Unrestricted and Undesignated	5,917,008	2,424,625
TOTAL LIABILITIES/FUND BALANCE	\$ 33,143,134	\$ 30,493,875

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
For the Month Ended June 2018
and Year To Date as of June 2018

INCOME:	MONTH OF June 2018	YTD June 2018
Local Revenue Sources	119,488	1,023,829
Earned Income	985,630	10,151,136
General Revenue-Contract	1,447,820	13,300,775
TOTAL INCOME	\$ 2,552,938	\$ 24,475,740
EXPENSES:		
Salaries	1,502,258	14,170,765
Employee Benefits	284,568	2,797,008
Medication Expense	48,314	559,944
Travel-Board/Staff	43,785	370,613
Building Rent/Maintenance	5,241	229,095
Consultants/Contracts	360,056	3,171,224
Other Operating Expenses	199,572	1,955,075
TOTAL EXPENSES	\$ 2,443,794	\$ 23,253,725
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 109,144	\$ 1,222,016
CAPITAL EXPENDITURES		
Capital Outlay-FF&E, Automobiles, Building	6,594	215,079
Capital Outlay-Debt Service	94,092	757,245
TOTAL CAPITAL EXPENDITURES	\$ 100,686	\$ 972,324
GRAND TOTAL EXPENDITURES	\$ 2,544,480	\$ 24,226,048
Excess (Deficiency) of Revenues and Expenses	\$ 8,458	\$ 249,692

Debt Service and Fixed Asset Fund:

Debt Service	94,092	757,245
Excess(Deficiency) of revenues over Expenses	94,092	757,245

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
Compared to Budget
Year to Date as of June 2018

	YTD June 2018	APPROVED BUDGET	Increase (Decrease)
INCOME:			
Local Revenue Sources	1,023,829	963,279	60,550
Earned Income	10,151,136	10,205,337	(54,201)
General Revenue-Contract	13,300,775	13,326,962	(26,187)
TOTAL INCOME	\$ 24,475,740	\$ 24,495,578	\$ (19,838)
EXPENSES:			
Salaries	14,170,765	14,276,907	(106,142)
Employee Benefits	2,797,008	2,798,155	(1,147)
Medication Expense	559,944	579,885	(19,941)
Travel-Board/Staff	370,613	374,396	(3,783)
Building Rent/Maintenance	229,095	238,292	(9,197)
Consultants/Contracts	3,171,224	3,221,686	(50,462)
Other Operating Expenses	1,955,075	1,998,243	(43,168)
TOTAL EXPENSES	\$ 23,253,725	\$ 23,487,564	\$ (233,839)
 Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	 \$ 1,222,016	 \$ 1,008,014	 \$ 214,002
 CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	215,079	325,935	(110,856)
Capital Outlay-Debt Service	757,245	748,222	9,023
TOTAL CAPITAL EXPENDITURES	\$ 972,324	\$ 1,074,157	\$ (101,833)
 GRAND TOTAL EXPENDITURES	 \$ 24,226,048	 \$ 24,561,721	 \$ (335,673)
 Excess (Deficiency) of Revenues and Expenses	 \$ 249,692	 \$ (66,143)	 \$ 315,835

Debt Service and Fixed Asset Fund:

Debt Service	757,245	748,222	9,023
Excess(Deficiency) of revenues over Expenses	757,245	748,222	9,023

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
Compared to Budget
For the Month Ended June 2018

INCOME:	MONTH OF June 2018	APPROVED BUDGET	Increase (Decrease)
Local Revenue Sources	119,488	93,147	26,341
Earned Income	985,630	1,068,994	(83,364)
General Revenue-Contract	1,447,820	1,454,867	(7,047)
TOTAL INCOME	\$ 2,552,938	\$ 2,617,008	\$ (64,070)
EXPENSES:			
Salaries	1,502,258	1,498,732	3,526
Employee Benefits	284,568	290,808	(6,240)
Medication Expense	48,314	52,641	(4,327)
Travel-Board/Staff	43,785	38,516	5,269
Building Rent/Maintenance	5,241	18,012	(12,771)
Consultants/Contracts	360,056	351,792	8,264
Other Operating Expenses	199,572	199,220	352
TOTAL EXPENSES	\$ 2,443,794	\$ 2,449,721	\$ (5,927)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 109,144	\$ 167,287	\$ (58,143)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	6,594	79,625	(73,031)
Capital Outlay-Debt Service	94,092	94,070	22
TOTAL CAPITAL EXPENDITURES	\$ 100,686	\$ 173,695	\$ (73,009)
GRAND TOTAL EXPENDITURES	\$ 2,544,480	\$ 2,623,416	\$ (78,936)
Excess (Deficiency) of Revenues and Expenses	\$ 8,458	\$ (6,408)	\$ 14,866

Debt Service and Fixed Asset Fund:

Debt Service	94,092	94,070	22
Excess(Deficiency) of revenues over Expenses	94,092	94,070	22

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With June 2017 Comparative Data
Year to Date as of June 2018

INCOME:	YTD June 2018	YTD June 2017	Increase (Decrease)
Local Revenue Sources	1,023,829	3,777,696	(2,753,867)
Earned Income	10,151,136	12,161,947	(2,010,811)
General Revenue-Contract	13,300,775	12,737,027	563,748
TOTAL INCOME	\$ 24,475,740	\$ 28,676,670	\$ (4,200,930)
EXPENSES:			
Salaries	14,170,765	13,771,310	399,455
Employee Benefits	2,797,008	2,730,725	66,283
Medication Expense	559,944	573,222	(13,278)
Travel-Board/Staff	370,613	385,384	(14,771)
Building Rent/Maintenance	229,095	338,848	(109,753)
Consultants/Contracts	3,171,224	5,148,329	(1,977,105)
Other Operating Expenses	1,955,075	2,237,299	(282,224)
TOTAL EXPENSES	\$ 23,253,725	\$ 25,185,117	\$ (1,931,392)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 1,222,016	\$ 3,491,553	\$ (2,269,537)
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	215,079	914,056	(698,977)
Capital Outlay-Debt Service	757,245	660,921	96,324
TOTAL CAPITAL EXPENDITURES	\$ 972,324	\$ 1,574,977	\$ (602,653)
GRAND TOTAL EXPENDITURES	\$ 24,226,048	\$ 26,760,094	\$ (2,534,046)
Excess (Deficiency) of Revenues and Expenses	\$ 249,692	\$ 1,916,576	\$ (1,666,884)

Debt Service and Fixed Asset Fund:

Debt Service	757,245	660,921	96,324
Excess(Deficiency) of revenues over Expenses	757,245	660,921	96,324

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With June 2017 Comparative Data
For the Month Ended June 2018

INCOME:	MONTH OF June 2018	MONTH OF June 2017	Increase (Decrease)
Local Revenue Sources	119,488	122,200	(2,712)
Earned Income	985,630	1,234,300	(248,670)
General Revenue-Contract	1,447,820	1,306,268	141,552
TOTAL INCOME	\$ 2,552,938	\$ 2,662,768	\$ (109,830)

Salaries	1,502,258	1,428,021	74,237
Employee Benefits	284,568	282,036	2,532
Medication Expense	48,314	59,621	(11,307)
Travel-Board/Staff	43,785	35,575	8,210
Building Rent/Maintenance	5,241	10,870	(5,629)
Consultants/Contracts	360,056	526,661	(166,605)
Other Operating Expenses	199,572	210,612	(11,040)
TOTAL EXPENSES	\$ 2,443,794	\$ 2,553,396	\$ (109,602)

Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 109,144	\$ 109,372	\$ (228)
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CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	6,594	928	5,666
Capital Outlay-Debt Service	94,092	89,663	4,429
TOTAL CAPITAL EXPENDITURES	\$ 100,686	\$ 90,591	\$ 10,095

GRAND TOTAL EXPENDITURES	\$ 2,544,480	\$ 2,643,987	\$ (99,507)
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Excess (Deficiency) of Revenues and Expenses	\$ 8,458	\$ 18,781	\$ (10,323)
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Debt Service and Fixed Asset Fund:

Debt Service	94,092	89,663	4,429
			-
Excess(Deficiency) of revenues over Expenses	94,092	89,663	4,429

TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With May 2018 Comparative Data
For the Month Ended June 2018

INCOME:	MONTH OF June 2018	MONTH OF May 2018	Increase (Decrease)
Local Revenue Sources	119,488	77,940	41,548
Earned Income	985,630	1,006,786	(21,157)
General Revenue-Contract	1,447,820	1,445,413	2,407
TOTAL INCOME	\$ 2,552,938	\$ 2,530,140	\$ 22,798
EXPENSES:			
Salaries	1,502,258	1,413,709	88,549
Employee Benefits	284,568	334,850	(50,282)
Medication Expense	48,314	50,000	(1,685)
Travel-Board/Staff	43,785	38,067	5,719
Building Rent/Maintenance	5,241	19,446	(14,205)
Consultants/Contracts	360,056	406,709	(46,653)
Other Operating Expenses	199,572	189,127	10,445
TOTAL EXPENSES	\$ 2,443,794	\$ 2,451,908	\$ (8,114)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 109,144	\$ 78,232	\$ 30,912
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	6,594	6,832	(238)
Capital Outlay-Debt Service	94,092	94,091	1
TOTAL CAPITAL EXPENDITURES	\$ 100,686	\$ 100,922	\$ (237)
GRAND TOTAL EXPENDITURES	\$ 2,544,480	\$ 2,552,831	\$ (8,350)
Excess (Deficiency) of Revenues and Expenses	\$ 8,458	\$ (22,690)	\$ 31,149

Debt Service and Fixed Asset Fund:

Debt Service	94,092	94,091	1
Excess(Deficiency) of revenues over Expenses	94,092	94,091	1

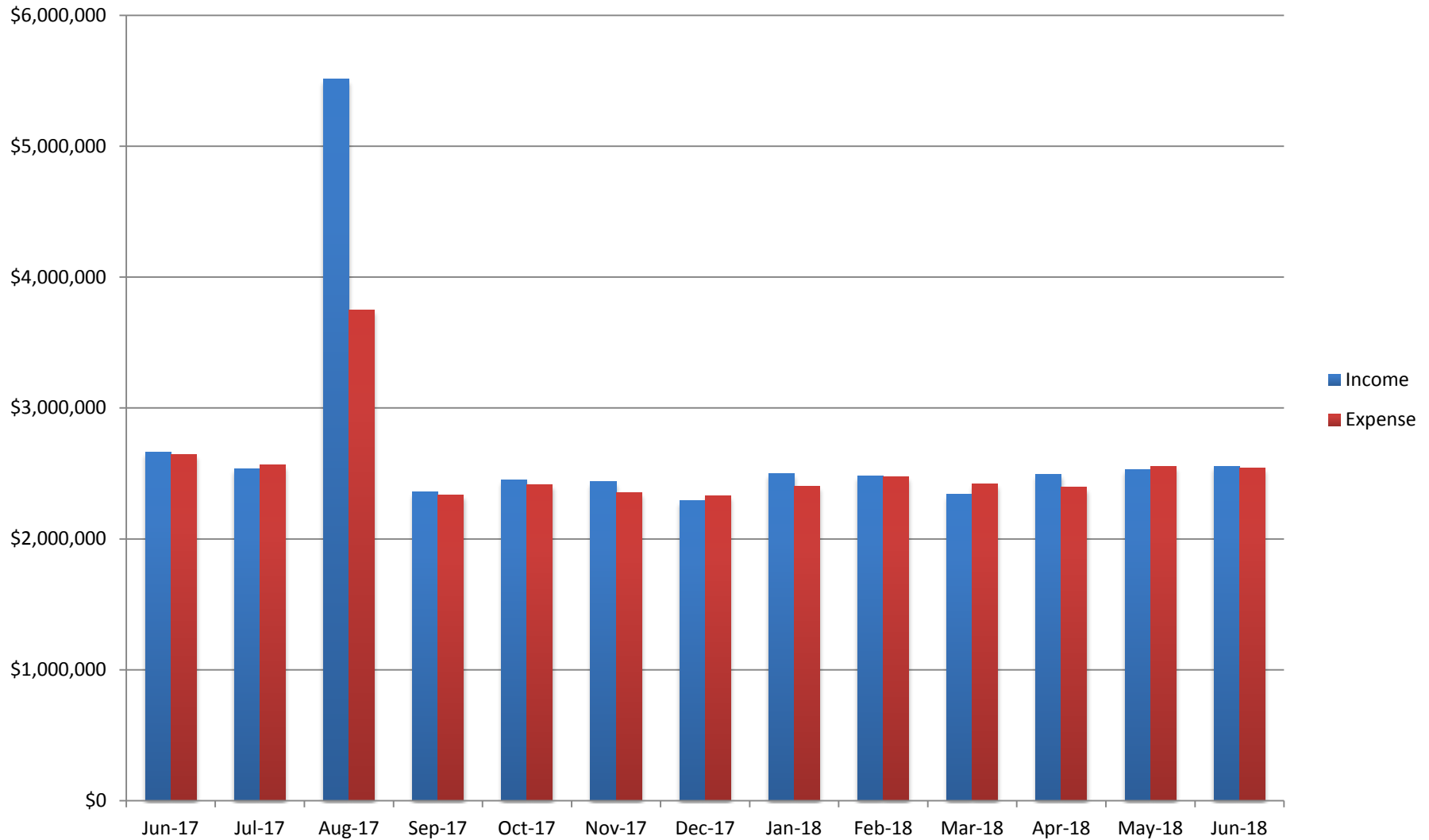
TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary by Service Type
Compared to Budget
Year To Date as of June 2018

	YTD Mental Health June 2018	YTD IDD June 2018	YTD Other Services June 2018	YTD Agency Total June 2018	YTD Approved Budget June 2018	Increase (Decrease)
INCOME:						
Local Revenue Sources	1,698,638	31,198	(706,008)	1,023,829	963,279	60,550
Earned Income	3,626,496	3,136,547	3,388,094	10,151,136	10,205,337	(54,201)
General Revenue-Contract	10,986,414	1,573,994	740,368	13,300,775	13,326,962	(26,187)
TOTAL INCOME	\$ 16,311,548	\$ 4,741,739	\$ 3,422,454	\$ 24,475,740	\$ 24,495,578	\$ (19,838)
EXPENSES:						
Salaries	9,449,318	2,485,175	2,236,273	14,170,765	14,276,907	(106,142)
Employee Benefits	1,835,452	536,808	424,748	2,797,008	2,798,155	(1,147)
Medication Expense	463,967	-	95,977	559,944	579,885	(19,941)
Travel-Board/Staff	202,646	106,528	61,439	370,613	374,396	(3,783)
Building Rent/Maintenance	174,536	30,157	24,401	229,095	238,292	(9,197)
Consultants/Contracts	2,076,824	872,999	221,401	3,171,224	3,221,686	(50,462)
Other Operating Expenses	1,235,318	456,511	263,247	1,955,075	1,998,243	(43,168)
TOTAL EXPENSES	\$ 15,438,061	\$ 4,488,178	\$ 3,327,486	\$ 23,253,724	\$ 23,487,564	\$ (233,840)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$ 873,487	\$ 253,561	\$ 94,968	\$ 1,222,016	\$ 1,008,014	\$ 214,002
CAPITAL EXPENDITURES						
Capital Outlay-FF&E, Automobiles	148,288	51,117	15,674	215,079	325,935	(110,856)
Capital Outlay-Debt Service	504,983	143,204	109,059	757,245	748,222	9,023
TOTAL CAPITAL EXPENDITURES	\$ 653,271	\$ 194,321	\$ 124,733	\$ 972,324	\$ 1,074,157	\$ (101,833)
GRAND TOTAL EXPENDITURES	\$ 16,091,332	\$ 4,682,499	\$ 3,452,219	\$ 24,226,048	\$ 24,561,721	\$ (335,673)
Excess (Deficiency) of Revenues and Expenses	\$ 220,216	\$ 59,240	\$ (29,765)	\$ 249,692	\$ (66,143)	\$ 315,835
Debt Service and Fixed Asset Fund:						
Debt Service	504,983	143,204	109,059	757,245	748,222	(243,239)
		-	-	-	-	-
Excess(Deficiency) of revenues over Expenses	504,983	143,204	109,059	757,245	748,222	(243,239)

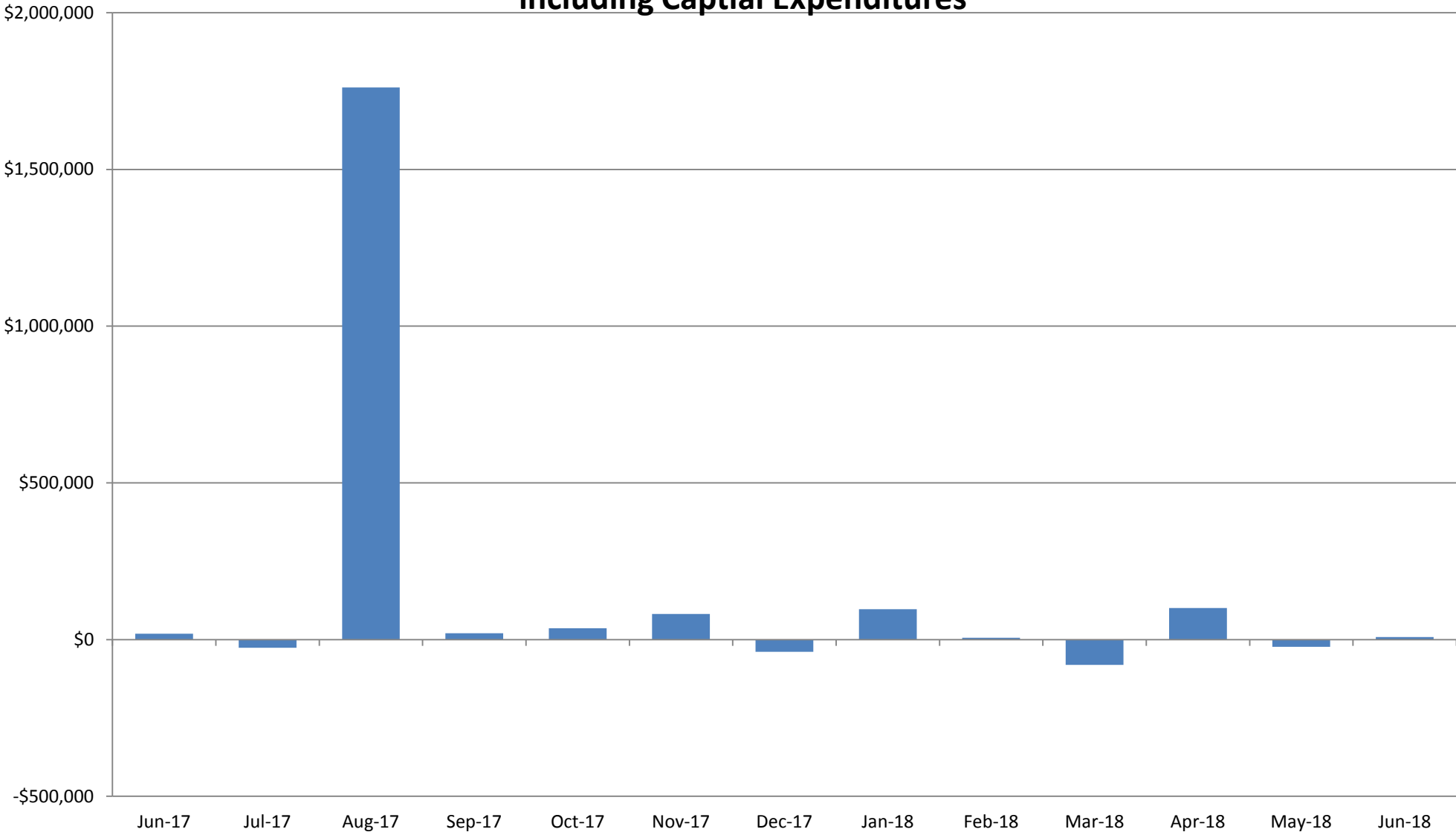
TRI-COUNTY BEHAVIORAL HEALTHCARE

Income and Expense

including Capital Expenditures



TRI-COUNTY BEHAVIORAL HEALTHCARE
Income after Expense
including Captial Expenditures



Agenda Item: Approve FY 2018 Auditor Engagement Letter Committee: Business	Board Meeting Date July 26, 2018
Background Information: At the April 26th 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 2018 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 2018 Independent Financial Audit	

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

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GREENVILLE, TEXAS 75401

Tommy L. Nelson, CPA
Hannah C. Nelson-Rix, CPA

Members of:
American Institute of
Certified Public Accountants

Texas Society of
Certified Public Accountants

June 25, 2018

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

We are pleased to confirm our understanding of the services we are to provide Tri-County Behavioral Healthcare (Center) for the year ended August 31, 2018. 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 Healthcare as of and for the year ended August 31, 2018. 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 Healthcare'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 Healthcare'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 Healthcare'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 in a report combined with our auditor's report on the financial statements:

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

The following additional information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Supplementary schedules containing the supplementary schedules required by THHSC audit guidelines and combining schedules for component units.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your 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 over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal and state statutes, regulations, and terms and conditions of federal and state awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas *Uniform Grant Management Standards* (UGMS) which incorporates the State of Texas *Single Audit Circular*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. The Uniform Guidance and UGMS report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and UGMS. Both reports will 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; and the provisions of the Uniform Guidance and UGMS; and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance and UGMS, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Trustees of Tri-County Behavioral Healthcare. 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 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 issue reports, or may withdraw from this engagement.

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 policies 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 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 on 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 your responsibilities for the financial statements; schedule of expenditures of federal and state awards; federal and state award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

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 the Uniform Guidance and UGMS, 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 the Uniform Guidance and UGMS.

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*, the Uniform Guidance, and UGMS.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Center's compliance with provisions of applicable laws, regulations, 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*.

The Uniform Guidance and UGMS require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and state statutes, regulations, and the terms and conditions of federal and state awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement*; and the *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers* published by THHSC for the types of compliance requirements that could have a direct and material effect on each of the Center's major programs. The purpose of these procedures will be to express an opinion on the Center's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and UGMS.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and related notes of the Center in conformity with U.S. generally accepted accounting principles; the Uniform Guidance; and UGMS based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal and state awards, and related notes services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal and state awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information.

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) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance and UGMS, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any unrecorded 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 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 affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Center complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance and UGMS, it is management's responsibility to evaluate and monitor noncompliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on the date of our first scheduled audit field work.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received, if applicable) in conformity with the Uniform Guidance and UGMS. 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 intended users of the schedule of expenditures of federal and state awards no later than the date the schedule of expenditures of federal and state awards 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 the Uniform Guidance and UGMS; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance and UGMS; (3) 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.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on the supplementary information.

You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information 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 supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) 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 the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of 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.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and state awards, and related notes 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. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

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 electronically 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.

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.

We will provide copies of our reports to the Center; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Scott, Singleton, Fincher and Company and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation, and appropriate individuals will be made available upon request in a timely manner to Texas Health and Human Services Commission Office of the Inspector General or its designee, a federal or state 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 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 date. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit and issue our reports on mutually agreed upon dates. 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 total fees for this audit will be \$30,500 including the actual costs incurred for travel, lodging and meals. 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 peer review report dated October 29, 2015 accompanies this letter.

We appreciate the opportunity to be of service to Tri-County Behavioral Healthcare 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, PC

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

RESPONSE:

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

Board signature: _____

Title: _____

Date: _____

Management signature: _____

Title: _____

Date: _____

Agenda Item: Approve Recommendation for Tri-County Employee Health Insurance & Ancillary Plans

Board Meeting Date

July 26, 2018

Committee: Business

Background Information:

Tri-County currently has employee health insurance coverage through Blue Cross Blue Shield. In FY18, we offered a structure of four plan types – with a “lower end” plan that has primarily been funded by Tri-County and three “higher end” plans that we offer employees the option to “buy up”. Our current plans will expire on September 30, 2018. In May 2018, Benefit Solutions requested quotes (on our behalf) for FY 2019 employee health insurance coverage and provided fully funded plan quotes to the Management Team for review.

The following quotes were received with a similar plan design as we currently have with Blue Cross Blue Shield:

- **Blue Cross Blue Shield** (Renewal Quote) – 6% increase
- **Humana** – Declined to quote
- **Cigna** – Declined to quote
- **United Healthcare** – 15% increase
- **Aetna** – 24% increase

Based on the quotes received, the Management Team is recommending that Tri-County stay with Blue Cross Blue Shield with similar plan options as provided in the quote.

Tri-County currently pays \$400 per month toward employee premiums. The base plan will increase employee out of pocket premiums by \$27.57 per month (annual increase of \$330.84). Since we are currently in the middle of the FY19 budget process, we will evaluate the possibility of increasing the Tri-County’s contribution and bring the recommendation to the August board meeting for approval.

The FY 2019 plan options provided for employees are described below:

BCBS HSA 3000:

The HSA 3000 Plan has a \$3,000/\$6,000 deductible and pays benefits at 90% once the deductible is met. Employees will pay 100% for medical services and prescriptions until their deductible is met. The cost of this plan is \$487.14 per month for employee only coverage. Tri-County will pay \$400 per month. Therefore, the out of pocket cost to the employee for employee only coverage is \$87.14 per month. The cost to the employee for employee and spouse is \$662.76, employee and children is \$609.03 and employee and family is \$1,184.76.

BCBS HAS 1500 Middle Plan:

The HSA 1500 has a \$1,500/\$3,000 deductible. This plan will pay 80% of all medical once the deductible is met. Employees are responsible for co-pays for prescription medications after the deductible is met. The cost for this plan is \$737.31 for employee only coverage. Tri-County will pay \$400. Therefore, the out of pocket cost to the employee for employee only coverage is \$337.31. The cost to the employee for employee and spouse is \$1,092.00, employee and children is \$1,021.47 and employee and family is \$1,771.60. This plan includes a rider for bariatric surgical procedures that was added in FY17.

BCBS PPO 1500:

The PPO 1500 has a \$1,500/\$3,000 deductible. This plan pays at 80% once deductible is met. Office visits are \$30 and Specialty Doctor office visits are \$50. Prescription co-pays are \$15/\$50/\$90/\$300. The cost of this plan is \$583.21. Tri-County will pay \$400 toward the employee only cost. The out of pocket cost for employee only coverage \$183.21 per month. The cost to the employee for employee and spouse is \$872.38, employee and children is \$808.05 and employee and family is \$1,497.33.

BCBS PPO Buy Up 1000:

This option offers a \$1,000/\$2,000 deductible with 100% coinsurance once deductible is met. Office visits are \$25 and Specialty Doctor office visits are \$50. Prescription co-pays are \$15/\$50/\$90/\$300. The cost of this plan is \$651.16. Tri-County will pay \$400 toward the employee only cost. The out of pocket cost for employee only coverage is \$251.16 per month. The cost to the employee for employee and spouse is \$1,020.57, employee and children is \$948.77 and employee and family is \$1,718.31.

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 will not increase in price for FY19.

Supporting Documentation:

Tri-County Employee Health Insurance Spreadsheet

Recommended Action:

Approve Recommendation for FY 2019 Employee Health Insurance, Basic Life/Accidental Death & Dismemberment, and Long Term Disability Plans

Tri County Behavioral Healthcare
2018 Employee Benefit Comparison - Medical

REVISED RENEWAL (Final rates may vary)

					CURRENT 2017 - 2018				RENEWAL 2018 - 2019			
Carrier Name					BCBS				BCBS			
Plan Name					HSA 3000 90/50 (In Network)	HSA 1500 80/60 (In Network)	PPO 1500 80/50 (In Network)	PPO 1000 100/70 (In Network Only)	HSA 3000 90/50 (In Network)	HSA 1500 80/60 (In Network)	PPO 1500 80/50 (In Network)	PPO 1000 100/70 (In Network Only)
Plan Network					BLUE CHOICE NETWORK				BLUE CHOICE NETWORK			
Benefit Details					Embedded	Aggregate	PPO	PPO	Embedded	Aggregate	PPO	PPO
Office Visit	HSA 3000	H SA 1500	PPO 1500	PPO 1000	Ded. & Coins.	Ded. & Coins.	\$30 Copay	\$25 Copay	Ded. & Coins.	Ded. & Coins.	\$30 Copay	\$25 Copay
Specialty Doctor Office Visit					Ded. & Coins.	Ded. & Coins.	\$50 Copay	\$50 Copay	Ded. & Coins.	Ded. & Coins.	\$50 Copay	\$50 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	\$1,500	\$1,500	\$1,000	\$3,000	\$1,500	\$1,500	\$1,000
Family Deductible-In Network					\$6,000	\$3,000	\$3,000	\$2,000	\$6,000	\$3,000	\$3,000	\$2,000
Coinsurance					90%	80%	80%	100%	90%	80%	80%	100%
Calendar Year Maximums					Medical & Rx apply to the OOP	Medical & Rx apply to the OOP	copays and rx apply to the OOP	copays and rx apply to the OOP	Medical & Rx apply to the OOP	Medical & Rx apply to the OOP	copays and rx apply to the OOP	copays and rx apply to the OOP
Individual OOP - In-Network (includes deductible)					\$6,000	\$2,500	\$5,000	\$2,500	\$6,000	\$2,500	\$5,000	\$2,500
Family OOP - In-Network (includes deductible)					\$12,000	\$5,000	\$10,000	\$5,000	\$12,000	\$5,000	\$10,000	\$5,000
Lifetime Maximum					Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Diagnostic Lab & Xrays					Ded. & Coins.	Ded. & Coins.	100% covered OV copay may apply if part of OV and billed by physician	100% covered OV copay may apply if part of OV and billed by physician	Ded. & Coins.	Ded. & Coins.	100% covered OV copay may apply if part of OV and billed by physician	100% covered OV copay may apply if part of OV and billed by physician
Complex Imaging					Ded & Coins.	Ded. & Coins.	Ded. & Coins.	Deductible	Ded & Coins.	Ded. & Coins.	Ded. & Coins.	Deductible
In/Out Patient Hospital Services					Ded & Coins.	Ded. & Coins.	Ded. & Coins.	Deductible	Ded & Coins.	Ded. & Coins.	Ded. & Coins.	Deductible
Urgent Care					Ded & Coins.	Ded. & Coins.	\$75 Copay	\$75 Copay	Ded & Coins.	Ded. & Coins.	\$75 Copay	\$75 Copay
Emergency Room					Ded & Coins.	Ded. & Coins.	\$300 Co-pay + Ded + 20%	\$300 Copay	Ded & Coins.	Ded. & Coins.	\$300 Co-pay + Ded + 20%	\$300 Copay
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 Gen/Pref-NB / NP-NB/ Spc /NP Spc					After Deductible \$15/\$50/\$90/\$150/\$300	After Deductible \$15/\$35/\$50	\$15/\$50/\$90/\$150/\$300	\$15/\$50/\$90/\$150/\$300	After Deductible \$15/\$50/\$90/\$150/\$300	After Deductible \$15/\$35/\$50	\$15/\$50/\$90/\$150/\$300	\$15/\$50/\$90/\$150/\$300
Preventive Medications Rider	None	None	None	None	None	None	None	None				
Bariatric Rider	Not Covered	Included	Not Covered	Not Covered	Not Covered	Included	Not Covered	Not Covered				
Monthly Total Rate					H SA 3000	H SA 1500	PPO 1500	PPO 1000	H SA 3000	H SA 1500	PPO 1500	PPO 1000
Employee Only	80	6	72	48	\$459.57	\$695.58	\$550.20	\$614.30	\$487.14	\$737.31	\$583.21	\$651.16
Employee/Spouse	3	0	2	2	\$1,002.60	\$1,407.55	\$1,200.36	\$1,340.16	\$1,062.76	\$1,492.00	\$1,272.38	\$1,420.57
Employee/Children	8	0	7	6	\$951.91	\$1,341.01	\$1,139.67	\$1,272.42	\$1,009.03	\$1,421.47	\$1,208.05	\$1,348.77
Employee/Family	1	0	1	3	\$1,495.06	\$2,048.68	\$1,789.93	\$1,998.41	\$1,584.76	\$2,171.60	\$1,897.33	\$2,118.31
Monthly Total / Plan	92	6	82	59	\$48,884	\$4,173	\$51,783	\$45,796	\$51,817	\$4,424	\$54,890	\$48,544
Annual Total/Plan					\$586,603	\$50,082	\$621,393	\$549,558	\$621,799.60	\$53,087	\$658,676	\$582,531
Combined Annual Total	239				\$1,807,636				\$1,916,094			
\$ Change from Current					N/A				\$108,458			
% Change/Plan from Current					N/A				6%			
% Change from Current					N/A				6%			

7.12.18

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 Participation in Texas Council Risk Management Fund Minimum Contribution Plan for Workers' Compensation Coverage</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>July 26, 2018</p>
<p>Background Information:</p> <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>	
<p>Supporting Documentation:</p> <p>Amendment to Interlocal Agreement from Texas Council Risk Management Fund</p>	
<p>Recommended Action:</p> <p>Approve Amendment to the Interlocal Agreement to Participate in Texas Council Risk Management Fund's Minimum Contribution Plan for Workers' Compensation Coverage</p>	

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

In consideration of the Member's request for payment of additional benefits and in further consideration of the Fund's agreement to pay such benefits, the Interlocal Agreement between the Fund and the Member dated 9/1/1988, is amended by adding thereto the applicable coverages set forth below.

Volunteers, Elected/Appointed Officials, Piece Rate Client Employees, and Vocational Training Client Employees (paid other than piece rate, and less than minimum wage) — If a resolution of the Board of Trustees of the Member has been adopted providing coverage for the above listed employees and volunteers as required by law, such employees and volunteers, while acting within the course and scope of their official duties, shall be covered by the Interlocal Agreement as any other employee of the Member political subdivision.

The Member chooses to cover for workers' compensation, and agrees to pay the premium for the payroll classifications set forth below.

Description of Group of Employees and Volunteers

(Check all the boxes below that apply)

- ☐ Volunteers
- ☒ Elected/Appointed Officials How Many 8
- ☐ Piece Rate Client Employees
- ☐ Vocational Training Client Employees (paid other than piece rate and less than minimum wage)
- ☐ Decline Coverage

The Member agrees that adequate premium for the above exposures must be collected by the Fund. Therefore, the Member agrees that the reportable compensation for premium computation purposes on each person covered under this Supplement shall be \$3,120 per year for elected/appointed officials, and \$60 per week for all others. For persons where the \$60 per week compensation applies, such compensation shall be reported and premiums paid for each person for each week, or portion thereof, in which such persons worked for the Member.

This Supplement shall be subject to all the terms, provision, and conditions of the Interlocal Agreement, and nothing herein contained shall vary, alter, or extend any term, provision, or condition of the Interlocal Agreement except as herein specifically stated.

Effective Date of this Supplement: September 1, 2018 This Supplement Expires: August 31, 2019

Contract Number: 17

MEMBER:

Tri-County Behavioral Healthcare

FUND:

TEXAS COUNCIL RISK MANAGEMENT FUND

By: _____
Signature of Authorized Center Official

Title: Executive Director

Date: _____

By: _____
Signature of Authorized Fund Official

Title: Board Chair

Date: _____

<p>Agenda Item: Ratify Health and Human Service Commission Contract No. 529-17-0038-00035, Amendment No. 3</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>July 26, 2018</p>
<p>Background Information:</p> <p>Tri-County is expecting a series of contract amendments from the Health and Human Services Commission (HHSC) related to grant funding that was awarded earlier this year.</p> <p>The first of these amendments that arrived was Private Psychiatric Bedday funding which was effective April 1, 2018 even though the contract amendment was not received until June 26, 2018. The amendment did not include any additional contract language and is only an increase in funding of \$419,750 that must be used this Fiscal Year.</p> <p>Staff is working with our HHSC contract manager to ensure that we can properly report on expenditures since no program document was received.</p> <p>With hospital expenditures as high as they have been YTD, we are confident that we will be able to spend these new funds before the end of the Fiscal year.</p> <p>Evan Roberson spoke with Board Chair Patti Atkins who authorized the signature on the contract amendment so that we could begin expending the new funding.</p>	
<p>Supporting Documentation:</p> <p>Amendment will be available for review at the Board meeting.</p>	
<p>Recommended Action:</p> <p>Approve Health and Human Service Commission Contract No. 529-17-0038-00035, Amendment No. 3</p>	

<p>Agenda Item: Ratify HHSC Youth Prevention-Selective (YPS) Contract #2016-048029-003, Amendment No. 3</p> <p>Committee: Business</p>	<p>Board Meeting Date</p> <p>July 26, 2018</p>
<p>Background Information:</p> <p>Tri-County has contracted with the Health and Human Services Commission to provide substance abuse prevention education to children and youth ages 6-18. These services are primarily provided in area schools during the school year.</p> <p>There are no significant changes between the FY 2019 and the FY 2018 contracts.</p>	
<p>Supporting Documentation:</p> <p>Contract Available for Review at the Board Meeting</p>	
<p>Recommended Action:</p> <p>Ratify HHSC Youth Prevention-Selective (YPS) Contract #2016-048029-003, Amendment No. 3</p>	

Agenda Item: Ratify Health and Human Service Commission Contract No. HHS000134400010, Mental Health SB 292 (Urban)	Board Meeting Date July 26, 2018
Committee: Business	
Background Information:	
<p>Tri-County is expecting a series of contract amendments from the Health and Human Services Commission (HHSC) related to grant funding that was awarded earlier this year.</p>	
<p>The Senate Bill 292 Grant will fund the East Montgomery County Crisis Centers effective April 1, 2018 even though the contract amendment was not received until July 17, 2018. The amendment includes a series of performance measures and financial reports which require both monthly and quarterly reporting.</p>	
<p>Current performance measures were negotiated with an anticipated April 1, 2018 start date, but staff has been assured by our HHSC mental health contract manger that these performance measures will be renegotiated in the coming months.</p>	
<p>The funding goes into effect April 1, 2018 and can be carried over until August 31, 2019 if required.</p>	
<p>As a reminder, this funding has cash match coming from the Montgomery County Public Health District. Now that the HHSC contract has been received, staff can begin finalizing the match contract with MHPHD.</p>	
<p>The East County Crisis Center will start remodel very soon.</p>	
<p>Evan Roberson spoke with Board Chair Patti Atkins who authorized the signature on the contract amendment so that we could begin expending the new funding.</p>	
Supporting Documentation:	
<p>Amendment will be available for review at the Board meeting.</p>	
Recommended Action:	
Ratify Health and Human Service Commission Contract No. HHS000134400010, Mental Health SB 292 (Urban)	

Agenda Item: School-Based Clinic Interlocal Agreement Committee: Business	Board Meeting Date July 26, 2018
<p>Background Information:</p> <p>Tri-County has been interested in establishing school-based mental health clinics for several years because: 1) Tri-County staff believe that kids can be served more efficiently inside the schools, and with these services impact both the child's executive functioning and lessen their time away from classes; 2) it is in line with the Tri-County strategic plan objective to establish stronger collaborative relationships in the community; and, 3) Tri-County has an interest in education and training which could prevent the impact of mental illness and suicide.</p> <p>Tri-County has spoken with several school districts about a MH Clinic pilot, but Conroe Independent School District was the first to commit to the pilot program.</p> <p>Sam Houston State University (SHSU) and Lone Star Health Clinic are both interested in participating in the CISD pilot as well.</p> <p>Ultimately, Tri-County believes that we can establish a 'win-win' for the school district and the Center by having a mental health skills trainer at each campus most days and a licensed therapist available a couple of days a week at each campus. In addition, both Tri-County and SHSU staff/students would be utilized to provide educational trainings on campus. SHSU may also be available to provide therapy sessions, under supervision of SHSU professors, to at-risk clients via televideo.</p> <p>Our goals for the program are:</p> <ul style="list-style-type: none"> • To build strong collaborative relationships with local Independent School Districts in line with the Board Strategic Goal to be more connected to our community partners; • To improve executive function (operationally defined as the ability to remember, think and have self-control in the classroom) of kids at local Independent School Districts by addressing routine and crisis mental health needs as rapidly as possible; • To serve children and youth who are currently in local schools more efficiently and reduce time away from classroom activities; • To provide educational opportunities for both educators and parents regarding trauma, identifying mental illness and available community resources; and, • To prevent the need for ongoing mental health services of students wherever possible. <p>The pilot schools will be Armstrong Elementary in Conroe, grades 1-4, and Grangerland Intermediate in Grangerland, grades 5-6.</p> <p>This proposed 'Pilot' program would be operated at no cost to the school and would be utilized by Tri-County to establish policies and procedures which can be generalized to other</p>	

schools as requested by them. Supervision of the staff involved would be done by Tri-County/SHSU staff with complete cooperation promised to school administrators.

After we learn in the pilot program, we will know more about how to role these programs out to other school districts if they are interested. The pilot programs that are most successful around the nation are collaborations between the Federally Qualified Healthcare Centers (Lone Star Clinic) and Community Centers.

The CISD Board approved the draft interlocal agreement at their Board meeting on July 17, 2018 and authorized Dr. Curtis Null, the Superintendent, to sign the agreement once it is finalized.

CISD Legal staff and Evan Roberson, along with assistance from Jackson Walker and Pam Beach from the Texas Council Risk Management Fund, have worked on the agreement. Sharing of information between the District and Tri-County will be managed by consent between the families and the school.

Supporting Documentation:

DRAFT Interlocal Agreement

Recommended Action:

Approve School-Based Mental Health Clinic Interlocal Agreement with Conroe Independent School District and Authorize the Executive Director to Execute the Agreement When Finalized

INTERLOCAL AGREEMENT

(School-Based Mental Health Clinics for Conroe Independent School District)

I.

PARTIES

This INTERLOCAL AGREEMENT (“**Agreement**”) is entered into as of _____, 20____ (the “**Effective Date**”) by CONROE INDEPENDENT SCHOOL DISTRICT, an Independent School District as established by Texas law (“**CISD**” or “**District**”) and TRI-COUNTY BEHAVIORAL HEALTHCARE, a community center under the provisions of Chapter 534 of the Texas Health & Safety Code Ann., as amended, (“**Tri-County**” or “**Center**”) for the purpose of providing one or more pilot school-based mental health clinics and/or services on the campuses of CISD.

II.

PURPOSE

WHEREAS, CISD is an Independent School District desiring to improve the quality of student life and student education by providing on-site Services to students during a mental health pilot program (“**Pilot Program**”) at two of its facilities.

WHEREAS, Tri-County, in its capacity as the designated mental health authority for Montgomery, Walker and Liberty Counties, was established in order to plan, coordinate, develop policy, develop and allocate resources, supervise, and ensure the provision of community based mental health services for the residents of Liberty, Montgomery and Walker Counties.

WHEREAS, CISD and Tri-County desire to enter into this Agreement to establish the Pilot Program providing various mental health services (“**Services**”) designed to provide care to students with identified mental health needs and/or to provide preventative services for persons identified as having possible mental health needs as determined by Tri-County and/or CISD staff. These Services may be provided to students at established on-site CISD clinics (“**Clinics**”).

NOW, THEREFORE, in consideration of the mutual covenants, rights and obligations set forth herein, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

III.

PILOT PROGRAM

CISD and Tri-County understand and agree that while school-based physical and/or mental health clinics have been studied extensively and are not unique, the designs of these programs are very different depending on the local communities where they are implemented and local resources which are available to implement them. CISD and Tri-County agree that the purpose of this Pilot Program is to identify appropriate Services and Clinics which can be implemented on a larger scale in area school districts by Tri-County if such Services or Clinics are requested. As such, CISD and Tri-County understand that this Pilot Program will require consistent and direct feedback from CISD administrators about what is and is not working in the schools, and will involve modifications that CISD and Tri-County determine are necessary to ensure that the best Services and Clinics are provided to CISD students.

The initial Proposed Pilot locations include Armstrong Elementary and Grangerland Intermediate. The

identification of the location and contact individuals for these campuses are attached hereto as **Exhibit “A”**. If additional CISD campuses are included in this Pilot Program the school names, addresses, and contact personnel shall be added to Exhibit “A”.

IV. SERVICES

- A. The Services and Clinics for this program have been identified in a series of meetings between CISD administrators Tri-County staff and Lone Star Family Health Clinic. At all times during the term of this Agreement, Tri-County shall provide the Services more particularly set forth in **Exhibit “B”** attached hereto, which shall be provided in accordance with all applicable Texas Health and Human Service Commission guidelines and/or evidence-based practices. CISD and Tri-County understand that the Services defined within this Pilot Program shall be provided in accordance with all applicable law. CISD and Tri-County have entered into the Business Associate Agreement attached hereto as **Exhibit “C”** and made a part of this Agreement herein.
- B. CISD and Tri-County may adjust and amend the Services provided within this Pilot Program as they mutually determine is feasible.
- C. CISD will have no obligation to pay for Services provided by Tri-County as a part of this Agreement and identified in Exhibit “B”. If, however, additional mental health services are needed that are not identified as components of this Pilot Program and set forth in Exhibit “B”, and are not appropriate, in Tri-County’s sole determination to be added to the Pilot Program, then both parties agree to make good faith negotiations for payment to Tri-County for providing such additional services to CISD outside the scope of this Pilot Program.

V. TERM

The term of this Agreement shall commence on the Effective Date, and shall terminate on , 20 ; provided, however, this may be terminated prior to such date as follows:

- A. by the mutual written agreement of the parties;
- B. by either party, without cause, upon not less than 30 days prior written notice to the other party; or
- C. by Tri-County, immediately upon written notice to CISD as to the occurrence of any of the following: (i) Tri-County does not receive the funding to pay for designated services under this Agreement from HHSC or any other intended funding source; or (ii) Tri-County has cause to believe that termination of the Agreement is in the best interests of the health and safety of the mentally disabled persons served under this Agreement.

VI.
INSURANCE

Tri-County agrees to maintain, or cause its employed personnel to maintain, at all times during the term of this Agreement, without cost or expense to the CISD: (i) general and professional liability insurance having liability limits in amounts as are customary in light of the Services Tri-County shall provide; and (ii) workers' compensation insurance as required by the laws of the State of Texas. Tri-County shall promptly furnish copies of such insurance policies and/or certificates of insurance to CISD upon request.

VII.
TRI-COUNTY EMPLOYEES

A. A responsible Tri-County staff member, designated by Tri-County, ("the Tri-County Supervisor") will be responsible for:

1. The supervision of the Tri-County staff working on District campuses, including casework and compliance with District and Tri-County policies and procedures;
2. Conducting an annual review of Tri-County activities on District campuses with the District designee; and
3. Providing follow up with the District designee regarding Tri-County performance during the year.

If District becomes concerned or dissatisfied with any Tri-County staff member's behavior or performance, the District designee must promptly contact the Tri-County Supervisor responsible for the supervision of the employee or the Administrator responsible for the oversight of this Agreement. Upon receiving reasonably necessary documentation from the District designee to support the presented concern or recommended action, the Tri-County Supervisor or Administrator will determine the necessary and appropriate action or process to resolve the personnel or performance issue. In no event shall the foregoing limit the District's ability to immediately remove a Tri-County staff member from District facilities or take other action in the best interest of District or its students.

B. Tri-County shall have sole responsibility and authority to recruit, investigate, interview, hire, train, place, supervise and discharge all permanent, part time or temporary personnel required for the performance of the Services. All personnel of Tri-County charged with performing any Service shall be appropriately trained and provided supervision regarding evidence-based practices. Tri-County and the CISD hereby agree that all personnel hired by Tri-County as Tri-County employees shall be deemed employees of Tri-County, and not of the CISD. Tri-County shall fully comply with all applicable laws and regulations affecting the employment of such individuals, including, without limitation, workers' compensation, social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related subjects. If, at any time during the term of this Agreement, Tri-County or any of its employees or other representatives utilized by Tri-County in the provision of the Services is barred from the award of a federal or state contract for any reason, Tri-County shall immediately provide written notice of same to the CISD.

C. Tri-County shall be solely responsible for its employees. Tri-County is solely responsible for paying and agrees to pay State and Federal payroll and/or any other employment taxes that may be owed by or on behalf of each Tri-County employee working on District campuses, including federal income taxes, social security, and Medicare taxes.

- D. This Agreement is not intended to create or establish the relationship of employer and employee between District and any Tri-County staff member. No Tri-County staff member shall be considered an agent of District nor have any authority to bind District in any manner.
- E. Tri-County affirms that no Tri-County employee working on a District campus has been convicted of a disqualifying offense identified in Texas Education Code §22.085. Upon receipt of information that any Tri-County employee working on a District campus has been convicted of a disqualifying offense identified in the Texas Education Code Section, Tri-County will notify District and remove such employee from any direct contact with students and from any District campus. Pursuant to Texas Education Code §22.0834(d), Tri-County certifies to District that, prior to any Tri-County employee commencing work under this Agreement, Tri-County will comply with Texas Education Code §22.0834, which requires that Tri-County confirm it has received all criminal history record information relating to each Tri-County employee working on a District campus and ensures District that:
1. Each Tri-County employee working on a District campus has submitted to a national criminal history record information review before being employed or serving in a capacity described by Texas Education Code §22.0834(a);
 2. The information required by the Texas Department of Safety for obtaining national criminal history record information, which may include fingerprints and photographs, has been sent to the Texas Department of Safety for each Tri-County employee working on a District campus; and
 3. Tri-County has obtained all criminal history record information for each Tri-County employee working on a District campus through the criminal history clearinghouse as provided by Government Code §411.0845.
- G. The Tri-County Supervisor will report periodically to the District Supervisor or other District designee concerning the activities of Tri-County, but District Supervisor shall not receive any employee information that Tri-County Supervisor determines, in his/her sole discretion, is confidential.
- H. The Tri-County Supervisor will provide to District campus administrator, principal or principal's designee the assigned hours of the Tri-County employees in advance of their work schedule and, as Tri-County determines is feasible, will provide to the District campus any changes to the staffing schedule 24 hours in advance. In setting staff work hours, Tri-County will give consideration to the District's work schedule.
- I. Each Tri-County staff member working on a District campus shall be responsible for following the Tri-County policies and procedures related to working on District campuses.
- J. The Tri-County Supervisor will submit an annual report of Tri-County's activities on the designated campuses to the District's designee to outline what services Tri-County has provided during the term of the Agreement, and Tri-County shall provide an annual report to the District that Tri-County, in its sole discretion determines is appropriate and maintains patient confidentiality.
- K. Tri-County acknowledges that District may provide each Tri-County employee working on a District Campus with access to certain District technology resources as necessary to accomplish the purposes of this Agreement. Each Tri-County employee working on a District campus shall be provided with appropriate and applicable District policies, procedures, and handbooks governing the use of District technology resources. Tri-County employees working on a District campus should have no expectation of privacy regarding any information stored on, accessed from, or used with District technology resources, District representatives may monitor or access the contents of District technology resources at any time, for any reason, without notice. The District reserves the right to suspend, terminate, or otherwise limit use

of District technology resources at any time, for any reason, without notice, in the District's sole discretion.

- L. Tri-County agrees to provide periodic reports to the District on the number of students and families served under this Agreement. Tri-County will also provide other statistical data reasonably available to it that may be requested by District, but only to the extent that the statistical data does not compromise patient confidentiality.

VIII. DISTRICT OBLIGATIONS

During the term of this Agreement, District shall:

- A. Provide reasonably suitable office space for each Tri-County employee working on a District campus and make such office space on the campus available as reasonably needed for the performance of the Services set forth in Exhibit "B" of this Agreement;
- B. Provide reasonably ongoing access to the internet;
- C. Observe and comply with all applicable federal, state, and local statutes, ordinances, rules, and regulations in the performance of this Agreement;
- D. Provide administration/coordination with Tri-County as reasonably appropriate through the applicable District Departments;
- E. Promptly contact the Tri-County Supervisor responsible for the supervision of the Tri-County employees working on District campuses or the Administrator responsible for the oversight of this Agreement if District becomes concerned or dissatisfied with any Tri-County employee working on a District campus' behavior or performance. The District designee will be responsible for presenting any reasonably necessary documentation to support the presented concern or recommended action, and if needed, shall be reasonably available for participation in any meetings related to this process. The Tri-County Supervisor or Administrator will determine the necessary and appropriate action or process to resolve the personnel or performance issue; and
- F. Provide in-service training to each Tri-County employee working on a District campus on District policy, procedures, and programs.

IX. MISCELLANEOUS

- A. Any notice required or permitted to be given by Tri-County to District hereunder may be given by hand delivery, nationally-recognized overnight delivery, or certified or registered United States Mail, postage prepaid, return receipt requested, addressed to:

Attn:
Conroe Independent School District
3205 W. Davis
Conroe, TX 77304
Email:
Telephone:

Any notice required or permitted to be given by District to Tri-County hereunder may be given by hand delivery, nationally-recognized overnight delivery, or certified or registered United States Mail, postage or fee prepaid, return receipt requested, addressed to:

Attn: Evan Roberson
Executive Director
Tri-County Behavioral Healthcare
P.O. Box 3067
Conroe, TX 77305
Email: EvanR@tcbhc.org

Such notice shall be considered given and complete upon receipt. Either party may designate a different address by giving the other party ten (10) days written notice in the manner provided above.

- B. Neither District nor Tri-County waives or relinquishes any immunity or defense on behalf of itself, its trustees, officers, employees and agents as a result of its execution or this Agreement and performance of the functions or obligations described herein.
- C. This Agreement shall be construed according to the laws of the State of Texas. The parties consent to the jurisdiction and venue of the courts of Montgomery County, Texas for any action under this Agreement. The exclusive forum for any action arising under this agreement is a state or federal court of competent jurisdiction in Texas.
- D. This instrument contains the entire Agreement between the Parties relating to the rights herein granted and the obligations herein assumed. This Agreement supersedes any prior contract between the parties with regard to the terms and provisions contained herein. This Agreement may be modified only by a written instrument duly executed by both parties.
- E. If any provision of this Agreement is held invalid, such invalidity shall not affect other provisions or applications of the Agreement which can be given effect without the invalid provision or application and to this end the provisions of this Agreement are declared to be severable.
- F. The following framework will be used to address the use of records by Tri-County or CISD:
 - 1. Protected Health Information (PHI) generated by Tri-County, a HIPAA Covered entity, would be stored in the Tri-County Electronic Health Record (EHR) and would only be released to CISD with consent from the parent or legal guardian. If records are released with consent from the parent or legal guardian and become a part of CISD's education record, they are subject to the record release policies of CISD.
 - 2. School records provided by CISD to Tri-County in compliance with FERPA would be added to the Tri-County EHR and would be subject to the record release policies of Tri-County.
 - 3. Data on groups of students served in the pilot would be deidentified in order to avoid sharing information which could be tracked to an individual.
 - 4. Tri-County will only release verbal information which may be confidential if a valid consent for CISD is on file.
 - 5. If CISD releases verbal information to Tri-County staff, it would be in compliance with CISD policy.
 - 6. If verbal conversations are documented in either the CISD record or Tri-County EHR, they would be subject to release policies as indicated in F.1 or F.2 above.
- F. E-Mail Addresses. Each party affirmatively consents to the disclosure of its e-mail addresses that are provided to the other party in connection with this Agreement. This consent is intended to comply with the

requirements of the Texas Public Information Act, TEX. GOV'T CODE ANN. § 552.137,*et seq.*, as amended, and shall survive termination of this Agreement. This consent shall apply to the parties' e-mail addresses provided by each party and agents acting on each party's behalf and shall apply to any of the parties' e-mail address provided in any form for any reason related to this Agreement. However, neither party can consent to disclosure of a third party's email addresses, such as those of students or their families.

G. This Agreement may be executed in multiple originals.

CONROE INDEPENDENT SCHOOL DISTRICT

TRI-COUNTY BEHAVIORAL HEALTHCARE

By: _____

DR. CURTIS NULL
SUPERINTENDENT

By: _____

EVAN ROBERSON
EXECUTIVE DIRECTOR

Date: _____

Date: _____

BY: _____

MELAINA BUSH
BOARD PRESIDENT

Date: _____

EXHIBIT “A”

IDENTIFICATION OF PILOT PROGRAM SCHOOLS NAME, ADDRESS AND CONTACT PERSONNEL

Grangerland Intermediate
16283 FM 3083, Conroe, TX 77302
936.709.3500
Contact: Karen Jones

Armstrong Elementary
110 Gladstell St, Conroe, TX 77301
936.709.3400

Contact: Patricia Thacker

EXHIBIT “B” Services

During the term of this Agreement, Tri-County shall provide staff for the following purposes:

- I. School-based ‘Pre-Intake’ and ‘Intake’ Services for persons seeking mental health care.
 - A. ‘Pre-Intake’ services are defined as a visit or visits by Tri-County staff to ensure that all required information has been gathered by the family and that this information will meet the needs of the Intake clinician.
 - 1. The ‘Pre-Intake’ service is designed to limit the number of visits required to obtain traditional, state or insurance funded, Tri-County Child and Youth Services.
 - 2. The ‘Pre-Intake’ will include a review of custody documents, financial documents and school documentation.
 - a. Often, families have to spend time and effort to gather appropriate documentation due to non-traditional family structures and often time return to the clinic more than once to finalize this information.
 - b. Mental health services can only be provided with proper custody documentation.
 - 3. These services will be provided on the school campus by Tri-County staff.
 - B. ‘Intake’ services will be provided to a sub-set of families who go through the ‘Pre-Intake’ service, but who do not appear to have the ability to follow-through with Tri-County services without further assistance.
 - 1. The ‘Intake’ services would include the entire Intake Assessment, but would not include physician services.
 - 2. The ‘Intake’ services would be provided on campus by a licensed master’s level therapist or social worker.
- II. Skills Training, defined by the Texas Health and Human Services Commission as: *“Training provided to and individual and/or the primary caregiver or legally authorized representative that addresses the serious emotional disturbance and symptom-related problems that interfere with the individual’s functioning, provides opportunities for the individual to acquire and improve skills needed to function as appropriately and independently as possible.”*
 - A. ‘Skills Training’ is provided to nearly all current clients of Tri-County Behavioral Healthcare’s Child and Youth Services.
 - 1. ‘Skills Training’ can be provided as an individual or group services.
 - 2. This service, especially with younger children, is tied to improvement in executive function
 - 3. Services are provided in compliance with evidence-based protocols which are approved by HHSC.
 - 4. Services would be provided on campus at times mutually agreed to by local school administrators and Tri-County.
- III. Individual Counseling, defined by the Texas Health and Human Services Commission as: *“...therapy focused on the reduction or elimination of a child/youth’s symptoms of emotional disturbance and increasing the individual’s ability to perform activities of daily living.”*
 - A. ‘Counseling’ or ‘Therapy’ services can be utilized for younger children and families, but is more commonly utilized with older children and youth.
 - B. This service would be available as a part of the pilot, but it is uncertain how often the service will be utilized.
 - 1. Services would be provided on campus by a Master’s Level Licensed Therapist.
 - 2. Services usually include parents, especially with younger children.

NOTE: Sam Houston State University (SHSU) has expressed interest in potentially providing ‘Counseling’ or ‘Therapy’ via televideo to children and youth who may be a part of this pilot. These televideo counseling sessions would probably need to be for students who are not enrolled in Tri-County’s services because the SHSU interns would only be available one semester at a time and more complex children and youth who qualify for therapy would likely need services for longer than this. Logistics for this service are still being worked out, but SHSU has committed to developing this service.

- IV. Parent/Family education opportunities may be implemented in a variety of different ways including: training provided by the District; training provided by Tri-County; and/or training provided by Sam Houston State University.
 - A. A variety of different topics including trauma prevention, mental health awareness and suicide prevention/awareness have been discussed.
 - B. Courses are currently envisioned to occur on campus after the school day; potentially to be planned in conjunction to with Parent Teach Organization meeting dates or planned meetings.
- V. ‘Crisis Intervention’ is defined by the Texas Health and Human Services Commission as: “Interventions in response to a crisis in order to reduce symptoms of serious emotional disturbance and to prevent admission of an individual to a more restrictive environment.”
 - A. CISD has established protocols for crisis intervention with their students.
 - B. Tri-County would propose to be a support for these services as directed by administrators.
 - C. Tri-County does have access to crisis services which are often utilized by area districts to meet more complex crisis needs. These services, to the extent that funding continues from HHSC, are available as part of the pilot.
- VI. ‘Medication Services’ are defined by the Texas Health and Human Services Commission as: “Ensuring the provision of psychoactive medication to individuals...who have no source of funds for such, as determined to be medically necessary and as prescribed by an authorized representative of the [Center].”
 - A. ‘Medication Services’ are typically provided in a clinic environment because they require many supports (nursing, labs, etc.) which are only available in these environments.
 - B. The Ryan Haight Act of 2008 limits the mechanisms for televideo medication visits if controlled substances are involved (which are common in kids seeking psychiatry services).
 - C. Tri-County could provide televideo medication refill visits with certain supports in place, but at this time are unsure if this will be a service we can offer as part of the pilot.
- VII. ‘Prevention Services’ are defined as group services using the evidence-based Rainbow Days curriculum.
 - A. Rainbow Days’ curriculum-based support group program is a support group intervention designed to increase resiliency and reduce risk factors among children and youth ages 4-17 who are identified by school counselors, faculty, parents and other helping adults as being at elevated risk for early substance use and future delinquency and violence.
 - B. Rainbow Days’ “teaches essential life skills and offers emotional support to help children and youth cope with difficult family situations, resist peer pressure, set and achieve goals, refuse alcohol, tobacco and other drugs; and reduce antisocial attitudes and rebellious behavior.”
 - C. These group services will be provided to identified or ‘at-risk’ kids and then Tri-County staff/Local School Administrators will identify kids who may need additional individual or group prevention activities.

EXHIBIT “C”

BUSINESS ASSOCIATE AGREEMENT

The purpose of this Section, which in context may also be referred to as a "Business Associate Agreement" ("BAA"), is to comply with the applicable requirements of the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191 (codified at 45 C.F.R. Parts 160 and 164), as amended (“HIPAA”); privacy and security regulations promulgated by the United States Department of Health and Human Services ("DHHS"); Title XIII, Subtitle D of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, as amended ("HITECH Act"); provisions regarding Confidentiality of Alcohol and Drug Abuse Patient Records (codified at 42 C.F.R. Part 2), as amended; the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g, and its implementing regulations, as amended (“FERPA”), and TEX. HEALTH & SAFETY CODE ANN. §§ 81.046, as amended, 181.001 *et seq.*, as amended, 241.151 *et seq.*, as amended, and 611.001 *et seq.*, as amended (collectively referred to herein as the "Privacy and Security Requirements").

Tri-County is a “covered entity” as defined in the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder (“HIPAA”), and as described in the Health Information Technology for Economic and Clinical Health Act (“HITECH”) provisions of the American Recovery and Reinvestment Act of 2009 (“ARRA”).

A. Definitions.

1. "Confidential Information" is information that is created or received by the District from or on behalf of the Tri-County in connection with this Agreement that has been deemed or designated confidential by law (i.e., constitutional, statutory, regulatory, or by judicial decision).
2. "Protected Health Information" ("PHI") is defined in 45 C.F.R. § 164.501 and is limited to information created or received by District from or on behalf of Tri-County in connection with this Agreement. In accordance with 45 C.F.R. 160.103 and TEX. HEALTH & SAFETY CODE ANN. §181.058, PHI shall not include any information that is considered an education record covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. 1232g.
3. "Electronic Protected Health Information" ("EPHI") shall mean individually identifiable health information that is transmitted by or maintained in electronic media and is limited to information created or received by District from or on behalf of Tri-County in connection with this Agreement. In accordance with 45 C.F.R. 160.103 and TEX. HEALTH & SAFETY CODE ANN. §181.058, EPHI shall not include any information that is considered an education record covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. 1232g.
4. "Security Incident" shall mean the unauthorized access, use, disclosure, modification, or destruction of Confidential Information, including, but not limited to, PHI and EPHI, or interference with the systems operations in an information system, including, but not limited to, information systems containing EPHI. This definition includes, but is not limited to, lost or stolen transportable media devices (e.g., flash drives, CDs, PDAs, cell phones, and cameras), desktop and laptop computers, photographs, and paper files containing Confidential Information, including, but not limited to, PHI and EPHI.
5. “Education Records” shall mean those records, files, documents, and other materials which contain information directly related to a student, and are maintained by an educational agency or institution or by a person acting for such agency or institution. Education Records do not include:

- a. records of instructional, supervisory, and administrative and educational personnel ancillary thereto which are in the possession of the maker thereof and which are not accessible or revealable to any other person except a substitute;
- b. records maintained by a law enforcement unit of the educational agency or institution that were created by that law enforcement unit for the purpose of law enforcement;
- c. in the case of non-student employees of an educational agency or institution, records made and maintained in the normal course of business which relate exclusively to such person in that person's capacity as an employee and are not available for any other purpose; and
- d. records on a student who is 18 years of age or older, or who is attending an institution of postsecondary education, which are made or maintained by a physician, psychiatrist, psychologist, or other recognized professional or paraprofessional acting in that capacity, and which are made, maintained, or used only in connection with the provision of treatment to the student, and are not available to anyone other than persons providing such treatment, except that such records can be personally reviewed by a physician or other appropriate professional of the student's choice.

B. General.

1. Certain confidential information gathered or used by Tri-County staff may not be shared with CISD without consent provided by the authorized family member or client.
2. District agrees to hold all PHI, EPHI, and any Education Records received from or created or received on behalf of Tri-County confidential except to the extent that disclosure is required by Federal or State law, including, but not limited to, the Texas Public Information Act, TEX. GOV'T CODE ANN. §§ 552.001 *et seq.*, as amended. In the case of Education Records, District may also disclose Education Records received from or created or received on behalf of Tri-County to the extent and in the manner permitted by FERPA.
3. District agrees to be bound by and comply with all applicable Federal and State of Texas licensing authorities' laws, rules, and regulations regarding records and governmental records, including the applicable Privacy and Security Requirements. Compliance with this paragraph is at District's own expense.
4. District agrees to reasonably cooperate with state and federal agencies and to make appropriate personnel reasonably available for interviews, consultation, grand jury proceedings, pre-trial conferences, hearings, trials, and any other process, including investigations, required as a result of District's services to Tri-County. Compliance with this paragraph is at District's own expense.

The terms used in this BAA shall have the same meaning as those terms in the Privacy and Security Requirements.

- C. Treatment Records. Tri-County will maintain all confidential treatment records, including without limitation Education Records, in their Electronic Health Record and any information released to CISD or others on behalf of CISD must be in compliance with all applicable records release guidelines, including consent by the parent or student who receives service as a part of this pilot.
- D. Representation. District represents that it is familiar with and is in compliance with the Privacy and Security Requirements as applicable to the District, which include Federal and State of Texas requirements governing information relating to HIV/AIDS, mental health, and drugs or alcohol treatment or referral.
- E. Business Associate. This BAA applies to the use and disclosure of PHI and EPHI only to the extent that the District is deemed a "Business Associate" of Tri-County as that term is defined under the Privacy and

Security Requirements. By signing this Agreement and performing the obligations described herein, the District does not concede that it is a Business Associate for all purposes under this Agreement. This BAA applies regardless of a party's Business Associate status to the possession, exchange, and disclosure of Education Records between District and Tri-County.

1. *Nondisclosure of PHI and Education Records.* District agrees not to use or disclose PHI or Education Records received from or on behalf of Tri-County or created, compiled, or used by District pursuant to this Agreement other than as permitted or required by this BAA, or as otherwise required by law.
2. *Limitation on Further Use or Disclosure.* District agrees not to further use or disclose PHI, EPHI, or Education Records received from or on behalf of Tri-County or created, compiled, or used by District pursuant to this BAA in a manner that would be prohibited by the Privacy and Security Requirements if disclosure was made by Tri-County, or if either District or Tri-County is otherwise prohibited from making such disclosure by any present or future State or Federal law, regulation, or rule.
3. *Safeguarding PHI.* District agrees to use reasonably appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this BAA or as required by State or Federal law, regulation, or rule.
4. *Safeguarding EPHI.* District agrees to implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that it creates, receives, maintains, or transmits on behalf of Tri-County. These safeguards shall include the following:
 - a. encryption of EPHI that District stores and transmits;
 - b. Implementation of commercially reasonable access controls, including physical locks, firewalls, and passwords;
 - c. Use of reasonably updated antivirus software;
 - d. Adoption of or use of existing contingency planning policies and procedures, including data backup and disaster recovery plans; and
 - e. Conducting periodic security training.
5. *Reporting Security Incidents.* District agrees to report to Tri-County any Security Incident immediately upon becoming aware of such. District further agrees to reasonably provide Tri-County with the following information, to the extent known to District, regarding the Security Incident as soon as possible, but no more than five (5) business days after becoming aware of the Security Incident: (1) a brief description of what happened, including the dates the Security Incident occurred and was discovered; (2) a reproduction of the PHI, EPHI, or Education Records received from or created or received on behalf of Tri-County involved in the Security Incident; and (3) a description of whether and how the PHI, EPHI, or Education Records involved in the Security Incident was rendered unusable, unreadable, or indecipherable to unauthorized individuals either by encryption or otherwise destroying the PHI, EPHI, or Education Records prior to disposal. If District determines that it is infeasible to reproduce the PHI, EPHI, or Education Records involved in the Security Incident, District agrees to notify Tri-County in writing of the conditions that make reproduction infeasible and to reasonably provide any information District has regarding the PHI, EPHI, or Education Records involved.

District agrees to reasonably cooperate in a timely fashion with Tri-County regarding all Security Incidents reported to Tri-County.

Tri-County will review all Security Incidents reported by District.

Tri-County, to the extent necessary or required by law, will provide notice of the Security Incident, as required by law, to the Secretary of the United States Department of Health and Human Services ("HHS").

6. *EPHI and Subcontractors.* District shall require any agent to whom it provides PHI or EPHI, including a subcontractor, to agree, through District policies and procedures or other agreement, to implement reasonable and appropriate safeguards to protect such PHI or EPHI.
7. *Subcontractors and Agents.* District shall require any subcontractor or agent to whom District provides PHI, EPHI, or Education Records received from or created or received on behalf of Tri-County or created, compiled, or used by District pursuant to this BAA, to agree, through District policies and procedures or other agreement, to the same restrictions and conditions that apply to District with respect to such PHI, EPHI, and Education Records.
8. *Mitigation.* District agrees to reasonably mitigate, to the extent practicable, any harmful effect that is known to District of a use or disclosure of PHI, EPHI, or Education Record by District, or by a subcontractor or agent of District, resulting from a violation of this BAA, including violations of the Privacy and Security Requirements stated herein. District also agrees to reasonably inform the Tri-County of its actual mitigation and of the details of its mitigation plan, unless doing so would cause additional harm.
9. *Notice - Request for Amendment.* District agrees to notify Tri-County in writing within three (3) business days of any request by an individual for an amendment to the individual's Education Record maintained by Tri-County, PHI, or EPHI and, upon receipt of such request from the individual, direct the individual to Tri-County to request an amendment of the individual's Education Record, PHI, or EPHI. District agrees to make available upon reasonable request PHI and EPHI for amendment and to incorporate any amendments to PHI and EPHI agreed to or reasonably directed by Tri-County in accordance with 45 C.F.R. § 164.526.
10. *Notice -Request for Accounting.* Upon receipt of any request from an individual for an accounting of disclosures made of the individual's Education Record maintained by Tri-County, PHI, or EPHI, District agrees to notify Tri-County in writing within three (3) business days of any such request, and upon receipt of such request from the individual, direct the individual to Tri-County for an accounting of the disclosures of the individual's Education Record, PHI, or EPHI. District agrees to make available to Tri-County upon reasonable request the information required to provide an accounting of disclosures in accordance with 45 C.F.R. § 164.528. Pursuant to 45 C.F.R. § 164.528(a), an individual has a right to receive an accounting of certain disclosures of PHI or EPHI in the six (6) years prior to the date on which the accounting is requested.
11. *HHS Inspection.* Upon reasonable written request, District agrees to make available to HHS or its designee, District's internal practices, books, and records relating to the use and disclosure of Education Records, PHI, and EPHI received from, or created or received on behalf of, Tri-County in a time or manner reasonably designated by HHS for purposes of HHS determining Tri-County's compliance with the Privacy and Security Requirements.

12. *Tri-County Inspection.* Upon reasonable written request, District agrees to make available to Tri-County and its duly authorized representatives during normal District business hours District's internal practices, books, records and documents relating to the use and disclosure of Confidential Information, including, but not limited to, Education Records, PHI, and EPHI received from, or created or received on behalf of, Tri-County in a time and manner reasonably designated by Tri-County for the purposes of Tri-County determining compliance with the Privacy and Security Requirements. District agrees to allow such access until the expiration of four (4) years after the services are furnished under the contract or subcontract or until the completion of any audit or audit period required under the Privacy and Security Requirements, whichever is later. District agrees to allow similar access to books, records, and documents related to contracts between District and organizations related to or subcontracted by District to whom District provides Confidential Information, including, but not limited to, Education Records, PHI and EPHI received from, or created or received on behalf of, Tri-County.
 13. *PHI or EPHI Amendment.* District agrees to incorporate any amendments, corrections, or additions to the Education Records, PHI, or EPHI received from or created, compiled, or used by Tri-County pursuant to this BAA when notified by Tri-County that the Education Records, PHI, or EPHI is inaccurate or incomplete, or that other documents are to be added as required or allowed by the Privacy and Security Requirements.
 14. *Documentation of Disclosures.* District agrees to document disclosure of Education Records received from or created or received on behalf of Tri-County, PHI or EPHI and information related to such disclosures as is reasonably necessary for Tri-County to respond to a request by an individual for an accounting of disclosures of such Education Records, PHI, or EPHI in accordance with 45 C.F.R. § 164.528 and FERPA, as amended.
 15. *Notice-Termination.* Upon written notice to District, Tri-County may terminate any portion of the Agreement under which District maintains, compiles, or has access to Education Records received from or created or received on behalf of Tri-County, PHI, or EPHI. Additionally, upon written notice to District, the Tri-County may terminate the entire Agreement as provided in Section VIII if the Tri-County determines, at its sole discretion, that District has repeatedly violated a Privacy or Security Requirement.
- F. Survival of Privacy Provisions. To the extent required by the Privacy and Security Requirements including FERPA, District's obligations with regard to Education Records, PHI, and EPHI shall survive termination of this BAA and the Agreement.
- G. Amendment Related to Privacy and Security Requirements. The Parties agree to take such action as is reasonably necessary to amend this BAA if Tri-County, in its reasonable discretion, determines that amendment is necessary for Tri-County to comply with the Privacy and Security Requirements or any other law or regulation affecting the use or disclosure of Education Records, PHI, or EPHI. Any ambiguity in this BAA shall be resolved to permit Tri-County to comply with the Privacy and Security Requirements.
- H. Indemnification. District agrees to indemnify and hold harmless, to the extent allowed by law, Tri-County and its officers, employees, and agents (individually and collectively "Tri-County Indemnitees") against any and all losses, liabilities, judgments, penalties, awards, and costs (including costs of investigations, legal fees, and expenses) arising out of or related to, through no fault or involvement of Tri-County, its employees, directors, officers, subcontractors, or agents:

1. a breach of this BAA relating to the Privacy and Security Requirements by District; or
2. any negligent or wrongful acts or omissions of District or its employees, directors, officers, subcontractors, or agents, relating to the Privacy and Security Requirements, including failure to perform their obligations under the Privacy and Security Requirements.

Tri-County agrees to indemnify and hold harmless, to the extent allowed by law, the District and its officers, employees, and agents (individually and collectively "District Indemnitees") against any and all losses, liabilities, judgments, penalties, awards, and costs (including costs of investigations, legal fees, and expenses) arising out of or related to, through no fault or involvement of District, its employees, directors, officers, subcontractors, or agents:

1. a breach of this BAA relating to the Privacy and Security Requirements by Tri-County; or
2. any negligent or wrongful acts or omissions of the Tri-County, its employees (including any Tri-County employee working on a District campus), directors, officers, subcontractors, or agents, relating to its obligations regarding Privacy and Security Requirements, including failure to perform their obligations under the Privacy and Security Requirements.

To the extent that this indemnification conflicts with Texas law, creates an unfunded obligation for District or Tri-County, or in any way broadens the authority of District or Tri-County beyond the limits of Texas Government Code 392, the Texas Constitution, or other applicable laws, such indemnity is void.

- I. Electronic Mail Addresses. District affirmatively consents to the disclosure of District e-mail addresses that are provided to Tri-County, including any agency or department of Tri-County, in connection with this Agreement. This consent is intended to comply with the requirements of the Texas Public Information Act, TEX. GOVT CODE ANN. § 552.137 *et seq.*, as amended, and shall survive termination of this BAA. This consent shall apply to District e-mail addresses provided by District and agents acting on behalf of District and shall apply to any District e-mail address provided in any form for any reason related to this BAA.
- J. Except as otherwise limited in this BAA, District may use or disclose Confidential Information, PHI, and EPHI it creates or receives from or on behalf of the Tri-County to provide or receive the services to, from, or on behalf of Tri-County set out in the Agreement to which this BAA is attached.
- K. This BAA survives the termination of the Agreement and expires seven (7) years after its termination.

CONROE INDEPENDENT SCHOOL DISTRICT

TRI-COUNTY BEHAVIORAL HEALTHCARE

By: _____
DR. CURTIS NULL
SUPERINTENDENT

By: _____
EVAN ROBERSON
EXECUTIVE DIRECTOR

Date: _____

Date: _____

BY: _____
MELAINE BUSH
BOARD PRESIDENT

Date: _____

Agenda Item: Approve Recommendation to Declare Two (2) Vehicles as Surplus Committee: Business	Board Meeting Date July 26, 2018
Background Information: Staff has recommended that the 2006 Ford Freestar and the 2006 E350 15 Passenger Van to be declared as surplus due to the age of the vehicles, high mileage, safety, and increased maintenance and repair costs. Vehicle Descriptions: <ul style="list-style-type: none"> • 2006 Ford Freestar <ul style="list-style-type: none"> ○ License #DDY-1172 ○ Mileage as of July 3, 2018 – 230,540 • 2006 Ford E350 15 Passenger Van <ul style="list-style-type: none"> ○ License #CNV-2120 ○ Mileage as of July 3, 2018 – 249,139 	
Supporting Documentation: None	
Recommended Action: Approve Recommendation to Declare the 2006 Ford Freestar and the 2006 Ford E350 15 Passenger Van as Surplus and Approve Sale to the Highest Bidder	

<p>Agenda Item: Discussion of Unresolved Building Issues at 233 Sgt. Ed Holcomb Blvd., South</p> <p>Committee: Business</p>	<p>Board Meeting Date:</p> <p>July 26, 2018</p>
<p>Background Information:</p> <p>Several issues at the 233 Sgt. Ed Holcomb Blvd., South location have remained unresolved since before staff moved into the building. In January of 2018, staff provided official notice to Axiom Construction of several outstanding items which still needed to be resolved. This letter was copied to Board Chair Patti Atkins and Jackson Walker attorney Randy Farber.</p> <p>None of the items are life and safety issues, but most remain unresolved. Evan Roberson has requested that Mike Duncum provide a status update to the Board.</p> <p>Executive Session has been reserved for Board discussion regarding next steps if needed.</p>	
<p>Supporting Documentation:</p> <p>January 31, 2018 Demand Letter (Will be provided at the meeting)</p>	
<p>Recommended Action:</p> <p>Decide on Next Steps to Resolve Outstanding Sgt. Ed Holcomb Facility Issues</p>	

Agenda Item: Review Tri-County's 2016 990 Tax Return Prepared by Scott, Singleton, Fincher & Company, P.C. Committee: Business	Board Meeting Date July 26, 2018
Background Information: Scott, Singleton, Fincher & Company, P.C. has completed Tri-County's 990 Tax Return for 2015 (fiscal year September 1, 2016 to August 31, 2017) for review by the Board.	
Supporting Documentation: Copy of Tri-County Behavioral Healthcare 2016 990 Tax Return	
Recommended Action: For Information Only	

**SCOTT, SINGLETON, FINCHER, & CO.
4815 KING STREET, SUITE A
GREENVILLE, TX 75401
(903) 455-4765**

June 28, 2018

TRI-COUNTY BEHAVIORAL HEALTHCARE
P O BOX 3067
CONROE, TX 77305

Dear Client:

Enclosed for your review:

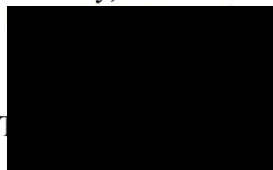
Form 990

2016 Return of Organization Exempt from Income Tax

Each tax return or form listed above should be filed in accordance with the enclosed filing instructions.

Please be sure to call us if you have any questions.

Sincerely,

A black rectangular redaction box covering the signature of the sender. A blue ink mark, possibly a checkmark or a flourish, is visible just below the redacted area.

ELECTRONICALLY FILED:

Form 990 - 2016 Return of Organization Exempt From Income Tax

The above tax return will be electronically filed with the Internal Revenue Service upon receipt of a signed Form 8879-E0 - IRS e-file Signature Authorization.

PAYMENT:

No payment is required.

TRI-COUNTY BEHAVIORAL HEALTHCARE

76-0032662

	2016	2015	Diff
REVENUE			
Contributions and grants.....	540,951	501,146	39,805
Program service revenue.....	30,495,409	29,804,361	691,048
Investment income.....	38,018	30,081	7,937
Other revenue.....	4,052,560	41,009	4,011,551
Total revenue.....	35,126,938	30,376,597	4,750,341
EXPENSES			
Salaries, other compen., emp. benefits...	19,983,691	19,247,064	736,627
Other expenses.....	12,362,491	10,725,447	1,637,044
Total expenses.....	32,346,182	29,972,511	2,373,671
NET ASSETS OR FUND BALANCES			
Revenue less expenses.....	2,780,756	404,086	2,376,670
Total assets at end of year.....	32,169,112	23,580,664	8,588,448
Total liabilities at end of year.....	16,307,372	10,499,680	5,807,692
Net assets/fund balances at end of year.	15,861,740	13,080,984	2,780,756

2016

General Information

Page 1

TRI-COUNTY BEHAVIORAL HEALTHCARE

76-0032662

Forms needed for this return

Federal: 990, Sch A, Sch B, Sch D, Sch G, Sch J, Sch O, Sch R, 8868

Carryovers to 2017

None

Form **8879-EO****IRS e-file Signature Authorization
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2016, or fiscal year beginning 9/01, 2016, and ending 8/31, 20 2017

▶ Do not send to the IRS. Keep for your records.

▶ Information about Form 8879-EO and its instructions is at www.irs.gov/form8879eo.**2016**Department of the Treasury
Internal Revenue Service

Name of exempt organization

Employer identification number

76-0032662

TRI-COUNTY BEHAVIORAL HEALTHCARE

Name and title of officer

CFO

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

1 a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1 b	35,126,938.
2 a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2 b	
3 a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3 b	
4 a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4 b	
5 a Form 8868 check here ... ▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5 b	

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2016 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize Scott, Singleton, Fincher, & Co.

ERO firm name

to enter my PIN

47141

as my signature

Enter five numbers, but
do not enter all zeros

on the organization's tax year 2016 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

☐ As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2016 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶

Date ▶

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN

75372344022

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2016 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶

Date ▶

6/29/18

ERO Must Retain This Form – See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So

BAA For Paperwork Reduction Act Notice, see instructions.

Form 8879-EO (2016)

Form **8868**

(Rev. January 2017)

Department of the Treasury
Internal Revenue Service**Application for Automatic Extension of Time To File an
Exempt Organization Return**► **File a separate application for each return.**► **Information about Form 8868 and its instructions is at www.irs.gov/form8868.**

OMB No. 1545-1709

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile, click on Charities & Non-Profits, and click on *e-file for Charities and Non-Profits*.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions.		Employer identification number (EIN) or
	TRI-COUNTY BEHAVIORAL HEALTHCARE		76-0032662
	Number, street, and room or suite number. If a P.O. box, see instructions.		Social security number (SSN)
	P O BOX 3067		
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.		
	CONROE, TX 77305		

Enter the Return Code for the return that this application is for (file a separate application for each return) **01**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

• The books are in the care of ► SHERYL BALDWIN

Telephone No. ► 936-521-6105 Fax No. ► _____

- If the organization does not have an office or place of business in the United States, check this box. ► ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box. ► ☐. If it is for part of the group, check this box ... ► ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until 7/15, 20 18, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ☐ calendar year 20 ____ or
- ☒ tax year beginning 9/01, 20 16, and ending 8/31, 20 17.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.Form **8868** (Rev. 1-2017)

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

- ▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

2016

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

A For the 2016 calendar year, or tax year beginning 9/01, 2016, and ending 8/31, 2017

B Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C TRI-COUNTY BEHAVIORAL HEALTHCARE
P O BOX 3067
CONROE, TX 77305

D Employer identification number

76-0032662

E Telephone number

936-521-6105

G Gross receipts \$ 35,126,938.

H(a) Is this a group return for subordinates? ☐ Yes ☒ NoH(b) Are all subordinates included? ☐ Yes ☐ No
If 'No,' attach a list. (see instructions)I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ TRICOUNTYSERVICES.ORG

H(c) Group exemption number ▶

K Form of organization: ☐ Corporation ☐ Trust ☐ Association ☒ Other ▶ STATE AU L Year of formation: 1965 M State of legal domicile: TX

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>THE ORGANIZATION IS A PUBLIC AGENCY THAT ENSURES THE PROVISION OF QUALITY SERVICES FOR INDIVIDUALS WITH MENTAL ILLNESS AND INTELLECTUAL AND DEVELOPMENTAL DISABILITIES AND ENHANCES THEIR QUALITY OF LIFE IN MONTGOMERY, WALKER AND LIBERTY COUNTIES IN TEXAS.</u>
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	3	Number of voting members of the governing body (Part VI, line 1a)..... 8
	4	Number of independent voting members of the governing body (Part VI, line 1b)..... 8
	5	Total number of individuals employed in calendar year 2016 (Part V, line 2a)..... 474
	6	Total number of volunteers (estimate if necessary)..... 60
	7a	Total unrelated business revenue from Part VIII, column (C), line 12..... 0.
7b	Net unrelated business taxable income from Form 990-T, line 34..... 0.	
Revenue	8	Contributions and grants (Part VIII, line 1h)..... 501,146.
	9	Program service revenue (Part VIII, line 2g)..... 29,804,361.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)..... 30,081.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)..... 41,009.
	12	Total revenue — add lines 8 through 11 (must equal Part VIII, column (A), line 12)..... 30,376,597.
	Expenses	13
14		Benefits paid to or for members (Part IX, column (A), line 4).....
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)..... 19,247,064.
16a		Professional fundraising fees (Part IX, column (A), line 11e).....
16b		Total fundraising expenses (Part IX, column (D), line 25) ▶
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)..... 10,725,447.
Net Assets or Fund Balances	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)..... 29,972,511.
	19	Revenue less expenses. Subtract line 18 from line 12..... 404,086.
	20	Total assets (Part X, line 16)..... 23,580,664.
	21	Total liabilities (Part X, line 26)..... 10,499,680.
	22	Net assets or fund balances. Subtract line 21 from line 20..... 13,080,984.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer

Date

CFO

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

P00171219

Firm's name ▶ Scott, Singleton, Fincher, & Co.

Firm's address ▶ 4815 King Street, Suite A

Greenville, TX 75401

Firm's EIN ▶ 75-1830742

Phone no. (903) 455-4765

May the IRS discuss this return with the preparer shown above? (see instructions)..... ☒ Yes ☐ No

BAA For Paperwork Reduction Act Notice, see the separate instructions.

TEEA0113L 11/16/16

Form 990 (2016)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III. ☒ **X**

1 Briefly describe the organization's mission:

See Schedule O2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If 'Yes,' describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 17,654,039. including grants of \$) (Revenue \$)
PROVIDED MENTAL HEALTH SERVICES INCLUDING CRISIS INTERVENTION SERVICES TO 6,801 ADULT
INDIVIDUALS LIVING IN MONTGOMERY, WALKER AND LIBERTY COUNTIES IN TEXAS. THESE
SERVICES ARE PROVIDED REGARDLESS OF THE CONSUMER'S ABILITY TO PAY FOR THE SERVICES.

4b (Code:) (Expenses \$ 8,089,010. including grants of \$) (Revenue \$)
PROVIDED SERVICES TO 1,141 ADULTS, AS WELL AS CHILDREN AND ADOLESCENTS, WITH
INTELLECTUAL AND DEVELOPMENTAL DISABILITIES IN THE COUNTIES OF MONTGOMERY, WALKER AND
LIBERTY COUNTIES IN TEXAS. THESE SERVICES ARE PROVIDED REGARDLESS OF THE CONSUMER'S
ABILITY TO PAY FOR THE SERVICES.

4c (Code:) (Expenses \$ 3,799,831. including grants of \$) (Revenue \$)
PROVIDED MENTAL HEALTH SERVICES INCLUDING CRISIS INTERVENTION SERVICES TO 1,821
CHILDREN AND ADOLESCENTS LOCATED IN THE COUNTIES OF MONTGOMERY, WALKER AND LIBERTY IN
TEXAS. THESE SERVICES ARE PROVIDED REGARDLESS OF THE CONSUMER'S ABILITY TO PAY FOR
THESE SERVICES.

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ 29,542,880.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If 'Yes,' complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If 'Yes,' complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV	X	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If 'Yes,' complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI	X	
b Did the organization report an amount for investments — other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII		X
c Did the organization report an amount for investments — program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If 'Yes,' complete Schedule D, Part X		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? If 'Yes,' complete Schedule D, Parts XI and XII	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI and XII is optional		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If 'Yes,' complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If 'Yes,' complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If 'Yes,' complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule G, Part I (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If 'Yes,' complete Schedule H.</i>		X
b If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II.</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III.</i>		X
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If 'Yes,' complete Schedule J.</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25a.</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I.</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If 'Yes,' complete Schedule L, Part I.</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If 'Yes,' complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If 'Yes,' complete Schedule L, Part III.</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M.</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II.</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I.</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Part II, III, or IV, and Part V, line 1.</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI.</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

BAA

Form 990 (2016)

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V. ☐

		Yes	No
1 a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.....	1 a 99		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.....	1 b 0		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1 c	X	
2 a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.....	2 a 474		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2 b	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3 a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3 a		X
b If 'Yes,' has it filed a Form 990-T for this year? If 'No' to line 3b, provide an explanation in Schedule O	3 b		
4 a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4 a		X
b If 'Yes,' enter the name of the foreign country: ▶ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5 a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5 a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5 b		X
c If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?	5 c		
6 a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6 a		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6 b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7 a		X
b If 'Yes,' did the organization notify the donor of the value of the goods or services provided?	7 b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7 c		X
d If 'Yes,' indicate the number of Forms 8282 filed during the year.	7 d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7 e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7 f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7 g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7 h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?	9 a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9 b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12.....	10 a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10 b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders.....	11 a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11 b		
12 a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12 a		
b If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year.	12 b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state?	13 a		
Note. See the instructions for additional information the organization must report on Schedule O.			
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13 b		
c Enter the amount of reserves on hand	13 c		
14 a Did the organization receive any payments for indoor tanning services during the tax year?	14 a		X
b If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O	14 b		

Part VI Governance, Management, and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI. ☒

Section A. Governing Body and Management

	Yes	No
1 a Enter the number of voting members of the governing body at the end of the tax year. 1 a 8		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
b Enter the number of voting members included in line 1a, above, who are independent. 1 b 8		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? 2		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? 3		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? 4		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets? 5		X
6 Did the organization have members or stockholders? 6		X
7 a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? 7 a		X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? 7 b		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body? 8 a	X	
b Each committee with authority to act on behalf of the governing body? 8 b	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O. 9		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10 a Did the organization have local chapters, branches, or affiliates? 10 a		X
b If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? 10 b		
11 a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? 11 a	X	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990. See Schedule O		
12 a Did the organization have a written conflict of interest policy? If 'No,' go to line 13. 12 a	X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? 12 b	X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this was done. See Schedule O. 12 c	X	
13 Did the organization have a written whistleblower policy? 13	X	
14 Did the organization have a written document retention and destruction policy? 14	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official. See Schedule O. 15 a	X	
b Other officers or key employees of the organization. See Schedule O. 15 b	X	
If 'Yes' to line 15a or 15b, describe the process in Schedule O (see instructions).		
16 a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? 16 a		X
b If 'Yes,' did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? 16 b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ None

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year. See Schedule O

20 State the name, address, and telephone number of the person who possesses the organization's books and records: ▶

233 SGT ED HOLCOMB BLVD S CONROE TX 77304 936-521-6105

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII. ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1 a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) [REDACTED]	1 0	X						0.	0.	0.
(2) [REDACTED]	1 0	X						0.	0.	0.
(3) [REDACTED]	2 0	X						0.	0.	0.
(4) [REDACTED]	2 0	X						0.	0.	0.
(5) [REDACTED]	1 0	X						0.	0.	0.
(6) [REDACTED]	1 0	X						0.	0.	0.
(7) [REDACTED]	1 0	X						0.	0.	0.
(8) [REDACTED]	1 0	X						0.	0.	0.
(9) [REDACTED]	40 0			X				147,682.	0.	1,029.
(10) [REDACTED]	40 0			X				101,068.	0.	5,425.
(11) [REDACTED]	40 0					X		300,278.	0.	13,741.
(12) [REDACTED]	40 0					X		291,922.	0.	23,183.
(13) [REDACTED]	40 0					X		222,339.	0.	7,125.
(14) [REDACTED]	40 0					X		274,142.	0.	7,128.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) [REDACTED]	40 0					X		273,663.	0.	19,733.
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1 b Sub-total								1,611,094.	0.	77,364.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								1,611,094.	0.	77,364.
2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 7										

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If 'Yes,' complete Schedule J for such individual.</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If 'Yes,' complete Schedule J for such individual.</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If 'Yes,' complete Schedule J for such person.</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
RESCARE 9050 N CAPITAL OF TX HIGHWAY AUSTIN, TX 78759	ICFMR RESIDENTIAL	1,878,372.
TX CYPRESS CREEK HOSPITAL 17750 CALI DRIVE HOUSTON, TX 77090	PSYCHIATRY INPATIENT	890,025.
KINGWOOD PINES HOSPITAL 2001 LADBROOK DRIVE KINGSWOOD, TX 77339	PSYCHIATRY INPATIENT	755,075.
ULTRA STAFF 1818 MEMORIAL DR HOUSTON, TX 77007	STAFFING SERVICE	167,775.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **4**

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII. ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1 a				
	b Membership dues	1 b				
	c Fundraising events	1 c				
	d Related organizations	1 d				
	e Government grants (contributions)	1 e				
	f All other contributions, gifts, grants, and similar amounts not included above	1 f 540,951.				
	g Noncash contributions included in lines 1a-1f: \$					
h Total. Add lines 1a-1f.>			540,951.			
Program Service Revenue	2 a <u>STATE SERVICES CONTRACTS</u>		Business Code 624100	17,112,247.	17,112,247.	
	b <u>MEDICAID REVENUES</u>		624100	12,380,312.	12,380,312.	
	c <u>PATIENT FEES/INSURANCE</u>		624100	766,512.	766,512.	
	d <u>OTHER CONTRACTS</u>		624100	145,484.	145,484.	
	e <u>MEDICARE REVENUES</u>		624100	90,854.	90,854.	
	f All other program service revenue					
	g Total. Add lines 2a-2f.>			30,495,409.		
Other Revenue	3 Investment income (including dividends, interest and other similar amounts)			38,018.		38,018.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents		(i) Real (ii) Personal			
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory		(i) Securities (ii) Other			
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss)					
	8 a Gross income from fundraising events (not including \$					
	of contributions reported on line 1c). See Part IV, line 18.		a 17,000.			
	b Less: direct expenses		b			
	c Net income or (loss) from fundraising events			17,000.		17,000.
	9 a Gross income from gaming activities. See Part IV, line 19.		a			
	b Less: direct expenses		b			
c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances		a				
b Less: cost of goods sold		b				
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code				
11 a <u>GAIN-SALE OF ASSETS</u>			4,035,560.	4,035,560.		
b						
c						
d All other revenue						
e Total. Add lines 11a-11d.>			4,035,560.			
12 Total revenue. See instructions.>			35,126,938.	34,530,969.	0.	55,018.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX.

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21.				
2 Grants and other assistance to domestic individuals. See Part IV, line 22.				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16.				
4 Benefits paid to or for members.				
5 Compensation of current officers, directors, trustees, and key employees.	254,175.	223,166.	31,009.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0.	0.	0.	0.
7 Other salaries and wages.	16,505,655.	14,609,410.	1,896,245.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	1,507,231.	1,337,297.	169,934.	
9 Other employee benefits.	1,470,911.	1,304,792.	166,119.	
10 Payroll taxes.	245,719.	218,015.	27,704.	
11 Fees for services (non-employees):				
a Management.				
b Legal.	62,983.	55,299.	7,684.	
c Accounting.	18,200.	15,980.	2,220.	
d Lobbying.				
e Professional fundraising services. See Part IV, line 17.				
f Investment management fees.				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	18,245.	16,019.	2,226.	
12 Advertising and promotion.	852,501.	748,496.	104,005.	
13 Office expenses.	296,919.	260,695.	36,224.	
14 Information technology.				
15 Royalties.				
16 Occupancy.	406,801.	364,747.	42,054.	
17 Travel.	506,045.	444,308.	61,737.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19 Conferences, conventions, and meetings.				
20 Interest.	326,852.	286,976.	39,876.	
21 Payments to affiliates.				
22 Depreciation, depletion, and amortization.	638,745.	598,105.	40,640.	
23 Insurance.	229,637.	201,621.	28,016.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <u>CONTRACTED SERVICES</u>	6,579,463.	6,579,463.		
b <u>NON CAPITAL EQUIPMENT</u>	732,388.	656,676.	75,712.	
c <u>MEDICATIONS</u>	680,846.	680,846.		
d <u>CONSUMER COSTS</u>	376,922.	376,922.		
e All other expenses.	635,944.	564,047.	71,897.	
25 Total functional expenses. Add lines 1 through 24e.	32,346,182.	29,542,880.	2,803,302.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X. ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash — non-interest-bearing	555,483.	1	592,506.
	2 Savings and temporary cash investments	4,726,231.	2	5,540,408.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	2,367,845.	4	5,043,787.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	283,081.	9	231,948.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 25,603,550.		
	b Less: accumulated depreciation	10b 4,843,087.	15,648,024.	10c 20,760,463.
	11 Investments — publicly traded securities		11	
	12 Investments — other securities. See Part IV, line 11		12	
	13 Investments — program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	23,580,664.	16	32,169,112.	
Liabilities	17 Accounts payable and accrued expenses	4,226,160.	17	1,925,930.
	18 Grants payable		18	
	19 Deferred revenue	416,302.	19	353,681.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	5,249,926.	23	13,385,209.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	607,292.	25	642,552.
	26 Total liabilities. Add lines 17 through 25	10,499,680.	26	16,307,372.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds	13,080,984.	32	15,861,740.
	33 Total net assets or fund balances	13,080,984.	33	15,861,740.
	34 Total liabilities and net assets/fund balances	23,580,664.	34	32,169,112.

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Form 990 (2016)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI. ☐

1	Total revenue (must equal Part VIII, column (A), line 12).....	1	35,126,938.
2	Total expenses (must equal Part IX, column (A), line 25).....	2	32,346,182.
3	Revenue less expenses. Subtract line 2 from line 1.....	3	2,780,756.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)).....	4	13,080,984.
5	Net unrealized gains (losses) on investments.....	5	
6	Donated services and use of facilities.....	6	
7	Investment expenses.....	7	
8	Prior period adjustments.....	8	
9	Other changes in net assets or fund balances (explain in Schedule O).....	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)).....	10	15,861,740.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII. ☐

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.		
2 a Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
2 b Were the organization's financial statements audited by an independent accountant?	X	
If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
2 c If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		
3 a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
3 b If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	X	

Form 990 (2016)

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SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► Attach to Form 990 or Form 990-EZ.

► Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

TRI-COUNTY BEHAVIORAL HEALTHCARE

Employer identification number

76-0032662

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 ☐ An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations: _____
 - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants'.)	640,113.	610,089.	556,201.	521,146.	557,951.	2,885,500.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0.
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						0.
4 Total. Add lines 1 through 3. ...	640,113.	610,089.	556,201.	521,146.	557,951.	2,885,500.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) ..						0.
6 Public support. Subtract line 5 from line 4.						2,885,500.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
7 Amounts from line 4.	640,113.	610,089.	556,201.	521,146.	557,951.	2,885,500.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources.	47,564.	26,086.	22,770.	30,081.	38,018.	164,519.
9 Net income from unrelated business activities, whether or not the business is regularly carried on.						0.
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						0.
11 Total support. Add lines 7 through 10.						3,050,019.
12 Gross receipts from related activities, etc. (see instructions)					12	0.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)).	14	94.61 %
15 Public support percentage from 2015 Schedule A, Part II, line 14.	15	89.44 %
16a 33-1/3% support test—2016. If the organization did not check the box on line 13, and line 14 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization.	<input checked="" type="checkbox"/>	
b 33-1/3% support test—2015. If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization.	<input type="checkbox"/>	
17a 10%-facts-and-circumstances test—2016. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization.	<input type="checkbox"/>	
b 10%-facts-and-circumstances test—2015. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization.	<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions.	<input type="checkbox"/>	

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants'.)						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513.						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf.						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5.						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f)).	15	%
16 Public support percentage from 2015 Schedule A, Part III, line 15.	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f)).	17	%
18 Investment income percentage from 2015 Schedule A, Part III, line 17.	18	%

19a **33-1/3% support tests—2016.** If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization. ☐

b **33-1/3% support tests—2015.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization. ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions. ☐

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

- 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If 'No,' describe in **Part VI** how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.
- 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If 'Yes,' explain in **Part VI** how the organization determined that the supported organization was described in section 509(a)(1) or (2).
- 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If 'Yes,' answer (b) and (c) below.
- b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If 'Yes,' describe in **Part VI** when and how the organization made the determination.
- c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If 'Yes,' explain in **Part VI** what controls the organization put in place to ensure such use.
- 4a Was any supported organization not organized in the United States ('foreign supported organization')? If 'Yes' and if you checked 12a or 12b in Part I, answer (b) and (c) below.
- b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If 'Yes,' describe in **Part VI** how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.
- c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If 'Yes,' explain in **Part VI** what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.
- 5a Did the organization add, substitute, or remove any supported organizations during the tax year? If 'Yes,' answer (b) and (c) below (if applicable). Also, provide detail in **Part VI**, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).
- b **Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?
- c **Substitutions only.** Was the substitution the result of an event beyond the organization's control?
- 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If 'Yes,' provide detail in **Part VI**.
- 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).
- 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).
- 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If 'Yes,' provide detail in **Part VI**.
- b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If 'Yes,' provide detail in **Part VI**.
- c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If 'Yes,' provide detail in **Part VI**.
- 10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If 'Yes,' answer 10b below.
- b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)

	Yes	No
1		
2		
3a		
3b		
3c		
4a		
4b		
4c		
5a		
5b		
5c		
6		
7		
8		
9a		
9b		
9c		
10a		
10b		

Part IV Supporting Organizations (continued)

- 11 Has the organization accepted a gift or contribution from any of the following persons?
- a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?
- b A family member of a person described in (a) above?
- c A 35% controlled entity of a person described in (a) or (b) above? If 'Yes' to a, b, or c, provide detail in **Part VI**.

	Yes	No
11a		
11b		
11c		

Section B. Type I Supporting Organizations

- 1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If 'No,' describe in **Part VI** how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.
- 2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If 'Yes,' explain in **Part VI** how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.

	Yes	No
1		
2		

Section C. Type II Supporting Organizations

- 1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If 'No,' describe in **Part VI** how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).

	Yes	No
1		

Section D. All Type III Supporting Organizations

- 1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?
- 2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If 'No,' explain in **Part VI** how the organization maintained a close and continuous working relationship with the supported organization(s).
- 3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If 'Yes,' describe in **Part VI** the role the organization's supported organizations played in this regard.

	Yes	No
1		
2		
3		

Section E. Type III Functionally Integrated Supporting Organizations

- 1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).
- a ☐ The organization satisfied the Activities Test. Complete **line 2** below.
- b ☐ The organization is the parent of each of its supported organizations. Complete **line 3** below.
- c ☐ The organization supported a governmental entity. Describe in **Part VI** how you supported a government entity (see instructions).

2 Activities Test. Answer (a) and (b) below.

- a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If 'Yes,' then in **Part VI** identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.

- b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If 'Yes,' explain in **Part VI** the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.

3 Parent of Supported Organizations. Answer (a) and (b) below.

- a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in **Part VI**.

- b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If 'Yes,' describe in **Part VI** the role played by the organization in this regard.

	Yes	No
2a		
2b		
3a		
3b		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A – Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4).	8	

Section B – Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C – Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

BAA

Schedule A (Form 990 or 990-EZ) 2016

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)**Section D — Distributions**

Current Year

1	Amounts paid to supported organizations to accomplish exempt purposes	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	
4	Amounts paid to acquire exempt-use assets	
5	Qualified set-aside amounts (prior IRS approval required)	
6	Other distributions (describe in Part VI). See instructions.	
7	Total annual distributions. Add lines 1 through 6.	
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9	Distributable amount for 2016 from Section C, line 6	
10	Line 8 amount divided by Line 9 amount	

Section E — Distribution Allocations (see instructions)(i)
Excess
Distributions(ii)
Underdistributions
Pre-2016(iii)
Distributable
Amount for 2016

1	Distributable amount for 2016 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2016 (reasonable cause required — explain in Part VI). See instructions.			
3	Excess distributions carryover, if any, to 2016:			
a				
b				
c	From 2013			
d	From 2014			
e	From 2015			
f	Total of lines 3a through e			
g	Applied to underdistributions of prior years			
h	Applied to 2016 distributable amount			
i	Carryover from 2011 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4	Distributions for 2016 from Section D, line 7: \$			
a	Applied to underdistributions of prior years			
b	Applied to 2016 distributable amount			
c	Remainder. Subtract lines 4a and 4b from 4.			
5	Remaining underdistributions for years prior to 2016, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.			
6	Remaining underdistributions for 2016. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.			
7	Excess distributions carryover to 2017. Add lines 3j and 4c.			
8	Breakdown of line 7:			
a				
b	Excess from 2013			
c	Excess from 2014			
d	Excess from 2015			
e	Excess from 2016			

BAA

Schedule A (Form 990 or 990-EZ) 2016

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.
(See instructions.)

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► Attach to Form 990, Form 990-EZ, or Form 990-PF.
► Information about Schedule B (Form 990, 990-EZ, 990-PF) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Name of the organization

TRI-COUNTY BEHAVIORAL HEALTHCARE

Employer identification number

76-0032662

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

- ☒ 501(c)(3) (enter number) organization
☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
☐ 527 political organization

Form 990-PF

- ☐ 501(c)(3) exempt private foundation
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☒ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year \$ _____

Caution. An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer 'No' on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2016)

Name of organization

Employer identification number

TRI-COUNTY BEHAVIORAL HEALTHCARE

76-0032662

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	LIBERTY COUNTY, TEXAS 588 CR 2010 HARDIN, TX 77561	\$ 63,627.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	MONTGOMERY COUNTY, TEXAS 301 N THOMPSON SUITE 210 CONROE, TX 77301	\$ 211,525.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	MONTGOMERY COUNTY UNITED WAY 1600 LAKE FRONT CIR #248 THE WOODLANDS, TX 77380	\$ 151,531.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	WALKER COUNTY, TEXAS 1100 UNIVERSITY AVENUE HUNTSVILLE, TX 77340	\$ 28,730.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	WALKER COUNTY HOSPITAL DISTRICT 1411 11TH STREET HUNTSVILLE, TX 77340	\$ 30,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

TRI-COUNTY BEHAVIORAL HEALTHCARE

76-0032662

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	N/A		
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

BAA

Schedule B (Form 990, 990-EZ, or 990-PF) (2016)

Name of organization

TRI-COUNTY BEHAVIORAL HEALTHCARE

Employer identification number

76-0032662

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) \$ N/A

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	N/A		
	<div style="text-align: center;">(e) Transfer of gift</div> <div> <div>Transferee's name, address, and ZIP + 4</div> <div>Relationship of transferor to transferee</div> </div>		
	<div style="text-align: center;">(e) Transfer of gift</div> <div> <div>Transferee's name, address, and ZIP + 4</div> <div>Relationship of transferor to transferee</div> </div>		
	<div style="text-align: center;">(e) Transfer of gift</div> <div> <div>Transferee's name, address, and ZIP + 4</div> <div>Relationship of transferor to transferee</div> </div>		
	<div style="text-align: center;">(e) Transfer of gift</div> <div> <div>Transferee's name, address, and ZIP + 4</div> <div>Relationship of transferor to transferee</div> </div>		
	<div style="text-align: center;">(e) Transfer of gift</div> <div> <div>Transferee's name, address, and ZIP + 4</div> <div>Relationship of transferor to transferee</div> </div>		

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service
Name of the organization

Supplemental Financial Statements

► Complete if the organization answered 'Yes' on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990.

► Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Employer identification number

TRI-COUNTY BEHAVIORAL HEALTHCARE

76-0032662

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.
Complete if the organization answered 'Yes' on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year.		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year.		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part II Conservation Easements.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

- ☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space

- ☐ Preservation of a historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

- a Total number of conservation easements.
b Total acreage restricted by conservation easements.
c Number of conservation easements on a certified historic structure included in (a).
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register.

	Held at the End of the Tax Year
2 a	
2 b	
2 c	
2 d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ► \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered 'Yes' on Form 990, Part IV, line 8.

1 a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

- (i) Revenue included on Form 990, Part VIII, line 1. ► \$
(ii) Assets included in Form 990, Part X. ► \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

- a Revenue included on Form 990, Part VIII, line 1. ► \$
b Assets included in Form 990, Part X. ► \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations

- d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered 'Yes' on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1 a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☒ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIII and complete the following table:

See Part XIII

	Amount
c Beginning balance.....	1 c 28,089.
d Additions during the year.....	1 d
e Distributions during the year.....	1 e 12,014.
f Ending balance.....	1 f 16,075.

2 a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☒ No

b If 'Yes,' explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII. ☐

Part V Endowment Funds. Complete if the organization answered 'Yes' on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1 a Beginning of year balance.....					
b Contributions.....					
c Net investment earnings, gains, and losses.....					
d Grants or scholarships.....					
e Other expenditures for facilities and programs.....					
f Administrative expenses.....					
g End of year balance.....					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Temporarily restricted endowment ▶ _____ %
The percentages on lines 2a, 2b, and 2c should equal 100%.

3 a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations.....	3a(i)	
(ii) related organizations.....	3a(ii)	

b If 'Yes' on line 3a(ii), are the related organizations listed as required on Schedule R? ☐ Yes ☐ No

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1 a Land.....		2,162,511.		2,162,511.
b Buildings.....		20,289,837.	2,480,324.	17,809,513.
c Leasehold improvements.....				
d Equipment.....		3,151,202.	2,362,763.	788,439.
e Other.....				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.).....				20,760,463.

Schedule D (Form 990) 2016

BAA

Part VII Investments – Other Securities.

N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
(I) _____		
Total. (Column (b) must equal Form 990, Part X, column (B) line 12.)		

Part VIII Investments – Program Related.

N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, column (B) line 13.)		

Part IX Other Assets.

N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 15.)	

Part X Other Liabilities.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) COMPENSATED ABSENCES	642,552.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 25.)	642,552.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII. ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements.....		1	35,126,938.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
	a Net unrealized gains (losses) on investments.....	2 a		
	b Donated services and use of facilities.....	2 b		
	c Recoveries of prior year grants.....	2 c		
	d Other (Describe in Part XIII.).....	2 d		
	e Add lines 2a through 2d.....		2 e	
3	Subtract line 2e from line 1.....		3	35,126,938.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b.....	4 a		
	b Other (Describe in Part XIII.).....	4 b		
	c Add lines 4a and 4b.....		4 c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.).....		5	35,126,938.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements.....		1	32,346,182.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
	a Donated services and use of facilities.....	2 a		
	b Prior year adjustments.....	2 b		
	c Other losses.....	2 c		
	d Other (Describe in Part XIII.).....	2 d		
	e Add lines 2a through 2d.....		2 e	
3	Subtract line 2e from line 1.....		3	32,346,182.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b.....	4 a		
	b Other (Describe in Part XIII.).....	4 b		
	c Add lines 4a and 4b.....		4 c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.).....		5	32,346,182.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part IV, Line 1b - Contributions Or Other Assets Not Included on B/S

THE CENTER HOLDS FUNDS IN A FIDUCIARY CAPACITY FOR CONSUMERS WHO NEED ASSISTANCE WITH MANAGING THEIR FUNDS.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered 'Yes' on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

► Attach to Form 990 or Form 990-EZ.

► Information about Schedule G (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

TRI-COUNTY BEHAVIORAL HEALTHCARE

Employer identification number

76-0032662

Part I Fundraising Activities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☒ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☒ No

b If 'Yes,' list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in column (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total						0.

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered 'Yes' on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b.
List events with gross receipts greater than \$5,000.

	(a) Event #1 GOLF TOURNEY (event type)	(b) Event #2 (event type)	(c) Other events None (total number)	(d) Total events (add column (a) through column (c))
	REVENUE			
1 Gross receipts.....	17,000.			17,000.
2 Less: Contributions.....				
3 Gross income (line 1 minus line 2).....	17,000.			17,000.
DIRECT EXPENSES				
4 Cash prizes.....				
5 Noncash prizes.....				
6 Rent/facility costs.....				
7 Food and beverages.....				
8 Entertainment.....				
9 Other direct expenses.....				
10 Direct expense summary. Add lines 4 through 9 in column (d).....				
11 Net income summary. Subtract line 10 from line 3, column (d).....				17,000.

Part III Gaming. Complete if the organization answered 'Yes' on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

	(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add column (a) through column (c))
REVENUE				
1 Gross revenue.....				
DIRECT EXPENSES				
2 Cash prizes.....				
3 Noncash prizes.....				
4 Rent/facility costs.....				
5 Other direct expenses.....				
6 Volunteer labor.....	Yes _____ % No	Yes _____ % No	Yes _____ % No	
7 Direct expense summary. Add lines 2 through 5 in column (d).....				
8 Net gaming income summary. Subtract line 7 from line 1, column (d).....				

9 Enter the state(s) in which the organization conducts gaming activities: _____

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If 'No,' explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If 'Yes,' explain: _____

- 11 Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12 Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity conducted in:

a The organization's facility	13a	%
b An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

- 15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No
- b If 'Yes,' enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____
- c If 'Yes,' enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

☐ Director/officer

☐ Employee

☐ Independent contractor

17 Mandatory distributions

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No
- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

► **Complete if the organization answered 'Yes' on Form 990, Part IV, line 23.**

► **Attach to Form 990.**

► **Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.**

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Name of the organization

TRI-COUNTY BEHAVIORAL HEALTHCARE

Employer identification number

76-0032662

Part I Questions Regarding Compensation

1 a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

☐ First-class or charter travel

☐ Travel for companions

☐ Tax indemnification and gross-up payments

☐ Discretionary spending account

☐ Housing allowance or residence for personal use

☐ Payments for business use of personal residence

☐ Health or social club dues or initiation fees

☐ Personal services (such as, maid, chauffeur, chef)

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If 'No,' complete Part III to explain.

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

☐ Compensation committee

☐ Independent compensation consultant

☐ Form 990 of other organizations

☒ Written employment contract

☐ Compensation survey or study

☒ Approval by the board or compensation committee

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If 'Yes' to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If 'Yes' on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If 'Yes' on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If 'Yes,' describe in Part III.

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)?

If 'Yes,' describe in Part III.

9 If 'Yes' on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1 b

2

4 a

4 b

4 c

5 a

5 b

6 a

6 b

7

8

9

X

X

X

X

X

X

X

X

X

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2016

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
<div>[REDACTED]</div>	(i) 300,278.	0.	0.	0.	13,741.	314,019.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
1	(i) 291,922.	0.	0.	21,984.	1,199.	315,105.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
2	(i) 222,339.	0.	0.	0.	7,125.	229,464.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
3	(i) 274,142.	0.	0.	0.	7,128.	281,270.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
4	(i) 273,663.	0.	0.	0.	19,733.	293,396.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
5	(i) 0.	0.	0.	0.	0.	0.	0.
6	(i) 0.	0.	0.	0.	0.	0.	0.
7	(i) 0.	0.	0.	0.	0.	0.	0.
8	(i) 0.	0.	0.	0.	0.	0.	0.
9	(i) 0.	0.	0.	0.	0.	0.	0.
10	(i) 0.	0.	0.	0.	0.	0.	0.
11	(i) 0.	0.	0.	0.	0.	0.	0.
12	(i) 0.	0.	0.	0.	0.	0.	0.
13	(i) 0.	0.	0.	0.	0.	0.	0.
14	(i) 0.	0.	0.	0.	0.	0.	0.
15	(i) 0.	0.	0.	0.	0.	0.	0.
16	(i) 0.	0.	0.	0.	0.	0.	0.

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

► Attach to Form 990 or 990-EZ.

► Information about Schedule O (Form 990 or 990-EZ) and its instructions is
at www.irs.gov/form990.

OMB No. 1545-0047

2016

**Open to Public
Inspection**

Employer identification number

TRI-COUNTY BEHAVIORAL HEALTHCARE

76-0032662

Form 990, Part III, Line 1 - Organization Mission

THE ORGANIZATION IS A PUBLIC AGENCY THAT ENSURES THE PROVISION OF QUALITY SERVICES FOR INDIVIDUALS WITH MENTAL ILLNESS AND INTELLECTUAL AND DEVELOPMENTAL DISABILITIES AND ENHANCES THEIR QUALITY OF LIFE IN MONTGOMERY, WALKER AND LIBERTY COUNTIES IN TEXAS.

Form 990, Part VI, Line 11b - Form 990 Review Process

A PDF COPY OF THE FORM 990 IS PROVIDED TO THE MEMBERS OF THE BOARD FOR REVIEW PRIOR TO FILING.

Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts

THE BOARD REVIEWS ALL MAJOR CONTRACTS AND TRANSACTIONS. THE CFO WILL ADVISE THE BOARD ABOUT ANY CONTRACT OR TRANSACTIONS WITH A RELATED PARTY AT THE BOARD MEETING. NO RELATED PARTY TRANSACTIONS OCCURRED DURING THIS 990 PERIOD.

Form 990, Part VI, Line 15a - Compensation Review & Approval Process - CEO & Top Management

THE BOARD REVIEWS SALARY SURVEYS FROM SIMILAR ORGANIZATIONS AND GIVES CONSIDERATION TO COMPENSATION PAID BY OTHER LOCAL AUTHORITIES FOR SIMILAR POSITIONS IN TEXAS.

Form 990, Part VI, Line 15b - Compensation Review & Approval Process - Officers & Key Employees

THE BOARD REVIEWS SALARY SURVEYS FROM SIMILAR ORGANIZATIONS AND GIVES CONSIDERATION TO COMPENSATION PAID FOR SIMILAR POSITIONS BY LOCAL AUTHORITIES IN TEXAS.

Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available

THESE ITEMS ARE MADE AVAILABLE UPON REQUEST.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

- ▶ Complete if the organization answered 'Yes' on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.
- ▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

TRI-COUNTY BEHAVIORAL HEALTHCARE

Employer identification number

76-0032662

Part I Identification of Disregarded Entities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					

(2) -----					

(3) -----					

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered 'Yes' on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501 (c)(3))	(f) Direct controlling entity	(g) Sec 512(b)(13) controlled entity?	
						Yes	No
(1) INDEPENDENCE COMMUNITIES, INC. P O BOX 3067 CONROE, TX 77305 55-0809542	HOUSING SUPPORT - LOW INCOME POPULATION	TX	501 (C) (3)	NOT A PRIVATE FDN	N/A		X
(2) MONTGOMERY SUPPORTED HOUSING, INC. P O BOX 3067 CONROE, TX 77305 26-2526385	HOUSING SUPPORT - LOW INCOME POPULATION	TX	501 (C) (3)	NOT A PRIVATE FDN	N/A		X
(3) CLEVELAND SUPPORTED HOUSING, INC. P O BOX 3067 CONROE, TX 77305 45-4729728	HOUSING SUPPORT - LOW INCOME POPULATION	TX	501 (C) (3)	NOT A PRIVATE FDN	N/A		X
(4) -----							

Part III Identification of Related Organizations Taxable as a Partnership Complete if the organization answered 'Yes' on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) -----												

(2) -----												

(3) -----												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust Complete if the organization answered 'Yes' on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Sec 512(b)(13) controlled entity?	
								Yes	No
(1) -----									

(2) -----									

(3) -----									

Part V Transactions With Related Organizations. Complete if the organization answered 'Yes' on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a	Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity.	1 a		X
b	Gift, grant, or capital contribution to related organization(s).	1 b		X
c	Gift, grant, or capital contribution from related organization(s).	1 c		X
d	Loans or loan guarantees to or for related organization(s).	1 d		X
e	Loans or loan guarantees by related organization(s).	1 e		X
f	Dividends from related organization(s).	1 f		X
g	Sale of assets to related organization(s).	1 g		X
h	Purchase of assets from related organization(s).	1 h		X
i	Exchange of assets with related organization(s).	1 i		X
j	Lease of facilities, equipment, or other assets to related organization(s).	1 j		X
k	Lease of facilities, equipment, or other assets from related organization(s).	1 k		X
l	Performance of services or membership or fundraising solicitations for related organization(s).	1 l		X
m	Performance of services or membership or fundraising solicitations by related organization(s).	1 m		X
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s).	1 n		X
o	Sharing of paid employees with related organization(s).	1 o		X
p	Reimbursement paid to related organization(s) for expenses.	1 p		X
q	Reimbursement paid by related organization(s) for expenses.	1 q		X
r	Other transfer of cash or property to related organization(s).	1 r		X
s	Other transfer of cash or property from related organization(s).	1 s		X

2 If the answer to any of the above is 'Yes,' see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.		(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered 'Yes' on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) -----													

(2) -----													

(3) -----													

(4) -----													

(5) -----													

(6) -----													

(7) -----													

(8) -----													

Part VII Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

Agenda Item: 3 rd Quarter FY 2018 Quarterly Investment Report Committee: Business	Board Meeting Date July 26, 2018
Background 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.	
Supporting Documentation: Quarterly TexPool Investment Report Quarterly Interest Report	
Recommended Action: For Information Only	

**TRI-COUNTY BEHAVIORAL HEALTHCARE
QUARTERLY INTEREST EARNED REPORT
FISCAL YEAR 2018
As Of May 31, 2018**

BANK NAME	INTEREST EARNED				
	1st QTR.	2nd QTR.	3rd QTR.	4th QTR.	YTD TOTAL
Alliance Bank - Central Texas CD	\$ 475.91	\$ 475.21	\$ 463.21		\$ 1,414.33
First Financial Bank CD	\$ 3,438.88	\$ 3,401.09	\$ 3,476.67		\$ 10,316.65
First Liberty National Bank	\$ 0.89	\$ 1.13	\$ 1.22		\$ 3.24
JP Morgan Chase (HBS)	\$ 4,123.96	\$ 5,057.21	\$ 7,614.20		\$ 16,795.37
Prosperity Bank	\$ 63.84	\$ 63.18	\$ 87.10		\$ 214.12
Prosperity Bank CD (formerly Tradition)	\$ 3,865.55	\$ 3,877.63	\$ 3,805.19		\$ 11,548.37
TexPool Participants	\$ 158.12	\$ 193.03	\$ 254.49		\$ 605.64
Total Earned	\$ 12,127.15	\$ 13,068.48	\$ 15,702.08	\$ -	\$ 40,897.72

QUARTERLY INVESTMENT REPORT TEXPOOL FUNDS

For the Period Ending May 31, 2018

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	(85.79)	68.93	(312,844.66)
Accrual of Interest Income	9,719,142.02	7,624,464.07	8,331,711.98
Interest and Management Fees Payable	(25,586,089.71)	(26,790,215.11)	(27,779,178.60)
Payable for Investments Purchased	(249,374,305.55)	0.00	(100,000,000.00)
Accrued Expense & Taxes	(70,614.78)	(24,083.78)	(23,326.83)
Repurchase Agreements	3,039,473,000.00	6,249,563,000.00	6,497,011,000.00
Mutual Fund Investments	776,022,103.88	776,022,103.88	776,022,103.88
Government Securities	12,319,290,132.33	11,824,413,797.92	10,935,963,146.58
U.S. Treasury Bills	961,277,165.98	527,047,809.66	725,965,553.00
U.S. Treasury Notes	299,337,793.00	299,410,302.50	249,534,275.00
TOTAL	19,269,156,239.09	19,657,267,248.07	19,064,712,440.35

Book Value for the Period

Type of Asset	Beginning Balance	Ending Balance
Uninvested Balance	(500,056.66)	(312,844.66)
Accrual of Interest Income	7,019,102.00	8,331,711.98
Interest and Management Fees Payable	(22,106,258.87)	(27,779,178.60)
Payable for Investments Purchased	(328,302,403.01)	(100,000,000.00)
Accrued Expenses & Taxes	19,708.05	(23,326.83)
Repurchase Agreements	4,335,693,000.00	6,497,011,000.00
Mutual Fund Investments	976,022,103.88	776,022,103.88
Government Securities	14,985,592,007.92	10,936,890,820.07
U.S. Treasury Bills	228,862,864.97	725,927,688.84
U.S. Treasury Notes	299,719,528.94	249,792,503.75
TOTAL	\$20,482,019,597.22	\$19,065,860,478.43

Portfolio by Maturity as of May 31, 2018

1 to 7 days	8 to 90 day	91 to 180 days	181 + days
45.6%	46.3%	7.7%	0.4%

Portfolio by Type of Investments as of May 31, 2018

Agencies	Repurchase Agreements	Treasuries	Money Market Funds
57.0%	33.9%	5.1%	4.0%

SUMMARY INFORMATION

On a simple daily basis, the monthly average yield was 1.5156% for March, 1.6704% for April and 1.7159% 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, 2018 was 29 days.

The net asset value as of May 31, 2018 was 0.99994.

The total amount of interest distributed to participants during the period was \$80,153,902.62.

This quarter, TexPool rates did not exceed the 90 Day T-Bill rates toward the end of the 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 2,478.

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]

Manager of Accounting / Investment Officer

6/22/18

Date

[Redacted Signature]

Chief Financial Officer / Investment Officer

6/26/18

Date

[Redacted Signature]

Executive Director / Investment Officer

6/27/18

Date

Agenda Item: Board of Trustees Unit Financial Statement as of May and June 2018 Committee: Business	Board Meeting Date July 26, 2018
Background Information: None	
Supporting Documentation: May and June 2018 Board of Trustees Unit Financial Statement	
Recommended Action: For Information Only	

Unit Financial Statement

FY 2018

	May 2018 Actuals	May 2018 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues								
Allocated Revenue	\$ 2,554.00	\$ 2,554.00	\$ -	\$ 22,983.00	\$ 22,983.00	\$ -	100.00%	\$ 30,645.00
Total Revenue	\$ 2,554.00	\$ 2,554.00	\$ -	\$ 22,983.00	\$ 22,983.00	\$ -	100.00%	\$ 30,645.00
Expenses								
Food Items	\$ -	\$ 167.00	\$ (167.00)	\$ -	\$ 1,499.00	\$ (1,499.00)	0.00%	\$ 2,000.00
Insurance-Worker Compensation	\$ 7.91	\$ 17.00	\$ (9.09)	\$ 73.82	\$ 149.00	\$ (75.18)	49.54%	\$ 200.00
Legal Fees	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 13,500.00	\$ 13,500.00	\$ -	100.00%	\$ 18,000.00
Supplies-Office	\$ -	\$ 20.00	\$ (20.00)	\$ 12.00	\$ 185.00	\$ (173.00)	0.00%	\$ 245.00
Training	\$ -	\$ 300.00	\$ (300.00)	\$ 650.00	\$ 2,700.00	\$ (2,050.00)	24.07%	\$ 3,600.00
Travel - Local	\$ -	\$ 50.00	\$ (50.00)	\$ -	\$ 450.00	\$ (450.00)	0.00%	\$ 600.00
Travel - Non-local Mileage/Air	\$ -	\$ 150.00	\$ (150.00)	\$ 864.90	\$ 1,350.00	\$ (485.10)	64.07%	\$ 1,800.00
Travel - Non-local Hotel	\$ -	\$ 250.00	\$ (250.00)	\$ 1,798.45	\$ 2,250.00	\$ (451.55)	79.93%	\$ 3,000.00
Travel - Meals	\$ -	\$ 100.00	\$ (100.00)	\$ 478.40	\$ 900.00	\$ (421.60)	53.16%	\$ 1,200.00
Total Expenses	\$ 1,507.91	\$ 2,554.00	\$ (1,046.09)	\$ 17,377.57	\$ 22,983.00	\$ (5,605.43)	75.61%	\$ 30,645.00
Total Revenue minus Expenses	\$ 1,046.09	\$ -	\$ 1,046.09	\$ 5,605.43	\$ -	\$ 5,605.43	24.39%	\$ -

Unit Financial Statement

FY 2018

	June 2018 Actuals	June 2018 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues								
Allocated Revenue	\$ 2,554.00	\$ 2,554.00	\$ -	\$ 25,537.00	\$ 25,537.00	\$ -	100.00%	\$ 30,645.00
Total Revenue	\$ 2,554.00	\$ 2,554.00	\$ -	\$ 25,537.00	\$ 25,537.00	\$ -	100.00%	\$ 30,645.00
Expenses								
Food Items	\$ -	\$ 167.00	\$ (167.00)	\$ -	\$ 1,666.00	\$ (1,666.00)	0.00%	\$ 2,000.00
Insurance-Worker Compensation	\$ 9.67	\$ 17.00	\$ (7.33)	\$ 83.49	\$ 166.00	\$ (82.51)	50.30%	\$ 200.00
Legal Fees	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	100.00%	\$ 18,000.00
Supplies-Office	\$ -	\$ 20.00	\$ (20.00)	\$ 12.00	\$ 205.00	\$ (193.00)	0.00%	\$ 245.00
Training	\$ -	\$ 300.00	\$ (300.00)	\$ 650.00	\$ 3,000.00	\$ (2,350.00)	21.67%	\$ 3,600.00
Travel - Local	\$ -	\$ 50.00	\$ (50.00)	\$ -	\$ 500.00	\$ (500.00)	0.00%	\$ 600.00
Travel - Non-local Mileage/Air	\$ 212.10	\$ 150.00	\$ 62.10	\$ 1,077.00	\$ 1,500.00	\$ (423.00)	71.80%	\$ 1,800.00
Travel - Non-local Hotel	\$ 686.96	\$ 250.00	\$ 436.96	\$ 2,485.41	\$ 2,500.00	\$ (14.59)	99.42%	\$ 3,000.00
Travel - Meals	\$ 581.92	\$ 100.00	\$ 481.92	\$ 1,060.32	\$ 1,000.00	\$ 60.32	106.03%	\$ 1,200.00
Total Expenses	\$ 2,990.65	\$ 2,554.00	\$ 436.65	\$ 20,368.22	\$ 25,537.00	\$ (5,168.78)	79.76%	\$ 30,645.00
Total Revenue minus Expenses	\$ (436.65)	\$ -	\$ (436.65)	\$ 5,168.78	\$ -	\$ 5,168.78	20.24%	\$ -

Agenda Item: HUD 811 Update Committee: Business	Board Meeting Date July 26, 2018
Background Information: As you are aware our HUD 811 housing projects are funded with the expectation that they remain viable for the next forty (40) years. Once this time period is met, HUD considers the program obligation met (i.e. loan paid in full). Each of the Housing Boards is appointed by the Board of Trustees and each organization is a component unit of Tri-County Behavioral Healthcare. As a Liaison to these projects, Tri-County has established a quarterly reporting mechanism to keep the Board of Trustees updated on the status of these projects.	
Supporting Documentation: Third Quarter FY 2018 HUD 811 Report	
Recommended Action: For Information Only	

3rd Quarter FY 2018 HUD 811 Report

The Cleveland Supported Housing, Inc. Board (CSHI) held their last meeting on June 22, 2018, where they reviewed project updates and financial status. The property is at 100% capacity with five (5) approved applications on the waiting list and several pending.

TCC multifamily provided us with a proposal for installation of the 8 mil wear layer vinyl plank flooring option and McDougal staff selected the color they felt would fit best with the current color scheme at the property. Staff have notified Cook Construction that the Board has voted in favor of the removal and installation and we are currently awaiting direction from Grant on who the contact point will be for McDougal to work out the logistics.

Staff made a visit to the property on June 11, 2018 to walk the property and visit with property management about remaining maintenance issues and resident status. Residents are reported to be doing well at this time and participation in community activities remains strong. There have continued to be several issues reported by property management, including: a few pieces of brick and siding have fallen off of the building, the back fence to the dumpster recently fell over, the fire sprinklers are popping out of place in the ceilings and it has been discovered that the insulation has been falling from the eaves.

McDougal Property Management and the CSHI Board have expressed some concern about the general quality of the property, however, at this time, Cook construction has continued to respond to our concerns on these issues as we wade through what items should be covered by warranty and what items will be a maintenance expense going forward for the property.

As of April 30, 2018, the Payable to Tri-County is \$36,707.00.

The current CSHI bylaws state that the minimum number of directors may not be less than three (3) at any given time and we are currently at four (4). Although not required, we continue to be open to the prospect of additional Board members for the CSHI Board.

The Montgomery Supported Housing, Inc. Board (MSHI) held their last meeting on June 26, 2018, where they reviewed project updates and financial status. The property is at 100% capacity with six (6) approved individuals on the waiting list. Staff made a visit to the property on June 8, 2018 to meet with property management and

discuss any maintenance issues as well as resident status. Updates from McDougal Property Management to date include a report of some issues with the Fire Alarm Monitoring System which resulted in switching service providers and outlined activities that the residents are participating in such as Bingo which is held twice a month with pizza, drinks, and prizes.

As of April 30, 2018, the payable to Tri-County is \$31,943.86 and the property operated with a net loss of (172.22) for the year which was \$2,024.22 worse than budgeted. Staff reviewed amounts over budget and did not see anything out of the ordinary. A few of these items such as audit expense will even out throughout the year. As you may recall, these projects are intended to break even and it is not unusual to see small losses from time to time although we do keep a close eye on the overall status and line items which are over budget to ensure the ongoing viability of the project.

The Independence Communities, Inc. Board (ICI) held their last meeting on June 26, 2018, where they reviewed project updates and financial status. The property is at 100% capacity with five (5) approved applicants on the waiting list. During a scheduled maintenance visit to our Tri-County building on May 17th, staff noted that the property was well maintained and there were no significant maintenance issues visible at the time of this report.

Since the last meeting, we unfortunately learned about the death of one of the residents due to what appears to be medical complications and the death of a previous resident with medical complications who was known well to many of the current residents. Tri-County staff have reached out to the property manager to offer support and will continue to provide assistance as needed during this difficult time.

As of the April financials, the property has a net operating income of \$1,496.82. Following required payments to the RFR, there was a net loss for the year of (\$803.18) primarily due to the 2017 annual audit hitting the expense line during this period. This should even out throughout the year.

This November, Independence Place will have been open for thirteen (13) years (since November 2005), and is roughly twenty-seven (27) years away from HUD forgiving this debt.

Agenda Item: Tri-County's Consumer Foundation Update Committee: Business	Board Meeting Date: July 26, 2018
Background Information: Tri-County's Consumer Foundation Board of Directors held a Board meeting on July 19, 2018 where they welcomed new board members: Kris Karain, Roger Puccio-Johnson and Phillip Dupuis; which were approved by the Tri-County Board of Trustees on April 26, 2018, bringing the total TCCF Board members to seven (7). The Board also approved the Funds Distribution Procedure and the Financial Assistance Application, giving the Board the ability to begin distributing funds to TCBHC's consumers. The Board discussed several fundraising ideas and has chosen a Golf Ball drop and "Trick it Up" parade for its next fundraiser, to be held on Saturday, October 27 th . In addition the Board is working on developing a "Bike, Run, and Walk" fundraiser for early Spring 2019.	
Supporting Documentation: None	
Recommended Action: For Information Only	

UPCOMING MEETINGS

August 30, 2018 – Board Meeting

- Approve Minutes from July 26, 2018 Board Meeting
- Community Resources Report
- Consumer Services Report for July 2018
- Program Updates
- Annual Election of FY 2019 Board Officers
- Executive Director's Evaluation, Compensation & Contract for FY 2019
- Personnel Report for July 2018
- Texas Council Risk Management Fund Claims Summary for July 2018
- Texas Council Quarterly Board Meeting Verbal Update
- Approve July 2018 Financial Statements
- Approve FY 2018 Year End Budget Revision
- Approve Proposed FY 2019 Operating Budget
- Board of Trustees Unit Financial Statement for July 2018

September 27, 2018 – Board Meeting

- Approve Minutes from August 30, 2018 Board Meeting
- Approve Goals and Objectives for FY 2019
- Community Resources Report
- Consumer Services Report for August 2018
- Program Updates
- Annual PNAC Reports
- FY 2018 Goals & Objectives Progress Report 4th Quarter
- 4th Quarter FY 2018 Corporate Compliance and Quality Management Report
- Annual Corporate Compliance Report and 1st Quarter FY 2019 Corporate Compliance Training
- Appoint Texas Council Representative and Alternate for FY 2019
- Board of Trustees Reappointments and Oaths of Office
- Board of Trustee Committee Appointments
- Analysis of Board Members Attendance for FY 2018 Regular and Special Called Board Meetings
- Personnel Report for August 2018
- Texas Council Risk Management Fund Claims Summary for August 2018
- Authorize Check Signers
- Approve FY 2019 Dues Commitment and Payment Schedule for Texas Council
- Review Preliminary August 2018 Financial Statements
- 4th Quarter Investment Report
- Board of Trustees Unit Financial Statement for August 2018
- HUD 811 Updates – Montgomery, Cleveland and Huntsville
- Foundation Board Update

Tri-County Acronyms - Updated 6/26/18	
1115	Medicaid 1115 Transformation Waiver
ACT	Assertive Community Treatment
APS	Adult Protective Services
ADRC	Aging and Disability Resource Center
ANSA	Adult Needs and Strengths Assessment
AOP	Adult Outpatient
APRN	Advanced Practice Registered Nurse
ARDS	Assignment Registration and Dismissal Services
BJA	Bureau of Justice Administration
BMI	Body Mass Index
C&Y	Child & Youth Services
CAM	Cost Accounting Method
CANS	Child and Adolescent Needs and Strengths
CARE	Client Assignment Registration & Enrollment
CBT	Computer Based Training & Cognitive Based Therapy
CC	Corporate Compliance
CFP	Certified Family Partner
CFRT	Child Fidelity Review Team
CHIP	Children's Health Insurance Program
CIRT	Crisis Intervention Response Team
COPSD	Co-Occurring Psychiatric and Substance Abuse Disorders
CPS	Child Protective Service
CRCG	Community Resource Coordination Group
CSHI	Cleveland Supported Housing, Inc.
DADS	Department of Aging and Disability Service
DFPS	Department of Family and Protective Services
DOB	Date of Birth
DRPS	Department of Protective and Regulatory Services
DSHS	Department of State Health Services
Dx	Diagnosis
ETBHN	East Texas Behavioral Healthcare Network
FLSA	Fair Labor Standards Act
FY	Fiscal Year
HCBS-AMH	Home and Community based Services - Adult Mental Health
HCS	Home and Community based Services
HHSC	Health & Human Services Commission
HIPAA	Health Insurance Portability & Accountability Act
HR	Human Resources
ICAP	Inventory for Client and Agency Planning
ICF-IID	Intermediate Care Facility - for Individuals w/Intellectual Disabilities
ICI	Independence Communities, Inc.
IDD PNAC	Intellectual and Developmental Disabilities Planning Network Advisory Committee
IHP	Individual Habilitative Plan
IMR	Illness Management and Recovery
IPE	Initial Psychiatric Evaluation
IPP	Individual Program Plan
ITP	Individual Transition Planning (schools)
JUM	Junior Utilization Management Committee
LAR	Legally Authorized Representative
LCDC	Licensed Chemical Dependency Counselor
LCSW	Licensed Clinical Social Worker
LIDDA	Local Intellectual & Developmental Disabilities Authority
LMC	Leadership Montgomery County
LOC	Level of Care (MH)
LOC-TAY	Level of Care - Transition Age Youth
LON	Level Of Need (IDD)
LOSS	Local Outreach for Suicide Survivors

LMSW	Licensed Masters Social Worker
LMFT	Licensed Marriage and Family Therapist
LPHA	Licensed Practitioner of the Healing Arts
LPC	Licensed Professional Counselor
LSFHC	Lone Star Family Health Center
LTD	Long Term Disability
LVN	Licensed Vocational Nurse
MAC	Medicaid Administrative Claiming
MCHC	Montgomery County Homeless Coalition
MCHD	Montgomery County Hospital District
MCOT	Mobile Crisis Outreach Team
MD	Medical Director/Doctor
MHFA	Mental Health First Aid
MIS	Management Information Services
MOU	Memorandum of Understanding
MSHI	Montgomery Supported Housing, Inc.
MTP	Master Treatment Plan
MVPN	Military Veteran Peer Network
NAMI	National Alliance for the Mentally Ill
NEO	New Employee Orientation
NGM	New Generation Medication
NGRI	Not guilty for Reason of Insanity
PA	Physician's Assistant
PAP	Patient Assistance Program
PASRR	Pre-Admission Screening and Resident Review
PATH	Projects for Assistance in Transition from Homelessness (PATH)
PETC	Psychiatric Emergency Treatment Center
PFA	Psychological First Aid
PNAC	Planning Network Advisory Committee
PRN	Practice Registered Nurse
PRS	Psychosocial Rehab Specialist
PQI	Partnership for Quality Improvement
QIDP	Qualified Intellectual Disabilities Professional
QM	Quality Management
QMHP	Qualified Mental Health Professional
RN	Registered Nurse
RPNAC	Regional Planning & Network Advisory Committee
SAMA	Satori Alternatives to Managing Aggression
SAMHSA	Substance Abuse and Mental Health Services Administration
SH	Supported Housing
SUD	Substance Use Disorder
TAC	Texas Administrative Code
TCBHC	Tri-County Behavioral Healthcare
TCCF	Tri-County Consumer Foundation
TCOOMMI	Texas Correction Office on Offenders with Medical & Mental Impairments
TCO	Treatment Co-Occurring Mental Health and Substance Abuse Services
TCRMF	Texas Council Risk Management Fund
TIC	Trauma Informed Care
TRA	Treatment Adult Services (Substance Abuse)
TRR	Texas Resilience and Recovery
TxHML	Texas Home Living
TRY	Treatment Youth Services (Substance Abuse)
UM	Utilization Management
UW	United Way
YES	Youth Empowerment Services
YMHFA	Youth Mental Health First Aid
YPS	Youth Prevention Services