



# Western Highlands Network

A LOCAL MANAGEMENT ENTITY

Serving Buncombe, Henderson, Madison, Mitchell, Polk,  
Rutherford, Transylvania, and Yancey Counties

March 05, 2012

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 2012 fiscal year 2nd quarter, ending December 31, 2011. 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  
 Western Highlands Area Authority LME

for the period ending: December 31 2011  
 # of month in the fiscal year=====> 6 31-Dec-11  
 (July = 1, August = 2, . . . , June = 12)

1. REPORT OF BUDGET VS. ACTUAL

ITEM	Basis of Accounting: (check one) Cash Accrual x	PRIOR YEAR		CURRENT YEAR			
		(1)	(2)	(3)	(4)	(5)	(6)
		BUDGET	ACTUAL	BUDGET	ACTUAL YR-TO-DATE	BALANCE (Col. 3-4)	ANNUALIZED PERCENTAGE **
<b>REVENUE</b>							
Client Fees		-	-				
Medicaid - "Regular Fee-for-Service"		10,675,872	7,431,247	3,300,000	3,164,319	191.78%	
Medicaid - CAP/MRDD		600,000	503,555	550,000	174,164	63.33%	
Medicare						#DIV/0!	
Insurance - Health Choice					10,713	#DIV/0!	
Other Local		36,500	148,878	15,625	100,314	1284.02%	
Area Program Transfers						#DIV/0!	
Appropriation of Fund Balance *		1,516,260	-	5,989,121		0.00%	
<b>Total Local Funds</b>		<b>12,828,632</b>	<b>8,083,680</b>	<b>9,854,746</b>	<b>3,449,511</b>	<b>70.01%</b>	
County Appropriations (by county):							
Buncombe County		600,000	600,000	600,000	600,000	200.00%	
Henderson County		528,612	528,612	528,612	235,806	89.22%	
Madison County		30,000	30,000	30,000	-	0.00%	
Mitchell County		18,000	18,000	18,000	-	0.00%	
Polk County		74,991	74,991	74,991	74,991	200.00%	
Rutherford County		102,168	102,168	102,168	102,168	200.00%	
Transylvania County		99,261	99,261	99,261	99,261	200.00%	
Yancey County		26,000	26,000	26,000	13,000	100.00%	
<b>Total County Funds</b>		<b>1,479,032</b>	<b>1,479,032</b>	<b>1,479,032</b>	<b>1,125,226</b>	<b>152.16%</b>	
Service Management Funds		6,047,351	6,047,352	4,681,440	3,023,676	129.18%	
Service Delivery Funds		32,717,876	31,723,408	30,164,237	13,610,592	90.24%	
All Other State/Federal Funds		265,000	242,312	265,000	114,881	86.70%	
<b>Total State and Federal Funds</b>		<b>39,030,227</b>	<b>38,013,072</b>	<b>35,110,677</b>	<b>16,749,149</b>	<b>95.41%</b>	
<b>TOTAL REVENUE</b>		<b>53,337,891</b>	<b>47,575,784</b>	<b>46,444,455</b>	<b>21,323,886</b>	<b>91.83%</b>	
<b>EXPENDITURES:</b>							
Service Management		7,849,504	7,265,436	8,652,355	5,636,462	130.29%	
Directly Provided Services						#DIV/0!	
Provider Payments		43,852,411	37,613,992	36,313,068	17,351,330	95.57%	
All Other		1,635,976	1,506,747	1,479,032	1,150,547	155.58%	
<b>TOTAL EXPENDITURES</b>		<b>53,337,891</b>	<b>46,386,176</b>	<b>46,444,455</b>	<b>24,138,340</b>	<b>103.94%</b>	
<b>CHANGE IN CASH BALANCE</b>			<b>1,189,608</b>		<b>(2,814,454)</b>		
<b>Beginning Unrestricted Fund Balance</b>			<b>6,904,158</b>		<b>6,125,241</b>		
<b>Current Estimated Unrestricted Fund Balance and percent of budgeted expenditures</b>		<b>11.48%</b>	<b>6,125,241</b>	<b>10.86%</b>	<b>5,043,896</b>		

\* "Appropriation of Fund Balance" represents the Area Program Fund Balance that has been incorporated as part of the Approved Budget. Actual Yr-To-Date should reflect Fund Balance utilized to date and an explanation needs to be provided for the specific uses of fund.  
 \*\* annualized Revenue percentage less than 90% and Expenditure percentages greater than 110% must be explained on the attachment and submitted with the Fiscal Monitoring Report


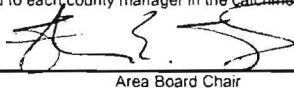
2. CURRENT CASH POSITION:	(1)	(2)	(3)	(4)	(5)	Receivables net of Allowance for Uncollectible Receivables
	30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS	TOTAL	
Accounts Payable (Accrual Method)	2,627,391				\$ 2,627,391	
Account Receivable (Accrual Method)	302,756	284,255	15,940	64,267	\$ 667,219	\$ 538,602

Current Cash In Bank 11,938,089

3. SERVICE EXCEPTIONS: ( Provided Based on System Capability)

Services authorized but not billed

\* We certify that this report to contain accurate and complete information. (b) explanations are provided for any expenditure item with an annualized expenditure rate greater then 110% and for any revenue item with an annualized receipt rate of less than 90%, and (c) a copy of this report has been provided to each county manager in the catchment area.

Area Director:  2/17/12  
 Area Finance Officer: Sharon K. Lentz 2-15-12  
 Area Board Chair:  3/2/12

CC: County Manager for each county within the catchment area.

**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, 2011 Accrual Method

**ITEM**                      **Explanation**

**Revenues:**

Medicaid - CAP/MRDD: Actual cash revenues have not met projections. Providers have 365 days to bill Medicaid. We will monitor this budget and adjust accordingly.

Insurance - Health Choice: LME recently began doing pass through billing for Health Choice. This line will be budgeted in the next Board approved budget amendment.

County Appropriations: We had not received Maintenance of Effort funds from Madison County and Mitchell County and have received 44% from Henderson County as of December 31, 2011.

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:**

Service Management: This is our administration budget. WHN pays several large invoices and recognizes all of the expense during July. Examples are our Professional Liability Insurance, NC Council dues and some annual maintenance costs. In addition, we have had increased administrative costs related to the implementation of the 1915 (b)(c) Medicaid Waiver. Our Board appropriated Fund Balance for Waiver implementation. A larger percentage was spent in the first and second quarter as we prepare for the Waiver. We will monitor this budget closely.

All Other: These expenditures are county funds received in full from Buncombe County, Henderson County, Polk County, Rutherford County, Transylvania County and Yancey County and paid out to Provider Agencies in the first quarter thus creating this variance in the first quarter.