

REQUEST FOR BOARD ACTION

**HENDERSON COUNTY
BOARD OF COMMISSIONERS**

MEETING DATE: October 1, 2007

SUBJECT: Western Highlands Area Authority – Quarterly Fiscal Monitoring Report (FMR) for the period ended June 30, 2007

ATTACHMENTS: Fiscal Monitoring Report (FMR) – June 30, 2007

SUMMARY OF REQUEST:

G.S. 122C-117(c) requires the staff of the local area mental health authority to provide the County Finance Officer with the quarterly Fiscal Monitoring Report (FMR) within 30 days of the end of the quarter. The County Finance Officer is then required to provide the FMR to the Board of Commissioners at the next regularly scheduled meeting of the board. The attached FMR for Western Highlands Area Authority was received by the County Finance Officer on September 19, 2007.

BOARD ACTION REQUESTED:

Request that the Board consider approving the Fiscal Monitoring Report of Western Highlands Area Authority for the period ended June 30, 2007.

Suggested Motion:

I move that the Board of Commissioners approve the Western Highlands Area Authority Fiscal Monitoring report for the period ended June 30, 2007 as presented.



Western Highlands Network
A LOCAL MANAGEMENT ENTITY

September 17, 2007

Carey McLelland
Finance Director
Henderson County
113 N Main Street
Hendersonville, NC 28792

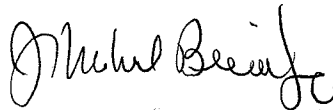
Dear Ms. McLelland:

Enclosed please find the Western Highlands Network's Fiscal Monitoring Report for the 2007 fiscal year ending June 30, 2007 and the approved budget for fiscal year 2007-2008. These reports are to be provided to the board of county commissioners at the next regularly scheduled meeting of the board.

Please don't hesitate to call if you have any questions.

Cordially,

Western Highlands Area Authority



J. Michael Beveridge

Budget Specialist

Phone: 800-671-6560 or

(828) 225-2785 extension 2180

Enclosures: 2

Division of Mental Health, Developmental Disabilities & Substance Abuse Services
Quarterly Fiscal Monitoring Report
Western Highlands Area Authority LME

for the period ending: June 30, 2007
 # of month in the fiscal year====> 12
 (July = 1, August = 2, . . . , June = 12)

1. REPORT OF BUDGET VS. ACTUAL

ITEM	Basis of Accounting:		(1)	(2)	(3)	(4)	(5)	(6)
	Cash	Accrual						
	X							
	PRIOR YEAR		CURRENT YEAR					
	2005-2006		BUDGET	ACTUAL	BUDGET	ACTUAL	BALANCE	ANNUALIZED
						YR-TO-DATE	(Col. 3-4)	PERCENTAGE **
REVENUE								
Client Fees			-	-		-		
Medicaid - "Regular Fee-for-Service"	36,256,607	36,837,401	6,100,000	9,065,792		(2,965,792)		148.62%
Medicaid - CAP/MRDD	1,815,818	826,043	400,000	340,487		59,513		85.12%
Medicare				-		-		#DIV/0!
Insurance	4,000			-		-		#DIV/0!
Other Local	372,000	555,276	3,480,182	4,455,644		(975,462)		128.03%
Area Program Transfers				-		-		#DIV/0!
Appropriation of Fund Balance *			500,000	-		500,000		0.00%
Total Local Funds	38,448,425	38,218,719	10,480,182	13,861,923		(3,381,741)		132.27%
County Appropriations (by county):								
Buncombe County	465,000	465,000	600,000	600,000		-		100.00%
Henderson County	528,402	528,402	528,402	528,612		(210)		100.04%
Madison County	30,000	30,000	30,000	30,000		-		100.00%
Mitchell County	18,000	18,000	18,000	18,000		-		100.00%
Polk County	74,991	74,991	74,991	74,991		-		100.00%
Rutherford County	102,168	102,168	102,168	102,168		-		100.00%
Transylvania County	99,261	99,261	170,261	170,261		-		100.00%
Yancey County	26,000	26,000	26,000	26,000		-		100.00%
Total County Funds	1,343,822	1,343,822	1,549,822	1,550,032		(210)		100.01%
Service Management Funds	7,623,538	7,623,535	6,215,877	6,215,877		-		100.00%
Service Delivery Funds	23,819,961	22,705,203	29,218,514	25,848,930		3,369,584		88.47%
All Other State/Federal Funds	220,554	170,469	204,633	195,709		8,924		95.64%
Total State and Federal Funds	31,664,053	30,499,207	35,639,024	32,260,516		3,378,508		90.52%
TOTAL REVENUE	71,456,300	70,061,748	47,669,028	47,672,471		(3,443)		100.01%
EXPENDITURES:								
Service Management	8,065,205	6,537,014	10,496,235	6,981,879		3,514,356		66.52%
Directly Provided Services				-		-		#DIV/0!
Provider Payments	62,047,273	57,895,429	35,622,971	31,659,375		3,963,596		88.87%
All Other	1,343,822	1,343,822	1,549,822	1,425,308		124,514		91.97%
TOTAL EXPENDITURES	71,456,300	65,776,264	47,669,028	40,066,561		7,602,467		84.05%
CHANGE IN CASH BALANCE		4,285,484		7,605,910				
Beginning Unrestricted Fund Balance		4,084,140		4,291,232				
Current Estimated Unrestricted Fund Balance and percent of budgeted expenditures	6.01%	4,291,232	11.76%	5,605,452				

* "Appropriation of Fund Balance" represents the Area Program Fund Balance that has been incorporated as part of the Approved Budget. Actual Yr-To-Date should reflect Fund Balance utilized to date and an explanation needs to be provided for the specific uses of fund.
 ** annualized Revenue percentage less than 90% and Expenditure percentages greater than 110% must be explained on the attachment and submitted with the Fiscal Monitoring Report

2. CURRENT CASH POSITION:	(1)	(2)	(3)	(4)	(5)	Receivables net of Allowance for Uncollectible Receivables
	30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS	TOTAL	
Accounts Payable (Accrual Method)	3,095,528					
Account Receivable (Accrual Method)	713,542	284,639	100,819	552,973	\$ 1,651,973	\$ 1,327,337

Current Cash in Bank 13,355,494

3. SERVICE EXCEPTIONS: (Provided Based on System Capability)

Services authorized but not billed

* We certify (a) this report to contain accurate and complete information, (b) explanations are provided for any expenditure item with an annualized expenditure rate greater than 110% and for any revenue item with an annualized receipt rate of less than 90%, and (c) a copy of this report has been provided to each county manager in the catchment area.

[Signature] 9/17/07 *[Signature]* 9-13-07 *[Signature]* 9/15/07
 Area Director date Area Finance Officer date Area Board Chair date

CC: County Manager for each county within the catchment area.

Division of Mental Health, Developmental Disabilities & Substance Abuse Services
Quarterly Fiscal Monitoring Report - Explanation of Revenue and Expenditure Variances
Western Highlands Area Authority **Local Management Entity**
for the period ending: June 30, 2007

ITEM **Explanation**

Revenues:

Medicaid - CAP/MRDD: CAP revenues were not realized as budgeted in FY2007. We will monitor the budget more closely and adjust accordingly. Western Highlands requires the Case Responsible Agencies to pay for CAP supplies and submit the claims along with required documentation of delivery notification on a CMS 1500. Providers are allowed 365 days to bill pursuant to Medicaid rules.

Appropriation of Fund Balance: This Board approved appropriation was set aside to assist Providers during the rate changes for Community Support which occurred during the transitions associated with the New Vistas Behavioral Health closure. Because many of our Providers were still in start up and others had rapidly increased capacity to serve additional consumers, we set aside these funds to assist our provider network. The funds were not utilized.

Service Delivery Funds: For the period ending June 30, 2007, the Western Highlands region was working through the transition of the New Vista's Behavioral Health closure. Western Highlands contracted with many providers, new and old who were developing their infrastructure, billing systems and expanding their capacity to serve consumers in our eight counties. The variance in service delivery funds is representative of under earning and under reporting of expenditures as our new provider network evolved. We believe many services were delivered but never reported or billed during fiscal year ending June 30, 2007.

Note: Western Highlands is in the process of closing the fiscal year. We do not believe these numbers will change. If there are changes, additional reconciliations or adjustments, we will identify and reflect the changes on the 1st quarter report.

Expenditures:

No variance explanation required.