



## 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, February 26, 2015.

### AGENDA

1. Call to order
2. Minutes of 01/29/2015 Finance, Personnel & Property Committee meeting
  - a. Action: approve of minutes
3. January financials
  - a. Action: approve financial statements
  - b. Write-offs (report only; no action)
4. CFO Report
5. Employee Incentive for 2014
6. Year End Analysis of Lease agreements
7. Pharmacy report
8. Review Investment Policy
9. Future agendas
10. 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: 2-19-2015      TIME: 4:00 p.m.

VIA:   x        FAX   x        MAIL

BY: D. Opper

#### THIS NOTICE POSTED AT

NORTH CENTRAL HEALTH CARE  
DATE: 02-19-2015      Time: 4:00 p.m.  
By: D. Opper

Any person planning to attend this meeting who needs some type of special accommodation in order to participate should call the Administrative office at 848-4404. For TDD telephone service, call 845-4928.

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

January 29, 2015

11:00 a.m.

NCHC – Wausau Campus

Present:

X	Ron Nye	X	Jeff Zriny	X	Lee Olkowski
	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 Zriny/Nye to approve the minutes of the 12/18/14 Finance, Personnel & Property Committee meeting. Motion carried.

Financials

- Expenses:
  - Expenses were slightly under budget targets for December.
  - Psychiatry, other institutions, legal, drugs and food were high in December.
  - Penalty fees for the nursing home survey were included in December.
  - Preliminary statements – anticipate overall gain of \$379,984.
- Revenues:
  - December saw improvements in nursing home and Medicare census. The census averaged 212, compared to the target of 225. Medicare census averaged 32 per day compared to the target of 30.
  - Hospital census averaged 13 per day, target is 12.
  - Outpatient volume was low in December but this is normal due to the holidays.
  - Settlement from WIMCR for 2013 – \$171,000 more than anticipated.
- **Motion**/second Robinson/Zriny to approve the December financial statements. Motion carried.

CFO Report

- Able to merge all general ledger systems into one system, balances were transferred and totals tested. Currently reviewing detail – things are looking good.
- Auditors are testing and reviewing the 3 systems.
- Accounts receivable update:
  - Accounts receivable is being thoroughly analyzed
  - Three programs are contributing to the high Accounts Receivable: nursing home, CCS and hospital
  - Continuing to test files

- Still working on the test file for CCS, another file has been sent and are waiting to see if it went through
- Have a consultant working with us on the hospital – currently testing
- Nursing home – Medicaid is better, still having issues with electronic billing – sending in paper bills to keep up
- Aging is accurate, able to tie out to programs.
- Several fixes with vendor, revenue and balance sheet items looking good.
- Total write-offs percentage not bad even with timely billing issues.
- Cash reserves increased again this year.

#### Investment Policy

- Deferred to next month

#### Future Agendas

- Employee Incentive Program
- Rental agreement review
- Pharmacy report
- Accounts receivable report

**Motion**/second Robinson/Zriny to adjourn at 11:45 a.m. Motion carried.

*ddo*

## MEMO

**TO:** North Central Health Care Finance Committee  
**FROM:** Brenda Glodowski  
**DATE:** February 17, 2015  
**RE:** Attached Financials

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

### **BALANCE SHEET**

Accounts Receivable continues to be high due to working through the billing glitches on the new electronic system. This process continues to be closely monitored. Other accounts remain consistent with prior months.

### **STATEMENT OF REVENUE AND EXPENSES**

The month of January shows a gain of \$10,895 compared to a budgeted gain of \$56,970, resulting in a negative variance of (\$46,075).

The hospital averaged 13 patients per day, which is the target. The nursing home census averaged 210 per day, compared to the target of 213. The Medicare census averaged 27 per day, compared to the target of 26. Outpatient revenue was low in January.

Overall expenses were below targets for January. Employee benefits were below budget targets, with health insurance being the area that was below budget targets the most. Food and state institutions were areas that exceeded budget targets. Salaries in those areas that provide coverage were higher in January due to three holidays being paid in January. This is normal, and should even out over the next few months. A payment was also made in January to the consulting firm working on the strategic planning.

For January, both programs do show a small gain, with the nursing home showing a gain of \$1,707 and the human services program showing a gain of \$9,188.

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

**NORTH CENTRAL HEALTH CARE  
COMBINING STATEMENT OF NET ASSETS  
JANUARY 2015**

	<u>51.42/.437</u> <u>PROGRAM</u>	NURSING <u>HOME</u>	<u>TOTAL</u>	<u>TOTAL</u> <u>31-Jan-14</u>
<b>CURRENT ASSETS:</b>				
CASH AND EQUIVALENTS	7,489,759	(130,871)	7,358,888	8,529,557
SHORT-TERM INVESTMENTS	7,004,735		7,004,735	6,495,769
CASH FOR APPROVED CAPITAL PURCHASES	1,768,453	526,813	2,295,265	1,804,231
DONATED FUNDS	183,884		183,884	132,980
<b>ACCOUNTS RECEIVABLE:</b>				
PATIENT (NET)	4,251,709	4,249,259	8,500,969	4,998,977
STATE GRANTS	74,275		74,275	54,868
OTHER	481,093		481,093	508,364
APPROPRIATIONS RECEIVABLE	56,039		56,039	716,887
AMOUNTS RECEIVABLE FROM				
THIRD-PARTY REIMBURSEMENT PROGRAMS	373,833	166,666	540,499	650,749
INVENTORY	16,920	256,902	273,822	331,005
OTHER	<u>414,440</u>	<u>64,904</u>	<u>479,344</u>	<u>694,735</u>
<b>TOTAL CURRENT ASSETS</b>	<u>22,115,141</u>	<u>5,133,673</u>	<u>27,248,814</u>	<u>24,918,122</u>
<b>CAPITAL ASSETS</b>				
CAPITAL ASSETS	29,364,666	14,397,576	43,762,242	42,622,499
ACCUMULATED DEPRECIATION	<u>(21,982,112)</u>	<u>(10,503,184)</u>	<u>(32,485,295)</u>	<u>(31,031,007)</u>
<b>CAPITAL ASSETS - NET</b>	<u>7,382,554</u>	<u>3,894,392</u>	<u>11,276,946</u>	<u>11,591,492</u>
<b>OTHER ASSETS - DEFERRED CHARGES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>RESTRICTED ASSETS - PATIENT TRUST FUNDS</b>	<u>13,277</u>	<u>43,388</u>	<u>56,665</u>	<u>333,712</u>
<b>TOTAL ASSETS</b>	<u>29,510,972</u>	<u>9,071,454</u>	<u>38,582,425</u>	<u>36,843,325</u>

**NORTH CENTRAL HEALTH CARE  
COMBINING STATEMENT OF NET ASSETS  
JANUARY 2015**

	<u>51.42/.437</u> <u>PROGRAM</u>	<u>NURSING</u> <u>HOME</u>	<u>TOTAL</u>	<u>TOTAL</u> <u>31-Jan-14</u>
<b>CURRENT LIABILITIES:</b>				
ACCOUNTS PAYABLE	3,458,249	0	3,458,249	3,073,613
THIRD PARTY PAYABLE	390,000	0	390,000	441,000
APPROPRIATIONS ADVANCES	1,348,859	0	1,348,859	49,787
<b>ACCRUED LIABILITIES:</b>				
SALARIES & RETIREMENT	1,455,149	0	1,455,149	2,156,824
PAYROLL TAXES AND WITHHOLDING	169,991	0	169,991	244,975
COMPENSATED ABSENCES	1,526,267	0	1,526,267	1,500,340
OTHER PAYABLES	72,806	0	72,806	0
DEFERRED REVENUE - STATE GRANTS	<u>411,357</u>		<u>411,357</u>	<u>419,691</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>8,832,678</u>		<u>8,832,678</u>	<u>7,886,230</u>
PATIENT TRUST FUNDS	<u>13,277</u>	<u>43,307</u>	<u>56,584</u>	<u>333,493</u>
<b>NET ASSETS:</b>				
INVESTED IN CAPITAL ASSETS	7,382,554	3,894,392	11,276,946	11,591,492
UNRESTRICTED	13,273,275	5,132,048	18,405,323	16,907,926
OPERATING INCOME(LOSS)	<u>9,188</u>	<u>1,707</u>	<u>10,895</u>	<u>124,183</u>
<b>TOTAL NET ASSETS</b>	<u>20,665,017</u>	<u>9,028,147</u>	<u>29,693,165</u>	<u>28,623,602</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>29,510,972</u>	<u>9,071,454</u>	<u>38,582,425</u>	<u>36,843,325</u>

**NORTH CENTRAL HEALTH CARE  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
FOR PERIOD ENDING JANUARY 31, 2015**

<b>51.42/.437 PROGRAMS</b>	<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>
<b>REVENUE</b>						
Net Patient Service Revenue	<u>\$1,272,609</u>	<u>\$1,472,302</u>	<u>(\$199,693)</u>	<u>\$1,272,609</u>	<u>\$1,472,302</u>	<u>(\$199,693)</u>
<b>OTHER REVENUE</b>						
State Match / Addendum	325,060	325,120	(59)	325,060	325,120	(59)
Grant Revenue	173,825	184,113	(10,287)	173,825	184,113	(10,287)
County Appropriations - Net	594,566	588,525	6,040	594,566	588,525	6,040
Departmental and Other Revenue	<u>126,367</u>	<u>145,825</u>	<u>(19,458)</u>	<u>126,367</u>	<u>145,825</u>	<u>(19,458)</u>
Total Other Revenue	<u>1,219,818</u>	<u>1,243,583</u>	<u>(23,765)</u>	<u>1,219,818</u>	<u>1,243,583</u>	<u>(23,765)</u>
<b>TOTAL REVENUE</b>	<b>2,492,428</b>	<b>2,715,885</b>	<b>(223,457)</b>	<b>2,492,428</b>	<b>2,715,885</b>	<b>(223,457)</b>
<b>EXPENSES</b>						
Direct Expenses	1,801,842	1,898,064	(96,222)	1,801,842	1,898,064	(96,222)
Indirect Expenses	<u>689,162</u>	<u>786,201</u>	<u>(97,039)</u>	<u>689,162</u>	<u>786,201</u>	<u>(97,039)</u>
Total Expenses	<u>2,491,004</u>	<u>2,684,265</u>	<u>(193,261)</u>	<u>2,491,004</u>	<u>2,684,265</u>	<u>(193,261)</u>
Operating Income (Loss)	<u>1,424</u>	<u>31,620</u>	<u>(30,196)</u>	<u>1,424</u>	<u>31,620</u>	<u>(30,196)</u>
<b>Nonoperating Gains(Losses):</b>						
Interest Income	5,840	7,500	(1,660)	5,840	7,500	(1,660)
Donations and Gifts	1,924	0	1,924	1,924	0	1,924
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>7,765</u>	<u>7,500</u>	<u>265</u>	<u>7,765</u>	<u>7,500</u>	<u>265</u>
Operating Income / (Loss)	<u>\$9,188</u>	<u>\$39,120</u>	<u>(\$29,931)</u>	<u>\$9,188</u>	<u>\$39,120</u>	<u>(\$29,931)</u>

**NORTH CENTRAL HEALTH CARE  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
FOR PERIOD ENDING JANUARY 31, 2015**

<b>NURSING HOME</b>	<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>\$2,037,009</u>	<u>\$2,041,681</u>	<u>(\$4,673)</u>	<u>\$2,037,009</u>	<u>\$2,041,681</u>	<u>(\$4,673)</u>
OTHER REVENUE						
County Appropriations - Net	141,667	141,667	0	141,667	141,667	0
Departmental and Other Revenue	<u>31,706</u>	<u>34,833</u>	<u>(3,127)</u>	<u>31,706</u>	<u>34,833</u>	<u>(3,127)</u>
Total Other Revenue	<u>173,373</u>	<u>176,500</u>	<u>(3,127)</u>	<u>173,373</u>	<u>176,500</u>	<u>(3,127)</u>
TOTAL REVENUE	2,210,382	2,218,182	(7,800)	2,210,381	2,218,181	(7,800)
EXPENSES						
Direct Expenses	1,648,422	1,559,512	88,909	1,648,422	1,559,512	88,909
Indirect Expenses	<u>560,627</u>	<u>640,820</u>	<u>(80,193)</u>	<u>560,627</u>	<u>640,820</u>	<u>(80,193)</u>
Total Expenses	<u>2,209,048</u>	<u>2,200,332</u>	<u>8,716</u>	<u>2,209,048</u>	<u>2,200,332</u>	<u>8,716</u>
Operating Income (Loss)	<u>1,333</u>	<u>17,850</u>	<u>(16,516)</u>	<u>1,333</u>	<u>17,849</u>	<u>(16,516)</u>
Nonoperating Gains(Losses):						
Interest Income	0	0	0	0	0	0
Donations and Gifts	374	0	374	374	0	374
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>374</u>	<u>0</u>	<u>374</u>	<u>374</u>	<u>0</u>	<u>374</u>
Operating Income / (Loss)	<u>\$1,707</u>	<u>\$17,850</u>	<u>(\$16,142)</u>	<u>\$1,707</u>	<u>\$17,850</u>	<u>(\$16,142)</u>



**NORTH CENTRAL HEALTH CARE  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
FOR PERIOD ENDING JANUARY 31, 2015**

<b>TOTAL</b>	<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>
<b>REVENUE</b>						
Net Patient Service Revenue	<u>\$3,309,618</u>	<u>\$3,513,983</u>	<u>(\$204,365)</u>	<u>\$3,309,618</u>	<u>\$3,513,983</u>	<u>(\$204,365)</u>
<b>OTHER REVENUE</b>						
State Match / Addendum	325,060	325,120	(59)	325,060	325,120	(59)
Grant Revenue	173,825	184,113	(10,287)	173,825	184,113	(10,287)
County Appropriations - Net	736,233	730,192	6,040	736,232	730,192	6,040
Departmental and Other Revenue	<u>158,073</u>	<u>180,658</u>	<u>(22,585)</u>	<u>158,073</u>	<u>180,658</u>	<u>(22,585)</u>
Total Other Revenue	<u>1,393,191</u>	<u>1,420,083</u>	<u>(26,892)</u>	<u>1,393,191</u>	<u>1,420,083</u>	<u>(26,892)</u>
<b>TOTAL REVENUE</b>	<b>4,702,809</b>	<b>4,934,067</b>	<b>(231,257)</b>	<b>4,702,809</b>	<b>4,934,066</b>	<b>(231,257)</b>
<b>EXPENSES</b>						
Direct Expenses	3,450,264	3,457,577	(7,313)	3,450,264	3,457,577	(7,313)
Indirect Expenses	<u>1,249,788</u>	<u>1,427,021</u>	<u>(177,232)</u>	<u>1,249,788</u>	<u>1,427,021</u>	<u>(177,232)</u>
Total Expenses	<u>4,700,052</u>	<u>4,884,597</u>	<u>(184,545)</u>	<u>4,700,052</u>	<u>4,884,597</u>	<u>(184,545)</u>
Operating Income (Loss)	<u>2,757</u>	<u>49,470</u>	<u>(46,713)</u>	<u>2,757</u>	<u>49,469</u>	<u>(46,712)</u>
<b>Nonoperating Gains(Losses):</b>						
Interest Income	5,840	7,500	(1,660)	5,840	7,500	(1,660)
Donations and Gifts	2,298	0	2,298	2,298	0	2,298
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>8,139</u>	<u>7,500</u>	<u>639</u>	<u>8,139</u>	<u>7,500</u>	<u>639</u>
Operating Income / (Loss)	<u>\$10,895</u>	<u>\$56,970</u>	<u>(\$46,075)</u>	<u>\$10,895</u>	<u>\$56,970</u>	<u>(\$46,075)</u>

NORTH CENTRAL HEALTH CARE  
 REPORT ON AVAILABILITY OF FUNDS  
 January 31, 2015

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 January 31, 2015

### 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	1,699.00
CSP	-492.15
Fishing Without Boundries	1,510.00
General Donated Funds	71,665.07
Housing - DD Services	1,370.47
Langlade HCC	2,980.04
Legacies by the Lake	4,815.36
Lincoln County CSP	-175.00
Marathon Cty Suicide Prev Task	5,798.02
National Suicide Lifeline Stipe	7,403.61
Northern Valley West	1,616.00
Northwoods Alliance	8,752.92
Nursing Home - General Fund	2,279.37
Outpatient Services - Marathon	846.08
Pool	7,155.27
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 183,884.13

Total Checking/Savings 183,884.13

Total Current Assets 183,884.13

**TOTAL ASSETS 183,884.13**

### LIABILITIES & EQUITY

#### Equity

Opening Bal Equity	123,523.75
Retained Earnings	59,745.02
Net Income	615.36

Total Equity 183,884.13

**TOTAL LIABILITIES & EQUITY 183,884.13**

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

Month Ending January 31, 2015

<b>ACCOUNT DESCRIPTION</b>	<b>CURRENT MONTH ACTUAL</b>	<b>CURRENT MONTH BUDGET</b>	<b>YTD ACTUAL</b>	<b>YTD BUDGET</b>	<b>DIFFERENCE</b>
<b><u>REVENUE:</u></b>					
TOTAL NET REVENUE	4,702,809	4,934,067	4,702,809	4,934,067	(231,258)
<b><u>EXPENSES:</u></b>					
Salaries and Wages	2,464,638	2,416,550	2,464,638	2,416,550	48,088
Fringe Benefits	846,023	983,695	846,023	983,695	(137,672)
Departments Supplies	432,869	431,133	432,869	431,133	1,736
Purchased Services	254,959	282,725	254,959	282,725	(27,766)
Utilitites/Maintenance Agreements	301,140	321,644	301,140	321,644	(20,505)
Personal Development/Travel	24,390	40,350	24,390	40,350	(15,960)
Other Operating Expenses	99,701	172,988	99,701	172,988	(73,287)
Insurance	41,867	48,258	41,867	48,258	(6,391)
Depreciation & Amortization	137,058	137,253	137,058	137,253	(195)
Client Purchased Services	<u>97,407</u>	<u>50,000</u>	<u>97,407</u>	<u>50,000</u>	<u>47,407</u>
<b>TOTAL EXPENSES</b>	<b>4,700,052</b>	<b>4,884,597</b>	<b>4,700,052</b>	<b>4,884,597</b>	<b>(184,545)</b>
<b>EXCESS REVENUE (EXPENSE)</b>	<b>2,757</b>	<b>49,470</b>	<b>2,757</b>	<b>49,470</b>	<b>(46,712)</b>

**North Central Health Care  
Write-Off Summary  
January 2015**

	<u>Current Month</u>	<u>Current Year To Date</u>	<u>Prior Year To Date</u>
<b><i>Inpatient:</i></b>			
Administrative Write-Off	\$0	\$0	\$0
Bad Debt	\$0	\$0	\$0
<b><i>Outpatient:</i></b>			
Administrative Write-Off	\$7,141	\$7,141	(\$1,384)
Bad Debt	\$30	\$30	\$18,544
<b><i>Nursing Home:</i></b>			
Daily Services:			
Administrative Write-Off	\$0	\$0	\$58
Bad Debt	\$2,507	\$2,507	(\$5)
Ancillary Services:			
Administrative Write-Off	\$0	\$0	\$289
Bad Debt	\$0	\$0	\$0
<b>Pharmacy:</b>			
Administrative Write-Off	\$0	\$0	\$0
Bad Debt	\$0	\$0	\$0
<b>Total - Administrative Write-Off</b>	<b>\$7,140.71</b>	<b>\$7,141.00</b>	<b>(\$1,037.00)</b>
<b>Total - Bad Debt</b>	<b>\$2,536.70</b>	<b>\$2,537.00</b>	<b>\$18,539.00</b>

**North Central Health Care  
2015 Patient Days**

<u>Month</u>		<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budgeted Occupancy</u>	<u>Actual Occupancy</u>
<b>January</b>	Nursing Home Hospital	6,603 403	6,500 403	(103) 0	88.75% 81.25%	87.37% 81.25%
<b>February</b>	Nursing Home Hospital					
<b>March</b>	Nursing Home Hospital					
<b>April</b>	Nursing Home Hospital					
<b>May</b>	Nursing Home Hospital					
<b>June</b>	Nursing Home Hospital					
<b>July</b>	Nursing Home Hospital					
<b>August</b>	Nursing Home Hospital					
<b>September</b>	Nursing Home Hospital					
<b>October</b>	Nursing Home Hospital					
<b>November</b>	Nursing Home Hospital					
<b>December</b>	Nursing Home Hospital					

North Central Health Care  
Analysis of Leased Space-2014

	Lakeview Professional Plaza	Health Department:	ADRC:
Rental Income:		\$138,344	\$80,800
Marathon County Special Ed	\$50,222		
Community Care of Central WI	\$243,061		
<b>Total Rental Income</b>	<b>\$293,283</b>		
Utilities	\$43,418	\$33,146	\$46,492
Maintenance	\$7,152	\$18,396	\$25,803
Housekeeping	\$89,776	\$30,358	\$36,480
Other (supplies, garbage pick up etc)	\$2,000	\$3,400	\$4,700
Additional Maint. Time requested		\$3,062	\$2,995
Administration (7%)		\$6,185	\$8,363
Depreciation		\$75,000	\$30,000
<b>Total Expenses</b>	<b>\$142,346</b>	<b>\$169,547</b>	<b>\$154,833</b>
<b>Excess Rental Income/(Expense)</b>	<b>\$150,937</b>	<b>(\$31,203)</b>	<b>(\$74,033)</b>

**North Central Health Care  
Review of Pharmacy Services-2014**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>Revenue:</b>			
Client Revenue	\$4,062,563	\$4,109,000	(\$46,437)
Other	\$10,198	\$23,900	(\$13,702)
<b>Total Revenue</b>	<b>\$4,072,761</b>	<b>\$4,132,900</b>	<b>(\$60,139)</b>
 <b>Expenses:</b>			
Salaries	\$651,675	\$683,867	\$32,192
Benefits	\$255,635	\$281,386	\$25,751
Other Direct Expenses	\$2,599,699	\$2,569,600	(\$30,099)
Indirect Allocation	\$490,130	\$470,057	(\$20,073)
<b>Total Expenses</b>	<b>\$3,997,139</b>	<b>\$4,004,910</b>	<b>\$7,771</b>
 <b>Excess Revenue (Expenses)</b>	 <b>\$75,622</b>	 <b>\$127,990</b>	 <b>(\$52,368)</b>





# 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