MINUTES

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

JUNE 30, 1987

BOARD MEMBERS PRESENT:	BOARD MEMBERS ABSENT:
Judge Allen Sturrock, Chairman	Nancy Speck, Ph.D., Vice Chairman
Mr. George E. Gee, Secretary	Rev. Robert Carter, Treasurer
Mr. Ward R. Burke	Mr. Perry Sampson
Mr. Dan D. Dominey	Rev. Ed Dodson
Judge Charles English	
Mrs. Beth Brice	

OTHERS PRESENT:

Jim McDermott, Ph.D.	MHMR
Mrs. Susan Rushing	MHMR
Mrs. Linda Naff	MHMR
Mr. Sandy Skelton	MHMR
Mr. Larry Heaton	MHMR
Mr. George Patterson	MHMR
Mr. Joe McCulley	MHMR
Mrs. Sandy Vann	MHMR
Mrs. Sheryl Taylor	MHMR
Mr. Wayne Haglund	Haglund and Cassels, Attorneys
Mr. Mark Strong	Marsellos and Scott
Mrs. Nell Newton	Angelina MHMR Center
Mrs. Diana Hill	Angelina Co. Ass. Human Development
Mr. John Wilson	Jasper MHMR Center
Mr. David Fear	Smith Administrators

The 173rd 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, June 30, 1987 at 5:30 P.M.

INVOCATION: Mr. George E. Gee 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 Mr. Wayne Haglund and Mr. Mark Strong, who were in attendance to answer questions about the building of the Angelina MHMR Center, and Mrs. Nell Newton and Mrs. Diana Hill, Chairperson of the Angelina County Association for Human Development. Judge Sturrock also recognized Mr. John Wilson, Service Director of the Jasper County MHMR Center, and Mr. David Fear of Smith Administrators who was here to discuss the self-insurance program of the Center.

APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING: There being no additions or corrections to the Minutes of the May Board Meeting, on a motion by Mr. Dominey, seconded by Mr. Gee, the Board unanimously approved the Minutes of the May 26, 1987 Board Meeting.

COMMITTEE RECOMMENDATIONS FOR BOARD APPROVAL

The items regarding the construction of the Angelina MHMR Center and the Group Life and Health Insurance Plan were taken first on the agenda in order that the visitors who came to make presentations would be able to leave the Board meeting after their presentations if they desired.

The Board called on Mr. Wayne Haglund make his presentation at this time regarding the building of the Angelina MHMR Center. Mr. Haglund distributed copies of the Ground Lease Agreement, Lease Agreement for Lease of the Improvements, and the Indemnity Agreement for the Board's review and consideration. These documents had been prepared in accordance with the desires of the Association for Human Development. Mr. Haglund stated that the Association is asking for a deposit equal to two months rent for a security agreement; a provision showing that liability insurance is purchased for them by MHMR; the right to approve any sublease of the facility; and use of the facility for Board meetings and office space. The Board agreed to all the requests of the Association, except that the use of space in the facility must be in a restricted capacity. Mr. Haglund will talk with the Association's attorney and then make the final revisions to the documents. The Board then made the following motion:

Consideration of Agreement to Construct Angelina MHMR Center: On a motion by Mr. Burke, seconded by Mr. Gee, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees of Deep East Texas Regional MHMR Services, THAT they do hereby approve and agree to be bound by the Joint Venture Agreement for construction of the Angelina County MHMR Treatment Center as presented at this meeting of the Board and incorporated within the Minutes of this meeting by reference, and THAT they do therefore authorize Jim McDermott, Ph.D., Executive Director, to sign the Joint Venture Agreement and to supervise the carrying out of provisions of the Agreement on behalf of the Board of Trustees.

Consideration of Group Life and Health Insurance Plan: The Board heard a report from Mr. David Fear of Smith Administrators regarding the status of the Center's self-insurance program. Mr. Fear recommended that insurance rates be increased more than the staff had recommended in order to avoid a deficit in the plan as was experienced this year. After much discussion of this issue, a motion was made by Mr. Burke and seconded by Mr. Gee to amend the original resolution to read as follows:

> RESOLVED, by the Board of Trustees, THAT the Center continue the employee medical self-insurance program, THAT Smith Administrators continue to provide life and medical reinsurance and administrative services for the Center's plan, THAT the amended insurance rates for the plan be approved, which will include the figures read by Larry Heaton, THAT $75,000 in prepaid premiums be paid into this year's plan, and THAT a copy of the plan be maintained in the Personnel Office.

Budget and Finance Committee - Rev. Robert Carter, Chairman

Consideration of Treasurer's Report: On a motion by Mrs. Brice, 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 May, 1987 be approved as submitted; and THAT copies of each report be attached to the permanent Minutes of this Board meeting.

Consideration of Third Quarter Financial Report: On a motion by Mrs. Brice, seconded by Mr. Dominey, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT the Board approve the Third Quarter Financial and Performance Report for FY 1987; 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 Financial Services.

Consideration of Disposition of Delinquent Accounts Receivable: On a motion by Mrs. Brice, seconded by Mr. Gee, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT the client accounts which have been inactive for at least six months be written off as uncollectible accounts receivable, and THAT a copy of these accounts be maintained on file in the office of Financial Services.

Consideration of Contract Amendments and Lease Agreement for Pineywoods Regional Treatment Center (In Two Parts):

Part 1: Consideration of Contract Amendments for Pineywoods Regional Treatment Center: On a motion by Mrs. Brice, seconded by Judge English, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT the proposed contract amendments for Pineywoods Regional Treatment Center be approved, THAT the Executive Director be authorized to sign said documents, and THAT a copy of these documents be kept on file in the office of Financial Services.

Part 2: Consideration of Lease Agreement Amendment for Pineywoods Regional Treatment Center: On a motion by Mrs. Brice, seconded by Judge English, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT the proposed lease agreement amendment for Pineywoods Regional Treatment Center be approved, THAT the Executive Director be authorized to sign said document, and THAT a copy of the lease amendment be kept on file in the office of Financial Services.

Consideration of Vehicle Purchase for Peavy Switch Farm: On a motion by Mrs. Brice, seconded by Mr. Gee, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT the $16,995.00 bid for a 15-passenger Dodge Van submitted by Mike Perry Chrysler-Plymouth-Dodge in Nacogdoches, Texas be accepted; THAT the Executive Director be authorized to sign all paperwork related to this purchase, and THAT a copy of all bids be maintained in the office of Financial Services.

Discussion of Lease for ICS Group Home: The Board heard a report from Susan Rushing bringing them up-to-date on the ICS Group Home Lease agreement.

Consideration of Revised Amended Contract for Services (Attachment II.A): On a motion by Mrs. Brice, seconded by Judge English, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT the proposed amendment to the Center's contract for Services, Attachment II.A, be approved as submitted; THAT the Executive Director be auth-

orized to negotiate the amendment with TDMHMR; and THAT a copy of the amended Attachment II.A be maintained on file in the office of the Director, Financial Services.

Program Committee - Mr. Ward R. Burke, Chairman

Consideration of Solicitation of Bids for Client Insurance Program: 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 Board authorize the renewal of the Client Insurance Plan with Etna Life & Casualty Company, THAT this policy be in effect from September 1, 1987 to August 31, 1988, and THAT the policy be maintained at Central Administration.

Consideration of Nominees to Professional Staff Organization: On a motion by Mr. Burke, seconded by Judge English, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT Robert I. Garrett, M.D., Jacob T. Manoor, M.D., Linda Atkisson, B.S.N., Lucy Richardson, R.N., Mary Jo Myers, L.V.N., and Sandra Thomas, L.V.N., be approved for appointment to the Professional Staff of the Pineywoods Regional Treatment Center; and THAT Kathy Oliver, L.V.N., Wilma Parrot, R.N., and Sue Jasper, R.N., D.O.N., be approved for re-appointment to the Professional Staff of the Pineywoods Regional Treatment Center; and THAT a list of Professional Staff members be kept on file in the office of the Executive Director.

Consideration of Implementation Plans for Special Projects: On a motion by Judge English, seconded by Mr. Gee, the Board unanimously approved the following amended resolution:

> RESOLVED, by the Board of Trustees, THAT the Board approve a new Board Policy, D31, titled Implementation Plans for Special Projects, THAT each Board Member receive a copy of the new policy, THAT a copy of the Board Policy manual be kept on file in the office of the Executive Director, and THAT Mr. Ward R. Burke be appointed to work with the Executive Director with regard to Peavy Switch Farm, and THAT the Board Chairman appoint the Board members to serve with him on the Intermediate Community Services project, and the

Angelina MHMR facility, in accordance with the above-stated policy.

Consideration of Revised Board Policy: On a motion by Mr. Burke, seconded by Mr. Gee, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT the proposed Board Policy be approved as submitted, THAT each Board member receive a copy of the updated Policy, and THAT a copy of the revised Board Policy Manual be kept on file in the office of the Executive Director.

Consideration of Plans to Construct Kirbyville Sheltered Workshop: 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 Executive Director be authorized to proceed with plans to construct a Kirbyville Sheltered Workshop facility on a site provided by the Kirbyville Independent School District, and THAT Mr. George E. Gee be appointed as the Board member to oversee with the Executive Director the implementation of this plan.

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

Consideration of Revised Organization Chart: On a motion by Mr. Gee, seconded by Mr. Dominey, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT the proposed revised Organization Chart be approved as submitted, THAT this revised Chart become effective July 1, 1987, and THAT a copy of the revised Chart be attached to the permanent Minutes of this Board Meeting.

Consideration of Use of Psychiatric Placement Service: 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 Center contract with CompHealth to recruit applicants to fill one of the vacant psychiatrist positions; THAT the Executive Director be authorized to expend a $20,000 placement fee for the successful placement of a full-time

psychiatrist with MHMR by CompHealth; and THAT a copy of the contract be kept in the office of the Director of Financial Services.

Consideration of Creation of Caseworker I Position - Angelina MHMR Center: The Board voted unanimously to table this item.

Consideration of Personnel Matters (In Two Parts):

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 excused guests from the meeting room at 8:00 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 8:29 P.M. and asked Board consideration of the following items:

Part 1: Consideration of Contract for Psychiatric Services: On a motion by Mr. Dominey, seconded by Mr. Gee, the Board unanimously approved the following resolution:

> RESOLVED, by the Board of Trustees, THAT Richard D. Snyder, M.D., be employed as a contract psychiatrist for the period August 1, 1987 through August 31, 1987, and THAT a maximum of $5,000 be expended.

Part 2: Discussion of Contract for Full-Time Psychiatrist: The Board was advised by the Executive Director of his selection for the position of Associate Medical Director. No Board action was required.

EXECUTIVE DIRECTOR'S REPORT:

1. A discussion was held regarding the Lelsz client who is a former client of the Brenham State School. The client's mother is not satisfied with the results of the recent D&E and is requesting that services be provided in the client's home, rather than having the client transported for day treatment services. Further discussions will be held with the client's mother regarding this issue.

2. The Joint Conference Committee members received a report from the staff at Pineywoods Regional Treatment Center regarding the need to raise the salaries of nurses to be competitive with other hospitals in the area. Board members agreed that nursing staff salaries must be raised immediately.

3. Call on Directors for Reports

Director, Financial Services

a. Local Funds Report

b. Notice of Medicare Audit Letter Regarding PRTC Cost Report

Director, Treatment Services

a. Discussion of Groveton Situation. A grant may be written for a boarding home in Trinity County. The grant will be written if Judge Jimmie Thornton gives his final approval for the application on behalf of MHMR. At this time, the Texas Department of Community Affairs has not made guidelines available regarding Community Development Block Grants. Board members will be advised of further developments as they occur.

Director, Special Services

a. Joe McCulley introduced Sheryl Taylor, the Center's Journalist, and reported on the significant progress she has made in the public information office. Sheryl told the Board how happy she was to be a member of the MHMR staff and discussed her plans for expanding the public information efforts of the Center.

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 July and August was set as follows:

Tuesday, July 14, 1987 (Special Board Meeting)
Thursday, July 30, 1987
Tuesday, August 25, 1987

A special Board Meeting has been called for Tuesday, July 14th at 12:00 noon. The purpose of the meeting is to accept bids for construction of the Peavy Switch Farm facility, review plans for the Kirbyville Sheltered Workshop Building, and to review and approve the FY 1988 Operating Budget and Contract with TDMHMR.

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

APPROVED:

Judge Allen Sturrock, Chairman

Mr. George E. Gee, Secretary

DEEP EAST TEXAS REGIONAL MHMR SERVICES
REVENUE BY FUND
9/1/86 - 5/31/87

SOURCE	ANNUAL BUDGET	MONTHLY BUDGET	MAY REV. & REC.	MAY OVER/(UNDER)	Y-T-D REV & REC	Y-T-D OVER/(UNDER)	Y-T-D BAL REMAINING	REVISED MO. BUDGET
Court Commitment Income	29,145	2,429	1,835	(594)	22,996	1,135	6,149	2,050
Angelina County	29,286	2,441	2,441	0	21,965	(4)	7,321	2,440
Hardin County	14,532	1,211	0	(1,211)	10,899	0	3,633	1,211
Houston County	6,584	549	0	(549)	4,938	(3)	1,646	549
Jasper County	11,595	966	966	0	8,696	2	2,899	966
Nacogdoches County	17,963	1,497	1,497	0	13,472	(1)	4,491	1,497
Newton County	5,986	499	0	(499)	4,490	(1)	1,496	499
Polk County	9,846	821	821	0	7,385	(4)	2,461	820
Sabine County	2,838	237	237	0	2,129	(4)	709	236
San Augustine County	2,802	234	0	(234)	2,102	(4)	700	233
San Jacinto County	4,107	342	0	(342)	3,080	2	1,027	342
Shelby County	6,400	533	0	(533)	4,800	3	1,600	533
Trinity County	5,127	427	0	(427)	3,845	2	1,282	427
Tyler County	7,609	634	0	(634)	5,707	1	1,902	634
Temple Grant	0	0	0	0	0	0	0	0
Foundation Grant	47,820	3,985	2,914	(1,071)	33,001	(2,864)	14,819	4,940
Client Fees	455,140	37,928	49,359	11,431	436,588	95,236	18,552	6,184
Title XX - Protective Services	118,926	9,911	15,600	5,689	83,734	(5,465)	35,192	11,731
Texas Rehabilitation Commission	8,500	708	505	(203)	12,264	5,892	(3,764)	(1,255)
ICF - MR	511,420	42,618	52,833	10,215	370,249	(13,313)	141,171	47,057
SB 230	90,000	7,500	9,250	1,750	78,250	10,750	11,750	3,917
ICS	76,103	6,342	0	(6,342)	0	(57,078)	76,103	25,368
Dept. of Highways & Pub. Transp.	520,000	43,333	50,630	7,297	396,399	6,402	123,601	41,200
Workshop Production	110,000	9,167	9,900	733	93,087	10,584	16,913	5,638
Donations	7,500	625	1,180	555	6,727	1,102	773	258
Interest	45,000	3,750	4,993	1,243	51,256	17,506	(6,256)	(2,085)
Miscellaneous	100,000	8,333	6,670	(1,663)	64,877	(10,120)	35,123	11,708
Grant-in-Aid	1,844,577	153,715	152,756	(959)	1,386,308	2,873	458,269	152,756
Rusk State Hospital	195,776	16,315	16,824	509	144,327	(2,508)	51,449	17,150
SB 630	292,973	24,414	21,796	(2,618)	216,602	(3,124)	76,371	25,457
DHR - Adult Day Care	25,687	2,141	1,843	(298)	14,870	(4,399)	10,817	3,606
DHR - Child Day Care	144,412	12,034	13,222	1,188	102,551	(5,755)	41,861	13,954
RAJ	855,000	71,250	53,368	(17,882)	646,513	5,263	208,487	69,496
Texas Youth Commission	126	11	0	(11)	126	27	0	0
Lelsz	1,242,355	103,530	134,661	31,131	818,967	(112,803)	423,388	141,129
DHR Liaison	115,600	9,633	9,776	143	86,597	(100)	29,003	9,668
Chapter I	34,343	2,862	2,393	(469)	20,061	(5,697)	14,282	4,761
Chapter I Carryover	34,817	2,901	3,578	677	20,232	(5,877)	14,585	4,862
DDA	0	0	0	0	0	0	0	0
DDA FY 86-87	50,000	4,167	6,680	2,513	51,010	13,507	(1,010)	(337)
Mental Health Block Grant	460,203	38,350	48,082	9,732	315,959	(29,191)	144,244	48,081
USDA	20,602	1,717	2,195	478	16,526	1,073	4,076	1,359
TOTALS	7,560,700	630,060	678,805	48,745	5,583,585	(86,955)	1,977,115	659,038

Attachment to Item IV-A-1
6/30/87

DEEP EAST TEXAS REGIONAL MHMR SERVICES
EXPENDITURES BY COST CATEGORY
9/1/86 - 5/31/87

CATEGORY	ANNUAL BUDGET	MONTHLY BUDGET	MAY EXP. & ENC	MAY OVER(UNDER)	Y-T-D EXP & ENC	Y-T-D OVER(UNDER)	Y-T-D BAL REMAINING	REVISED MO. BUDGET
Salaries & Wages	3,716,847	309,737	316,533	6,796	2,728,755	(58,878)	988,092	329,364
Salary & Merit Increase	8,197	683	2,154	1,471	8,760	2,613	(563)	(188)
Fringe Benefits	513,068	42,756	46,211	3,455	389,602	4,798	123,466	41,155
Consultation & Professional Fees	86,479	7,207	2,687	(4,520)	54,583	(10,280)	31,896	10,632
Travel	158,501	13,208	9,933	(3,275)	96,316	(22,556)	62,185	20,728
Drugs	28,899	2,408	3,265	857	23,353	1,681	5,546	1,849
Food	111,037	9,253	12,273	3,020	84,383	1,106	26,654	8,885
Supplies	218,612	18,218	22,394	4,176	167,067	3,105	51,545	17,182
Equipment & Furniture/Purchase	72,461	6,038	12,655	6,617	61,109	6,767	11,352	3,784
Equip & Fur./Rental,Rep. & Mt.	73,577	6,131	5,718	(413)	52,926	(2,253)	20,651	6,884
Building/Rent	293,864	24,489	24,620	131	211,444	(8,957)	82,420	27,473
Bldg./Repair, Maint., Rem./Ren.	81,432	6,786	8,449	1,663	71,275	10,201	10,157	3,386
Vehicle/Purchase	97,531	8,128	32,481	24,353	57,197	(15,955)	40,334	13,445
Vehicle/Rental	18,941	1,578	7,965	6,387	20,073	5,871	(1,132)	(377)
Vehicle/Operating Costs	106,018	8,835	11,254	2,419	76,248	(3,267)	29,770	9,923
Contracts with Service Agencies	910,926	75,911	76,499	588	622,862	(60,337)	288,064	96,021
Postage	16,547	1,379	619	(760)	12,895	484	3,652	1,217
Laboratory Expense	2,624	219	122	(97)	1,578	(393)	1,046	349
Telephone	109,299	9,108	8,813	(295)	81,008	(964)	28,291	9,430
Annual Audit	12,194	1,016	1,000	(16)	8,992	(152)	3,202	1,067
Insurance	81,201	6,767	14,740	7,973	67,294	6,391	13,907	4,636
Client Wages/Fringe	397,218	33,102	36,105	3,003	273,303	(24,615)	123,915	41,305
Utilities	145,585	12,132	10,750	(1,382)	100,035	(9,153)	45,550	15,183
Emolument	2,100	175	175	0	1,575	0	525	175
Miscellaneous	153,435	12,786	14,723	1,937	135,160	20,086	18,275	6,092
Interest Expense	11,107	926	1,573	647	8,724	390	2,383	794
Court Commitment Expense	28,000	2,333	4,803	2,470	25,199	4,202	2,801	934
Building Expense	105,000	8,750	0	(8,750)	1,400	(77,350)	103,600	34,533
Construction Expense	0	0	0	0	9,315	9,315	(9,315)	(3,105)
TOTALS	7,560,700	630,059	688,514	58,455	5,452,431	(218,100)	2,108,269	702,756

Attachment to Item IV-A-1
6/30/87

DEEP EAST TEXAS REGIONAL MHMR SERVICES
EXPENDITURES BY PROGRAM
9/1/86 - 5/31/87

PROGRAM	ANNUAL BUDGET	MONTHLY BUDGET	MAY EXP. & ENC	MAY OVER/(UNDER)	Y-T-D EXP & ENC	Y-T-D OVER/(UNDER)	Y-T-D BAL REMAINING	REVISED MO. BUDGET
Center Administration	743,241	61,937	63,389	1,452	576,218	18,785	167,023	55,674
Case Management	318,107	26,509	28,706	2,197	231,024	(7,557)	87,083	29,028
MH Non-Residential	1,112,705	92,725	103,194	10,469	821,671	(12,854)	291,034	97,011
Special Education	1,247,375	103,948	101,233	(2,715)	880,551	(54,981)	366,824	122,275
MR Non-Residential	1,597,223	133,102	165,329	32,227	1,087,600	(110,318)	509,623	169,874
MR Residential	972,443	81,037	83,902	2,865	672,079	(57,254)	300,364	100,121
MH Residential	1,569,606	130,801	142,761	11,960	1,183,288	6,079	386,318	128,773
TOTALS	7,560,700	630,059	688,514	58,455	5,452,431	(218,100)	2,108,269	702,756

Attachment to Item IV-A-1
6/30/87

DEEP EAST TEXAS REGIONAL MHMR SERVICES
SUMMARY OF REVENUE AND EXPENDITURES
AS OF MAY 31, 1987

	MAY	YEAR-TO-DATE
REVENUE & RECEIVABLES	678,805	5,583,585
EXPENDITURES & ENCUMBRANCES	(688,514)	(5,452,431)
DIFFERENCE	(9,709)	131,154

REVENUE/EXPENDITURE ANALYSIS

RECOGNIZED REVENUE/RECEIVABLES		5,583,585
ADD: UNRECOGNIZED REVENUE		
LELSZ	177,414	
TEMPLE	79,213	
TEMPLE FOUNDATION GRANT	417,634	
RAJ (ESTIMATED)	0	
MEDICARE PAYMENT	105746 *	
TOTAL UNRECOGNIZED REVENUE		780,007
LESS: RESTRICTED INTEREST		
RESERVE OPERATING FUND	4,691	
PENSION	1,848	
BUILDING FUND	228	
FOUNDATION FUND	5808	
TOTAL RESTRICTED INTEREST		12,575
TOTAL NET REVENUE		6,351,017
RECOGNIZED EXPENDITURES/ENCUMBRANCES		5,452,431
LESS UNRECOGNIZED EXPENDITURES/ENCUMBRANCES		0
TOTAL NET EXPENDITURES/ENCUMBRANCES		5,452,431
DIFFERENCE OF REVENUE OVER/(UNDER) EXPENDITURES		898,586
REVENUE OVER EXPENDITURES		898,586
RESERVE OPERATING FUND		179,676
TOTAL AVAILABLE REVENUE		1,078,262 **

* Medicare payment resulting from Medicare Cost Report submission. Unrecognized as revenue pending audit of Cost Report.

** Total does not include an adjustment of approximately $385,000 to recognize as additional Client Fee Receivables. This adjustment will be booked in June, 1987.

Attachment to Item IV-A-1
6/30/87

DEEP EAST TEXAS REGIONAL MHMR SERVICES
BALANCE SHEET
MAY 31, 1987

ASSETS		GENERAL OPERATING FUND	GENERAL FIXED ASSETS	TOTAL
Current Assets				
Cash in Bank		1,010,823		1,010,823
Change Fund		340		340
Petty Cash		50		50
Accts Receivable-Client Fees	510,734			
Less: Allowance for Uncollectable Accounts	(632,983)			
Net Accounts Receivable		(122,249)		(122,249)
Accounts Receivable-Other		468,358		468,358
Accounts Receivable-Internal Advances		0		0
Prepaid Expenses		61,377		61,377
TOTAL CURRENT ASSETS		1,418,699		1,418,699
Amount To Be Provided Under Accrued Vacation		130,272		130,272
Amount To Be Provided Under Capital Lease Agreements		72,567		72,567
Amount To Be Provided Under Long-Term Agreement		87,263		87,263
General Fixed Assets - At Cost				
Equipment - Furniture/Fixtures			532,876	532,876
Vehicles			521,251	521,251
Building			325,645	325,645
Land			63,940	63,940
TOTAL FIXED ASSETS			1,443,712	1,443,712
TOTAL ASSETS		1,708,801	1,443,712	3,152,513

LIABILITIES, RESERVES & FUND BALANCE	GENERAL OPERATING FUND	GENERAL FIXED ASSETS	TOTAL
Current Liabilities:			
Accounts Payable	69,908		69,908
Misc. Payroll Ded.	4,303		4,303
Accounts Payable-Internal Adv.	0		0
Retirement Payable	70,496		70,496
Prepaid Revenue	639,172		639,172
Trust Fund Payable	4,953		4,953
Ins. Payable	(9,546)		(9,546)
TOTAL CURRENT LIABILITIES	779,286		779,286
Obligation Under Accrued Vacation	130,272		130,272
Obligation Under Capital Lease Agreements	72,567		72,567
Obligation Under Long-Term Agreement	87,263		87,263
TOTAL LIABILITIES	1,069,388		1,069,388
Reserve for Investment in Fixed Assets		1,443,712	1,443,712
Reserve for Encumbrances	88,773		88,773
Fund Balance	550,640		550,640
TOTAL LIABILITIES, RESERVES & FUND BALANCE	1,708,801	1,443,712	3,152,513

Attachment to Item IV-A-1
6/30/87

DEEP EAST TEXAS REGIONAL MHMR SERVICES
ANALYSIS OF ACCOUNTS RECEIVABLE/PAYABLE- INTERNAL ADVANCES
AND CASH POSITION STATEMENT
MAY 31, 1987

ANALYSIS OF ACCOUNTS RECEIVABLE/ACCOUNTS PAYABLE - INTERNAL ADVANCES

No Internal Advances	0

TOTAL	0
	==========

CASH POSITION STATEMENT

Cash in Bank:	
Operating Account	107,989
Money Market Checking Account - Inpatient	76,513
Pension Savings Account	71,376
Payroll Account	100
Chapter I Account	5,687
DDA Account	0
CD - Diboll State Bank	0
Money Market Checking Account - Diboll State Bank	20,301
Money Market Checking Account	107,822
Reserve Operating Account	179,676
Money Market - Diboll State Bank Foundation	278,979
CD - Diboll State Bank Foundation	150,000
Hardin Building Account	7,427

CASH IN BANK	1,005,870
Trust Fund Account	4,953

TOTAL CASH IN BANK	1,010,823
Change Fund	340
Petty Cash	50

TOTAL CASH ON HAND	1,011,213
	==========

Attachment to Item IV-A-1
6/30/87

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DEEP EAST TEXAS REGIONAL MHMR SERVICES
STATEMENT OF CHANGES IN FUND BALANCE AND RESERVE
AS OF MAY 31, 1987

	GENERAL OPERATING FUND	GENERAL FIXED ASSETS
BALANCE - 5/1/87	560,349	1,382,144
REVENUE	678,805	
EXPENDITURES	(688,514)	
ADDITIONS	0	61,783
DELETIONS	0	(215)
BALANCE - 5/31/87	550,640	1,443,712

Attachment to Item IV-A-1
6/30/87

DEEP EAST TEXAS REGIONAL MHMR SERVICES
OPERATING STATEMENT
MAY 31, 1987

SOURCE OF INCOME:	RECEIPT	RECEIVABLES	TOTAL
Court Commitment Income	0	1,835	1,835
Angelina County	2,441	0	2,441
Hardin County	0	0	0
Houston County	0	0	0
Jasper County	0	966	966
Nacogdoches County	1,497	0	1,497
Newton County	0	0	0
Polk County	821	0	821
Sabine County	237	0	237
San Augustine County	0	0	0
San Jacinto County	0	0	0
Shelby County	0	0	0
Trinity County	0	0	0
Tyler County	0	0	0
Temple Grant	0	0	0
Foundation Grant	0	2,914	2,914
Client Fees	0	49,359	49,359
Title XX - Protective Services	5,862	9,738	15,600
Texas Rehabilitation Commissio	0	505	505
ICF - MR	1,330	51,503	52,833
SB 230	0	9,250	9,250
ICS	0	0	0
Dept. of Highways & Pub. Trans	0	50,630	50,630
Workshop Production	0	9,900	9,900
Donations	0	1,180	1,180
Interest	0	4,993	4,993
Miscellaneous	0	6,670	6,670
Grant-in-Aid	0	152,756	152,756
Rusk State Hospital	349	16,475	16,824
SB 630	0	21,796	21,796
DHR - Adult Day Care	0	1,843	1,843
DHR - Child Day Care	1,604	11,618	13,222
RAJ	0	53,368	53,368
Texas Youth Commission	0	0	0
Lelsz	68,282	66,379	134,661
DHR Liaison	1	9,775	9,776
Chapter I	0	2,393	2,393
Chapter I Carryover	0	3,578	3,578
DDA	0	0	0
DDA FY 86-87	647	6,033	6,680
Mental Health Block Grant	0	48,082	48,082
USDA	172	2,023	2,195
TOTALS	83,243	595,562	678,805

Attachment to Item IV-A-1
6/30/87

DEEP EAST TEXAS REGIONAL MHMR SERVICES
OPERATING STATEMENT
MAY 31, 1987

SOURCE OF EXPENDITURES	DISBURSEMENTS	ENCUMBRANCES	TOTAL
Salaries & Wages	316,533	0	316,533
Salary & Merit Increase	2,154	0	2,154
Fringe Benefits	42,255	3,956	46,211
Consultation & Professional Fe	2,264	423	2,687
Travel	9,295	638	9,933
Drugs	2,225	1,040	3,265
Food	3,729	8,544	12,273
Supplies	7,920	14,474	22,394
Equipment & Furniture/Purchase	5,404	7,251	12,655
Equipment & Fur./Rental,Rep. &	4,598	1,120	5,718
Building/Rent	24,620	0	24,620
Bldg./Repair, Maint., Rem./Ren	7,161	1,288	8,449
Vehicle/Purchase	32,481	0	32,481
Vehicle/Rental	7,965	0	7,965
Vehicle/Operating Costs	7,706	3,548	11,254
Contracts w/ Service Agencies	4,087	72,412	76,499
Postage	619	0	619
Laboratory Expense	122	0	122
Telephone	8,813	0	8,813
Annual Audit	0	1,000	1,000
Insurance	14,740	0	14,740
Client Wages/Fringe	36,105	0	36,105
Utilities	10,669	81	10,750
Emolument	175	0	175
Miscellaneous	8,208	6,515	14,723
Interest Expense	1,565	8	1,573
Court Commitment Expense	3,002	1,801	4,803
Building Expense	0	0	0
Construction Expense	0	0	0
TOTALS	564,415	124,099	688,514

Attachment to Item IV-A-1
6/30/87

6/30/87

LOCAL MATCH CHART - FY 1987

COUNTY	AMOUNT REQUESTED	AMOUNT PLEDGED	AMOUNT RECEIVED
Angelina	$ 29,286.00	$ 29,300.00	$ 14,650.00
Hardin	14,532.00	14,532.00	14,532.00
Houston	6,584.00	6,584.00	6,584.00
Jasper	11,595.00	11,595.00	11,595.00
Nacogdoches	17,963.00	17,963.00	4,500.00
Newton	5,986.00	5,986.00	5,986.00
Polk	9,846.00	9,846.00	2,461.00
Sabine	2,838.00	2,838.00	2,838.00
San Augustine	2,802.00	2,802.00	2,802.00
San Jacinto	4,107.00	4,107.00	4,107.00
Shelby	6,400.00	6,400.00	6,400.00
Trinity	5,127.00	5,127.00	5,127.00
Tyler	7,609.00	7,609.00	7,609.00
TOTALS	$124,675.00	$124,689.00	$ 89,191.00

BOARD OF TRUSTEES RESOLUTION

STATE OF TEXAS

COUNTY OF ANGELINA

On the 30th day of June, 1987, at a meeting of the Board of Trustees of Deep East Texas Regional Mental Health Mental Retardation Services held in the city of Lufkin, Angelina County, Texas, with a quorum of the Trustees present, the following resolution was adopted:

> RESOLVED, by the Board of Trustees of Deep East Texas Regional Mental Health Mental Retardation Services, THAT they do hereby approve and agree to be bound by the Joint Venture Agreement for construction of the Angelina County MHMR Treatment Center as presented at this meeting of the Board and incorporated within the minutes of this meeting by reference, and THAT they do therefore authorize Jim McDermott, Ph. D., Executive Director, to sign the Joint Venture Agreement and to supervise the carrying out of provisions of the agreement on behalf of the Board of Trustees.

The above resolution was passed by a majority of those Trustees present and voting in accordance with established procedures of the Board.

I certify that the above and foregoing constitutes a true and correct copy of a part of the minutes of a meeting of the Board of Deep East Texas Regional Mental Health Mental Retardation Services held on the 30th day of June, 1987.

George E. Gee

George E. Gee
Secretary of the Board

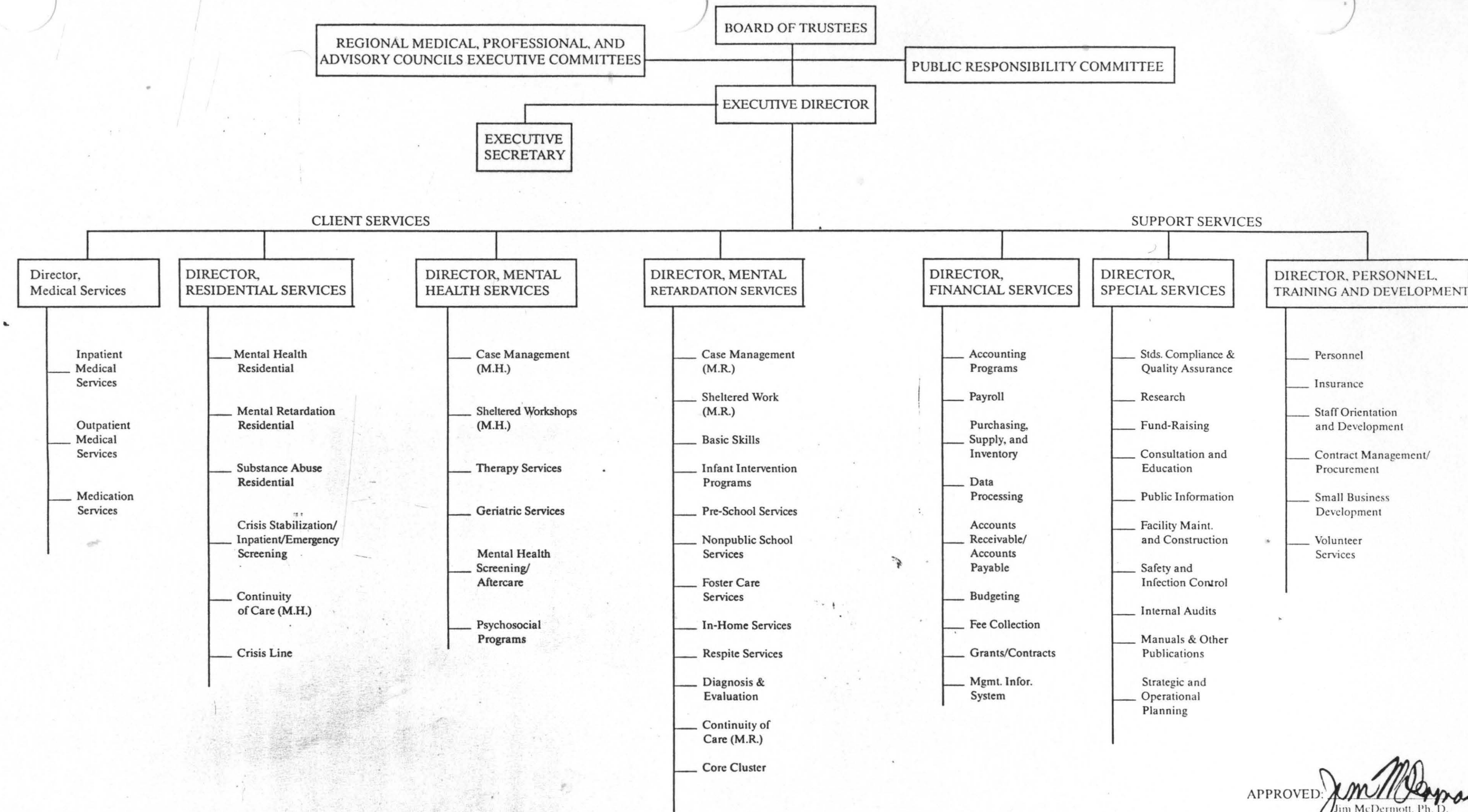
NOTARY PUBLIC STATE OF TEXAS

Subscribed and sworn before me, a Notary Public for the County of Angelina, on the 30th day of June, 1987.

Ann Craig

Notary Public
County of Angelina
State of Texas

ORGANIZATION CHART — EAST TEXAS REGIONAL MHMR SERVICES



APPROVED: Jim McDermott

Jim McDermott, Ph. D.
Executive Director

DATE: July 1, 1987