

**BROOME COUNTY
DEPARTMENT OF
AUDIT AND CONTROL**

Quarterly Accounts Receivable Analysis

February 2003

Alex J. McLaughlin, Comptroller



Broome County

Department of Audit and Control

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DANIEL A. SCHOFIELD
Chairman of the Legislature

ALEX J. McLAUGHLIN
Comptroller

February 18, 2003

Jeffrey P. Kraham, County Executive:

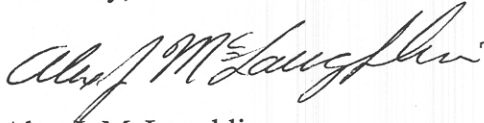
The Department of Audit and Control has compiled a summary of the status of accounts receivable balances in various County departments as of September 30, 2002.

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

- For the 3rd quarter of 2002, The Aviation Department's receivable balance shows substantial percentage increases in the 31-60 day category (147%) and the over 90 day category (368%). For the previous quarter, the increase in the outstanding receivable balances was attributed for the most part to one airline that objected to increased rates/fees that became effective at the beginning of 2002. According to the Department, two checks have been received from the airline (\$58,327 on 10/11/02 and \$58,711.88 on 11/15/02). Deducting the money received from the airline results in the Department's over 90-day category increasing 5.3% and the 31-60 day category increasing 109.9%. Ninety one percent (91%) or \$63,328 of the remaining increase in the 31-60 day category is attributable to Allegheny Commuter Airlines (US Air). The department indicated that payments have temporarily lagged as a result of US Air's reorganization (bankruptcy).
- For the 3rd quarter of 2002, the Mental Health Department submitted a spreadsheet aging report to this office that shows a 20% increase in all aging categories. This indicates that the Mental Health Department is not accurately aging their account receivable balances. This requires management's attention.
- As previously reported, the Mental Health Department does not have a functioning system in place for billing and/or receivable management.
- The Division of Solid Waste Management's receivable balance for the third quarter of 2002 compared to the second of 2002 increased 61.6% in the over 90 day category. Resolution number 639 (12/19/02) authorizes the Division of Solid Waste Management to write off \$6,372 of uncollectable accounts that are included in the third quarter aging report. Additionally, a vendor that owes Solid Waste Management \$11,781 has filed for bankruptcy. Deducting the uncollectable accounts and the bankruptcy amount from the aging report results in Solid Waste Management's over 90 day category decreasing 62.8% when compared to the 2nd quarter of 2002.

Attached are schedules summarizing the status of significant receivables as of September 30, 2002. The criteria that we established for monitoring was to track balances that were in excess of \$100,000 as of September 30th 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, Social Services / Mental Health Department
Carl G. Olson, Commissioner, Aviation
Kevin Roche, Director, Solid Waste Division ✓
Claudia Edwards, Director, Health Department
John F. Demske, Administrator, Willow Point Nursing Home

**Accounts Receivable Aging Summary
3rd Quarter 2002**

Department	Component Age of Receivables (In Days)				Total
	1-30	31-60	61-90	Over 90	
Aviation	47,552.64	81,666.21	-2,638.71	122,084.12	248,664.26
% Change From Prior Qtr	50.3%	147.2%	-104.5%	368.3%	65.8%
Health - Early Intervention	0.00	0.00	0.00	363,804.35	363,804.35
% Change From Prior Qtr	n/a	n/a	n/a	5.3%	5.3%
Mental Health	193,807.00	149,658.00	111,289.00	185,407.00	640,161.00
% Change From Prior Qtr	20.0%	20.0%	20.0%	20.0%	20.0%
Solid Waste Division	428,140.92	152,068.26	5,625.96	20,724.96	606,560.10
% Change From Prior Qtr	21.8%	-21.5%	-52.1%	61.6%	6.5%
Willow Point (1)	1,482,988.23	1,081,478.72	276,655.05	3,082,056.27	5,923,178.27
% Change From Prior Qtr	-3.4%	-8.1%	-24.6%	-5.8%	-6.8%