

**Northeast Michigan  
Community Mental Health Authority**

CMH COMPLIANCE EXAMINATION

September 30, 2013

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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, 2013. 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, 2013.

### **Report on 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. However, material weaknesses may exist that have not been identified.

### **Examination Schedules**

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

### **Purpose of this Report**

The purpose of this report is solely to express an opinion on the Authority's compliance with the specified requirements described in *CMH Compliance Examination Guidelines*, issued by the MDCH. This report is an integral part of our examination in accordance with these guidelines in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Dennis, Gartland & Niergarth*

February 28, 2014

**Northeast Michigan CMH  
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

		Reported	Examination Adjustments	Examined Totals
<b>A</b>	<b>MEDICAID SERVICES - Summary From FSR - Medicaid Worksheet</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>AC</b>	<b>ADULT BENEFIT WAIVER SERVICES - Summary From FSR - ABW Worksheet</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>AE</b>	<b>AUTISM BENEFIT SERVICES - Summary From FSR - Autism Worksheet</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>B</b>	<b>GENERAL FUND</b>			
<b>B 100</b>	<b>REVENUE</b>			
<b>B 101</b>	CMH Operations	\$ 1,713,351		\$ 1,713,351
<b>B 102</b>	Categorical	-		-
<b>B 103</b>	State Services	220,962		220,962
<b>B 120</b>	<b>Subtotal - Current Period General Fund Revenue</b>	<b>1,934,313</b>	<b>-</b>	<b>1,934,313</b>
<b>B 121</b>	1st & 3rd Party Collections (Not in Section 226a Funds) 100% Services			-
<b>B 122</b>	1st & 3rd Party Collections (Not in Section 226a Funds) 90% Services			-
<b>B 123</b>	Prior Year GF Carry Forward			-
<b>B 124</b>	Intentionally left blank			-
<b>B 140</b>	<b>Subtotal - Other General Fund Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B 190</b>	<b>TOTAL REVENUE</b>	<b>1,934,313</b>	<b>-</b>	<b>1,934,313</b>
<b>B 200</b>	<b>EXPENDITURE</b>			
<b>B 201</b>	100% MDCH Matchable Services / Costs	\$ 228,605		228,605
<b>B 202</b>	100% MDCH Matchable Services Based on CMHSP Local Match Cap	-		-
<b>B 203</b>	90% MDCH Matchable Services / Costs - REPORTED	1,721,293		
	90% MDCH Matchable Services / Costs - EXAMINATION ADJUSTMENTS	-		
	90% MDCH Matchable Services / Costs	\$ 1,721,293		1,549,164
<b>B 204</b>	State Services - Payments to MDCH for State Services	\$ 219,297		219,297
<b>B 205</b>	Intentionally left blank			-
<b>B 290</b>	<b>TOTAL EXPENDITURE</b>	<b>1,997,066</b>	<b>-</b>	<b>1,997,066</b>
<b>B 295</b>	<b>NET GENERAL FUND SURPLUS (DEFICIT)</b>	<b>(62,753)</b>	<b>-</b>	<b>(62,753)</b>
<b>B 300</b>	<b>Redirected Funds (To) From</b>			
<b>B 301</b>	(TO) Medicaid - Redirected for Unfunded Medicaid Costs - <b>A331</b> (PIHP use only)	-		-
<b>B 301.3</b>	(TO) ABW - Redirected for Unfunded MH ABW Costs - <b>AC302</b> (PIHP use only)	-		-
<b>B 302</b>	Intentionally left blank	-		-
<b>B 303</b>	(TO) GF Cost of MICHild - Required Match - <b>D302</b>	(5,951)		(5,951)
<b>B 304</b>	(TO) GF Cost of MICHild - Above Required Match - <b>D303</b>	-		-
<b>B 305</b>	(TO) GF Cost of SED - Required Match - <b>E301</b>	-		-
<b>B 306</b>	(TO) GF Cost of SED - Above Required Match Screen - <b>E303</b>	-		-
<b>B 307</b>	(TO) GF Cost of SED - Not SED Waiver eligible - <b>E305</b>	-		-
<b>B 308</b>	(TO) GF Cost of Children's Wavier - <b>F301</b>	-		-
<b>B 309</b>	(TO) Allowable GF Cost of Injectable Medications - <b>G301</b>	-		-
<b>B 309.5</b>	(TO) PIHP to Affiliate ABW Services Contracts - <b>IA302</b>	-		-
<b>B 310</b>	(TO) CMHSP to CMHSP Earned Contracts - <b>J305</b> (explain - section Q)	-		-
<b>B 311</b>	(TO) Substance Abuse - <b>L301</b>	-		-
<b>B 312</b>	Intentionally left blank			-
<b>B 313</b>	FROM CMHSP to CMHSP Earned Contracts - <b>J302</b>	2,085		2,085
<b>B 314</b>	FROM Non-MDCH Earned Contracts - <b>K302</b>	-		-
<b>B 330</b>	<b>Subtotal Redirected Funds rows 301 - 314</b>	<b>(3,866)</b>	<b>-</b>	<b>(3,866)</b>
<b>B 331</b>	FROM Local Funds - <b>M302</b>	66,619		66,619
<b>B 332</b>	FROM Risk Corridor - <b>N303</b>			-
<b>B 390</b>	<b>Total Redirected Funds</b>	<b>62,753</b>	<b>-</b>	<b>62,753</b>
<b>B 400</b>	<b>BALANCE GENERAL FUND (cannot be &lt; 0)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**OTHER GF CONTRACTUAL OBLIGATIONS**

<b>C</b>	<b>Intentionally left blank</b>			
<b>C 190</b>	Revenue			\$ -
<b>C 290</b>	Expenditure			-
<b>C 295</b>	<b>NET SURPLUS (DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C 300</b>	<b>Redirected Funds (To) From</b>			
<b>C 301</b>	FROM General Fund - <b>B302</b>			-
<b>C 302</b>	FROM Local Funds - <b>M303</b>			-
<b>C 390</b>	<b>Total Redirected Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Northeast Michigan CMH  
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

			Reported	Examination Adjustments	Examined Totals
<b>C</b>	<b>400</b>	<b>BALANCE (must = 0)</b>	\$ -	\$ -	\$ -
<b>D</b>		<b>MICHILD - MENTAL HEALTH (Non-Autism)</b>			
<b>D</b>	<b>1</b>	<b>Enter Current MICHild FFP</b>	0.7647		
<b>D</b>	<b>190</b>	Revenue	\$ 40,700		\$ 40,700
<b>D</b>	<b>290</b>	Expenditure	25,290		25,290
<b>D</b>	<b>295</b>	<b>NET MICHILD SURPLUS (DEFICIT)</b>	15,410	-	15,410
<b>D</b>	<b>300</b>	<b>Redirected Funds (To) From</b>			-
<b>D</b>	<b>301</b>	Federal share applied - REPORTED	19,339		
		Federal share applied - EXAMINATION ADJUSTMENT	-		
		Federal share applied - EXAMINED	19,339		
<b>D</b>	<b>302</b>	FROM General Fund - Required Match - <b>B303</b>	5,951	-	5,951
<b>D</b>	<b>303</b>	FROM General Fund - Above Required Match - <b>B304</b>			-
<b>D</b>	<b>304</b>	FROM Local Funds - <b>M304</b>			-
<b>D</b>	<b>390</b>	<b>Total Redirected Funds</b>	5,951	-	5,951
<b>D</b>	<b>400</b>	<b>BALANCE MICHILD (cannot be &lt; 0)</b>	\$ 21,361	\$ -	\$ 21,361

**FEE FOR SERVICE MEDICAID**

<b>E</b>		<b>SED WAIVER</b>			
<b>E</b>	<b>100</b>	<b>REVENUE</b>			
<b>E</b>	<b>101a</b>	FFS Medicaid - Federal portion recvd at <u>current year</u> Qtr 1 FFP rate - SED-Trad.	0.6639		\$ -
<b>E</b>	<b>101b</b>	FFS Medicaid - Federal portion recvd at <u>current year</u> Qtr 2 FFP rate - SED-Trad.	0.6639		-
<b>E</b>	<b>101c</b>	FFS Medicaid - Federal portion recvd at <u>current year</u> Qtr 3 FFP rate - SED-Trad.	0.6639		-
<b>E</b>	<b>101d</b>	FFS Medicaid - Federal portion recvd at <u>current year</u> Qtr 4 FFP rate - SED-Trad.	0.6639		-
<b>E</b>	<b>102</b>	FFS Medicaid - Federal portion recvd at <u>subsequent year</u> FFP rate - SED-Trad.	0.6632		-
<b>E</b>	<b>103</b>	FFS Medicaid - SED-DHS			-
<b>E</b>	<b>190</b>	<b>TOTAL REVENUE</b>	-	-	-
<b>E</b>	<b>200</b>	<b>EXPENDITURE</b>			
<b>E</b>	<b>201</b>	Expenditure - Traditional - Federal Reimbursable			-
<b>E</b>	<b>202</b>	Expenditure - Traditional - Not SED waiver eligible			-
<b>E</b>	<b>203</b>	Expenditure - SED-DHS - Federal Reimbursable			-
<b>E</b>	<b>204</b>	Expenditure - SED-DHS - Not SED waiver eligible			-
<b>E</b>	<b>290</b>	<b>TOTAL EXPENDITURE</b>	-	-	-
<b>E</b>	<b>295</b>	<b>NET SED WAIVER (DEFICIT)</b>	-	-	-
<b>E</b>	<b>300</b>	<b>Redirected Funds (To) From</b>			
<b>E</b>	<b>301</b>	FROM General Fund - Required Match - <b>B305</b>	-	-	-
<b>E</b>	<b>302</b>	FROM Local Funds - Required Match - <b>M305</b>			-
<b>E</b>	<b>303</b>	FROM General Fund - Above Required Match Screen - <b>B306</b>	-	-	-
<b>E</b>	<b>304</b>	FROM Local Funds - Above Required Match Screen - <b>M306</b>			-
<b>E</b>	<b>305</b>	FROM General Fund - Not SED Waiver eligible - <b>B307</b>	-	-	-
<b>E</b>	<b>306</b>	FROM Local Funds - Not SED Waiver eligible - <b>M307</b>			-
<b>E</b>	<b>390</b>	<b>Total Redirected Funds</b>	-	-	-
<b>E</b>	<b>400</b>	<b>BALANCE SED WAIVER (must = 0)</b>	\$ -	\$ -	\$ -

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

<b>G</b>		<b>INJECTABLE MEDICATIONS</b>			
<b>G</b>	<b>190</b>	Revenue	\$ 57,300		\$ 57,300
<b>G</b>	<b>290</b>	Expenditure	57,300		57,300
<b>G</b>	<b>295</b>	<b>NET INJECTABLE MEDICATIONS (cannot be &gt; 0)</b>	-	-	-
<b>G</b>	<b>300</b>	<b>Redirected Funds (To) From</b>			

**Northeast Michigan CMH  
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

			Reported	Examination Adjustments	Examined Totals
G	301	FROM General Fund - B309			-
G	302	FROM Local Funds - M309			-
G	390	<b>Total Redirected Funds</b>	-	-	-
G	400	<b>BALANCE INJECTABLE MEDICATIONS (must = 0)</b>	\$ -	\$ -	\$ -

**OTHER FUNDING**

<b>MDCH EARNED CONTRACTS</b>					
H	100	<b>REVENUE</b>			
H	101	PASARR	\$ 115,225		\$ 115,225
H	102	DCH Block Grants for CMH services			-
H	103	DD Council Grants	2,980		2,980
H	104	PATH/Homeless	44,039		44,039
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): HAP DCH Housing Assistance	3,345		3,345
H	152	Other MDCH Earned Contracts (describe):			-
H	190	<b>TOTAL REVENUE</b>	165,589	-	165,589
H	200	<b>EXPENDITURE</b>			
H	201	PASARR	115,225		115,225
H	202	DCH Block Grants for CMH services	-		-
H	203	DD Council Grants	2,980		2,980
H	204	PATH/Homeless	44,039		44,039
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): HAP DCH Housing Assistance	3,345		3,345
H	252	Other MDCH Earned Contracts (describe):			-
H	290	<b>TOTAL EXPENDITURE</b>	165,589	-	165,589
H	400	<b>BALANCE MDCH EARNED CONTRACTS (must = 0)</b>	\$ -	\$ -	\$ -

<b>PIHP to AFFILIATE MEDICAID SERVICES CONTRACTS - CMHSP USE ONLY</b>					
I	100	<b>REVENUE</b>			
I	101	Revenue - from PIHP	\$ 22,988,677		\$ 22,988,677
I	102	1st & 3rd Party Collections - Medicare/Medicaid Consumers - Affiliate	592,755		592,755
I	190	<b>TOTAL REVENUE</b>	23,581,432	-	23,581,432
I	290	Expenditure	23,581,432		23,581,432
I	295	<b>NET PIHP to AFFILIATE MEDICAID SERVICES CONTRACTS SURPLUS (DEFICIT)</b>	-	-	-
I	300	<b>Redirected Funds (To) From</b>			
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	<b>Total Redirected Funds</b>	-	-	-
I	400	<b>BALANCE PIHP to AFFILIATE MEDICAID SERVICES CONTRACTS (must = 0)</b>	\$ -	\$ -	\$ -

<b>PIHP to AFFILIATE ABW SERVICES CONTRACTS - CMHSP USE ONLY</b>					
IA	100	<b>REVENUE</b>			
IA	101	Revenue - MH - from PIHP	\$ 205,723		\$ 205,723
IA	102	Revenue - SA - from PIHP			-
IA	190	<b>TOTAL REVENUE</b>	205,723	-	205,723
IA	200	<b>EXPENDITURE</b>			
IA	201	Expenditure - MH	205,723		205,723
IA	202	Expenditure - SA			-
IA	290	<b>TOTAL EXPENDITURE</b>	205,723	-	205,723
IA	295	<b>NET PIHP to AFFILIATE ABW SERVICES CONTRACTS SURPLUS (DEFICIT)</b>	-	-	-
IA	300	<b>Redirected Funds (To) From</b>			
IA	301	(TO) CMHSP to CMHSP Earned Contracts - J306.5	-	-	-
IA	302	FROM General Fund - B309.5			-

**Northeast Michigan CMH  
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

			Reported	Examination Adjustments	Examined Totals
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	<b>Total Redirected Funds</b>	-	-	-
IA	400	<b>BALANCE PIHP to AFFILIATE ABW SERVICES CONTRACTS (cannot be &lt; 0)</b>	\$ -	\$ -	\$ -

<b>PIHP to AFFILIATE AUTISM BENEFIT SERVICES CONTRACTS - CMHSP USE ONLY</b>					
IB	100	<b>REVENUE</b>			
IB	101	Revenue - Medicaid - from PIHP	\$ 81,050		\$ 81,050
IB	102	Revenue - MIChild - from PIHP			-
IB	190	<b>TOTAL REVENUE</b>	81,050	-	81,050
IB	200	<b>EXPENDITURE</b>			-
IB	201	Expenditure - Medicaid	81,050		81,050
IB	202	Expenditure - MIChild			-
IB	290	<b>TOTAL EXPENDITURE</b>	81,050	-	81,050
IB	400	<b>BALANCE PIHP to AFFILIATE AUTISM BENEFIT SERVICES CONTRACTS (must = 0)</b>	\$ -	\$ -	\$ -

<b>CMHSP to CMHSP EARNED CONTRACTS</b>					
J	190	Revenue	\$ 56,467		\$ 56,467
J	290	Expenditure	54,382		54,382
J	295	<b>NET CMHSP to CMHSP EARNED CONTRACTS SURPLUS (DEFICIT)</b>	2,085	-	2,085
J	300	<b>Redirected Funds (To) From</b>			
J	301	(TO) Medicaid Services - A302 (PIHP use only)	-	-	-
J	302	(TO) General Fund - B313	(2,085)	-	(2,085)
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	<b>Total Redirected Funds</b>	(2,085)	-	(2,085)
J	400	<b>BALANCE CMHSP to CMHSP EARNED CONTRACTS (must = 0)</b>	\$ -	\$ -	\$ -

<b>NON-MDCH EARNED CONTRACTS</b>					
K	190	Revenue	\$ 71,054		\$ 71,054
K	290	Expenditure	67,352		67,352
K	295	<b>NET NON-MDCH EARNED CONTRACTS SURPLUS (DEFICIT)</b>	3,702	-	3,702
K	300	<b>Redirected Funds (To) From</b>			
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	(3,702)	-	(3,702)
K	305	FROM Local Funds - M311			-
K	390	<b>Total Redirected Funds</b>	(3,702)	-	(3,702)
K	400	<b>BALANCE NON-MDCH EARNED CONTRACTS (must = 0)</b>	\$ -	\$ -	\$ -

<b>SUBSTANCE ABUSE MDCH CONTRACT</b>					
L	100	<b>REVENUE</b>			
L	101	State Agreement			\$ -
L	102	MIChild - SA			-
L	190	<b>TOTAL REVENUE</b>	-	-	-
L	200	<b>EXPENDITURE</b>			
L	201	State Agreement			-
L	202	MIChild - SA			-
L	290	<b>TOTAL EXPENDITURE</b>	-	-	-
L	295	<b>NET SUBSTANCE ABUSE CONTRACT SURPLUS (DEFICIT)</b>	-	-	-
L	300	<b>Redirected Funds (To) From</b>			
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	-	-	-



**Northeast Michigan CMH  
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

			Reported	Examination Adjustments	Examined Totals
L	301	FROM General Funds - <b>B311</b>			-
L	302	FROM Local Funds - <b>M312</b>			-
L	390	<b>Total Redirected Funds</b>	-	-	-
L	400	<b>BALANCE SUBSTANCE ABUSE CONTRACT</b>	\$ -	\$ -	\$ -

M		LOCAL FUNDS			
M	100	<b>REVENUE</b>			
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	209,500		209,500
M	104	Affiliate Local Contribution to State Medicaid Match Provided from CMHSP (PIHP only)	-		-
M	105	Medicaid Fee for Service Adjuster Payments	6,104		6,104
M	106	Local Grants	-		-
M	107	Interest	10,110		10,110
M	108	Public Act 2 - SA	-		-
M	109	SED Partner	-		-
M	110	All Other Local Funding and Use of Local Fund Balance	118,603		118,603
M	190	<b>TOTAL REVENUE</b>	610,956	-	610,956
M	200	<b>EXPENDITURE</b>			
M	201	GF 10% Local Match	172,129	-	172,129
M	202	Local match cap amount			
		Examination adjustment local match cap amount			
		Adjusted local match cap amount	\$ -		
M	203	GF Local Match Capped per MHC 330.1308	-	-	-
M	204	Local Cost for State Provided Services	33,874		33,874
M	205	Local Contribution to State Medicaid Match (CMHSP Contribution Only)	250,088		250,088
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	63,506		63,506
M	290	<b>TOTAL EXPENDITURE</b>	520,042	-	520,042
M	295	<b>NET LOCAL FUNDS SURPLUS (DEFICIT)</b>	90,914	-	90,914
M	300	<b>Redirected Funds (To) From</b>			
M	301	(TO) Medicaid Services - <b>A332</b> (PIHP use only)	-	-	-
M	301.3	(TO) ABW Services - <b>AC304</b> (PIHP use only)	-	-	-
M	302	(TO) General Fund - <b>B331</b>	(66,619)	-	(66,619)
M	303	Intentionally left blank	-	-	-
M	304	(TO) MICHild - <b>D304</b>	-	-	-
M	305	(TO) SED Waiver - Required Match - <b>E302</b>	-	-	-
M	306	(TO) SED Waiver - Above Required Match Screen - <b>E304</b>	-	-	-
M	307	(TO) Not SED Waiver eligible - <b>E306</b>	-	-	-
M	308	(TO) Children's Waiver - <b>F302</b>	-	-	-
M	309	(TO) Injectable Medications - <b>G302</b>	-	-	-
M	309.5	(TO) PIHP to Affiliate ABW Services Contracts - <b>IA306</b>	-	-	-
M	310	(TO) CMHSP to CMHSP Earned Contracts - <b>J307</b>	-	-	-
M	311	(TO) Non-MDCH Earned Contracts - <b>K305</b>	-	-	-
M	312	(TO) Substance Abuse - <b>L302</b>	-	-	-
M	313	(TO) Activity Not Otherwise Reported - <b>O302</b>	-	-	-
M	314	Intentionally left blank			
M	315	FROM Non-MDCH Earned Contracts - <b>K304</b>	\$ 3,702		3,702
M	390	<b>Total Redirected Funds</b>	(62,917)	-	(62,917)
M	400	<b>BALANCE LOCAL FUNDS</b>	\$ 27,997	\$ -	\$ 27,997
M	401	<b>Balance Local funds - PA 2 Restricted</b>			

N		RISK CORRIDOR			
N	100	<b>REVENUE</b>			
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	MDCH Autism Benefit Risk Corridor			-
N	190	<b>TOTAL REVENUE</b>	-	-	-
N	300	<b>Redirected Funds (To) From</b>			

**Northeast Michigan CMH  
EXAMINED FINANCIAL STATUS REPORT - ALL NON MEDICAID  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

			Reported	Examination Adjustments	Examined Totals
N	301	(TO) Medicaid Services - PIHP Share - <b>A333</b> (PIHP use only)	-	-	-
N	302	(TO) Medicaid Services - MDCH Share - <b>A334</b> (PIHP use only)	-	-	-
N	303	(TO) General Fund - <b>B332</b>	-	-	-
N	304	(TO) Autism Benefit Services - MDCH Share - <b>AE 331</b> (PIHP use only)	-	-	-
N	390	<b>Total Redirected Funds</b>	-	-	-
N	400	<b>BALANCE RISK CORRIDOR (must = 0)</b>	\$ -	\$ -	\$ -

O	ACTIVITY NOT OTHERWISE REPORTED				
O	100	<b>REVENUE</b>			
O	101	Other Revenue (describe):	\$ 58,520		\$ 58,520
O	102	Other Revenue (describe):			-
O	103	Other Revenue (describe):			-
O	190	<b>TOTAL REVENUE</b>	58,520	-	58,520
O	200	<b>EXPENDITURE</b>			
O	201	Other Expenditure (describe):	58,520		58,520
O	202	Other Expenditure (describe):			-
O	203	Other Expenditure (describe):			-
O	290	<b>TOTAL EXPENDITURE</b>	58,520	-	58,520
O	295	<b>NET ACTIVITY NOT OTHERWISE REPORTED SURPLUS (DEFICIT)</b>	-	-	-
O	300	<b>Redirected Funds (To) From</b>			
O	301	(TO) Children's Waiver - <b>F303</b>	-	-	-
O	302	FROM Local Funds - <b>M313</b>			-
O	390	<b>Total Redirected Funds</b>	-	-	-
O	400	<b>BALANCE ACTIVITY NOT OTHERWISE REPORTED</b>	\$ -	\$ -	\$ -

P	GRAND TOTALS				
P	190	<b>GRAND TOTAL REVENUE</b>	\$ 26,863,104	\$ -	\$ 26,863,104
P	290	<b>GRAND TOTAL EXPENDITURE</b>	26,813,746	-	26,813,746
P	390	<b>GRAND TOTAL REDIRECTED FUNDS (must = 0)</b>	-	-	-
P	400	<b>NET INCREASE (DECREASE)</b>	\$ 49,358	\$ -	\$ 49,358

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	M110 - includes \$103,900 FY10 contract settlement prior period adjustment for PA423, \$6,563 Bad Debt Recovery local funds, \$8,140 other local funding. Total \$118,603.	
Q	M101 - Alcona County \$37,745, Alpena County \$149,286, Monmorency County \$34,063, Presque Isle county \$45,545. Total \$266,639.	
Q	M105 - FY12 Child Waiver Administration Adjustment Payment \$333.50 (represents 50% of CWP Admin reported in FY 12 Administrative Cost Report), FY12 Child Waiver FFS Adjustment Payment \$5,770.78. Total \$6,104.	
Q	P400 - includes \$21,361 MICHild excess revenue over expenditure; converts to local match in FY14 and Agency wide Net Income of \$27,997. Total \$49,358.	
Q		
Q		
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Q		

**Northeast Michigan CMH  
EXAMINED CONTRACT RECONCILIATION AND CASH SETTLEMENT - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

1. General Fund Services - Available Resources		Funding Resources
a.	CMH Operations (FSR B 101)	\$ 1,713,351
b.	Categorical (FSR B 102)	-
c.	State Services (FSR B 103)	220,962
<b>d.</b>	<b>Sub-Total General Fund Contract Authorization</b>	<b>\$ 1,934,313</b>
e.	1st & 3rd Party Collections (FSR B 121 + B 122)	-
f.	Prior Year GF Carry-Forward (FSR B 123)	-
g.	Intentionally left blank	
h.	Redirected CMHSP to CMHSP Contracts (FSR B 313)	2,085
i.	Redirected Non-MDCH Earned Contracts (FSR B 314)	-
<b>j.</b>	<b>Sub-Total Other General Fund Resources</b>	<b>\$ 2,085</b>
k.	Local 10% Associated to 90/10 Services (FSR M 201)	172,129
l.	Local 10% Match Cap Adjustment (FSR M 203)	-
<b>m.</b>	<b>Sub-Total Local 10% Associated to 90/10 Services</b>	<b>\$ 172,129</b>
<b>n.</b>	<b>Total General Fund Services - Resources</b>	<b>\$ 2,108,527</b>

3. Summary of Resources / Expenditures		Amount
a.	Total General Fund Services - Resources	2,108,527
b.	Total General Fund Services - Expenditures	2,175,146
c.	Sub-Total General Fund Services Surplus (Deficit)	\$ (66,619)
d.	Less: Forced Lapse to MDCH (GF work sheet 4 F column F)	-
e.	Net General Fund Services Surplus (Deficit)	\$ (66,619)

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

<b>Deficit</b>		
f.	Redirected from Local (FSR B 331)	66,619
g.	Redirected from risk corridor (FSR B 332)	-
<b>h.</b>	<b>Total Disposition - Deficit</b>	<b>\$ 66,619</b>

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.	Purchase of State Services	
e.	Contract Authorization - Late Amendment	-
f.	Local Costs of State Provided Services	
g.	Misc: (please explain)	
<b>h.</b>	<b>Total Cash Settlement: (Due MDCH) / Due CMHSP</b>	<b>\$ -</b>

2. General Fund Services - Expenditures		90/10 - Local Cap	Expenditures
a.	100% MDCH Matchable Services (FSR B 201)		\$ 228,605
b.	100% MDCH Matchable Services - CMHSP Local Match Cap (FSR B 202)		-
c.	90/10% MDCH Matchable Services (FSR B 203 Column A)	1,721,293	
d.	Local 10% Match Cap Adjustment (FSR M 203)	-	1,721,293
e.	State Services (FSR B 204)		219,297
f.	Intentionally left blank		
<b>g.</b>	<b>Sub-Total General Fund Services - Expenditures</b>		<b>\$ 2,169,195</b>
h.	GF Supplement for Unfunded Medicaid (FSR B 301)		-
i.	Intentionally left blank		-
j.	GF Supplement / Match for MICHild (FSR B 303 & B 304)		5,951
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		
<b>s.</b>	<b>Sub-Total General Fund Services Supplement - Expenditures</b>		<b>\$ 5,951</b>
<b>t.</b>	<b>Total General Fund Services - Expenditures</b>		<b>\$ 2,175,146</b>

6. General Fund MDCH Commitment		
a.	MDCH / CMHSP Contract Funded Expenditures	1,934,313
b.	Earned General Fund Carry-Forward	-
<b>c.</b>	<b>Total MDCH General Fund Commitment</b>	<b>\$ 1,934,313</b>

Examined Cash Settlement and MDCH Commitment			
	Cash Settlement	Carry Forward	
Examined	\$ -	\$ -	-
Original Settlement	-	-	-
Increase (Decrease)	\$ -	\$ -	-
<b>Comments:</b>			

**Northeast Michigan Community Mental Health Authority**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended September 30, 2013

**SECTION I - SUMMARY OF ACCOUNTANTS' RESULTS**

**Medicaid Program**

Type of accountants' report issued on compliance: Unmodified

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: Unmodified

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: Unmodified

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

**CMHS Block Grant Program**

Not applicable

**Northeast Michigan Community Mental Health Authority**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued**

For the Year Ended September 30, 2013

**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, 2013

None.