

**REQUEST FOR BOARD ACTION**

**HENDERSON COUNTY  
BOARD OF COMMISSIONERS**

**MEETING DATE:** October 16, 2013

**SUBJECT:** Western Highlands Area Authority – Quarterly Fiscal Monitoring Report (FMR) for the quarter ended June 30, 2013

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

**ATTACHMENTS:** Fiscal Monitoring Report (FMR) – June 30, 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 September 30, 2013.

**BOARD ACTION REQUESTED:**

Request that the Board consider approving the Fiscal Monitoring Report of Western Highlands Area Authority for the quarter ended June 30, 2013.

***Suggested Motion:***

***I move that the Board of Commissioners approve the Western Highlands Area Authority Fiscal Monitoring Report for the quarter ended June 30, 2013.***



# Western Highlands Network

A LOCAL MANAGEMENT ENTITY

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

Rec'd  
9/30/13

September 23, 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 4th quarter, ending June 30, 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



John Mole  
Budget Specialist

Enclosure

**Quarterly Fiscal Monitoring Report - DMHDDSAS**

LME / MCO NAME:

Western Highlands Area Authority

FOR THE PERIOD ENDING:

8/30/2013




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

12

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

| ITEM   | Cash                 |         | (1)                 | (2)           | (3)           | (4)               | (5)               | (6)                                     |
|--|----------------------|---------|---------------------|---------------|---------------|-------------------|-------------------|---|
|  | Basis of Accounting: | Accrual |                     |               |               |                   |                   |   |
|  | (check one)          | x       |                     |               |               |                   |                   |   |
|  | <b>PRIOR YEAR</b>    |         | <b>CURRENT YEAR</b> |               |               |                   |                   |   |
|  | <b>2011-2012</b>     |         | <b>BUDGET</b>       | <b>ACTUAL</b> | <b>BUDGET</b> | <b>ACTUAL</b>     | <b>BALANCE</b>    | <b>ANNUALIZED</b>                       |
|  |                      |         |                     |               |               | <b>YR-TO-DATE</b> | <b>(Col. 3-4)</b> | <b>PERCENTAGE **</b>                    |
| <b>REVENUE</b>   |                      |         |                     |               |               |                   |                   |   |
| Service Fees from LME-Delivered Services   |                      |         |                     |               |               |                   | -                 | #DIV/0!                                 |
| Medicaid Pass Thru   |                      |         | 6,720,000           | 3,712,082     | 500,000       | 224,138           | 275,862           | 44.83%                                  |
| Interest Earned  |                      |         | 32,500              | 11,158        | 20,000        | 10,412            | 9,588             | 52.06%                                  |
| 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        | 244,847           | (162,838)         | 298.56%                                 |
| <b>Total Local Funds</b>   |                      |         | 13,054,450          | 3,906,019     | 1,097,881     | 479,397           | 618,484           | 43.67%                                  |
| <b>County Appropriations (by county, includes ABC Funds):</b>                    |                      |         |                     |               |               |                   |                   |   |
| Buncombe County  |                      |         | 600,000             | 600,000       | 614,593       | 614,593           | -                 | 100.00%                                 |
| Henderson County   |                      |         | 528,612             | 528,612       | 528,612       | 528,612           | -                 | 100.00%                                 |
| 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        | 99,261        | 99,261            | -                 | 100.00%                                 |
| Yancey County  |                      |         | 26,000              | 26,000        | 26,000        | 26,000            | -                 | 100.00%                                 |
| <b>Total County Funds</b>  |                      |         | 1,479,032           | 1,479,032     | 1,493,625     | 1,493,625         | -                 | 100.00%                                 |
| 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     | 3,335,442         | -                 | 100.00%                                 |
| DMH/DD/SAS Risk Reserve Funds (% basis)  |                      |         | 310,583             | -             | -             | -                 | -                 | #DIV/0!                                 |
| DMH/DD/SAS Services Funding  |                      |         | 30,543,579          | 29,158,314    | 30,750,741    | 29,979,107        | 771,634           | 97.49%                                  |
| DMA Capitation Funding   |                      |         | 65,355,719          | 66,417,239    | 143,242,960   | 143,131,601       | 111,359           | 99.92%                                  |
| DMA Risk Reserve Funding   |                      |         | 1,333,790           | 1,355,454     | 2,923,616     | 2,921,053         | 2,562             | 99.91%                                  |
| All Other State/Federal Funds  |                      |         | 265,000             | 231,352       | 265,000       | 237,227           | 27,773            | 89.52%                                  |
| <b>Total State and Federal Funds</b>   |                      |         | 102,695,848         | 102,049,536   | 180,517,758   | 179,604,430       | 913,328           | 99.49%                                  |
| <b>TOTAL REVENUE</b>   |                      |         | 117,229,330         | 107,434,587   | 183,109,264   | 181,577,454       | 1,531,812         | 99.16%                                  |
| <b>EXPENDITURES:</b>   |                      |         |                     |               |               |                   |                   |   |
| System Management/Administration/Care Coordination                               |                      |         | 15,346,899          | 10,995,897    | 24,116,737    | 16,874,339        | 7,242,398         | 69.97%                                  |
| LME Provided Services  |                      |         |                     |               |               |                   | -                 | #DIV/0!                                 |
| Provider Payments  |                      |         | 97,035,388          | 99,222,603    | 157,403,030   | 153,174,105       | 4,228,925         | 97.31%                                  |
| 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     | 1,431,691         | 157,806           | 90.07%                                  |
| <b>TOTAL EXPENDITURES</b>  |                      |         | 117,229,330         | 113,567,948   | 183,109,264   | 171,480,135       | 11,629,129        | 93.65%                                  |
| <b>CHANGE IN CASH BALANCE</b>  |                      |         |                     | (6,133,361)   |               | 10,097,318        |                   |   |
| Beginning Unrestricted Fund Balance  |                      |         |                     | 6,125,241     |               | 2,020,710         |                   |   |
| Balance in DMH/DD/SAS Risk Reserve   |                      |         |                     | -             |               | -                 |                   |   |
| Balance in DMA Risk Reserve  |                      |         |                     | 1,355,698     |               | 4,277,979         |                   |   |
| Current Estimated Unrestricted Fund Balance and percent of budgeted expenditures |                      |         | 1.72%               | 2,020,710     | 5.58%         | 10,217,742        |                   |   |
| <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)  |                      |         | 7,470,454           | 9,094,328     | 818,978       | -                 | \$ 17,383,757     |   |
| Account Receivable (Accrual Method)  |                      |         | 2,582,643           | 2,372,061     | 2,010,182     | 189,762           | \$ 7,154,648      | \$ 7,144,165                            |
| <b>Current Cash in Bank</b>  |                      |         | 30,936,892          |               |               |                   |                   |   |
| <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       | 37,303            | 358,569           | 9.42%                                   |
| MCO Start-up Expense   |                      |         |                     |               |               |                   | 0                 | #DIV/0!                                 |
| LME Merger Expense   |                      |         |                     |               |               |                   |                   | #DIV/0!                                 |
| Other (List): Consulting   |                      |         |                     |               | 100,000       | 100,000           | 0                 | 100.00%                                 |

\* 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".

LME/MCO Director      Date: 9/6/13      LME/MCO Finance Officer      Date: 9/6/13      Area Board Chair      Date: 9/6/2013

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: June 30, 2013

| ITEM | Revenues                   | Explanation   |
|------|----------------------------|---|
|      | <u>Medicaid Pass Thru:</u> | Actual cash revenues have not met projections. Providers have 365 days to bill Medicaid.            |
|      | <u>Interest Earned:</u>    | Actual interest earned has not met projections. We will monitor this budget and adjust accordingly. |

**Expenditures**

Fund Balance - Other Consulting: