



North Central Health Care

Person centered. Outcome focused.

NORTH CENTRAL COMMUNITY SERVICES PROGRAM

OFFICIAL NOTICE AND AGENDA of a meeting of the Board or a Committee

A meeting of the Finance, Personnel & Property Committee will be held at NCHC – Badger Room, 1100 Lake View Dr., Wausau, WI at 11:00AM, on Thursday, January 29, 2015.

AGENDA

1. Call to order
2. Minutes of 12/18/2014 Finance, Personnel & Property Committee meeting
 - a. Action: approve of minutes
3. December financials
 - a. Action: approve financial statements
 - b. Write-offs (report only; no action)
4. CFO Report
5. Annual Review of Investment Policy
6. Future agendas
7. Adjourn

- Action may be taken on any agenda items.
- In the event that any individuals attending this meeting may constitute a quorum of another governmental body, the existence of the quorum shall not constitute a meeting as no action by such body is contemplated.

Signed: /s/Gary Bezucha
Presiding Officer or His Designee

COPY OF NOTICE DISTRIBUTED TO:

Wausau Daily Herald Antigo Daily Journal
Tomahawk Leader Merrill Foto News
Langlade, Lincoln & Marathon County Clerk Offices
DATE: 1-23-2015 TIME: 4:00 p.m.

VIA: x _____ FAX x _____ MAIL

BY: D Osowski _____

THIS NOTICE POSTED AT

NORTH CENTRAL HEALTH CARE
DATE: 01-22-2015 Time: 4:00 p.m.
By: D. Osowski

Any person planning to attend this meeting who needs some type of special accommodation in order to participate should call the Administrative office at 848-4403. For TDD telephone service, call 845-4928.

**NORTH CENTRAL COMMUNITY SERVICES PROGRAM
FINANCE, PERSONNEL & PROPERTY COMMITTEE MEETING MINUTES**

December 18, 2014

11:00 a.m.

NCHC – Wausau Campus

Present:

X	Ron Nye	X	Jeff Zriny	X	Lee Olkowski
X	Bob Weaver	X	John Robinson		

Also Present: Gary Bezucha, Brenda Glodowski, Darla Opper

The meeting was called to order at 11:00AM, roll call taken, and a quorum noted.

Minutes

Motion/second Nye/Zriny to approve the minutes of the 11/20/14 Finance, Personnel & Property Committee meeting. Motion carried.

Financials

- Expenses:
 - Overall expenses are below budget targets for November.
 - Two areas, health insurance and drugs were over budget. Flu immunizations contributed to the overage in drugs.
 - Year to date expenses are below budget targets.
- Revenues:
 - Census in the hospital averaged 15 patients per day, target is 12.
 - Nursing home averaged 210 patients per day, which is a slight decrease over last month.
 - Medicare census averaged 25 per day, target is 30.
 - Outpatient volume is lower but that is typical this time of year.
- Year to date the organization is showing a gain of \$318,287.
- General ledger is reconciled through October resulting in over \$100,000 increase in revenue.
- Balance sheet accounts will be reconciled next and will be complete for December Financials.
- **Motion**/second Olkowski/Nye to approve the November financial statements. Motion carried.

CFO Report

- General ledger is improving.
- Still working on the CCS (Comprehensive Community Services) billing piece.
- Committee discussed Employee Incentive payout for year ending 2014 – No action taken.

Rental Rate Review

- A Facility Management Agreement was found to be in place between Marathon County and North Central Health Care until 2020, copy has been sent to Brad Karger.
- Committee will review at a future meeting the overall effect of the rental agreement revenue.

Financial Targets for 2015

- Direct Expense/Gross Patient Revenue – 55% - 59%
- Days In Accounts Receivable – 55 - 60
- Write-offs – .5% - .6% of Gross Revenue

Pharmacy Report

- Postponed to January meeting

Future Agendas

- Rental agreement revenue review
- Pharmacy report

Motion/second Weaver/Robinson to adjourn at 12:01 p.m. Motion carried.

ddo

MEMO

TO: North Central Health Care Finance Committee
FROM: Brenda Glodowski
DATE: January 22, 2015
RE: Attached Financials

Enclosed please find a copy of the Preliminary December financial statements for your review. To assist you in your review, the following information is provided.

BALANCE SHEET

Accounts Receivable has been thoroughly reconciled through the end of the end. This area remains very high due to continued work on the billing system. The process continues to be closely monitored. Cash continues to remain adequate for operations. An additional investment was done in December, which increases cash reserves.

STATEMENT OF REVENUE AND EXPENSES

The month of December shows a preliminary gain of \$61,696 compared to a budgeted loss of (\$42,178), resulting in a positive variance of \$103,874.

The hospital averaged just over 13 patients per day, compared to the target of 12 per day. The nursing home census averaged 212 per day, compared to the target of 225. The Medicare census averaged 32 per day, compared to the target of 30. This is a significant improvement over the past several months. Outpatient revenue was low in December which is normal due to the holidays. The Wisconsin Medicaid Cost Reporting (WIMCR) program settled the 2013 programs and sent out the annual settlement payments. The payment received was \$171,000 more than anticipated, resulting in recognition of additional revenue in those outpatient areas impacted.

While overall expenses were just below budget targets for December, they were higher compared to prior months. Other institutions, psychiatry services, legal, drugs and food were all high for December. Recruitment fees were high due to a large payment related to the recent recruitment of a Psychiatrist. The penalty fees for the nursing home survey are also included in December. It is normal for expenses to be up in December as the year end is being closed and all related expenses need to be included.

Please note these are preliminary statements. The final statements will be issued after completion of the annual audit. The preliminary results do show an overall gain of \$379,984.

If you have any questions, please feel free to contact me.

**NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF NET ASSETS
DECEMBER 2014**

	<u>51.42/.437</u> <u>PROGRAM</u>	NURSING <u>HOME</u>	<u>TOTAL</u>	<u>TOTAL</u> <u>31-Dec-13</u>
CURRENT ASSETS:				
CASH AND EQUIVALENTS	5,798,695	(15,148)	5,783,548	8,769,450
SHORT-TERM INVESTMENTS	7,872,251		7,872,251	7,234,550
CASH FOR APPROVED CAPITAL PURCHASES	1,016,660	411,090	1,427,750	1,065,450
DONATED FUNDS	183,269		183,269	130,183
ACCOUNTS RECEIVABLE:				
PATIENT (NET)	4,463,552	6,229,862	10,693,414	4,668,243
STATE GRANTS	114,349		114,349	151,581
OTHER	391,081		391,081	274,871
APPROPRIATIONS RECEIVABLE			0	60,470
AMOUNTS RECEIVABLE FROM				
THIRD-PARTY REIMBURSEMENT PROGRAMS	365,000	1,006,000	1,371,000	1,518,400
INVENTORY	16,920	308,903	325,823	331,005
OTHER	<u>30,297</u>	<u>64,904</u>	<u>95,201</u>	<u>85,266</u>
TOTAL CURRENT ASSETS	<u>20,252,074</u>	<u>8,005,611</u>	<u>28,257,685</u>	<u>24,289,469</u>
CAPITAL ASSETS				
CAPITAL ASSETS	29,327,835	14,282,868	43,610,703	42,642,529
ACCUMULATED DEPRECIATION	<u>(21,797,656)</u>	<u>(10,466,756)</u>	<u>(32,264,412)</u>	<u>(30,794,180)</u>
CAPITAL ASSETS - NET	<u>7,530,179</u>	<u>3,816,112</u>	<u>11,346,291</u>	<u>11,848,349</u>
OTHER ASSETS - DEFERRED CHARGES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
RESTRICTED ASSETS - PATIENT TRUST FUNDS	<u>15,597</u>	<u>43,321</u>	<u>58,918</u>	<u>352,015</u>
TOTAL ASSETS	<u>27,797,850</u>	<u>11,865,044</u>	<u>39,662,893</u>	<u>36,489,832</u>

**NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF NET ASSETS
DECEMBER 2014**

	<u>51.42/.437</u> <u>PROGRAM</u>	<u>NURSING</u> <u>HOME</u>	<u>TOTAL</u>	<u>TOTAL</u> <u>31-Dec-13</u>
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE	3,135,165	0	3,135,165	2,989,689
THIRD PARTY PAYABLE	676,000	0	676,000	416,000
APPROPRIATIONS ADVANCES	0	0	0	0
ACCRUED LIABILITIES:				
SALARIES & RETIREMENT	1,279,112	0	1,279,112	1,928,159
PAYROLL TAXES AND WITHHOLDING	176,425	0	176,425	205,389
COMPENSATED ABSENCES	1,534,254	0	1,534,254	1,478,866
OTHER PAYABLES	2,873,427	0	2,873,427	0
DEFERRED REVENUE - STATE GRANTS	<u>752,266</u>		<u>752,266</u>	<u>847,538</u>
TOTAL CURRENT LIABILITIES	<u>10,426,648</u>		<u>10,426,648</u>	<u>7,865,641</u>
PATIENT TRUST FUNDS	<u>15,459</u>	<u>43,240</u>	<u>58,698</u>	<u>351,796</u>
NET ASSETS:				
INVESTED IN CAPITAL ASSETS	7,530,179	3,816,112	11,346,291	11,848,344
UNRESTRICTED	7,562,311	9,888,963	17,451,274	14,462,672
OPERATING INCOME (LOSS)	<u>2,263,253</u>	<u>(1,883,270)</u>	<u>379,983</u>	<u>1,961,378</u>
TOTAL NET ASSETS	<u>17,355,743</u>	<u>11,821,804</u>	<u>29,177,548</u>	<u>28,272,395</u>
TOTAL LIABILITIES AND NET ASSETS	<u>27,797,850</u>	<u>11,865,044</u>	<u>39,662,893</u>	<u>36,489,832</u>

**NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF REVENUES AND EXPENSES
FOR PERIOD ENDING DECEMBER 31, 2014**

51.42/.437 PROGRAMS	<u>CURRENT MONTH ACTUAL</u>	<u>CURRENT MONTH BUDGET</u>	<u>CURRENT MONTH VARIANCE</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>YTD VARIANCE</u>
REVENUE						
Net Patient Service Revenue	<u>\$1,654,396</u>	<u>\$1,350,075</u>	<u>\$304,321</u>	<u>\$15,875,002</u>	<u>\$15,978,800</u>	<u>(\$103,798)</u>
OTHER REVENUE						
State Match / Addendum	139,371	130,833	8,538	1,800,871	1,570,000	230,871
State Grant-In-Aid	325,060	325,000	60	3,900,723	3,900,000	723
Other Grants	47,510	83,417	(35,907)	883,309	1,001,000	(117,691)
County Appropriations - Net	594,566	588,525	6,040	7,134,788	7,062,305	72,483
Departmental and Other Revenue	75,995	61,616	14,379	1,181,256	739,393	441,862
State Facility Collection	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Revenue	<u>1,182,502</u>	<u>1,189,392</u>	<u>(6,889)</u>	<u>14,900,947</u>	<u>14,272,698</u>	<u>628,249</u>
TOTAL REVENUE	2,836,899	2,539,467	297,432	30,775,949	30,251,498	524,451
EXPENSES						
Direct expenses	1,882,761	1,836,297	46,463	20,934,548	21,407,681	(473,133)
Indirect Expenses	311,290	348,608	(37,318)	3,665,921	4,092,967	(427,046)
Shared Indirect Expenses	<u>433,831</u>	<u>399,556</u>	<u>34,275</u>	<u>4,097,807</u>	<u>4,855,850</u>	<u>(758,043)</u>
Total Expenses	<u>2,627,882</u>	<u>2,584,462</u>	<u>43,420</u>	<u>28,698,276</u>	<u>30,356,497</u>	<u>(1,658,222)</u>
Operating Income (Loss)	<u>209,017</u>	<u>(44,995)</u>	<u>254,012</u>	<u>2,077,673</u>	<u>(104,999)</u>	<u>2,182,673</u>
Nonoperating Gains(Losses):						
Interest Income	5,296	8,333	(3,037)	70,213	100,000	(29,787)
Donations and Gifts	25,106	0	25,106	100,410	0	100,410
Gain / (Loss) on Disposal of Assets	(353)	417	(770)	14,958	5,000	9,958
Net Assets Designated for Operations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Nonoperating Gains / (Losses)	<u>30,049</u>	<u>8,750</u>	<u>21,299</u>	<u>185,581</u>	<u>105,000</u>	<u>80,581</u>
Income Before Contributed/ (Returned) Capital	<u>\$239,066</u>	<u>(\$36,245)</u>	<u>\$275,311</u>	<u>\$2,263,253</u>	<u>\$0</u>	<u>\$2,263,253</u>

**NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF REVENUES AND EXPENSES
FOR PERIOD ENDING DECEMBER 31, 2014**

NURSING HOME	<u>CURRENT MONTH ACTUAL</u>	<u>CURRENT MONTH BUDGET</u>	<u>CURRENT MONTH VARIANCE</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>YTD VARIANCE</u>
REVENUE						
Net Patient Service Revenue	<u>\$1,973,326</u>	<u>\$2,221,710</u>	<u>(\$248,385)</u>	<u>\$23,569,047</u>	<u>\$26,318,000</u>	<u>(\$2,748,953)</u>
OTHER REVENUE						
Other Grants	0	0	0	0	0	0
County Appropriations - Net Departmental and Other	141,667	141,667	0	1,700,000	1,700,000	(0)
Departmental and Other Revenue	<u>39,265</u>	<u>13,155</u>	<u>26,110</u>	<u>292,461</u>	<u>157,857</u>	<u>134,604</u>
Total Other Revenue	<u>180,932</u>	<u>154,821</u>	<u>26,110</u>	<u>1,992,461</u>	<u>1,857,857</u>	<u>134,604</u>
TOTAL REVENUE	2,154,257	2,376,531	(222,274)	25,561,508	28,175,858	(2,614,348)
Direct expenses	1,559,816	1,583,427	(23,611)	18,202,608	18,656,626	(454,018)
Indirect Expenses	481,252	488,901	(7,649)	5,572,814	5,750,107	(177,293)
Shared Indirect Expenses	<u>290,490</u>	<u>310,136</u>	<u>(19,646)</u>	<u>3,676,438</u>	<u>3,769,124</u>	<u>(92,686)</u>
Total Expenses	<u>2,331,558</u>	<u>2,382,464</u>	<u>(50,906)</u>	<u>27,451,860</u>	<u>28,175,857</u>	<u>(723,997)</u>
Operating Income (Loss)	<u>(177,301)</u>	<u>(5,933)</u>	<u>(171,368)</u>	<u>(1,890,351)</u>	<u>(0)</u>	<u>(1,890,351)</u>
Nonoperating Gains(Losses):						
Interest Income	0	0	0	0	0	0
Donations and Gifts	(69)	0	(69)	7,081	0	7,081
Gain / (Loss) on Disposal of Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Nonoperating Gains / (Losses)	<u>(69)</u>	<u>0</u>	<u>(69)</u>	<u>7,081</u>	<u>0</u>	<u>7,081</u>
Income Before Contributed/ (Returned) Capital	<u>(\$177,370)</u>	<u>(\$5,933)</u>	<u>(\$171,437)</u>	<u>(\$1,883,270)</u>	<u>(\$0)</u>	<u>(\$1,883,270)</u>

**NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF REVENUES AND EXPENSES
FOR PERIOD ENDING DECEMBER 31, 2014**

TOTAL	<u>CURRENT MONTH ACTUAL</u>	<u>CURRENT MONTH BUDGET</u>	<u>CURRENT MONTH VARIANCE</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>YTD VARIANCE</u>
REVENUE						
Net Patient Service Revenue	<u>\$3,627,722</u>	<u>\$3,571,785</u>	<u>\$55,937</u>	<u>\$39,444,049</u>	<u>\$42,296,800</u>	<u>(\$2,852,751)</u>
OTHER REVENUE						
State Match / Addendum	139,371	130,833	8,538	1,800,871	1,570,000	230,871
State Grant-In-Aid	325,060	325,000	60	3,900,723	3,900,000	723
Other Grants	47,510	83,417	(35,907)	883,309	1,001,000	(117,691)
County Appropriations - Net	736,232	730,192	6,040	8,834,788	8,762,305	72,483
Departmental and Other Revenue	115,260	74,771	40,489	1,473,717	897,250	576,467
State Facility Collection	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Revenue	<u>1,363,434</u>	<u>1,344,213</u>	<u>19,221</u>	<u>16,893,408</u>	<u>16,130,555</u>	<u>762,853</u>
TOTAL REVENUE	4,991,156	4,915,998	75,158	56,337,458	58,427,355	(2,089,897)
EXPENSES						
Direct expenses	3,442,577	3,419,725	22,852	39,137,156	40,064,307	(927,151)
Indirect Expenses	792,542	837,509	(44,967)	9,238,735	9,843,074	(604,339)
Shared Indirect Expenses	<u>724,321</u>	<u>709,692</u>	<u>14,629</u>	<u>7,774,245</u>	<u>8,624,974</u>	<u>(850,729)</u>
Total Expenses	<u>4,959,440</u>	<u>4,966,926</u>	<u>(7,486)</u>	<u>56,150,136</u>	<u>58,532,355</u>	<u>(2,382,219)</u>
Operating Income (Loss)	<u>31,716</u>	<u>(50,928)</u>	<u>82,643</u>	<u>187,321</u>	<u>(105,000)</u>	<u>292,321</u>
Nonoperating Gains(Losses):						
Interest Income	5,296	8,333	(3,037)	70,213	100,000	(29,787)
Donations and Gifts	25,037	0	25,037	107,491	0	107,491
Gain / (Loss) on Disposal of Assets	(353)	417	(770)	14,958	5,000	9,958
Net Assets Designated for Operations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Nonoperating Gains / (Losses)	<u>29,980</u>	<u>8,750</u>	<u>21,230</u>	<u>192,662</u>	<u>105,000</u>	<u>87,662</u>
Income Before Contributed/ (Returned) Capital	<u>\$61,696</u>	<u>(\$42,178)</u>	<u>\$103,874</u>	<u>\$379,984</u>	<u>\$0</u>	<u>\$379,984</u>

NORTH CENTRAL HEALTH CARE
 REPORT ON AVAILABILITY OF FUNDS
 December 31,2014

FUNDS REQUIRED TO MEET CURRENT OPERATIONAL NEEDS:

BANK	LENGTH	MATURITY DATE	INTEREST RATE	AMOUNT
Abby Bank	365 Days	02/25/2015	0.65%	\$500,000
People's State Bank	365 Days	02/28/2015	0.50%	\$250,000
Abby Bank	365 Days	03/15/2015	0.65%	\$400,000
BMO Harris	395 Days	04/28/2015	0.35%	\$500,000
People's State Bank	365 Days	04/29/2015	0.50%	\$350,000
People's State Bank	365 Days	04/30/2015	0.50%	\$500,000
Abby Bank	365 Days	05/03/2015	0.55%	\$500,000
CoVantage Credit Union	365 Days	05/28/2015	0.55%	\$500,000
Abby Bank	365 Days	05/30/2015	0.55%	\$500,000
BMO Harris	395 Days	07/26/2015	0.30%	\$500,000
Abby Bank	365 Days	07/05/2015	0.55%	\$500,000
Abby Bank	365 Days	07/19/2015	0.55%	\$500,000
People's State Bank	365 Days	08/21/2015	0.45%	\$500,000
Abby Bank	365 Days	08/29/2015	0.45%	\$500,000
CoVantage Credit Union	456 Days	10/01/2015	0.65%	\$500,000
People's State Bank	365 Days	10/30/2015	0.50%	\$500,000
Abby Bank	365 Days	10/29/2015	0.55%	\$500,000
River Valley Bank	365 Days	12/27/2014	0.50%	\$500,000
CoVantage Credit Union	365 Days	12/28/2015	0.599%	\$300,000
Abby Bank	365 Days	12/30/2015	0.55%	\$500,000
TOTAL FUNDS AVAILABLE				\$9,300,000
WEIGHTED AVERAGE		373.12 Days	0.520% INTEREST	

NCHC-DONATED FUNDS

Balance Sheet

As of December 31, 2014

ASSETS

Current Assets

Checking/Savings

CHECKING ACCOUNT

Adult Day Services	5,124.11
Adventure Camp	693.99
AODA Day Services	-754.62
Birth to 3 Program	2,035.00
Clubhouse	56,055.70
Community Services - M/H	654.00
CSP	-492.15
Fishing Without Boundries	1,510.00
General Donated Funds	71,681.70
Housing - DD Services	1,370.47
Langlade HCC	2,980.04
Legacies by the Lake	4,615.36
Lincoln County CSP	-175.00
Marathon Cty Suicide Prev Task	5,798.02
National Suicide Lifeline Stipe	8,055.76
Northern Valley West	1,616.00
Northwoods Alliance	8,752.92
Nursing Home - General Fund	2,353.26
Outpatient Services - Marathon	846.08
Pool	7,042.24
Prevent Suicide Langlade Co.	1,543.55
Suicide Prevention Walk	750.00
United Way	1,262.34
CHECKING ACCOUNT - Other	-50.00

Total CHECKING ACCOUNT 183,268.77

Total Checking/Savings 183,268.77

Total Current Assets 183,268.77

TOTAL ASSETS 183,268.77

LIABILITIES & EQUITY

Equity

Opening Bal Equity	123,523.75
Retained Earnings	9,084.28
Net Income	50,660.74
Total Equity	<u>183,268.77</u>

TOTAL LIABILITIES & EQUITY 183,268.77

**North Central Health Care
Budget Revenue/Expense Report**

FY-2014 AP-12 BUDGET VS ACTUAL - YTD

Month Ending December 31, 2014

ACCOUNT DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	YTD ACTUAL	YTD BUDGET	DIFFERENCE
<u>REVENUE:</u>					
TOTAL NET REVENUE	4,991,156	4,915,998	56,337,458	58,427,355	(2,089,897)
<u>EXPENSES:</u>					
Salaries and Wages	2,342,315	2,544,842	27,775,867	29,611,391	(1,835,524)
Fringe Benefits	880,299	1,040,935	10,842,263	12,194,900	(1,352,637)
Departments Supplies	534,514	425,212	5,399,551	5,096,030	303,521
Purchased Services	327,417	261,691	3,413,990	3,124,290	289,700
Utilitites/Maintenance Agreements	335,189	299,136	3,789,561	3,558,742	230,819
Personal Development/Travel	56,208	38,670	389,352	464,050	(74,698)
Other Operating Expenses	163,155	149,488	1,342,961	1,793,852	(450,891)
Insurance	47,095	46,175	592,193	554,100	38,093
Depreciation & Amortization	120,589	119,110	1,431,658	1,635,000	(203,342)
Client Purchased Services	<u>152,659</u>	<u>41,667</u>	<u>1,172,743</u>	<u>500,000</u>	<u>672,743</u>
TOTAL EXPENSES	4,959,440	4,966,926	56,150,137	58,532,355	(2,382,218)
EXCESS REVENUE (EXPENSE)	31,716	(50,928)	187,321	(105,000)	292,321

**North Central Health Care
Write-Off Summary
December 2014**

	<u>Current Month</u>	<u>Current Year To Date</u>	<u>Prior Year To Date</u>
Inpatient:			
Administrative Write-Off	\$5,622	\$26,892	\$2,232
Bad Debt	\$79	\$4,274	\$19,139
Outpatient:			
Administrative Write-Off	\$38,982	\$112,419	\$40,049
Bad Debt	\$605	\$20,291	\$7,220
Nursing Home:			
Daily Services:			
Administrative Write-Off	(\$227)	\$16,755	\$4,027
Bad Debt	(\$134)	\$12,626	\$19,980
Ancillary Services:			
Administrative Write-Off	\$927	\$15,335	\$19,175
Bad Debt	\$0	\$11,128	\$0
Pharmacy:			
Administrative Write-Off	\$0	\$0	\$8,783
Bad Debt	\$0	\$0	\$0
Collection Agency Returns:			
Inpatient	\$0	\$175,299	\$704,782
Outpatient	\$0	\$66,790	\$464,937

**North Central Health Care
2014 Patient Days**

<u>Month</u>		<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budgeted Occupancy</u>	<u>Actual Occupancy</u>
January	Nursing Home	6,975	6,984	9	85.55%	85.66%
	Hospital	372	454	82	75.00%	91.53%
February	Nursing Home	6,300	6,201	(99)	85.55%	84.21%
	Hospital	336	370	34	75.00%	82.59%
March	Nursing Home	6,975	6,708	(267)	85.55%	82.28%
	Hospital	372	456	84	75.00%	91.94%
April	Nursing Home	6,750	6,497	(253)	85.55%	82.34%
	Hospital	360	422	62	75.00%	87.92%
May	Nursing Home	6,975	6,838	(137)	93.75%	91.91%
	Hospital	372	471	99	75.00%	94.96%
June	Nursing Home	6,750	6,458	(292)	85.55%	81.85%
	Hospital	360	408	48	75.00%	85.00%
July	Nursing Home	6,975	6,607	(368)	93.75%	88.80%
	Hospital	372	392	20	75.00%	79.03%
August	Nursing Home	6,975	6,561	(414)	93.75%	88.19%
	Hospital	372	378	6	75.00%	76.21%
September	Nursing Home	6,750	6,401	(349)	93.75%	88.90%
	Hospital	360	437	77	75.00%	91.04%
October	Nursing Home	6,975	6,634	(341)	93.75%	89.17%
	Hospital	372	411	39	75.00%	82.86%
November	Nursing Home	6,750	6,327	(423)	93.75%	87.88%
	Hospital	360	452	92	75.00%	94.17%
December	Nursing Home	6,975	6,564	(411)	93.75%	88.23%
	Hospital	372	419	47	75.00%	84.48%



North Central Health Care

Investment Policy

I. Introduction

The timely deposit and investment of North Central Health Care's (NCHC) cash is an important and integral part of the cash management program. The policy designates the Chief Financial Officer as the investment officer and with the authority to make the investment decisions and reports monthly to the North Central Health Care Finance Committee (Finance Committee) the status of the investments. The Finance Committee recommends the policy for approval to the North Central Community Services Program Board (Board). Any recommended changes will also be recommended by the Finance Committee to the Board for approval. The Investment Policy shall be reviewed annually by the Finance Committee.

II. Statement of Purpose

The purpose of the Investment Policy is to formulate investment guidelines that allow the opportunity for investments that are prudent and beneficial for NCHC and meet WI Statutes 66.0603. The policy also establishes the guidelines for investments which allow the investment officer to make decisions on investment opportunities.

III. Goals and Objectives

The primary objectives of North Central Health Care's investment activities, in priority order, shall be safety, liquidity, and yield.

1. Safety: The safety of the principal shall be the foremost objective of the investment program. NCHC's investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
2. Credit Risk: Which is the risk of loss due to the failure of the security issuer or backer, will be minimized by:
 - Limiting investments to the types of securities as allowed by the investment policy;
 - Prequalifying the financial institute in which NCHC will do business with in accordance with Section V;
 - Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one issuer will be minimized.
3. Interest Rate Risk: Which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, will be minimized by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell or redeem securities prior to maturity;
 - Investing operating funds primarily in shorter-term securities or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy (per section VIII).
4. Liquidity: The investment portfolio shall remain sufficiently liquid to meet operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature to meet anticipated cash needs. Since all possible cash demands cannot be anticipated, the portfolio should consist of securities to meet unanticipated cash needs in the event they arise. A portion of the portfolio may be placed in local government investment pools which offer same day liquidity for short term funds.
5. Yield: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk and constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall be generally held until maturity with the following exceptions:
- A security with declining credit may be sold or redeemed early to minimize loss of principle;
 - Liquidity needs of the portfolio require that the security be sold.
6. Other Considerations: The portfolio should be built to allow NCHC to have ample cash to meet operation needs for 3 to 6 months in the event routine cash flow is jeopardized. The status of this section will be reviewed by the finance committee on an annual basis.

IV. Standards of Care

1. Prudence: The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the content of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

The “prudent person” standard states that, “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

2. Ethics and Conflicts of Interest: Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of North Central Health Care.
3. Delegation of Authority: Authority to manage the investment program is granted to the Chief Financial Officer, referred to as investment officer. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. The North Central Community Services Program Board may also delegate its investment decision making authority to the Chief Executive Officer (CEO), and may seek advice from another party, such as an investment advisor.

V. Authorized Financial Institutions

North Central Health Care will maintain a listing of all institutions that hold funding on behalf of the organization. The financial institutions must be qualified for investment transactions, must comply with state and federal capital adequacy guidelines, maintain adequate insurance coverage, and submit evidence to NCHC. The investment officer is responsible for obtaining the required information. The Finance Committee will review the criteria on an annual basis and may modify criteria.

VI. Safekeeping and Internal Controls

Securities will be held by third party custodians selected by North Central Health Care and evidenced by safekeeping receipts in the NCHC's name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Audit Standards No. 70 or SAS70) as requested by North Central Health Care or its independent auditors.

VII. Permitted Investments

Permitted investments will be made in accordance with Section 66.0603 of the Wisconsin Statutes governing investment practices and with this policy. Permitted investments are:

- Certificate of Deposit (CD): An interest bearing negotiable time deposit of fixed maturity at a commercial bank.

- Local Government Investment Pool: An aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment by the State of WI Investment Board.
- Government Obligations: Financial debt instruments backed by the United States government, such as Treasury Bills or Treasury Notes. A Treasury Bill has \$1,000 denominations that mature in less than one year. A Treasury Note has \$1,000 denominations that mature in 1 to 10 years.

VIII. Investment Parameters

- Investments shall be made with institutions that meet the criteria as indicated in this policy.
- The investment portfolio shall include no more than 60% of investments at one institution.
- Investments are limited to the State of Wisconsin.
- The investment portfolio may have investment times at different levels such as 6 months, 1 year, or longer than 1 year. For investments exceeding 1 year of maturity, penalties for early withdrawal must be reviewed by the investment officer.

IX. Reporting

A summary of investments will be provided to the Finance Committee on monthly basis. The summary will include by security the location, principal amount, interest rate, and maturity date. The investment portfolio will also be reviewed during the annual financial audit. Any policy concerns will be addressed by the Finance Committee.

X. Policy Considerations

- Exemption: Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.
- Amendments: This policy shall be reviewed on an annual basis. Any changes must be approved the Finance Committee, as well as with individuals charged with maintaining this policy.

XI. Approval of Investment Policy

The investment policy shall be formally approved and adopted by the North Central Community Services Program Board and reviewed annually by the Finance Committee.

Recommended: December 22, 2011 by North Central Health Care Finance Committee

Approved: January 26, 2012 by North Central Community Services Program Board