



## 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 North Central Health Care-Wausau Badger Room, 1100 Lake View Drive, Wausau, WI 54403 at 11:00 AM, on Thursday, February 25<sup>th</sup>, 2016.

*(In addition to attendance in person at the location described above, Committee members and the public are invited to attend by telephone conference. Persons wishing to attend the meeting by phone should contact Debbie Osowski at 715-848-4405 24 hours prior to the meeting start time for further instructions.)*

### AGENDA

1. Call to order
  2. Minutes of 12/17/2015 Finance, Personnel & Property Committee meeting
    - a. Action: approve minutes
  3. December and January financials
    - a. Action: approve financial statements
    - b. Write-offs (report only; no action)
  4. CFO Report
  5. Annual review of Investment Policy
  6. Capital Funding Policy
    - a. Action: approve Capital Funding Policy
  7. Update: 2015 Audit
    - a. Review/discussion of additional/modified information for the audit report
  8. Future agendas
  9. Adjourn
- Action may be taken on any agenda item.
- 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/Michael Loy  
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: 02-19-2016      TIME: 11:00 a.m.  
VIA: x FAX x MAIL      BY: D. Osowski

THIS NOTICE POSTED AT:  
NORTH CENTRAL HEALTH CARE  
DATE: 02-19-2016      Time: 11:00 a.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 848-4405. For TDD telephone service, call 845-4928.

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

December 17, 2015

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, Michael Loy, Debbie Osowski

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

Minutes

**Motion**/second, Nye/Robinson, to approve the minutes of the 11/19/15 Finance, Personnel & Property Committee meeting. Motion carried.

Financials

- Investments increased.
- Accounts receivable was up slightly which was anticipated with ICD-10 implementation on 10/1/15.
- NetSmart has been onsite working on the billing system; billing has been caught up through October. NetSmart will return the week of January 18.
- Revenues:
  - Showed a small gain for the month of November; revenues were close to target.
  - Nursing home consistent with 207 census.
  - Medicare census increased to 21 with target of 26; today average is 23.
  - Hospital average is at 14 with a target of 13.
  - Overall revenue is slightly above target.
- Expenses:
  - Expenses were over budget for several months but there has been improvement.
  - Salaries overall are close to budget.
  - Expenses are down in support areas.
  - Expenses overall are below target.
  - Direct areas include additional positions for criminal justice system.
  - Contracted expenses will be finishing up in the nursing home.
- **Motion**/second, Nye/Zriny, to approve the monthly financial statements. Motion carried.

Write-offs

- Anticipate December could be higher as compared to previous two months; much work continues to be done to clean up however, numbers are small.

- Changing from private pay to Medicaid is a challenge in the nursing home; educating families on the process is an important step for a timely transition; one staff member in enrollment services is dedicated to assist families with the applications and process.

#### CFO report

- Associated Bank is requesting a verification of 'authorized signatures' on our accounts.
- **Motion**/second, Zriny/Weaver, to approve the CFO and CEO as the authorized signers for the NCHC bank accounts. CFO may also designate Business Operations Director on some accounts. Motion carried.
- Working with the IT consultant; anticipating their recommendations in mid-January.

#### Financial targets for 2016 Dashboard

- Full review of the Dashboard will be provided in the Board meeting today.
- Two target changes for 2016 are being recommended:
  - Direct Expense/Gross Revenue: 58-62. Based on budget, higher than 2015 targets.
  - Days in Accounts Receivable currently is 55-60 days; based on industry standard. Our current target is 66.
- **Motion**/second, Zriny/Weaver, to approve the changes in targets for: Days in AR to 60-65, and 58-62 for Direct Expense/Gross Revenue. Motion carried.

#### 2015 employee incentives

- Incentive program criteria was reviewed and discussed.
- **Motion**/second, Olkowski/Nye, there will not be an employee incentive provided as the criteria has not been met. Motion carried.

#### 2015 Audit Report GASB 68

- Governmental Accounting Standards Board 68 (GASB 68) has a required change regarding pension and reporting.
- Audit report will show 10 years' worth of information.

#### Drill down data on state institutions

- Defer review and presentation at Board meeting

#### Future agenda items

- Committee and Board orientation relative to fund balances and appropriations
- Marathon County Board education i.e. 'walk through financials'

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

*dko*



## MEMO

**TO:** North Central Health Care Finance Committee  
**FROM:** Brenda Glodowski  
**DATE:** January 22, 2016  
**RE:** Attached Financials

Attached 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**

As was reviewed at the Finance Committee meeting last month, there is a new guideline, GASB 68: Accounting and Reporting for Pensions, that needs to be incorporated into the audit report. This reporting change has been incorporated into the preliminary Balance Sheet.

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

The month of December shows a gain of \$256,529 compared to a budgeted loss of (\$81,995) resulting in a positive variance of \$338,524.

The hospital census averaged just over 11 patients per day, which is lower than previous months. The target for the hospital census is 13 per day. The nursing home census averaged just under 209 per day, which is an improvement over the prior months. The target is 213 per day. The Medicare census also improved, averaging a census of 23 per day. The target is 26 per day.

There were some settlements received in December for prior year cost reports and the annual WIMCR (Wisconsin Medicaid Cost Reporting) program which contributed to approximately \$400,000 of revenue. The third and fourth quarter nursing home Medicaid rate adjustment was received, which results in a receivable of over \$75,000. Also, the yearend settlement is recorded for NCHC's managing the LVPP building. The agreement that is in place with Marathon County for this is to record the revenue in Marathon County Appropriation so the proceeds flow back into their fund balance. This is \$163,000 for 2015.

Overall expenses were significantly over budget for December. Some areas that exceeded budget targets were recruitment by \$45,000, staffing contracts by \$174,000, state institutes by \$136,000, psychiatry contracts by \$57,000, equipment rental by \$19,000, drugs by \$75,000, and contracted services by \$56,000. Other overages, such as supplies, were scattered throughout different programs.

The preliminary year end results show an overall gain \$662,556. These are preliminary financial reports and may change a bit while working through the audit process.

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

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

	<u>51.42/.437</u> <u>PROGRAM</u>	NURSING <u>HOME</u>	<u>TOTAL</u>	<u>TOTAL</u> <u>31-Dec-14</u>
<b>Current Assets:</b>				
Cash and Equivalents	5,659,863	93,078	5,752,942	5,783,548
Short-Term Investments	9,800,000		9,800,000	8,043,885
Cash Approved for Capital Purchases	1,383,364	302,864	1,686,228	1,256,115
Donated Funds	159,689		159,689	183,269
<b>Accounts Receivable:</b>				
Patient - Net	4,125,257	3,719,198	7,844,454	7,829,361
State Grants	106,642		106,642	79,848
Other	1,381,320		1,381,320	577,507
Appropriations Receivable	69,173		69,173	0
Amounts Receivable From Third-Party Reimbursement Programs	475,000		475,000	1,371,000
Inventory	46,880	256,902	303,782	273,822
Other	<u>220,249</u>	<u>64,904</u>	<u>285,153</u>	<u>95,201</u>
Total Current Assets	<u>23,427,438</u>	<u>4,436,945</u>	<u>27,864,383</u>	<u>25,493,555</u>
<b>Noncurrent Assets:</b>				
Capital Assets	31,018,802	14,907,992	45,926,793	43,594,303
Accumulated Depreciation	<u>(22,935,282)</u>	<u>(10,986,415)</u>	<u>(33,921,697)</u>	<u>(32,348,237)</u>
Capital Assets - Net	8,083,520	3,921,577	12,005,097	11,246,066
Restricted Assets - Patient Trust Funds	25,900	40,359	66,259	56,276
Net Pension Assets	<u>4,846,938</u>	<u>0</u>	<u>4,846,938</u>	<u>0</u>
Total Noncurrent Assets	<u>12,956,359</u>	<u>3,961,935</u>	<u>16,918,294</u>	<u>11,302,342</u>
Deferred Outflows of Resources - Related to Pensions	<u>4,851,842</u>	<u>0</u>	<u>4,851,842</u>	<u>0</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>	<u>41,235,638</u>	<u>8,398,881</u>	<u>49,634,519</u>	<u>36,795,897</u>

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

	<u>51.42/.437</u> <u>PROGRAM</u>	<u>NURSING</u> <u>HOME</u>	<u>TOTAL</u>	<u>TOTAL</u> <u>31-Dec-14</u>
<b>Current Liabilities:</b>				
Accounts Payable	3,039,432	0	3,039,432	2,978,855
Third Party Payable	350,000	0	350,000	426,000
Appropriations Advances	0	0	0	0
<b>Accrued Liabilities:</b>				
Salaries and Retirement	1,417,581	0	1,417,581	1,211,993
Payroll Taxes and Withholdings	172,397	0	172,397	155,584
Compensated Absences	1,491,802	0	1,491,802	1,525,752
Other Payables	71,380	0	71,380	72,806
Deferred Revenue - State Grants	<u>1,140,065</u>	<u>0</u>	<u>1,140,065</u>	<u>686,444</u>
Total Current Liabilities	<u>7,682,658</u>	<u>0</u>	<u>7,682,658</u>	<u>7,057,434</u>
<b>Noncurrent Liabilities:</b>				
Patient Trust Funds	<u>25,900</u>	<u>40,359</u>	<u>66,259</u>	<u>56,195</u>
Total Liabilities	<u>7,708,559</u>	<u>40,359</u>	<u>7,748,917</u>	<u>7,113,629</u>
Deferred Inflows of Resources - Related to Pensions	<u>84,873</u>	<u>0</u>	<u>84,873</u>	<u>0</u>
<b>Net Assets:</b>				
Invested in Capital Assets	8,083,520	3,921,577	12,005,097	11,246,066
Unrestricted	14,619,509	4,910,053	19,529,563	17,797,734
Restricted - Pension Benefit	9,603,512	0	9,603,512	0
Operating Income / (Loss)	<u>1,135,665</u>	<u>(473,108)</u>	<u>662,557</u>	<u>638,469</u>
Total Net Assets	<u>33,442,206</u>	<u>8,358,522</u>	<u>41,800,729</u>	<u>29,682,268</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET ASSETS</b>	<u>41,235,638</u>	<u>8,398,881</u>	<u>49,634,519</u>	<u>36,795,897</u>

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

<b>TOTAL</b>	<b>CURRENT MONTH ACTUAL</b>	<b>CURRENT MONTH BUDGET</b>	<b>CURRENT MONTH VARIANCE</b>	<b>YTD ACTUAL</b>	<b>YTD BUDGET</b>	<b>YTD VARIANCE</b>
<b>Revenue:</b>						
Net Patient Service Revenue	<u>\$4,353,871</u>	<u>\$3,463,264</u>	<u>\$890,607</u>	<u>\$42,503,543</u>	<u>\$41,432,100</u>	<u>\$1,071,443</u>
<b>Other Revenue:</b>						
State Match / Addendum	325,773	325,120	654	3,901,436	3,901,436	(0)
Grant Revenue	236,827	184,111	52,716	2,424,060	2,208,489	215,571
County Appropriations - Net	899,810	730,192	169,618	8,998,367	8,762,305	236,062
Departmental and Other Revenue	<u>177,629</u>	<u>180,659</u>	<u>(3,029)</u>	<u>2,022,525</u>	<u>2,167,900</u>	<u>(145,375)</u>
Total Other Revenue	<u>1,640,040</u>	<u>1,420,081</u>	<u>219,958</u>	<u>17,346,388</u>	<u>17,040,130</u>	<u>306,258</u>
Total Revenue	5,993,910	4,883,346	1,110,565	59,849,930	58,472,230	1,377,700
<b>Expenses:</b>						
Direct Expenses	4,283,967	3,534,585	749,382	44,051,120	41,606,219	2,444,901
Indirect Expenses	<u>1,465,952</u>	<u>1,438,254</u>	<u>27,698</u>	<u>15,279,814</u>	<u>16,956,011</u>	<u>(1,676,197)</u>
Total Expenses	<u>5,749,919</u>	<u>4,972,839</u>	<u>777,080</u>	<u>59,330,934</u>	<u>58,562,230</u>	<u>768,704</u>
Operating Income (Loss)	<u>243,991</u>	<u>(89,493)</u>	<u>333,484</u>	<u>518,996</u>	<u>(90,000)</u>	<u>608,996</u>
<b>Nonoperating Gains (Losses):</b>						
Interest Income	8,469	7,500	969	78,556	90,000	(11,444)
Donations and Gifts	4,069	0	4,069	50,027	0	50,027
Gain / (Loss) on Disposal of Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,977</u>	<u>0</u>	<u>14,977</u>
Total Nonoperating Gains / (Losses)	<u>12,538</u>	<u>7,500</u>	<u>5,038</u>	<u>143,560</u>	<u>90,000</u>	<u>53,560</u>
Operating Income / (Loss)	<u>\$256,529</u>	<u>(\$81,993)</u>	<u>\$338,522</u>	<u>\$662,556</u>	<u>\$0</u>	<u>\$662,556</u>

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

<b>51.42/.437 PROGRAMS</b>	<b>CURRENT MONTH ACTUAL</b>	<b>CURRENT MONTH BUDGET</b>	<b>CURRENT MONTH VARIANCE</b>	<b>YTD ACTUAL</b>	<b>YTD BUDGET</b>	<b>YTD VARIANCE</b>
<b>Revenue:</b>						
Net Patient Service Revenue	<u>\$1,878,800</u>	<u>\$1,421,583</u>	<u>\$457,217</u>	<u>\$17,874,052</u>	<u>\$17,239,500</u>	<u>\$634,552</u>
<b>Other Revenue:</b>						
State Match / Addendum	325,773	325,120	654	3,901,436	3,901,436	(0)
Grant Revenue	236,827	184,111	52,716	2,424,060	2,208,489	215,571
County Appropriations - Net	758,144	588,525	169,619	7,298,374	7,062,305	236,069
Departmental and Other Revenue	<u>151,942</u>	<u>145,825</u>	<u>6,117</u>	<u>1,521,123</u>	<u>1,749,901</u>	<u>(228,778)</u>
Total Other Revenue	<u>1,472,686</u>	<u>1,243,581</u>	<u>229,105</u>	<u>15,144,993</u>	<u>14,922,131</u>	<u>222,862</u>
Total Revenue	3,351,486	2,665,164	686,322	33,019,045	32,161,631	857,414
<b>Expenses:</b>						
Direct Expenses	2,404,356	1,949,972	454,384	24,142,923	22,909,906	1,233,017
Indirect Expenses	<u>807,828</u>	<u>792,390</u>	<u>15,438</u>	<u>7,877,182</u>	<u>9,341,725</u>	<u>(1,464,543)</u>
Total Expenses	<u>3,212,184</u>	<u>2,742,362</u>	<u>469,822</u>	<u>32,020,105</u>	<u>32,251,631</u>	<u>(231,526)</u>
Operating Income (Loss)	<u>139,303</u>	<u>(77,198)</u>	<u>216,500</u>	<u>998,940</u>	<u>(90,000)</u>	<u>1,088,940</u>
<b>Nonoperating Gains (Losses):</b>						
Interest Income	8,469	7,500	969	78,556	90,000	(11,444)
Donations and Gifts	3,825	0	3,825	43,192	0	43,192
Gain / (Loss) on Disposal of Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,977</u>	<u>0</u>	<u>14,977</u>
Total Nonoperating Gains / (Losses)	<u>12,294</u>	<u>7,500</u>	<u>4,794</u>	<u>136,725</u>	<u>90,000</u>	<u>46,725</u>
Operating Income / (Loss)	<u>\$151,597</u>	<u>(\$69,698)</u>	<u>\$221,294</u>	<u>\$1,135,665</u>	<u>\$0</u>	<u>\$1,135,664</u>



**NORTH CENTRAL HEALTH CARE  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
FOR PERIOD ENDING DECEMBER 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>\$2,475,071</u>	<u>\$2,041,681</u>	<u>\$433,390</u>	<u>\$24,629,491</u>	<u>\$24,192,600</u>	<u>\$436,891</u>
Other Revenue:						
County Appropriations - Net	141,666	141,667	(1)	1,699,993	1,700,000	(7)
Departmental and Other Revenue	<u>25,687</u>	<u>34,833</u>	<u>(9,146)</u>	<u>501,402</u>	<u>417,999</u>	<u>83,403</u>
Total Other Revenue	<u>167,353</u>	<u>176,500</u>	<u>(9,147)</u>	<u>2,201,395</u>	<u>2,117,999</u>	<u>83,396</u>
Total Revenue	2,642,423	2,218,181	424,243	26,830,886	26,310,599	520,287
Expenses:						
Direct Expenses	1,879,611	1,584,613	294,998	19,908,197	18,696,313	1,211,884
Indirect Expenses	<u>658,124</u>	<u>645,864</u>	<u>12,260</u>	<u>7,402,632</u>	<u>7,614,286</u>	<u>(211,654)</u>
Total Expenses	<u>2,537,735</u>	<u>2,230,477</u>	<u>307,258</u>	<u>27,310,829</u>	<u>26,310,599</u>	<u>1,000,230</u>
Operating Income (Loss)	<u>104,688</u>	<u>(12,296)</u>	<u>116,984</u>	<u>(479,944)</u>	<u>(0)</u>	<u>(479,944)</u>
Nonoperating Gains (Losses):						
Interest Income	0	0	0	0	0	0
Donations and Gifts	244	0	244	6,836	0	6,836
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>244</u>	<u>0</u>	<u>244</u>	<u>6,836</u>	<u>0</u>	<u>6,836</u>
Operating Income / (Loss)	<u>\$104,932</u>	<u>(\$12,296)</u>	<u>\$117,228</u>	<u>(\$473,108)</u>	<u>(\$0)</u>	<u>(\$473,108)</u>

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

BANK	LENGTH	MATURITY DATE	INTEREST RATE	AMOUNT
Abby Bank	183 Days	01/05/2016	0.65%	\$500,000
People's State Bank	365 Days	02/28/2016	0.45%	\$250,000
Abby Bank	365 Days	03/15/2016	0.65%	\$400,000
People's State Bank	365 Days	04/29/2016	0.50%	\$350,000
People's State Bank	365 Days	04/30/2016	0.50%	\$500,000
Abby Bank	365 Days	05/03/2016	0.50%	\$500,000
BMO Harris	395 Days	05/28/2016	0.30%	\$500,000
Abby Bank	365 Days	07/19/2016	0.75%	\$500,000
People's State Bank	365 Days	08/21/2016	0.50%	\$500,000
BMO Harris	395 Days	08/26/2016	0.50%	\$500,000
Abby Bank	365 Days	08/29/2016	0.75%	\$500,000
Abby Bank	456 Days	09/01/2016	0.95%	\$500,000
CoVantage Credit Union	456 Days	09/01/2016	1.00%	\$500,000
People's State Bank	365 Days	10/30/2016	0.55%	\$500,000
Abby Bank	730 Days	02/25/2017	0.80%	\$500,000
CoVantage Credit Union	455 Days	03/30/2017	1.00%	\$500,000
CoVantage Credit Union	578 Days	05/07/2017	1.05%	\$500,000
CoVantage Credit Union	578 Days	07/28/2017	1.10%	\$300,000
Abby Bank	730 Days	10/29/2017	1.10%	\$500,000
CoVantage Credit Union	730 Days	11/18/2017	1.10%	\$500,000
Abby Bank	730 Days	12/30/2017	1.10%	\$500,000
TOTAL FUNDS AVAILABLE				\$9,800,000
WEIGHTED AVERAGE	483.15 Days		0.786% INTEREST	

# NCHC-DONATED FUNDS

## Balance Sheet

As of December 31, 2015

### ASSETS

#### Current Assets

##### Checking/Savings

##### CHECKING ACCOUNT

Adult Day Services	5,180.38
Adventure Camp	798.41
Birth to 3 Program	2,035.00
Clubhouse	22,254.79
Community Treatment	10,666.86
Fishing Without Boundries	2,663.00
General Donated Funds	69,565.35
Housing - DD Services	1,370.47
Langlade HCC	3,226.33
Legacies by the Lake	
Music in Memory	1,848.25
Legacies by the Lake - Other	4,272.11
Total Legacies by the Lake	6,120.36
Marathon Cty Suicide Prev Task	11,850.53
National Suicide Lifeline Stipe	3,176.37
Northern Valley West	1,966.00
Nursing Home - General Fund	2,639.26
Outpatient Services - Marathon	101.08
Pool	12,201.69
Prevent Suicide Langlade Co.	2,444.55
Resident Council	111.05
United Way	1,159.34

Total CHECKING ACCOUNT 159,530.82

Total Checking/Savings 159,530.82

Total Current Assets 159,530.82

**TOTAL ASSETS 159,530.82**

### LIABILITIES & EQUITY

#### Equity

Opening Bal Equity	123,523.75
Retained Earnings	59,745.02
Net Income	-23,737.95

Total Equity 159,530.82

**TOTAL LIABILITIES & EQUITY 159,530.82**

## North Central Health Care Budget Revenue/Expense Report

Month Ending December 31, 2015

ACCOUNT DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	YTD ACTUAL	YTD BUDGET	DIFFERENCE
<b><u>REVENUE:</u></b>					
TOTAL NET REVENUE	5,993,910	4,883,346	59,849,930	58,472,230	1,377,700
<b><u>EXPENSES:</u></b>					
Salaries and Wages	2,629,608	2,482,220	28,098,458	29,066,697	(968,239)
Fringe Benefits	886,451	1,010,376	10,739,999	11,832,000	(1,092,001)
Departments Supplies	644,401	432,217	6,503,099	5,180,100	1,322,999
Purchased Services	407,053	278,725	4,122,505	3,330,700	791,805
Utilitites/Maintenance Agreements	578,859	320,488	4,254,568	3,766,574	487,994
Personal Development/Travel	43,867	40,350	437,062	484,200	(47,138)
Other Operating Expenses	180,300	172,987	1,590,555	2,075,859	(485,304)
Insurance	38,870	48,258	502,180	579,100	(76,920)
Depreciation & Amortization	180,802	137,216	1,730,582	1,647,000	83,582
Client Purchased Services	<u>159,707</u>	<u>50,000</u>	<u>1,351,927</u>	<u>600,000</u>	<u>751,927</u>
<b>TOTAL EXPENSES</b>	<b>5,749,919</b>	<b>4,972,838</b>	<b>59,330,934</b>	<b>58,562,230</b>	<b>768,704</b>
<b>EXCESS REVENUE (EXPENSE)</b>	<b>243,991</b>	<b>(89,493)</b>	<b>518,996</b>	<b>(90,000)</b>	<b>608,996</b>

**North Central Health Care  
Write-Off Summary  
December 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	\$12,922	\$174,044	\$26,892
Bad Debt	\$0	\$2,558	\$4,274
<b><i>Outpatient:</i></b>			
Administrative Write-Off	\$18,637	\$163,475	\$112,419
Bad Debt	\$713	\$4,489	\$20,291
<b><i>Nursing Home:</i></b>			
Daily Services:			
Administrative Write-Off	(\$6,500)	\$33,875	\$16,755
Bad Debt	\$17,987	\$43,296	\$12,626
Ancillary Services:			
Administrative Write-Off	(\$26,772)	\$35,833	\$15,335
Bad Debt	\$978	\$1,393	\$11,128
<b>Pharmacy:</b>			
Administrative Write-Off	\$0	\$0	\$0
Bad Debt	\$0	\$0	\$0
<b>Total - Administrative Write-Off</b>	(\$1,713.11)	\$407,226.15	\$171,401.00
<b>Total - Bad Debt</b>	\$19,676.82	\$51,735.52	\$48,319.00

**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	6,603	6,500	(103)	88.75%	87.37%
	Hospital	403	403	0	81.25%	81.25%
<b>February</b>	Nursing Home	5,964	6,007	43	88.75%	89.39%
	Hospital	364	446	82	81.25%	99.55%
<b>March</b>	Nursing Home	6,603	6,607	4	88.75%	88.80%
	Hospital	403	439	36	81.25%	88.51%
<b>April</b>	Nursing Home	6,390	6,162	(228)	88.75%	85.58%
	Hospital	390	403	13	81.25%	83.96%
<b>May</b>	Nursing Home	6,603	6,301	(302)	88.75%	84.69%
	Hospital	403	440	37	81.25%	88.71%
<b>June</b>	Nursing Home	6,390	6,115	(275)	88.75%	84.93%
	Hospital	390	420	30	81.25%	87.50%
<b>July</b>	Nursing Home	6,603	6,380	(223)	88.75%	85.75%
	Hospital	403	428	25	81.25%	86.29%
<b>August</b>	Nursing Home	6,603	6,604	1	88.75%	88.76%
	Hospital	403	436	33	81.25%	87.90%
<b>September</b>	Nursing Home	6,390	6,257	(133)	88.75%	86.90%
	Hospital	390	455	65	81.25%	94.79%
<b>October</b>	Nursing Home	6,603	6,415	(188)	88.75%	86.22%
	Hospital	403	497	94	81.25%	100.20%
<b>November</b>	Nursing Home	6,390	6,227	(163)	88.75%	86.49%
	Hospital	390	439	49	81.25%	91.46%
<b>December</b>	Nursing Home	6,603	6,464	(139)	88.75%	86.88%
	Hospital	403	347	(56)	81.25%	69.96%

**North Central Health Care  
Finance Committee-Analysis  
Calendar Year: 2015**

	Target	January	February	March	April	May	June	July	August	September	October	November	December	YTD
<b>Days Cash On Hand:</b>														
Invested		61	62	62	60	61	62	60	58	53	54	62	53	61
Operating		48	36	33	47	46	46	40	31	41	43	31	27	31
Total	70	109	98	95	107	107	108	100	89	94	97	93	80	92
<b>Average Daily Census:</b>														
Nursing Home	213	210	215	213	205	203	204	206	213	209	207	207	209	208
Hospital	13	13	16	14	13	14	14	14	14	15	16	14	11	14
<b>Days in Accounts Receivable:**</b>	55-60 days	80	79	75	72	71	67	67	66	63	65	66	68	68
<b>Direct Expense/Gross Patient Revenue**</b>	55%-59%	61%	51%	59%	62%	65%	60%	65%	69%	65%	61%	65%	75%	63%
<b>Write Offs**</b>	.5%-.6%	0.18%	0.27%	0.32%	0.16%	0.59%	0.42%	0.46%	1.20%	1.30%	1.90%	2.10%	0.36%	0.60%
<b>Excess Revenue (Expense):</b>														
Actual		\$10,895	\$590,281	\$28,969	\$107,200	\$287,468	\$550,567	(\$427,189)	(\$385,697)	(\$188,447)	(\$251,721)	\$83,701	\$256,529	\$662,556
Budget		\$56,970	\$117,322	(\$12,015)	\$57,582	(\$82,358)	\$62,582	(\$9,938)	(\$46,385)	(\$687)	(\$22,938)	(\$38,136)	(\$81,994)	\$0
Prior Year-Actual		\$124,183	\$12,296	\$31,615	(\$294,589)	(\$17,820)	\$258,622	(\$46,087)	\$41,912	\$236,191	(\$256,783)	\$228,748	\$320,180	\$638,468

\*\*Dash Board Outcomes



## MEMO

**TO:** North Central Health Care Finance Committee  
**FROM:** Brenda Glodowski  
**DATE:** February 19, 2016  
**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**

This area remained consistent with prior months.

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

The month of January shows a loss of \$385,756 compared to a budgeted loss of \$11,690 resulting in a negative variance of \$374,067.

Revenue fell below targets in several areas for January. The hospital census averaged 13 patients per day compared to the target of 14. The nursing home census averaged 208 per day compared to the target of 210. The nursing home Medicare census averaged 24 per day compared to the target of 23. This helps improve the nursing home daily revenue. The nursing home ancillary areas, however, fell below targets. Outpatient continues to fall below target due to staff vacancies.

Overall expenses exceeded budget targets. Most of the support programs were below target, but several of the direct areas exceeded targets. Salaries were over budget in the hospital and nursing home. There is also contract staffing in the hospital for January. State institutes are high for January as well as food, drugs, and recruitment.

Leadership will be working through plans to bring expenses back in line with revenues.

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



**NORTH CENTRAL HEALTH CARE  
COMBINING STATEMENT OF NET ASSETS  
JANUARY 2016**

	<u>51.42/.437 PROGRAM</u>	<u>NURSING HOME</u>	<u>TOTAL</u>	<u>TOTAL 31-Jan-15</u>
<b>Current Assets:</b>				
Cash and Equivalents	6,390,675	(595,552)	5,795,124	7,358,888
Short-Term Investments	9,800,000	0	9,800,000	7,004,735
Cash Approved for Capital Purchases	2,094,854	991,494	3,086,348	2,295,265
Donated Funds	157,725	0	157,725	183,884
<b>Accounts Receivable:</b>				
Patient - Net	3,912,966	3,981,048	7,894,014	8,500,969
State Grants	75,042	0	75,042	74,275
Other	102,774	0	102,774	481,093
Appropriations Receivable	85,299	0	85,299	56,039
Amounts Receivable From				
Third-Party Reimbursement Programs	480,000	150,000	630,000	540,499
Inventory	46,880	256,655	303,535	273,822
Other	<u>903,529</u>	<u>64,904</u>	<u>968,433</u>	<u>479,344</u>
<b>Total Current Assets</b>	<u>24,049,746</u>	<u>4,848,548</u>	<u>28,898,294</u>	<u>27,248,814</u>
<b>Noncurrent Assets:</b>				
Capital Assets	31,069,639	14,925,001	45,994,640	43,762,242
Accumulated Depreciation	<u>(23,036,002)</u>	<u>(11,022,152)</u>	<u>(34,058,153)</u>	<u>(32,485,295)</u>
Capital Assets - Net	8,033,638	3,902,849	11,936,487	11,276,946
Restricted Assets - Patient Trust Funds	25,902	31,956	57,857	<u>56,665</u>
Net Pension Assets	<u>4,846,938</u>	<u>0</u>	<u>4,846,938</u>	<u>0</u>
<b>Total Noncurrent Assets</b>	<u>12,906,477</u>	<u>3,934,805</u>	<u>16,841,282</u>	<u>11,333,612</u>
Deferred Outflows of Resources - Related to Pensions	<u>4,851,842</u>	<u>0</u>	<u>4,851,842</u>	<u>0</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>	<u>41,808,065</u>	<u>8,783,353</u>	<u>50,591,418</u>	<u>38,582,426</u>

**NORTH CENTRAL HEALTH CARE  
COMBINING STATEMENT OF NET ASSETS  
JANUARY 2016**

	<u>51.42/.437 PROGRAM</u>	<u>NURSING HOME</u>	<u>TOTAL</u>	<u>TOTAL 31-Jan-15</u>
<b>Current Liabilities:</b>				
Accounts Payable	3,104,763	0	3,104,763	3,458,249
Third Party Payable	366,667	0	366,667	390,000
Appropriations Advances	1,299,112	0	1,299,112	1,348,859
<b>Accrued Liabilities:</b>				
Salaries and Retirement	1,684,586	0	1,684,586	1,455,149
Payroll Taxes and Withholdings	178,199	0	178,199	169,991
Compensated Absences	1,497,936	0	1,497,936	1,526,267
Other Payables	71,380	0	71,380	72,806
Deferred Revenue - State Grants	<u>831,850</u>	<u>0</u>	<u>831,850</u>	<u>411,357</u>
Total Current Liabilities	<u>9,034,493</u>	<u>0</u>	<u>9,034,493</u>	<u>8,832,678</u>
<b>Noncurrent Liabilities:</b>				
Patient Trust Funds	<u>25,902</u>	<u>31,956</u>	<u>57,857</u>	<u>56,584</u>
Total Liabilities	<u>9,060,394</u>	<u>31,956</u>	<u>9,092,350</u>	<u>8,889,262</u>
Deferred Inflows of Resources - Related to Pensions	<u>84,873</u>	<u>0</u>	<u>84,873</u>	<u>0</u>
<b>Net Assets:</b>				
Invested in Capital Assets	8,033,638	3,902,849	11,936,487	11,276,946
Unrestricted	15,046,727	5,213,226	20,259,953	18,405,323
Restricted - Pension Benefit	9,603,512	0	9,603,512	<u>0</u>
Operating Income / (Loss)	<u>(21,079)</u>	<u>(364,678)</u>	<u>(385,757)</u>	<u>10,895</u>
Total Net Assets	<u>32,662,797</u>	<u>8,751,397</u>	<u>41,414,195</u>	<u>29,693,165</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET ASSETS</b>	<u>41,808,065</u>	<u>8,783,353</u>	<u>50,591,418</u>	<u>38,582,426</u>

**NORTH CENTRAL HEALTH CARE  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
FOR PERIOD ENDING JANUARY 31, 2016**

<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>\$3,444,072</u>	<u>\$3,598,770</u>	<u>(\$154,698)</u>	<u>\$3,444,072</u>	<u>\$3,598,770</u>	<u>(\$154,698)</u>
<b>Other Revenue:</b>						
State Match / Addendum	324,658	325,120	(462)	324,658	325,120	(462)
Grant Revenue	193,239	190,628	2,610	193,239	190,628	2,610
County Appropriations - Net	740,619	740,566	53	740,619	740,566	53
Departmental and Other Revenue	<u>161,401</u>	<u>200,733</u>	<u>(39,332)</u>	<u>161,401</u>	<u>200,733</u>	<u>(39,332)</u>
Total Other Revenue	<u>1,419,917</u>	<u>1,457,047</u>	<u>(37,130)</u>	<u>1,419,917</u>	<u>1,457,047</u>	<u>(37,130)</u>
Total Revenue	4,863,989	5,055,818	(191,828)	4,863,989	5,055,817	(191,828)
<b>Expenses:</b>						
Direct Expenses	3,937,586	3,639,744	297,842	3,937,586	3,639,744	297,842
Indirect Expenses	<u>1,324,510</u>	<u>1,435,264</u>	<u>(110,753)</u>	<u>1,324,510</u>	<u>1,435,264</u>	<u>(110,753)</u>
Total Expenses	<u>5,262,096</u>	<u>5,075,008</u>	<u>187,088</u>	<u>5,262,096</u>	<u>5,075,008</u>	<u>187,088</u>
Operating Income (Loss)	<u>(398,107)</u>	<u>(19,190)</u>	<u>(378,917)</u>	<u>(398,107)</u>	<u>(19,191)</u>	<u>(378,916)</u>
<b>Nonoperating Gains (Losses):</b>						
Interest Income	9,673	7,500	2,173	9,673	7,500	2,173
Donations and Gifts	2,678	0	2,678	2,678	0	2,678
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>12,351</u>	<u>7,500</u>	<u>4,851</u>	<u>12,351</u>	<u>7,500</u>	<u>4,851</u>
Operating Income / (Loss)	<u>(\$385,756)</u>	<u>(\$11,690)</u>	<u>(\$374,067)</u>	<u>(\$385,756)</u>	<u>(\$11,691)</u>	<u>(\$374,066)</u>

**NORTH CENTRAL HEALTH CARE  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
FOR PERIOD ENDING JANUARY 31, 2016**

<b>51.42/.437 PROGRAMS</b>	CURRENT MONTH <u>ACTUAL</u>	CURRENT MONTH <u>BUDGET</u>	CURRENT MONTH <u>VARIANCE</u>	YTD <u>ACTUAL</u>	YTD <u>BUDGET</u>	YTD <u>VARIANCE</u>
Revenue:						
Net Patient Service Revenue	\$1,520,761	\$1,512,397	\$8,363	\$1,520,761	\$1,512,397	\$8,363
Other Revenue:						
State Match / Addendum	324,658	325,120	(462)	324,658	325,120	(462)
Grant Revenue	193,239	190,628	2,610	193,239	190,628	2,610
County Appropriations - Net	598,953	598,899	54	598,953	598,899	54
Departmental and Other Revenue	<u>122,463</u>	<u>169,437</u>	<u>(46,975)</u>	<u>122,463</u>	<u>169,437</u>	<u>(46,975)</u>
Total Other Revenue	<u>1,239,312</u>	<u>1,284,084</u>	<u>(44,772)</u>	<u>1,239,312</u>	<u>1,284,084</u>	<u>(44,772)</u>
Total Revenue	2,760,073	2,796,482	(36,409)	2,760,073	2,796,482	(36,409)
Expenses:						
Direct Expenses	2,089,898	2,012,371	77,527	2,089,898	2,012,371	77,527
Indirect Expenses	<u>703,051</u>	<u>820,667</u>	<u>(117,615)</u>	<u>703,051</u>	<u>820,667</u>	<u>(117,615)</u>
Total Expenses	<u>2,792,949</u>	<u>2,833,037</u>	<u>(40,088)</u>	<u>2,792,949</u>	<u>2,833,037</u>	<u>(40,088)</u>
Operating Income (Loss)	<u>(32,876)</u>	<u>(36,556)</u>	<u>3,679</u>	<u>(32,876)</u>	<u>(36,556)</u>	<u>3,679</u>
Nonoperating Gains (Losses):						
Interest Income	9,673	7,500	2,173	9,673	7,500	2,173
Donations and Gifts	2,125	0	2,125	2,125	0	2,125
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>11,797</u>	<u>7,500</u>	<u>4,297</u>	<u>11,797</u>	<u>7,500</u>	<u>4,297</u>
Operating Income / (Loss)	<u>(\$21,079)</u>	<u>(\$29,056)</u>	<u>\$7,977</u>	<u>(\$21,079)</u>	<u>(\$29,056)</u>	<u>\$7,977</u>

**NORTH CENTRAL HEALTH CARE  
COMBINING STATEMENT OF REVENUES AND EXPENSES  
FOR PERIOD ENDING JANUARY 31, 2016**

<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>\$1,923,312</u>	<u>\$2,086,373</u>	<u>(\$163,061)</u>	<u>\$1,923,312</u>	<u>\$2,086,373</u>	<u>(\$163,061)</u>
Other Revenue:						
County Appropriations - Net	141,666	141,667	(1)	141,666	141,667	(1)
Departmental and Other Revenue	<u>38,938</u>	<u>31,296</u>	<u>7,643</u>	<u>38,938</u>	<u>31,296</u>	<u>7,643</u>
Total Other Revenue	<u>180,604</u>	<u>172,962</u>	<u>7,642</u>	<u>180,604</u>	<u>172,962</u>	<u>7,642</u>
Total Revenue	2,103,915	2,259,335	(155,419)	2,103,916	2,259,335	(155,419)
Expenses:						
Direct Expenses	1,847,688	1,627,373	220,315	1,847,688	1,627,373	220,315
Indirect Expenses	<u>621,459</u>	<u>614,597</u>	<u>6,862</u>	<u>621,459</u>	<u>614,597</u>	<u>6,862</u>
Total Expenses	<u>2,469,147</u>	<u>2,241,971</u>	<u>227,176</u>	<u>2,469,147</u>	<u>2,241,971</u>	<u>227,176</u>
Operating Income (Loss)	<u>(\$365,232)</u>	<u>17,365</u>	<u>(\$382,596)</u>	<u>(\$365,231)</u>	<u>17,365</u>	<u>(\$382,596)</u>
Nonoperating Gains (Losses):						
Interest Income	0	0	0	0	0	0
Donations and Gifts	553	0	553	553	0	553
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>553</u>	<u>0</u>	<u>553</u>	<u>553</u>	<u>0</u>	<u>553</u>
Operating Income / (Loss)	<u>(\$364,679)</u>	<u>\$17,365</u>	<u>(\$382,043)</u>	<u>(\$364,678)</u>	<u>\$17,365</u>	<u>(\$382,042)</u>

NORTH CENTRAL HEALTH CARE  
 REPORT ON AVAILABILITY OF FUNDS  
 January 31, 2016

BANK	LENGTH	MATURITY DATE	INTEREST RATE	AMOUNT
People's State Bank	365 Days	02/28/2016	0.45%	\$250,000
Abby Bank	365 Days	03/15/2016	0.65%	\$400,000
People's State Bank	365 Days	04/29/2016	0.50%	\$350,000
People's State Bank	365 Days	04/30/2016	0.50%	\$500,000
Abby Bank	365 Days	05/03/2016	0.50%	\$500,000
BMO Harris	395 Days	05/28/2016	0.30%	\$500,000
Abby Bank	365 Days	07/19/2016	0.75%	\$500,000
People's State Bank	365 Days	08/21/2016	0.50%	\$500,000
BMO Harris	395 Days	08/26/2016	0.50%	\$500,000
Abby Bank	365 Days	08/29/2016	0.75%	\$500,000
Abby Bank	456 Days	09/01/2016	0.95%	\$500,000
CoVantage Credit Union	456 Days	09/01/2016	1.00%	\$500,000
People's State Bank	365 Days	10/30/2016	0.55%	\$500,000
Abby Bank	365 Days	01/06/2017	0.75%	\$500,000
Abby Bank	730 Days	02/25/2017	0.80%	\$500,000
CoVantage Credit Union	455 Days	03/30/2017	1.00%	\$500,000
CoVantage Credit Union	578 Days	05/07/2017	1.05%	\$500,000
CoVantage Credit Union	578 Days	07/28/2017	1.10%	\$300,000
Abby Bank	730 Days	10/29/2017	1.10%	\$500,000
CoVantage Credit Union	730 Days	11/18/2017	1.10%	\$500,000
Abby Bank	730 Days	12/30/2017	1.10%	\$500,000
TOTAL FUNDS AVAILABLE				\$9,800,000
WEIGHTED AVERAGE		473.82 Days	0.763% INTEREST	

# NCHC-DONATED FUNDS

## Balance Sheet

As of January 31, 2016

### ASSETS

#### Current Assets

##### Checking/Savings

##### CHECKING ACCOUNT

Adult Day Services	5,180.38
Adventure Camp	798.41
Birth to 3 Program	2,035.00
Clubhouse	22,723.66
Community Treatment	10,666.86
Fishing Without Boundries	2,663.00
General Donated Funds	69,455.35
Housing - DD Services	1,370.47
Langlade HCC	3,226.33
Legacies by the Lake	
Music in Memory	1,848.25
Legacies by the Lake - Other	4,390.11
Total Legacies by the Lake	6,238.36
Marathon Cty Suicide Prev Task	11,850.53
National Suicide Lifeline Stipe	3,176.37
Northern Valley West	1,966.00
Nursing Home - General Fund	2,541.99
Outpatient Services - Marathon	101.08
Pool	11,001.12
Prevent Suicide Langlade Co.	2,444.55
Resident Council	111.05

Total CHECKING ACCOUNT 157,550.51

Total Checking/Savings 157,550.51

Total Current Assets 157,550.51

**TOTAL ASSETS 157,550.51**

### LIABILITIES & EQUITY

#### Equity

Opening Bal Equity	123,523.75
Retained Earnings	35,991.07
Net Income	-1,964.31

Total Equity 157,550.51

**TOTAL LIABILITIES & EQUITY 157,550.51**

## North Central Health Care Budget Revenue/Expense Report

Month Ending January 31, 2016

ACCOUNT DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	YTD ACTUAL	YTD BUDGET	DIFFERENCE
<b><u>REVENUE:</u></b>					
TOTAL NET REVENUE	4,863,989	5,055,818	4,863,989	5,055,817	(191,828)
<b><u>EXPENSES:</u></b>					
Salaries and Wages	2,667,795	2,584,868	2,667,795	2,584,868	82,927
Fringe Benefits	959,807	957,530	959,807	957,530	2,277
Departments Supplies	480,623	466,527	480,623	466,527	14,096
Purchased Services	353,821	275,981	353,821	275,981	77,840
Utilitites/Maintenance Agreements	366,456	337,097	366,456	337,097	29,360
Personal Development/Travel	34,815	39,229	34,815	39,229	(4,415)
Other Operating Expenses	124,430	153,317	124,430	153,317	(28,887)
Insurance	35,593	47,292	35,593	47,292	(11,699)
Depreciation & Amortization	136,457	138,167	136,457	138,167	(1,710)
Client Purchased Services	<u>102,300</u>	<u>75,000</u>	<u>102,300</u>	<u>75,000</u>	<u>27,300</u>
<b>TOTAL EXPENSES</b>	<b>5,262,096</b>	<b>5,075,008</b>	<b>5,262,096</b>	<b>5,075,008</b>	<b>187,088</b>
<b>EXCESS REVENUE (EXPENSE)</b>	<b>(398,107)</b>	<b>(19,190)</b>	<b>(398,107)</b>	<b>(19,191)</b>	<b>(378,915)</b>



**North Central Health Care  
Write-Off Summary  
January 2016**

	<u>Current Month</u>	<u>Current Year To Date</u>	<u>Prior Year To Date</u>
<b><i>Inpatient:</i></b>			
Administrative Write-Off	(\$17,517)	(\$17,517)	\$0
Bad Debt	\$903	\$903	\$0
<b><i>Outpatient:</i></b>			
Administrative Write-Off	(\$17,754)	(\$17,754)	\$7,141
Bad Debt	\$690	\$690	\$30
<b><i>Nursing Home:</i></b>			
Daily Services:			
Administrative Write-Off	(\$3,477)	(\$3,477)	\$0
Bad Debt	\$2,952	\$2,952	\$2,507
Ancillary Services:			
Administrative Write-Off	(\$1,672)	(\$1,672)	\$0
Bad Debt	\$11	\$11	\$0
<b>Pharmacy:</b>			
Administrative Write-Off	\$0	\$0	\$0
Bad Debt	\$0	\$0	\$0
<b>Total - Administrative Write-Off</b>	(\$40,420.49)	(\$40,420.49)	\$7,141.00
<b>Total - Bad Debt</b>	\$4,554.75	\$4,554.75	\$2,537.00

**North Central Health Care  
2016 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	6,510	6,441	(69)	87.50%	86.57%
	Hospital	434	402	(32)	87.50%	81.05%
<b>February</b>	Nursing Home			0	0.00%	0.00%
	Hospital			0	0.00%	0.00%
<b>March</b>	Nursing Home			0	0.00%	0.00%
	Hospital			0	0.00%	0.00%
<b>April</b>	Nursing Home			0	0.00%	0.00%
	Hospital			0	0.00%	0.00%
<b>May</b>	Nursing Home			0	0.00%	0.00%
	Hospital			0	0.00%	0.00%
<b>June</b>	Nursing Home			0	0.00%	0.00%
	Hospital			0	0.00%	0.00%
<b>July</b>	Nursing Home			0	0.00%	0.00%
	Hospital			0	0.00%	0.00%
<b>August</b>	Nursing Home			0	0.00%	0.00%
	Hospital			0	0.00%	0.00%
<b>September</b>	Nursing Home			0	0.00%	0.00%
	Hospital			0	0.00%	0.00%
<b>October</b>	Nursing Home			0	0.00%	0.00%
	Hospital			0	0.00%	0.00%
<b>November</b>	Nursing Home			0	0.00%	0.00%
	Hospital			0	0.00%	0.00%
<b>December</b>	Nursing Home			0	0.00%	0.00%
	Hospital			0	0.00%	0.00%

# 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.
  - a. 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.

- b. 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).
2. **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.
3. **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.
4. **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

<b>Name of Policy:</b>		 <b>North Central Health Care</b> <small>Person centered. Outcome focused.</small>
<b>Funding Capital Assets</b>		
Policy #:		
Primary Approving Body: Chief Financial Officer		Committee Approvals:

**I. Policy Statement**

It is the policy of North Central Health Care (NCHC) to establish guidelines that shall be used for funding capital assets. This will clarify when NCHC is responsible for providing the funding.

**II. Purpose**

To provide consistency and understanding of funding capital assets. To assure there is adequate funds available for purchasing assets within the approved time frame.

**III. Definitions**

**Capital Asset**-Assets that are used in operations and meet the threshold guidelines.

**Moveable Equipment**-Assets that are not part of the building or rolling stock.

**Rolling Stock**-Includes vehicles, buses, tractors and mowers.

**IV. General Procedure**

- 1) Capitalization of Assets is determined based on Policy #LD-0016.
- 2) Programs have the opportunity to request capital needs during the budget process. The CEO and CFO review the requests and review with the Finance Committee. The recommended list of capital items is presented to the NCHC Board with the annual budget. Upon Board approval, the approved capital for the following calendar year is established.
- 3) NCHC has an account for restricted assets designated for capital purchases. This is a cash account and adequate cash should be in this account to cover approved capital. Once capital is approved, funding will be available for the approved year and two consecutive years. If not purchased in this time frame, the request must be resubmitted through the budget process. Status of approved capital items will be maintained by Finance.
- 4) The Finance Committee will determine at the beginning of each calendar year if additional funds will be designated for back up, in the unforeseen event a capital item is needed that has not been budgeted.



- 5) Moveable Equipment of any cost is considered operational and is the responsibility of NCHC for funding. These items will adhere to the NCHC budget policy and approval.

## **V. Program-Specific Requirements:**

Marathon County: The memorandum of understanding between North Central Health Care and Marathon County dated January 2016 for Capital Expenditures will be followed for building alterations and rolling stock.

- **Building Alterations:** NCHC will adhere to Marathon County's Capital Improvement Plan (CIP) for building alterations over \$30,000. Projects \$30,000 and under are considered maintenance projects for Marathon County purposes and NCHC will handle those operationally and financially. NCHC projects which are requested to be ranked but are not ranked high enough for CIP funding may be resubmitted for approval using NCHC restricted assets designated for capital purchases.
- **Rolling Stock:** Rolling stock, including vehicles, buses, tractors, and mowers, intended for Marathon County programs, shall fall under Marathon County's policy and procedures on rolling stock in determining need and replacement schedule. Purchases over \$5,000 shall be eligible for capital improvement funds. Purchases under \$5,000 shall be considered operational expenses from Marathon County's perspective and will be funded by North Central Health. Any rolling stock that is requested for funding but does not receive funding approval by Marathon County may be resubmitted the following year or may be funded by NCHC if it is determined the item is needed for a program and receives approval by the NCHC Board.

## **References:**

Memorandum of Understanding  
Between  
North Central Health Care  
And  
Marathon County  
For Capital Expenditures

Purpose for the Memorandum of Understanding

As one of the three sponsoring counties of North Central Health Care (NCHC), Marathon County has a financial interest in the efficient operations of NCHC. In addition, the building occupied by NCHC in its Wausau location is a Marathon County building, so Marathon County has an interest in the maintenance and upkeep of the building.

This memorandum of understanding is developed for the purpose of clarifying and formalizing the working relationship between North Central Health Care (NCHC) and Marathon County for the construction and maintenance of the NCHC Wausau Campus, capital projects, and other capital purchases.

Building Alterations:

North Central Health Care will adhere to Marathon County's Capital Improvement Plan (CIP) for building alterations over \$30,000. Projects \$30,000 and under are considered maintenance projects for Marathon County purposes and NCHC will handle those operationally and financially.

North Central Health Care projects which are requested to be ranked but are not ranked high enough for CIP funding may be resubmitted for approval using NCHC restricted assets designated for capital purchases.

Moveable Equipment:

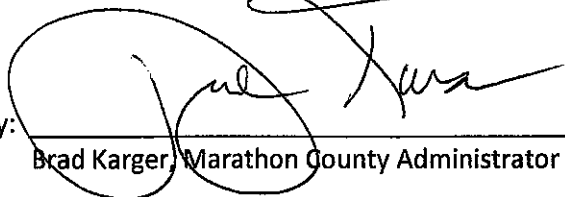
Moveable equipment of any cost is considered an operational expense, from Marathon County's perspective, and is the responsibility of NCHC. These items will adhere to NCHC's budget policy and approval.

Rolling Stock:

Rolling stock, including vehicles, buses, tractors, and mowers, intended for Marathon County programs, shall fall under Marathon County's policy and procedures on rolling stock in determining need and replacement schedule. Purchases over \$5,000 shall be eligible for capital improvement funds. Purchases under \$5,000 shall be considered operational expenses from Marathon County's perspective and will be funded by North Central Health Care. Any rolling stock that is requested for funding but does not receive


funding approval by Marathon County may be resubmitted the following year or may be funded by NCHC if it is deemed the item is needed for a program and receives approval by the NCHC Board.

This memorandum may be altered by the request of either party and approval of both parties.

By:   
\_\_\_\_\_  
Brad Karger, Marathon County Administrator

Date: 1-22-16

By:   
\_\_\_\_\_  
Gary Bezucha, CEO North Central Health Care

Date: 1-4-15 <sup>2016</sup>  <sup>2-17-16</sup>