

**REQUEST FOR BOARD ACTION**

**HENDERSON COUNTY  
BOARD OF COMMISSIONERS**

**MEETING DATE:** March 21, 2012

**SUBJECT:** Western Highlands Area Authority – Quarterly Fiscal Monitoring Report (FMR) for the quarter ended December 31, 2011

**PRESENTER:** J. Carey McLelland, Finance Director

**ATTACHMENTS:** Fiscal Monitoring Report (FMR) – December 31, 2011

**SUMMARY OF REQUEST:**

N.C.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 12, 2012.

**BOARD ACTION REQUESTED:**

Request that the Board consider approving the Fiscal Monitoring Report of Western Highlands Area Authority for the quarter ended December 31, 2011.

**Suggested Motion:**

***I move that the Board of Commissioners approve the Western Highlands Area Authority Fiscal Monitoring Report for the quarter ended December 31, 2011.***



# Western Highlands Network

A LOCAL MANAGEMENT ENTITY

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

Rec'd  
3/12/12

March 05, 2012

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 2012 fiscal year 2nd quarter, ending December 31, 2011. 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 2011  
 # of month in the fiscal year====> 6 31-Dec-11  
 (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			
			2010-2011		BUDGET	ACTUAL	BALANCE	ANNUALIZED
			BUDGET	ACTUAL	BUDGET	YR-TO-DATE	(Col. 3-4)	PERCENTAGE **
<b>REVENUE</b>								
Client Fees			-	-				
Medicaid - "Regular Fee-for-Service"			10,675,872	7,431,247	3,300,000	3,164,319	135,681	191.78%
Medicaid - CAP/MRDD			600,000	503,555	550,000	174,164	375,836	63.33%
Medicare								#DIV/0!
Insurance - Health Choice						10,713	(10,713)	#DIV/0!
Other Local			36,500	148,878	15,625	100,314	(84,689)	1284.02%
Area Program Transfers								#DIV/0!
Appropriation of Fund Balance *			1,516,260	-	5,989,121		5,989,121	0.00%
<b>Total Local Funds</b>			<b>12,828,632</b>	<b>8,083,680</b>	<b>9,854,746</b>	<b>3,449,511</b>	<b>6,405,235</b>	<b>70.01%</b>
<b>County Appropriations (by county):</b>								
Buncombe County			600,000	600,000	600,000	600,000	-	200.00%
Henderson County			528,612	528,612	528,612	235,806	292,806	89.22%
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	-	200.00%
Rutherford County			102,168	102,168	102,168	102,168	-	200.00%
Transylvania County			99,261	99,261	99,261	99,261	-	200.00%
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>1,125,226</b>	<b>353,806</b>	<b>152.16%</b>
Service Management Funds			6,047,351	6,047,352	4,681,440	3,023,676	1,657,764	129.18%
Service Delivery Funds			32,717,876	31,723,408	30,164,237	13,610,592	16,553,645	90.24%
All Other State/Federal Funds			265,000	242,312	265,000	114,881	150,119	86.70%
<b>Total State and Federal Funds</b>			<b>39,030,227</b>	<b>38,013,072</b>	<b>35,110,677</b>	<b>16,749,149</b>	<b>18,361,528</b>	<b>95.41%</b>
<b>TOTAL REVENUE</b>			<b>53,337,891</b>	<b>47,575,784</b>	<b>46,444,455</b>	<b>21,323,886</b>	<b>25,120,569</b>	<b>91.83%</b>
<b>EXPENDITURES:</b>								
Service Management			7,849,504	7,265,436	8,652,355	5,636,462	3,015,893	130.29%
Directly Provided Services								#DIV/0!
Provider Payments			43,852,411	37,613,992	36,313,088	17,351,330	18,981,738	95.57%
All Other			1,635,976	1,506,747	1,479,032	1,150,547	328,485	155.58%
<b>TOTAL EXPENDITURES</b>			<b>53,337,891</b>	<b>46,386,176</b>	<b>46,444,455</b>	<b>24,138,340</b>	<b>22,306,115</b>	<b>103.94%</b>
<b>CHANGE IN CASH BALANCE</b>				<b>1,189,608</b>		<b>(2,814,454)</b>		
<b>Beginning Unrestricted Fund Balance</b>				<b>6,904,158</b>		<b>6,125,241</b>		
<b>Current Estimated Unrestricted Fund Balance and percent of budgeted expenditures</b>			<b>11.48%</b>	<b>6,125,241</b>	<b>10.86%</b>	<b>5,043,896</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)	2,627,391				\$ 2,627,391	
Account Receivable (Accrual Method)	302,756	284,255	15,940	64,267	\$ 667,219	\$ 538,602

Current Cash in Bank 11,938,089

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

Services authorized but not billed

\* We certify that 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]* 2/1/12 date Area Finance Officer: Sharon K. Lentz 2-15-12 date Area Board Chair: *[Signature]* 3/2/12 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, 2011 Accrual Method

ITEM Explanation

**Revenues:**

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.

Insurance - Health Choice: LME recently began doing pass through billing for Health Choice. This line will be budgeted in the next Board approved budget amendment.

County Appropriations: We had not received Maintenance of Effort funds from Madison County and Mitchell County and have received 44% from Henderson County as of December 31, 2011.

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:**

Service Management: This is our administration budget. WHN pays several large invoices and recognizes all of the expense during July. Examples are our Professional Liability Insurance, NC Council dues and some annual maintenance costs. In addition, we have had increased administrative costs related to the implementation of the 1915 (b)(c) Medicaid Waiver. Our Board appropriated Fund Balance for Waiver implementation. A larger percentage was spent in the first and second quarter as we prepare for the Waiver. We will monitor this budget closely.

All Other: These expenditures are county funds received in full from Buncombe County, Henderson County, Polk County, Rutherford County, Transylvania County and Yancey County and paid out to Provider Agencies in the first quarter thus creating this variance in the first quarter.