

**Northeast Michigan
Community Mental Health Authority**

CMH COMPLIANCE EXAMINATION

September 30, 2012

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**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MEDICAID, ABW, GF AND CMHS BLOCK GRANT PROGRAMS AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *CMH
COMPLIANCE EXAMINATION GUIDELINES* ISSUED BY THE MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH**

To the Board of Directors
Northeast Michigan Community Mental Health Authority

Compliance

We have examined the compliance of the Northeast Michigan Community Mental Health Authority (the “Authority”) with the specified requirements described in *CMH Compliance Examination Guidelines*, issued by the Michigan Department of Community Health (“MDCH”), that are applicable to its Medicaid, Adult Benefits Waiver (“ABW”), General Fund (“GF”) and Community Mental Health Services (“CMHS”) Block Grant Programs for the year ended September 30, 2012. Compliance with these requirements is the responsibility of the Authority’s management. Our responsibility is to express an opinion on the Authority’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Authority’s compliance with specified requirements based on specified criteria established by MDCH and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority’s compliance with those requirements.

In our opinion, the Northeast Michigan Community Mental Health Authority complied, in all material respects, with the specified requirements referred to above that are applicable to its Medicaid, ABW, GF and CMHS Block Grant Programs for the year ended September 30, 2012.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations and contracts applicable to its Medicaid, ABW, GF and CMHS Block Grant Programs. In planning and performing our examination, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on its Medicaid, ABW, GF and CMHS Block Grant Programs in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with criteria established by MDCH, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of the Medicaid, ABW, GF or CMHS Block Grant Program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Medicaid, ABW, GF or CMHS Block Grant Program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Examination Schedules

As required by CMH Compliance Examination Guidelines, we have prepared the accompanying Examined FSR Schedule and Examined Cost Settlement Schedule.

This report is intended solely for the information and use of the Authority's Board, management and the Michigan Department of Community Health, and is not intended to be and should not be used by anyone other than these specified parties.

Dennis, Gartland & Niergarth

January 21, 2013

**Northeast Michigan CMH
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Northeast Michigan CMH

FY 11 / 12

		Reported	Examination Adjustments	Examined Totals
A	MEDICAID SERVICES - Summary From FSR - Medicaid Worksheet			
A 190	TOTAL REVENUE	\$ -	\$ -	\$ -
A 290	TOTAL EXPENDITURE	-	-	-
A 295	NET MEDICAID SERVICES SURPLUS (DEFICIT)	-	-	-
A 390	Total Redirected Funds	-	-	-
A 400	BALANCE MEDICAID SERVICES	\$ -	\$ -	\$ -

AC	ADULT BENEFIT WAIVER SERVICES - Summary From FSR - ABW Worksheet			
AC 190	TOTAL REVENUE	\$ -	\$ -	\$ -
AC 290	TOTAL EXPENDITURE	-	-	-
AC 295	NET ABW SERVICES SURPLUS (DEFICIT)	-	-	-
AC 390	Total Redirected Funds	-	-	-
AC 400	BALANCE ABW SERVICES	\$ -	\$ -	\$ -

B	GENERAL FUND			
B 100	REVENUE			
B 101	CMH Operations	\$ 1,681,188		\$ 1,681,188
B 102	Categorical			-
B 103	State Services	189,711		189,711
B 120	Subtotal - Current Period General Fund Revenue	1,870,899	-	1,870,899
B 121	1st & 3rd Party Collections (Not in Section 226a Funds) 100% Services	94,960		94,960
B 122	1st & 3rd Party Collections (Not in Section 226a Funds) 90% Services			-
B 123	Prior Year GF Carry Forward			-
B 124	Intentionally left blank			
B 140	Subtotal - Other General Fund Revenue	94,960	-	94,960
B 190	TOTAL REVENUE	1,965,859	-	1,965,859
B 200	EXPENDITURE			
B 201	100% MDCH Matchable Services / Costs	290,403		290,403
B 202	100% MDCH Matchable Services Based on CMHSP Local Match Cap	-		-
B 203	90% MDCH Matchable Services / Costs - REPORTED	\$ 1,727,924		
	90% MDCH Matchable Services / Costs - EXAMINATION ADJUSTMENTS			
	90% MDCH Matchable Services / Costs	\$ 1,727,924	1,555,132	1,555,132
B 204	State Services - Payments to MDCH for State Services	232,548		232,548
B 205	Intentionally left blank			
B 290	TOTAL EXPENDITURE	2,078,083	-	2,078,083
B 295	NET GENERAL FUND SURPLUS (DEFICIT)	(112,224)	-	(112,224)
B 300	Redirected Funds (To) From			
B 301	(TO) Medicaid - Redirected for Unfunded Medicaid Costs - A331 (PIHP use only)	-	-	-
B 301.3	(TO) ABW - Redirected for Unfunded MH ABW Costs - AC302 (PIHP use only)	-	-	-
B 302	(TO) SED-GF Benefit - C301	-	-	-
B 303	(TO) GF Cost of MICHild - Required Match - D302	(9,349)	-	(9,349)
B 304	(TO) GF Cost of MICHild - Above Required Match - D303	-	-	-
B 305	(TO) GF Cost of SED - Required Match - E301	-	-	-
B 306	(TO) GF Cost of SED - Above Required Match Screen - E303	-	-	-
B 307	(TO) GF Cost of SED - Not SED Waiver eligible - E305	-	-	-
B 308	(TO) GF Cost of Children's Wavier - F301	-	-	-
B 309	(TO) Allowable GF Cost of Injectable Medications - G301	-	-	-
B 309.5	(TO) PIHP to Affiliate ABW Services Contracts - IA302	-	-	-
B 310	(TO) CMHSP to CMHSP Earned Contracts - J305 (explain - section Q)	-	-	-
B 311	(TO) Substance Abuse - L301	-	-	-
B 312	Intentionally left blank			
B 313	FROM CMHSP to CMHSP Earned Contracts - J302	306		306
B 314	FROM Non-MDCH Earned Contracts - K302			-
B 330	Subtotal Redirected Funds rows 301 - 314	(9,043)	-	(9,043)
B 331	FROM Local Funds - M302	121,267		121,267
B 332	FROM Risk Corridor - N303			-
B 390	Total Redirected Funds	112,224	-	112,224
B 400	BALANCE GENERAL FUND (cannot be < 0)	\$ -	\$ -	\$ -

OTHER GF CONTRACTUAL OBLIGATIONS

C	SED-GF BENEFIT			
C 190	Revenue			\$ -
C 290	Expenditure			-
C 295	NET SED-GF BENEFIT SURPLUS (DEFICIT)	-	-	-
C 300	Redirected Funds (To) From			
C 301	FROM General Fund - B302			-
C 302	FROM Local Funds - M303			-
C 390	Total Redirected Funds	-	-	-
C 400	BALANCE SED-GF BENEFIT (must = 0)	\$ -	\$ -	\$ -

**Northeast Michigan CMH
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Northeast Michigan CMH

FY 11 / 12

			Reported	Examination Adjustments	Examined Totals
D		MICHILD - MENTAL HEALTH			
D	1	Enter Current MICHild FFP 0.7630			
D	190	Revenue	\$ 37,652		\$ 37,652
D	290	Expenditure	39,447		39,447
D	295	NET MICHILD SURPLUS (DEFICIT)	(1,795)	-	(1,795)
D	300	Redirected Funds (To) From			
D		Federal share applied - REPORTED \$ 30,098			
D		Federal share applied - EXAMINATION ADJUSTMENT -			
D		Federal share applied - EXAMINED \$ 30,098			
D	302	FROM General Fund - Required Match - B303	9,349	-	9,349
D	303	FROM General Fund - Above Required Match - B304			-
D	304	FROM Local Funds - M304			-
D	390	Total Redirected Funds	9,349	-	9,349
D	400	BALANCE MICHILD (cannot be < 0)	\$ 7,554	\$ -	\$ 7,554

FEE FOR SERVICE MEDICAID

E		SED WAIVER			
E	100	REVENUE			
E	101a	FFS Medicaid - Federal portion recvd at current year Qtr 1 FFP rate - SED-Trad. 0.6614			\$ -
E	101b	FFS Medicaid - Federal portion recvd at current year Qtr 2 FFP rate - SED-Trad. 0.6614			-
E	101c	FFS Medicaid - Federal portion recvd at current year Qtr 3 FFP rate - SED-Trad. 0.6614			-
E	101d	FFS Medicaid - Federal portion recvd at current year Qtr 4 FFP rate - SED-Trad. 0.6614			-
E	102	FFS Medicaid - Federal portion recvd at subsequent year FFP rate - SED-Trad. 0.6639			-
E	103	FFS Medicaid - SED-DHS			-
E	190	TOTAL REVENUE	-	-	-
E	200	EXPENDITURE			
E	201	Expenditure - Traditional - Federal Reimbursable			-
E	202	Expenditure - Traditional - Not SED waiver eligible			-
E	203	Expenditure - SED-DHS - Federal Reimbursable			-
E	204	Expenditure - SED-DHS - Not SED waiver eligible			-
E	290	TOTAL EXPENDITURE	-	-	-
E	295	NET SED WAIVER (DEFICIT)	-	-	-
E	300	Redirected Funds (To) From			
E	301	FROM General Fund - Required Match - B305	-	-	-
E	302	FROM Local Funds - Required Match - M305			-
E	303	FROM General Fund - Above Required Match Screen - B306	-	-	-
E	304	FROM Local Funds - Above Required Match Screen - M306			-
E	305	FROM General Fund - Not SED Waiver eligible - B307	-	-	-
E	306	FROM Local Funds - Not SED Waiver eligible - M307			-
E	390	Total Redirected Funds	-	-	-
E	400	BALANCE SED WAIVER (must = 0)	\$ -	\$ -	\$ -

F		CHILDREN'S WAIVER			
F	190	Revenue	\$ 8,087		\$ 8,087
F	290	Expenditure	8,087		8,087
F	295	NET CHILDREN'S WAIVER (cannot be > 0)	-	-	-
F	300	Redirected Funds (To) From			
F	301	FROM General Fund - B308			-
F	302	FROM Local Funds - M308			-
F	303	FROM Activity not otherwise reported - O301			-
F	390	Total Redirected Funds	-	-	-
F	400	BALANCE CHILDREN'S WAIVER (must = 0)	\$ -	\$ -	\$ -

G		INJECTABLE MEDICATIONS			
G	190	Revenue	\$ 33,948		\$ 33,948
G	290	Expenditure	33,948		33,948
G	295	NET INJECTABLE MEDICATIONS (cannot be > 0)	-	-	-
G	300	Redirected Funds (To) From			
G	301	FROM General Fund - B309			-
G	302	FROM Local Funds - M309			-
G	390	Total Redirected Funds	-	-	-
G	400	BALANCE INJECTABLE MEDICATIONS (must = 0)	\$ -	\$ -	\$ -

**Northeast Michigan CMH
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Northeast Michigan CMH

FY 11 / 12

		Reported	Examination Adjustments	Examined Totals
OTHER FUNDING				
H	MDCH EARNED CONTRACTS			
H 100	REVENUE			
H 101	PASARR	\$ 117,682		\$ 117,682
H 102	DCH Block Grants for CMH services	60,816		60,816
H 103	DD Council Grants	3,046		3,046
H 104	PATH/Homeless	44,000		44,000
H 105	Prevention			-
H 106	Aging			-
H 107	HUD Shelter Plus Care			-
H 150	Other MDCH Earned Contracts (describe):			-
H 151	Other MDCH Earned Contracts (describe):			-
H 152	Other MDCH Earned Contracts (describe):			-
H 190	TOTAL REVENUE	225,544	-	225,544
H 200	EXPENDITURE			
H 201	PASARR	117,682		117,682
H 202	DCH Block Grants for CMH services	60,816		60,816
H 203	DD Council Grants	3,046		3,046
H 204	PATH/Homeless	44,000		44,000
H 205	Prevention			-
H 206	Aging			-
H 207	HUD Shelter Plus Care			-
H 250	Other MDCH Earned Contracts (describe):			-
H 251	Other MDCH Earned Contracts (describe):			-
H 252	Other MDCH Earned Contracts (describe):			-
H 290	TOTAL EXPENDITURE	225,544	-	225,544
H 400	BALANCE MDCH EARNED CONTRACTS (must = 0)	\$ -	\$ -	\$ -
I	PIHP to AFFILIATE MEDICAID SERVICES CONTRACTS - CMHSP USE ONLY			
I 100	REVENUE			
I 101	Revenue - from PIHP	\$ 21,639,432		\$ 21,639,432
I 102	1st & 3rd Party Collections - Medicare/Medicaid Consumers - Affiliate	634,082		634,082
I 190	TOTAL REVENUE	22,273,514	-	22,273,514
I 290	Expenditure	22,273,514		22,273,514
I 295	NET PIHP to AFFILIATE MEDICAID SERVICES CONTRACTS SURPLUS (DEFICIT)	-	-	-
I 300	Redirected Funds (To) From			
I 301	(TO) CMHSP to CMHSP Earned Contracts - J306	-	-	-
I 302	FROM CMHSP to CMHSP Earned Contracts - J303			-
I 303	FROM Non-MDCH Earned Contracts - K303			-
I 390	Total Redirected Funds	-	-	-
I 400	BALANCE PIHP to AFFILIATE MEDICAID SERVICES CONTRACTS (must = 0)	\$ -	\$ -	\$ -
IA	PIHP to AFFILIATE ABW SERVICES CONTRACTS - CMHSP USE ONLY			
IA 100	REVENUE			
IA 101	Revenue - MH - from PIHP	\$ 152,982		\$ 152,982
IA 102	Revenue - SA - from PIHP			-
IA 190	TOTAL REVENUE	152,982	-	152,982
IA 200	EXPENDITURE			
IA 201	Expenditure - MH	103,886		103,886
IA 202	Expenditure - SA			-
IA 290	TOTAL EXPENDITURE	103,886	-	103,886
IA 295	NET PIHP to AFFILIATE ABW SERVICES CONTRACTS SURPLUS (DEFICIT)	49,096	-	49,096
IA 300	Redirected Funds (To) From			
IA 301	(TO) CMHSP to CMHSP Earned Contracts - J306.5	-	-	-
IA 302	FROM General Fund - B309.5			-
IA 303	FROM CMHSP to CMHSP Earned Contracts - J303.5			-
IA 304	FROM Non-MDCH Earned Contracts - K303.5			-
IA 305	FROM Substance Abuse MDCH Contract - L300.5			-
IA 306	FROM Local Funds - M309.5			-
IA 390	Total Redirected Funds	-	-	-
IA 400	BALANCE PIHP to AFFILIATE ABW SERVICES CONTRACTS (cannot be < 0)	\$ 49,096	\$ -	\$ 49,096

**Northeast Michigan CMH
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Northeast Michigan CMH

FY 11 / 12

		Reported	Examination Adjustments	Examined Totals
J	CMHSP to CMHSP EARNED CONTRACTS			
J 190	Revenue	\$ 54,354		\$ 54,354
J 290	Expenditure	54,048		54,048
J 295	NET CMHSP to CMHSP EARNED CONTRACTS SURPLUS (DEFICIT)	306	-	306
J 300	Redirected Funds (To) From			
J 301	(TO) Medicaid Services - A302 (PIHP use only)	-	-	-
J 302	(TO) General Fund - B313	(306)	-	(306)
J 303	(TO) PIHP to Affiliate Medicaid Services Contracts - I302	-	-	-
J 303.5	(TO) PIHP to Affiliate ABW Services Contracts - IA303	-	-	-
J 304	FROM Medicaid Services - A301 (PIHP use only)			-
J 305	FROM General Fund - B310			-
J 306	FROM PIHP to Affiliate Medicaid Services Contracts - I301			-
J 306.5	FROM PIHP to Affiliate ABW Services Contracts - IA301			-
J 307	FROM Local Funds - M310			-
J 390	Total Redirected Funds	(306)	-	(306)
J 400	BALANCE CMHSP to CMHSP EARNED CONTRACTS (must = 0)	\$ -	\$ -	\$ -
K	NON-MDCH EARNED CONTRACTS			
K 190	Revenue	\$ 149,225		\$ 149,225
K 290	Expenditure	141,112		141,112
K 295	NET NON-MDCH EARNED CONTRACTS SURPLUS (DEFICIT)	8,113	-	8,113
K 300	Redirected Funds (To) From			
K 301	(TO) Medicaid Services - A303 (PIHP use only)	-	-	-
K 302	(TO) General Fund - B314	-	-	-
K 303	(TO) PIHP to Affiliate Medicaid Services Contracts - I303	-	-	-
K 303.5	(TO) PIHP to Affiliate ABW Services Contracts - IA304	-	-	-
K 304	(TO) Local Funds - M315	(8,113)	-	(8,113)
K 305	FROM Local Funds - M311			-
K 390	Total Redirected Funds	(8,113)	-	(8,113)
K 400	BALANCE NON-MDCH EARNED CONTRACTS (must = 0)	\$ -	\$ -	\$ -
L	SUBSTANCE ABUSE MDCH CONTRACT			
L 100	REVENUE			
L 101	State Agreement			\$ -
L 102	MIChild - SA			-
L 190	TOTAL REVENUE	-	-	-
L 200	EXPENDITURE			
L 201	State Agreement			-
L 202	MIChild - SA			-
L 290	TOTAL EXPENDITURE	-	-	-
L 295	NET SUBSTANCE ABUSE CONTRACT SURPLUS (DEFICIT)	-	-	-
L 300	Redirected Funds (To) From			
L 300.3	(TO) ABW - Redirected for Unfunded SA ABW Costs - AC303 (PIHP use only)	-	-	-
L 300.5	(TO) PIHP to Affiliate ABW Services Contracts - IA305	-	-	-
L 301	FROM General Funds - B311			-
L 302	FROM Local Funds - M312			-
L 390	Total Redirected Funds	-	-	-
L 400	BALANCE SUBSTANCE ABUSE CONTRACT	\$ -	\$ -	\$ -

**Northeast Michigan CMH
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Northeast Michigan CMH

FY 11 / 12

		Reported	Examination Adjustments	Examined Totals
M	LOCAL FUNDS			
M	100 REVENUE			
M	101 County Appropriation for Mental Health	\$ 266,639		\$ 266,639
M	102 County Appropriation for Substance Abuse - Non Public Act 2 Funds			-
M	103 Section 226 (a) Funds	136,318		136,318
M	104 Affiliate Local Contribution to State Medicaid Match Provided from CMHSP (PIHP only)			-
M	105 Children's Waiver (CWP) Adjuster Payments	15,573		15,573
M	106 Local Grants			-
M	107 Interest	48,609		48,609
M	108 Public Act 2 - SA			-
M	109 SED Partner			-
M	110 All Other Local Funding and Use of Local Fund Balance	122,921		122,921
M	190 TOTAL REVENUE	590,060	-	590,060
M	200 EXPENDITURE			
M	201 GF 10% Local Match	172,792	-	172,792
M	202			
	Local match cap amount			
	Examination adjustment local match cap amount			
	Adjusted total local match cap amount	\$ -		
M	203 GF Local Match Capped per MHC 330.1308	-	-	-
M	204 Local Cost for State Provided Services	40,542		40,542
M	205 Local Contribution to State Medicaid Match (CMHSP Contribution Only)	250,089		250,089
M	206 Local Contribution to State Medicaid Match on Behalf of Affiliate (PIHP Only)			-
M	207 Local Match to Grants and MDCH Earned Contracts	445		445
M	208 Public Act 2 - SA			-
M	209 Local Only Expenditures	13,038		13,038
M	290 TOTAL EXPENDITURE	476,906	-	476,906
M	295 NET LOCAL FUNDS SURPLUS (DEFICIT)	113,154	-	113,154
M	300 Redirected Funds (To) From			
M	301 (TO) Medicaid Services - A332 (PIHP use only)	-	-	-
M	301.3 (TO) ABW Services - AC304 (PIHP use only)	-	-	-
M	302 (TO) General Fund - B331	(121,267)	-	(121,267)
M	303 (TO) SED-GF Benefit - C302	-	-	-
M	304 (TO) MICHild - D304	-	-	-
M	305 (TO) SED Waiver - Required Match - E302	-	-	-
M	306 (TO) SED Waiver - Above Required Match Screen - E304	-	-	-
M	307 (TO) Not SED Waiver eligible - E306	-	-	-
M	308 (TO) Children's Waiver - F302	-	-	-
M	309 (TO) Injectable Medications - G302	-	-	-
M	309.5 (TO) PIHP to Affiliate ABW Services Contracts - IA306	-	-	-
M	310 (TO) CMHSP to CMHSP Earned Contracts - J307	-	-	-
M	311 (TO) Non-MDCH Earned Contracts - K305	-	-	-
M	312 (TO) Substance Abuse - L302	-	-	-
M	313 (TO) Activity Not Otherwise Reported - O302	-	-	-
M	314 Intentionally left blank			
M	315 FROM Non-MDCH Earned Contracts - K304	8,113		8,113
M	390 Total Redirected Funds	(113,154)	-	(113,154)
M	400 BALANCE LOCAL FUNDS	\$ -	\$ -	\$ -
M	401 Balance Local funds - PA 2 Restricted			
N	RISK CORRIDOR			
N	100 REVENUE			
N	101 Stop/Loss Insurance			\$ -
N	102 Medicaid ISF for PIHP Share Risk Corridor			-
N	103 MDCH for MDCH Share of Medicaid Risk Corridor			-
N	104 Intentionally left blank			
N	190 TOTAL REVENUE	-	-	-
N	300 Redirected Funds (To) From			
N	301 (TO) Medicaid Services - PIHP Share - A333 (PIHP use only)	-	-	-
N	302 (TO) Medicaid Services - MDCH Share - A334 (PIHP use only)	-	-	-
N	303 (TO) General Fund - B332	-	-	-
N	390 Total Redirected Funds	-	-	-
N	400 BALANCE RISK CORRIDOR (must = 0)	\$ -	\$ -	\$ -

**Northeast Michigan CMH
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Northeast Michigan CMH

FY 11 / 12

		Reported	Examination Adjustments	Examined Totals
O	ACTIVITY NOT OTHERWISE REPORTED			
O	100 REVENUE			
O	101 Other Revenue (describe): Production Revenues (directly offset expenditures)	\$ 36,817		\$ 36,817
O	102 Other Revenue (describe): Donor Directed Revenues	160		160
O	103 Other Revenue (describe):			-
O	190 TOTAL REVENUE	36,977	-	36,977
O	200 EXPENDITURE			
O	201 Other Expenditure (describe): Production costs (directly offset revenue)	36,817		36,817
O	202 Other Expenditure (describe): Donor Directed Expenditures	160		160
O	203 Other Expenditure (describe):			-
O	290 TOTAL EXPENDITURE	36,977	-	36,977
O	295 NET ACTIVITY NOT OTHERWISE REPORTED SURPLUS (DEFICIT)	-	-	-
O	300 Redirected Funds (To) From			
O	301 (TO) Children's Waiver - F303	-	-	-
O	302 FROM Local Funds - M313			-
O	390 Total Redirected Funds	-	-	-
O	400 BALANCE ACTIVITY NOT OTHERWISE REPORTED	\$ -	\$ -	\$ -

P		GRAND TOTALS			
P	190	GRAND TOTAL REVENUE	\$ 25,528,202	\$ -	\$ 25,528,202
P	290	GRAND TOTAL EXPENDITURE	25,471,552	-	25,471,552
P	390	GRAND TOTAL REDIRECTED FUNDS (must = 0)	-	-	-
P	400	NET INCREASE (DECREASE)	\$ 56,650	-	\$ 56,650

Q		REMARKS
Q		This section has been provided for the CMHSP to provide narrative descriptions as requested in the FSR instructions or where additional narrative would be meaningful to the CMHSP / MDCH.
Q		M101: Alcona County \$37,745, Alpena County \$149,286, Montmorency County \$34,063, Presque Isle County \$45,545 P400 - represents unused ABW and MICHild capitation funds (to be carried forward to FY13 as Local funds) as allowed by MDCH and PIHP contracts.
Q		
Q		
Q		
Q		
Q		
Q		
Q		
Q		

**Northeast Michigan CMH
EXAMINED CONTRACT RECONCILIATION AND CASH SETTLEMENT - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

1. General Fund Services - Available Resources		Funding Resources
a.	CMH Operations (FSR B 101)	\$ 1,681,188
b.	Categorical (FSR B 102)	-
c.	State Services (FSR B 103)	189,711
d.	Sub-Total General Fund Contract Authorization	1,870,899
e.	1st & 3rd Party Collections (FSR B 121 + B 122)	94,960
f.	Prior Year GF Carry-Forward (FSR B 123)	-
g.	Intentionally left blank	
h.	Redirected CMHSP to CMHSP Contracts (FSR B 313)	306
i.	Redirected Non-MDCH Earned Contracts (FSR B 314)	-
j.	Sub-Total Other General Fund Resources	95,266
k.	Local 10% Associated to 90/10 Services (FSR M 201)	172,792
l.	Local 10% Match Cap Adjustment (FSR M 203)	-
m.	Sub-Total Local 10% Associated to 90/10 Services	172,792
n.	Total General Fund Services - Resources	\$ 2,138,957

3. Summary of Resources / Expenditures		Amount
a.	Total General Fund Services - Resources	\$ 2,138,957
b.	Total General Fund Services - Expenditures	2,260,224
c.	Sub-Total General Fund Services Surplus (Deficit)	(121,267)
d.	Less: Forced Lapse to MDCH (GF work sheet 4 F column F)	-
e.	Net General Fund Services Surplus (Deficit)	\$ (121,267)

4. Disposition:		Amount
Surplus		
b.	Transfer to Fund Balance - GF Carry-Forward Earned	\$ -
c.	Lapse to MDCH - Contract Settlement	-
d.	Total Disposition - Surplus	\$ -

Deficit		
f.	Redirected from Local (FSR B 331)	\$ 121,267
g.	Redirected from risk corridor (FSR B 332)	-
h.	Total Disposition - Deficit	\$ 121,267

5. Cash Settlement: (Due MDCH) / Due CMHSP		Amount
a.	Forced Lapse to MDCH	\$ -
b.	Lapse to MDCH - Contract Settlement	-
c.	Return of Prior Year General Fund Carry-Forward	
d.	State Facility	-
e.	Contract Authorization - Late Amendment	-
f.	Misc: (please explain)	
g.	Total Cash Settlement: (Due MDCH) / Due CMHSP	\$ -

2. General Fund Services - Expenditures		90/10 - Local Cap	Expenditures
a.	100% MDCH Matchable Services (FSR B 201)		\$ 290,403
b.	100% MDCH Matchable Services - CMHSP Local Match Cap (FSR B 202)		-
c.	90/10% MDCH Matchable Services (FSR B 203 Column A)	1,727,924	
d.	Local 10% Match Cap Adjustment (FSR M 203)	-	1,727,924
e.	State Services (FSR B 204)		232,548
f.	Intentionally left blank		
g.	Sub-Total General Fund Services - Expenditures		2,250,875
h.	GF Supplement for Unfunded Medicaid (FSR B 301)		-
i.	GF Supplement for SED-GF Benefit (FSR B 302)		-
j.	GF Supplement / Match for MICHild (FSR B 303 & B 304)		9,349
k.	GF Supplement / Match for SED (FSR B 305 + B 306 + B 307)		-
l.	GF Supplement for Children's Waiver (FSR B 308)		-
m.	GF Supplement for Injectable Medications (FSR B 309)		-
n.	GF Supplement for CMHSP to CMHSP Contracts (FSR B 310)		-
o.	GF Supplement for Substance Abuse (FSR B 311)		-
p.	GF Supplement for Unfunded MH ABW (FSR B 301.3)		-
q.	GF Supplement for PIHP to Affiliate ABW Services Contracts (FSR B 309.5)		-
r.	Intentionally left blank		
s.	Sub-Total General Fund Services Supplement - Expenditures		9,349
t.	Total General Fund Services - Expenditures		\$ 2,260,224

6. General Fund MDCH Commitment		
MDCH / CMHSP Contract Funded Expenditures	\$	1,870,899
Earned General Fund Carry-Forward		-
Total MDCH General Fund Commitment	\$	1,870,899

GF Carry Forward Earned		
	Cash Settlement	Carry Forward
Examined Original Settlement	\$ -	\$ -
Increase (Decrease)	\$ -	\$ -
Comments:		

Northeast Michigan Community Mental Health Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2012

SECTION I - SUMMARY OF ACCOUNTANTS' RESULTS

Medicaid Program

Type of accountants' report issued on compliance: Unqualified

Internal control over Medicaid program:
Material weakness(es) identified? Yes No

Significant deficiency(s) identified not considered
to be material weaknesses? Yes None reported

Material noncompliance with the provisions of laws,
regulations, or contracts noted? Yes No

Known fraud identified? Yes No

Adult Benefits Waiver Program

Type of accountants' report issued on compliance: Unqualified

Internal control over Adult Benefits Waiver program:
Material weakness(es) identified? Yes No

Significant deficiency(s) identified not considered
to be material weaknesses? Yes None reported

Material noncompliance with the provisions of laws,
regulations, or contracts noted? Yes No

Known fraud identified? Yes No

General Fund Program

Type of accountants' report issued on compliance: Unqualified

Internal control over General Fund program:
Material weakness(es) identified? Yes No

Significant deficiency(s) identified not considered
to be material weaknesses? Yes None reported

Material noncompliance with the provisions of laws,
regulations, or contracts noted? Yes No

Known fraud identified? Yes No

Northeast Michigan Community Mental Health Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued

For the Year Ended September 30, 2012

SECTION II - FINDINGS AND QUESTIONED COSTS

None.

SECTION III - EXAMINATION ADJUSTMENTS

None.

SECTION IV - PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None.

Northeast Michigan Community Mental Health Authority

COMMENTS AND RECOMMENDATIONS

For the Year Ended September 30, 2012

None.