

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: March 12, 2007

SUBJECT: Western Highlands Area Authority – Quarterly Fiscal Monitoring Report (FMR) for the period ended December 31, 2006

ATTACHMENTS: Fiscal Monitoring Report (FMR) – December 31, 2006

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 February 22, 2007.

BOARD ACTION REQUESTED:

Request that the Board consider approving the Fiscal Monitoring Report of Western Highlands Area Authority for the period ended December 31, 2006.

Suggested Motion:

I move that the Board of Commissioners approve the Western Highlands Area Authority Fiscal Monitoring Report for the period ended December 31, 2006 as presented.



Western Highlands Network

A LOCAL MANAGEMENT ENTITY

Rec'd
2/22/07

February 20, 2007

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

Dear Ms. McLelland:

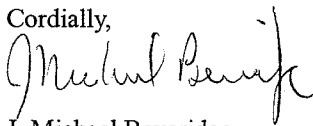
I am writing to follow up on your recent conversation with LME Chief Financial Officer, Sharon Lentz, pertaining to the Western Highlands Network's Quarterly Fiscal Monitoring Report (FMR). I am providing the enclosed the 2nd quarter FMR for the period ending December 31, 2006. Previously, the FMR has been provided to the County Manager. Recent changes in State Law require the LME to provide the quarterly FMR to the County Finance Officer. 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,



J. Michael Beveridge

Western Highlands Area Authority
Budget Officer
Phone: 225-2800, extension 2180

Enclosure

Division of Mental Health, Developmental Disabilities & Substance Abuse Services
Quarterly Fiscal Monitoring Report

or LME Western Highlands Area Authority LME

for the period ending: December 31, 2006

of month in the fiscal year: 6

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

1. REPORT OF BUDGET VS. ACTUAL

ITEM	Basis of Accounting: (check one)	Cash X	(1)	(2)	(3)	(4)	(5)	(6)
			PRIOR YEAR 2005-2006		CURRENT YEAR			
			BUDGET	ACTUAL	BUDGET	ACTUAL YR-TO-DATE	BALANCE (Col. 3-4)	ANNUALIZED PERCENTAGE **
REVENUE								
Client Fees			-	-	-	-	-	-
Medicaid - "Regular Fee-for-Service"			36,256,607	36,837,401	6,100,000	3,240,115	2,859,885	106.23%
Medicaid - CAP/IRDD			1,815,818	826,043	400,000	174,330	225,670	87.17%
Medicare			-	-	-	-	-	#DIV/0!
Insurance			4,000	-	-	-	-	#DIV/0!
Other Local			372,000	555,276	2,944,544	3,138,648	(194,104)	213.18%
Area Program Transfers			-	-	-	-	-	#DIV/0!
Appropriation of Fund Balance *			-	-	-	-	-	#DIV/0!
Total Local Funds			38,448,425	38,218,719	9,444,544	6,553,093	2,891,451	138.77%
County Appropriations (by county):								
Buncombe County			465,000	465,000	600,000	600,000	-	200.00%
Henderson County			528,402	528,402	528,402	122,500	405,902	46.37%
Madison County			30,000	30,000	30,000	30,000	-	200.00%
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	-	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%
Total County Funds			1,343,822	1,343,822	1,478,822	966,929	511,893	130.77%
Service Management Funds			7,623,538	7,623,535	6,215,877	3,107,940	3,107,937	100.00%
Service Delivery Funds			23,819,961	22,705,203	28,187,985	9,915,852	18,272,133	70.36%
All Other State/Federal Funds			220,554	170,469	204,633	89,382	115,251	87.36%
Total State and Federal Funds			31,664,053	30,499,207	34,608,495	13,113,174	21,495,321	75.78%
TOTAL REVENUE			71,456,300	70,061,748	45,531,861	20,633,196	24,898,665	90.63%
EXPENDITURES:								
Service Management			8,065,205	6,537,014	9,460,597	4,624,314	4,836,283	97.76%
Directly Provided Services			-	-	-	-	-	#DIV/0!
Provider Payments			62,047,273	57,895,429	34,592,442	12,959,085	21,633,357	74.92%
All Other			1,343,822	1,343,822	1,478,822	623,698	855,124	84.35%
TOTAL EXPENDITURES			71,456,300	65,776,264	45,531,861	18,207,097	27,324,764	79.98%
CHANGE IN CASH BALANCE				4,285,484		2,426,099		
Beginning Unrestricted Fund Balance				4,084,140		4,291,232		
Current Estimated Unrestricted Fund Balance and percent of budgeted expenditures			6.01%	4,291,232	14.75%	6,717,331		

* "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)	1,967,872				\$ 1,967,872	
Account Receivable (Accrual Method)	269,592	324,697	122,010	345,888	\$ 1,062,187	\$ 857,095
Current Cash in Bank		11,745,855				

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: *2/6/07* Area Finance Officer: *Sharon Leutz* date: *2-2-07* Area Board Chair: *Susan V. Hendrick* 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: December 31, 2006

ITEM	Explanation
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Revenues:

Medicaid - CAP/MRDD Revenues: The budgeted revenues for CAP have not been realized. We will monitor this budget closely and adjust as necessary.

County Appropriations: County funds are recognized when received from the County during the course of the fiscal year using modified accrual basis of accounting. As of December 31, 2006, Western Highlands had received the full annual allocation from Buncombe, Madison, Rutherford and Transylvania Counties, partial amounts from Henderson and Yancey, and none from Mitchell and Polk Counties.

Service Delivery Funds: For the quarter ending December 31, 2006, the Western Highlands region was working through the transition of the New Vista's Behavioral Health closure. Western Highlands has contracted with many providers, new and old who are developing their infrastructure, billing systems and expanding their capacity to serve consumers in our eight counties. The variance in service delivery funds is representative of under earning and under reporting of expenditures as our new provider network evolves.

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.

Expenditures:

No variance explanation required.