

**REQUEST FOR BOARD ACTION**

**HENDERSON COUNTY  
BOARD OF COMMISSIONERS**

**MEETING DATE:** May 6, 2013

**SUBJECT:** Western Highlands Area Authority – Quarterly Fiscal Monitoring Report (FMR) for the quarter ended March 31, 2013

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

**ATTACHMENTS:** Fiscal Monitoring Report (FMR) – March 31, 2013

**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 April 29, 2013.

**BOARD ACTION REQUESTED:**

Request that the Board consider approving the Fiscal Monitoring Report of Western Highlands Area Authority for the quarter ended March 31, 2013.

***Suggested Motion:***

***I move that the Board of Commissioners approve the Western Highlands Area Authority Fiscal Monitoring Report for the quarter ended March 31, 2013.***



**Western Highlands Network**

A LOCAL MANAGEMENT ENTITY

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

Rec'd  
4/29/30

April 25, 2013

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 2013 fiscal year 3rd quarter, ending March 31, 2013. 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

**Quarterly Fiscal Monitoring Report - DMHDDSAS**

LME / MCO NAME:

Western Highlands Area Authority

FOR THE PERIOD ENDING:

3/31/2013




# of month in the fiscal year (July = 1, August = 2, . . . , June = 12) =====>

9

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

ITEM	Cash x	PRIOR YEAR		CURRENT YEAR			
		(1)	(2)	(3)	(4)	(5)	(6)
Basis of Accounting: (check one)		2011-2012		2012-2013			
		BUDGET	ACTUAL	BUDGET	ACTUAL YR-TO-DATE	BALANCE (Col. 3-4)	ANNUALIZED PERCENTAGE **
<b>REVENUE</b>							
Service Fees from LME-Delivered Services						-	#DIV/0!
Medicaid Pass Thru		6,720,000	3,712,082	500,000	173,209	326,791	46.19%
Interest Earned		32,500	11,158	20,000	8,649	11,351	57.66%
Rental Income		-	-	-	-	-	#DIV/0!
Budgeted Fund Balance * (Detail in Item 4, below)		6,168,350	-	495,872	-	495,872	0.00%
Other Local		133,600	182,779	82,009	214,704	(132,695)	349.07%
<b>Total Local Funds</b>		<b>13,054,450</b>	<b>3,906,019</b>	<b>1,097,881</b>	<b>396,562</b>	<b>701,319</b>	<b>48.16%</b>
<b>County Appropriations (by county, includes ABC Funds):</b>							
Buncombe County		600,000	600,000	614,593	600,000	14,593	130.17%
Henderson County		528,612	528,612	528,612	353,709	174,903	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	-	133.33%
Rutherford County		102,168	102,168	102,168	102,168	-	133.33%
Transylvania County		99,261	99,261	99,261	99,261	-	133.33%
Yancey County		26,000	26,000	26,000	19,500	6,500	100.00%
<b>Total County Funds</b>		<b>1,479,032</b>	<b>1,479,032</b>	<b>1,493,625</b>	<b>1,249,629</b>	<b>243,996</b>	<b>111.55%</b>
LME Systems Admin. Funds (Cost Model)		3,023,676	3,023,676	-	-	-	#DIV/0!
DMH/DD/SAS Administrative Funds (% basis)		1,863,501	1,863,501	3,335,442	2,501,582	833,860	100.00%
DMH/DD/SAS Risk Reserve Funds (% basis)		310,583	-	-	-	-	#DIV/0!
DMH/DD/SAS Services Funding		30,543,579	29,158,314	30,529,302	21,963,869	8,565,433	95.92%
DMA Capitation Funding		65,355,719	66,417,239	142,735,871	105,519,483	37,216,388	98.57%
DMA Risk Reserve Funding		1,333,790	1,355,454	2,912,977	2,153,459	759,518	98.57%
All Other State/Federal Funds		265,000	231,352	265,000	156,124	108,876	78.55%
<b>Total State and Federal Funds</b>		<b>102,695,848</b>	<b>102,049,536</b>	<b>179,778,592</b>	<b>132,294,517</b>	<b>47,484,075</b>	<b>98.12%</b>
<b>TOTAL REVENUE</b>		<b>117,229,330</b>	<b>107,434,587</b>	<b>182,370,098</b>	<b>133,940,708</b>	<b>48,429,390</b>	<b>97.93%</b>
<b>EXPENDITURES:</b>							
System Management/Administration/Care Coordination		15,346,899	10,995,897	23,896,880	13,702,111	10,194,769	76.45%
LME Provided Services		-	-	-	-	-	#DIV/0!
Provider Payments		97,035,388	99,222,603	156,883,721	112,499,491	44,384,230	95.61%
Merger Expenses		-	-	-	-	-	#DIV/0!
MCO Start-Up Expenses		3,238,782	1,837,059	-	-	-	#DIV/0!
All Other		1,608,261	1,512,389	1,589,497	1,244,272	345,225	104.37%
<b>TOTAL EXPENDITURES</b>		<b>117,229,330</b>	<b>113,567,948</b>	<b>182,370,098</b>	<b>127,445,874</b>	<b>54,924,224</b>	<b>93.18%</b>
<b>CHANGE IN CASH BALANCE</b>			<b>(6,133,361)</b>		<b>6,494,834</b>		
<b>Beginning Unrestricted Fund Balance</b>			<b>6,125,241</b>		<b>2,020,710</b>		
<b>Balance in DMH/DD/SAS Risk Reserve</b>							
<b>Balance in DMA Risk Reserve</b>			<b>1,355,698</b>		<b>3,510,104</b>		
<b>Current Estimated Unrestricted Fund Balance and percent of budgeted expenditures</b>		<b>1.72%</b>	<b>2,020,710</b>	<b>4.05%</b>	<b>7,383,133</b>		
<b>2. CURRENT CASH POSITION</b>							
		(1)	(2)	(3)	(4)	(5)	Allowance for Uncollectible Receivables
		30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS	TOTAL	
Accounts Payable (Accrual Method)						\$ -	
Account Receivable (Accrual Method)						\$ -	
<b>Current Cash in Bank</b>			<b>27,508,837</b>				
<b>3. SERVICE EXCEPTIONS ( Provided Based on System Capability)</b>							
Services authorized but not billed							
<b>4. DETAIL ON BUDGETED FUND BALANCE</b>							
				Budgeted	Year-to-Date	Balance	%
Payments to Providers				395,872	25,314	370,558	8.53%
MCO Start-up Expense						0	#DIV/0!
LME Merger Expense						0	#DIV/0!
Other (List): Consulting				100,000	100,000	0	133.33%

\* 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".

 4-25-13     
  4-25-13     
  4/25/13  
 LME / MCO Director      Date      LME/MCO 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**

enter *LME name* Western Highlands Area Authority Local Management Entity  
 for the period ending: March 31, 2013

**ITEM**

**Revenues**

**Explanation**

Medicaid Pass Thru:

Actual cash revenues have not met projections. Providers have 365 days to bill Medicaid. The budget will be adjusted accordingly.

Interest Earned:

Actual interest earned has not met projections. We will monitor this budget and adjust accordingly.

County Appropriations:

We have not received Maintenance of Effort funds from Madison County and Mitchell County and have received 66% from Henderson County as of March 31, 2013.

All Other State/Federal Funds:

Represents the Shelter Plus Care contract directly with the Federal govt. The funding billed can vary given the number of participants in the program. Our budgeted numbers represent the maximum grant.

**Expenditures**

Fund Balance - Other Consulting: This represents the consultant expenses for Medicaid Waiver corrective action implementation. \$100,000 was approved from Fund Balance to pay a portion of the fee.