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MINUTES

OF

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

December 18, 1975

Lufkin, Texas

BOARD MEMBERS PRESENT:	BOARD MEMBERS ABSENT:
Mr. Ward R. Burke, Chairman	Mr. W. J. Gentry
Mr. R. B. Hille, Secretary	Mr. Cleo Hines
Mr. V. B. Woods, Treasurer	Judge Emmett Lack
Mr. George Gee	Judge Tom D. Mann
Rev. Jerry Self	

OTHERS PRESENT:

Dr. Wayne Lawrence -	DETRMHMRS
Russ Burbank	"
Betty Ecker	"
Linda Foley	"
S. H. Morrison, Jr.	"
Lee Mayberry	"

Rev. Duane Spikes, First Baptist Church, Lufkin
Mr. Lynn Montes, CPA, Axley & Rode, Lufkin
Mr. Ken Herman, THE LUFKIN NEWS
Mrs. Lois Gee, Jasper

The 27th meeting of the Board of Trustees was held on Thursday, December 18, 1975, at 7:00 p.m. in the Harvest Room at Lufkin Federal Savings & Loan Assn. in Lufkin, Texas.

INVOCATION: Rev. Duane Spikes, Associate Minister of the First Baptist Church in Lufkin, gave the Invocation.

CALL TO ORDER: There being a quorum present, Chairman Burke called the meeting to order at 7:05 p.m.

APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING: There being no corrections or additions to the Minutes of the November Board Meeting,

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Rev. Self moved, seconded by Mr. Gee, that the Minutes of the November 25, 1975 Board Meeting be approved. The Board approved the motion.

TREASURER'S REPORT: Mr. Woods commented that the Board received copies of the Operating Statement for the month of November, 1975, in the mail with the supporting documents to the agenda, and asked that copies be distributed to guests in attendance (see copy attached to these Minutes). There being no questions,

Mr. Hille moved that the Board approve the Treasurer's Report. The motion was seconded by Mr. Gee which the Board approved.

EXECUTIVE DIRECTOR'S REPORT: Dr. Lawrence reported that:

1. There has been no change since the last Board Meeting in the amount of local match funds pledged by the Deep East Texas region counties.

2. The Texas Education Agency accreditation team visited the MR programs this month, and Mr. Burbank will report on that site visit later.

3. Judge Mann is representing us at a meeting of the steering committee of the Health Services Agency in Woodville this evening.

4. We received $19,351 from the Developmental Disabilities Division of TDMHMR for the grant for Sunrise Manor.

5. We met with the staff of the Deep East Texas Council of Governments and made arrangements to assume the DWI Court Class Program in January.

6. DETRMHMRS has been asked to participate in a pilot testing of paraprofessional courses to be developed under the NIMH Paraprofessional Training Grant received by TDMHMR. Travel on the part of our staff associated with this project will be paid for by the grant.

7. The Community Services Division of TDMHMR is currently selecting members for a six-member management audit team. This team will periodically visit Community MHMR Centers and report their findings to TDMHMR who will then notify the Legislative

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Budget Board of their findings. I understand Mr. Daryl Dorcy of the LBB has been recommended to head up this team.

8. The DETRMHMRS' Operating Budget for FY 1976 has been mailed to County Judges in the region. Also included was a questionnaire for them to fill out and return as I thought it appropriate to provide feedback on the budget.

9. Dr. Lawrence asked the Program Directors to report on activities in DETRMHMRS' programs:

Mrs. Ecker, Director of Mental Health Programs:

1. Since my last report to the Board in October, the MH programs have served a total of 1,056 clients. We added 173 new clients and have a current active caseload of 465.

2. Several new group therapy counseling programs have been started at the Outpatient Clinics.

3. Mr. David Smith is the new Counselor at the Polk County Community Counseling Center, beginning work on November 3. He has been very busy his first six weeks of employment: he has started two AA groups in Groveton and Coldspring; was elected Chairman of the Livingston Drug Abuse Council; obtained full co-operation of the County Judges of the counties he serves in referring all persons probated on DWI charges to the Counseling Center--they are to report to his office within five days of sentencing; and he has met with Judge Baker about additional office space. Polk County is going to provide three offices (rent free) which will give Mr. Smith an office, waiting room, and counseling room which can also be used for AA meetings, DWI programs, and other DETRMHMRS' meetings in Livingston.

4. Dr. Bob Vance has been appointed Therapy Coordinator and will have direct supervisory responsibilities for the MH traveling team of Larry Davis, Bob West, and Pat Wolters.

5. The Tyler County Outpatient Clinic moved to its new facilities on October 3, and we are very pleased with the accomodations. We hope the Board will have an opportunity to visit the new Clinic at 101-A Pecan Street in Woodville.

6. The Texas Rehabilitation Commission site visit has been postponed until January. We hope to get certification on the Shelby County Halfway House.

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7. Mr. Paul Jackson and the DWI Court Class Program will be located at the Nacogdoches County Community Counseling Center.

Mr. Morrison, Director of Program Support Services:

1. Participants in the recent Seminar for area Ministers were mailed questionnaires, with 18 responding so far. Most indicated they would like to have monthly meetings with topics discussed on marriage, divorce, alcoholism and family counseling. Also, the survey indicated that more time should be spent on existing services and methods of referral, and the ministers indicated they should become personnaly acquainted with our counselors. We plan to have another seminar early next year conducted by members of the staff including Dr. Peebles and Dr. Vance and perhaps have a nominal registration fee of about $3.00.

2. The Annual Report should be ready for distribution in late January. Pictures have been obtained, and most of the material has been written.

3. We plan to have a seminar for the public at least once a month in the different region counties. The next seminar will probably be in Nacogdoches some time in February.

4. A Defensive Driving Course was conducted by the staff of Angelina College and attended by those employees who will drive DETRMHMRS' owned vehicles.

Mr. Burbank, Director of Mental Retardation Programs:

1. At last month's Staff Development session, we utilized the consultant services under Title I. Dr. Patillo from SFASU presented a session on music therapy and many of the staff are using these techniques.

2. Last month, Mary Cox, Byron Crawford and myself traveled to the Brenham State School and visited their new Halfway House approach (in cooperation with H.U.D.). We are looking forward to receiving more information on this.

3. The current client caseload is 502 in MR programs--19 new clients were added.

4. The site visit team from the Texas Education Agency were here this month. They were very impressed with the programs, and we received approval on all contractural programs. The San Jacinto

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County and Houston County Developmental Centers and the Polk County Sheltered Workshop will be added to the approval list of S.B. 230 contracts for next year, and we may be able to contract for children in those areas next year.

Dr. Lawrence commented that the TEA team will send a complete report probably by the next Board Meeting.

CONSIDERATION OF AUDIT REPORT FOR FY 1975: Chairman Burke said that the audit report for the DETRMHMRS' accounting records and procedures for FY 1975 has been completed, and the Board received copies of the report with the supporting documents to the Agenda in the mail. He introduced Mr. Lynn Montes, CPA, of the firm of Axley & Rode, who conducted the audit.

Mr. Montes gave a very thorough presentation of the audit report (see management letter and copy of the report attached to these Minutes).

In reply to the Auditor's Comments on page 8 of the report, Dr. Lawrence said that he had asked TDMHMR for clarification of this matter (see letter from Mr. King dated December 10, attached to these Minutes). He said that this letter was received after Mr. Montes had completed the report.

Mr. Montes said that two major recommendations are made:

1. Expenditures be recorded on the accrual basis each month.

2. The Board consider the use of data processing and/or machine accounting.

Dr. Lawrence commented that he would recommend phasing into data processing gradually by perhaps one area of the accounting function at a time. He recommended that this be done the next fiscal year.

Dr. Lawrence also said that he had talked with Mr. Montes about a Board policy on reallocating money within budgeted categories. Several suggestions were made and Chairman Burke requested that the Executive Director prepare a policy for the Board's consideration at the January Board Meeting.

Mr. Montes said that his firm will be available during the year to assist in any way possible.

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Mr. Woods moved that the Board accept the audit report, that the Board Chairman be authorized to approve the report, that copies of the audit report be distributed as required, and that the Board approve the payment to the firm of Axley & Rode for the audit report for FY 1975. Mr. Hille seconded the motion which the Board approved.

CONSIDERATION OF EXPENDITURE REPORT FOR FIRST QUARTER OF FY 1976:

Mr. Woods moved that the Expenditure Report for the first quarter of FY 1976 be approved, that the Chairman be authorized to sign the report, and that it be submitted to TDMHMR. Rev. Self gave the second, and the Board approved the motion.

Dr. Lawrence said that the final expenditure report for the Texas Commission on Alcoholism (TCA) grant for the three Community Counseling Centers is due within 30 days of the end of this project (January 30, 1976). Because of vacancies in Counselor positions in the past six months, we currently estimate a total of $2,182 will be left over in the Personnel Category. We have talked with Mr. Frank Stone, Area V Coordinator of TCA, and he has indicated that we might possibly be able to reallocate this $2,182 as follows:

Equipment	- 2 IBM Typewriters @ $562.50 each (1 for Nacogdoches Co. CCC and 1 for Polk Co. CCC)	$1,125
Renovations	- Polk County CCC	400
Supplies	- Consumable supplies & literature for the three Community Counseling Centers	657
		$2,182

Mr. Hille moved that the Board authorize this fund reallocation if approved by the Texas Commission on Alcoholism, and following approval by TCA that the purchase of two IBM typewriters in the amount of $1,125 be approved by the Board. Rev. Self seconded the motion which was approved.

AUTHORIZATION TO SIGN VOUCHER FOR REMAINDER OF SECOND QUARTER OF FY 1976:

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Mr. Hille moved, seconded by Mr. Gee, that the Board Chairman be authorized to sign the voucher in the amount of $118,977.00 for operating funds for the remainder of the second quarter of FY 1976, and that it be submitted to TDMHMR. The Board approved the motion.

REPORT FROM DR. SELF ON EAST TEXAS CONSORTIUM OF MHMR SERVICES: Rev. Self presented Board members with a copy of his report stating that one problem facing all MHMR Centers is inadequate medical coverage--Centers are having trouble recruiting adequate Psychiatrists. He said also discussed at the meeting was training staff in intake interview procedures, cost of drugs, delinquent fees, process of regionalization, and contracts with hospitals and physicians. Rev. Self said that SAFECO is going out of the business of Community MHMR Center coverage. Dr. Lawrence commented that he understands SAFECO is looking for another carrier for group coverage.

Rev. Self said that he discussed the matter of research proposals with several at the meeting, and he will report on this at next month's Board Meeting.

CONSIDERATION OF LETTER OF INTENT FOR CONSTRUCTION GRANT: Chairman Burke stated that since this item involved discussion of the possibility of leasing property, it would be discussed in Executive Session later in the meeting.

CONSIDERATION OF PROCEDURE CONCERNING THE SCREENING AND REFERRAL OF CLIENTS:

Rev. Self moved, seconded by Mr. Woods, that Procedure No. D-15 for DETRMHMRS' Operations and Procedures Manual relating to the screening and referral of clients be approved by the Board. The Board approved the motion.

REPORT ON STATUS OF REQUESTS FOR EXEMPTION CERTIFICATES, DECLARATORY RULINGS, AND CERTIFICATES OF NEED: Dr. Lawrence reviewed the organization of the Texas Health Facilities Commission (H.B. 2164) and explained the process of filing for a Declaratory Ruling, Certificate of Need, and Exemption Certificate. He stated that requests for Exemption Certificates had been sent to the THFC before midnight on September 25, 1975 for the following DETRMHMRS' programs:

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Alabama-Coushatta Indian Reservation Developmental Center
Angelina County Developmental Center
Excelsior (Shelby County) Developmental Center
Kirbyville Developmental Center
Newton County Developmental Center
Shelbyville Developmental Center
Tenaha Developmental Center
Timpson Developmental Center
Deep East Texas Regional Court Class Program
Shelby County Halfway House
Angelina County Day Treatment Program
Angelina County Halfway House
San Augustine County Developmental Center

Dr. Lawrence said that the THFC Hearing Officer has recommended that the first 10 programs listed above be approved for Exemption Certificates. Certificates of Need will probably be filed on the San Augustine County Developmental Center and the Angelina Co. Day Treatment Program. He said that an Exemption Certificate will be requested again for the Angelina County Halfway House based on the fact that this was included in the presentation to the Angelina County Commissioners Court on August 12, 1974, and was planned before this law went into effect.

Chairman Burke again voiced opposition to H.B. 2164 stating that this is the kind of governmental program that eats up tax dollars and delays programs without helping to get services to people who really need them. He said that the Texas act goes much further than required by the federal government, and that the State legislation went through without anyone really knowing about it. Mr. Burke said he almost becomes discouraged to think a three-man Board outside the Department of Mental Health and Mental Retardation with a staff of lawyers can tell us whether or not we need a program for retarded children in our counties.

CONSIDERATION OF ACCEPTING DONATIONS: Dr. Lawrence said that since the last Board Meeting, DETRMHMRS received the following donations:

Nacogdoches Peace Officers Association - $316.00
Alpha Phi Omega of SFASU - $150.00
Piney Woods Association for Retarded Citizens - $175.00

Mr. Woods moved that the Board gratefully accept these donations. Mr. Gee seconded the motion, and the Board approved.

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CONSIDERATION OF CERTIFICATES OF APPRECIATION: The following were recommended for Certificates of Appreciation:

Nacogdoches Peace Officers Association
Beta Sigma Phi Sorority - Crockett
Piney Woods Association for Retarded Citizens
T.L.L. Temple Foundation
Livingston Pilot Club

Mr. Woods moved that the Board authorize the Chairman and Executive Director to sign and present Certificates of Appreciation to the above listed organizations. Mr. Gee seconded the motion, which the Board approved.

CONSIDERATION OF PROPOSED REVISIONS IN PERSONNEL POLICIES AND PROCEDURES MANUAL: Mr. Morrison presented for the Board's consideration proposed revisions to the DETRMHMRS' Personnel Policies and Procedures Manual involving the following:

Part II, Section B. Employment Sources, #2. Transfer
Part III, Section B. Attendance and Leave, #10. Vacation
Part III, Section B. #12 Fringe Benefits for Part-time Employees

Rev. Self moved, seconded by Mr. Gee, that the Board approve the revisions and that these be incorporated into the Personnel Policies and Procedures Manual. The Board approved the motion.

DISCUSSION OF STATUS OF MOBILE EVALUATION UNIT: Dr. Lawrence said that the grant for the Mobile Evaluation Unit has been approved, a bid accepted by the Board, and approval to purchase the vehicle from TDMHMR's Commissioner has been received. Now, it appears that we will have to file for a Certificate of Need with the Texas Health Facilities Commission which will take about 90 days. The firm that received the bid has indicated that this delay will result in a price increase on the unit of about $2,000. He said there is a possibility we will have to resubmit bids, and asked the Board's recommendation in this matter. After some discussion,

Mr. Woods moved that DETRMHMRS submit a Certificate of Need to the Texas Health Facilities Commission before proceeding with the project. Mr. Gee seconded the motion and the Board approved.

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DISCUSSION OF QUARTERLY REPORT OF TEXAS PHARMACEUTICAL EDUCATION AND RESEARCH FOUNDATION: This item was postponed for discussion at the January Board Meeting.

CONSIDERATION OF NOMINEES FOR ADVISORY COUNCILS AND REGIONAL ADVISORY COMMITTEES: In the absence of Judge Mann, Mr. Woods nominated Mr. Irwin Mott and Mr. Carl Jones of Woodville to serve on the Tyler County Advisory Council.

He also nominated Mary Dominey of Groveton to serve on the Regional Volunteer Services Advisory Committee.

Mr. Gee nominated Mr. John Morrison of Woodville to serve on the Regional Volunteer Services Advisory Committee representing Tyler County.

Also, Mr. A. B. Chapman of Jasper (representing Jasper County) and Mr. Raymond Lacy of Wiergate (representing Newton County) to serve on the Regional Volunteer Services Advisory Committee

The Board unanimously approved the above-listed nominations.

Dr. Lawrence suggested to the Board that it might be well to combine the three Regional Advisory Committees for Mental Health, Mental Retardation, and Chemical Dependency for the purposes of combined meetings and better attendance.

CONSIDERATION OF PROPOSED POSITION DESCRIPTIONS:

Mr. Woods moved that the Position Description for a Secretary II be approved by the Board and incorporated into the DETRMHMRS' Position Description Manual. Mr. Hille seconded the motion which was approved.

DISCUSSION OF STATUS OF ANGELINA COUNTY DAY TREATMENT PROGRAM, AND CONSIDERATION OF PRESENTATION BY BIRTHRIGHT, INC.: This item was delayed for discussion at the January Board Meeting.

DISCUSSION OF PROPOSED LEASE AGREEMENT FOR SUNRISE MANOR: Chairman Burke said that this item and also item IX on the Agenda (Consideration of Letter of Intent for Construction Grant) would be discussed in Executive Session in accordance with Section 2 (f) of the Open Meeting Law as they both deal with the leasing of property. Visitors were excused from the meeting room.

(Executive Session)

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Chairman Burke reopened the meeting at 9:40 p.m., and the following items were taken into consideration.

CONSIDERATION OF LETTER OF INTENT FOR CONSTRUCTION GRANT: Dr. Lawrence said that as he mentioned at the last Board Meeting, TDMHMR informed us that about $700,000 is available for 1975 mental health construction funds as per P.L. 88-164 through grant applications. A letter of intent to TDMHMR to apply for some of these funds is due on or before January 12, 1976. Grant applications are due on or before February 16, 1976. Dr. Lawrence said the Board might consider applying for a grant for the Angelina Co. Day Treatment Program.

> Mr. Hille moved that the Executive Director be authorized to file a letter of intent with TDMHMR and a grant application for construction funds for the Angelina County Day Treatment Program. Rev. Self seconded the motion, which was approved.

DISCUSSION OF PROPOSED LEASE AGREEMENT FOR SUNRISE MANOR: Dr. Lawrence said that a recommendation had been received from Mr. Tom Campbell, Architect, Community Services, TDMHMR, for the location of the Halfway House for the mentally retarded, "Sunrise Manor." After inspecting several locations, Mr. Campbell recommended the property located at 1016 North First Street in Lufkin with certain renovations to be made. Dr. Lawrence said this location has been carefully researched and recommended to the Board that DETRMHMRS proceed to obtain zoning rights, and then enter into a lease agreement with the owner upon completion of the renovations.

> Rev. Self moved that the staff of DETRMHMRS take the necessary steps to secure the property located at 1016 North First Street in Lufkin for Sunrise Manor. Mr. Gee seconded the motion, and the Board approved.

DESIGNATION OF DATE, TIME, AND LOCATION OF NEXT BOARD MEETING: The January Board Meeting was set for Tuesday, January 27, 1976, at 7:00 p.m. in the Harvest Room at Lufkin Federal Savings & Loan Association in Lufkin, Texas.

ADJOURN: There being no further items of business, the meeting was adjourned at 9:50 p.m.

APPROVED:

Ward R. Burke
Ward R. Burke, Chairman

R B Hille
R. B. Hille, Secretary

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DEEP EAST TEXAS REGIONAL MHMR SERVICES

OPERATING STATEMENT

November 1975

INCOME

Jasper County	$ 870.83
Patient Fees	1,022.85
Senate Bill 230 (Shelby County - $17,527.73; Shelbyville - $4,419.00)	21,946.73
Workshop Production	1,323.49
United Way of Nacogdoches County	500.00
Donations	5,141.00
Concessions	179.00
Miscellaneous	5.00
Texas Commission on Alcoholism	12,490.00
TOTAL	$43,478.90

EXPENDITURES	DISBURSEMENTS	ENCUMBRANCES	TOTAL
Salaries	47,778.31		47,778.31
FICA	2,378.12		2,378.12
Insurance	1,724.30		1,724.30
Retirement	917.81		917.81
Consultation/Professional	1,320.00		1,320.00
Consultation/Other	290.00		290.00
Travel	3,261.92		3,261.92
Drugs	4,158.68	25.73	4,184.41
Food		293.48	293.48
Consumable Supplies	923.99	966.20	1,890.19
Concession Expense	145.25	71.30	216.55
Equipment/Purchase	752.41		752.41
Equipment/Rental (Xerox)	650.60		650.60
Equipment/Furniture Repair	49.16		49.16
Rent/Building	2,260.00		2,260.00
Repair/Maintenance Bldg.	337.82	20.00	357.82
Contracts	17,236.88		17,236.88
Utilities/Postage/Telephone	1,207.85	250.80	1,458.65
Laboratory Expense	24.00		24.00
Insurance	8,147.86		8,147.86
Client Training Wages	1,985.51		1,985.51
Contract Materials	145.22	89.94	235.16
Educational Supplies	30.05	39.37	69.42
Miscellaneous	268.98	748.99	1,017.97
Housing (Dr. Peebles)	175.00		175.00
TOTAL	$96,169.72	$2,505.81	$98,675.53

DISBURSEMENTS/BREAKDOWN: Consultation/Professional: Mary Hale, M. D.-$1,320; Consultation/Other: Ministerial Seminar-$240; Dr. Janice Pattillo-$50 (Title I); Equipment/Purchase: Router Kit, Polk Co. SWS-$59.05; Camera Flash Attachment, CA, $64.37; Electric Heater, Polk Co. CCC-$19.88; Files & Desks-Title I-$609.11; Repair/Equipment: Typewriter, Shelby Co. SWS-$18.50; Saw Repair, Shelby Co. SWS-$30.66. Rent/Building: Angelina Co. OPC-$275; Tyler Co. Dev. Cen.-$125; Central Administration-$800; Houston Co. Dev. Cen.-$200; Nacogdoches Co. SWS-$160; Jasper Co. CCC-$75; Shelby Co. Halfway House-$100; Trinity Co. OPC-$200; San Jacinto Co. Dev. Cen.-$75; Nacogdoches Co. CCC-$250. Repair/Maintenance Building: Installing water coolers Polk Co. SWS & San Jacinto Co. Dev. Cen.-$116; Paint-San Jacinto Co. Dev. Cen.-$10.47; Paint Remover-Houston Co. Dev. Cen.-$5.77; Laying gas line-Houston Co. Dev. Cen.-$205.58. Contracts: Woodlane Heights Gen. Hospital-$243.80; Nacogdoches Memorial Hospital-$300; Shelby Co. School Board-November SB 230 Expenses-$16,693.08. Insurance; Safeco-$8,147.86. Miscellaneous: Janitorial Service for Angelina Co. OPC-$25.20; MR Offices-$25.20; Collating Newsletter-$17.14; Board Meeting refreshments-$37.98; Business Cards for Chester Orem-$12; Posting Board Meeting Notice in Nacogdoches Co.-$3; Registration Fee for East Texas Consortium for Mr. Burke and Dr. Lawrence-$30; Buying Christmas gifts for clients of Nacogdoches Co. SWS-$75 (Money donated for this specific purpose); Film Development-$7.44; Janitorial Service for Trinity Co. OPC-$6; Sign for Tyler Co. OPC-$4.

ENCUMBRANCE/BREAKDOWN: Food: Shelby County Halfway House; Supplies: All Programs; Educational Supplies: Developmental Centers

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AXLEY & RODE
CERTIFIED PUBLIC ACCOUNTANTS
LUFKIN, TEXAS
75901

BRANCH L. AXLEY, C.P.A.
CARL F. RODE, C.P.A.
SAM TARRY, C.P.A.
TUCKER WEEMS, C.P.A.
A. WAYNE CORLEY, C.P.A.
BYRON SMITH, C.P.A.
LYNN MONTES, C.P.A.

TELEPHONE 634-6621
1217 SOUTH TIMBERLAND

December 10, 1975

Board of Trustees
Deep East Texas Regional Mental
Health Mental Retardation Service
Lufkin, Texas

Members of the Board:

During our examination of the financial records of the Community Center for the year ended August 31, 1975 we noted certain areas where weaknesses existed in the procedures required to conserve the assets and increase the effectiveness of the accounting function. These areas and our recommended procedural changes and other comments are outlined below:

ACCOUNTING SYSTEM AND RECORDS

As a whole, we were very pleased with the accounting and financial records maintained by the Community Center. The Operations and Procedures Manual was exceptional and provided for substantially all areas of the accounting function. The accounting system provided adequate information in the general ledger for the preparation of the quarterly expenditure reports submitted to the Texas Department of Mental Health and Mental Retardation (TDMHMR). The accounting system did not provide in the general ledger for expenditures by source of funds as required in the "Guidelines for Annual Fiscal Audits of Community MHMR Centers", therefore; certain expenditure schedules appearing in the additional information and comments section of the accompanying report of examination were prepared from data and allocations made available by the Community Center. The Guidelines were prepared by the Community Services Division of TDMHMR in June, 1975 and were received by the Community Center on July 21, 1975.

It is evident that the Community Center could not comply with the expenditure classification requirements as outlined in the audit guidelines during the year ended August 31, 1975. We are of the opinion that the present accounting staff is not sufficient to enable the Center to maintain the required records by hand. We recommend that the Business Manager be authorized to study the use of data processing and/or other methods of machine accounting and develop recommendations that will enable the Community Center to comply with the State's requirements as soon as possible.

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During the year ended August 31, 1975 monthly expenditures were recorded on the cash disbursements basis. At year end, expenditures were adjusted to the accrual basis by recording accounts payable and encumbrances outstanding.

We recommend that expenditures be recorded on the accrual basis each month.

The implementation of the foregoing recommendations concerning the accounting system and records should provide the Community Center with accurate month-to-month information regarding its financial position, results of operation, and compliance with State Grant-in-Aid and other grant requirements.

HANDLING AND CONTROL PROCEDURES FOR CASH

The handling and control of cash was principally vested in the Community Center's singular accountant during the year ended August 31, 1975. Her duties included the receiving and recording of cash receipts, preparation and cosigning of checks, recording of cash disbursements and reconciliation of the various bank accounts. In September, 1975 the Community Center hired additional personnel in the accounting department and the handling and control of cash procedures have been satisfactorily divided to provide checks and balances within the system.

We recommend continued review by the appropriate personnel to insure that no one person handles a transaction from its beginning to end.

PURCHASING PROCEDURES

The Community Center's Operations and Procedures Manual requires that all purchases of goods and services amounting to $500.00 and over must be approved by the Board of Trustees. Our examination indicated that specific board approval was not always documented in writing.

We recommend all purchases requiring board approval be reflected in the minutes of Board meetings or otherwise documented in writing.

The Community Center purchased substantially all drugs from the Texas Pharmaceutical Education and Research Foundation, Inc. and its participating pharmacies under the terms of a contract effective September 23, 1974. No drugs are stored in the various organizational units operated by the Community Center.

RECEIVING PROCEDURES

The Operations and Procedures Manual requires that documentation verifying the receipt of goods and services be forwarded to the accounting office. We noted in some instances that verification of receipt of goods and services was not attached to the invoices and other data approved for payment.

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We recommend that the Community Center design a receiving report and require that it be used to evidence the receipt of goods and services for which the Center is charged.

FIXED ASSET RECORDS

The Community Center's Operations and Procedures Manual outlines excellent procedures for the physical control of fixed assets in the organizational units and storage areas.

We recommend that the Community Center establish subsidiary controls over the cost of fixed assets in the various organizational units and storage areas and that these subsidiary ledger controls be balanced with the general ledger's General Fixed Assets accounts monthly.

CLOSING COMMENT

We would like to take this opportunity to express our appreciation to Dr. Lawrence and his staff for the courtesy and cooperation extended to us during the course of our examination. If you need our assistance regarding the foregoing recommendation or on other aspects of the financial records, please let us know.

Very truly yours,

AXLEY & RODE

By: Lynn Montes

SLM:emc

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REPORT OF EXAMINATION

DEEP EAST TEXAS REGIONAL MENTAL HEALTH MENTAL RETARDATION SERVICES

Lufkin, Texas

August 31, 1975

AXLEY & RODE
CERTIFIED PUBLIC ACCOUNTANTS
LUFKIN, TEXAS

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CONTENTS

Certificate of Board 1

Accountants' Report 2

Balance Sheet 3

Statement of Changes In Reserves and Fund Balances 4

Statement of Revenues 5

Statement of Expenditures and Encumbrances 6

Notes to Financial Statements 7

Auditors' Comments 8

Additional Information 9

- Analysis of Changes in General Fixed Assets 10
- Summary of Lease Agreements and Terms 11
- Schedule of Expenditures by Source of Funds and Expenditure Category 12
- Schedule of Expenditures by Source of Funds and Unit Classification 13
- Schedule of Expenditures by Source of Funds and Program Category 14
- Schedule of Organizational Unit Expenditures 15

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CERTIFICATE OF BOARD
DEEP EAST TEXAS REGIONAL
MENTAL HEALTH MENTAL RETARDATION SERVICES

We, the undersigned, do hereby certify that the audit report of the Deep East Texas Regional Mental Health Mental Retardation Services for the year ended August 31, 1975 was reviewed and ✓ approved ___ disapproved (check one) at a meeting of the Board of such community center on the 18th day of DECEMBER, 1975.

R B Hille
Signature of Board Secretary

Ward R. Burke
Signature of Board Chairman

If the audit was disapproved, as checked above, the reasons therefor must be listed below or on an attachment hereto.

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AXLEY & RODE
CERTIFIED PUBLIC ACCOUNTANTS
LUFKIN - NACOGDOCHES - CROCKETT
TEXAS

December 10, 1975

Board of Trustees
Deep East Texas Regional Mental
Health Mental Retardation Services
Lufkin, Texas

Members of the Board:

We have examined the Balance Sheet of Deep East Texas Regional Mental Health Mental Retardation Services as of August 31, 1975 and the related statements of changes in reserves and fund balances, revenues, and expenditures and encumbrances for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet, statements of changes in reserves and fund balances, revenues, and expenditures and encumbrances present fairly the financial position of Deep East Texas Regional Mental Health Mental Retardation Services as of August 31, 1975 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Axley & Rode
CERTIFIED PUBLIC ACCOUNTANTS

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BALANCE SHEET
DEEP EAST TEXAS REGIONAL
MENTAL HEALTH MENTAL RETARDATION SERVICES
August 31, 1975

	GENERAL OPERATING FUND	GENERAL FIXED ASSETS FUND
ASSETS		
Current Assets:		
Cash, including time deposits	139 352.21	
Accounts receivable - Patient fees (less allowance for uncollectible amounts of $392.00)	3 524.44	
TOTAL	142 876.65	
General Fixed Assets - At Cost:		
Furniture and equipment		69 899.39
Vehicles		21 861.64
TOTAL GENERAL FIXED ASSETS		91 761.03
TOTAL ASSETS	142 876.65	91 761.03
LIABILITIES, RESERVES AND FUND BALANCE		
Liabilities:		
Accounts payable	2 130.47	
Accrued expenses	6 557.03	
TOTAL LIABILITIES	8 687.50	
Encumbrances outstanding	84 229.47	
Reserve for investment in General Fixed Assets		91 761.03
Fund balance	49 959.68	
TOTAL LIABILITIES, RESERVES AND FUND BALANCE	142 876.65	91 761.03

The accompanying notes to financial statements are an integral part of this statement.

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STATEMENT OF CHANGES IN RESERVES AND FUND BALANCES
DEEP EAST TEXAS REGIONAL
MENTAL HEALTH MENTAL RETARDATION SERVICES
For The Year Ended August 31, 1975

	GENERAL OPERATING FUND	GENERAL FIXED ASSETS FUND
Balance, September 1, 1974	5 913.60	12 197.74
Revenues	712 546.21	
Expenditures	668 043.41	
NET REVENUES	44 502.80	
Other Changes:		
Refund to Federal agencies - Prior year's grant funds not expended	(456.72)	
Additions to General Fixed Assets		79 563.29
Balance, August 31, 1975	49 959.68	91 761.03

The accompanying notes to financial statements are an integral part of this statement.

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STATEMENT OF REVENUES
DEEP EAST TEXAS REGIONAL
MENTAL HEALTH MENTAL RETARDATION SERVICES
For The Year Ended August 31, 1975

SOURCE OF FUNDS	AMOUNT
Local funds	139 616.21
State Grant-In-Aid	496 915.00
Other State Funds - Texas Commission on Alcoholism	37 490.00
Federal Funds:	
Developmental Disabilities Act - Workshop	14 525.00
Developmental Disabilities Act - Vehicles	24 000.00
TOTAL FEDERAL FUNDS	38 525.00
TOTAL REVENUE	712 546.21

The accompanying notes to financial statements are an integral part of this statement.

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STATEMENT OF EXPENDITURES AND ENCUMBRANCES
DEEP EAST TEXAS REGIONAL
MENTAL HEALTH MENTAL RETARDATION SERVICES
For The Year Ended August 31, 1975

EXPENDITURE CATEGORIES	EXPENDITURES	ENCUMBRANCES	TOTAL
1. PERSONNEL			
a. Salaries and Wages	286 933.04		286 933.04
b. Fringe Benefits - Note B	33 918.44		33 918.44
c. Consultation and Professional Fees			
(1) Direct Patient Services	10 098.51		10 098.51
(2) Other	1 619.29		1 619.29
TOTAL PERSONNEL	332 569.28		332 569.28
2. TRAVEL -- Staff and Board	29 644.00		29 644.00
3. CONSUMABLE ITEMS			
a. Drugs	14 796.23		14 796.23
b. Food	620.60		620.60
c. Other (Office, etc.)	20 532.85	1 994.99	22 527.84
TOTAL CONSUMABLE ITEMS	35 949.68	1 994.99	37 944.67
4. EQUIPMENT AND FURNITURE			
a. Purchase	24 292.09	33 409.56	57 701.65
b. Rental	3 967.13		3 967.13
c. Repairs and Maintenance	214.36		214.36
TOTAL EQUIPMENT AND FURNITURE	28 473.58	33 409.56	61 883.14
5. BUILDING			
a. Rent	12 727.00		12 727.00
b. Remodeling and Renovation	1 796.59	16 268.70	18 065.29
c. Repairs and Maintenance	1 131.08	4 978.00	6 109.08
TOTAL BUILDING	15 654.67	21 246.70	36 901.37
6. VEHICLE			
a. Purchase		21 861.64	21 861.64
b. Rental			
c. Operating and Maintenance Costs	69.71		69.71
TOTAL VEHICLE	69.71	21 861.64	21 931.35
7. CONTRACTS WITH SERVICE AGENCIES - NOTE C	95 924.55		95 924.55
8. OTHER			
a. Utilities, Postage, Telephone	16 115.43		16 115.43
b. Laboratory Expenses	111.90		111.90
c. Client Transportation			
d. Annual Audit		3 500.00	3 500.00
e. Insurance	2 819.30		2 819.30
f. Client Training Wages	14 955.88		14 955.88
g. Client Training Fringe Benefits	787.50		787.50
h. Contract Materials	2 356.38	2 216.58	4 572.96
i. Miscellaneous	5 382.08		5 382.08
j. Housing - Director of Psychiatric Services	3 000.00		3 000.00
TOTAL OTHER	45 528.47	5 716.58	51 245.05
TOTAL EXPENDITURES	583 813.94	84 229.47	668 043.41

The accompanying notes to financial statements are an integral part of this statement.

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NOTES TO FINANCIAL STATEMENTS
DEEP EAST TEXAS REGIONAL
MENTAL HEALTH MENTAL RETARDATION SERVICES
August 31, 1975

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Assets and liabilities, revenues, expenditures and encumbrances are recognized on the modified accrual basis.

2. In the general fixed assets fund, certain improvements to leased facilities are not capitalized.

3. An allowance for depreciation of general fixed assets is not provided.

NOTE B - PENSION PLAN

The Community Center has a pension plan covering substantially all employees. The total pension expense for the year was $4,952.72, representing an amount equal to 2% of the qualified compensation of covered employees from the effective date of the plan (September 1, 1974). The Center's policy is to fund pension cost accrued.

NOTE C - REVENUES AND EXPENDITURES

Community Center revenues and expenditures include $26,000.00 in funds actually received and expended by another local agency during the year ended August 31, 1975. The inclusion of these funds was allowed under the terms of a contract approved by the Texas Department of Mental Health and Mental Retardation. These funds have been reflected as revenues from local funds and expenditures under contracts with service agencies in the accompanying statements.

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AUDITORS' COMMENTS

The following comments are made regarding the Center's compliance with certain requirements set forth in the Rules, Regulations and Standards governing the provision of mental health and mental retardation services by boards of trustees operating a community center.

Section D, Awarding of Grants-In-Aid, Paragraph 4:

In our opinion, the Center is in compliance with the conditions of the awarding of State Grant-in-aid.

Section H, Standards of Administration, Paragraph 4:

Combined building, remodeling and renovation expenditures for the various organizational units operated by the Center exceeded $5,000.00 per annum without the express written approval of the State Mental Health Authority.

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ADDITIONAL INFORMATION AND COMMENTS

The information which follows was prepared from the records of Deep East Texas Regional Mental Health Mental Retardation Services. This information and our comments relating thereto are not considered essential to a fair presentation of the preceding financial statements, but are submitted as additional information that may be of interest to the Management, and Board of Trustees of the organization.

Our examination was intended primarily for the purpose of formulating an opinion of the basic financial statements taken as a whole and was not such as to enable us to, and we do not, express an opinion of all details of the additional information which follows.

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ANALYSIS OF CHANGES IN GENERAL FIXED ASSETS
DEEP EAST TEXAS REGIONAL
MENTAL HEALTH MENTAL RETARDATION SERVICES
For The Year Ended August 31, 1975

ASSET DESCRIPTION	BALANCE SEPTEMBER 1, 1974	ADDITIONS	BALANCE AUGUST 31, 1975
Equipment and furniture	12 197.74	57 701.65	69 899.39
Vehicles		21 861.64	21 861.64
TOTALS	12 197.74	79 563.29	91 761.03

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SUMMARY OF LEASE AGREEMENTS AND TERMS
DEEP EAST TEXAS REGIONAL
MENTAL HEALTH MENTAL RETARDATION SERVICES

ORGANIZATIONAL UNIT	ITEM LEASED
Central Administration	Building
Nacogdoches County Sheltered Workshop	Building
Nacogdoches County Community Counseling Center	Building
Angelina County Outpatient Center	Building space
Tyler County Outpatient Clinic	Building
Tyler County Development Center	Building
Houston County Development Center	Building space
Trinity County Outpatient Clinic	Building space
San Jacinto County Development Center	Building space
Polk County Sheltered Workshop	Building
Shelby County Sheltered Workshop	Building
Shelby County Halfway House	Building
Jasper County Community Counseling Center	Building space
Central Administration	Copier

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LEASE PERIOD FROM	LEASE PERIOD TO	REQUIRED LEASE PAYMENTS MONTHLY	REQUIRED LEASE PAYMENTS TOTAL	OTHER INFORMATION
8/1/75	8/31/77	800.00	20 000.00	Occupancy beyond lease period @800.00 per month
9/1/75	8/31/76	160.00	1 920.00	Occupancy beyond lease period @160.00 per month
9/1/75	8/31/75	250.00	3 000.00	Occupancy beyond lease period @250.00 per month
9/1/75	2/28/76	275.00	1 650.00	Occupancy beyond lease period @275.00 per month
11/1/75	8/31/76	267.00	2 670.00	Occupancy beyond lease period @267.00 per month
7/1/75	8/31/76	125.00	1 750.00	
9/1/75	8/31/76	200.00	2 400.00	Occupancy beyond lease period @200.00 per month
9/1/75	8/31/76	200.00	2 400.00	Occupancy beyond lease period @200.00 per month
9/1/75	8/31/76	75.00	900.00	Option to renew for one year under conditions to be negotiated
9/1/75	8/31/78	NONE	3.00	Occupancy beyond lease period @1.00 per year
9/1/75	8/31/77	NONE	2.00	
7/1/75	8/31/76	100.00	1 400.00	Occupancy beyond lease period @100.00 per month
8/1/75	8/31/76	75.00	975.00	Occupancy beyond lease period @75.00 per month
12/13/74	Indefinite	240.00	Indefinite	Minimum rental

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SCHEDULE OF EXPENDITURES BY SOURCE OF FUNDS AND EXPENDITURE CATEGORY
DEEP EAST TEXAS REGIONAL
MENTAL HEALTH MENTAL RETARDATION SERVICES
For The Year Ended August 31, 1975

EXPENDITURE CATEGORIES	LOCAL FUNDS
1. PERSONNEL	
a. Salaries and Wages	34 790.97
b. Fringe Benefits	3 416.56
c. Consultation and Professional Fees	
(1) Direct Patient Services	1 775.32
(2) Other	510.18
TOTAL PERSONNEL	40 493.03
2. TRAVEL -- Staff and Board	3 787.22
3. CONSUMABLE ITEMS	
a. Drugs	9.10
b. Food	
c. Other (Office, etc.)	3 139.17
TOTAL CONSUMABLE ITEMS	3 148.27
4. EQUIPMENT AND FURNITURE	
a. Purchase	7 880.06
b. Rental	631.30
c. Repairs and Maintenance	25.00
TOTAL EQUIPMENT AND FURNITURE	8 536.36
5. BUILDING	
a. Rent	2 057.74
b. Remodeling and Renovation	5 556.88
c. Repairs and Maintenance	52.
TOTAL BUILDING	7 667.23
6. VEHICLE	
a. Purchase	4 633.10
b. Rental	
c. Operating and Maintenance Costs	12.26
TOTAL VEHICLE	4 645.36
7. CONTRACTS WITH SERVICE AGENCIES	29 390.23
8. OTHER	
a. Utilities, Postage, Telephone	4 338.94
b. Laboratory Expenses	19.68
c. Client Transportation	
d. Annual Audit	196.90
e. Insurance	324.48
f. Client Training Wages	1 776.78
g. Client Training Fringe Benefits	61.53
h. Contract Materials	741.64
i. Miscellaneous	763.02
j. Housing - Director of Psychiatric Services	97.80
TOTAL OTHER	8 320.77
9. GRAND TOTAL	105 988.47

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GRANT-IN-AID	OTHER STATE	FEDERAL FUNDS	TOTAL	APPROVED BUDGET
214 529.07	24 768.00	12 845.00	286 933.04	308 290.00
25 997.71	3 536.82	967.35	33 918.44	46 243.00
8 323.19			10 098.51	42 050.00
1 109.11			1 619.29	2 400.00
249 959.08	28 304.82	13 812.35	332 569.28	398 983.00
22 725.55	2 576.00	555.23	29 644.00	21 203.00
14 787.13			14 796.23	16 277.00
620.60			620.60	22 515.00
19 325.67	63.00		22 527.84	14 483.00
34 733.40	63.00		37 944.67	53 275.00
49 321.59		500.00	57 701.65	15 104.00
3 335.83			3 967.13	4 000.00
189.36			214.36	1 200.00
52 846.78		500.00	61 883.14	20 304.00
9 269.26	1 400.00		12 727.00	16 850.00
12 508.41			18 065.29	3 900.00
6 056.47			6 109.08	3 000.00
27 834.14	1 400.00		36 901.37	23 750.00
		17 228.54	21 861.64	
57.45			69.71	
57.45		17 228.54	21 931.35	
66 534.32			95 924.55	117 627.00
11 476.49		300.00	16 115.43	21 752.00
92.22			111.90	5 100.00
3 303.10			3 500.00	3 500.00
2 494.82			2 819.30	4 200.00
13 179.10			14 955.88	17 000.00
725.97			787.50	1 700.00
3 431.32		400.00	4 572.96	1 150.00
4 619.06			5 382.08	3 000.00
2 902.20			3 000.00	3 000.00
42 224.28		700.00	51 245.05	60 402.00
496 915.00	32 343.82	32 796.12	668 043.41	695 544.00

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SCHEDULE OF EXPENDITURES BY SOURCE OF FUNDS AND UNIT CLASSIFICATION
DEEP EAST TEXAS REGIONAL
MENTAL HEALTH MENTAL RETARDATION SERVICES
For The Year Ended August 31, 1975

UNIT CLASSIFICATION	LOCAL FUNDS	GRANT-IN-AID	OTHER STATE	FEDERAL FUNDS	TOTAL	APPROVED BUDGET
Central Administration	14 990.64	70 280.25			85 270.89	64 523.00
24-Hour Care	6 139.29	28 782.63			34 921.92	90 323.00
Outpatient	17 172.92	142 754.58	32 343.82		192 271.32	181 745.00
Partial Care	13 977.28	65 529.39		5 742.85	85 249.52	71 258.00
Halfway House	5 458.00	41 233.75			46 691.75	60 614.00
Sheltered Work Training	46 070.28	138 102.30		27 053.27	211 225.85	199 503.00
Emergency	2 180.06	10 232.10			12 412.16	27 578.00
GRAND TOTAL	105 988.47	496 915.00	32 343.82	32 796.12	668 043.41	695 544.00

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SCHEDULE OF EXPENDITURES BY SOURCE OF FUNDS AND PROGRAM CATEGORY
DEEP EAST TEXAS REGIONAL
MENTAL HEALTH MENTAL RETARDATION SERVICES
For The Year Ended August 31, 1975

PROGRAM CATEGORY	LOCAL FUNDS	GRANT-IN-AID	OTHER STATE	FEDERAL FUNDS	TOTAL	APPROVED BUDGET
Mental Health	6 810.11	130 732.00			137 542.11	180 352.00
Mental Retardation	60 047.56	224 646.67		32 796.12	317 490.35	301 846.00
Alcoholism	22 206.14	46 429.02	32 343.82		100 978.98	128 678.00
Drug Programs	1 934.02	24 827.06			26 761.08	20 145.00
Central Administration	14 990.64	70 280.25			85 270.89	64 523.00
GRANT TOTAL	105 988.47	496 915.00	32 343.82	32 796.12	668 043.41	695 544.00

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SCHEDULE OF ORGANIZATIONAL UNIT EXPENDITURES
DEEP EAST TEXAS REGIONAL
MENTAL HEALTH MENTAL RETARDATION SERVICES
For The Year Ended August 31, 1975

EXPENDITURE CATEGORIES	CENTRAL ADMINISTRATION	SAN JACINTO COUNTY DEV. CNTR.
1. PERSONNEL		
a. Salaries and Wages	36 778.53	10 546.73
b. Fringe Benefits	3 970.33	1 409.97
c. Consultation and Professional Fees		
(1) Direct Patient Services		
(2) Other		
TOTAL PERSONNEL	40 748.86	11 956.70
2. TRAVEL -- Staff and Board	2 398.18	1 515.08
3. CONSUMABLE ITEMS		
a. Drugs		
b. Food		
c. Other (Office, etc.)	10 773.03	333.47
TOTAL CONSUMABLE ITEMS	10 773.03	333.47
4. EQUIPMENT AND FURNITURE		
a. Purchase	15 381.04	749.18
b. Rental	3 591.00	
c. Repairs and Maintenance		
TOTAL EQUIPMENT AND FURNITURE	18 972.04	749.18
5. BUILDING		
a. Rent	800.00	380.00
b. Remodeling and Renovation		300
c. Repairs and Maintenance	136.80	
TOTAL BUILDING	936.80	680.00
6. VEHICLE		
a. Purchase		5 742.85
b. Rental		
c. Operating and Maintenance Costs		69.71
TOTAL VEHICLE		5 812.56
7. CONTRACTS WITH SERVICE AGENCIES		
8. OTHER		
a. Utilities, Postage, Telephone	7 587.02	289.21
b. Laboratory Expenses		
c. Client Transportation		
d. Annual Audit	300.00	110.00
e. Insurance	137.13	124.83
f. Client Training Wages		
g. Client Training Fringe Benefits		35.00
h. Contract Materials		
i. Miscellaneous	3 417.83	37.99
j. Housing - Director of Psychiatric Services		
TOTAL OTHER	11 441.98	597.03
GRAND TOTAL	85 270.89	21 644.02

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SCHEDULE OF EXPENDITURES BY SOURCE OF FUNDS AND PROGRAM CATEGORY
DEEP EAST TEXAS REGIONAL
MENTAL HEALTH MENTAL RETARDATION SERVICES
For The Year Ended August 31, 1975

PROGRAM CATEGORY	LOCAL FUNDS	GRANT-IN-AID	OTHER STATE	FEDERAL FUNDS	TOTAL	APPROVED BUDGET
Mental Health	6 810.11	130 732.00			137 542.11	180 352.00
Mental Retardation	60 047.56	224 646.67		32 796.12	317 490.35	301 846.00
Alcoholism	22 206.14	46 429.02	32 343.82		100 978.98	128 678.00
Drug Programs	1 934.02	24 827.06			26 761.08	20 145.00
Central Administration	14 990.64	70 280.25			85 270.89	64 523.00
GRANT TOTAL	105 988.47	496 915.00	32 343.82	32 796.12	668 043.41	695 544.00

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SCHEDULE OF ORGANIZATIONAL UNIT EXPENDITURES
DEEP EAST TEXAS REGIONAL
MENTAL HEALTH MENTAL RETARDATION SERVICES
For The Year Ended August 31, 1975

EXPENDITURE CATEGORIES	CENTRAL ADMINISTRATION	SAN JACINTO COUNTY DEV. CNTR.
1. PERSONNEL		
a. Salaries and Wages	36 778.53	10 546.73
b. Fringe Benefits	3 970.33	1 409.97
c. Consultation and Professional Fees		
(1) Direct Patient Services		
(2) Other		
TOTAL PERSONNEL	40 748.86	11 956.70
2. TRAVEL -- Staff and Board	2 398.18	1 515.08
3. CONSUMABLE ITEMS		
a. Drugs		
b. Food		
c. Other (Office, etc.)	10 773.03	333.47
TOTAL CONSUMABLE ITEMS	10 773.03	333.47
4. EQUIPMENT AND FURNITURE		
a. Purchase	15 381.04	749.18
b. Rental	3 591.00	
c. Repairs and Maintenance		
TOTAL EQUIPMENT AND FURNITURE	18 972.04	749.18
5. BUILDING		
a. Rent	800.00	380.00
b. Remodeling and Renovation		300
c. Repairs and Maintenance	136.80	
TOTAL BUILDING	936.80	680.00
6. VEHICLE		
a. Purchase		5 742.85
b. Rental		
c. Operating and Maintenance Costs		69.71
TOTAL VEHICLE		5 812.56
7. CONTRACTS WITH SERVICE AGENCIES		
8. OTHER		
a. Utilities, Postage, Telephone	7 587.02	289.21
b. Laboratory Expenses		
c. Client Transportation		
d. Annual Audit	300.00	110.00
e. Insurance	137.13	124.83
f. Client Training Wages		
g. Client Training Fringe Benefits		35.00
h. Contract Materials		
i. Miscellaneous	3 417.83	37.99
j. Housing - Director of Psychiatric Services		
TOTAL OTHER	11 441.98	597.03
GRAND TOTAL	85 270.89	21 644.02

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HOUSTON COUNTY DEV. CNTR.	SABINE COUNTY DEV. CNTR.	JASPER COUNTY DEV. CNTR.	SAN AUGUSTINE COUNTY DEV. CNTR.	TYLER COUNTY DEV. CNTR.	SHELBY COUNTY S. W. S.	POLK COUNTY S. W. S.
10 469.68	3 046.45	11 710.52	3 046.45	10 260.99	14 536.64	16 650.05
1 363.27	525.78	1 490.17	525.90	1 295.31	1 868.65	1 719.32
					32.39	32.39
11 832.95	3 572.23	13 200.69	3 572.35	11 556.30	16 437.68	18 401.76
871.10	563.07	930.94	563.09	896.30	1 458.44	1 491.38
666.67	20.42	1 205.35	20.41	676.78	644.33	850.46
666.67	20.42	1 205.35	20.41	676.78	644.33	850.46
1 030.09	175.58	867.24	175.59	1 575.10	1 778.01	2 465.41
					44.00	44.43
1 030.09	175.58	867.24	175.59	1 575.10	1 822.01	2 509.84
1 060.00				250.00	1.00	1.00
87.48				175.00	2 621.90	5 414.24
52.00				110.45	5 021.87	732.84
1 199.48				535.45	7 644.77	6 148.08
		2 316.55		2 316.55	5 742.85	5 742.84
		2 316.55		2 316.55	5 742.85	5 742.84
444.96	13.49	711.45	13.49	361.05	648.03	551.35
110.00	110.00	110.00	110.00	110.00	160.00	210.00
124.81	124.81	124.82	124.81	124.82	124.83	124.83
					2 378.72	2 814.09
70.00		157.50		87.50	70.00	70.00
					625.90	2 737.24
81.70	18.50	33.51	18.50	79.50	106.49	55.29
831.47	266.80	1 137.28	266.80	762.87	4 113.97	6 562.80
16 431.76	4 598.10	19 658.05	4 598.24	18 319.35	37 864.05	41 707.16

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EXPENDITURE CATEGORIES	NACOGDOCHES COUNTY SWS	LUFKIN WS & O CNTR.
1. PERSONNEL		
a. Salaries and Wages	27 529.47	
b. Fringe Benefits	2 439.15	
c. Consultation and Professional Fees		
(1) Direct Patient Services		
(2) Other		
TOTAL PERSONNEL	29 968.62	
2. TRAVEL -- Staff and Board	2 154.85	
3. CONSUMABLE ITEMS		
a. Drugs		
b. Food		
c. Other (Office, etc.)	1 632.23	
TOTAL CONSUMABLE ITEMS	1 632.23	
4. EQUIPMENT AND FURNITURE		
a. Purchase	2 482.12	
b. Rental		
c. Repairs and Maintenance	113.43	
TOTAL EQUIPMENT AND FURNITURE	2 595.55	
5. BUILDING		
a. Rent	1 840.00	
b. Remodeling and Renovation	3 975.58	
c. Repairs and Maintenance	18.35	
TOTAL BUILDING	5 833.93	
6. VEHICLE		
a. Purchase		
b. Rental		
c. Operating and Maintenance Costs		
TOTAL VEHICLE		
7. CONTRACTS WITH SERVICE AGENCIES		76 640.00
8. OTHER		
a. Utilities, Postage, Telephone	1 058.88	
b. Laboratory Expenses		
c. Client Transportation		
d. Annual Audit	210.00	
e. Insurance	124.83	
f. Client Training Wages	9 763.07	
g. Client Training Fringe Benefits	122.50	175.00
h. Contract Materials	1 209.82	
i. Miscellaneous	165.36	
j. Housing - Director of Psychiatric services		
TOTAL OTHER	12 654.46	175.00
9. GRAND TOTAL	54 839.64	76 815.00

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HARDIN COUNTY H. H.	ANGELINA COUNTY H. H.	TRINITY COUNTY O. P. CLINIC	ANGELINA COUNTY O. P. CLINIC	NEWTON COUNTY O. P. CLINIC	TYLER COUNTY CLINIC	REGIONAL DRUG ABUSE
7 335.63	7 335.65	11 489.98	10 861.02	8 957.57	9 796.44	19 681.82
919.97	920.17	1 468.46	1 366.06	1 140.77	1 224.21	2 272.49
		3 746.59	2 726.92			
80.96	80.96	113.35	113.35	80.96	80.96	161.93
8 336.56	8 336.78	16 818.38	15 067.35	10 179.30	11 101.61	22 116.24
1 305.22	1 305.39	1 023.40	607.09	844.58	939.58	2 718.64
		3 699.69	7 512.95	1 057.26	1 771.61	117.96
41.01	41.04	648.77	1 133.73	524.21	717.53	256.87
41.01	41.04	4 348.46	8 646.68	1 581.47	2 489.14	374.83
385.23	395.15	2 928.82	5 121.08	2 683.64	3 114.81	393.74
			96.63	40.50	92.00	
385.23	395.15	2 928.82	5 217.71	2 724.14	3 206.81	393.74
		1 200.00	2 925.00		1 920.00	350.00
				33.09		
		25.00				
		1 225.00	2 925.00	33.09	1 920.00	350.00
29.15	29.15	746.81	832.53	327.05	387.43	30.35
210.00	210.00	160.00	160.00	160.00	160.00	160.00
124.82	124.82	124.83	124.83	124.82	124.83	124.82
20.32	120.34	104.89	190.09	54.10	88.11	218.74
		273.76	273.78	273.78	273.78	273.72
384.29	484.31	1 410.29	1 581.23	939.75	1 034.15	807.63
10 452.31	10 562.67	27 754.35	34 045.06	16 302.33	20 691.29	26 761.08

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EXPENDITURE CATEGORIES	JASPER COUNTY C. C. CNTR.
1. PERSONNEL	
a. Salaries and Wages	12 969.62
b. Fringe Benefits	1 667.95
c. Consultation and Professional Fees	
(1) Direct Patient Services	
(2) Other	
TOTAL PERSONNEL	14 637.57
2. TRAVEL -- Staff and Board	2 161.29
3. CONSUMABLE ITEMS	
a. Drugs	20.54
b. Food	
c. Other (Office, etc.)	253.50
TOTAL CONSUMABLE ITEMS	274.04
4. EQUIPMENT AND FURNITURE	
a. Purchase	1 495.78
b. Rental	
c. Repairs and Maintenance	
TOTAL EQUIPMENT AND FURNITURE	1 495.78
5. BUILDING	
a. Rent	150.00
b. Remodeling and Renovation	
c. Repairs and Maintenance	
TOTAL BUILDING	150.00
6. VEHICLE	
a. Purchase	
b. Rental	
c. Operating and Maintenance Costs	
TOTAL VEHICLE	
7. CONTRACTS WITH SERVICE AGENCIES	
8. OTHER	
a. Utilities, Postage, Telephone	760.85
b. Laboratory Expenses	
c. Client Transportation	
d. Annual Audit	160.00
e. Insurance	124.81
f. Client Training Wages	
g. Client Training Fringe Benefits	
h. Contract Materials	
i. Miscellaneous	92.07
j. Housing - Director of Psychiatric services	273.71
TOTAL OTHER	1 411.44
9. GRAND TOTAL	20 130.12

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POLK COUNTY C. C. CNTR.	NACOGDOCHES COUNTY C. C. CNTR.	REGIONAL INPATIENT CENTER	REGIONAL EMERGENCY CENTER	SHELBY COUNTY H. H.	HARDIN COUNTY I. P. CNTR.	TOTAL
12 997.83	16 741.83	9 316.28	9 316.29	5 557.57		286 933.04
1 484.13	2 132.67	978.89	978.82	756.00		33 918.44
	420.00	3 205.00				10 098.51
		421.02	421.02			1 619.29
14 481.96	19 294.50	13 921.19	10 716.13	6 313.57		332 569.28
2 230.06	1 459.45	867.50	867.50	471.87		29 644.00
149.58	414.89	32.70	19.05			14 796.23
				620.60		620.60
241.22	415.58	47.95	43.37	1 339.91		22 527.84
390.80	830.47	80.65	62.42	1 960.51		37 944.67
1 398.53	2 197.23	185.24	185.24	10 537.80		57 701.65
	147.00					3 967.13
	12.50					214.36
1 398.53	2 356.73	185.24	185.24	10 537.80		61 883.14
	1 650.00			200.00		12 727.00
				5 458.00		18 065.29
				11.77		6 109.08
	1 650.00			5 669.77		36 901.37
						21 861.64
						69.71
						21 931.35
		10 589.55	110.00		8 585.00	95 924.55
292.93	869.78	.95	.95	128.57		16 115.43
		91.90	20.00			111.90
160.00	160.00	160.00		100.00		3 500.00
124.81	124.81	124.81	124.80	60.97		2 819.30
						14 955.88
						787.50
						4 572.96
97.57	117.27	36.95	46.96	180.00		5 382.08
273.71	273.71	278.18	278.16	253.71		3 000.00
949.02	1 545.57	692.79	470.87	723.25		51 245.05
19 450.37	27 136.72	26 336.92	12 412.16	25 676.77	8 585.00	668 043.41

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TEXAS DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION

Box 12668, Capitol Station, Austin, Texas 78711 512 454-3761

Kenneth D. Gaver, M.D.
Commissioner

F

December 10, 1975

Wayne Lawrence, Ph.D., Executive Director
Deep East Texas Regional MHMR Services
303 Angelina Bldg.
106 N. First Street
Lufkin, Texas 75901

Dear Wayne:

This is to answer your question in regards to the change in the Rules, Regulations and Standards as it applies to approval of Community MHMR Center projects for building renovation. The Rules, Regulations and Standards effective September 1, 1971, were interpreted in this regard to mean that if building renovation expenses were going to exceed $5,000 per project, then the Community MHMR Center would need to receive written approval of the State Mental Health Authority before the money could be expended. Because of the confusion in regard to the wording of this particular item in the current Rules, Regulations and Standards, that particular item was reworded in the Rules, Regulations and Standards which are effective December 31, 1975, and the amount was increased from $5,000 per project to $10,000 per project.

For example, under the current rules you may spend up to $5,000 for renovating and remodeling a halfway house in Lufkin or a shelter workshop in Nacogdoches without getting the express written approval from the State Mental Health Authority. Under the new Rules, Regulations and Standards, however, if the anticipated cost of a particular project is going to exceed $10,000, you need to fill out the form identified in the Procedures Manual and submit it for approval.

If we can be of further assistance, please let us know.

Sincerely,

James A. King
Assistant Deputy Commissioner
Community Services

JAK:am

cc: J. R. Dolby, Ph.D., Deputy Commissioner, Community Services
E. Hartley Sappington, Assistant Deputy Commissioner, Community Services