

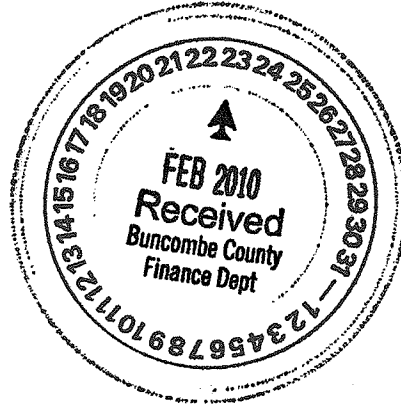


Western Highlands Network

A LOCAL MANAGEMENT ENTITY

February 19, 2010

Donna Clark
Finance Director
Buncombe County
35 Woodfin Street - PO Box 7526
Asheville, NC 28801



Dear Ms. Clark:

Enclosed please find the Western Highlands Area Authority's Fiscal Monitoring Report for the 2010 fiscal year 2nd quarter, ending December 31, 2009. State Law requires the LME to provide the quarterly FMR to the County Finance Officer. This report is to be provided to the Board of County Commissioners at the next regularly scheduled meeting of the Board. 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,

Western Highlands Area Authority



Sharon K. Lentz, CPA
Chief Financial Officer

Enclosure

Division of Mental Health, Developmental Disabilities & Substance Abuse Services
Quarterly Fiscal Monitoring Report - Explanation of Revenue and Expenditure Variances
Western Highlands Area Authority Local Management Entity
for the period ending: December 31, 2009 Accrual Method

ITEM Explanation

Revenues:

Medicaid - Regular Fee for Service: Actual cash revenues have not met projections. Providers have 365 days to bill Medicaid. We will monitor this budget and adjust accordingly.

County Appropriations: We had not received Maintenance of Effort funds from Mitchell County or Transylvania County and partial amount from Henderson County as of December 31, 2009.

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. Our budgeted numbers represent the maximum amount of funds available for the program.

Expenditures:

All Other: These expenditures are county MOE funds received in full and paid out to Provider Agencies in the first six months of the year creating this variance.