

OFFICIAL NOTICE AND AGENDA

Notice is hereby given that the **Executive Committee** of the **North Central Community Services Program Board** will hold a meeting at the following date, time as noted below:

Wednesday, July 31, 2024 at 1:00 PM
North Central Health Care – NCHC Eagle Board Room
2400 Marshall Street, Suite A, Wausau WI 54403

Persons wishing to attend the meeting by phone may call into the telephone conference beginning five (5) minutes prior to the start time indicated above using the following number:

Meeting number: 1-408-418-9388 **Access Code:** 2494 367 5265 **Password:** 1234

AGENDA

1. Call to Order
2. Introduction of Tom Onan, Compliance Officer – G. Olsen
3. Public Comment for Matters Appearing on the Agenda (Limited to 15 Minutes)
4. Approval of June 5, 2024 and July 9, 2024 Executive Committee Meeting Minutes
5. Presentation of the 2023 Audit – Kim Heller, Wipfli
6. Discussion and Possible Action
 - a. ACTION: Approval of 2023 Audit
 - b. ACTION: Approval of Revised Purchasing Policy
 - c. ACTION: Motion to Approve the Recommendations of the Medical Staff Initial Appointments: Julie Rayburn, PA-C, Luba Kats, D.O.; Reappointments: Daniel Smith, D.O. and Amendments: Susan Brust, APNP, and Heidi Heise, APNP
7. Educational Presentations and Committee Discussion
 - a. Financial and Budget Update – J. Hake
 - b. The Joint Commission Update – V. Tylka
 - c. Pine Crest Nursing Home update – G. Olsen
8. Next Meeting Date & Time, Location and Future Agenda Items
 - a. August meeting date - to be determined
9. Adjournment

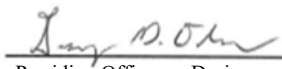
Any person planning to attend this meeting who needs some type of special accommodation in order to participate should call the Administrative Office at 715-848-4405. For TDD telephone service call 715-845-4928.

NOTICE POSTED AT: North Central Health Care

COPY OF NOTICE DISTRIBUTED TO:

Wausau Daily Herald, Antigo Daily Journal, Tomahawk Leader
Merrill Foto News, Langlade, Lincoln & Marathon County Clerks Offices

DATE: 07/26/2024 TIME: 1:00 PM BY: D. Osowski



Presiding Officer or Designee

NORTH CENTRAL COMMUNITY SERVICES PROGRAM EXECUTIVE COMMITTEE MEETING MINUTES

June 5, 2024

9:00 am.

North Central Health Care

Present: X Kurt Gibbs X Renee Krueger
 X Lance Leonhard X Robin Stowe

Staff: Gary Olsen, Jason Hake, Vicki Tylka, Jennifer Peaslee, Marnie Bredlau

Others: Dejan Adzic, Marathon County Deputy Corporation Counsel, Christine Vorpapel

Call to Order

- Meeting was called to order by Kurt Gibbs, Chair, at 9:00 a.m.

Public Comments

- None
- Gary Olsen introduced Marnie Bredlau, Director of Human Resources.

Approval of May 29, 2024 Executive Committee Meeting Minutes

- **Motion**/second, Leonhard/Stowe, to approve the May 29, 2024 Executive Committee meeting minutes with a noted correction to Christine Vorpapel's name. Motion carried.

2024 Code of Conduct

- Jennifer Peaslee, Compliance Officer, reviewed the 2024 Code of Conduct noting that this document is meant to clarify the organization's mission, vision, and core values with standards of conduct.
- Gary Olsen expressed appreciation to Jennifer for the excellent work with the Code of Conduct, which is indicative of all of her efforts throughout her employment with North Central Health Care. With her notice of resignation, Mr. Gibbs and the Executive Committee expressed their gratitude and appreciation to Ms. Peaslee.
- **Motion**/second, Leonhard/Krueger, to approve the 2024 Code of Conduct. Motion carried.

Compensation and Timekeeping Policy

- Gary Olsen reviewed the current changes to the Compensation and Timekeeping Policy. It is anticipated more updates will be made including separating timekeeping and compensation into two separate policies.
- **Motion**/second, Krueger/Stowe, to approve the revised Compensation and Timekeeping Policy as presented. Motion carried.

Closed Session

- **Motion**/second, Leonhard/Stowe, to go into Closed Session (roll call vote required), pursuant to Wis. Stat. s. 19.85(1)(g), for the purpose of conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved, to wit: update and discussion of strategy relative to Department of Labor litigation and claim from Emmerich & Associates. Roll call vote taken with all indicating aye. The following individuals were asked to remain in the Closed Session: D. Adzic, G. Olsen, J. Hake, V. Tylka, J. Peaslee, M. Bredlau, D. Osowski. Motion carried at 9:22 a.m.

Open Session

- **Motion**/second, Stowe/Krueger, to return to open session at 10:34 a.m. Motion carried.

Discussion and Possible Action Resulting from Closed Session Discussion

- No discussion or action by Executive Committee on closed session topics.

Next Meeting Date & Time, Location and Future Agenda Items

- Due to a conflict, the June 26, 2024 Executive Committee meeting is cancelled.

Adjournment

- **Motion**/second, Krueger/Leonhard, to adjourn the meeting at 10:36 a.m. Motion carried.

Minutes prepared by Debbie Osowski, Senior Executive Assistant

NORTH CENTRAL COMMUNITY SERVICES PROGRAM EXECUTIVE COMMITTEE MEETING MINUTES

July 9, 2024

8:00 am.

North Central Health Care

Present:	X	Kurt Gibbs	X	Renee Krueger
	X	Lance Leonhard	X	Robin Stowe

Staff Present: Gary Olsen, Vicki Tylka

Others Present: Dejan Adzic, Deputy Corporation Counsel, Brooke (WebEx)

Call to Order

- Meeting was called to order by Kurt Gibbs, Chair, at 8:00 a.m.

Public Comments

- None

Approval of Proposed Change to Senior Leadership

- **Motion**/second, Leonhard/Stowe, to approve the proposed changes to the Senior Leadership Team which include adding the Director of Human Resources and removing the Compliance Officer positions. Motion carried.

Update Regarding Program Reporting Structure

- Revisions to the reporting structure include the Manager of Safety & Security reporting to the Director of Human Resources and the Manager of Health Information Management reporting to the Managing Director of Finance/Administration.

Closed Session

- Committee requested V. Tylka share her expectations on the qualifications for open Compliance Officer/Risk Manager position.
- **Motion**/second, Stowe/Krueger, to go into Closed Session Pursuant to Wis. Stat. ss. 19.85(1)(c), for the purpose of “[c]onsidering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercised responsibility”, to wit: Discuss employment applications and qualifications of applicants for the vacant Compliance Officer/Risk Manager position. Roll call taken, all indicating aye. Dejan Adzic and Debbie Osowski were asked to remain in Closed Session. Motion carried. Meeting convened in closed session at 8:12 a.m.

Motion to Return to Open Session

- **Motion**/second, Krueger/Leonhard, to move into Open Session at 8:38 a.m. Motion carried.

Discussion and Possible Action Resulting from Closed Session Discussion

- No action resulting from Closed Session.

Next Meeting Date & Time, Location and Future Agenda Items

- Next meeting is currently scheduled for Wednesday, July 31, 2024 at 1:00 pm. In the NCHC Eagle Board Room.
- Ms. Krueger announced an upcoming 150th celebration of Lincoln County on October 19.

Adjournment

- **Motion**/second, Stowe/Krueger, to adjourn the meeting at 8:40 a.m. Motion carried.

Minutes prepared by Debbie Osowski, Senior Executive Assistant

North Central Community Services Program and Affiliates d/b/a North Central Health Care

Combined Financial Statements and
Required Supplementary Combining Information

Years Ended December 31, 2023 and 2022



North Central Health Care

Person centered. Outcome focused.

WIPFLI

Independent Auditor's Report

Board of Directors
North Central Health Care
Wausau, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying combined financial statements (the "financial statements") of North Central Community Services Program and Affiliates d/b/a North Central Health Care, which comprise the combined statements of net position as of December 31, 2023 and 2022, and the related combined statements of revenue, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of North Central Community Services Program and Affiliates d/b/a North Central Health Care as of December 31, 2023 and 2022, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Central Community Services Program and Affiliates d/b/a North Central Health Care and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North Central Community Services Program and Affiliates d/b/a North Central Health Care's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of North Central Community Services Program and Affiliates d/b/a North Central Health Care's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about North Central Community Services Program and Affiliates d/b/a North Central Health Care's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

GAAP requires that a management's discussion and analysis, the schedule of employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System, and the schedule of the employer's proportionate share of the net OPEB liability (asset) and employer contributions - Local Retiree Insurance Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Auditing Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise North Central Community Services Program and Affiliates d/b/a North Central Health Care's basic financial statements. The combining financial statements and the schedule of net position by County Net of GASB 68 and GASB 75 impact are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining financial statements is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2024 on our consideration of North Central Community Services Program and Affiliates d/b/a North Central Health Care's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of North Central Community Services Program and Affiliates d/b/a North Central Health Care's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Central Community Services Program and Affiliates d/b/a North Central Health Care's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

Wausau, Wisconsin
June 25, 2024

North Central Community Services Program d/b/a North Central Health Care

Management's Discussion and Analysis

Years Ended December 31, 2023, 2022 and 2021

Overview of the Financial Statements

The annual financial report consists of management's discussion and analysis, the combined financial statements, including notes to the combined financial statements and related combining information, and other information. The combined financial statements present different views of North Central Community Services Program d/b/a North Central Health Care's (NCHC) financial activities and consist of the following:

- The combined statements of net position compare assets to liabilities to give an overall view of the financial health of NCHC.
- The combined statements of revenue, expenses, and changes in net position provide information on an aggregate view of NCHC's finances.
- The combined statements of cash flows provide sources and uses of cash for NCHC.

NCHC financial statements represent three distinct businesses:

- The 51.42/.437 Human Services Program which includes a 16-bed psychiatric hospital, Alcohol and Other Drug Abuse (AODA) and mental health services, crisis services, adult protective services, the aquatic program, community programs, and residential program serving the specialized needs of targeted populations for the benefit of Marathon, Lincoln, and Langlade Counties.
- A 159-bed nursing home on the NCHC campus which is operated for the benefit of Marathon County.
- A 120-bed nursing home in Merrill which is operated for the benefit of Lincoln County.

Financial Analysis

Statements of Net Position

One of the most important questions asked about NCHC's finances is, "Is NCHC as a whole better or worse off as a result of the year's activities?" The statements of net position and statements of revenue, expenses, and changes in net position report information about NCHC's resources and its activities in a manner that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All current year's revenue and expenses are considered regardless of when cash is received or paid.

NCHC's net position – the difference between assets and liabilities – is one way to measure NCHC's financial health or financial position. Over time, increases or decreases in NCHC's net assets are one indicator whether financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in NCHC's revenue base and measures of the quality of service it provides to the community, as well as local economic factors, to assess the overall health of NCHC.

North Central Community Services Program d/b/a North Central Health Care

Management's Discussion and Analysis

Years Ended December 31, 2023, 2022 and 2021

Statements of Net Position (Continued)

The condensed statements of net position for the years ended December 31, 2023, 2022 and 2021 is as follows:

Condensed Statements of Net Position

	2023	2022	2021
Assets and deferred outflows of resources:			
Current assets, excluding investments	\$ 27,344,627	\$ 23,101,241	\$ 15,264,086
Investments	-	1,810,537	6,801,062
Assets limited as to use	1,000,000	1,000,000	1,000,000
Patient trust funds	39,969	68,835	100,257
Net pension asset	-	17,453,928	14,388,349
Capital assets - Net	90,594,459	81,036,850	70,680,438
Deferred outflows of resources	45,066,985	35,384,283	25,608,896
Total assets and deferred outflows of resources	\$ 164,046,040	\$ 159,855,674	\$ 133,843,088
Liabilities:			
Current liabilities	\$ 10,509,986	\$ 8,506,043	\$ 9,501,577
Right-of-use lease and SBITA obligations	71,190,813	68,596,744	54,098,669
Net pension liability	13,466,194	2,656,853	3,028,071
Patient trust funds	39,969	68,834	100,257
Total liabilities	95,206,962	79,828,474	66,728,574
Deferred inflows of resources - Pensions and life	26,441,526	41,502,461	32,104,400
Net position:			
Net investment in capital assets	18,084,462	12,014,522	15,319,425
Restricted for net pension assets	-	17,453,928	14,388,349
Unrestricted:			
Board designated	1,000,000	1,000,000	1,000,000
Undesignated	23,313,090	8,056,289	4,302,340
Total net position	42,397,552	38,524,739	35,010,114
Total liabilities, deferred inflows of resources, and net position	\$ 164,046,040	\$ 159,855,674	\$ 133,843,088

North Central Community Services Program

d/b/a North Central Health Care

Management's Discussion and Analysis

Years Ended December 31, 2023, 2022 and 2021

Statements of Net Position (Continued)

Factors affecting NCHC's statement of net position in 2023 are:

- During 2023, cash and cash equivalents increased \$5,754,274. The main reasons for this were redeeming investments at their maturity, and significant increases in Medicaid reimbursement rates for Mount View Care Center, Pine Crest Nursing Home, and NCHC's Adult and Youth Behavioral Health Hospitals. Investments decreased \$1,810,537 during 2023. NCHC made an effort to increase liquidity due to experiencing large fluctuations in cash in the past, while also renegotiating its banking contract to increase interest earnings on liquid funds. NCHC now utilizes a sweep account that follows the federal funds rate, rather than being locked into a low interest earning checking account. The locked-in interest rate from the past did benefit NCHC during the COVID-19 pandemic when the federal funds rate was near 0%, however switching the account structure under the current rate environment is projected to earn NCHC around \$600,000 in additional revenues with essentially no overhead cost. NCHC continues to monitor the interest rate environment closely to maximize potential earnings on cash balances.
- While NCHC has targeted, through the strategic planning process, to continue to increase reserves each year, there have been some significant challenges along the way. These challenges include getting Medicaid to recognize the construction/depreciation costs of the new nursing tower and behavioral health units. The State of Wisconsin scheduled a new appraisal to take place in 2024 for Mount View Care Center. We expect reimbursement rates to be updated in 2024, and a retroactive adjustment payment to be made related to services provided since the opening of Mount View's new nursing home tower. This will also have a significant impact on reimbursement rates going forward.
- In 2023, Marathon County awarded NCHC with \$3,115,010 of American Rescue Plan (ARPA) funding, and the Wisconsin State Building Commission awarded NCHC with a \$5,000,000 grant, to support construction costs of NCHC's Master Facility Plan. In addition, Marathon County contributed \$1,461,034 toward these costs. At December 31, 2023, these amounts are included in contributions and grants for capital, and the costs of construction are capitalized according to NCHC's capitalization policy and shown within "Depreciable capital assets – Net".
- Total nondepreciable and depreciable capital assets totaled \$90,594,459 as of December 31, 2023. This was an increase from 2022 of \$9,557,609. NCHC remodeling as part of its Master Facility Plan. The remodeling was substantially complete by December 31, 2023, and it resulted in the expansion of Mount View Care Center operations, reopened the Lakeside Recovery substance abuse program, improved the operations of the Youth and Adult Crisis Stabilization facilities and Youth and Adult Behavioral Health Hospitals, and included new offices and board rooms to be used by administrative departments such as Human Resources, Accounting, Patient Financial Services, Communications, and Information Management Services departments among others.
- As of December 31, 2023, NCHC's net position totaled \$42,397,552 on a combined basis consisting of an investment in capital assets net of related obligations of \$18,084,462, and \$23,313,090 of unrestricted net position.

North Central Community Services Program d/b/a North Central Health Care

Management's Discussion and Analysis

Years Ended December 31, 2023, 2022 and 2021

Statements of Net Position (Continued)

Factors affecting NCHC's statement of net position in 2022 are:

- During 2022, cash and cash equivalents increased \$5,511,930. This was mainly the result of redeeming investments at their maturity. Investments decreased \$4,990,525 during 2022. While NCHC has targeted, through the strategic planning process, to continue to increase reserves each year, there have been some significant challenges. Costs related to the Covid-19 pandemic, including higher prices for supplies and the need for more staff time, have negatively impacted cash reserves. Medicaid reduced the supplemental payments and certified public expenditure awards for Mount View Care Center and Pine Crest Nursing Home by \$3,590,231 during state fiscal year 2022 compared to state fiscal year 2021.
- 2022 was the first full calendar year NCHC operated its new Electronic Health Record (EHR) system. Various efficiencies were gained in 2022 and late 2021 in the billing and collections process. As a result, patient-related accounts receivable decreased \$890,002 from 2021 to 2022.
- In 2022, Marathon County awarded NCHC with \$1.85M of American Rescue Plan (ARPA) funding to support deficits incurred by Mount View Care Center, the Youth Behavioral Health Hospital, and the Marathon County based Outpatient program. At December 31, 2022, this amount is shown as a receivable and included with current assets.
- Total nondepreciable and depreciable capital assets totaled \$81,036,850 as of December 31, 2022. This was an increase from 2021 of \$10,356,412. NCHC continued remodeling of the Mount View Care Center building as part of its Master Facility Plan. The remodeling will be used to expand Mount View Care Center operations, reopen its Lakeside Recovery substance abuse program, improve the operations of the Youth and Adult Crisis Stabilization facilities, and include new offices and board rooms to be used by administrative departments such as Human Resources, Accounting, Patient Financial Services, Communications, and Information Management Services departments among others.
- As of December 31, 2022, NCHC's net position totaled \$38,524,739 on a combined basis consisting of an investment in capital assets net of related obligations of \$12,014,522, net position restricted for net pension assets of \$17,453,928, and \$9,056,289 of unrestricted net position.
- A significant component of the change during 2022 in NCHC's net position is the income before contributed capital of \$3,554,919. Because of Governmental Accounting Standards Board (GASB) Statement No. 68 and Statement No. 75, a total \$3,814,126 was recorded as a negative expense. In the absence of these adjustments, which do not have a direct impact on operations, NCHC would have recognized a loss in operations for the year of \$259,207.

Factors affecting NCHC's statement of net position in 2021 are:

- During 2021, cash and cash equivalents decreased \$1,762,766. Investments and assets limited as to use decreased \$5,825,006 during 2021 as well. While NCHC has targeted, through the strategic planning process, to continue to increase reserves each year, costs related to the Covid-19 pandemic, including higher prices for supplies and need for more staff time, have reduced cash reserves.

North Central Community Services Program

d/b/a North Central Health Care

Management's Discussion and Analysis

Years Ended December 31, 2023, 2022 and 2021

Statements of Net Position (Continued)

- Total nondepreciable and depreciable capital assets totaled \$70,680,438 as of December 31, 2021. This was an increase from 2020 of \$16,788,725. NCHC finished the construction of its new Mount View Care Center Nursing Home on the Wausau campus during 2021, as well as the completion of new Adult and Youth Crisis Stabilization facilities. Mount View Care Center is a skilled nursing facility that overlooks picturesque Lake Wausau and has been recognized by U.S. News and World Report as one of the Best Nursing Homes in the United States.
- Current liabilities totaled \$9,501,577 as of December 31, 2021, which includes accounts payable, accrued payroll and related fringe benefits, and amounts payable to and deferred revenue related to third-party reimbursement programs and patient trust funds which are managed by NCHC for residents of the nursing home. The decrease of current liabilities of \$394,751 from 2020 was mainly the result of refunding a Note Anticipation Note that came due in 2021 for Pine Crest Nursing Home. Due to lower interest rates nationwide in 2021, Pine Crest's new debt has a lower interest rate and received a premium for refunding.
- As of December 31, 2021, NCHC's net position totaled \$35,010,114 on a combined basis consisting of an investment in capital assets net of related debt of \$15,319,425, net position restricted for net pension assets of \$14,388,349, and \$5,302,340 of unrestricted net position.
- A significant component of the change in NCHC's net position in 2021 was the loss before contributed capital of \$4,133,827. Because of Governmental Accounting Standards Board (GASB) Statement No. 68 and Statement No. 75, a total \$4,054,904 was recorded as a negative expense. In the absence of these adjustments, which does not have a direct impact on operations, NCHC would have recognized a loss from operations for the year of \$8,188,731.

The supplementary information includes a combining statement of net position and a combining statement of revenue, expenses, and changes in net position. These combining statements present separate information for the 51.42/.437 program and the Nursing Home program of NCHC.

Capital Assets

NCHC's investment in capital assets as of December 31, 2023, totals \$90,594,459 net of accumulated depreciation and including right-of-use lease assets. NCHC's Master Facility project, which included various renovations throughout its main campus in Marathon County, reached substantial completion during 2023. In 2023, there were depreciable asset additions of \$33,269,446 offset by depreciation expense of \$4,895,360.

NCHC's investment in capital assets as of December 31, 2022, totals \$81,036,850 net of accumulated depreciation and including right-of-use lease assets. Various projects were in progress during 2022 including the remodeling of NCHC's old Mount View Care Center building. In 2022, there were depreciable asset additions of \$16,339,805 offset by depreciation expense of \$4,214,247.

North Central Community Services Program d/b/a North Central Health Care

Management's Discussion and Analysis

Years Ended December 31, 2023, 2022 and 2021

Capital Assets (Continued)

NCHC's investment in capital assets as of December 31, 2021, totaled \$70,680,438 net of accumulated depreciation and including right-of-use assets. Various projects were in progress during 2021 including the completion of Mount View Care Center, two Crisis Stabilization Facilities (adult and youth), and remodeling of various spaces throughout the Marathon County campus. In 2021, there were depreciable asset additions of \$38,883,101 offset by depreciation expense of \$3,392,577.

Capital assets consisted of the following at December 31, 2023, 2022 and 2021:

NCHC's Capital Assets (Net of Accumulated Depreciation)

	2023	2022	2021
Nondepreciable capital assets:			
Right-of-use assets owned by County			
Land	\$ 65,133	\$ 65,133	\$ 65,133
Construction in progress	122,208	18,574,475	4,155,549
Total nondepreciable capital assets	187,341	18,639,608	4,220,682
Depreciable capital assets:			
Right-of-use assets:			
Owned by counties	86,243,502	59,945,936	63,172,192
Other equipment	863,184	18,615	46,551
Other equipment	3,300,432	2,432,691	3,241,013
Total depreciable capital assets	90,407,118	62,397,242	66,459,756
Total capital assets - Net	\$ 90,594,459	\$81,036,850	\$70,680,438

Noncurrent Liabilities

NCHC's noncurrent liabilities totaled \$84,696,976 as of December 31, 2023. Noncurrent liabilities increased primarily as the result of the net pension liability of \$11,877,189 at December 31, 2023 and a \$2,730,195 increase in noncurrent lease obligations due to Marathon County for property and equipment. Noncurrent liabilities also increased by \$301,614 due to recognition of subscription-based information technology agreements as a leased asset and liability under GASB 96.

NCHC's noncurrent liabilities totaled \$71,322,431 as of December 31, 2022. Noncurrent liabilities increased primarily as the result of a \$14,498,075 increase in noncurrent lease obligations due to Marathon County for property and equipment primarily related to the master facility plan project.

North Central Community Services Program d/b/a North Central Health Care

Management's Discussion and Analysis

Years Ended December 31, 2023, 2022 and 2021

Statements of Revenue, Expenses, and Changes in Net Position

The combined statement of revenue, expenses, and changes in net position for the years ended December 31, 2023, 2022 and 2021 is as follows:

Combined Statements of Revenue, Expenses, and Changes in Net Position

	2023	2022	2021
Revenue:			
Net patient service revenue	\$ 69,122,752	\$ 68,787,245	\$ 60,847,547
Other revenue	21,962,759	22,741,686	21,693,279
Total revenue	91,085,511	91,528,931	82,540,826
Expenses:			
Salaries	41,764,893	42,478,278	36,780,534
WRS Retirement	6,217,494	(1,204,706)	(1,471,950)
Other fringe benefits	10,700,582	12,590,962	16,365,430
Supplies and other	30,751,285	28,539,968	29,507,217
Depreciation	4,895,360	4,254,541	3,278,127
Care of patients at other facilities	1,560,104	576,960	1,512,635
Total expenses	95,889,718	87,236,003	85,971,993
Operating income (loss)	(4,804,207)	4,292,928	(3,431,167)
Nonoperating loss	(916,278)	(738,009)	(702,660)
Income (loss) before contributed capital	(5,720,485)	3,554,919	(4,133,827)
Contributions and grants restricted for capital assets	8,115,010	-	-
Contributions from (to) counties for capital assets	1,517,550	(40,294)	(50,565)
Change in net position	3,912,075	3,514,625	(4,184,392)
Net position at beginning	38,524,739	35,010,114	39,194,506
Cumulative effect of accounting change	(39,262)	-	-
Net position at end	\$ 42,397,552	\$ 38,524,739	\$ 35,010,114

North Central Community Services Program d/b/a North Central Health Care

Management's Discussion and Analysis

Years Ended December 31, 2023, 2022 and 2021

Net Patient Service Revenue

Net patient service revenue, on a combined basis, is 70% of total revenue in 2023. Increasing net patient revenue is a priority for NCHC. Overall net patient revenue increased in 2023 by \$335,507 from 2022. Reasons for this increase are discussed in more detail later in this Management's Discussion and Analysis report.

51.42/.437 Program

In 2023, NCHC recorded \$37,476,339 of net patient service revenue for its 51.42/.437 program. This reflects a decrease from 2022 of \$2,589,129. Significant components of this change are:

- The previous year included one-time recognition of \$2,272,003 for additional funds received by revising its CCS and WIMCR reports as described below.
- All revenues and expenses of NCHC's residential facilities/programs which served patients with specialized needs were transitioned to new ownership as of October 1st, 2023. Due to only operating under NCHC for nine months of 2023, net patient revenue under these facilities/programs decreased by \$1,292,451.
- Due to increased census and reimbursement rates from Medicaid, the adult and youth behavioral health hospitals increased net patient revenue by \$1,326,141 in 2023 compared to 2022.

In 2022, NCHC recorded \$40,065,468 of net patient service revenue for its 51.42/.437 program. This reflects an increase from 2021 of \$6,751,712. Significant components of this change are:

- NCHC hired an independent consultant to review and revise its 2020 Comprehensive Community Services (CCS) and Wisconsin Medicaid Cost Reporting (WIMCR) reporting, and prepare its 2021 CCS and WIMCR reporting. The amended 2020 reporting resulted in an additional revenue of \$867,663. The 2021 reporting resulted in additional revenue of \$672,102 for CCS and \$732,238 for WIMCR. In realizing these increased payments, NCHC was also able to increase its estimates for 2022 CCS and WIMCR settlement payments.
- NCHC increased its gross billing rates for all payors and all services effective September 1, 2022. This resulted in increased payments from some commercial and private pay payors.

In 2021, NCHC recorded \$33,313,756 of net patient service revenue for its 51.42/.437 program. This reflects an increase from 2020 of \$737,365. Significant components of this change are:

- The Human Services Programs (51.42/.437) patient services are billed based on units of services, either hours or days. Changes in the volume of units or changes in payor can impact net patient services revenue. Net revenue from billed services increased \$830,000 compared to 2020. The Covid-19 pandemic and the inability to see many patients in person for most of 2020 and all of 2021 greatly impacted billed revenue compared to previous years. Net revenue from billed services decreased approximately \$4,600,000 from 2019 to 2020.
- The settlement for the Wisconsin Medicaid Program (WIMCR) decreased about \$1,465,000, and the Comprehensive Community Services (CCS) reconciliation revenue decreased about \$250,000 in 2021. CCS has experienced a decrease from 2019 to 2020 of approximately \$1,770,000.

North Central Community Services Program d/b/a North Central Health Care

Management's Discussion and Analysis Years Ended December 31, 2023, 2022 and 2021

Mount View Care Center (MVCC)

Mount View Care Center recorded \$19,104,935 of net patient service revenue in 2023, which was an increase of \$1,790,032 from 2022. Factors impacting Mount View Care Center net patient service revenues in 2023 include:

- In 2023, Medicaid reimbursement rates increased around 39% depending on the specific acuity of the patient being served. The new rates were applied retroactive to services provided from July 1, 2022 and forward. On average, for all services (vent and non-vent), MVCC was reimbursed by Medicaid \$426 per patient day, compared to \$306 per patient day prior to the increases.
- Medicaid increased its supplemental payment award for Mount View Care Center by \$118,052 in 2023 from 2022.

Mount View Care Center recorded \$17,314,903 of net patient service revenue in 2022, which was an increase of \$1,054,385 from 2021. Factors impacting Mount View Care Center net patient service revenues in 2022 include:

- Effective January 1, 2022, Mount View Care Center increased its standard room and board rate to \$325 from \$295 in 2021. For ventilator services the rate increased to \$750 from \$655. These rates were also increased effective July 1, 2022, to \$338 for standard services and \$780 for ventilator services.
- The 2022 statements also include an estimated increase for Medicaid reimbursement rates which, when finalized, will be effective July 1, 2022. The impact of the estimated rate increase added \$833,819 of net patient service revenues.
- Medicaid reduced its supplemental payment award for Mount View Care Center by \$1,084,000 in 2022 from 2021. Medicaid also eliminated the certified public expenditure award in 2022, whereas Mount View Care Center received an award of \$892,341 in 2021.

Mount View Care Center recorded \$16,260,518 of net patient service revenue in 2021, which was a decrease of \$1,232,016 from 2020. Factors impacting Mount View Care Center net patient service revenues in 2021 include:

- Mount View Care Center's census decreased in 2021 with an average census of 124 per day compared to the average census of 155 in 2020 and 180 in 2019. The nursing home's patient payor mix remained very similar to 2020 with about 10% of patients being insured by Medicare, 75% insured by Medicaid, and 15% having commercial insurance or being uninsured.
- The nursing home received a Supplemental Payment (SP) award in 2021 of \$2,416,100. The nursing home received another Certified Public Expenditure (CPE) payment in 2021 of just over \$890,000.

Pine Crest Nursing Home (PCNH)

Pine Crest recorded \$12,541,478 of net patient service revenue in 2023, which was an increase of \$1,134,604 from 2022. Factors impacting Pine Crest Nursing Home net patient service revenues in 2023 include:

- In 2023, Medicaid reimbursement rates increased around 33% depending on the specific acuity of the patient being served. The new rates were applied retroactive to services provided from July 1, 2022 and forward. On average, for all services (vent and non-vent), PCNH was reimbursed by Medicaid \$363 per patient day, compared to \$273 per patient day prior to the increases.
- Medicaid decreased its supplemental payment award for Pine Crest Nursing Home by \$694,633 in 2023 from 2022.

North Central Community Services Program d/b/a North Central Health Care

Management's Discussion and Analysis

Years Ended December 31, 2023, 2022 and 2021

Net Patient Service Revenue (Continued)

Pine Crest recorded \$11,406,874 of net patient service revenue in 2022, which was an increase of \$133,601 from 2021. Factors impacting Pine Crest Nursing Home net patient service revenues in 2022 include:

- Effective January 1, 2022, Pine Crest Nursing Home increase its standard room and board rate to \$315 from \$287 in 2021. This rate was further increased to \$328 effective July 1, 2022.
- Effective July 1, 2022, Medicaid increased its reimbursement rates by an average of 41% for Pine Crest Nursing Home.
- Medicaid reduced its supplemental payment award for Pine Crest Nursing Home by \$883,300 in 2022 from 2021. Medicaid also eliminated the certified public expenditure award in 2022, whereas Pine Crest Nursing Home received an award of \$730,590 in 2021.

Pine Crest recorded \$11,273,273 of net patient service revenue in 2021, which was a decrease of \$1,627,176 from 2020. Factors impacting Pine Crest Nursing Home net patient service revenues in 2021 include:

- The nursing home had an average daily census of 92 in 2021 compared to an average census of 121 in 2020.
- The nursing home received a SP of \$2,095,650 and a CPE payment in 2021 of just over \$730,000.

Other Revenue

In 2023, other revenue totaled \$21,962,759 which was composed of 42% from the State of Wisconsin, 43% from Marathon, Langlade, and Lincoln Counties' appropriations and other county support to subsidize operating expenses, and 15% from other sources. Revenue in other categories stayed relatively consistent from 2022 to 2023.

In 2022, other revenue totaled \$22,741,686 which was composed of 40% from the State of Wisconsin, 45% from Marathon, Langlade, and Lincoln Counties' appropriations and other county support to subsidize operating expenses, and 15% from other sources. In 2022, Marathon County awarded NCHC with \$1.85M of ARPA funding to support deficits incurred by Mount View Care Center, the Youth Behavioral Health Hospital, and the Outpatient program in Marathon County. No funding was received in response to the ongoing COVID-19 pandemic in 2022, whereas \$1,589,193 was received in 2021. Revenue in other categories stayed relatively consistent from 2021 to 2022.

In 2021, other revenue totaled \$21,693,279 which was composed of 39% from the State of Wisconsin, 38% from Marathon, Langlade, and Lincoln Counties' appropriations and other county support to subsidize operating expenses, 7% from CARES Act, American Rescue Plan Act, and other COVID-19 related relief funding, and 16% from other sources. There was a net increase of \$71,177 in the category of county appropriations for 2021. In response to the Covid-19 pandemic, NCHC received \$1,589,193 additional funding to offset a portion of the related costs. Identified costs related to COVID-19 in 2021 totaled \$2,211,504, which exceeds funding receipts. For comparison, in 2020, NCHC received \$2,955,365 of COVID-19 related funding and had identified \$3,175,102 of related costs. These calculated costs do not include the lost revenues realized in the nursing homes previously discussed.

North Central Community Services Program d/b/a North Central Health Care

Management's Discussion and Analysis

Years Ended December 31, 2023, 2022 and 2021

Expenses

NCHC's combined operating expenses for the year ended December 31, 2023, totaled \$95,889,718.

Combined salaries accounted for 44% of total expenses in 2023, while fringe benefits accounted for 18%. Salaries and fringe benefits accounted for 49% and 13% of total expenses in 2022, respectively. Fringe benefit expenses were amplified by \$3,519,632 in 2023 as a result of GASB 68 and 75. More information on this adjustment can be found in Note 12 and 13 of the combined financial statements. For comparison, in 2022, the impact of GASB 68 and 75 reduced expenses by \$3,814,126.

Mount View Care Center salaries and fringe benefits made up 70% of their total expenses in 2023. For Pine Crest Nursing Home, salaries and fringe benefits were 68% of their total expenses in 2023. For the 51.42/.437 program salaries and fringe benefits were 56% of the program's total expenses in 2023.

Factors that impacted overall expenses in 2023 outside of GASB 68 and 75 were:

- With NCHC's Master Facility Plan reaching significant completion and programs operating out of their new spaces in 2023, depreciation expense increased by 15%, or \$640,819. We expect this to increase again in 2024 when these new capitalized assets depreciate over a full calendar year.
- NCHC reevaluated and increased its reimbursement rates to its community partners under the CCS program. CCS is a fully cost-reimbursed program. Payments to these CCS providers increased by \$1,403,508.
- Expenses related to care of patients at other facilities increased by \$983,144 in 2023 from 2022.

Factors that impacted overall expenses in 2022 were:

- NCHC hired independent consultants to do a market compensation analysis. In 2022 salary ranges were updated to be in line with the analysis and increases were given to bring employees to an appropriate rate within their updated ranges. Additionally, an average of 3% for merit increases was provided to all employees effective April 1, 2022.
- Depreciation of capital assets increased by \$976,414 or 30%. A majority of the increase was related to the construction of the new Mount View Care Center tower which opened in late 2021.
- Expenses related to care of patients at other facilities decreased by \$935,675 in 2022 from 2021.

Factors that impacted overall expenses in 2021 were:

- Overall salaries decreased \$2,081,531 or 5.4% from 2020 to 2021. During the year NCHC experienced an annual turnover rate of 31.8%, which resulted in many open positions during the year. Consistent with 2020, there were still several open positions at the end of 2021. An average of 2% for merit increases was included in the 2021 budget. Increases were given to RNs and CNAs to compete with other businesses during the pandemic. Call time increased from 2020 by \$458,933 due to several vacant positions and the need for additional staffing to manage COVID-19 related requirements such as employee and resident testing.

North Central Community Services Program d/b/a North Central Health Care

Management's Discussion and Analysis

Years Ended December 31, 2023, 2022 and 2021

Expenses (Continued)

- The overall employee benefit percentage increased from 38% in 2020 to 40% in 2021. Considering overall salaries were down \$2,081,531 in total, the dollar amount of the benefits also decreased by \$36,359, even though the benefit percentage increased. The most significant change impacting employee benefits was the decrease in the required GASB 68 and 75 entries of \$4,444,095 from the prior year. The entries are noncash items but are required entries. Health and dental insurance expenses increased in 2021 compared to 2020 by \$1,444,755.
- Provider-contracted services decreased in 2021 by \$172,268, and by \$828,162 in 2020, driven by hiring of psychiatrists to replace contracted locums. Staffing-contracted services were \$1,033,283 in 2021 and primarily relate to filling staffing shortages exacerbated by the COVID-19 pandemic. Drug expense increased by \$552,940 in 2021, and by \$1,436,277 in 2020 due to the addition of Pine Crest Nursing Home in 2020, the Crisis Stabilization Facilities in 2021, as well as the use of more expensive drugs for treatment of severe substance use disorders.
- Expenses for diverting care of patients to other institutes, due to a shortage of staffing or threats to safety of staff, saw an increase in 2021 compared to 2020 of \$440,260.

Other Changes in Net Assets

In 2023, Marathon County awarded NCHC with \$3,115,010 of ARPA funding, and the Wisconsin State Building Commission awarded NCHC with a \$5,000,000 grant, both of which supported construction costs of NCHC's Master Facility Plan.

This financial report is designed to provide our readers with a general overview of NCHC's finances and to show NCHC's accountability for the funding it receives. If there are questions about this report or if additional financial information is needed, contact the administration office at North Central Health Care, 2400 Marshall Street Suite A, Wausau, Wisconsin 54403.

North Central Community Services Program and Affiliates

d/b/a North Central Health Care

Combined Statements of Net Position

December 31, 2023 and 2022

Assets and Deferred Outflows of Resources	2023	2022
Current assets:		
Cash and cash equivalents	\$ 14,052,590	\$ 8,298,316
Investments	-	1,810,537
Accounts receivable:		
Patient - Net	8,358,340	6,759,234
Outpatient WIMCR/CCS	1,335,093	3,097,560
Marathon County	285,518	1,926,500
Net state receivable	1,905,476	1,405,151
Amounts due from other third-party reimbursement programs	-	90,593
Other	519,764	537,878
Inventory	370,271	391,035
Prepaid and other assets	517,575	594,974
Total current assets	27,344,627	24,911,778
Noncurrent assets:		
Assets limited as to use	1,000,000	1,000,000
Restricted assets - Patient trust funds	39,969	68,835
Net pension asset	-	17,453,928
Nondepreciable capital assets	187,341	18,639,608
Depreciable capital assets - Net	90,407,118	62,397,242
Total noncurrent assets	91,634,428	99,559,613
Deferred outflows of resources - Pensions and life insurance	45,066,985	35,384,283
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 164,046,040	\$ 159,855,674

North Central Community Services Program and Affiliates
d/b/a North Central Health Care
Combined Statements of Net Position (Continued)

December 31, 2023 and 2022

Liabilities, Deferred Inflows of Resources, and Net Position	2023	2022
Current liabilities:		
Current portion of right-of-use lease obligation - Marathon County	\$ 316,689	\$ -
Current portion of right-of-use lease obligation - Lincoln County	415,000	405,000
Current portion of right-of-use lease obligation - Other	32,443	20,584
Current portion of software based information technology agreement obligation	555,052	-
Accounts payable - Trade	2,495,158	1,664,130
Accrued liabilities:		
Salaries and retirement	2,290,521	2,204,128
Compensated absences	2,105,023	2,206,848
Health and dental insurance	1,045,987	1,256,661
Interest	1,155,434	609,187
Other	56,508	117,949
Unearned revenue	8,844	21,556
Amounts due to other third-party reimbursement programs	33,327	-
Total current liabilities	10,509,986	8,506,043
Noncurrent liabilities:		
Right-of-use lease obligation to Marathon County	63,351,738	60,621,543
Right-of-use lease obligation to Lincoln County	7,537,461	7,975,201
Right-of-use lease obligation - other	46,900	-
Software based information technology agreement obligation	254,714	-
Net pension liability	11,877,189	-
OPEB life insurance liability	1,589,005	2,656,853
Patient trust funds	39,969	68,834
Total noncurrent liabilities	84,696,976	71,322,431
Total liabilities	95,206,962	79,828,474
Deferred inflows of resources - Pensions and life insurance	26,441,526	41,502,461
Net position:		
Net investment in capital assets	18,084,462	12,014,522
Restricted for net pension assets	-	17,453,928
Unrestricted:		
Board designated for contingency	1,000,000	1,000,000
Undesignated	23,313,090	8,056,289
Total net position	42,397,552	38,524,739
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 164,046,040	\$ 159,855,674

See accompanying notes to combined financial statements.

North Central Community Services Program and Affiliates
d/b/a North Central Health Care
Combined Statements of Revenue, Expenses,
and Changes in Net Position

Years Ended December 31, 2023 and 2022

	2023	2022
Revenue:		
Net patient service revenue	\$ 69,122,752	\$ 68,787,245
Other revenue:		
State grant-in-aid	5,006,825	5,040,270
State match/addendum	4,206,305	2,709,134
Other grants	1,198,580	3,245,144
Counties' appropriations and other support	9,489,482	8,453,775
Departmental and other revenue	2,061,567	3,293,363
Total other revenue	21,962,759	22,741,686
Total revenue	91,085,511	91,528,931
Expenses:		
Salaries	41,764,893	42,478,278
Fringe benefits:		
WRS Retirement - GASB 68	3,344,879	(3,685,775)
WRS Retirement - GASB 75	174,753	(128,351)
WRS Retirement - Contributions	2,697,862	2,609,420
Other fringe benefits	10,700,582	12,590,962
Supplies and other	30,751,285	28,539,968
Depreciation	4,895,360	4,254,541
Care of patients at other facilities	1,560,104	576,960
Total expenses	95,889,718	87,236,003
Operating income (loss)	(4,804,207)	4,292,928
Nonoperating revenue (expense):		
Interest expense	(798,633)	(725,849)
Interest income	246,565	76,214
Income (loss) on disposal of capital assets	(364,210)	(88,374)
Total nonoperating expense	(916,278)	(738,009)
Income (loss) before contributed capital	(5,720,485)	3,554,919
Contributions and grants restricted for capital	8,115,010	-
Contributions to Marathon County for capital assets	1,517,550	(40,294)
Change in net position	3,912,075	3,514,625
Net position at beginning as reported	38,524,739	35,010,114
Cumulative effect of accounting change	(39,262)	-
Net position at end	\$ 42,397,552	\$ 38,524,739

See accompanying notes to combined financial statements.

North Central Community Services Program and Affiliates d/b/a North Central Health Care

Combined Statements of Cash Flows

Years Ended December 31, 2023 and 2022

	2023	2022
Increase (decrease) in cash and restricted cash:		
Cash flows from operating activities:		
Cash received from patients, third-party reimbursement programs, and other revenue	\$ 83,029,369	\$ 80,835,905
Cash received from Marathon County appropriations and other support	6,052,244	5,963,947
Cash received from other counties' appropriations and other support	3,437,238	2,489,828
Cash paid to employees for services	(38,532,808)	(46,293,758)
Cash paid to suppliers for goods and services	(48,453,245)	(41,330,181)
Net cash from operating activities	5,532,798	1,665,741
Cash flows from capital and related financing activities:		
Contributions and grants restricted for capital	9,632,560	-
Acquisition of capital assets	(10,794,186)	(591,351)
Principal payments on right-of-use lease obligations	(427,740)	(422,932)
Interest paid	(275,126)	(237,689)
Net cash from capital and related financing activities	(1,864,492)	(1,251,972)
Cash flows from investing activities:		
Decrease in investments	1,810,537	4,990,525
Interest received	246,565	76,214
Net cash from investing activities	2,057,102	5,066,739
Net change in cash and restricted cash	5,725,408	5,480,508
Cash and restricted cash at beginning	8,367,151	2,886,643
Cash and restricted cash at end	\$ 14,092,559	\$ 8,367,151

North Central Community Services Program and Affiliates d/b/a North Central Health Care

Combined Statements of Cash Flows (Continued)

Years Ended December 31, 2023 and 2022

	2023	2022
Reconciliation of operating income (loss) to net cash and restricted cash from operating activities:		
Operating income (loss)	\$ (4,804,207)	\$ 4,292,928
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	4,895,360	4,214,247
Provision for bad debts	1,397,524	1,135,871
WRS Retirement - GASB 68 and 75	3,519,632	(3,814,123)
Changes in operating assets and liabilities:		
Accounts receivable	15,201	(3,366,111)
Inventory	20,764	125,787
Prepaid and other assets	77,399	(220,772)
Resident trust funds	(28,865)	(31,423)
Accounts payable	706,922	(660,295)
Accrued liabilities	(287,547)	(1,357)
Unearned revenue	(12,712)	(9,011)
Amounts due to other third-party reimbursement programs	33,327	-
Total adjustments	10,337,005	(2,627,187)
Net cash from operating activities	\$ 5,532,798	\$ 1,665,741
Reconciliation of cash and restricted cash to balance sheet:		
Cash and cash equivalents	\$ 14,052,590	\$ 8,298,316
Restricted cash - Patient trust funds	39,969	68,835
Total cash and restricted cash	\$ 14,092,559	\$ 8,367,151
Supplemental disclosure of cash flows information:		
Capital assets acquired under lease obligation	\$ 3,046,884	\$ 14,131,110
Property and equipment in accounts payable	124,106	-

See accompanying notes to combined financial statements.

North Central Community Services Program and Affiliates d/b/a North Central Health Care Notes to Combined Financial Statements

Note 1: Summary of Significant Accounting Policies

Reporting Entity

North Central Community Services Program and Affiliates d/b/a North Central Health Care (NCHC) is an entity established under a contract with Langlade, Lincoln, and Marathon Counties as a quasi-political subdivision. The County Board of Supervisors from the three counties appoint board members to NCHC. The 14-member Board of Directors is made up of nine members from Marathon County, three members from Lincoln County, and two members from Langlade County.

In February 2022, Langlade, Lincoln, and Marathon Counties signed a Tri-County Agreement to continue sponsorship of NCHC through May 1, 2027, for the purposes of administering a community mental health, alcoholism, and drug abuse program, protective services, protective placement, and nursing home services. Under terms of the agreement, an Executive Committee (the "Committee") was established to exercise authority retained by the respective County Boards, as provided under Sec. 51.42(5) of the Wisconsin Statutes. The agreement delineates, among other things, the programmatic and management responsibilities of NCHC and the responsibilities and authorities of the Committee and the Board of Directors.

Annually, the three counties fund an amount equal to expenses in excess of federal and state grants and patient fees relating to the respective county's proportionate share of operating costs. Capital facilities are the direct responsibility of each county.

NCHC manages North Central Health Care Facilities (NCHCF), which includes a licensed 16-bed psychiatric hospital providing care and treatment for residents of Langlade, Lincoln, and Marathon Counties affected by mental illness, chemical dependency, or developmental disability to enable them to better their lives. Inpatient, outpatient, transitional living, and day services are provided to meet these needs.

NCHC also manages Mount View Care Center (MVCC), a nursing home on the NCHCF campus licensed as a 159-bed skilled nursing facility for the benefit of Marathon County. NCHC operates 12 of the nursing home beds as a unit for individuals needing specialized short- and long-term ventilator care.

Beginning January 1, 2020, NCHC also manages Pine Crest Nursing Home ("Pine Crest"), a 120-bed skilled nursing facility for the benefit of Lincoln County. Subsequent to December 31, 2023, Lincoln County entered into an asset purchase agreement for the sale of Pine Crest to an unrelated party. The closing date is expected to occur on August 31, 2024. As part of this transaction, the nursing home management agreement with NCHC related to Pine Crest will be terminated.

Basis of Presentation

The accompanying combined financial statements include the operations of NCHCF (51.42/.437), MVCC, and Pine Crest. All significant intrafund accounts are eliminated.

Method of Accounting

NCHC's financial statements are presented using the flow of economic resources measurement focus, which uses the accrual basis of accounting. NCHC applies all applicable standards issued by the Governmental Accounting Standards Board (GASB).

North Central Community Services Program and Affiliates

d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during that period. Actual results may differ from these estimates.

Cash Equivalents

NCHC considers all liquid debt instruments with an original maturity of twelve months or less to be cash equivalents.

Investments and Assets Limited as to Use

NCHC is authorized by Wisconsin Statute 66.0603 to invest in obligations of the U.S. Treasury, agencies and instrumentalities, obligations of Wisconsin governmental units, time deposits with maturities of less than three years in any financial institution in Wisconsin, bonds of authorized special-purpose districts, any security that matures in less than seven years which has the highest or second highest rating category, the State of Wisconsin Local Government Investment Pool, and other qualifying investment pools. Investments and assets limited as to use, consisting of certificates of deposit with an original maturity of more than three months, are stated at cost, which approximates fair value. Assets limited as to use include assets designated by the Board of Directors for acquisition of capital assets and amounts designated for contingency.

Patient Accounts Receivables and Credit Policy

Patient accounts receivable are uncollateralized patient obligations that are stated at the amount management expects to collect from outstanding balances. These obligations are primarily from residents of Marathon, Langlade, and Lincoln Counties, most of whom are insured under third-party payor agreements. NCHC bills third-party payors on each patient's behalf or, if a patient is uninsured, the patient is billed directly. Once claims are settled with the primary payor, any secondary insurance is billed, and patients are billed for copay and deductible amounts that are the patient's responsibility. Payments on accounts receivable are applied to the specific claim identified on the remittance advice or statement. NCHC does not have a policy to charge interest on past due accounts.

The carrying amounts of accounts receivable are reduced by allowances that reflect management's best estimate of the amounts that will not be collected. Management provides for contractual adjustments under terms of third-party reimbursement agreements through a reduction of gross revenue and a credit to patient receivables. In addition, management provides for probable uncollectible amounts, primarily from uninsured patients and amounts for which patients are personally responsible, through a charge to operations and a credit to a valuation allowance based on its assessment of historical collection likelihood and the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

North Central Community Services Program and Affiliates

d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Patient Accounts Receivables and Credit Policy (Continued)

Patient accounts receivable are recorded in the accompanying statement of net position net of contractual adjustments and allowance for doubtful accounts.

In evaluating the collectibility of accounts receivable, NCHC analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. Specifically, for receivables associated with services provided to patients who have third-party coverage, NCHC analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts for expected doubtful deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely. For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), NCHC records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Inventory

Inventory is valued at the lower of cost, determined on the first-in, first-out (FIFO) method, or net realizable value.

Capital Assets and Depreciation

Capital assets are recorded at cost if purchased, at fair value at date of donation, or net book value if transferred from a related party. Maintenance and repair costs are charged to expense as incurred. Gain or loss on disposition of capital assets is reflected in nonoperating gains or losses. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Estimated useful lives range from 10 to 40 years for land improvements, buildings and building improvements, and fixed equipment and from 3 to 15 years for other equipment.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support and are excluded from income or loss before contributed capital. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted expendable net position. Absent explicit donor stipulations about how long these assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

North Central Community Services Program and Affiliates

d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Impairment

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is dependent upon the event or circumstance in which the impairment occurred. Impairment losses, if any, are reported in the statement of revenue, expenses, and changes in net position. No impairment loss was recorded in 2023 or 2022.

Lease Accounting

NCHC is a lessee in multiple noncancelable lease agreements and also has several subscription-based information technology agreements (the "agreements"). If the agreement provides NCHC the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be an agreement to be recorded as a right-of-use asset (ROU). ROU assets and related liabilities are recognized at the agreement commencement date based on the present value of the future agreement payments over the expected agreement term. The ROU asset is also adjusted for any agreement made, agreement incentives received, and initial direct costs.

The liability is initially and subsequently recognized based on the present value of its future agreement payments. Variable payments are included in the future agreement payments when those variable payments depend on an index or a rate. Increases (decreases) to variable agreement payments due to subsequent changes in an index or rate are recorded as variable expense (income) in the future period in which they are incurred.

The discount rate used is the implicit rate in the agreement, if it is readily determinable, or NCHC's incremental borrowing rate. The implicit rates of NCHC's agreements are not readily determinable, and accordingly, NCHC uses the incremental borrowing rate based on the information available at the commencement date for all agreements. NCHC's incremental borrowing rate for an agreement is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the agreement payments under similar terms and in a similar economic environment.

The ROU asset for an agreement is amortized on a straight-line basis over the agreement term. For agreements with payments that fluctuate over the agreement term, the total agreement costs are recognized on a straight-line basis over the agreement term.

North Central Community Services Program and Affiliates

d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Accounting (Continued)

For all underlying classes of assets, NCHC has elected to not recognize ROU assets and related liabilities for short-term agreements that have a lease term of 12 months or less at the agreement commencement and do not include an option to purchase the underlying asset that NCHC is reasonably certain to exercise. Agreements containing termination clauses in which either party may terminate the agreement without cause and the notice period is less than 12 months are deemed short-term agreements with agreement costs included in current year expense. NCHC recognizes short-term agreement cost on a straight-line basis over the agreement term.

Compensated Absences

NCHC has a paid leave time system for all paid time off from work. Paid leave time is available for use as it is earned. Paid leave time is accrued in varying amounts based on job classification and length of service. Employees are paid for accrued paid leave time upon resignation provided they have completed twelve months of service, have given proper notice, and have not been terminated for misconduct.

Pensions

The fiduciary net position of the of the Wisconsin Retirement System (WRS) has been determined using the economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue)

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the Net OPEB Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

North Central Community Services Program and Affiliates d/b/a North Central Health Care Notes to Combined Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources expense until then. NCHC reports deferred outflows of resources related to pensions and life insurance for its proportionate shares of collective deferred outflows of resources related to pensions and life insurance, and NCHC contributions to pension and life insurance plans subsequent to the measurement date of the collective net pension and life insurance liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. NCHC reports deferred inflows of resources for its proportionate share of the collective deferred inflows of resources related to pensions and life insurance.

Net Position

Net position of NCHC is classified in three components. *Net investment in capital assets* consists of capital assets net of accumulated depreciation reduced by the balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted net position* must be used for a particular purpose, as specified by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. *Unrestricted net position* is remaining net position that does not meet the definitions above.

When both restricted and unrestricted resources are available for use, it is NCHC's policy to use externally restricted resources first.

Operating Revenue and Expenses

NCHC's statements of revenue, expenses, and changes in net position distinguish between operating and nonoperating revenue and expenses. Operating revenue includes exchange transactions associated with providing healthcare services, government grants, and county appropriations designated for operations. Operating expenses are all expenses incurred to provide healthcare services.

North Central Community Services Program and Affiliates d/b/a North Central Health Care Notes to Combined Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

For uninsured patients who do not qualify for community care, NCHC recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). Based on historical experience, a significant portion of NCHC's uninsured patients will be unable or unwilling to pay for the services provided. Thus, NCHC records a significant provision for bad debts related to uninsured patients in the period services are provided. This provision is offset by recoveries that are received on prior-year bad debts from patient payments.

Charity Care

NCHC provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. NCHC maintains records to identify the amount of charges forgone for services and supplies furnished under its charity care policy. Because NCHC does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue.

Operating Deficit Grants

The Supplemental Payment (SP) program, the Certified Public Expenditures program, the Wisconsin Medicaid Cost Reporting (WIMCR) grants, and the Comprehensive Community Services (CCS) program grants are recorded as part of net patient service revenue at the estimated realizable amount from the Wisconsin Department of Health Services. These programs provide for the allocation of federal funds to facilities owned and operated by a local government unit, such as a county, city, or village, in an effort to reduce overall operating deficits from the nursing home (SP) and certain hospital outpatient services (WIMCR).

Grants and Contributions

Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Contributions that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenue and expenses.

North Central Community Services Program and Affiliates d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Unemployment Compensation

NCHC has elected reimbursement financing under provisions of the Wisconsin unemployment compensation laws. Unemployment claims are paid to the State of Wisconsin as incurred.

New Accounting Pronouncement

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). This statement requires organizations to recognize a SBITA as a ROU subscription-based asset as an intangible asset and a corresponding subscription liability for agreements that have terms greater than one year.

As a result of the adoption of the new accounting guidance, NCHC recognized the following amounts on the statements of net position as of January 1, 2023:

ROU asset	\$ 1,229,932
ROU liability	(1,269,194)
Net assets	\$ 39,262

Note 2: Reimbursement Arrangement With Third-Party Payors

NCHC has agreements with third-party payors that provide for reimbursement to NCHC at amounts which vary from its established rates. A summary of the basis of reimbursement with major third-party payors follows:

Medicare

In 2023 and 2022, approximately 17% and 22%, respectively, of NCHC's patient service revenue was for services provided to patients whose bills are paid in whole or in part by the Medicare program.

Inpatient hospital services rendered to Medicare program beneficiaries are paid based on prospectively determined rates based on a patient classification system. Outpatient hospital services are paid primarily on prospectively determined rates also based on a patient classification system or fixed fee schedules. Nursing home resident care is paid based on a predetermined rate per inpatient day, which varies depending on the patient's level of care and types of services provided.

Medicaid

In 2023 and 2022, approximately 72% and 67%, respectively, of NCHC's patient service revenue was for services provided to patients whose bills are paid in whole or in part by the Medicaid program. Hospital and nursing home services rendered to Medicaid program beneficiaries are reimbursed primarily based upon prospectively determined rates which vary depending on the patient's level of care and types of services provided.

North Central Community Services Program and Affiliates

d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 2: Reimbursement Arrangement With Third-Party Payors (Continued)

Accounting for Contractual Adjustments

NCHC's hospital is reimbursed for cost-reimbursable items at an interim rate with final settlements determined after audit of NCHC's related annual cost reports by the Medicare fiscal intermediary. Estimated provisions to approximate the final expected settlements after review by the intermediary are included in the accompanying financial statements.

Compliance

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, particularly those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Violations of these laws and regulations by healthcare providers could result in the imposition of fines and penalties, as well as repayments of previously billed and collected revenue from patient services. Management believes NCHC is in substantial compliance with current laws and regulations.

Centers for Medicare and Medicaid Services (CMS) uses recovery audit contractors (RACs) to search for potentially inaccurate Medicare payments that may have been made to healthcare providers and that were not detected through existing CMS program integrity efforts. Once a RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. NCHC has not been notified by the RAC of any potential significant reimbursement adjustments.

Note 3: Cash and Cash Equivalents and Investments

Deposits and Investments

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, NCHC's deposits and investments may not be returned to NCHC. Amounts on deposit with depository entities are insured up to \$250,000 by the FDIC and up to an additional \$400,000 by the State of Wisconsin Public Deposit Guarantee program. NCHC has a policy to collateralize all amounts which exceed the FDIC and State of Wisconsin Public Deposit Guarantee program limits.

Interest Rate and Credit Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, NCHC's investment policy limits its investment portfolio to certificates of deposit, the local government investment pool, and government obligations such as treasury bills and treasury notes. As of December 31, 2023, NCHC's investments and assets limited as to use consisted of cash and cash equivalents totaling \$1,000,000.

Concentration of Credit Risk - NCHC's custodial credit risk policy for investments allows for no more than 60% of its investment portfolio in one bank or one issue.

North Central Community Services Program and Affiliates

d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 3: Cash and Cash Equivalents and Investments (Continued)

At December 31, 2023 and 2022, NCHC's bank balances, which include certificates of deposits held as investments totaled \$15,357,107 and \$11,149,772, respectively. NCHC bank balances which were not insured, guaranteed, or collateralized as of December 31, 2023 and 2022 totaled \$0 and \$160,536, respectively.

Note 4: Patient Accounts Receivable - Net

Patient accounts receivable consisted of the following at December 31:

	2023		
	51.42/.437 Program	Nursing Homes	Total
Patient accounts receivable	\$ 8,179,818	\$ 4,856,600	\$ 13,036,418
Less:			
Contractual adjustments	4,210,611	-	4,210,611
Allowance for bad debts	112,681	354,786	467,467
Patient accounts receivable - Net	\$ 3,856,526	\$ 4,501,814	\$ 8,358,340

	2022		
	51.42/.437 Program	Nursing Homes	Total
Patient accounts receivable	\$ 7,976,413	\$ 3,586,389	\$ 11,562,802
Less:			
Contractual adjustments	4,414,545	5,468	4,420,013
Allowance for bad debts	185,939	197,616	383,555
Patient accounts receivable - Net	\$ 3,375,929	\$ 3,383,305	\$ 6,759,234

North Central Community Services Program and Affiliates

d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 5: Net Patient Service Revenue

Net patient service revenue consisted of the following:

	2023		
	51.42/.437 Program	Nursing Homes	Total
Gross patient service revenue:			
Medical Assistance	\$ 62,595,964	\$ 18,614,036	\$ 81,210,000
Medicare	14,530,316	4,366,459	18,896,775
Private pay	4,002,611	3,353,236	7,355,847
Insurance and other	4,923,184	1,335,305	6,258,489
Totals	86,052,075	27,669,036	113,721,111
Less:			
Contractual adjustments	47,514,378	(4,313,543)	43,200,835
Provision for bad debts	1,061,358	336,166	1,397,524
Net patient service revenue	\$ 37,476,339	\$ 31,646,413	\$ 69,122,752

	2022		
	51.42/.437 Program	Nursing Homes	Total
Gross patient service revenue:			
Medical Assistance	\$ 42,947,195	\$ 19,554,729	\$ 62,501,924
Medicare	14,948,315	5,795,632	20,743,947
Private pay	1,862,958	2,526,311	4,389,269
Insurance and other	3,487,404	1,092,565	4,579,969
Totals	63,245,872	28,969,237	92,215,109
Less:			
Contractual adjustments	22,277,282	14,711	22,291,993
Provision for bad debts	903,122	232,749	1,135,871
Net patient service revenue	\$ 40,065,468	\$ 28,721,777	\$ 68,787,245

Note 6: Charity Care

NCHC provides healthcare services and other financial support through various programs that are designed, among other matters, to enhance the health of the community including the health of low-income patients. Consistent with the mission of NCHC, care is provided to patients regardless of their ability to pay, including providing services to those persons who cannot afford health insurance because of inadequate resources.

Patients who meet certain criteria for community care, generally based on federal poverty guidelines, are provided care based on qualifying criteria as defined in NCHC's charity care policy and from applications completed by patients and their families.

North Central Community Services Program and Affiliates d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 6: Charity Care (Continued)

The estimated cost of providing care to patients under NCHC's community care policy was approximately \$601,000 and \$1,445,000 in 2023 and 2022, respectively, calculated by multiplying the ratio of cost to gross charges by the gross uncompensated charges associated with providing community care.

Note 7: Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	January 1, 2023	Increases	Decreases	December 31, 2023
Nondepreciable capital assets:				
Right-of-use assets owned by Counties:				
Land	\$ 65,133	\$ -	\$ -	\$ 65,133
Construction in progress	18,574,475	16,817,846	(35,270,113)	122,208
Total nondepreciable capital assets	18,639,608	16,817,846	(35,270,113)	187,341
Depreciable capital assets:				
Right-of-use assets:				
Owned by counties	102,084,878	29,586,751	(17,262,889)	114,408,740
Other equipment	130,361	887,314	(130,361)	887,314
Other equipment	15,749,624	2,795,381	(901,667)	17,643,338
Total depreciable capital assets	117,964,863	33,269,446	(18,294,917)	132,939,392
Less - Accumulated depreciation:				
Right-of-use assets:				
Owned by counties	42,138,942	3,018,649	(16,992,353)	28,165,238
Other equipment	111,746	24,130	(111,746)	24,130
Other equipment	13,316,933	1,852,581	(826,608)	14,342,906
Total accumulated depreciation	55,567,621	4,895,360	(17,930,707)	42,532,274
Total depreciable capital assets - Net	62,397,242	28,374,086	(364,210)	90,407,118
Total capital assets - Net	\$ 81,036,850	\$ 45,191,932	\$ (35,634,323)	\$ 90,594,459

North Central Community Services Program and Affiliates d/b/a North Central Health Care Notes to Combined Financial Statements

Note 7: Capital Assets (Continued)

Capital asset activity for the year ended December 31, 2022, was as follows:

	January 1, 2022	Increases	Decreases	December 31, 2022
Nondepreciable capital assets:				
Right-of-use assets owned by Counties:				
Land	\$ 65,133	\$ -	\$ -	\$ 65,133
Construction in progress	4,155,549	15,945,275	(1,526,349)	18,574,475
Total nondepreciable capital assets	4,220,682	15,945,275	(1,526,349)	18,639,608
Depreciable capital assets:				
Right-of-use assets:				
Owned by counties	103,541,711	312,019	(1,768,852)	102,084,878
Other equipment	130,361	-	-	130,361
Other equipment	18,322,858	82,511	(2,655,745)	15,749,624
Total depreciable capital assets	121,994,930	394,530	(4,424,597)	117,964,863
Less - Accumulated depreciation:				
Right-of-use assets:				
Owned by counties	40,369,519	3,443,880	(1,674,457)	42,138,942
Other equipment	83,810	27,936	-	111,746
Other equipment	15,081,845	823,019	(2,587,931)	13,316,933
Total accumulated depreciation	55,535,174	4,294,835	(4,262,388)	55,567,621
Total depreciable capital assets - Net	66,459,756	(3,900,305)	(162,209)	62,397,242
Total capital assets - Net	\$ 70,680,438	\$ 12,044,970	\$ (1,688,558)	\$ 81,036,850

North Central Community Services Program and Affiliates d/b/a North Central Health Care Notes to Combined Financial Statements

Note 8: Leases

NCHC has a ground/facility lease and use agreement with Marathon County under which NCHC leases facilities on the Wausau Campus from Marathon County. The term of the Lease shall match the term of the Tri County Agreement discussed in Note 1. The Tri-County Agreement term expires May 1, 2027 but can be extended upon agreement among the counties. NCHC also has a nursing home management agreement for management and operation of Pine Crest Nursing Home including use of the Pine Crest Facility owned by Lincoln County. Subsequent to December 31, 2023, Lincoln County entered into an asset purchase agreement for the sale of Pine Crest to an unrelated party. The closing date is expected to occur on August 31, 2024. As part of this transaction, the nursing home management agreement with NCHC related to Pine Crest will be terminated.

Marathon and Lincoln County have both issued long term debt to finance construction and remodeling of the leased space discussed above. Payments under the lease agreements are based on the related long term debt issued by Marathon and Lincoln County, respectively.

The right of use lease agreement with Marathon County includes annual principal and interest payments, in varying amounts, beginning in 2024 and extending through 2045. Interest rates on the right of use lease agreement with Marathon County vary from 2.05% in 2045 to 2.64% in 2023. The principal and interest payments, through 2045, are intended to reimburse Marathon County for the principal and interest payments of the related long term debt over the term of the debt which extends to 2045.

The right-of-use lease agreement with Lincoln County also includes varying annual principal and interest payments. These principal and interest payments are based on \$6,950,000 General Obligation Refunding Bonds issued in 2017 (the "Series 2017 Bonds") maturing December 1, 2036, and \$2,600,000 Note Anticipation Notes issued in 2017 (the "Notes") maturing December 1, 2021 (collectively the "Securities"). Proceeds of the Securities were used to refund Series 2016 Note Anticipation Notes and pay for additional costs of a construction project to enhance the Pine Crest facilities. The Series 2017 Bonds carry interest rates ranging from 2.0% to 3.5%. The Notes carried an interest rate of 2.09% with the balance due on December 1, 2021. On December 1, 2021, Lincoln County issued \$2,595,000 in General Obligation Refunding Bonds ("Series 2021 Bonds") to refinance the Notes. The Series 2021 Bonds carry interest rates varying from .65% to 3.00% and mature in varying amounts through December 1, 2038.

In addition, NCHC has lease agreements for other equipment and software, which has a remaining obligation of \$32,443 and \$20,584 at December 31, 2023 and 2022, respectively.

Lease payable activity for the year ended December 31, 2023, was as follows:

	January 1, 2023	Additions	Reductions	December 31, 2023	Amounts Due Within One Year
Marathon County	\$ 60,621,543	\$ 3,046,884	\$ -	\$ 63,668,427	\$ 316,689
Lincoln County					
Obligation balance	8,060,000	-	(405,000)	7,655,000	415,000
Deferred premium	320,201	-	(22,740)	297,461	-
Other equipment	20,584	99,938	(41,179)	79,343	32,443
Totals	\$ 69,022,328	\$ 3,146,822	\$ (468,919)	\$ 71,700,231	\$ 764,132

North Central Community Services Program and Affiliates d/b/a North Central Health Care Notes to Combined Financial Statements

Note 8: Leases (Continued)

Lease payable activity for the year ended December 31, 2022, was as follows:

	January 1, 2022	Additions	Reductions	December 31, 2022	Amounts Due within One Year
Marathon County	\$ 46,514,177	\$ 14,107,366	\$ -	\$ 60,621,543	\$ -
Lincoln County					
Obligation balance	8,455,000	-	(395,000)	8,060,000	405,000
Deferred premium	343,930	-	(23,729)	320,201	-
Other equipment	47,906	-	(27,322)	20,584	20,584
Totals	\$ 55,361,013	\$ 14,107,366	\$ (446,051)	\$ 69,022,328	\$ 425,584

Future minimum lease payments are as follows:

	Principal	Interest	Total
2024	\$ 764,132	\$ 1,900,051	\$ 2,664,183
2025	1,328,751	1,849,319	3,178,070
2026	1,842,054	1,788,246	3,630,300
2027	2,417,297	1,532,703	3,950,000
2028-2032	16,554,476	7,186,443	23,740,919
2033-2037	18,953,361	4,726,846	23,680,207
2038-2042	18,675,571	2,374,478	21,050,049
2043-2047	10,867,127	437,707	11,304,834
Totals	\$ 71,402,769	\$ 21,795,793	\$ 93,198,562

Note 9: Subscription-Based Agreements Liability

Subscription-based agreements liability activity for the years ended was as follows:

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Amounts due within one year
Cerner	\$ 649,215	\$ -	\$ (235,392)	\$ 413,823	\$ 244,982
UKG	533,060	-	(231,013)	302,047	240,425
Abila	37,331	-	(29,715)	7,616	7,616
Modal	-	14,657	(1,156)	13,501	4,739
Onshift	-	69,026	(29,126)	39,900	39,900
Safety Zone	22,533	-	(7,213)	15,320	7,507
Vocera	27,793	-	(10,234)	17,559	9,883
Totals	\$ 1,269,932	\$ 83,683	\$ (543,849)	\$ 809,766	\$ 555,052

North Central Community Services Program and Affiliates d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 9: Subscription-Based Agreements Liability (Continued)

The terms and expiration dates of the NCHC's subscription-based agreements liability at December 31, 2023, are as follows:

- Cerner - Agreement dated September 25, 2020, in the original principal amount of \$1,163,249, due in monthly payments of \$21,423, including imputed interest at 4% through September 25, 2025.
- UKG - Agreement dated May 8, 2019, in the original principal amount of \$1,326,064, due in quarterly payments of \$62,033, including imputed interest at 4% through May 8, 2025.
- Abila - Agreement dated December 7, 2022, in the original principal amount of \$39,823, due in monthly payments of \$2,556, including imputed interest at 4% through March 15, 2024.
- Modal - Agreement dated November 17, 2023, in the original principal amount of \$14,658, due in monthly payments of \$433, including imputed interest at 4% through September 30, 2026.
- Onshift - Agreement dated May 1, 2023, in the original principal amount of \$69,026, due in quarterly payments of \$10,193, including imputed interest at 4% through January 1, 2025.
- Safety Zone - Agreement dated November 4, 2023, in the original principal amount of \$30,148, due in annually payments of \$8,024, including imputed interest at 4% through November 4, 2025.
- Vocera - Agreement dated September 15, 2021, in the original principal amount of \$40,877, due in quarterly payments of \$2,610, including imputed interest at 4% through November 15, 2025.

	Principal	Interest	Total
2024	\$ 555,052	\$ 18,176	\$ 573,228
2025	250,884	3,606	254,490
2026	3,830	64	3,894
Totals	\$ 809,766	\$ 21,846	\$ 831,612

North Central Community Services Program and Affiliates d/b/a North Central Health Care Notes to Combined Financial Statements

Note 10: Net Position

Net position consisted of the following:

	Marathon County			Lincoln County			51.42/437 Langlade County	
	51.42/.437 Program	MVCC	Total	51.42/.437 Program	Pine Crest	Total		Total
Balance at December 31, 2021	\$ 21,084,253	\$ 7,838,558	\$ 28,922,811	\$ 2,721,717	\$ 1,651,429	\$ 4,373,146	\$ 1,714,157	\$ 35,010,114
Income (loss) before contributed capital	2,175,706	885,220	3,060,926	696,036	(383,370)	312,666	181,327	3,554,919
Contributed capital	(40,294)	-	(40,294)	-	-	-	-	(40,294)
Balance at December 31, 2022	23,219,665	8,723,778	31,943,443	3,417,753	1,268,059	4,685,812	1,895,484	38,524,739
Income (loss) before contributed capital	(7,981,798)	1,165,002	(6,816,796)	436,257	716,964	1,153,221	(56,910)	(5,720,485)
Grants and contributions for capital	7,982,248	1,650,312	9,632,560	-	-	-	-	9,632,560
Cumulative effect of accounting change	(39,262)	-	(39,262)	-	-	-	-	(39,262)
Balance at December 31, 2023	\$ 23,180,853	\$ 11,539,092	\$ 34,719,945	\$ 3,854,010	\$ 1,985,023	\$ 5,839,033	\$ 1,838,574	\$ 42,397,552

Note 11: Related-Party Transactions

NCHC 51.42/.437 operations are financed, in part, by Marathon, Langlade, and Lincoln Counties. Contributions for operations are based on NCHC budget amounts. A Joint County Human Services Agreement delineates the methodology for calculating each county's actual contribution and the resulting overpayment or underpayment for that particular year. NCHC also receives contributions from Marathon County and Lincoln County for the nursing home operations.

In 2023, NCHC received \$7,304,513, \$1,785,783, and \$399,186, and in 2022, NCHC received \$6,936,243, \$1,217,853, and \$299,690 from Marathon, Lincoln, and Langlade Counties, respectively, to assist in meeting operating costs. In 2022, NCHC contributed capital to Marathon County, in terms of contributed depreciation expense, of \$40,294 for capital assets.

In 2023, Marathon County passed \$3,115,000 of American Rescue Plan (ARPA) funding to NCHC to support costs of campus renovations and contributed \$1,517,550 of other funding for capital.

At December 31, 2023 and 2022, NCHC had other receivables due from Marathon County of \$285,518 and \$1,926,500, respectively.

North Central Community Services Program and Affiliates d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 11: Related-Party Transactions (Continued)

The City-County Information Technology Commission (the "CCITC") is a joint and cooperative agreement between Marathon County, the City of Wausau, and NCHC. The purpose of the CCITC is to provide for the implementation and operation of a cooperative data and management system and to foster efficiency in the provision of services under the direction of the governing Board of Commissioners. The CCITC is governed by an eight member Board of Commissioners consisting of the City of Wausau Mayor and Finance Director, Marathon County Chairman of the Board of Supervisors, County Administrator, and NCHC CEO and Finance Director. The Board of Commissioners has the authority to fix cost sharing charges for members in an amount sufficient to provide the funds required by the budget. Funding for services is recovered through three sources. At December 31, 2023 and 2022, the City, County, and NCHC split the operating costs not recovered through outside user fees 47.6%, 25.0%, and 27.4%, respectively. Each member pays one-third of capital costs, unless otherwise shown to benefit only one owner. In 2023 and 2022, NCHC paid \$1,486,224 and \$1,718,424, respectively, to the Commission for services rendered. At December 31, 2023 and 2022, NCHC had accounts payable due to CCITC totaling \$165,522 and \$113,291, respectively.

Note 12: Employee Retirement Plans - Wisconsin Retirement System

Plan Description - The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees), and expected to be employed for at least one year from the employee's date of hire are eligible to participate in the WRS.

ETF issued a standalone WRS Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Vesting - For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided - Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

North Central Community Services Program and Affiliates d/b/a North Central Health Care Notes to Combined Financial Statements

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Postretirement Adjustments - The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with Sec. 40.27 of the Wisconsin Statutes. An increase (decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2013	(9.6)%	9.0 %
2014	4.7 %	25.0 %
2015	2.9 %	2.0 %
2016	0.5 %	(5.0)%
2017	2.0 %	4.0 %
2018	2.4 %	17.0 %
2019	- %	(10.0)%
2020	1.7 %	21.0 %
2021	5.1 %	13.0 %
2022	7.4 %	15.0 %

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee-required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Starting on January 1, 2016, the executive and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee-required contribution unless provided for by an existing collective bargaining agreement.

During the years ended December 31, 2023 and 2022, the WRS recognized \$2,609,280 and \$2,588,420, respectively, in contributions from the employer.

North Central Community Services Program and Affiliates d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

NCHC has employees in only the general category, which had the following contribution rates as of December 31:

	Employee	Employer
General (including teachers, executive, and elected official)	6.50 %	6.50 %

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At December 31, 2023 and 2022, NCHC reported an asset of \$11,877,189 and \$17,453,928, respectively, for its proportionate share of the net pension asset. The net pension asset was measured as of the calendar year that falls within NCHC's fiscal year and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation one year prior to that date rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. NCHC's proportion of the net pension liability was based on NCHC's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023 and 2022, NCHC's proportion was .22419504% and .21531584% (an increase of .00887920% from the prior year), respectively.

For the years ended December 31, 2023 and 2022, NCHC recognized WRS retirement contribution pension expense of \$6,042,741 and \$(1,076,355), respectively.

At December 31, 2023 and 2022, NCHC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,916,682	\$ -	\$ 28,195,940	\$ -
Changes in assumptions	2,335,547	-	3,256,306	-
Net differences between projected and actual earnings on pension plan investments	115,604	-	-	39,045,891
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,176,601	24,852,272	197,587	2,033,231
Employer contributions subsequent to the measurement date	2,697,860	328,893	2,609,631	105,449
Totals	\$ 44,242,294	\$ 25,181,165	\$ 34,259,464	\$ 41,184,571

North Central Community Services Program and Affiliates d/b/a North Central Health Care Notes to Combined Financial Statements

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Deferred outflows of resources, totaling \$2,697,860 at December 31, 2023, related to pension resulting from NCHC's contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

2023	\$ 661,208
2024	3,371,609
2025	3,429,658
2026	8,900,794

Actuarial Assumptions - The total pension asset in the actuarial valuations used for the year ended December 31, 2023 and 2022, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2023	2022
Actuarial valuation date	December 31, 2021	December 31, 2020
Measurement date of net pension liability	December 31, 2022	December 31, 2021
	January 1, 2018 - December 31, 2020 Published November 19, 2021	0
Experience Study	Entry Age Normal	Entry Age
Actuarial cost method	Fair Value	Fair Market Value
Asset valuation method	6.8 %	6.8 %
Long-term expected rate of return	6.8 %	6.8 %
Discount rate	3.0 %	3.0 %
Salary increases:		
Inflation	.1%-5.6%	.1% -5.6%
Seniority/merit	2020 WRS Experience Mortality	2020 WRS Experience Mortality
Mortality	Table	Tab
Postretirement Adjustments*	1.7 %	1.7 %

**No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. The assumed annual adjustment is 1.9% based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions for 2023 and 2022, are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

North Central Community Services Program and Affiliates d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Long-Term Expected Return on Plan Assets: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns	As of December 31, 2022		
	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return
Core fund:			
Global equities	48.0 %	7.6 %	5.0 %
Fixed income	25.0 %	5.3 %	2.7 %
Inflation sensitive assets	19.0 %	3.6 %	1.1 %
Real estate	8.0 %	5.2 %	2.6 %
Private equity/debt	15.0 %	9.6 %	6.9 %
Multi-Asset	- %	- %	- %
Total core fund	115.0 %	7.4 %	4.8 %
Variable fund:			
U.S. equities	70.0 %	7.2 %	4.6 %
International equities	30.0 %	8.1 %	5.5 %
Total variable fund	100.0 %	7.7 %	5.1 %

North Central Community Services Program and Affiliates

d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Asset Allocation Targets and Expected Returns	As of December 31, 2021		
	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return
Core fund:			
Global equities	52.0 %	6.8 %	4.2 %
Fixed income	25.0 %	4.3 %	1.8 %
Inflation sensitive assets	19.0 %	2.7 %	0.2 %
Real estate	7.0 %	5.6 %	3.0 %
Private equity/debt	12.0 %	9.7 %	7.0 %
Multi-Asset	- %	- %	- %
Total core fund	115.0 %	6.6 %	4.0 %
Variable fund:			
U.S. equities	70.0 %	6.3 %	3.7 %
International equities	30.0 %	7.2 %	4.6 %
Total variable fund	100.0 %	6.8 %	4.2 %

New England Pension Consultants Long-Term US CPI Forecast: 2.5%

Single Discount Rate: A single discount rate of 6.8% was used to measure the Total Pension Liability in 2023 and 2022. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

North Central Community Services Program and Affiliates d/b/a North Central Health Care Notes to Combined Financial Statements

Note 12: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Sensitivity of NCHC's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate:

The following presents NCHC's proportionate share of the net pension liability (asset) calculated using the current discount rate of 6.80 percent, as well as what NCHC's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	2023		2022	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to the rate	5.8 %	\$ 39,420,003	6.0 %	\$ 12,384,800
Current discount rate	6.8 %	11,877,189	7.0 %	(17,453,928)
1% increase to rate	7.8 %	(7,069,905)	8.0 %	(38,932,260)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available online at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Payables to the Pension Plan - At December 31, 2023 and 2022, NCHC reported a payable of \$614,958 and \$596,737, respectively, for the outstanding amount of employer contributions to the pension plan.

Note 13: Other Postemployment Benefits - Local Retiree Life Insurance Fund

Plan Description

The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found online at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

In addition, EFT issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

North Central Community Services Program and Affiliates

d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 13: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Benefits Provided

The LRLIF plan provides fully paid-up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with basic coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2023 and 2022, are as follows:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement coverage	40% of member contribution
25% Postretirement coverage	20% of member contribution

During the years ended December 31, 2023 and 2022, the LRIF recognized \$8,278 and \$9,200, respectively, in contributions from the employer.

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2022, are as listed below:

<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$ 0.05	\$ 0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit

North Central Community Services Program and Affiliates d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 13: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2023 and 2022, NCHC reported a liability of \$1,571,954 and \$2,656,853, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. NCHC's proportion of the net OPEB liability was based on NCHC's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, NCHC's proportion was 0.41260500%, which was an increase of 0.03118605% from its proportion measured as of December 31, 2021.

For the years ended December 31, 2023 and 2022, NCHC recognized OPEB expense of \$174,751 and \$(128,351), respectively.

At December 31, 2023 and 2022, NCHC reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 153,841	\$ -	\$ 135,152
Changes in assumptions	564,769	927,884	797,797	128,778
Net differences between projected and actual earnings on pension plan investments	29,497	-	35,137	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	222,476	178,636	283,578	53,960
Employer contributions subsequent to the measurement date	7,949		8,307	-
Totals	\$ 824,691	\$ 1,260,361	\$ 1,124,819	\$ 317,890

North Central Community Services Program and Affiliates d/b/a North Central Health Care Notes to Combined Financial Statements

Note 13: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Deferred outflows of resources, totaling \$7,949 and \$8,307, respectively, at December 31, 2023 and 2022, resulting from NCHC's contributions subsequent to the measurement date, will be recognized as a decrease in the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2023	\$ 6,687
2024	14,812
2025	(6,887)
2026	86,980
2027	179,091
2028	154,987

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2023	2022
Actuarial valuation date	January 1, 2022	January 1, 2021
Measurement date of net OPEB liability (asset)	December 31, 2022	December 31, 2021
	January 1, 2018 - December 31, 2020 Published November 19, 2021	0
Experience Study:	Entry Age Normal	Entry Age normal
Actuarial cost method	3.72 %	2.06 %
20-year tax-exempt municipal bond yield	4.25 %	4.3 %
Long-term expected rate of return	3.76 %	2.2 %
Discount rate	3.0 %	3.0 %
Salary increases:	.1-5.6	.1% - 5.6%
Inflation		Wisconsin 2020
Seniority/merit	2020 WRS Experience	Experience
Mortality	Mortality Table	Mortality Table

Actuarial assumptions for 2023, are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2022, is based upon a roll-forward of the liability calculated from the January 1, 2021, actuarial valuation.

North Central Community Services Program and Affiliates d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 13: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Actuarial assumptions for 2022, are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from the prior year, including the price inflation, mortality and separation rates. The Total OPEB Liability for December 31, 2021, is based upon a roll-forward of the liability calculated from the January 1, 2021, actuarial valuation.

Long-Term Expected Return on Plan Assets: The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carrier's general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investment). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return, and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

State OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2022

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S Intermediate Credit Bonds	Bloomberg US Interm Credit	50.00 %	2.45 %
US Mortgages	Bloomberg US MBS	50.00 %	2.83 %
Inflation			2.30 %
Long-term expected rate of return			4.25 %

State OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2021

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg US Interm Credit	45.00 %	1.68 %
U.S. long credit bonds	Bloomberg US Long Credit	5.00 %	1.82 %
U.S. mortgages	Bloomberg US MBS	50.00 %	1.94 %
Inflation			2.30 %
Long-term expected rate of return			4.25 %

North Central Community Services Program and Affiliates d/b/a North Central Health Care Notes to Combined Financial Statements

Note 13: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate and expected inflation rate remain unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single Discount Rate: A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021, to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of NCHC's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate: The following presents NCHC's proportionate share of the Net OPEB Liability (Asset) calculated using the discount rate as well as what NCHC's proportionate share of the Net OPEB Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76 percent) or 1-percentage-point higher (4.76 percent) than the current rate:

2023			2022		
1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)

NCHC's
proportionate
share of the
net OPEB
liability (asset)

\$	2,143,193	\$	1,589,005	\$	1,134,166	\$	3,604,392	\$	2,656,853	\$	1,943,870
----	-----------	----	-----------	----	-----------	----	-----------	----	-----------	----	-----------

North Central Community Services Program and Affiliates d/b/a North Central Health Care

Notes to Combined Financial Statements

Note 13: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Note 14: Self-Funded Insurance

NCHC has a self-funded health insurance plan that provides benefits to employees and their dependents. Health costs are expensed as incurred. Health expense is based on claims paid, reinsurance premiums, administration fees, and unpaid claims at year-end. The health plan has reinsurance to cover catastrophic individual claims over \$225,000.

NCHC also has a self-funded dental insurance plan that provides benefits to employees and their dependents. Dental costs are expensed as incurred. Dental expense is based on claims paid, administration fees, and unpaid claims at year-end. The plan covers annual individual claims up to \$1,000 and has no reinsurance.

Unpaid health and dental claims liability activity for the years ended December 31 was as follows:

	2023	2022
Unpaid claims liability at beginning	\$ 1,256,661	\$ 1,299,761
Claims expense	7,244,160	9,004,477
Claim payments	(7,454,834)	(9,047,577)
Unpaid claims liability at end	\$ 1,045,987	\$ 1,256,661

Note 15: Comprehensive General and Professional Liability Insurance

NCHC's comprehensive general liability insurance covers losses of up to \$1,000,000 per claim with \$3,000,000 annual aggregate for claims incurred during a policy year regardless of when the claim was filed (occurrence-based coverage). NCHC's professional liability insurance covers losses up to \$1,000,000 per claim with \$3,000,000 annual aggregate for claims reported during a policy year (claims-made coverage). NCHC also carries an umbrella liability policy of \$3,000,000 for claims reported during a policy year (claims-made coverage).

Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with NCHC. Although there exists the possibility of claims arising from services provided to patients through December 31, 2023, which have not yet been asserted, NCHC is unable to determine the ultimate cost, if any, of such possible claims and, accordingly, no provision has been made for them. These insurance policies are renewable annually and have been renewed by the insurance carrier for the annual period extending through January 1, 2025.

North Central Community Services Program and Affiliates d/b/a North Central Health Care Notes to Combined Financial Statements

Note 16: Concentration of Credit Risk

Financial instruments that potentially subject NCHC to credit risk consist principally of cash deposits in excess of insured limits, investments of surplus operating funds, as discussed in Note 3, and accounts receivable.

Patient accounts receivable consist of amounts due from patients, their insurers, or governmental agencies. NCHC grants credit to its patients, primarily residents of Langlade, Lincoln, and Marathon Counties, for these services. NCHC is also required to meet the Wisconsin Statutes and Administrative Code under the Uniform Fee and Ability to Pay Provisions. The mix of receivables from patients and third-party payors was as follows at December 31:

	2023	2022
Medicare	14 %	19 %
Medicaid	65 %	51 %
Private pay	14 %	11 %
Insurance and other	7 %	19 %
Totals	100 %	100 %

Required Supplementary Information

**North Central Community Services Program and Affiliates
d/b/a North Central Health Care**
**Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer
Contributions - Wisconsin Retirement System**
Last Ten Fiscal Years (When Available)

	2023	2022	2021	2019	2018	2017	2016	2015
Measurement date	12/31/2022	12/31/2021	12/31/2020	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
NCHC's proportion of the net pension liability (asset)	0.22419504 %	0.21531584 %	0.20284075 %	0.18695914 %	0.18725416 %	0.19194538 %	0.19245642 %	0.19732891 %
NCHC's proportionate share of the net pension liability (asset)	\$ 11,877,189	\$ (17,453,928)	\$ (14,388,349)	\$ 6,651,420	\$ (5,559,798)	\$ 1,582,088	\$ 3,127,379	\$ (4,846,938)
NCHC's covered-employee payroll during the measurement period	\$ 40,142,779	\$ 38,249,095	\$ 38,346,585	\$ 28,622,270	\$ 26,535,387	\$ 28,545,517	\$ 26,567,926	\$ 29,908,431
NCHC's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	29.59 %	45.63 %	(37.52)%	23.24 %	(20.95)%	5.57 %	11.77 %	(18.01)%
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.72 %	106.02 %	105.26 %	96.45 %	102.93 %	99.12 %	98.20 %	102.74 %
Schedule of Employer Contributions								
Contractually required contribution for the fiscal year	\$ 2,609,280	\$ 2,588,420	\$ 2,603,048	\$ 1,917,568	\$ 1,905,598	\$ 1,805,306	\$ 1,883,195	\$ 1,802,066
Contributions in relation to the contractually required contribution	(2,609,280)	(2,588,420)	(2,603,048)	(1,917,568)	(1,905,598)	(1,805,306)	(1,883,195)	(1,802,066)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NCHC's covered-employee payroll for the fiscal period	\$ 38,249,094	\$ 40,142,780	\$ 38,249,095	\$ 31,154,942	\$ 28,622,271	\$ 26,535,387	\$ 28,424,517	\$ 26,567,926
Contributions as a percentage of covered-employee payroll	6.75 %	6.45 %	6.81 %	6.15 %	6.66 %	6.80 %	6.63 %	6.78 %

Notes to the Schedules

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions. No significant changes in assumptions were noted from the prior year.

See Independent Auditor's Report.

**North Central Community Services Program and Affiliates
d/b/a North Central Health Care**
**Schedule of the Employer's Proportionate Share of the Net OPEB Liability (Asset) and Employer
Contributions - Local Retiree Life Insurance Fund**
Last Ten Fiscal Years (When Available)

	2023	2022	2021	2019	2018
Measurement date	12/31/2022	12/31/2021	12/31/2020	12/31/2018	12/31/2017
NCHC's proportion of the net OPEB liability (asset)	0.41260500 %	0.44379105 %	0.39479299 %	0.33847600 %	0.31394900 %
NCHC's proportionate share of the net OPEB liability (asset)	\$ 1,589,005	\$ 2,656,853	\$ 3,028,071	\$ 873,382	\$ 945,541
NCHC's covered payroll	\$ 19,829,000	\$ 20,348,000	\$ 20,989,000	\$ 14,607,000	\$ 13,202,545
NCHC's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	7.93 %	13.06 %	14.43 %	5.98 %	7.15 %
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	38.81 %	29.57 %	31.36 %	48.69 %	44.81 %
Schedule of Employer Contributions					
Contractually required contribution for the fiscal period	\$ 7,949	\$ 8,307	\$ 10,901	\$ 7,618	\$ 6,543
Contributions in relation to the contractually required contribution	\$ (7,949)	\$ (8,307)	\$ (10,901)	\$ (7,618)	\$ (6,543)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
NCHC's covered-employee payroll for the fiscal period	\$ 19,829,000	\$ 20,348,000	\$ 20,989,000	\$ 14,607,000	\$ 13,507,132
Contributions as a percentage of covered-employee payroll	0.04 %	0.04 %	0.05 %	0.05 %	0.05 %

Notes to the Schedules:

Changes of benefit terms: There were no changes of benefit terms for any participating employer in LRLIF.

Changes of assumptions: Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return, and expected inflation.

See Independent Auditor's Report.

**Supplementary Information - Combining Financial
Statements and Schedule of Net Position by
County, Net of GASB 68 and 75 Impact**

North Central Community Services Program and Affiliates
d/b/a North Central Health Care
Combining Statement of Net Position

December 31, 2023

Assets and Deferred Outflows of Resources	51.42/.437 Program	MVCC Nursing Home	Pine Crest Nursing Home	Total
Current assets:				
Cash and cash equivalents	\$ 3,704,523	\$ 11,490,558	\$ (1,142,491)	\$ 14,052,590
Accounts receivable:				
Patient - Net	3,856,526	2,193,094	2,308,720	8,358,340
Outpatient WIMCR/CCS	1,335,093	-	-	1,335,093
Marathon County	285,518	-	-	285,518
Net state receivable	1,905,476	-	-	1,905,476
Other	519,764	-	-	519,764
Inventory	317,787	22,581	29,903	370,271
Prepays and other assets	462,690	31,561	23,324	517,575
Total current assets	12,387,377	13,737,794	1,219,456	27,344,627
Noncurrent assets:				
Assets limited as to use	500,000	500,000	-	1,000,000
Restricted assets - Patient trust funds	-	21,052	18,917	39,969
Nondepreciable capital assets	173,508	-	13,833	187,341
Depreciable capital assets - Net	40,519,763	40,796,933	9,090,422	90,407,118
Total noncurrent assets	41,193,271	41,317,985	9,123,172	91,634,428
Deferred outflows of resources - Related to pensions and life insurance	25,187,893	12,666,707	7,212,385	45,066,985
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 78,768,541	\$ 67,722,486	\$ 17,555,013	\$ 164,046,040

North Central Community Services Program and Affiliates
d/b/a North Central Health Care
Combining Statement of Net Position (Continued)

December 31, 2023

Liabilities, Deferred Inflows of Resources, and Net Position	51.42/.437 Program	MVCC Nursing Home	Pine Crest Nursing Home	Total
Current liabilities:				
Current portion of right-of-use lease obligation - Marathon County	\$ 106,291	\$ 210,398	\$ -	\$ 316,689
Current portion of right-of-use lease obligation - Lincoln County	-	-	415,000	415,000
Current portion of right-of-use lease obligation - Other	32,443	-	-	32,443
Current portion of software based information technology agreement obligation	555,052	-	-	555,052
Accounts payable - Trade	1,794,922	402,661	297,575	2,495,158
Accrued liabilities:				
Salaries and retirement	1,297,134	619,998	373,389	2,290,521
Compensated absences	1,192,085	569,788	343,150	2,105,023
Health and dental insurance	592,347	283,128	170,512	1,045,987
Interest	381,739	755,633	18,062	1,155,434
Other	32,000	15,296	9,212	56,508
Unearned revenue	8,844	-	-	8,844
Amounts due to other third-party reimbursement programs	33,327	-	-	33,327
Total current liabilities	6,026,184	2,856,902	1,626,900	10,509,986
Noncurrent liabilities:				
Right-of-use lease obligation - Marathon County	21,262,921	42,088,817	-	63,351,738
Right-of-use lease obligation - Lincoln County	-	-	7,537,461	7,537,461
Right-of-use lease obligation - Other	46,900	-	-	46,900
Software based information technology agreement obligation	254,714	-	-	254,714
Net Pension Liability	6,638,149	3,338,250	1,900,790	11,877,189
OPEB life insurance liability	888,093	446,612	254,300	1,589,005
Patient trust funds	-	21,052	18,917	39,969
Total noncurrent liabilities	29,090,777	45,894,731	9,711,468	84,696,976
Total liabilities	35,116,961	48,751,633	11,338,368	95,206,962
Deferred inflows of resources - Pensions and life insurance	14,778,143	7,431,761	4,231,622	26,441,526
Net position:				
Net investment in capital assets	18,434,950	(1,502,282)	1,151,794	18,084,462
Unrestricted:				
Board designated for contingency	500,000	500,000	-	1,000,000
Undesignated	9,938,487	12,541,374	833,229	23,313,090
Total net position	28,873,437	11,539,092	1,985,023	42,397,552
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 78,768,541	\$ 67,722,486	\$ 17,555,013	\$ 164,046,040

See Independent Auditor's Report.

North Central Community Services Program and Affiliates
d/b/a North Central Health Care
Combining Statement of Revenue, Expenses, and Changes in Net Position

Year Ended December 31, 2023

	51.42/.437 Program	MVCC Nursing Home	Pine Crest Nursing Home	Total
Revenue:				
Net patient service revenue	\$ 37,476,339	\$19,104,935	\$12,541,478	\$ 69,122,752
Other revenue:				
State grant-in-aid	5,006,825	-	-	5,006,825
State match/addendum	3,197,117	-	1,009,188	4,206,305
Other grants	1,186,973	-	11,607	1,198,580
Counties' appropriations and other support	4,962,529	3,341,208	1,185,745	9,489,482
Departmental and other revenue	104,338	1,862,891	94,338	2,061,567
Total other revenue	14,457,782	5,204,099	2,300,878	21,962,759
Total revenue	51,934,121	24,309,034	14,842,356	91,085,511
Expenses:				
Salaries	23,651,668	11,304,921	6,808,304	41,764,893
Fringe benefits:				
WRS Retirement - GASB 68	1,869,450	940,125	535,304	3,344,879
WRS Retirement - GASB 75	97,669	49,117	27,967	174,753
WRS Retirement - Contributions	1,507,832	758,272	431,758	2,697,862
Other fringe benefits	5,980,545	3,007,548	1,712,489	10,700,582
Supplies and other	22,307,070	4,700,129	3,744,086	30,751,285
Depreciation	2,020,853	2,218,332	656,175	4,895,360
Care of patients at other facilities	1,560,104	-	-	1,560,104
Total expenses	58,995,191	22,978,444	13,916,083	95,889,718
Operating Income (loss)	(7,061,070)	1,330,590	926,273	(4,804,207)
Nonoperating revenue (expense):				
Interest expense	(332,978)	(225,553)	(240,102)	(798,633)
Interest income	167,468	45,219	33,878	246,565
Gain (loss) on disposal of capital assets	(375,871)	14,746	(3,085)	(364,210)
Total nonoperating expense	(541,381)	(165,588)	(209,309)	(916,278)
Income (loss) before contributed capital	(7,602,451)	1,165,002	716,964	(5,720,485)
Contributions and grants restricted for capital	6,559,068	1,555,942	-	8,115,010
Contributed capital from Marathon County	1,423,180	94,370	-	1,517,550
Change in net position	379,797	2,815,314	716,964	3,912,075
Net position at beginning - As previously reported	28,532,902	8,723,778	1,268,059	38,524,739
Cumulative effect of accounting change	(39,262)	-	-	(39,262)
Net position at end	\$ 28,873,437	\$ 11,539,092	\$ 1,985,023	\$ 42,397,552

See Independent Auditor's Report.

North Central Community Services Program and Affiliates
d/b/a North Central Health Care
Combining Statement of Cash Flows

Year Ended December 31, 2023

	51.42/.437 Program	MVCC Nursing Home	Pine Crest Nursing Home	Total
Increase (decrease) in cash and restricted cash:				
Cash flows from operating activities:				
Cash received from patients, third-party reimbursement programs, and other revenue	\$ 48,582,872	\$ 21,774,203	\$ 12,672,294	\$ 83,029,369
Cash received from Marathon County appropriations and other support	4,019,429	1,592,000	440,815	6,052,244
Cash received from other counties' appropriations and other support	943,100	1,749,208	744,930	3,437,238
Cash paid to employees for services	(21,751,175)	(10,525,391)	(6,256,242)	(38,532,808)
Cash paid to suppliers for goods and services	(32,793,473)	(9,320,197)	(6,339,575)	(48,453,245)
Net cash from operating activities	(999,247)	5,269,823	1,262,222	5,532,798
Cash flows from capital and related financing activities:				
Contributions and grants restricted for capital	9,632,560	-	-	9,632,560
Acquisition of capital assets	(13,334,995)	2,632,807	(91,998)	(10,794,186)
Principle payments on right of use lease obligations	(22,740)	-	(405,000)	(427,740)
Interest paid	(114,476)	113,739	(274,389)	(275,126)
Net cash from capital and related financing activities	(3,839,651)	2,746,546	(771,387)	(1,864,492)
Cash flows from investing activities:				
Decrease in investments	1,810,537	-	-	1,810,537
Interest received	167,468	45,219	33,878	246,565
Net cash from investing activities	1,978,005	45,219	33,878	2,057,102
Net change in cash and restricted cash	(2,860,893)	8,061,588	524,713	5,725,408
Cash and restricted cash at beginning	6,565,416	3,450,022	(1,648,287)	8,367,151
Cash and restricted cash at end	\$ 3,704,523	\$ 11,511,610	\$ (1,123,574)	\$ 14,092,559

North Central Community Services Program and Affiliates
d/b/a North Central Health Care
Combining Statement of Cash Flows (Continued)

Year Ended December 31, 2023

	51.42/.437 Program	MVCC Nursing Home	Pine Crest Nursing Home	Total
Reconciliation of operating income (loss) to net cash and restricted cash from operating activities:				
Operating income (loss)	\$ (7,061,070)	\$ 1,330,590	\$ 926,273	\$ (4,804,207)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	2,020,853	2,218,332	656,175	4,895,360
Provision for bad debts	1,311,321	142,429	(56,226)	1,397,524
WRS Retirement - GASB 68 and 75	2,142,346	778,934	598,352	3,519,632
Changes in operating assets and liabilities:				
Accounts receivable	279,344	663,948	(928,091)	15,201
Inventory	14,309	20,804	(14,349)	20,764
Prepaid and other assets	99,518	(12,107)	(10,012)	77,399
Resident trust funds	(25,401)	(909)	(2,555)	(28,865)
Accounts payable	440,771	127,206	138,945	706,922
Accrued liabilities	(241,853)	596	(46,290)	(287,547)
Unearned revenue	(12,712)	-	-	(12,712)
Amounts due to other third-party reimbursement programs	33,327	-	-	33,327
Total adjustments	6,061,823	3,939,233	335,949	10,337,005
Net cash from operating activities	\$ (999,247)	\$ 5,269,823	\$ 1,262,222	\$ 5,532,798
Reconciliation of cash and restricted cash to balance sheet:				
Cash	\$ 3,704,523	\$ 11,490,558	\$ (1,142,491)	\$ 14,052,590
Restricted cash - Patient trust funds	-	21,052	18,917	39,969
Total cash and restricted cash	\$ 3,704,523	\$ 11,511,610	\$ (1,123,574)	\$ 14,092,559
Supplemental disclosure of cash flows information:				
Capital assets acquired under lease obligation	\$ 3,046,884	\$ -	\$ -	\$ 3,046,884
Property and equipment in accounts payable	\$ 124,106	\$ -	\$ -	\$ 124,106

See Independent Auditor's Report.

North Central Community Services Program and Affiliates
d/b/a North Central Health Care
Schedule of Net Position by County, Net of GASB 68 and 75 Impact
Year Ended December 31, 2023

	Marathon County			Lincoln County			Langlade County		Total
	51.42/.437	MVCC	Total	51.42/.437	Pine Crest	Total			
Net position at December 31, 2023	\$ 23,180,853	\$ 11,539,092	\$ 34,719,945	\$ 3,854,010	\$ 1,985,023	\$ 5,839,033	\$ 1,838,574		\$ 42,397,552
Less - Capital assets net of depreciation	(40,364,470)	(40,796,933)	(81,161,403)	(317,480)	(9,104,255)	(9,421,735)	(11,321)		(90,594,459)
Add:									
Right of use lease obligations to Marathon County	21,369,212	42,299,215	63,668,427	-	-	-	-		63,668,427
Right of use lease obligation to Lincoln County	-	-	-	-	7,952,461	7,952,461	-		7,952,461
Right of use lease obligation - other	78,702	-	78,702	619	-	619	22		79,343
Software based information technology agreement obligation	803,223	-	803,223	6,318	-	6,318	225		809,766
Net GASB 68/75 balance sheet amounts	(2,234,366)	(1,450,084)	(3,684,450)	(374,270)	(825,673)	(1,199,943)	(274,872)		(5,159,265)
Net position at December 31, 2023 - Net of capital assets and GASB 68/75 amounts	\$ 2,833,154	\$ 11,591,290	\$ 14,424,444	\$ 3,169,197	\$ 7,556	\$ 3,176,753	\$ 1,552,628		\$ 19,153,825

See Independent Auditor's Report.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors

North Central Community Services Program and Affiliates d/b/a North Central Health Care
Wausau, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the combined financial statements of North Central Community Services Program and Affiliates d/b/a North Central Health Care, which comprise the combined statement of financial position as of December 31, 2023, and the related combined statements of revenue, expenses, and changes in net position and cash flows for the year ended December 31, 2023, and the related notes to the combined financial statements, which collectively comprise North Central Community Services Program and Affiliates d/b/a North Central Health Care's basic financial statements, and have issued our report thereon dated June 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Central Community Services Program and Affiliates d/b/a North Central Health Care's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Central Community Services Program and Affiliates d/b/a North Central Health Care's internal control. Accordingly, we do not express an opinion on the effectiveness of North Central Community Services Program and Affiliates d/b/a North Central Health Care's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of North Central Community Services Program and Affiliates d/b/a North Central Health Care's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Central Community Services Program and Affiliates d/b/a North Central Health Care's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.


Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of North Central Community Services Program and Affiliates d/b/a North Central Health Care's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Central Community Services Program and Affiliates d/b/a North Central Health Care's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

Wausau, Wisconsin
June 25, 2024

Policy Title: Purchasing & Procurement	 North Central Health Care <small>Person centered. Outcome focused.</small>
Policy #: 300-xxx	Program: Business Operations 300
Date Issued: 12/13/2023	Policy Contact: Managing Director of Finance and Administration

Related Forms & Manuals

Purchase Order Form (available in the Purchasing area)
Purchasing Procedure Manual

1. Purpose

The purpose of the policy is to maintain a consistent ordering procedure for all NCHC programs and to utilize buying groups providing beneficial pricing for NCHC and to ensure all purchases are approved by the correct individual within the program. NCHC's goal is to achieve an effective and efficient procurement of goods and services that are consistent with quality and delivery needs at the lowest possible cost.

2. Policy

Fair and open competition is a core principle of public procurement and inspires public confidence that goods and services are procured equitably and economically. Documentation of the acts taken and effective monitoring mechanisms are important means of avoiding improprieties and establishing public confidence in the procurement process. It is the duty of all NCHC staff to maintain the public trust by adhering to NCHC standards of professional conduct and ethical behavior. All NCHC personnel are responsible for maintaining the integrity of the procurement process and will be held accountable for actions taken that do not conform to the established procurement process.

3. Application

This Policy applies to contracts for the procurement of supplies, services, and construction, entered into by NCHC and to every expenditure of public funds by NCHC for public purchasing irrespective of its source. It also applies to any sale or other disposition of public property by NCHC.

When the procurement involves the expenditure of federal or state assistance or contract funds, the procurement shall be conducted in accordance with any applicable mandatory federal or state law and regulation not reflected in this Policy. Nothing in this Policy shall prevent NCHC from complying with the terms and conditions of any grant, gift or bequest consistent with law.

4. Program Specific Procedures

4.1. Budget limitations are to be considered on all purchases. When making purchases, NCHC employees are required to act in the best interests of the organization. No staff member shall benefit in a personal manner as a result of any purchase made by NCHC.

Policy Title: Purchasing & Procurement

Author(s): Dejan Adzic

Next Review Date:

Owner: Managing Director of Finance & Admin

Approver: Executive Director

- 4.2. The purchasing function is responsible to ensure that purchases of materials and equipment are obtained at prices that are most beneficial to the organization.
- 4.3. Director of Accounting must be notified of all rebates, which are considered revenue to the institution. The Director of Accounting will be responsible for monitoring all rebates and vendor incentives. Every effort will be made to include discounts into the pricing. Rebates received after the fact will be recorded into purchasing and used to offset the cost of memberships in buying groups.
- 4.4. The purchase of supplies and equipment is authorized in advance of purchase as part of the budgetary process. Program Leaders may proceed (through the Purchasing function) with purchases of routine nature provided they are budgeted. All budgeted capital expenditures need approval from the Managing Director of Finance and Administration prior to purchase. Non-budgeted or emergency items will be presented to the Senior Leadership Team for consideration and approval. All non-budgeted purchases exceeding \$10,000 shall also require the independent approval of Managing Director of Finance and Administration and/or Executive Director. See Paragraph 7.7 for emergency expenditures.
- ~~4.5. Senior Leadership approvals are required for all capital expenditures that are included in the budget and emergency expenditures as described in Paragraph 7.7 of this Policy. Managing Director of Finance and Administration and/or Executive Director approval are required for unbudgeted capital purchases.~~
- ~~4.6.4.5.~~ When the need to dispose of NCHC assets or equipment arises, the program shall contact Senior Leadership Team for instruction the Director of Accounting for instructions on how to dispose of the items. Items may be redeployed, sold, donated for a public purpose if permissible under applicable law, or stored for future use. Asset identification information will be provided to the Director of Accounting for accounting purposes. Additionally, any disposal activities must adhere to reverse procurement methods that are consistent with the organization's procurement policy.

5. Developing Specifications

Specifications establish the design, type, quality, functional capability and performance level desired. Identify the need and the key factors to fulfill the need completely. Be specific, identify grade, type, or other industry standards that must be met. It is very difficult to disqualify a poor quality product if the specifications are vague or limited.

Specifications include, but are not limited to:

- Type of construction or materials.
“Product shall be stainless steel” is typically not specific enough in most cases.
“Product shall be 20 gauge 304 stainless steel” is a much better specification.
- Minimum level of performance required.
“High capacity fan” is typically not specific enough in most cases.
“Fan shall be 50 CFM (cubic feet per minute) minimum” is a much better specification.
- Physical characteristics, size, weight, color, shape, etc.
“Lightweight design” is typically not specific enough in most cases.
“Product weight shall not exceed 20 lbs.” is a much better specification.

- Delivery and installation requirements. Is NCHC responsible for unloading the product from the vendor's truck? Does the product need to be unloaded by the vendor and set in a specific location? Is the vendor required to install the product?
- Quantity and packaging requirements. 1000 items loose in a box or 10 bundles of 100?
- Warranty requirements.
- Training requirements.
- This or equal quality. Identify a specific product (by manufacturer and part number) that meets all our needs and allow bidders to bid that product or an alternate product of equal quality.
- Scope of services. Include method of service delivery, onsite, online, phone, etc. Identify timeliness of service delivery, response time, lead time, time to complete project. Describe in detail what is required including outcomes desired.

6. Procurement Thresholds and Approval Levels

In determining the amount of the purchase, must take into consideration the entire amount paid during the term of the contract. If contract auto renews on ongoing basis, must factor in at least the projected cost over a five-year period.

Micro Purchases

- Purchases up to \$9,999.00
- No quotation or a cost/price analysis is necessary if price is determined to be fair and reasonable
- Cannot divide contract to lower cost below small purchase threshold to avoid competitive bidding requirements
- Purchases should, when practicable, be distributed equitably among qualified suppliers (to the extent practicable)
 - Ex. If two local businesses are selling identical writing utensils for \$.25 per piece, and all other factors being the same, NCHC should strive to purchase 50% of the necessary quantity from one business and 50% from the other in order to ensure equitable distribution.

Small Purchases (*Does not apply to public work improvement projects that exceed \$25,000.00*)

- Purchases ranging from \$10,000.00-\$79,999.00
- Price and rate quotes must be obtained from at least three (3) qualified sources
 - Price rate quotes must be documented in writing and retained by organization for audit and other purposes
 - If the organization cannot obtain price and rate quotes from at least three (3) qualified sources, it must document its diligent efforts to do so. With only one qualified source, a sole-source procurement may be authorized. However, if two qualified sources are identified, their quotes will be evaluated to determine the best value option
- Must be approved by NCHC Managing Director of Finance and Administration
- Cannot divide contract to lower cost below small purchase threshold to avoid competitive bidding requirements

Large Purchases (>\$80,000.00)

Sealed Bids

- Used when product specifications can be clearly defined
- Preferred method for construction projects
- Requires formal advertising
- Two or more bidders are willing and able to respond
- Public bid opening is required
- Award to lowest cost responsible bidder

Competitive Proposal

- Used when sealed bids method is not appropriate and award cannot be made strictly on specification or price
- Requires advertising
- Must include written method for conducting the technical evaluation
- Responses must be solicited from multiple qualified sources
- Award should be fixed price or cost reimbursable

Sole Source

- Only used in following circumstances:
 - Product and/or services is available through a single source
 - Public exigency or emergency will not permit delay required for competition
 - Awarding federal agency has expressly authorized a noncompetitive process
 - After solicitation of number of sources, competition is deemed inadequate
- Must be documented in detail and documentation must be retained for audit and other organizational purposes

7. Procurement Methods

The following methods are approved competitive processes to be used in the procurement process. The Managing Director of Finance and Administration should be contacted to determine the best method for a particular procurement. The Executive Director shall have the final authority on the method of procurement to be used. For procedural requirements that are applicable to the undermentioned procurement methods, the rules and procedures set forth in NCHC's Procurement Procedure Manual must be followed.

7.1. Simplified Bidding/Acquisition

"Simplified bidding" is a method of procurement used when the estimated cost of a transaction is \$79,999.00 or less. Simplified bidding takes place when three or more qualified suppliers are solicited to submit bids on a procurement. However, "three or more" is a minimum. The definition of "three or more" bidders is not to be used to restrict competition or to prevent qualified bidders from bidding on procurements.

7.2. Request for Bid (RFB)

A Request for Bid is an advertised solicitation that is conducted by the Purchasing Department for goods and services for \$80,000.00 or more and that can be defined with clear specifications.

7.3. Request for Proposal (RFP)

A Request for Proposal is an advertised solicitation conducted by the Managing Director of Finance and Administration that is used for goods and/or services that are not able to be clearly defined, outcome requirements that have multiple methods to accomplish, or for projects for which the skill or quality of the Contractor needs to be weighed with the cost. RFP solicitations are weighted and scored by an evaluation team and awarded to the highest scoring proposer.

7.4. Request for Information (RFI)

A Request for Information is a type of request used when information and pricing is not readily available for goods, professional services, specialized services or specific construction projects that require a higher degree of skill than usual. The Request for Information may be used to create a short list of vendors for either direct negotiation or bid requests.

7.5. Cooperative Purchasing/Participation in Buying Groups

NCHC may participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of goods and services. Cooperative purchases shall be made in accordance with public procurement principles of open and equitable competition. NCHC may also purchase from any other government entity [or from State awarded contracts](#) without the intervention of bids (Section 66.0131 (2) Wis. Stat.). NCHC is a party to multiple cooperative purchase partnerships. The department soliciting the procurement should contact the NCHC Managing Director of Finance and Administration in order to obtain information regarding the buying groups that NCHC is a party to.

7.6. Sole Source Purchasing

The Managing Director of Finance and Administration, after approval from the Executive Director, may procure goods and services without competition when the Managing Director of Finance and Administration determines in writing, after conducting a good faith review of reasonably available sources, that there is only one source for the required supply, service or construction item, and when allowed by law. The Managing Director of Finance and Administration shall conduct negotiations, as appropriate, as to price, delivery, and terms. The Managing Director of Finance and Administration shall maintain a public record of sole source procurement that lists each contractor's name, the amount and type of each contract, a listing of the item(s) procured under each contract, and the identification number of each contract file.

7.7. Emergency Purchases

The Managing Director of Finance and Administration and/or the Executive Director may make or authorize others to make emergency procurements of supplies, services or construction items when there exists a threat to public health, welfare, or safety, provided that such emergency procurements shall be made with as much competition as is practicable under the circumstances. The Managing Director of Finance and Administration shall include in the contract file a written determination of the basis for the emergency and for the selection of the particular contractor. As soon as practicable, the Managing Director of Finance and Administration shall notify the Executive Director and make a record of each emergency

procurement setting forth the contractor's name, the amount and type of the contract, a listing of the item(s) procured under the contract, and the identification number of the contract file.

7.8. Used Equipment Purchases

The purchase of used equipment from vendors when, in the discretion of the department's respective head, the purchase of said used equipment will result in considerable savings to NCHC, shall be submitted to the Managing Director of Finance and Administration or Executive Director's review. Respective department head must provide written justification to Managing Director of Finance and Administration or Executive Director for review and approval.

7.9. Public Work or Public Construction Projects

Public work is construction of roads, signs, or other systems carried out by the government for the use and benefit of the community. Public construction means a contract for the construction, execution, repair, remodeling or improvement of a public work or building or for the furnishing of supplies or material of any kind, proposals for which are required to be advertised for by law. Any improvement, remodel, remediation, expansion, repair, to any county owned building, utility, or fixture, has been interpreted to constitute public construction. Public contracts do not include equipment.

Wisconsin Statute § 59.52(29)(a) sets the limits on NCHC's ability to adopt its own procurement standards as they relate to public construction projects. For contracts involving public construction, all matters, negotiations, bidding procedure, etc. shall be referred Marathon County Facilities & Capital Maintenance Department or to Marathon County Corporation Counsel.

8. Information Technology Purchases

All requisitions and purchases for information technology (IT) equipment or software must have prior approval from the CCIT Director. If a RFB or RFP is issued, the CCIT Director shall provide input about the compatibility and other issues related to the software or equipment prior to an award being made. This is to ensure the compatibility of the requested equipment and software with existing systems and also ensure the new technology does not pose risks to cybersecurity of County systems. The CCIT Director may waive the compatibility requirement.

9. Limited Exceptions to Procurement Requirements

This section outlines exceptions to the standard procurement requirements for specific situations related to contracted physicians, non-physician professional clinical services, and staffing agencies. It's important to note that compliance with Stark Law requirements and adherence to the NCHC's Physician Compensation Policy (for contracted physicians) and NCHC's Provider Compensation Fair Market Value Calculation (for all providers) are mandatory for both new and existing service arrangements.

9.1 Contracted Physicians

- New Services. Contracting with new independent contractor physicians shall be exempt from the large purchase threshold. However, these arrangements must follow the small purchase procedures outlined in Section 6.

- Continuation of Existing Services. Existing contracts with physicians can be renewed without adhering to procurement thresholds. Renewals must comply with Stark Law requirements and all compensation arrangements must adhere to both the NCHC Physician Compensation Policy and NCHC's Provider Compensation Fair Market Value Calculation.

9.2 Non-Physician Professional Clinical Services

- New Services. Similar to contracted physicians, there shall be a waiver of the large purchase requirements when contracting for new non-physician professional clinical services. These arrangements must follow the small purchase procedures in Section 6 and, in addition, these arrangements must also adhere to NCHC's Provider Compensation Fair Market Value Calculation.

- Continuation of Existing Services. The renewal process for non-physician professional clinical services mirrors that of contracted physicians (outlined above). Renewals are exempt from procurement thresholds but all payment arrangement must comply with NCHC's Provider Compensation Fair Market Value Calculation.

9.3 Staffing Agency Contracts

- New Services. Similar to the above categories, the large purchase threshold is waived for contracting with staffing agencies for clinical services. Accordingly, these arrangements must follow the small purchase procedures outlined in Section 6 above.

- Continuation of Existing Services. All agency contracts, including those under the small purchase threshold, shall be reviewed at least every three years to ensure the organization is receiving the best value. Additionally, if a specific agency physician or professional works more than 0.5 FTE (Full-Time Equivalent) on an annual basis, then compensation must fall within NCHC's Provider Compensation Fair Market Value Calculation or, in the alternative, three quotes must be obtained from different agencies annually to ensure the organization is getting the best value for services procured.

9.10.Tied Bids

Tied bids exist when the total costs of two or more responses to a request for bid are identical. Cost totals can be carried out to two decimal points to break a tie. Tied bids do not apply to requests for proposals. If the final scores of two or more proposals are identical, the best and final offer process shall be used to break the tie. If a tie bid occurs, award may be made to the bidder offering the best additional economic benefit to NCHC such as discounts for early payment, volume discounts, more advantageous contract term, etc. If all economic benefits are equal, the Managing Director of Finance and Administration or designee and one witness may conduct and document one of the following processes to complete the award:

- If only two vendors are tied, flip a coin: Assign "heads" to the vendor whose company name is alphabetically first, and "tails" to the other vendor. Flip the coin allowing the coin to come to rest on the floor. If "heads" is up, the vendor whose company name is alphabetically first wins. If "tails" is up, the other vendor wins.
- If more than two vendors are tied, draw lots: Assign similar sized pieces of paper for each tied vendor and conduct a blind draw to select one awarded vendor. The process used

and the results shall be documented on the bid tabulation.

10.11. Contractor/Vendor Selection

Although efforts should be made to award all contracts to the lowest cost responsible bidder whenever possible, lowest price is not always the sole consideration in determining the contractor and/or vendor best suited for meeting organizational purchasing needs. When making decisions regarding purchasing, all department staff should be cognizant of long term impacts on NCHC for any given contract and ensure that the contractor and/or vendor selected will be the highest quality and most cost efficient option for NCHC over the entire duration of the contract. For example, when one contractor/vendor has the lowest bid, but the maintenance costs over the product life cycle are significantly more than the bid price gap between two contractors/vendors, NCHC should select the contractor/vendor that provides NCHC with highest quality and best price over the contract and/or product life cycle. Other considerations include, but are not limited to, the following:

- Contractor/vendor reputation and quality;
- Product warranties and other quality indicators;
- Compatibility of product with NCHC's systems;
- Whether staff training is offered as part of the product/service delivered or whether training and implementation will result in additional acquisition costs;
- Availability of goods/services within the required delivery time;
- Financial stability of the vendor;
- Payment terms;
- Any other factor resulting in increased value and/or decreased cost to NCHC.

11.12. Appeals Process

If unsuccessful bidder, offeror or contractor can show good cause as to why an award of contract was not in the best interests of NCHC, a formal protest must be filed with the Managing Director of Finance and Administration, in writing, within five (5) business days of the date of notice of award. The written notice of intent to protest must identify the Statutes or NCHC Policy provisions that are alleged to have been violated.

The Managing Director of Finance and Administration shall inform the Executive Director and conduct an investigation regarding each protest and may request information from departments or Legal Counsel when necessary. The Managing Director of Finance and Administration may also create an evaluation team to review the merits of the protest, depending on the complexity of the project.

The decision of the Managing Director of Finance and Administration may be appealed to the Executive Director within five (5) working days of issuance. The appeal must allege a violation of a Wisconsin Statute or a NCHC Policy provision.

12.13. Ethics in Public Contracting

Employees' Conflict of Interest

It shall be unethical for an employee to participate, directly or indirectly, in a procurement when

Policy Title: Purchasing & Procurement

Author(s): Dejan Adzic

Next Review Date:

Owner: Managing Director of Finance & Admin

Approver: Executive Director

the employee knows or should know that:

- the employee or any member of the employee's immediate family has a financial interest pertaining to the procurement; or
- any other person, business or organization with whom the employee or any member of an employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

An employee or any member of an employee's immediate family who holds a financial interest in a disclosed blind trust shall not be deemed to have a conflict of interest with regard to matters pertaining to that financial interest.

Gratuities and Kickbacks

Gratuities. It shall be unethical for any person to offer, give or agree to give an employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract or to any solicitation or proposal.

Kickbacks. It shall be unethical for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated with the prime contractor or higher tier subcontractor, as an inducement for the award of a subcontract, or order.

Contract Clause. The Managing Director of Finance and Administration shall ensure that the prohibition against gratuities and kickbacks prescribed in this section shall be conspicuously set forth in every contract and solicitation.

Prohibition Against Contingent Fees

It shall be unethical for a person to directly or by retaining another person to solicit or secure a NCHC contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business.

Use of Confidential Information

It shall be unethical for any employee or former employee knowingly to use confidential information for the actual or anticipated personal gain of the employee or former employee or of that person's immediate family.

13.14. Socioeconomic Contracting

As part of the procurement process, NCHC shall take affirmative steps to assure that minority-owned, women-owned, small, and labor surplus area firms are appropriately considered for

award. The affirmative steps must include at least the following:

- Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small, minority-owned, and women-owned businesses;
- Establishing delivery schedules, where the requirement permits, which encourage participation by small, minority-owned, and women-owned businesses;
- Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce;
- Requiring the prime contractor, if subcontracts are to be let, to take the five previous, affirmative steps.



North Central Health Care
Person centered. Outcome focused.

PRIVILEGE AND APPOINTMENT RECOMMENDATION

Appointee Luba A. Kats, D.O. Appoint/Reappoint 07-31-2024 to 11-30-2025
Time Period

Requested Privileges Medical Mid-Level Practitioner
 X Psychiatry Medical Director

Medical Staff Category X Courtesy Active Moonlighting
 X Provisional Consulting In-Training

Staff Type Employee Locum Agency:
 X Contract Contract Name: Luba Kats

PRIVILEGE RECOMMENDATION

The Credentials file of this staff member contains data and information demonstrating current competence in the clinical privileges requested. After review of this information, I recommend that the clinical privileges be granted as indicated with any exceptions or conditions documented.

Comments: _____

Gregory Varkely, M.D. 07/16/2024
(Medical Staff President or Designee Signature) (Signature Date)

MEC ACTION

MEC recommends that:

- X He/she be appointed/reappointed to the Medical Staff as requested
 Action be deferred on the application
 The application be denied

Gregory Varkely, M.D. 07/18/2024
(MEC Committee Designee Signature) (Signature Date)

GOVERNING BOARD ACTION

Reviewed by Governing Board: _____
(Date)

Response: Concur
 Recommend further reconsideration

(Governing Board Signature) (Signature Date)

(Executive Director Signature) (Signature Date)



North Central Health Care
Person centered Outcome focused

PRIVILEGE AND APPOINTMENT RECOMMENDATION

Appointee Julie A. Rayburn, PA-C Appoint/Reappoint 07-31-2024 to 02-28-2026
Time Period

Requested Privileges ☐ Medical ☒ Mid-Level Practitioner
☐ Psychiatry ☐ Medical Director

Medical Staff Category ☒ Courtesy ☐ Active ☐ Moonlighting
☒ Provisional ☐ Consulting ☐ In-Training

Staff Type ☐ Employee ☐ Locum Locum Agency: _____
☒ Contract Contract Name: Julie Rayburn

PRIVILEGE RECOMMENDATION

The Credentials file of this staff member contains data and information demonstrating current competence in the clinical privileges requested. After review of this information, I recommend that the clinical privileges be granted as indicated with any exceptions or conditions documented.

Comments: _____

Gregory Varkely, M.D.
(Med Staff President or Designee Signature)

07/16/2024
(Signature Date)

MEC ACTION

MEC recommends that:

- ☒ He/she be appointed/reappointed to the Medical Staff as requested
☐ Action be deferred on the application
☐ The application be denied

Gregory Varkely, M.D.
(MEC Committee or Designee Signature)

07/18/2024
(Signature Date)

GOVERNING BOARD ACTION

Reviewed by Governing Board: _____
(Date)

Response: ☐ Concur
☐ Recommend further reconsideration

(Governing Board Signature)

(Signature Date)

(Executive Director Signature)

(Signature Date)



North Central Health Care
Person centered. Outcome focused.

PRIVILEGE AND/OR APPOINTMENT AMENDMENT RECOMMENDATION

Provider Susan R. Brust, APNP Appointment Period 12-01-2023 to 11-30-2025
Time Period

Current Privileges ☐ Medical (Includes Family Practice, Internal Medicine)
☐ Psychiatry ☐ Medical Director
☒ Mid-Level Practitioner

Medical Staff Category ☐ Courtesy ☒ Active ☐ Moonlighting
☐ Provisional ☐ Consulting ☐ In-Training

Provider Type ☒ Employee
☐ Locum Locum Agency: _____
☐ Contract Contract Name: _____

AMENDMENT TYPE(S) REQUESTED:

☐ Privilege Reason: _____

☐ Category Reason: _____

☐ Type Reason: _____

☒ Other Reason: Change collaborating physician to Dr. Harris
08-01-2024



North Central Health Care
Person centered. Outcome focused.

PRIVILEGE AND/OR APPOINTMENT AMENDMENT RECOMMENDATION

PRIVILEGE RECOMMENDATION

The Credentials file of this staff member contains data and information demonstrating current competence in the clinical privileges requested. After review of this information, I recommend that the amendment(s) as indicated with any exceptions or conditions documented.

Comments: _____

Gregory Varhelyi, M.D.
(Medical Staff President or Designee Signature)

07/16/2024

(Signature Date)

MEC ACTION

MEC recommends that:

- ☒ The amendment(s) be approved
☐ Action be deferred on the amendment(s)
☐ The amendment(s) be denied

Gregory Varhelyi, M.D.
(MEC Committee or Designee Signature)

07/18/2024

(Signature Date)

GOVERNING BOARD ACTION

Reviewed by Governing Board: _____
(Date)

Response: ☐ Concur
☐ Recommend further reconsideration

(Governing Board Signature)

(Signature Date)

(Executive Director Signature)

(Signature Date)



North Central Health Care
Person centered. Outcome focused.

PRIVILEGE AND/OR APPOINTMENT AMENDMENT RECOMMENDATION

Provider Heidi L. Heise, APRN Appointment Period 01-01-2023 to 12-31-2024
Time Period

Current Privileges ☐ Medical (Includes Family Practice, Internal Medicine)
☐ Psychiatry ☐ Medical Director
☒ Mid-Level Practitioner

Medical Staff Category ☐ Courtesy ☒ Active ☐ Moonlighting
☐ Provisional ☐ Consulting ☐ In-Training

Provider Type ☒ Employee ☐ Locum ☐ Contract
Locum Agency: _____
Contract Name: _____

AMENDMENT TYPE(S) REQUESTED:

☐ Privilege Reason: _____

☐ Category Reason: _____

☐ Type Reason: _____

☒ Other Reason: Change collaborating physician to Dr. Harris
08-01-2024 for OP psychiatry

PRIVILEGE AND/OR APPOINTMENT AMENDMENT RECOMMENDATION

PRIVILEGE RECOMMENDATION

The Credentials file of this staff member contains data and information demonstrating current competence in the clinical privileges requested. After review of this information, I recommend that the amendment(s) as indicated with any exceptions or conditions documented.

Comments: _____

Gregory Varkhely, M.D.
(Medical Staff President or Designee Signature)

07/16/2024

(Signature Date)

MEC ACTION

MEC recommends that:

- ☒ The amendment(s) be approved
☐ Action be deferred on the amendment(s)
☐ The amendment(s) be denied

Gregory Varkhely, M.D.
(MEC Committee or Designee Signature)

07/18/2024

(Signature Date)

GOVERNING BOARD ACTION

Reviewed by Governing Board: _____
(Date)

Response: ☒ Concur
☐ Recommend further reconsideration

(Governing Board Signature)

(Signature Date)

(Executive Director Signature)

(Signature Date)

PRIVILEGE AND APPOINTMENT RECOMMENDATION

Appointee Daniel J. Smith, D.O. Appoint/Reappoint 09-01-2024 to 08-31-2026
Time Period

Requested Privileges ☐ Medical ☐ Mid-Level Practitioner
 ☐ Psychiatry ☒ Medical Director

Medical Staff Category ☐ Courtesy ☒ Active ☐ Moonlighting
 ☐ Provisional ☐ Consulting ☐ In-Training

Staff Type ☐ Employee
 ☐ Locum Locum Agency: _____
 ☒ Contract Contract Name: Aspinus

PRIVILEGE RECOMMENDATION

The Credentials file of this staff member contains data and information demonstrating current competence in the clinical privileges requested. After review of this information, I recommend that the clinical privileges be granted as indicated with any exceptions or conditions documented.

Comments: _____

Gregory Varhelyi, M.D. 07/16/2024
(Med Staff President or Designee Signature) (Signature Date)

MEC ACTION

MEC recommends that:

- ☐ He/she be appointed/reappointed to the Medical Staff as requested
☐ Action be deferred on the application
☐ The application be denied

(MEC Committee or Designee Signature) (Signature Date)

GOVERNING BOARD ACTION

Reviewed by Governing Board: _____
(Date)

Response: ☐ Concur
 ☐ Recommend further reconsideration

(Governing Board Signature) (Signature Date)

(Executive Director Signature) (Signature Date)

North Central Health Care
Programs by Service Line - Current Month
June-24

	Revenue			Expense			Net Income/ (Loss)	Variance From Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
BEHAVIORAL HEALTH SERVICES								
Adult Behavioral Health Hospital	613,033	698,682	(85,649)	500,404	601,659	101,256	112,629	15,606
Adult Crisis Stabilization Facility	240,525	227,792	12,733	156,350	185,440	29,090	84,175	41,823
Lakeside Recovery MMT	67,030	142,715	(75,685)	107,697	133,418	25,721	(40,666)	(49,964)
Youth Behavioral Health Hospital	196,480	252,205	(55,726)	229,884	332,124	102,241	(33,404)	46,515
Youth Crisis Stabilization Facility	83,627	120,130	(36,503)	111,568	100,529	(11,039)	(27,941)	(47,542)
Contracted Services (Out of County Placements)	-	-	-	189,464	-	(189,464)	(189,464)	(189,464)
Crisis Services	255,031	282,193	(27,162)	253,390	267,143	13,753	1,641	(13,408)
Psychiatry Residency	15,883	73,107	(57,224)	61,963	87,891	25,928	(46,080)	(31,296)
	1,471,609	1,796,824	(325,215)	1,610,719	1,708,204	97,485	(139,110)	(227,730)
COMMUNITY SERVICES								
Outpatient Services (Marathon)	408,652	506,883	(98,231)	425,260	553,068	127,808	(16,607)	29,577
Outpatient Services (Lincoln)	95,589	105,073	(9,484)	73,828	87,837	14,009	21,761	4,524
Outpatient Services (Langlade)	72,916	84,916	(12,000)	62,743	63,597	854	10,173	(11,146)
Community Treatment Adult (Marathon)	455,636	536,381	(80,745)	505,672	594,606	88,934	(50,036)	8,189
Community Treatment Adult (Lincoln)	72,732	79,305	(6,573)	83,616	88,893	5,277	(10,884)	(1,296)
Community Treatment Adult (Langlade)	22,472	35,652	(13,180)	38,813	64,124	25,310	(16,341)	12,130
Community Treatment Youth (Marathon)	578,726	578,846	(120)	598,099	562,165	(35,934)	(19,373)	(36,054)
Community Treatment Youth (Lincoln)	156,048	171,582	(15,534)	171,382	167,122	(4,260)	(15,334)	(19,794)
Community Treatment Youth (Langlade)	157,875	125,150	32,725	156,603	125,372	(31,231)	1,272	1,494
Hope House (Sober Living Marathon)	8,698	8,270	428	8,689	8,264	(425)	9	3
Sober Living (Langlade)	9,554	3,841	5,713	5,045	6,072	1,027	4,510	6,740
Jail Meals (Marathon)	-	-	-	(175)	-	175	175	175
	2,038,899	2,235,900	(197,000)	2,129,576	2,321,119	191,543	(90,677)	(5,458)
COMMUNITY LIVING								
Day Services (Langlade)	20,003	31,157	(11,154)	21,847	26,963	5,116	(1,844)	(6,038)
Supportive Employment Program	20,484	26,164	(5,680)	25,929	27,810	1,881	(5,444)	(3,799)
	40,487	57,321	(16,834)	47,775	54,772	6,997	(7,288)	(9,837)
NURSING HOMES								
Mount View Care Center	1,794,806	2,116,905	(322,099)	1,829,435	2,032,563	203,128	(34,629)	(118,971)
Pine Crest Nursing Home	1,072,944	-	1,072,944	1,074,626	-	(1,074,626)	(1,682)	(1,682)
	2,867,750	2,116,905	750,845	2,904,061	2,032,563	(871,498)	(36,311)	(120,653)
Pharmacy	530,999	676,612	(145,613)	529,637	722,244	192,608	1,362	46,995
OTHER PROGRAMS								
Aquatic Services	162,656	116,081	46,576	74,123	136,108	61,985	88,533	108,561
Birth To Three	129,860	-	129,860	129,860	-	(129,860)	-	-
Adult Protective Services	65,541	80,727	(15,186)	61,827	91,590	29,763	3,714	14,577
Demand Transportation	32,970	38,589	(5,619)	42,131	49,672	7,541	(9,162)	1,922
	391,027	235,397	155,630	307,942	277,371	(30,571)	83,085	125,059
Total NCHC Service Programs	7,340,772	7,422,405	(88,524)	7,529,710	7,422,405	(102,309)	(188,938)	(190,834)
SELF-FUNDED INSURANCE TRUST FUNDS								
Health Insurance Trust Fund	650,608	-	650,608	667,043	-	(667,043)	(16,435)	(16,435)
Dental Insurance Trust Fund	36,824	-	36,824	28,413	-	(28,413)	8,411	8,411
Total NCHC Self-Funded Insurance Trusts	687,432	-	687,432	695,456	-	(695,456)	(8,024)	(8,024)

North Central Health Care
Programs by Service Line - Year to Date
For the Period Ending June 30, 2024

	Revenue			Expense			Net Income/ (Loss)	Variance From Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
BEHAVIORAL HEALTH SERVICES								
Adult Behavioral Health Hospital	4,024,343	4,192,091	(167,749)	3,203,600	3,609,955	406,355	820,742	238,606
Adult Crisis Stabilization Facility	1,598,990	1,366,754	232,237	1,024,619	1,112,637	88,018	574,371	320,255
Lakeside Recovery MMT	613,798	856,292	(242,494)	745,929	800,506	54,577	(132,132)	(187,917)
Youth Behavioral Health Hospital	1,881,741	1,513,232	368,509	1,523,538	1,992,746	469,208	358,203	837,717
Youth Crisis Stabilization Facility	742,685	720,778	21,907	606,604	603,175	(3,429)	136,081	18,478
Contracted Services (Out of County Placements)	-	-	-	912,494	-	(912,494)	(912,494)	(912,494)
Crisis Services	1,524,719	1,693,158	(168,439)	1,442,792	1,602,858	160,066	81,927	(8,373)
Psychiatry Residency	95,298	438,640	(343,342)	134,974	527,348	392,374	(39,676)	49,032
	10,481,574	10,780,946	(299,371)	9,594,551	10,249,226	654,675	887,023	355,304
COMMUNITY SERVICES								
Outpatient Services (Marathon)	2,535,343	3,041,300	(505,957)	2,746,994	3,318,405	571,411	(211,651)	65,454
Outpatient Services (Lincoln)	584,759	630,441	(45,681)	459,787	527,020	67,233	124,972	21,552
Outpatient Services (Langlade)	412,424	509,497	(97,073)	362,497	381,581	19,083	49,927	(77,989)
Community Treatment Adult (Marathon)	2,876,499	3,218,284	(341,785)	3,197,461	3,567,635	370,174	(320,962)	28,389
Community Treatment Adult (Lincoln)	396,304	475,831	(79,527)	418,463	533,358	114,895	(22,159)	35,368
Community Treatment Adult (Langlade)	146,822	213,911	(67,090)	238,295	384,742	146,446	(91,474)	79,357
Community Treatment Youth (Marathon)	3,136,289	3,473,075	(336,786)	3,430,891	3,372,988	(57,902)	(294,602)	(394,689)
Community Treatment Youth (Lincoln)	880,434	1,029,491	(149,057)	930,876	1,002,732	71,856	(50,442)	(77,200)
Community Treatment Youth (Langlade)	720,212	750,900	(30,687)	727,213	752,234	25,021	(7,001)	(5,666)
Hope House (Sober Living Marathon)	41,447	49,621	(8,174)	50,462	49,586	(876)	(9,015)	(9,050)
Sober Living (Langlade)	39,358	23,049	16,309	32,235	36,433	4,198	7,122	20,507
Jail Meals (Marathon)	74,265	-	74,265	39,464	-	(39,464)	34,801	34,801
	11,844,156	13,415,398	(1,571,243)	12,634,638	13,926,715	1,292,077	(790,482)	(279,166)
COMMUNITY LIVING								
Day Services (Langlade)	165,495	186,942	(21,447)	159,957	161,777	1,819	5,537	(19,627)
Supportive Employment Program	146,333	156,986	(10,653)	158,171	166,858	8,687	(11,838)	(1,966)
	311,828	343,928	(32,100)	318,128	328,635	10,506	(6,300)	(21,593)
NURSING HOMES								
Mount View Care Center	11,277,491	12,701,432	(1,423,942)	11,084,637	12,195,378	1,110,740	192,853	(313,201)
Pine Crest Nursing Home	7,282,599	-	7,282,599	6,728,838	-	(6,728,838)	553,761	553,761
	18,560,089	12,701,432	5,858,657	17,813,475	12,195,378	(5,618,097)	746,614	240,560
Pharmacy	3,582,430	4,059,673	(477,244)	3,522,800	4,333,466	810,667	59,630	333,423
OTHER PROGRAMS								
Aquatic Services	645,344	696,483	(51,139)	478,927	816,648	337,722	166,417	286,582
Birth To Three	259,720	-	259,720	259,720	-	(259,720)	-	-
Adult Protective Services	396,689	484,363	(87,673)	410,575	549,542	138,967	(13,886)	51,293
Demand Transportation	192,613	231,533	(38,920)	246,487	298,034	51,547	(53,874)	12,627
	1,494,367	1,412,379	81,987	1,395,709	1,664,224	268,515	98,657	350,503
Total NCHC Service Programs	46,274,444	44,534,427	1,740,016	45,279,302	44,534,428	(744,874)	995,142	995,142
SELF-FUNDED INSURANCE TRUST FUNDS								
Health Insurance Trust Fund	4,031,713	-	4,031,713	5,237,026	-	(5,237,026)	(1,205,312)	(1,205,312)
Dental Insurance Trust Fund	223,378	-	223,378	185,922	-	(185,922)	37,456	37,456
Total NCHC Self-Funded Insurance Trusts	4,255,092	-	4,255,092	5,422,948	-	(5,422,948)	(1,167,856)	(1,167,856)

North Central Health Care
Fund Balance Review
For the Period Ending June 30, 2024

	Marathon	Langlade	Lincoln	Total
YTD Appropriation (Tax Levy) Revenue	2,914,521	118,246	529,427	3,562,193
Total Revenue at Period End	32,074,414	2,875,936	11,324,094	46,274,444
County Percent of Total Net Position	69.3%	6.2%	24.5%	
Total Operating Expenses, Year-to-Date *	31,694,625	2,954,994	10,629,684	45,279,302
<i>* Excluding Depreciation Expenses to be allocated at the end of the year</i>				
Share of Operating Cash	10,131,245	908,413	3,576,906	14,616,563
Days Cash on Hand	58	56	61	59
Minimum Target - 20%	12,677,850	1,181,997	4,251,873	18,111,721
Over/(Under) Target	(2,546,605)	(273,585)	(674,967)	(3,495,157)
Share of Investments	-	-	-	-
Days Invested Cash	0	0	0	0
Days Invested Cash on Hand Target - 90 Days	15,630,226	1,457,257	5,242,036	22,329,519
Current Percentage of Operating Cash	32.0%	30.7%	33.7%	32.3%
Over/(Under) Target	(2,546,605)	(273,585)	(674,967)	(3,495,157)
Share of Investments	-	-	-	-
Amount Needed to Fulfill Fund Balance Policy	<u>(2,546,605)</u>	<u>(273,585)</u>	<u>(674,967)</u>	<u>(3,495,157)</u>

North Central Health Care
Review of Services in Marathon County
For the Period Ending June 30, 2024

	Revenue			Expense			Net Income/ (Loss)	Variance From Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
Direct Services								
Outpatient Services	2,535,343	3,041,300	(505,957)	2,746,994	3,318,405	571,411	(211,651)	65,454
Community Treatment-Adult	2,876,499	3,218,284	(341,785)	3,197,461	3,567,635	370,174	(320,962)	28,389
Community Treatment-Youth	3,136,289	3,473,075	(336,786)	3,430,891	3,372,988	(57,902)	(294,602)	(394,689)
Hope House Sober Living	41,447	49,621	(8,174)	50,462	49,586	(876)	(9,015)	(9,050)
Demand Transportation	192,613	231,533	(38,920)	246,487	298,034	51,547	(53,874)	12,627
Jail Meals	74,265	-	74,265	39,464	-	(39,464)	34,801	34,801
Aquatic Services	645,344	696,483	(51,139)	478,927	816,648	337,722	166,417	286,582
Birth To Three	259,720	-	259,720	259,720	-	(259,720)	-	-
Mount View Care Center	11,277,491	12,701,432	(1,423,942)	11,084,637	12,195,378	1,110,740	192,853	(313,201)
	21,039,011	23,411,728	(2,372,718)	21,535,043	23,618,675	2,083,632	(496,032)	(289,085)
Shared Services								
Adult Behavioral Health Hospital	3,032,287	3,156,812	(124,525)	2,378,124	2,679,773	301,649	654,163	177,124
Youth Behavioral Health Hospital	1,397,907	1,124,352	273,555	1,130,966	1,479,273	348,307	266,940	621,861
Residency Program	70,742	325,615	(254,873)	100,195	391,466	291,271	(29,452)	36,398
Supportive Employment Program	108,627	116,535	(7,908)	117,415	123,863	6,448	(8,787)	(1,459)
Crisis Services	1,258,099	1,383,136	(125,037)	1,071,026	1,189,848	118,822	187,073	(6,216)
Adult Crisis Stabilization Facility	1,186,976	1,014,581	172,396	760,604	825,942	65,338	426,372	237,734
Youth Crisis Stabilization Facility	551,317	535,054	16,262	450,300	447,754	(2,546)	101,017	13,717
Pharmacy	2,659,340	3,013,612	(354,272)	2,615,075	3,216,856	601,781	44,265	247,509
Lakeside Recovery MMT	476,280	656,291	(180,011)	553,725	594,239	40,514	(77,444)	(139,497)
Adult Protective Services	293,828	358,910	(65,082)	304,782	407,940	103,159	(10,954)	38,076
Contracted Services (Out of County Placements)	-	-	-	677,370	-	(677,370)	(677,370)	(677,370)
	11,035,404	11,684,898	(649,494)	10,159,582	11,356,954	1,197,373	875,822	547,879
Excess Revenue/(Expense)	32,074,414	35,096,626	(3,022,211)	31,694,625	34,975,629	3,281,005	379,790	258,794

North Central Health Care
Review of Services in Lincoln County
For the Period Ending June 30, 2024

	Revenue			Expense			Net Income/ (Loss)	Variance From Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
Direct Services								
Outpatient Services	584,759	630,441	(45,681)	459,787	527,020	67,233	124,972	21,552
Community Treatment-Adult	396,304	475,831	(79,527)	418,463	533,358	114,895	(22,159)	35,368
Community Treatment-Youth	880,434	1,029,491	(149,057)	930,876	1,002,732	71,856	(50,442)	(77,200)
Pine Crest Nursing Home	7,282,599	-	7,282,599	6,728,838	-	(6,728,838)	553,761	553,761
	9,144,096	2,135,763	7,008,334	8,537,964	2,063,110	(6,474,853)	606,132	533,480
Shared Services								
Adult Behavioral Health Hospital	623,689	649,327	(25,638)	489,623	551,729	62,105	134,066	36,468
Youth Behavioral Health Hospital	286,874	230,552	56,321	232,851	304,562	71,712	54,023	128,033
Residency Program	14,565	67,040	(52,475)	20,629	80,597	59,969	(6,064)	7,494
Supportive Employment Program	22,365	23,993	(1,628)	24,174	25,502	1,328	(1,809)	(300)
Crisis Services	185,685	211,428	(25,743)	220,510	244,973	24,464	(34,825)	(1,280)
Adult Crisis Stabilization Facility	244,382	208,888	35,494	156,598	170,050	13,452	87,784	48,946
Youth Crisis Stabilization Facility	113,509	110,160	3,348	92,711	92,186	(524)	20,798	2,824
Pharmacy	547,522	620,462	(72,940)	538,408	662,307	123,899	9,114	50,959
Lakeside Recovery MMT	81,567	118,629	(37,062)	114,004	122,346	8,341	(32,437)	(28,720)
Adult Protective Services	59,840	73,240	(13,400)	62,750	83,989	21,239	(2,910)	7,839
Contracted Services (Out of County Placements)	-	-	-	139,461	-	(139,461)	(139,461)	(139,461)
	2,179,998	2,313,720	(133,722)	2,091,720	2,338,242	246,523	88,278	112,801
Excess Revenue/(Expense)	11,324,094	4,449,482	6,874,612	10,629,684	4,401,353	(6,228,331)	694,410	646,281

North Central Health Care
Review of Services in Langlade County
For the Period Ending June 30, 2024

	Revenue			Expense			Net Income/ (Loss)	Variance From Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
Direct Services								
Outpatient Services	412,424	509,497	(97,073)	362,497	381,581	19,083	49,927	(77,989)
Community Treatment-Adult	146,822	213,911	(67,090)	238,295	384,742	146,446	(91,474)	79,357
Community Treatment-Youth	720,212	750,900	(30,687)	727,213	752,234	25,021	(7,001)	(5,666)
Sober Living	39,358	23,049	16,309	32,235	36,433	4,198	7,122	20,507
Adult Day Services	165,495	186,942	(21,447)	159,957	161,777	1,819	5,537	(19,627)
	1,484,310	1,684,298	(199,988)	1,520,198	1,716,767	196,569	(35,888)	(3,419)
Shared Services								
Adult Behavioral Health Hospital	368,366	385,952	(17,586)	335,853	378,453	42,601	32,514	25,015
Youth Behavioral Health Hospital	196,961	158,328	38,633	159,722	208,912	49,190	37,240	87,823
Residency Program	9,991	45,985	(35,995)	14,150	55,285	41,135	(4,159)	5,140
Supportive Employment Program	15,341	16,458	(1,117)	16,582	17,493	911	(1,241)	(206)
Crisis Services	80,936	98,594	(17,658)	151,257	168,037	16,781	(70,321)	(878)
Adult Crisis Stabilization Facility	167,632	143,285	24,347	107,417	116,644	9,227	60,215	33,574
Youth Crisis Stabilization Facility	77,860	75,563	2,297	63,594	63,234	(360)	14,266	1,937
Pharmacy	375,568	425,600	(50,032)	369,316	454,303	84,987	6,251	34,955
Lakeside Recovery MMT	55,950	81,372	(25,422)	78,200	83,922	5,722	(22,250)	(19,701)
Adult Protective Services	43,021	52,213	(9,191)	43,043	57,612	14,569	(22)	5,377
Contracted Services (Out of County Placements)	-	-	-	95,662	-	(95,662)	(95,662)	(95,662)
	1,391,626	1,483,351	(91,725)	1,434,795	1,603,895	169,100	(43,170)	77,375
Excess Revenue/(Expense)	2,875,936	3,167,649	(291,713)	2,954,994	3,320,662	365,669	(79,058)	73,956

Month		June							
KPI Dashboard		Monthly				Year to Date			
Department	Metric	Actual	Budget/ Target	Variance	Variance %	Actual	Budget/ Target	Variance	Variance %
Behavioral Health Services									
Adult Behavioral Health Hospital	Average Daily Census	8.03	9.75	(1.72)	-17.61%	8.43	9.75	(1.32)	-13.56%
Adult Crisis Stabilization Facility	Average Daily Census	9.40	10.00	(0.60)	-6.00%	8.88	10.00	(1.12)	-11.19%
Lakeside Recovery MMT	Average Daily Census	6.10	13.00	(6.90)	-53.08%	9.66	13.00	(3.34)	-25.67%
Youth Behavioral Health Hospital	Average Daily Census	5.24	4.00	1.24	30.88%	5.25	4.00	1.25	31.28%
Youth Crisis Stabilization Facility	Average Daily Census	2.57	4.00	(1.43)	-35.75%	2.63	4.00	(1.37)	-34.26%
Youth Crisis Stabilization Facility	Billable Units	1533	1209	324	26.82%	8748	7254	1,494	20.60%
Youth Out of County Placements (WMHI/MMHI)	Days	5	25	(20.00)	-80.00%	68			
Adult Out of County Placements (WMHI/MMHI)	Days	30	50	(20.00)	-40.00%	342			
Out of County Placements (Trempealeau)	Days	60				335			
Out of County Placements (Group Homes)	Days	180				1090			
Community Services		Actual	Budget/ Target	Variance	Variance %	Actual	Budget/ Target	Variance	Variance %
Outpatient Services	Productivity %	53.16%	70.00%	-16.84%	-24%	55.13%	70.00%	-14.88%	-21%
Hope House - Marathon	Average Daily Census	6.73	8	-1.27	-16%	7.04	8	-0.96	-12%
Sober Living - Landlde	Average Daily Census	5.33	3	2.33	78%	5.36	3	2.36	79%
Nursing Home		Actual	Budget/ Target	Variance	Variance %	Actual	Budget/ Target	Variance	Variance %
Mount View Care Center	Average Daily Census	122.50	128.0	(5.50)	-4%	123.10	128.0	(4.90)	-4%
Pine Crest Nursing Home	Average Daily Census	86.7	0.0			84.2	0.0		
Other Programs		Rides	Budget/ Target	Variance	Variance %	Rides	Budget/ Target	Variance	Variance %
Transportation	Rides	761				4292			
Support Services		Resolved	Submitted	Variance	Variance %	Resolved	Submitted	Variance	Variance %
Information Management Services	Tickets	385	360	25.00	7%	2012	2083	(71.00)	-3%
Support Services		New Hires	Average Headcount	Terminations	Attrition Rate	New Hires	Average Headcount	Terminations	Attrition Rate
Human Resources	Attrition Rate	45	762.5	30	3.9%	161	776	155	20.0%
Support Services		General Tasks	Calls for Service	Total Calls		General Tasks	Calls for Service	Total Calls	
Safety & Security	Calls	652	220	872		3549	2055	5604	

Financial KPIs

