

**REQUEST FOR BOARD ACTION**

**HENDERSON COUNTY  
BOARD OF COMMISSIONERS**

**MEETING DATE:** April 4, 2011

**SUBJECT:** Western Highlands Area Authority – Quarterly Fiscal Monitoring Report (FMR) for the quarter ended December 31, 2010

**PRESENTER:** Carey McLelland, Finance Director

**ATTACHMENTS:** Fiscal Monitoring Report (FMR) – December 31, 2010

**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 March 18, 2011.

**BOARD ACTION REQUESTED:**

Request that the Board consider approving the Fiscal Monitoring Report of Western Highlands Area Authority for the quarter ended December 31, 2010.

**Suggested Motion:**

*I move that the Board of Commissioners approve the Western Highlands Area Authority Fiscal Monitoring Report for the quarter ended December 31, 2010.*



**Western Highlands Network**

A LOCAL MANAGEMENT ENTITY

Serving Buncombe, Henderson, Madison, Mitchell, Polk,  
Rutherford, Transylvania, and Yancey Counties

Rec'd 3/18/11

March 17, 2011

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

Dear Mr. McLelland:

Enclosed please find the Western Highlands Area Authority's Fiscal Monitoring Report for the 2011 fiscal year 2nd quarter, ending December 31, 2010. State Law requires the LME to provide the quarterly FMR to the County Finance Officer. This report is to be provided 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

  
Sharon K. Lentz, CPA  
Chief Financial Officer

Enclosure

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

LME

for the period ending: December 31 2010

# of month in the fiscal year: 6 31-Dec-10

(July = 1, August = 2, . . . , June = 12)

1. REPORT OF BUDGET VS. ACTUAL

ITEM	2009-2010		CURRENT YEAR			
	BUDGET	ACTUAL	BUDGET	ACTUAL YR-TO-DATE	BALANCE (Col. 3-4)	ANNUALIZED PERCENTAGE **
	(1)	(2)	(3)	(4)	(5)	(6)
<b>REVENUE</b>						
Client Fees	-	-	-	-	-	-
Medicaid - "Regular Fee-for-Service"	13,000,000	11,392,777	13,000,000	4,103,584	8,896,436	63.13%
Medicaid - CAP/MRDD	600,000	677,906	600,000	247,675	352,325	82.56%
Medicare	-	-	-	-	-	#DIV/0!
Insurance	-	-	-	-	-	#DIV/0!
Other Local	40,000	76,589	11,000	94,913	(83,913)	1725.68%
Area Program Transfers	-	-	-	-	-	#DIV/0!
Appropriation of Fund Balance *	3,670,499	-	1,333,320	-	1,333,320	0.00%
<b>Total Local Funds</b>	<b>17,310,499</b>	<b>12,147,273</b>	<b>14,944,320</b>	<b>4,446,151</b>	<b>10,498,169</b>	<b>69.50%</b>
County Appropriations (by county):						
Buncombe County	600,000	600,000	600,000	600,000	-	200.00%
Henderson County	528,612	528,612	528,612	244,306	284,306	92.43%
Madison County	30,000	30,000	30,000	30,000	30,000	0.00%
Mitchell County	18,000	18,000	18,000	18,000	18,000	0.00%
Polk County	74,991	74,991	74,991	74,981	10	199.97%
Rutherford County	102,168	102,168	102,168	102,168	-	200.00%
Transylvania County	99,261	99,261	99,261	-	99,261	0.00%
Yancey County	26,000	26,000	26,000	13,000	13,000	100.00%
<b>Total County Funds</b>	<b>1,479,032</b>	<b>1,479,032</b>	<b>1,479,032</b>	<b>1,034,455</b>	<b>444,577</b>	<b>139.88%</b>
Service Management Funds	6,109,695	6,109,695	6,047,351	3,023,676	3,023,675	100.00%
Service Delivery Funds	28,877,896	28,327,124	32,563,139	15,187,327	17,375,812	93.28%
All Other State/Federal Funds	270,000	241,514	265,000	116,771	148,229	88.13%
<b>Total State and Federal Funds</b>	<b>35,257,591</b>	<b>34,678,333</b>	<b>38,875,480</b>	<b>18,327,774</b>	<b>20,547,716</b>	<b>94.29%</b>
<b>TOTAL REVENUE</b>	<b>54,047,122</b>	<b>48,304,638</b>	<b>55,298,842</b>	<b>23,808,380</b>	<b>31,490,462</b>	<b>86.11%</b>
<b>EXPENDITURES:</b>						
Service Management	7,863,804	7,305,327	7,641,064	3,347,871	4,293,193	87.63%
Directly Provided Services	-	-	-	-	-	#DIV/0!
Provider Payments	44,605,025	38,919,868	46,021,802	17,958,533	28,063,269	78.04%
All Other	1,578,293	1,421,351	1,635,976	1,067,300	568,676	130.48%
<b>TOTAL EXPENDITURES</b>	<b>54,047,122</b>	<b>47,646,545</b>	<b>55,298,842</b>	<b>22,373,704</b>	<b>32,925,138</b>	<b>80.92%</b>
<b>CHANGE IN CASH BALANCE</b>		<b>658,093</b>		<b>1,434,676</b>		
<b>Beginning Unrestricted Fund Balance</b>		<b>6,674,720</b>		<b>5,245,821</b>		
<b>Current Estimated Unrestricted Fund Balance and percent of budgeted expenditures</b>	<b>9.71%</b>	<b>6,245,821</b>	<b>7.61%</b>	<b>4,205,514</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)	1,195,584					
Account Receivable (Accrual Method)	288,327	145,122	16,170	52,404	\$ 502,022	\$ 405,833

Current Cash in Bank 14,768,881

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]* 3/14/11 *[Signature]* 3-14-11 *[Signature]* 10 MAR 11  
 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: December 31, 2010 Accrual Method

**ITEM** **Explanation**

**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.

Medicaid - CAP/MRDD: 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 Madison County, Mitchell County and Transylvania County as of December 31, 2010.

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 and paid out to Provider Agencies in the first six months of the year creating this variance.