



Broome County

# Department of Audit and Control

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DANIEL A. SCHOFIELD  
Chairman of the Legislature

ALEX J. McLAUGHLIN  
Comptroller

September 3, 2002

Jeffrey P. Kraham, County Executive:

The Department of Audit and Control has compiled a summary of the status of accounts receivable balances in various County departments as of June 30, 2002.

Our analysis of the data provided has revealed the following critical issues:

- For the 2nd quarter of 2002, The Aviation Department's receivable balance shows substantial percentage increases in the 31-60 day category (361%) and the 61-90 day category (6679%). The Department's supporting documentation shows the increases are, for the most part, the result of one Airline not paying promptly. In the 61-90 day category, 99% (\$58,838 of \$59,244) of the outstanding balance is attributable to this company. In the 31-60 day category, 48% (\$15,964 of \$33,030) of the outstanding balance is attributable to the same company. The Department indicated that the Airline is objecting to increased rates/fees that became effective at the beginning of 2002. This situation needs to be addressed by management.
- The Health Department's Early Intervention Program's total receivable balance for the 2nd quarter of 2002 is 51% less than total receivable balance for the 2nd quarter of 2001. The Department attributes the decreased balance to a portion of June's receivables that were not entered during the 2nd quarter. The Department also reports modest gains in receiving "no pay" replies from commercial insurance companies. As previously reported, the Department carries a large balance of old receivables generating from billings to commercial insurance companies that seldom, if ever, pay. Billings to third party insurance companies are required by the State, but they have the effect of tying up County funds and delaying the 50% State reimbursement for the eventual "no-pays".
- The Mental Health Department still does not have a functioning system in place for billing and/or receivable management. According to the department, the program has "bugs" but will be functioning very soon.

- The Mental Health Department's aging report shows significant increases in the 61-90 day category (164%) and the over 90 day category (171%). This trend requires attention from management. The Department indicated they are working on collecting some of the older accounts.
- The Department of Solid Waste Management's receivable balance for the second quarter of 2002 compared to the first quarter of 2002 increased 47% in the 31-60 day category, 2673% in the 61-90 day category and 64% in the over 90 day category. However, through the end of July, the Department has collected \$167,774 and turned over \$7,586 of past due accounts to the Broome County Security Department for collection. This represents 78% of the 31-60 day category, 92% of the 61-90 day category, and 99.7% of the over 90 day category.

Attached are schedules summarizing the status of significant receivables as of June 30, 2002. The criteria that we established for monitoring was to track balances that were in excess of \$100,000 as of June 30<sup>th</sup> and generate from fee for service transactions. If you are aware of other receivable categories that are at risk of becoming uncollectable, please advise.

Sincerely,



Alex J. McLaughlin  
Comptroller

cc: Daniel A. Schofield, Chairman of the Legislature  
Members of the Legislature  
Louis P. Augostini, Clerk of the Legislature  
Arthur R. Johnson, Commissioner, Mental Health Department  
Carl G. Olson, Commissioner, Aviation  
Kevin Roche, Director, Solid Waste Division  
Charles H. Wolford, Director, Health Department  
John F. Demske, Administrator, Willow Point Nursing Home

**Accounts Receivable Aging Summary**  
**2nd Quarter 2002**

Department	Component Age of Receivables (In Days)				Total
	1-30	31-60	61-90	Over 90	
Aviation	31,648.32	33,030.01	59,244.47	26,066.91	149,989.71
% Change From Prior Qtr	33.3%	361.3%	6679.2%	0.5%	159.9%
Health - Early Intervention	0.00	0.00	0.00	325,860.25	325,860.25
% Change From Prior Qtr	n/a	n/a	n/a	-5.7%	-5.7%
Mental Health	161,506.00	124,715.00	92,741.00	154,506.00	533,468.00
% Change From Prior Qtr	-52.3%	-14.0%	163.9%	171.0%	-7.4%
Solid Waste Division	351,480.00	193,681.00	11,757.00	12,823.00	569,741.00
% Change From Prior Qtr	31.6%	46.5%	2673.1%	63.8%	39.8%
Willow Point (1)	1,535,263.12	1,177,363.88	366,888.62	3,273,079.67	6,352,595.29
% Change From Prior Qtr	1.6%	-4.1%	2.3%	-4.4%	-2.6%

Accounts Receivable  
 Quarterly Comparison of Data  
 (2nd quarter 2001 compared to 2nd quarter 2002)

	1-30			31-60			61-90			Over 90			Total		
	2nd Qtr 2001	2nd Qtr 2002	% Chg	2nd Qtr 2001	2nd Qtr 2002	% Chg	2nd Qtr 2001	2nd Qtr 2002	% Chg	2nd Qtr 2001	2nd Qtr 2002	% Chg	2nd Qtr 2001	2nd Qtr 2002	% Chg
Aviation	20,256.00	31,648.32	56.2%	4,875.00	33,030.01	577.5%	464.00	59,244.47	12668.2%	27,737.00	26,066.91	-6.0%	53,332.00	149,989.71	181.2%
Health	0.00	0.00	0%	0.00	0.00	0%	0.00	0.00	0%	659,065.00	325,860.25	-50.6%	659,065.00	325,860.25	-50.6%
Mental Health	336,379.00	161,506.00	-52.0%	79,676.00	124,715.00	56.5%	148,810.00	92,741.00	-37.7%	161,054.00	154,506.00	-4.1%	725,919.00	533,468.00	-26.5%
Solid Waste	366,685.00	351,480.00	-4.1%	179,926.00	193,681.00	7.6%	32,470.00	11,757.00	-63.8%	22,775.00	12,823.00	-43.7%	601,856.00	569,741.00	-5.3%
Willow Point	1,438,892.00	1,535,263.12	6.7%	1,405,962.00	1,177,363.88	-16.3%	346,336.00	366,888.62	5.9%	5,145,304.00	3,273,079.67	-36.4%	8,336,494.00	6,352,595.29	-23.8%