

**REQUEST FOR BOARD ACTION**

**HENDERSON COUNTY  
BOARD OF COMMISSIONERS**

**MEETING DATE:** December 1, 2008

**SUBJECT:** Western Highlands Area Authority – Quarterly Fiscal Monitoring Report (FMR) for the period ended September 30, 2008

**ATTACHMENTS:** Fiscal Monitoring Report (FMR) – September 30, 2008

**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 November 14, 2008.

**BOARD ACTION REQUESTED:**

Request that the Board consider approving the Fiscal Monitoring Report of Western Highlands Area Authority for the period ended September 30, 2008.

**Suggested Motion:**

**I move that the Board of Commissioners approve the Western Highlands Area Authority Fiscal Monitoring Report for the period ended September 30, 2008.**



**Western Highlands Network**  
A LOCAL MANAGEMENT ENTITY

Rec'd  
11/14/08

November 13, 2008

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

Dear Mr. McLelland:

Enclosed please find the Western Highlands Network's Fiscal Monitoring Report for the 2009 fiscal year 1<sup>st</sup> quarter, ending September 30, 2008. State Law requires the LME to provide the quarterly FMR to the County Finance Officer. The County Finance Officer is to provide this report to the Board of County Commissioners at the next regularly scheduled meeting of the Board. I have cited Legislative Bill H2077 for easy reference:

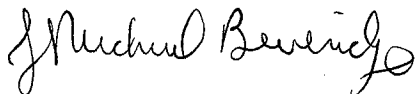
**SECTION 3.(a)** G.S. 122C-117(c) reads as rewritten:

"(c) Within 30 days of the end of each quarter of the fiscal year, the area director and finance officer of the area authority shall provide the quarterly report of the area authority to the county finance officer. The county finance officer shall provide the quarterly report to the board of county commissioners at the next regularly scheduled meeting of the board. The clerk of the board of commissioners shall notify the area director and the county finance officer if the quarterly report required by this subsection has not been submitted within the required period of time. This information shall be presented in a format prescribed by the county. At least twice a year, this information shall be presented in person and shall be read into the minutes of the meeting at which it is presented. In addition, the area director or finance officer of the area authority shall provide to the board of county commissioners ad hoc reports as requested by the board of county commissioners."

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

Cordially,

Western Highlands Area Authority



J. Michael Beveridge  
Budget Specialist  
Phone 1-800-671-6560, extension 2180

Enclosure

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

for the period ending: September 30, 2008  
 # of month in the fiscal year=====> 3  
 (July = 1, August = 2, . . . , June = 12)

**1. REPORT OF BUDGET VS. ACTUAL**

ITEM	PRIOR YEAR		CURRENT YEAR			
	2007-2008		BUDGET	ACTUAL YR-TO-DATE	BALANCE (Col. 3-4)	ANNUALIZED PERCENTAGE **
	BUDGET	ACTUAL				
<b>REVENUE</b>						
Client Fees	-	-	-	-	-	-
Medicaid - "Regular Fee-for-Service"	12,000,000	10,671,023	13,000,000	2,141,398	10,858,602	65.89%
Medicaid - CAP/MRDD	600,000	617,185	600,000	155,739	444,261	103.83%
Medicare	-	-	-	-	-	#DIV/0!
Insurance	-	-	-	-	-	#DIV/0!
Other Local	681,235	772,828	500,000	115,162	384,838	92.13%
Area Program Transfers	892,618	892,618	-	-	-	#DIV/0!
Appropriation of Fund Balance *	1,038,470	-	2,890,582	-	2,890,582	0.00%
<b>Total Local Funds</b>	<b>15,212,323</b>	<b>12,953,655</b>	<b>16,990,582</b>	<b>2,412,299</b>	<b>14,578,283</b>	<b>56.79%</b>
<b>County Appropriations (by county):</b>						
Buncombe County	600,000	600,000	600,000	600,000	-	400.00%
Henderson County	528,402	528,612	528,402	-	528,402	0.00%
Madison County	30,000	30,000	30,000	-	30,000	0.00%
Mitchell County	18,000	18,000	18,000	-	18,000	0.00%
Polk County	74,991	74,991	74,991	-	74,991	0.00%
Rutherford County	102,168	102,168	102,168	102,168	-	400.00%
Transylvania County	99,261	99,261	99,261	-	99,261	0.00%
Yancey County	26,000	26,000	26,000	6,500	19,500	100.00%
<b>Total County Funds</b>	<b>1,478,822</b>	<b>1,479,032</b>	<b>1,478,822</b>	<b>708,668</b>	<b>770,154</b>	<b>191.68%</b>
Service Management Funds	6,373,644	6,373,644	6,373,644	1,593,411	4,780,233	100.00%
Service Delivery Funds	31,719,979	27,509,311	29,979,072	7,367,729	22,611,343	98.30%
All Other State/Federal Funds	240,000	236,146	288,132	55,737	232,395	77.38%
<b>Total State and Federal Funds</b>	<b>38,333,623</b>	<b>34,119,101</b>	<b>36,640,848</b>	<b>9,016,877</b>	<b>27,623,971</b>	<b>98.44%</b>
<b>TOTAL REVENUE</b>	<b>55,024,768</b>	<b>48,551,788</b>	<b>55,110,252</b>	<b>12,137,844</b>	<b>42,972,408</b>	<b>88.10%</b>
<b>EXPENDITURES:</b>						
Service Management	8,792,422	6,770,141	9,870,893	2,088,956	7,781,937	84.65%
Directly Provided Services	-	-	-	-	-	#DIV/0!
Provider Payments	44,629,412	38,580,914	43,760,537	8,938,640	34,821,897	81.71%
All Other	1,602,934	1,480,355	1,478,822	712,533	766,289	192.73%
<b>TOTAL EXPENDITURES</b>	<b>55,024,768</b>	<b>46,831,410</b>	<b>55,110,252</b>	<b>11,740,129</b>	<b>43,370,123</b>	<b>85.21%</b>
<b>CHANGE IN CASH BALANCE</b>		<b>1,720,379</b>		<b>397,715</b>		
<b>Beginning Unrestricted Fund Balance</b>		<b>6,105,452</b>		<b>6,096,570</b>		
<b>Current Estimated Unrestricted Fund Balance and percent of budgeted expenditures</b>	<b>11.08%</b>	<b>6,096,570</b>	<b>11.33%</b>	<b>6,241,785</b>		

\* "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)						
Account Receivable (Accrual Method)					\$ -	\$ -

Current Cash in Bank 17,623,310

**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.

Area Director [Signature] date 10/21/08 Area Finance Officer Sharon Leutz date 10-21-08 Area Board Chair [Signature] date 11/10/08

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: September 30, 2008**

Note: The prior year numbers have been updated to reflect our final audited figures.

<b>ITEM</b>	<b>Explanation</b>
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**Revenues:**

Medicaid - Regular Fee for Service: Actual cash revenues have not met projections. Providers have 365 days to bill Medicaid. We will monitor this budget and adjust accordingly.

County Appropriations: We had not received Maintenance of Effort funds from Henderson County, Madison County, Mitchell County, Polk County, Transylvania County and Yancey County as of September 30, 2008.

All other State/Federal Funds: This revenue is the Shelter Plus Program directly with the Federal Government. The amount billed can vary given the number of participants in the program. Our budgeted numbers represent the maximum amount of funds available for the program.

**Expenditures:**

All other: These expenditures are county funds received in full from Buncombe County and paid out to provider agencies in the first quarter thus creating this variance in the first quarter.