

MINUTES

THE DEEP EAST TEXAS REGIONAL MENTAL HEALTH MENTAL RETARDATION SERVICES BOARD OF TRUSTEES MEETING

DECEMBER 15, 1987

BOARD MEMBERS PRESENT:

Judge Allen Sturrock, Chairman
Mr. Dan D. Dominey, Vice Chairman
Mr. Perry Sampson, Secretary
Mr. Ward R. Burke
Mrs. Beth Brice
Judge Charles English
Mrs. Bobbie Morgan

BOARD MEMBERS ABSENT:

Nancy Speck, Ph.D.
Rev. Ed Dodson
Rev. Robert Carter

OTHERS PRESENT:

Jim McDermott, Ph.D.	MHMR
Mr. Sandy Skelton	MHMR
Mrs. Linda Naff	MHMR
Mr. George Patterson	MHMR
Mr. Larry Heaton	MHMR
Mrs. Susan Rushing	MHMR
Mrs. Sandy Vann	MHMR
Sheryl Taylor	MHMR
Allen Shapiro, M.D.	MHMR
Matt Jacoby	Alexander, Langford & Hiers

The 181st meeting of the Board of Trustees was held in the Ward R. Burke Community Room of the Central Administration facility, 4101 South Medford Drive, Lufkin, on Tuesday, December 15, 1987 at 5:30 P.M.

INVOCATION: Mr. Perry Sampson gave the invocation.

CALL TO ORDER AND RECOGNITION OF GUESTS: There being a quorum present, Chairman Sturrock called the meeting to order at 5:30 P.M. He recognized Allen Shapiro, M.D., our new psychiatrist at the Angelina MHMR Center, and Mr. Matt Jacoby of Alexander, Langford, and Hiers who will discuss the Management Letter from the auditors.

APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING: There being no additions or corrections to the Minutes of the November Board Workshop or Meeting, on a motion by Mr. Dominey, seconded by Mrs.

Morgan, the Board unanimously approved the Minutes of the November 24, 1987 Board Workshop and Meeting.

COMMITTEE RECOMMENDATIONS FOR BOARD APPROVAL

Budget and Finance Committee - Rev. Ed Dodson, Chairman

Consideration of Treasurer's Report: On a motion by Judge English, seconded by Mr. Dominey, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Balance Sheet, Operating Statement, Statement of Changes in Fund Balance and Reserve, Internal Advances - Accounts Receivable, Internal Advances - Accounts Payable, and Budget Summaries of Receipts and Expenditures for the month of November, 1987 be approved as submitted; and THAT copies of each report be attached to the permanent Minutes of this Board Meeting.

Consideration of First Quarter Expenditure Report: On a motion by Mr. Dominey, seconded by Judge English, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Board approve the First Quarter Financial and Performance Report for FY 1988; THAT the Board Chairman be authorized to sign the Transmittal Form; THAT the report be submitted to TDMHMR; and THAT a copy be maintained in the office of Business Services.

Consideration of Response to Auditor's Management Letter: On a motion by Judge English, seconded by Mr. Dominey, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the response to the Auditors' Management Letter pertaining to the audit for FY 1987 be approved as submitted, and THAT the response be forwarded to Alexander, Lankford & Hiers, Inc., and to TDMHMR.

Mr. Jacoby reviewed the auditors report at this time and answered questions presented by the Board.

Consideration of Revised Fee Schedule: On a motion by Mr. Dominey, seconded by Judge English, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the proposed revised Fee Schedule be approved as submitted; THAT it become effective January 1, 1988, and THAT a copy of the document be maintained in the office of Business Services.

Consideration of Peavy Switch Purchases: On a motion by Judge English, seconded by Mr. Sampson, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the bid submitted by Bayou Brokerage Interiors, Inc. in the amount of \$41,842.64, plus freight charges, for the purchase of residential and office furniture for the Peavy Switch Farm be approved as submitted, THAT the Executive Director be authorized to sign all paperwork associated with these purchases, and THAT each of the bid proposals be incorporated within the Minutes of this Board meeting, as well as kept on file in the Business Office.

Program Committee - Mr. Ward R. Burke, Chairman

Consideration of Centerwide Mission Statement and Goals: On a motion by Mrs. Morgan, seconded by Mr. Burke, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the proposed Mission Statement and Goals be adopted and that the Executive Director provide the direction and leadership necessary to move MHMR toward reaching those goals; THAT the Executive Director provide a status report to the Board on progress toward obtaining or maintaining stated goals; THAT the goals give direction to the Annual and Five-Year Plan, and THAT a copy of the Mission and Goals Statement be maintained in the office of the Executive Director.

Consideration of Revised Board Policy: The Board voted unanimously to table this item until the January Board Meeting.

Personnel and Public Education Committee - Mr. Perry Sampson, Chairman

Consideration of Personnel Matters (In One Part):

The meeting was called into Executive Session to consider personnel matters brought before the Board by the Executive Director according to Article 6252-17, Section 2(g) of the Open Meetings Law. The

Chairman excluded guests from the meeting room at 6:19 P.M., stating that no Board action would be taken until the meeting was reopened.

Executive Session

Chairman Sturrock reopened the meeting to the public at 6:34 P.M. and asked Board consideration of the following items:

Part 1: Consideration of Hourly CSA II Position in Tyler County: On a motion by Mrs. Brice, seconded by Mr. Sampson, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT
Position #5035, Community Service Aide II,
be added to the FY 1988 Personal Services
Schedule and THAT this change be effective
January 1, 1988.

INVITE COMMENTS FROM VISITORS:

There were no comments from visitors at this time.

DESIGNATION OF DATE, TIME AND LOCATION OF NEXT BOARD MEETING:

The schedule for the Board Meetings for January and February was set as follows:

Tuesday, January 26, 1988
Tuesday, February 23, 1988

Committee meetings will begin at 5:00 P.M., and the Board Meeting will begin at 5:30 P.M. on January 26th.

EXECUTIVE DIRECTOR'S REPORT:

1. Building update: We are looking at the old Western Auto Store in Kirbyville. If the building were renovated and we are able to build an access road, it would be suitable for our needs. In Groveton, the Volunteer Fire Department will be vacating their building and we hope to renovate it and move in there. A Community Development Block Grant is being requested in Tyler County for a combination senior citizens center and MHMR center.
2. Discussion of Centerwide Revenue Picture: Dr. McDermott discussed the Medicare Cost Report and its implications (see attached). He recommended that Option #2 from the Medicare Cost Report Status be implemented, and that we set aside one-third of every dollar we get from Medicare

in the future in order to have the funds to pay them back.
The Board will be kept informed of this issue as necessary.

3. Call on Directors for Reports

Director, Business Services

a. Local Match Report (see attached report)

APPROVED:



Judge Allen Sturrock, Chairman



Mr. Perry Sampson, Secretary

DEEP EAST TEXAS MHMR SERVICES

REVENUE BY FUND

9/1/87 - 11/30/87

SOURCE	ANNUAL BUDGET	MONTHLY BUDGET	NOVEMBER REV. & REC.	NOVEMBER OVER/ (UNDER)	Y-T-D REV & REC	Y-T-D OVER/ (UNDER)	Y-T-D BAL. REMAIN.	REVISED MONTHLY BUDGET
Court Commitment Income	30,000	2,500	4,432	1,932	8,867	1,367	21,133	2,348
Angelina County	29,286	2,441	2,440	- 1	7,321	- 2	21,965	2,440
Bardin County	14,532	1,211	1,211	0	3,633	0	10,899	1,211
Houston County	6,584	549	549	0	1,646	- 1	4,938	549
Jasper County	11,595	966	966	0	2,899	1	8,696	966
Nacogdoches County	17,963	1,497	1,497	0	4,491	0	13,472	1,497
Newton County	5,986	499	498	- 1	1,496	- 1	4,490	499
Polk County	9,846	821	820	- 1	2,462	- 1	7,384	820
Sabine County	2,838	237	237	0	710	- 1	2,128	236
San Augustine County	2,802	234	233	- 1	700	- 2	2,102	234
San Jacinto County	4,107	342	342	0	1,027	1	3,080	342
Shelby County	6,400	533	533	0	1,600	1	4,800	533
Trinity County	5,127	427	427	0	1,282	1	3,845	427
Tyler County	7,609	634	634	0	1,902	0	5,707	634
Temple Grant	79,213	6,601	0	- 6,601	0	- 19,803	79,213	8,801
Foundation Grant	1,056,923	88,077	47,478	-40,599	259,907	- 4,324	797,016	88,557
Client Fees	882,352	73,529	74,085	556	245,058	24,471	637,294	70,810
Title XX-Protective Services	113,500	9,458	9,504	46	30,007	1,633	83,493	9,277
Farm Income	3,000	250	0	- 250	0	- 750	3,000	333
Texas Rehabilitation Comm.	55,000	4,583	1,127	- 3,456	2,460	-11,289	52,540	5,838
ICF - MR	518,093	43,174	50,050	6,876	139,640	10,118	378,453	42,050
SB 230	85,000	7,083	8,250	1,167	24,250	3,001	60,750	6,750
ICS	308,218	25,685	12,072	-13,613	31,671	- 45,384	276,547	30,727
Dept. of Highways & Pub. Transp.	528,000	44,000	38,273	- 5,727	127,680	- 4,320	400,320	44,480
Nacogdoches ISD	13,480	1,123	4,045	2,922	4,045	676	9,435	1,048
Workshop Production	168,100	14,008	10,268	- 3,740	33,574	- 8,450	134,526	14,947
Donations	10,000	833	832	- 1	1,727	- 772	8,273	919
Interest	25,000	2,083	18,870	16,787	40,906	34,657	- 15,906	- 1,767
Miscellaneous	80,000	6,667	4,809	- 1,858	21,184	1,183	58,816	6,535
Grant-in-Aid	1,902,710	158,559	158,204	- 355	475,679	2	1,427,031	158,559
Rusk State Hospital	127,669	10,639	10,494	- 145	31,831	- 86	95,838	10,649
SB 630	302,092	25,174	21,666	- 3,508	66,053	- 9,469	236,039	26,227
DHR - Adult Day Care	25,687	2,141	1,717	- 424	5,558	- 865	20,129	2,237
DHR - Child Day Care	166,369	13,864	11,934	- 1,930	31,363	- 10,229	135,006	15,001
RAJ	850,000	70,833	53,485	-17,348	158,217	- 54,282	691,783	76,865
Lelsz	1,134,129	94,511	83,857	-10,654	256,233	- 27,300	877,896	97,544
TCADA Grant	312,000	26,000	9,913	-16,087	28,078	- 49,922	283,922	31,547
Probation	8,000	667	0	- 667	0	- 2,001	8,000	889
S.Y.E.T.P.	12,000	1,000	0	- 1,000	0	- 3,000	12,000	1,333
J.T.P.A.	5,000	417	0	- 417	0	- 1,251	5,000	556
DHS Liaison	115,600	9,633	10,323	690	30,484	1,585	85,116	9,457
Chapter I	35,693	2,974	2,047	- 927	3,238	- 5,684	32,455	3,606
Chapter I Carryover	27,834	2,320	1,364	- 956	6,866	- 94	20,968	2,330
Mental Health Block Grant	460,203	38,350	38,351	1	115,053	3	345,150	38,350
USDA	26,923	2,244	1,977	- 267	6,575	- 157	20,348	2,261
TOTALS	9,592,463	799,371	699,814	-99,557	2,217,373	-180,740	7,375,090	819,452

DEEP EAST TEXAS MHMR SERVICES
EXPENDITURES BY COST CATEGORY
9/1/87 - 11/30/87

SOURCE	ANNUAL BUDGET	MONTHLY BUDGET	NOVEMBER EXP. & ENC.	NOVEMBER OVER/ (UNDER)	Y-T-D EXP. & ENC.	Y-T-D OVER/ (UNDER)	Y-T-D BAL. REMAIN.	REVISED MONTHLY BUDGET
Salaries & Wages	4,518,534	376,545	444,139	67,594	1,133,937	4,302	3,384,597	376,066
Salary & Merit Increase	23,899	1,992	1,214	- 778	3,398	- 2,578	20,501	2,278
Fringe Benefits	646,195	53,850	54,067	217	163,359	1,809	482,836	53,648
Consultation & Professional Fees	65,046	5,421	5,894	473	11,395	- 4,868	53,651	5,961
Travel	128,008	10,667	12,280	1,613	34,818	2,817	93,190	10,354
Drugs	34,063	2,839	3,879	1,040	8,979	462	25,084	2,787
Food	177,033	14,753	6,726	- 8,027	27,290	-16,969	149,743	16,638
Supplies	222,548	18,546	6,812	-11,734	38,674	-16,964	183,874	20,430
Farm Operating Supplies	750	63	0	- 63	141	- 48	609	68
Supply Inventory	0	0	1,667	1,667	7,748	7,748	- 7,748	- 861
Equipment & Furniture/Purchase	156,310	13,026	1,100	-11,926	28,836	-10,242	127,474	14,164
Equip. & Fur./Rental, Rep. & Mt.	69,107	5,759	6,352	593	17,440	163	51,667	5,741
Building/Rent	332,659	27,722	27,233	- 489	79,558	- 3,608	253,101	28,122
Bldg./Repair, Maint., Rem./Ren.	55,593	4,633	4,465	- 168	16,797	2,898	38,796	4,311
Vehicle/Purchase	86,740	7,228	7,334	106	39,742	18,058	46,998	5,222
Vehicle/Rental	5,292	441	411	- 30	1,231	- 92	4,061	451
Vehicle/Operating Costs	120,000	10,000	7,595	- 2,405	27,695	- 2,305	92,305	10,256
Contracts with Service Agencies	1,091,284	90,940	68,722	-22,218	207,249	-65,571	984,035	98,226
Postage	18,861	1,572	2,081	509	4,602	- 114	14,259	1,584
Freight Costs	0	0	75	75	139	139	- 139	- 15
Laboratory Expense	5,825	485	48	- 437	247	- 1,208	5,578	620
Telephone	116,371	9,698	9,989	291	30,730	1,636	85,641	9,516
Annual Audit	9,400	783	780	- 3	2,380	31	7,020	780
Insurance	145,035	12,086	9,577	- 2,509	28,712	- 7,546	116,323	12,925
Client Wages/Fringe	443,370	36,948	31,233	- 5,715	100,039	-10,805	343,331	38,148
Utilities	156,231	13,019	10,972	-2,047	39,008	- 49	117,223	13,025
Emolument	2,100	175	175	0	525	0	1,575	175
Miscellaneous	161,810	13,484	18,521	5,037	47,239	6,787	114,571	12,730
Interest Expense	10,399	867	928	61	2,850	249	7,549	839
Court Commitment Expense	33,000	2,750	1,550	- 1,200	8,143	- 107	24,857	2,762
Construction Expense	75,700	6,308	158	- 6,150	230	-18,694	75,470	8,386
Capital Building Expense	681,300	56,775	41,298	-15,477	196,385	26,060	484,915	53,879
TOTALS	9,592,463	799,375	787,275	-12,100	2,309,516	-88,609	7,282,947	809,216

	NOVEMBER	Y-T-D
Total Expenditures	787,275	2,309,516
Less FY 1987 Surplus Fund Expenditures:		
Employee Bonus	93,617	
Vehicle Purchase Down Payment	5,000	98,617
Total Expenditures from FY 1988 Operating Budget Funds	688,658	2,210,899

DEEP EAST TEXAS MHMR SERVICES
EXPENDITURES BY PROGRAM
9/1/87 - 11/30/87

<u>SOURCE</u>	<u>ANNUAL BUDGET</u>	<u>MONTHLY BUDGET</u>	<u>NOVEMBER EXP. & ENC.</u>	<u>NOVEMBER OVER/ (UNDER)</u>	<u>Y-T-D EXP/ ENC</u>	<u>Y-T-D OVER/ (UNDER)</u>	<u>Y-T-D BAL. REMAIN.</u>	<u>REVISED MONTHLY BUDGET</u>
Center Administration	751,788	62,650	76,673	14,023	214,878	26,928	536,910	59,657
Case Management	343,272	28,607	33,322	4,715	80,984	- 4,837	262,288	29,143
Client & Family Support - MH	1,273,627	106,137	115,306	9,169	320,351	1,940	954,040	106,004
Special Education	1,237,912	103,160	118,520	15,360	320,780	11,300	917,132	101,904
Client & Family Support - MR	1,560,352	130,029	131,977	1,948	385,036	- 5,051	1,175,316	130,590
MR Residential	1,293,004	107,750	106,486	- 1,264	291,006	-32,244	1,001,998	111,333
MH Residential	3,132,508	261,042	204,991	-56,051	696,481	-86,645	2,435,263	270,585
TOTALS	<u>9,592,463</u>	<u>799,375</u>	<u>787,275</u>	<u>-12,100</u>	<u>2,309,516</u>	<u>-88,609</u>	<u>7,282,947</u>	<u>809,216</u>

DEEP EAST TEXAS REGIONAL MHMR SERVICES
SUMMARY OF REVENUE AND EXPENDITURES
AS OF NOVEMBER 30, 1987

	<u>NOVEMBER</u>	<u>YEAR-TO-DATE</u>
Revenue & Receivables	699,814	2,217,373
Expenditures & Encumbrances	<u>787,275</u>	<u>2,309,516</u>
Difference	<u>- 87,461</u>	<u>- 92,143</u>
<u>Excluding FY 1987 Surplus Fund Expenditures:</u>		
Revenue & Receivables	699,814	2,217,373
Expenditures & Encumbrances Excluding FY 1987 Surplus Fund Expenditures	<u>688,658</u>	<u>2,210,899</u>
Difference	<u>11,156</u>	<u>6,474</u>

REVENUE/EXPENDITURE
ANALYSIS

Recognized Revenue/Receivables		2,217,373
Add: Unrecognized Revenue		
Lelsz	272,045	
Temple - Inpatient	79,213	
Temple Foundation Grant	1,470,700	
RAJ (Estimated)	0	
Medicare Payment	105,746	
Pineywoods Annex	<u>355,000</u>	
Total Unrecognized Revenue		2,282,704
Less: Restricted Interest		
Reserve Operating Fund	1,186	
Pension	780	
Building Fund	16	
Foundation Fund	22,567	
Pineywoods Annex Fund	4,060	
Employee Self-Insurance	<u>50</u>	
Total Restricted Interest		28,659
Total Net Revenue		<u>4,471,418</u>
Recognized Expenditures/Encumbrances		2,309,516
Less Unrecognized Expenditures/Encumbrances		0
Total Net Expenditures/Encumbrances		<u>2,309,516</u>
Difference of Revenue Over/Under Expenditures		2,161,902
Revenue Over Expenditures		2,161,902
Reserve Operating Fund		217,511
Total Available Revenue		<u>2,379,413</u>

DEEP EAST TEXAS REGIONAL MHMR SERVICES
BALANCE SHEET
November 30, 1987

<u>ASSETS</u>	<u>GENERAL OPERATING FUND</u>	<u>GENERAL FIXED ASSETS</u>	<u>TOTAL</u>
Current Assets			
Cash in Bank	2,794,646		2,794,646
Change Fund	320		320
Petty Cash	250		250
Accts Receivable-Client Fees	515,272		
Less: Allowance for Uncollect- able Accounts	<u>162,906</u>		
Net Accounts Receivable	352,365		352,365
Accounts Receivable - Other	433,785		433,785
Accounts Receivable - Internal Advances	86,100		86,100
Prepaid Expenses	<u>61,567</u>		<u>61,567</u>
TOTAL CURRENT ASSETS	3,729,033		3,729,033
Amount To Be Provided Under Accrued Vacation	173,774		173,774
Amount To Be Provided Under Capital Lease Agreements	58,035		58,035
Amount To Be Provided Under Long-Term Agreement	98,088		98,088
General Fixed Assets - At Cost			
Equipment - Furniture/Fixtures		543,491	543,491
Vehicles		606,818	606,818
Building		498,125	498,125
Land		<u>63,940</u>	<u>63,940</u>
TOTAL FIXED ASSETS		<u>1,712,374</u>	<u>1,712,374</u>
TOTAL ASSETS	<u>4,058,930</u>	<u>1,712,374</u>	<u>5,771,304</u>
<u>LIABILITIES, RESERVES & FUND BALANCE</u>			
Current Liabilities			
Accounts Payable	115,219		115,219
Misc. Payroll Ded.	103		103
Accounts Payable - Internal Adv.	86,100		86,100
Retirement Payable	75,324		75,324
Prepaid Revenue	2,389,441		2,389,441
Trust Fund Payable	6,780		6,780
Ins. Payable	<u>3,046</u>		<u>3,046</u>
TOTAL CURRENT LIABILITIES	2,676,013		2,676,013
Obligation Under Accrued Vacation	173,774		173,774
Obligation Under Capital Lease Agreements	58,035		58,035
Obligation Under Long-Term Agreement	<u>98,088</u>		<u>98,088</u>
TOTAL LIABILITIES	3,005,910		3,005,910
Reserve for Investment in Fixed Assets		1,712,374	1,712,374
Reserve for Encumbrance	138,837		138,837
Fund Balance	<u>914,183</u>		<u>914,183</u>
TOTAL LIABILITIES, RESERVES & FUND BALANCE	<u>4,058,930</u>	<u>1,712,374</u>	<u>5,771,304</u>

DEEP EAST TEXAS REGIONAL MMR SERVICES
ANALYSIS OF ACCOUNTS RECEIVABLE/PAYABLE - INTERNAL ADVANCES
AND CASH POSITION STATEMENT
November 30, 1987

ANALYSIS OF ACCOUNTS RECEIVABLE/ACCOUNTS PAYABLE - INTERNAL ADVANCES

From Foundation - Inpatient to Local	79,000
From Local to Chapter I Carryover	<u>7,100</u>
 TOTAL	 <u>86,100</u>

CASH POSITION STATEMENT

Cash in Bank	
Operating Account (Community State & General)	39,544
Money Market Checking Account - Pension	76,205
Money Market Checking Account - General	108,825
CD - Lelsz	325,000
Money Market Checking Account - Diboll (Lelsz)	5,934
Money Market Checking Account - Inpatient	9,011
Money Market Checking Account - Republic (Foundation)	71,146
CD - Republic (Foundation)	1,079,080
Money Market Checking Account - Diboll (Foundation)	74,225
Reserve Operating Account	217,511
Payroll Account	1,157
CD - Diboll State Bank (Foundation)	350,000
CD - Hardin	7,967
Chapter I Account	32
Money Market Checking Account - Republic (Annex)	205,060
CD - Republic (Annex)	154,000
Money Market Checking Account - Republic (Self-Insurance)	<u>63,169</u>
 CASH IN BANK	 2,787,866
 Trust Fund Account	 <u>6,780</u>
 TOTAL CASH IN BANK	 2,794,646
 Change Fund	 320
Petty Cash	<u>250</u>
 TOTAL CASH ON HAND	 <u>2,795,216</u>

DEEP EAST TEXAS REGIONAL MEMR SERVICES
FINANCIAL DEPOSITORIES
AS OF NOVEMBER 30, 1987

<u>DEPOSITORY</u>	<u>TYPE OF ACCOUNT</u>	<u>BALANCE OF EACH ACCT.</u>	<u>FDIC/ PSLIC MAX.</u>	<u>SECURITY PLEDGES</u>
Lovelady State Bank	NOW Checking	38,044		
	MM Checking	108,825		
	Inpatient MM	9,012		
	Pension MM	76,205		
	Trust Fund MM	6,780		
	Chapter I Checking	32		
	Payroll Checking	1,157		
	Certificates of Dep.	7,967		
Sub-Total - Lovelady		248,022	100,000	750,000
Diboll State Bank	MM Checking-Found.	74,225		
	MM Checking-Lelsz	5,933		
	Certificates of Dep.	675,000		
Sub-Total - Diboll State Bank		755,158	100,000	800,000
Community State Bank	NOW Checking	1,500		
	Certificates of Dep.	17,700		
Sub-Total - Community State		19,200	100,000	0
Lufkin Federal Savings & Loan Assn.	Certificates of Dep.	29,500		
Sub-Total - Lufkin Federal S & L		29,500	100,000	0
Peoples National Bank	Certificates of Dep.	63,000		
Sub-Total - Peoples National Bank		63,000	100,000	0
Home Savings & Loan Association	Certificates of Dep.	11,970		
Sub-Total - Home Savings & Loan Assn.		11,970	100,000	0
RepublicBank	MM Checking-Found.	71,145		
	MM Checking-Lelsz	205,060		
	MM Checking-Self Ins.	63,169		
	Certificates of Dep.	1,274,415		
Sub-Total - RepublicBank		1,613,789	1,300,000	215,000
Lufkin Regional Federal Credit Union	Certificates of Dep.	54,007		
Sub-Total - Lufkin Reg. FCU		54,007	100,000	0
TOTAL OF ALL CASH IN BANK		2,794,646	2,000,000	1,765,000

DEEP EAST TEXAS REGIONAL MHMR SERVICES
STATEMENT OF CHANGES IN FUND BALANCE AND RESERVE
AS OF NOVEMBER 30, 1987

	GENERAL OPERATING FUND	GENERAL FIXED ASSETS
Balance - 11/1/87	1,009,181	1,512,387
Revenue	699,814	
Expenditures	- 787,275	
Audit Adjusting Entries	- 7,537	
Additions		209,513
Deletions		9,526
Balance - 11/30/87	<u>914,183</u>	<u>1,712,374</u>

DEEP EAST TEXAS REGIONAL MHMR SERVICES
OPERATING STATEMENT
NOVEMBER 30, 1987

<u>SOURCE OF INCOME</u>	<u>RECEIPT</u>	<u>RECEIVABLES</u>	<u>TOTAL</u>
Court Commitment Income	1,927	2,505	4,432
Angelina County	0	2,440	2,440
Hardin County	0	1,211	1,211
Houston County	0	549	549
Jasper County	0	966	966
Nacogdoches County	0	1,497	1,497
Newton County	0	498	498
Polk County	0	820	820
Sabine County	0	237	237
San Augustine County	0	233	233
San Jacinto County	0	342	342
Shelby County	0	533	533
Trinity County	0	427	427
Tyler County	0	634	634
Temple Grant	0	0	0
Foundation Grant	47,478	0	47,478
Client Fees	24,767	49,318	74,085
Title XX - Protective Services	0	9,504	9,504
Farm Income	0	0	0
Texas Rehabilitation Commission	278	849	1,127
ICF - MR	0	50,050	50,050
SB 230	0	8,250	8,250
ICS	3,718	8,354	12,072
Dept. of Highways & Pub. Transp.	154	38,119	38,273
Nacogdoches ISD	0	4,045	4,045
Workshop Production	0	10,268	10,268
Donations	832	0	832
Interest	18,870	0	18,870
Miscellaneous	4,694	115	4,809
Grant-in-Aid	158,204	0	158,204
Rusk State Hospital	0	10,494	10,494
SB 630	0	21,666	21,666
DHR - Adult Day Care	0	1,717	1,717
DHR - Child Day Care	0	11,934	11,934
RAJ	3,485	50,000	53,485
Lelsz	83,857	0	83,857
TCADA Grant	4,767	5,146	9,913
Probation	0	0	0
S.Y.E.T.P.	0	0	0
J.T.P.A.	0	0	0
DHS Liaison	0	10,323	10,323
Chapter I	0	2,047	2,047
Chapter I Carryover	0	1,364	1,364
Mental Health Block Grant	38,351	0	38,351
USDA	0	1,977	1,977
TOTALS	<u>391,382</u>	<u>308,432</u>	<u>699,814</u>

DEEP EAST TEXAS REGIONAL MMR SERVICES
OPERATING STATEMENT
NOVEMBER 30, 1987

<u>SOURCE OF EXPENDITURES</u>	<u>DISBURSEMENTS</u>	<u>ENCUMBRANCES</u>	<u>TOTAL</u>
Salaries & Wages	444,139	0	444,139
Salary & Merit Increase	1,214	0	1,214
Fringe Benefits	51,311	2,756	54,067
Consultation & Professional Fees	5,727	167	5,894
Travel	12,178	102	12,280
Drugs	2,413	1,466	3,879
Food	3,031	3,695	6,726
Supplies	1,194	5,618	6,812
Farm Operating Supplies	0	0	0
Supply Inventory	1,667	0	1,667
Equipment & Furniture/Purchase	500	600	1,100
Equip & Fur/Rental, Rep. & Mt	4,508	1,844	6,352
Building/Rent	21,883	5,350	27,233
Bldg/Repair, Maint., Rem./Ren.	3,140	1,325	4,465
Vehicle/Purchase	7,334	0	7,334
Vehicle/Rental	411	0	411
Vehicle/Operating Costs	3,419	4,176	7,595
Contracts with Service Agencies	0	68,722	68,722
Postage	2,081	0	2,081
Freight Costs	75	0	75
Laboratory Expense	15	33	48
Telephone	9,989	0	9,989
Annual Audit	0	780	780
Insurance	9,577	0	9,577
Client Wages/Fringe	30,250	983	31,233
Utilities	3,402	7,570	10,972
Emolument	175	0	175
Miscellaneous	9,779	8,742	18,521
Interest Expense	928	0	928
Court Commitment Expense	1,550	0	1,550
Construction Expense	158	0	158
Capital Bldg. Expense	20,880	20,418	41,298
TOTALS	652,928	134,347	787,275

MEDICARE COST REPORT REIMBURSEMENT METHODOLOGY

Using Adjusted Client Fee Charges:

Expenditures	<u>593,380</u>	
Adjusted Charges	<u>213,980</u>	= \$2.77

Billings to Medicare	124,262	
	x <u>2.77</u>	
Medicare Costs	<u>344,206</u>	

Payments from Medicare	<u>(333,897)</u>
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Additional Payments due from Medicare	<u><u>10,309</u></u>
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Using Full Client Fee Charges:

Expenditures	<u>593,380</u>	
Full Charges	<u>870,624</u>	= .68

Billings to Medicare	124,262	
	x <u>.68</u>	
Medicare Costs	<u>84,498</u>	

Payments from Medicare	<u>(333,897)</u>
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Payback due to Medicare	<u><u>(249,399)</u></u>
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MEDICARE COST REPORT STATUS

	<u>FY 1986</u>	<u>FY 1987</u>	<u>TOTAL</u>
Additional Payment from Medicare Due with Submission of Cost Report	105,746	62,725	168,471
Due Medicare with Recompu- tation of Cost Report	<u>(?)</u>	<u>118,279</u>	<u>118,279</u>
Potential Deficit	<u>105,746</u>	<u>181,004</u>	<u>(286,750)</u>

WE COULD BE LIABLE FOR A MINIMAL PAYBACK TO MEDICARE OF \$286,750 FOR FY 1986 AND FY 1987. OF THE \$286,750, WE HAVE OR WILL HAVE IN OUR POSSESSION \$168,471 WE HAVE RECEIVED FROM MEDICARE BUT DID NOT SPEND. TO BE SAFE, THE CENTER SHOULD PUT INTO RESERVE AN ADDITIONAL \$180,000. THESE FUNDS WILL COME FROM FY 1987 SURPLUS FUNDS. WE HAVE BEEN USING FY 1987 SURPLUS TO AVOID CASH FLOW PROBLEMS. BY TAKING ACTION SUGGESTED ABOVE, WE WILL CREATE CASH FLOW PROBLEMS, AGAIN MAKING IT NECESSARY TO BORROW FUNDS INTERNALLY FROM CASH RESOURCES AVAILABLE.

SUMMARY

Known Potential Debt	286,750
Medicare Cash on Hand	<u>-168,471</u>
Remaining Known Debt	118,279
Medicare Contingency Fund (\$20,000 x 9 months)	<u>-180,000</u>
Surplus to be Used to Help Cover Unknown FY 1986 Potential Liability	<u>61,721</u>

FY 1988 MEDICARE SITUATION

Projected Medicare Payments	361,000
Projected Medicare Paybacks (32% of Gross)	115,520

WE MUST SET ASIDE 115,520 FROM THIS YEARS EARNINGS TO
ENSURE WE HAVE THE FUNDS TO REIMBURSE MEDICARE WHEN WE
PREPARE THE FY 1988 COST REPORT.

MEDICARE CONTINGENCY FUND PROGRAM

Option #1

FY 1988 Funds	
\$12,835 x 9 months	115,520
FY 1987 Funds	
\$20,000 x 9 months	<u>180,000</u>
Total	<u><u>295,520</u></u>

Option #1 will cost the Center \$32,835 a month for nine months; from that point on, the Center will set aside \$9,626 a month.

Option #2

FY 1988 Funds	
\$9,626 x 9 months	86,634
FY 1989 Funds	
\$9,626 x 3 months	28,878
FY 1987 Surplus	
\$8,572 x 21 months	<u>180,012</u>
Total	<u><u>295,524</u></u>

FY 1988 EXPENDITURE PROJECTIONS
(Excluding Peavy Switch Farm)

	<u>BUDGETED</u>
Salaries	4,211,189
Salary & Merit Increases	23,899
Fringe	602,569
Consultations	63,046
Travel	126,008
Drugs	32,563
Food	132,033
Supplies	211,298
Supply Inventory	0
Equipment/Furniture	102,417
Rent	330,359
Building/Repair & Rem.	54,593
Vehicle/Purchase	38,240
Vehicle/Rent	5,292
Vehicle/Operation	116,000
Contracts	1,019,914
Postage	17,811
Lab Expense	2,825
Telephone	109,881
Annual Audit	9,400
Insurance	140,035
Client Wages	409,200
Utilities	143,231
Emolument	2,100
Miscellaneous	153,810
Interest Expense	10,399
Court Commitment Expense	33,000
Construction	0
Capital Building Expense	0
	<u>8,101,112</u>
Medicare Contingency - Option #1	<u>115,520</u>
Total	<u><u>8,216,632</u></u>
Medicare Contingency - Option #2	86,634
Total	<u><u>8,187,746</u></u>

FY 1988 REVENUE PROJECTIONS
(Excluding Peavy Switch Farm)

	<u>BUDGETED</u>	<u>CONSERVATIVE ESTIMATE ANNUALIZED</u>	<u>LIKELY ESTIMATE ANNUALIZED</u>
Court Commitment	30,000	26,610	30,000
County Funds	124,675	124,675	124,675
Temple - Inpatient	79,213	79,213	79,213
Client Fees	875,378	875,378	875,378
Protective Services	7,500	7,500	7,500
DHS - In-Home	106,000	106,000	106,000
Texas Rehab. Commission	55,000	30,000	47,000
ICF-MR	518,093	518,090	525,000
SB 230	85,000	87,500	87,500
HCS	308,218	308,218	308,218
TX Dept. of Hwy & Pub Trans.	528,000	540,000	540,000
Nacogdoches ISD	13,480	13,480	13,480
Insurance Revenue	0	5	5
Workshop Production	168,100	150,000	175,000
Donations	10,000	6,000	10,000
Interest	25,000	50,000	140,000
Miscellaneous	80,000	90,000	98,220
Grant-in-Aid	1,902,710	1,902,710	1,902,710
Rusk State Hospital	64,169	64,169	64,169
SB 630	302,092	302,092	302,092
DHS - Adult Day Care	25,687	25,687	25,687
DHS - Child Day Care	166,369	166,369	166,369
RAJ	826,046	721,161	778,360
Lelsz	1,134,129	1,134,129	1,134,129
DHS - Liaison	115,600	115,600	115,600
Chapter I	35,693	35,693	35,693
Chapter I Carryover	27,834	27,834	27,834
Mental Health Block Grant	460,203	460,203	460,203
USDA	26,923	26,923	26,923
	<u>8,101,112</u>	<u>7,995,239</u>	<u>8,206,958</u>
Balance from Budgeted Amount		<u>(105,873)</u>	<u>105,846</u>

FY 1988 BUDGET OPTIONS

OPTION #1

Expenditures	8,216,632
Revenue (Conservative Estimate)	<u>7,995,239</u>
Shortfall	<u>(221,393)</u>

OPTION #2

Expenditures	8,216,632
Revenue (Likely Estimate)	<u>8,206,958</u>
Surplus	<u>9,674</u>

OPTION #3

Expenditures	8,216,632
Revenue (Conservative)	7,995,239
Interest Revenue	90,000
	<u>8,085,239</u>
Deficit	<u>(131,393)</u>
Less Budgeted Deficit from FY 1987	<u>62,323</u>
	<u>(69,070)</u>

OPTION #4

Expenditures	8,187,746
Revenue	<u>8,085,239</u>
Less Budgeted Deficit from FY 1987	<u>62,323</u>
	<u>(40,184)</u>

FY 1987 SURPLUS FUNDS STATUS REPORT

		<u>BALANCE</u>
FY 1987 Surplus		586,841
Less Expenditures:		
Bonus	93,617	493,224
FY 1988 Budgeted Deficit	62,323	430,901
Vehicle Purchase Down-Payment	5,000	425,901
Furniture - Sheltered Workshops	40,000	385,901
Uncollected FY 1987 Surplus Funds	171,460	214,441
Medicare Contingency Fund Purchase CD of \$20,000 for Nine (9) Months	180,000	34,441
Less Additional FY 1988 Budgeted Deficit	69,070	(34,629)
OR		
Less Additional FY 1988 Budgeted Deficit (Option #4)	40,184	(5,743)

LOCAL MATCH CHART - FY 1988

<u>COUNTY</u>	<u>AMOUNT REQUESTED</u>	<u>AMOUNT PLEDGED</u>	<u>AMOUNT RECEIVED</u>
Angelina	\$ 29,286.00	\$ 29,286.00	\$
Hardin	14,532.00	14,532.00	
Houston	6,584.00	6,584.00	
Jasper	11,595.00	11,595.00	
Nacogdoches	17,963.00		
Newton	5,986.00		
Polk	9,946.00	9,846.00	
Sabine	2,838.00		
San Augustine	2,802.00		
San Jacinto	4,107.00	4,107.00	
Shelby	6,400.00		
Trinity	5,217.00	5,127.00	
Tyler	<u>7,609.00</u>	<u> </u>	<u> </u>
	\$124,675.00	\$ 81,077.00 (65%)	