

OFFICIAL NOTICE AND AGENDA

of a meeting of the **Finance, Personnel & Property Committee** to be held at **North Central Health Care 1100 Lake View Drive, Wausau, WI 54403, Badger Room** at **11:00 AM** on **Thursday, April 27th, 2017**

In addition to attendance in person at the location described above, Board 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 start time of the meeting for further instructions. Any person planning to attend this meeting who needs some type of special accommodation in order to participate should call the Administrative Office at 715-848-4405.

For TDD telephone service call 715-845-4928.

1. Call to Order
2. Public Comment for Matters Appearing on the Agenda
3. ACTION: Approval of 3/30/17 Finance, Personnel & Property Committee Meeting Minutes
4. March Financials
 - a. ACTION: Accept the Financial Report and March Financial Statements
 - b. Review Write-Offs
5. CFO Report
6. Discussion
 - a. 2018 Budget Process
7. Discussion and Future Agenda Items
8. Adjourn



Presiding Officer or Designee

NOTICE POSTED AT: North Central Health Care

COPY OF NOTICE DISTRIBUTED TO: Wausau Daily Herald, Antigo Daily Journal, Tomahawk Leader, Merrill Foto News, Langlade, Lincoln & Marathon County Clerks Offices

DATE: 04/21/17 TIME: 4:00 p.m. BY: D. Osowski

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

March 30, 2017 11:00 AM North Central Health Care – Badger Room

Present: X Randy Balk X Bill Miller X Robin Stowe
 EXC Bob Weaver EXC Jeff Zriny

Others Present: Brenda Glodowski, Michael Loy, Kristi Kordus, Becky Schultz

Meeting was called to order at 11:00 a.m.

Public Comment for Matters Appearing on the Agenda

- No public comment(s) made.

ACTION: Approval of 01/26/17 Finance, Personnel & Property Committee Meeting Minutes

- **Motion**/second, Miller/Stowe, to approve the 02/36/17 Finance, Personnel & Property Committee meeting minutes. Motion carried.

ACTION: Adjourn

- **Motion**/second, Stowe/Miller, to adjourn the Finance, Personnel & Property Committee meeting following the tour of the Pharmacy. Motion carried.

Tour of the Pharmacy and Demonstration of the Packaging System

- Committee toured the pharmacy and received a demonstration of the new packaging system with Pharmacist Joanne Krasselt.

MEMO

TO: North Central Health Care Finance Committee
FROM: Brenda Glodowski
DATE: April 21, 2017
RE: Attached Financials

Attached please find a copy of the March Financial Statements for your review. To assist in your review, the following information is provided:

BALANCE SHEET

Most accounts remain consistent with prior months.

STATEMENT OF REVENUE AND EXPENSES

The month of March shows a gain of \$84,174 compared to the budgeted gain of \$38,032 resulting in a positive variance of \$46,141.

Overall revenue for the month was close to target, however, patient revenue fell below budget targets. The hospital census dropped in March, compared to prior months, and averaged just under 15 patients per day. Although the average census for March decreased, it still exceeded the budget target of 14. The nursing home census dropped in March to an average of 184 per day compared to the target of 203. The Medicare census dropped significantly to an average of 15 per day. The target is 20 per day. Community Treatment also saw a decrease in revenue. This is likely due to timing, and should increase in April. There is an adjustment recorded in March to close out three years of Medicaid cost report settlements, which did help improve the revenue.

Overall expenses were below target for March, which is significant since health insurance exceeded the budget target by \$211,000. The state institutes saw a significant reduction in expense for March due to a significant decrease in diversions. Salaries continue to run below budget target, while psychiatry contracts continue to exceed targets. This should begin to shift in April as a psychiatrist position has been filled and started in April.

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

Thank you.

**NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF NET POSITION
MARCH 2017**

	<u>Human Services</u>	<u>Nursing Home</u>	<u>Total</u>	<u>Prior Year Combined</u>
Current Assets:				
Cash and cash equivalents	2,387,805	1,887,726	4,275,531	4,589,773
Accounts receivable:				
Patient - Net	2,874,423	2,121,027	4,995,450	7,266,394
Outpatient - WIMCR	582,500	0	582,500	490,000
Nursing home - Supplemental payment program	0	450,000	450,000	474,000
Marathon County	77,884	0	77,884	71,383
Appropriations receivable	0	0	0	0
Net state receivable	1,273,392	0	1,273,392	101,372
Other	591,350	0	591,350	200,699
Inventory	0	305,373	305,373	303,535
Other	<u>718,108</u>	<u>530,993</u>	<u>1,249,101</u>	<u>1,227,453</u>
Total current assets	<u>8,505,463</u>	<u>5,295,118</u>	<u>13,800,581</u>	<u>14,724,609</u>
Noncurrent Assets:				
Investments	10,300,000	0	10,300,000	9,800,000
Assets limited as to use	1,995,694	400,139	2,395,833	2,902,341
Contingency funds	500,000	0	500,000	0
Restricted assets - Patient trust funds	18,228	35,671	53,899	64,268
Net pension asset	0	0	0	4,846,938
Nondepreciable capital assets	79,358	872,720	952,078	715,067
Depreciable capital assets - Net	<u>7,055,331</u>	<u>3,238,603</u>	<u>10,293,934</u>	<u>11,122,835</u>
Total noncurrent assets	<u>19,948,611</u>	<u>4,547,134</u>	<u>24,495,744</u>	<u>29,451,449</u>
Deferred outflows of resources - Related to pensions	<u>10,070,362</u>	<u>7,446,358</u>	<u>17,516,720</u>	<u>4,851,842</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>38,524,436</u>	<u>17,288,610</u>	<u>55,813,046</u>	<u>49,027,900</u>

**NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF NET POSITION
MARCH 2017**

	<u>Human Services</u>	<u>Nursing Home</u>	<u>Total</u>	<u>Prior Year Combined</u>
Current Liabilities:				
Current portion of related-party note payable	154,310	0	154,310	151,257
Accounts payable - Trade	792,228	585,799	1,378,027	1,387,747
Appropriations advances	0	0	0	0
Accrued liabilities:				
Salaries and retirement	857,458	634,033	1,491,490	2,169,600
Compensated absences	790,509	584,529	1,375,038	1,616,408
Health and dental insurance	458,770	339,230	798,000	857,000
Other Payables	209,729	155,080	364,809	410,383
Amounts payable to third-party reimbursement programs	115,920	0	115,920	400,000
Unearned revenue	<u>110,334</u>	<u>0</u>	<u>110,334</u>	<u>231,835</u>
Total current liabilities	<u>3,489,258</u>	<u>2,298,670</u>	<u>5,787,928</u>	<u>7,224,230</u>
Noncurrent Liabilities:				
Net pension liability	1,797,930	1,329,449	3,127,379	0
Related-party note payable	481,871	0	481,871	636,181
Patient trust funds	<u>18,228</u>	<u>35,671</u>	<u>53,899</u>	<u>64,268</u>
Total noncurrent liabilities	<u>2,298,029</u>	<u>1,365,120</u>	<u>3,663,149</u>	<u>700,449</u>
Total liabilities	<u>5,787,286</u>	<u>3,663,791</u>	<u>9,451,077</u>	<u>7,924,679</u>
Deferred inflows of resources - Related to pensions	<u>3,821,383</u>	<u>2,825,657</u>	<u>6,647,040</u>	<u>84,873</u>
Net Position:				
Net investment in capital assets	6,498,508	4,111,323	10,609,831	11,837,902
Unrestricted:				
Board designated for contingency	500,000	0	500,000	0
Board designated for capital assets	1,995,694	872,720	2,868,414	0
Undesignated	19,373,202	5,955,853	25,329,055	29,962,046
Operating Income / (Loss)	<u>548,362</u>	<u>(140,733)</u>	<u>407,629</u>	<u>(781,600)</u>
Total net position	<u>28,915,766</u>	<u>10,799,163</u>	<u>39,714,929</u>	<u>41,018,348</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>38,524,436</u>	<u>17,288,610</u>	<u>55,813,046</u>	<u>49,027,900</u>

**NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF REVENUES AND EXPENSES
FOR PERIOD ENDING MARCH 31, 2017**

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>\$3,762,906</u>	<u>\$3,802,828</u>	<u>(\$39,921)</u>	<u>\$11,029,142</u>	<u>\$11,015,766</u>	<u>\$13,376</u>
Other Revenue:						
State Match / Addendum	324,504	325,120	(616)	973,511	975,359	(1,848)
Grant Revenue	204,413	197,183	7,229	593,704	591,550	2,154
County Appropriations - Net	639,260	639,260	0	1,917,779	1,917,779	0
Departmental and Other Revenue	<u>323,491</u>	<u>285,602</u>	<u>37,889</u>	<u>950,406</u>	<u>856,806</u>	<u>93,600</u>
Total Other Revenue	<u>1,491,667</u>	<u>1,447,165</u>	<u>44,502</u>	<u>4,435,400</u>	<u>4,341,494</u>	<u>93,906</u>
Total Revenue	5,254,574	5,249,993	4,581	15,464,542	15,357,260	107,282
Expenses:						
Direct Expenses	3,819,059	3,895,918	(76,859)	11,361,447	11,405,759	(44,312)
Indirect Expenses	<u>1,366,971</u>	<u>1,324,375</u>	<u>42,596</u>	<u>3,742,205</u>	<u>3,946,957</u>	<u>(204,752)</u>
Total Expenses	<u>5,186,031</u>	<u>5,220,294</u>	<u>(34,263)</u>	<u>15,103,652</u>	<u>15,352,716</u>	<u>(249,064)</u>
Operating Income (Loss)	<u>68,543</u>	<u>29,699</u>	<u>38,844</u>	<u>360,890</u>	<u>4,544</u>	<u>356,346</u>
Nonoperating Gains (Losses):						
Interest Income	11,912	8,333	3,578	34,932	25,000	9,932
Donations and Gifts	3,719	0	3,719	7,885	0	7,885
Gain / (Loss) on Disposal of Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,923</u>	<u>0</u>	<u>3,923</u>
Total Nonoperating Gains / (Losses)	<u>15,631</u>	<u>8,333</u>	<u>7,298</u>	<u>46,740</u>	<u>25,000</u>	<u>21,740</u>
Income / (Loss)	<u>\$84,174</u>	<u>\$38,032</u>	<u>\$46,141</u>	<u>\$407,630</u>	<u>\$29,544</u>	<u>\$378,086</u>

**NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF REVENUES AND EXPENSES
FOR PERIOD ENDING MARCH 31, 2017**

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>\$2,018,351</u>	<u>\$1,986,767</u>	<u>\$31,584</u>	<u>\$5,950,678</u>	<u>\$5,698,958</u>	<u>\$251,720</u>
Other Revenue:						
State Match / Addendum	324,504	325,120	(616)	973,511	975,359	(1,848)
Grant Revenue	204,413	197,183	7,229	593,704	591,550	2,154
County Appropriations - Net	497,594	497,593	1	1,492,781	1,492,779	2
Departmental and Other Revenue	<u>164,531</u>	<u>149,059</u>	<u>15,472</u>	<u>488,083</u>	<u>447,177</u>	<u>40,907</u>
Total Other Revenue	<u>1,191,041</u>	<u>1,168,955</u>	<u>22,086</u>	<u>3,548,079</u>	<u>3,506,865</u>	<u>41,214</u>
Total Revenue	3,209,392	3,155,722	53,670	9,498,757	9,205,823	292,934
Expenses:						
Direct Expenses	2,397,059	2,407,174	(10,115)	7,161,137	7,049,873	111,265
Indirect Expenses	<u>685,099</u>	<u>658,413</u>	<u>26,686</u>	<u>1,832,238</u>	<u>1,962,230</u>	<u>(129,992)</u>
Total Expenses	<u>3,082,158</u>	<u>3,065,587</u>	<u>16,571</u>	<u>8,993,375</u>	<u>9,012,102</u>	<u>(18,727)</u>
Operating Income (Loss)	<u>127,234</u>	<u>90,135</u>	<u>37,099</u>	<u>505,382</u>	<u>193,721</u>	<u>311,661</u>
Nonoperating Gains (Losses):						
Interest Income	11,912	8,333	3,578	34,932	25,000	9,932
Donations and Gifts	387	0	387	4,126	0	4,126
Gain / (Loss) on Disposal of Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,923</u>	<u>0</u>	<u>3,923</u>
Total Nonoperating Gains / (Losses)	<u>12,299</u>	<u>8,333</u>	<u>3,965</u>	<u>42,981</u>	<u>25,000</u>	<u>17,981</u>
Income / (Loss)	<u>\$139,533</u>	<u>\$98,469</u>	<u>\$41,064</u>	<u>\$548,362</u>	<u>\$218,721</u>	<u>\$329,642</u>

**NORTH CENTRAL HEALTH CARE
COMBINING STATEMENT OF REVENUES AND EXPENSES
FOR PERIOD ENDING MARCH 31, 2017**

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	\$1,744,556	\$1,816,061	(\$71,505)	\$5,078,464	\$5,316,808	(\$238,344)
Other Revenue:						
County Appropriations - Net	141,666	141,667	(1)	424,998	425,000	(2)
Departmental and Other Revenue	<u>158,960</u>	<u>136,543</u>	<u>22,417</u>	<u>462,323</u>	<u>409,629</u>	<u>52,694</u>
Total Other Revenue	<u>300,626</u>	<u>278,210</u>	<u>22,416</u>	<u>887,321</u>	<u>834,629</u>	<u>52,692</u>
Total Revenue	2,045,182	2,094,271	(49,089)	5,965,785	6,151,437	(185,652)
Expenses:						
Direct Expenses	1,422,000	1,488,745	(66,744)	4,200,309	4,355,886	(155,577)
Indirect Expenses	<u>681,873</u>	<u>665,962</u>	<u>15,911</u>	<u>1,909,967</u>	<u>1,984,727</u>	<u>(74,760)</u>
Total Expenses	<u>2,103,873</u>	<u>2,154,707</u>	<u>(50,834)</u>	<u>6,110,277</u>	<u>6,340,614</u>	<u>(230,337)</u>
Operating Income (Loss)	<u>(58,691)</u>	<u>(60,436)</u>	<u>1,745</u>	<u>(144,492)</u>	<u>(189,177)</u>	<u>44,685</u>
Nonoperating Gains (Losses):						
Interest Income	0	0	0	0	0	0
Donations and Gifts	3,332	0	3,332	3,759	0	3,759
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>3,332</u>	<u>0</u>	<u>3,332</u>	<u>3,759</u>	<u>0</u>	<u>3,759</u>
Income / (Loss)	<u>(\$55,359)</u>	<u>(\$60,436)</u>	<u>\$5,077</u>	<u>(\$140,733)</u>	<u>(\$189,177)</u>	<u>\$48,444</u>

NORTH CENTRAL HEALTH CARE
 REPORT ON AVAILABILITY OF FUNDS
 March 31, 2017

BANK	LENGTH	MATURITY DATE	INTEREST RATE	AMOUNT	Insured/ Collateralized
CoVantage Credit Union	578 Days	5/7/2017	1.05%	\$500,000	X
BMO Harris	365 Days	5/28/2017	0.80%	\$500,000	X
People's State Bank	395 Days	5/29/2017	0.75%	\$350,000	X
People's State Bank	395 Days	5/30/2017	0.75%	\$500,000	X
Abby Bank	365 Days	7/19/2017	0.85%	\$500,000	X
CoVantage Credit Union	578 Days	7/28/2017	0.85%	\$300,000	X
People's State Bank	365 Days	8/21/2017	0.75%	\$500,000	X
BMO Harris	365 Days	8/26/2017	0.80%	\$500,000	X
Abby Bank	365 Days	8/29/2017	0.85%	\$500,000	X
Abby Bank	365 Days	9/1/2017	0.85%	\$500,000	X
Abby Bank	730 Days	10/29/2017	1.10%	\$500,000	X
CoVantage Credit Union	730 Days	11/18/2017	1.10%	\$500,000	X
PFM Investments	365 Days	11/29/2016	1.13%	\$500,000	X
Abby Bank	730 Days	12/30/2017	1.10%	\$500,000	X
CoVantage Credit Union	487 Days	1/1/2018	1.10%	\$500,000	X
Abby Bank	365 Days	2/25/2018	1.10%	\$500,000	X
Abby Bank	730 Days	3/15/2018	1.20%	\$400,000	X
People's State Bank	395 Days	3/28/2018	1.05%	\$250,000	X
CoVantage Credit Union	365 Days	3/30/2018	1.10%	\$500,000	X
PFM Investments	517 Days	4/30/2018	1.12%	\$500,000	X
Abby Bank	730 Days	5/3/2018	1.20%	\$500,000	X
Abby Bank	730 Days	1/6/2019	1.30%	\$500,000	X

TOTAL FUNDS AVAILABLE \$10,300,000

WEIGHTED AVERAGE 500.82 Days 0.999% INTEREST

NCHC-DONATED FUNDS

Balance Sheet

As of March 31, 2017

ASSETS

Current Assets

Checking/Savings

CHECKING ACCOUNT

Adult Day Services	4,917.65
Adventure Camp	1,425.79
Birth to 3 Program	2,035.00
Clubhouse	39,986.60
Community Treatment	9,228.19
Fishing Without Boundries	3,963.00
General Donated Funds	60,943.48
Housing - DD Services	1,370.47
Langlade HCC	3,352.28
Legacies by the Lake	
Music in Memory	1,958.25
Legacies by the Lake - Other	3,842.39
Total Legacies by the Lake	5,800.64
Marathon Cty Suicide Prev Task	14,347.25
National Suicide Lifeline Stipe	3,176.37
Northern Valley West	2,921.82
Nursing Home - General Fund	3,526.57
Outpatient Services - Marathon	101.08
Pool	11,321.34
Prevent Suicide Langlade Co.	2,444.55
Resident Council	771.05
United Way	375.20

Total CHECKING ACCOUNT 172,008.33

Total Checking/Savings 172,008.33

Total Current Assets 172,008.33

TOTAL ASSETS 172,008.33

LIABILITIES & EQUITY

Equity

Opening Bal Equity	123,523.75
Retained Earnings	53,757.13
Net Income	-5,272.55

Total Equity 172,008.33

TOTAL LIABILITIES & EQUITY 172,008.33

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

Month Ending March 31, 2017

ACCOUNT DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	YTD ACTUAL	YTD BUDGET	DIFFERENCE
<u>REVENUE:</u>					
Total Operating Revenue	<u>5,254,574</u>	<u>5,249,993</u>	<u>15,464,542</u>	<u>15,357,260</u>	<u>107,282</u>
<u>EXPENSES:</u>					
Salaries and Wages	2,280,019	2,589,553	6,914,440	7,518,048	(603,608)
Fringe Benefits	1,068,377	988,411	2,785,506	2,869,679	(84,173)
Departments Supplies	478,768	492,235	1,327,439	1,476,706	(149,267)
Purchased Services	573,256	364,450	1,408,660	1,131,350	277,311
Utilitites/Maintenance Agreements	482,533	372,653	1,245,460	1,117,958	127,502
Personal Development/Travel	26,816	37,985	73,732	113,954	(40,222)
Other Operating Expenses	127,024	108,966	339,646	326,897	12,749
Insurance	36,924	37,708	110,771	113,125	(2,354)
Depreciation & Amortization	136,159	139,583	409,696	418,750	(9,054)
Client Purchased Services	<u>(23,845)</u>	<u>88,750</u>	<u>488,301</u>	<u>266,250</u>	<u>222,051</u>
TOTAL EXPENSES	5,186,031	5,220,294	15,103,652	15,352,716	(249,064)
Nonoperating Income	<u>15,631</u>	<u>8,333</u>	<u>46,740</u>	<u>25,000</u>	<u>21,740</u>
EXCESS REVENUE (EXPENSE)	<u>84,174</u>	<u>38,032</u>	<u>407,630</u>	<u>29,544</u>	<u>378,086</u>

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

	<u>Current Month</u>	<u>Current Year To Date</u>	<u>Prior Year To Date</u>
<i>Inpatient:</i>			
Administrative Write-Off	\$2,031	\$9,703	\$11,940
Bad Debt	\$186	\$647	\$1,943
<i>Outpatient:</i>			
Administrative Write-Off	\$6,782	\$14,428	\$273
Bad Debt	\$225	\$621	\$2,089
<i>Nursing Home:</i>			
Daily Services:			
Administrative Write-Off	(\$156)	(\$156)	(\$18,627)
Bad Debt	\$0	\$1,954	\$4,632
Ancillary Services:			
Administrative Write-Off	(\$12)	\$11,536	(\$4,763)
Bad Debt	\$321	\$321	(\$126)
Pharmacy:			
Administrative Write-Off	\$0	\$0	\$0
Bad Debt	\$0	\$0	\$0
Total - Administrative Write-Off	\$8,645	\$35,511	(\$11,177)
Total - Bad Debt	\$732	\$3,543	\$8,538

**North Central Health Care
2017 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	6,293	5,784	(509)	84.58%	77.74%
	Hospital	434	502	68	87.50%	101.21%
February	Nursing Home	5,684	5,267	(417)	84.58%	85.50% ***
	Hospital	392	441	49	87.50%	98.44%
March	Nursing Home	6,293	5,703	(590)	84.58%	83.62%
	Hospital	434	462	28	87.50%	93.15%
April	Nursing Home Hospital					
May	Nursing Home Hospital					
June	Nursing Home Hospital					
July	Nursing Home Hospital					
August	Nursing Home Hospital					
September	Nursing Home Hospital					
October	Nursing Home Hospital					
November	Nursing Home Hospital					
December	Nursing Home Hospital					
YTD	Nursing Home Hospital					

*** Licensed beds decreased from 240 to 220