

**CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION**

Agenda Item Number: 3

Meeting Date: May 12, 2014

Attachments: Yes No

CITY COUNCIL ACTION

Date: May 19, 2014

- | | |
|-----------------------------------|---------------------------------|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Denied |
| <input type="checkbox"/> Amended | <input type="checkbox"/> Tabled |
| <input type="checkbox"/> Other | |

Originating Department: Finance

Agenda Item: Rice Memorial Hospital 03/31/2014 Financial Report

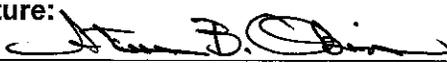
Recommended Action: Receive and review the financial report as of 03/31/14 for Rice Memorial Hospital.

Background/Summary: Periodically, Council reviews various financial reports.

Alternatives: N/A

Financial Considerations: Review Financial Status.

Preparer: Steve Okins, Finance Director

Signature: 

Comments:

Rice Memorial Hospital Financial Statements March 31, 2014

Executive Summary

March was a negative month in terms of financial performance compared to targeted performance but significantly better than the last couple of months. Rice generated a loss of \$99,000 from operations in March with the primary contributing factors of increased outpatient activity that helped improve financial performance. Total Operating Revenues were 3.0% greater than the prior three-month average while Net Operating Expenses were 5.6% less than the prior three-month average. YTD activity continued to be negative with the YTD Operating Loss at \$2.4 million compared to last year's YTD loss of \$1.2 million. Lower than projected activity and a negative net revenue variance of 10.2% was greater than the 4.8% expense reduction, thus contributing to the negative performance.

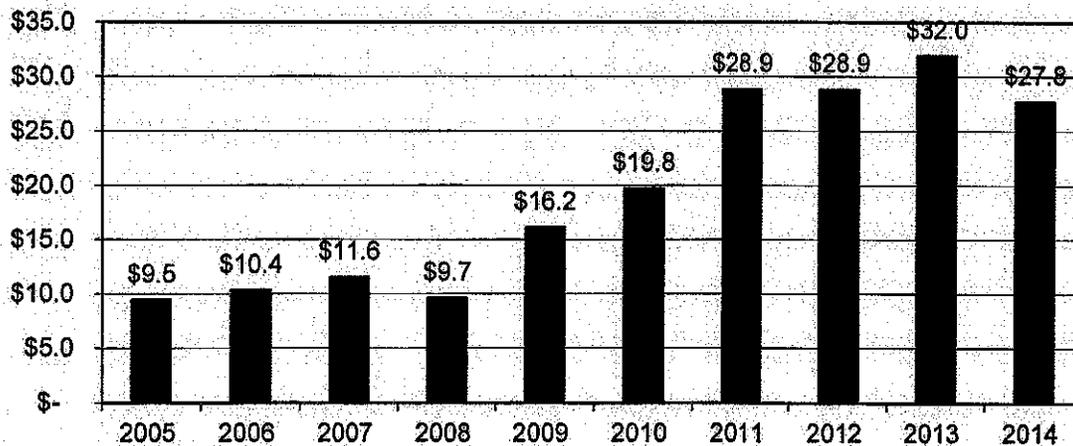
Here is a summary of key financial indicators:

	Actual	Target	2013	2012	Benchmark	Actual - YTD	Desired
Operating Margin-Month	-1.3%	2.0%	-			↓	↑
Operating Margin-YTD	-11.8%	2.0%	-3.2%	1.4%	2.2%	↓	
Excess Margin-Month	-1.8%	2.5%				↓	
Excess Margin-YTD	-10.4%	2.5%	-3.6%	2.4%	2.8%	↓	
EBIDA Margin-Month	10.3%	12.6%				↔	
EBIDA Margin-YTD	0.9%	12.6%	7.0%	11.6%	10.8%	↓	
Debt/Capitalization	46.0%	43.3%	46.3%	43.3%	38.7%	↑	
Net Days of Receivables	57	46	52	64	46	↔	
Days of Cash	117	117	128	114	131	↔	
Cash/Debt	58%	68%	64%	63%	87%	↓	

March 31, 2014 Balance Sheet:

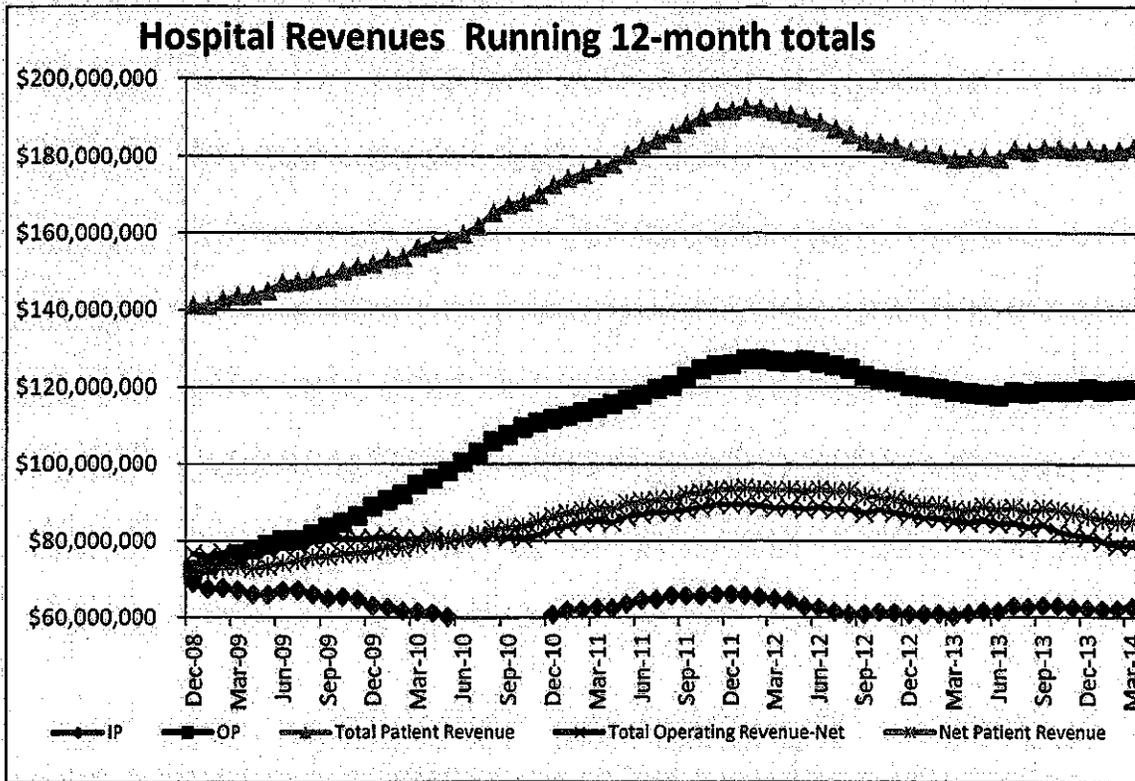
The March Balance Sheet realized a decrease in Net Assets of \$1.8 million from December 31, 2013. Total Assets have decreased \$4.7 million while Total Liabilities have decreased \$2.8 million. The Total Asset decrease was due to a decrease in Current Assets of \$9.5 million; an increase in Assets Limited as to Use of \$22,000; an increase in Property, Plant, and Equipment of \$1.9 million, and an increase in Other Assets of \$2.7 million. The decrease in Current Assets was due to decreases in Cash due to poor financial performance and transfers to Investments. In addition, the February Debt Service payment was made thus decreasing the Trustee Bond Agreement reserves. Property, Plant, and Equipment has increased due to the Care Center Project and Home Medical projects. Other Assets have increased due to General Investment transfers from Cash and the investment in Lake Region Home Medical Supply. Cash & General Investments have decreased \$4.1 million since December 31, 2013 due to negative Operations and the construction project payments. Liabilities have decreased due to the February Debt Service payment.

Cash & General Investments (\$millions)

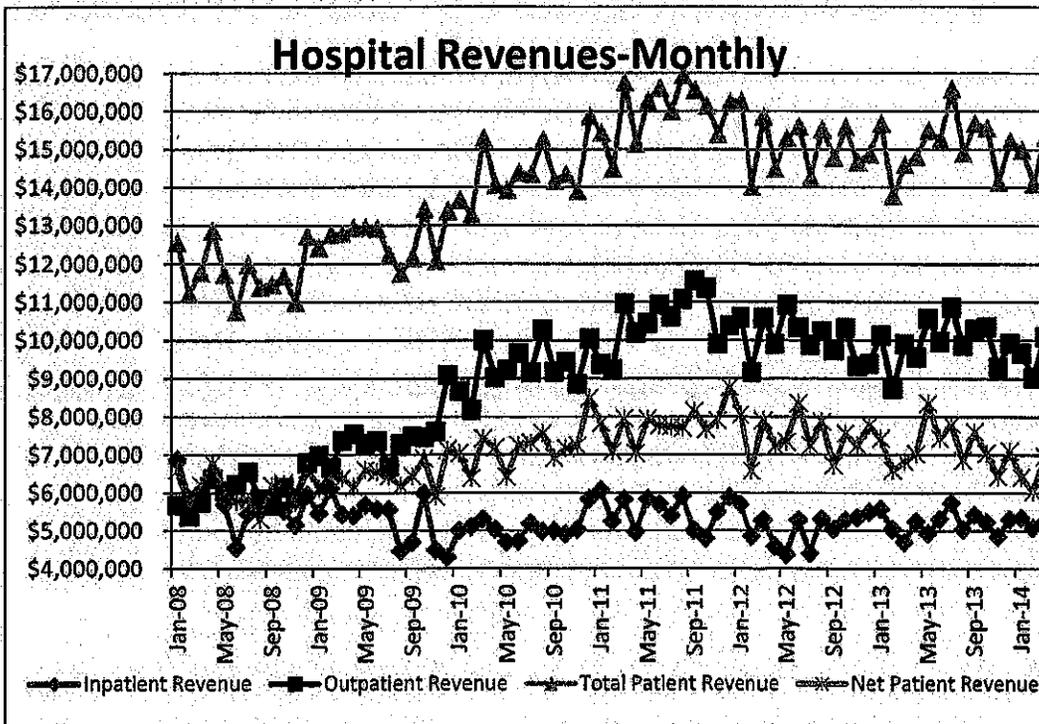


March 2014 Results:

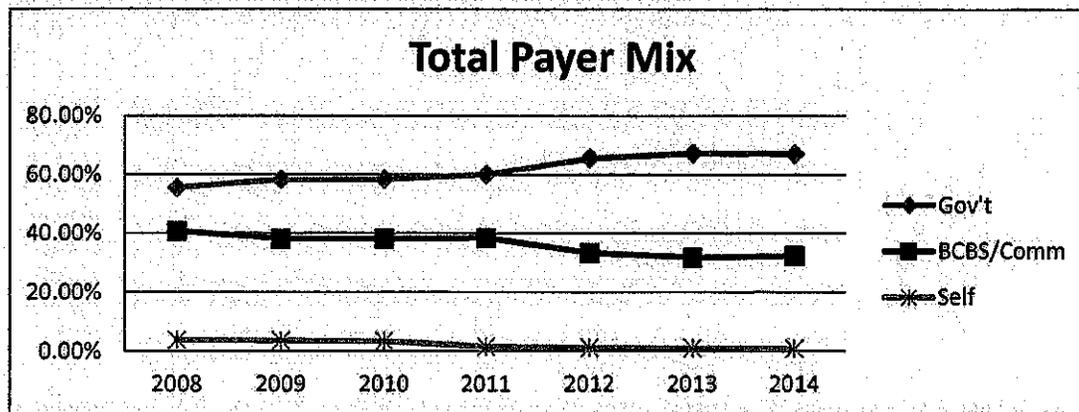
The overall Net Operating Loss was \$99,000 compared to the prior three-month average Operating Loss of \$775,000. Hospital Total Operating Revenues were 5.2% greater than the three-month average with Inpatient Revenues at the average and Outpatient Revenues 5.4% greater than the average. Although Inpatient Revenues were at the average, IP Surgical cases are still lagging projections and last year's activity. Outpatient Revenues increased as the result of higher revenues in Surgery, Laboratory, and Imaging. As shown in the graph below, Total Patient Revenues have been steady for the past year but Total Operating Revenue has continued its downward trend. Care Center Resident Revenues were less than the average by 4.3% while Home Medical revenues were 12.1% less than the average due to lower sales. Overall, Patient Revenues were 3.0% greater than the three-month average.



The following graph is a new graph which depicts the monthly Hospital revenues. This graph demonstrates a couple of trends that are concerning. The Outpatient Revenue line has trended downward the last few months which combined with lower reimbursement rates has pushed the Net Patient Revenue down since the middle of 2013. Fortunately, this point was higher in March and it initially looks to be higher in April, but the downward trend line in Net Patient Revenue has initiated Hospital departments to continually push down on expenses.



Total Deductions from Revenue were 0.3% less than the three-month average even though Patient Revenues were 2.1% greater than the average. The Payer Mix has stabilized in 2014 with the Hospital's reimbursement rate for the month at 45.30% compared to the 2013 rate of 46.57%; a positive revenue variance of \$194,000. Uncompensated Care was 64.5% lower than the average due to lower activity. Bad Debts were 0.4% less than the average.



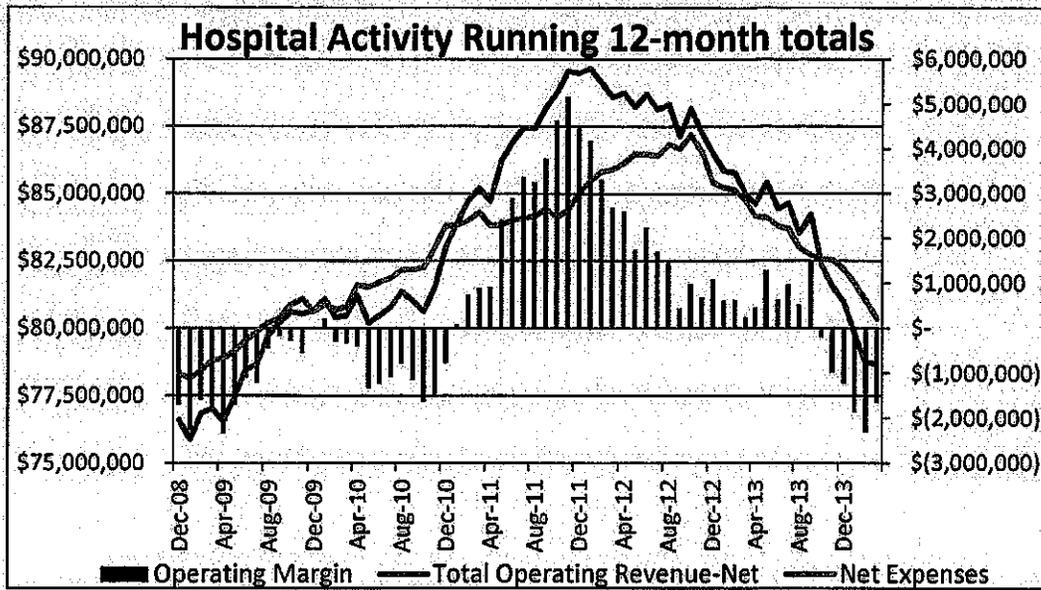
Other operating revenues were 15.8% less than the average due to lower Willmar Medical Services (WMS) profits and lower services sold to other organizations. Net WMS activity at Rice was less than the average by 4.0% due to lower Oncology activity. Total Operating Revenues were \$7.5 million; 3.0% (\$222,000) greater than the three-month average.

Net Expenses were \$7.6 million (same as February), 5.6% (\$453,000) less than the three-month average. Expenses were mostly lower for the month with Salaries 3.2% (\$123,000) greater than average, Contract Labor 10.1% (\$37,000) less than average, and Benefits 23.3% (\$312,000) less than average. Salaries were higher due to increased activity and FTE's; Contract Labor was less due to lower Emergency Room physicians and Care Center contracted services; and Benefits were lower due to decreased health insurance costs. The Hospital Compensation Ratio was 55.6% compared to the target of 51%, a variance of \$290,000. Supplies were 13.4% (\$139,000) less than average due to lower IP Surgical activity and Home Medical Sales. Drugs were 1.8% (\$8,000) greater than average due to increased Hospital activity. Purchased Services were 3.5% lower; Repairs & Rentals 30.3% lower; Utilities 11.1% lower; Insurance 6.4% lower; Patient Related Travel 2.5% greater; Education, Travel, and Dues 11.4% lower; and Other 0.2% lower. Capital Costs were lower with Depreciation 4.1% lower but Interest 6.7% higher. Taxes were 6.8% lower due to decreased collections.

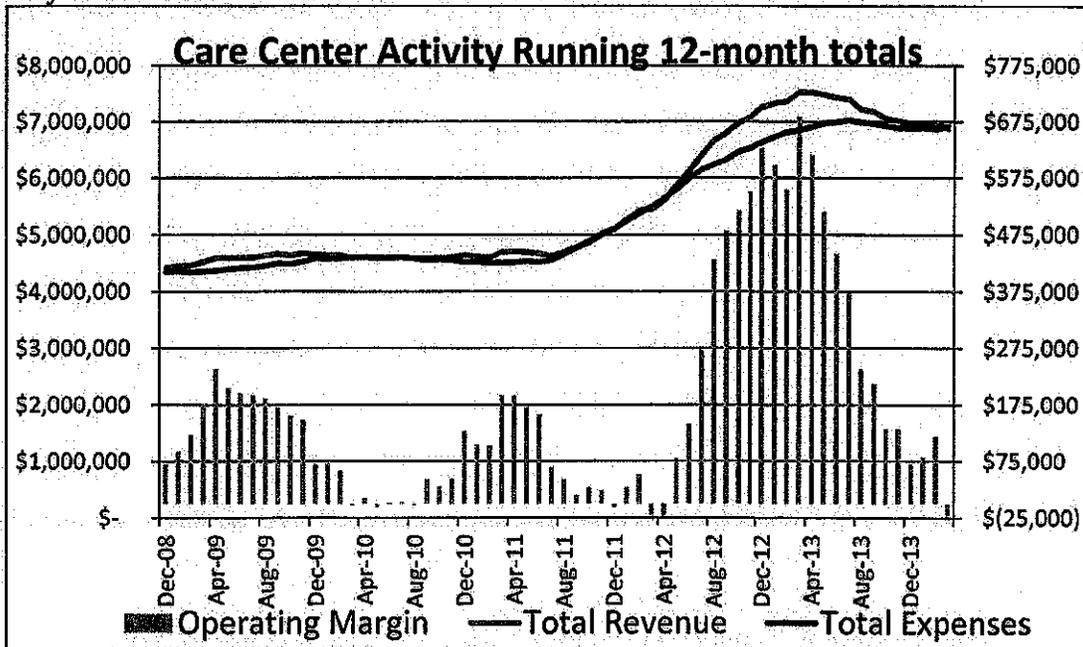
Non-operating activity was lower than the three-month average due to lower Investment Income and Other Losses. The decrease in Investment Income was due to reconciling the activity of funds held by the City of Willmar as Rice does not receive a monthly report of reconciled activity. Unrealized Investments losses were more than double the three-month average due to higher interest rates. Other Losses were due to the disposal of equipment.

The Hospital generated Operating Income of \$116,000 compared to the three-month average Operating Loss of \$532,000. Hospital losses stopped in March with increased

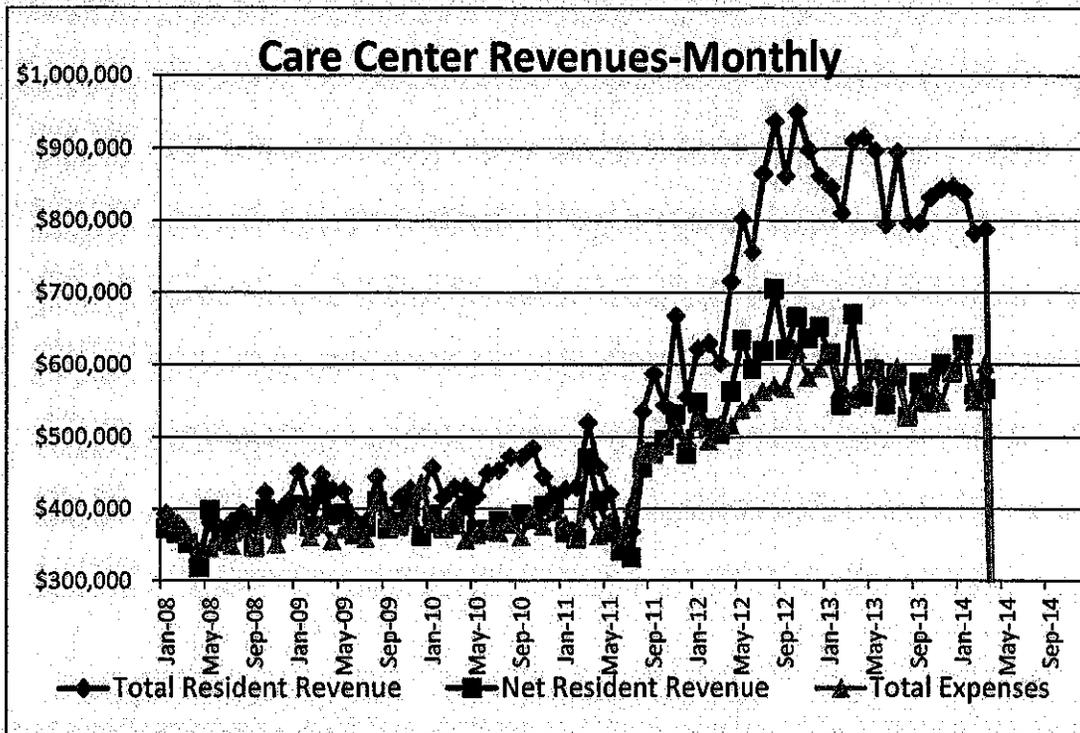
activity but did not totally reverse the downward push over a running 12-month period with the decreases in patient activity and reimbursement.



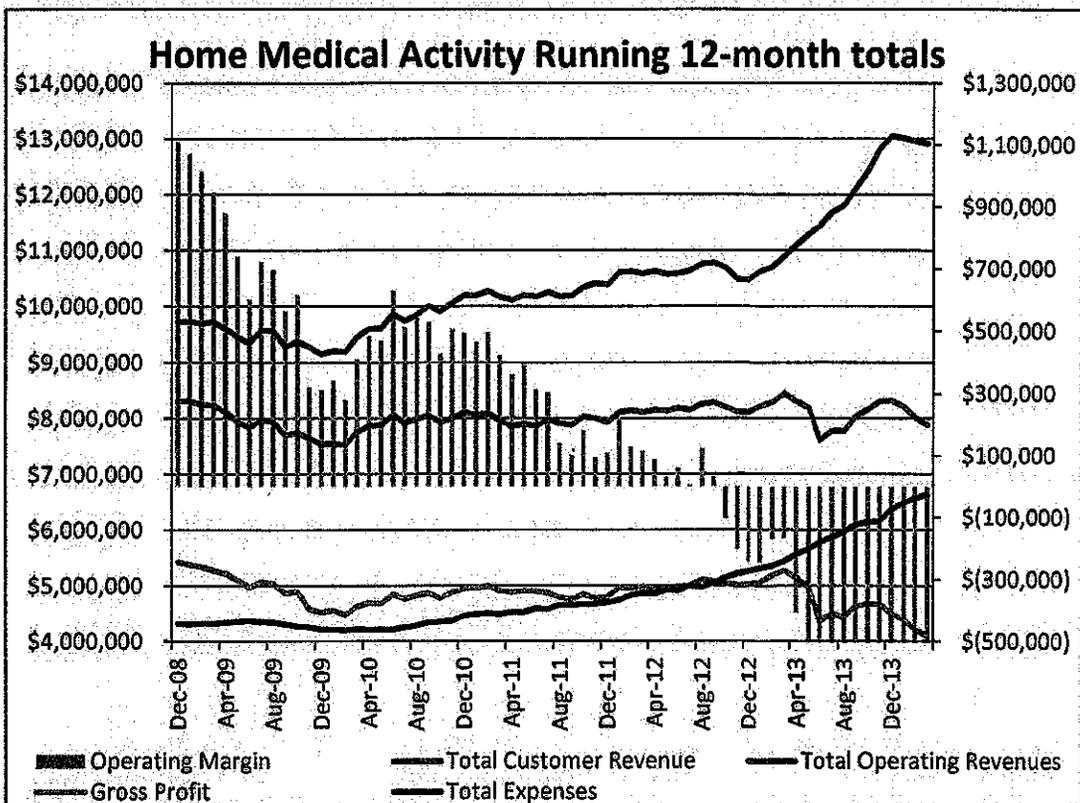
Care Center activity generated an Operating Loss of \$34,000 compared to the three-month average Operating Income of \$5,200 substantially due to lower revenues and an increase in expenses for the month. Activity has been fairly stable over the past few months which will increase in late 2nd quarter into the 3rd quarter with the opening of Project F and D.



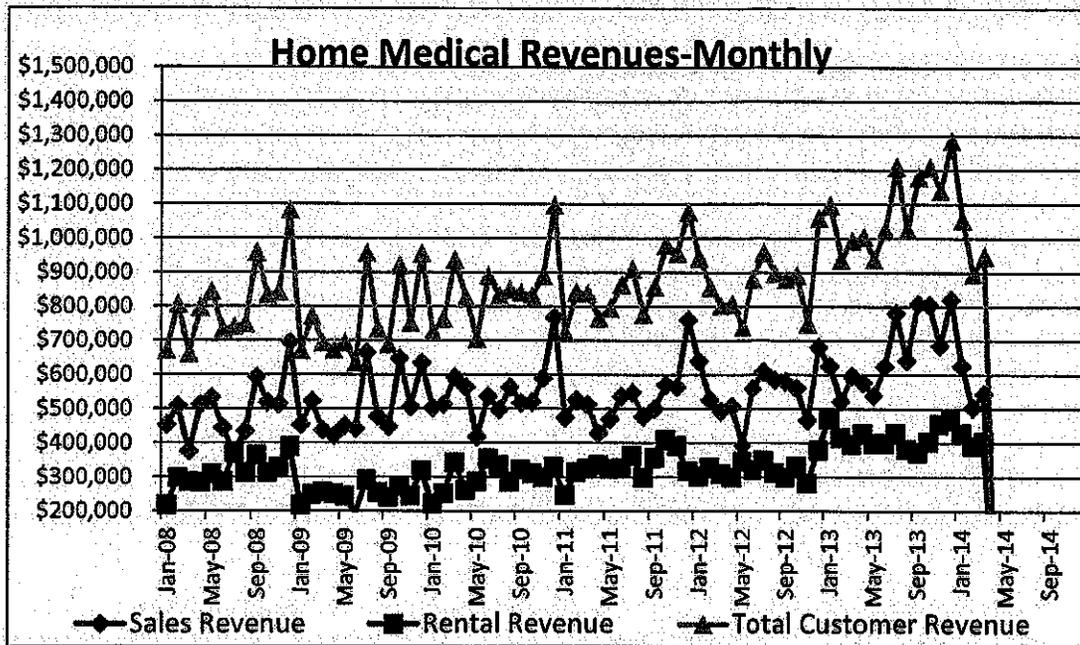
Monthly revenues continue to trend downward due to decreased capacity with the building renovations but this should increase with the opening of the two units.



Home Medical activity generated an Operating Loss of \$182,000 compared to the three-month average Operating Loss of \$248,000. Revenues were significantly below targets and prior months. Expense adjustments have been identified and implemented and continue to be scrutinized for further savings.



Monthly revenues have declined the last couple of months after steady increases throughout 2013. Business picked up some in April exceeding \$1.1 million with Rental Revenues fairly steady over the past few months.



March YTD Summary

The YTD Operating Loss was \$2.4 million compared to last year's Operating Loss of \$1.2 million and the 2012 YTD Operating Loss of \$576,000. Continued decreased demand for services and lower reimbursement rates has yielded a 10.2% reduction in Total Operating Revenues from 2013 to 2014. Comparing to 2012, Total Operating Revenues have declined 13.9%. Hospital Inpatient Revenues have remained fairly flat over the past three years but Outpatient Revenues continued to decline from prior years, even with the 3% price increases. Care Center Revenues have declined from 2013 by 6.2% due to the lower census but are significantly greater than 2012 and 2011. Home Medical Revenues are 4.3% down from last year but 11.4% greater than 2012.

The Revenue decreases were further compounded by the reimbursement decreases experienced by the Hospital and Home Medical. Consolidated Deductions from Revenues are 6.7% greater than 2013 and 7.6% greater than 2012. This has only compounded the softer revenues and thus Net Revenues are down 6.5% from 2013 and 10.8% from 2012. Further compounding these negative trends was the lower than projected WMS performance, which has pushed Other Operating Revenues lower by 10.4% from 2013 and 12.1% from 2012.

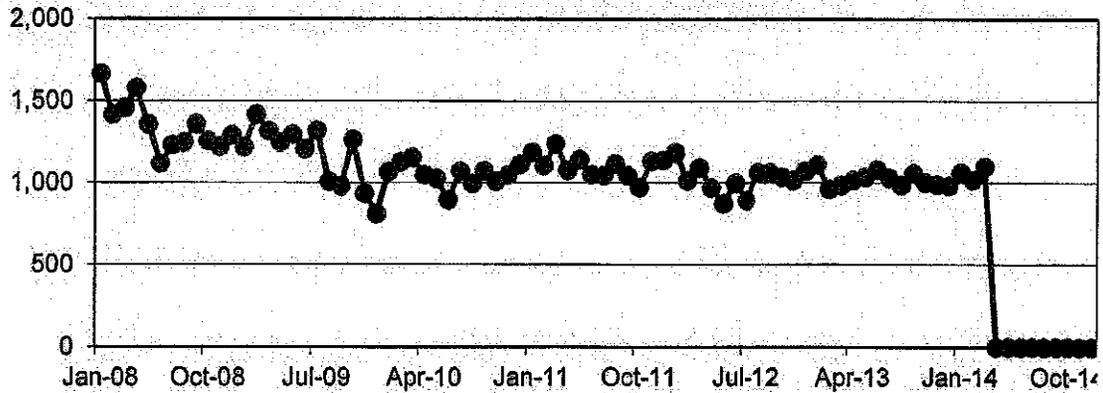
On a positive note, Expenses have also trended downward but not at the same rate as Revenues. 2014 Expenses were 4.8% less than 2013 and 6.0% less than 2012. Expense reductions have been realized in Salaries (0.5%-2013/1.5%-2012), Supplies (8.9%/2.9%), Drugs (17.5%/42.7%), Purchased Services (9.6%/24.0%), Repairs (7.9%/3.3%), Patient Related Travel (13.3%/8.6%), Education & Travel (23.6%/12.2%), and Other (6.9%/20.5%). Expense increases have been realized in Contract Labor (35.4%/11.4%) (ER Physicians and Care Center Therapy), Benefits (7.3%/17.4%) (Health Insurance),

Utilities (11.2%/9.1%), Insurance (8.7%/13.0%), Depreciation (9.3%/12.6%), Interest (9.6%/-18.1%), and Taxes (3.9%/19.7%).

Statistical and Volume Summary

Patient days were 68 (6.6%) greater than forecast with admissions 7 (2.5%) less than forecast yielding an increase in length of stay of 8.3%. Compared to the prior year, patient days were 112 (11.4%) greater with admissions 17 (6.4%) greater than last year. The average daily census for the month was 35.4 compared to forecast of 33.2 and 31.7 last year.

Hospital Patient Days

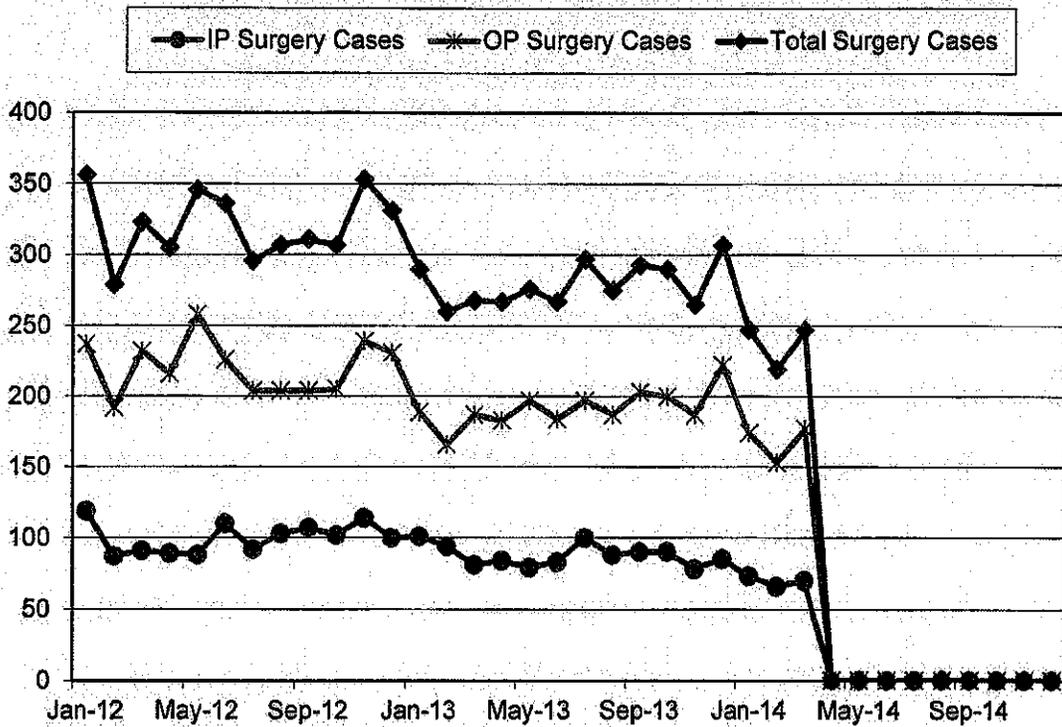


Observation patients were 2.3% less than forecast and 16.6% less than last year. Medicare case mix was 0.2% greater than forecast but the overall case mix was 3.9% less than forecast. Overall activity as measured in adjusted admissions was 1.6% less than forecast and 0.1% less than last year while adjusted patient days were 7.7% greater than forecast and 4.8% greater than last year. Care Center resident days were 1.5% less than forecast with a 59.1 average daily census. A new metric of Care Center case mix has been included which similarly measures acuity or care for the residents. Reimbursement also works similar in that the higher the case mix the higher the reimbursement. Case mix for the month was 0.5% greater than forecast and 0.3% greater than last year.

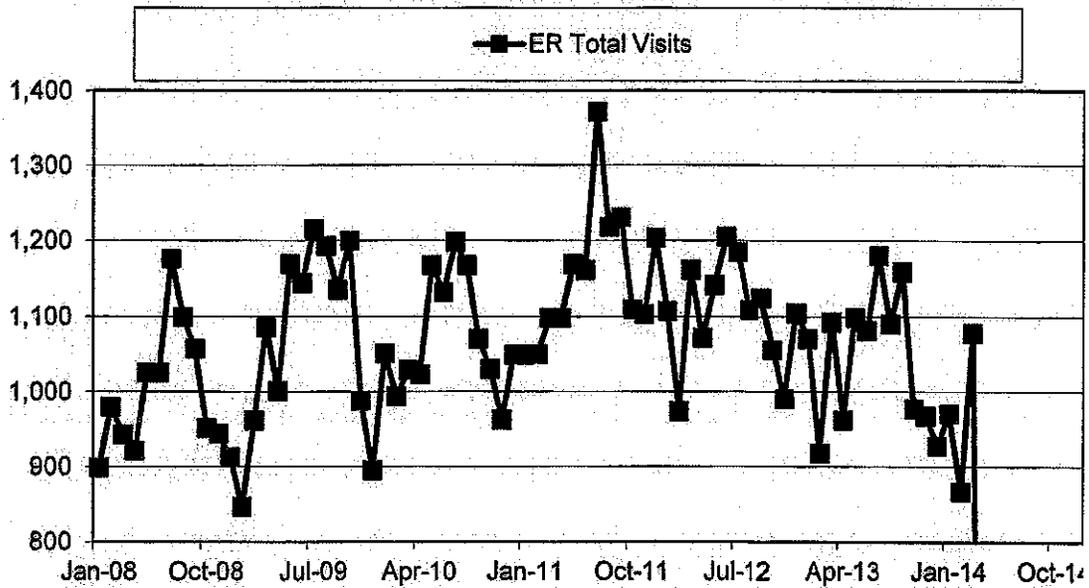
YTD patient days were 88 (2.9%) greater than forecast with admissions 54 (6.2%) less than forecast yielding an increase in length of stay of 9.4%. Compared to the prior year, patient days were 118 (3.9%) greater with admissions 40 (4.7%) less than last year. The average daily census was 35.2 compared to the forecast of 34.3 and 33.9 last year. Observation patients were 12.1% less than forecast and 18.9% less than last year. Medicare case mix was 4.4% greater than forecast and 5.0% greater than last year but the overall case mix was 1.0% less than forecast and 2.5% less than last year. Overall activity as measured in adjusted admissions was 8.1% less than forecast and 6.0% less than last year while adjusted patient days were 0.8% greater than forecast and 2.2% greater than last year. Care Center resident days were 4.1% less than forecast with a 59.4 average daily census and the case mix was 0.8% greater than forecast and 0.6% greater than last year.

Ancillary departments were mixed for the month. Surgery & GI cases were 14.8% less than forecast and 7.8% less than last year. Inpatient activity was 24.7% less than forecast and 13.6% less than last year while Outpatient activity was 10.2% less than forecast and 5.3% less than last year. YTD Surgery cases were 18.0% less than forecast, 12.8% less than 2013, and 18.0% less than 2012. IP cases 25.1% less than forecast and 24.3% less

than last year and OP cases 14.7% less than forecast and 7.0% less than last year. The monthly activity over the past couple of years indicates a downward trend in cases.



Emergency Room visits were at the forecast for the month and only 1.3% less than last year while YTD visits were 9.9% less than forecast, 5.3% less than 2013, and 10.1% less than 2012. Monthly visits were 16.9% greater than the three-month average.



Monthly Laboratory tests were 4.0% greater than forecast, 11.6% greater than last year, and 6.4% greater than average. Medical Imaging procedures were 6.7% greater than

forecast, 8.0% greater than last year, and 12.6% greater than average. Radiation Oncology treatments were 39.4% less than forecast, 56.5% less than last year, but 23.6% greater than average. Medical Oncology visits were 15.1% greater than forecast, 32.6% greater than last year, and flat with the average. Dialysis treatments were 24.7% greater than forecast, 31.8% greater than last year, and 11.2% greater than average; Rehab visits were 1.0% greater than forecast, 14.0% greater than last year, and 6.6% greater than average; Hospice visits were 14.5% greater than forecast, 16.0% greater than last year, and 19.0% greater than average; and Ambulance runs were 2.7% less than forecast, 4.4% less than last year, and 7.7% less than average.

YTD Laboratory tests were 1.1% less than forecast, 2.2% greater than last year, but 8.3% less than 2012. Medical Imaging procedures were 1.2% less than forecast, 4.9% greater than last year, but 11.0% less than 2012. Radiation Oncology treatments were 42.9% less than forecast, 50.3% less than last year, and 64.4% less than 2012. Medical Oncology visits were 13.5% greater than forecast, 24.0% greater than last year, and 6.6% greater than 2012. Dialysis treatments were 16.4% greater than forecast, 27.4% greater than last year, and 41.1% greater than 2012; Rehab visits were 1.8% less than forecast, 3.7% greater than last year, and 2.9% greater than 2012; Hospice visits were 1.7% greater than forecast, 1.7% less than last year, and 2.5% less than 2012; and Ambulance runs were 6.3% greater than forecast, 3.8% greater than last year, and 8.8% greater than 2012.

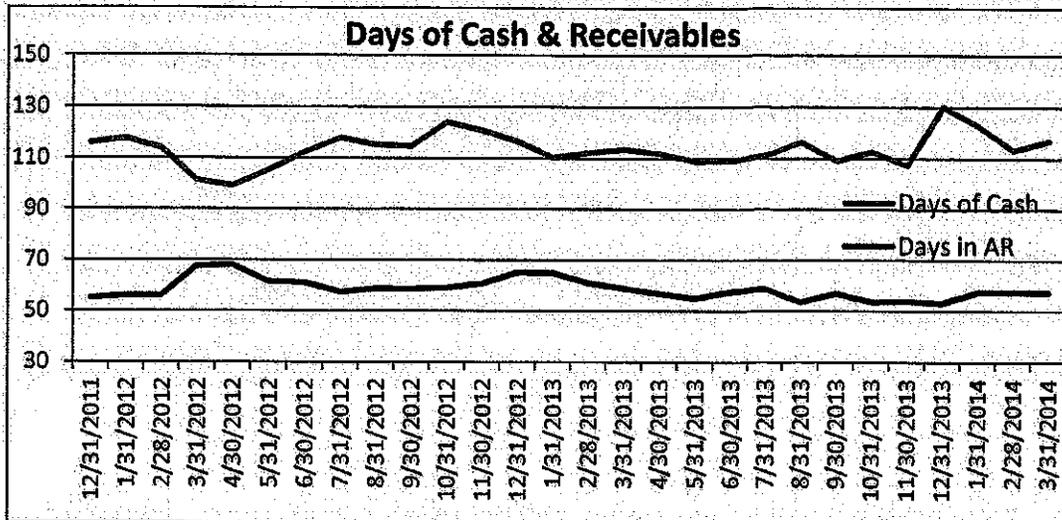
Full Time Equivalent's (FTE's) for the month were 791 compared to a forecast of 791 (0.0%) and compared to last year's total of 809 (2.2%). Hospital FTE's were 0.3% greater than forecast but 3.4% less than last year; Care Center was 2.1% greater than forecast but 3.2% less than last year; and Home Medical 3.8% less than forecast but 8.8% greater than last year.

YTD Full Time Equivalents (FTE's) were 797 compared to a forecast of 791 (0.7%), last year's total of 805 (1.0%), and 811 (1.7%) in 2012. Hospital FTE's were 1.4% greater than forecast, 1.4% less than last year and 3.7% less than 2012; Care Center was 1.0% greater than forecast, 5.0% less than last year, and 3.7% less than 2012; and Home Medical 4.0% less than forecast, 7.3% greater than last year, and 20.2% greater than 2012.

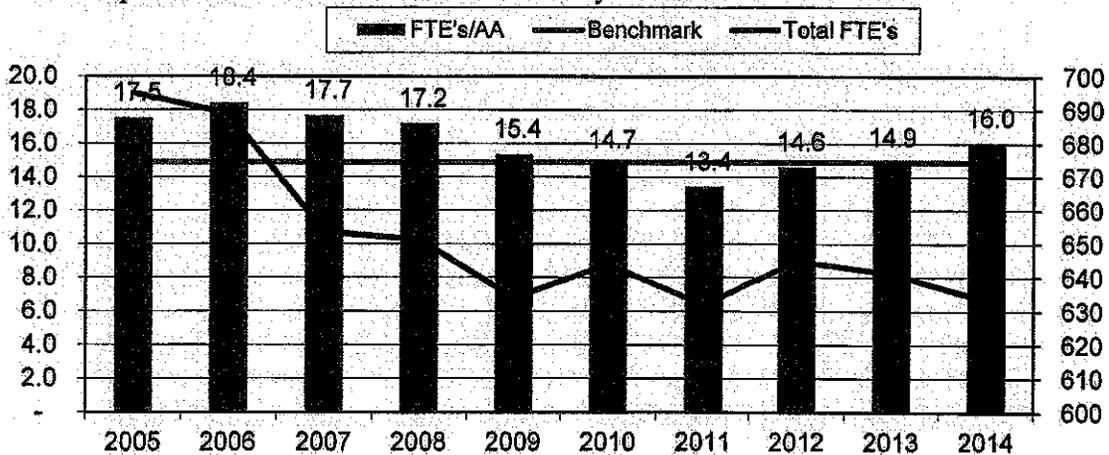
Key Performance Indicators

The Operational indicators were negative for the month compared to forecast and last year but improved from the prior two months. Consolidated Operating Margin was -1.3% for the month and YTD was -11.8% compared to the forecast of 2.0% and last year's -3.2%. Excess Margin was -1.8% for the month and YTD was -10.4% compared to the forecast of 2.5% and last year's -3.6%. EBIDA Operating Margin was 10.3% for the month and YTD was 0.9% compared to the forecast of 12.6% and last year's 7.0%.

The Financial ratios indicate that the Debt/Capitalization ratio of 46.0% was higher than the forecast of 43.3%; last year's 46.3%, and the targeted ceiling of 45%. Debt Service Coverage was 0.5 compared to the forecast of 3.2 and last year's 1.8. Days in accounts receivable were 57 compared to the forecast of 46 and last year's 52. The Hospital is still experiencing difficulty in some payers processing outstanding claims, which is frequently being discussed with the payers to resolve. Days of Cash were 117 compared to the forecast of 117 and last year's 128. The Cash/Debt ratio was 58% compared to the forecast of 68% and last year's 64%. The Financial Strength Index was a -2.44 compared to the forecast of 0.79 and -0.52 last year.



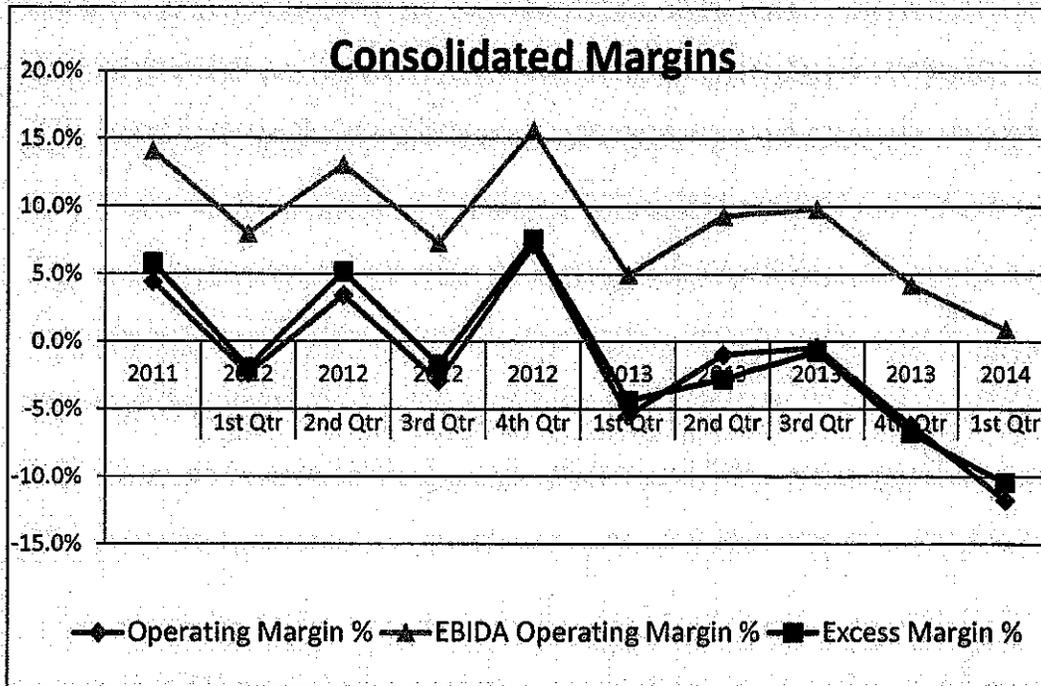
Hospital productivity ratios in terms of staffing were higher than forecast with FTE's per adjusted admit at 14.8 for the month and 16.0 YTD compared to the forecast of 14.4 and last year's ratio of 14.9. FTE's per adjusted patient day were 3.8 for the month and 4.1 YTD compared to the forecast of 4.1 and 4.2 last year.



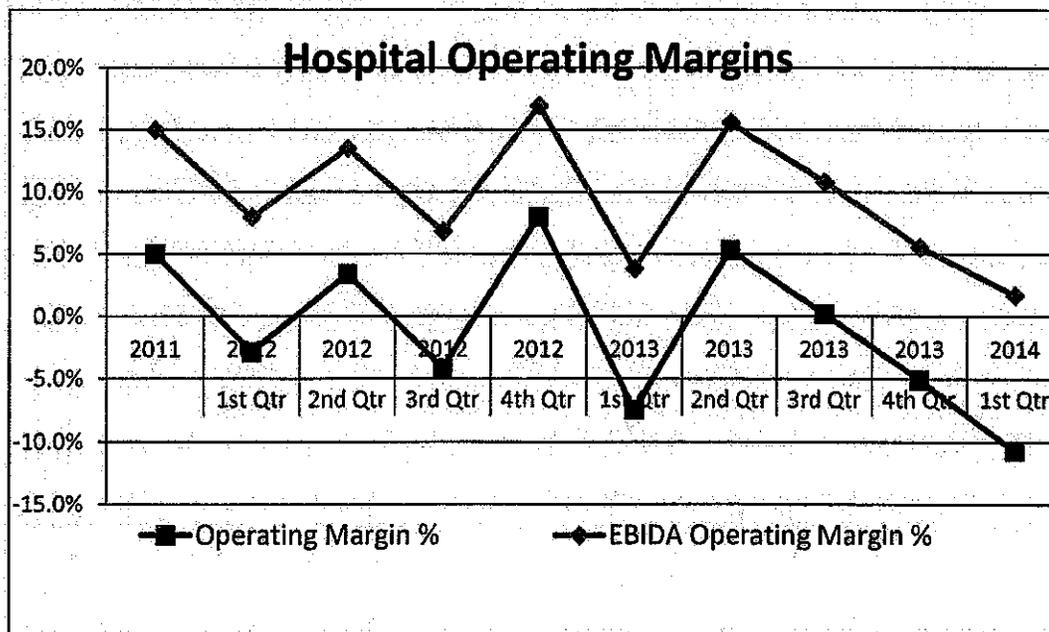
The Controllable Expense/Adjusted Admit was \$7,860 for the month and \$8,689 YTD compared to the forecast of \$7,922 and last year's \$8,255. Bad Debt ratio was 2.1% for the month compared to 2.2% YTD, and 1.9% forecast, which are all significantly better than the benchmark of 7.4%. Capital Expense ratio was 9.5% YTD compared to 9.3% forecast, 9.1% last year, and the benchmark of 6.9%. Care Center Hours per Resident Day were 7.1 for the month and 7.0 YTD compared to the forecast of 6.5 and 6.6 last year. Sales per FTE at Home Medical were \$135,900 for the month and \$138,800 YTD compared to the forecast of \$191,600 and \$161,600 last year. Inventory Turns were 3.9 YTD compared to last year's 4.7, with the variance due to the increased inventory with the opening of Redwood Falls and the new BellaForma store in Willmar.

Key Performance Indicators by Entity

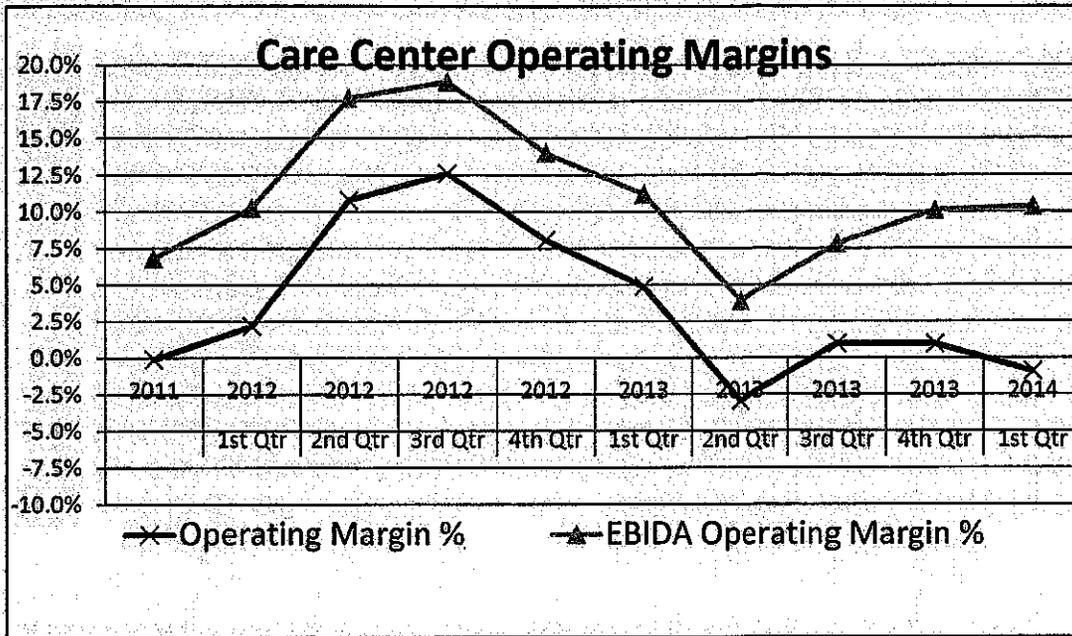
The Consolidated Margins continued to experience declines for most of 2013 and now into 2014. Quarterly results were mostly profitable in 2011 through 2012 but have been negative since 1st Quarter 2013. Decreased patient activity and reimbursement have pushed profits into deficits.



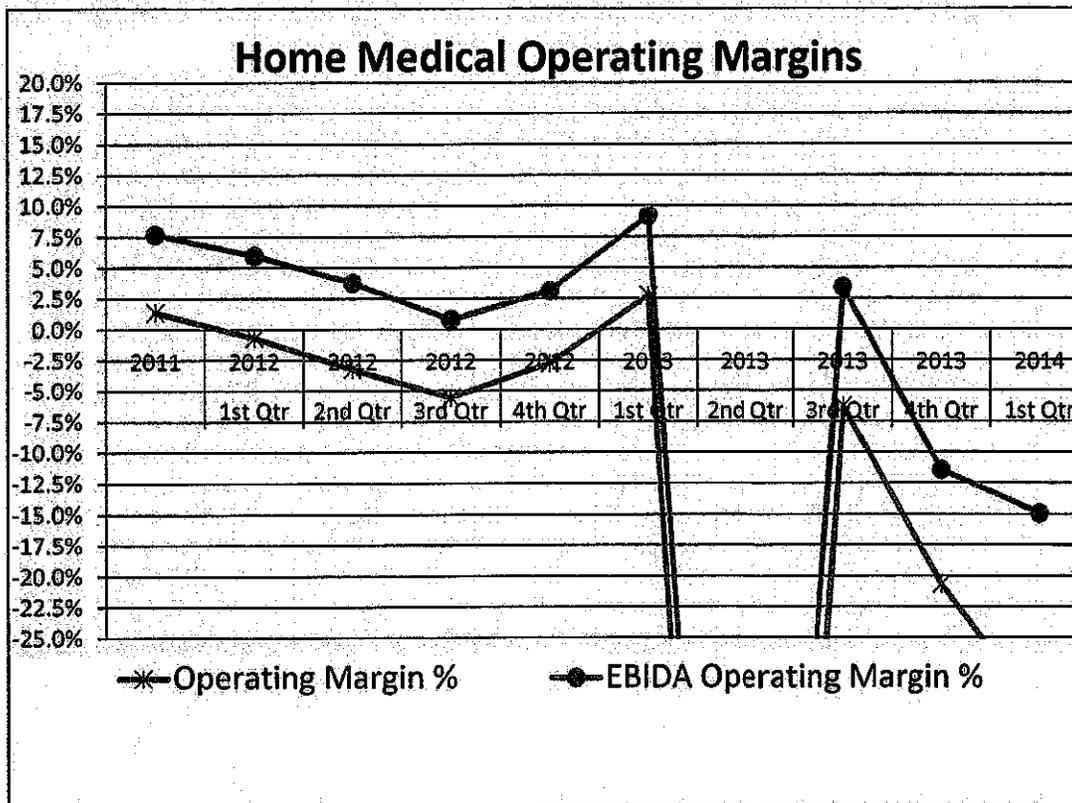
The Hospital activity continued its profitability decline from 2013 into 2014. The decline in Hospital profitability drove the poor performance in 1st Quarter 2014 due to the decreased volumes and reimbursement. Quarterly results have consistently declined since 2nd Quarter 2013.



Care Center activity has steadily improved since 2nd Quarter 2013 even with the construction projects disrupting the operation. 1st Quarter 2014 has started out positive and will likely remain flat, but positive, for the first two quarters of 2014 until Projects D and F are operational and occupied.



Home Medical losses continued into 2014 and have been negative since 1st Quarter 2013. Sales started the year very slow in 1st Quarter 2014 but have improved in April.



**RICE MEMORIAL HOSPITAL
RICE MEMORIAL HOSPITAL CONSOLIDATED
BALANCE SHEET
For the Three Months Ending March 31, 2014**

	March 2014	12/31/13	Variance	12/31/12	Variance	12/31/11	Variance
1 ASSETS							
2 CURRENT ASSETS							
3 CASH AND CASH EQUIVALENTS	\$1,486,556	\$9,357,157	(\$7,870,601)	\$2,999,489	(\$1,512,933)	\$1,928,445	(\$441,889)
4 TRUSTEE BOND AGREEMENTS - CURRENT	551,231	2,379,838	(1,828,607)	2,393,907	(1,842,675)	2,130,440	(1,579,209)
5 ACCOUNTS RECEIVABLE NET	14,667,617	14,513,548	154,069	18,416,955	(3,749,337)	16,143,018	(1,475,400)
6 OTHER RECEIVABLES	324,179	437,453	(113,274)	626,156	(301,976)	521,975	(197,796)
7 INVENTORY	2,144,896	2,117,850	27,046	1,881,543	263,353	1,858,419	286,477
8 PREPAID EXPENSES	1,079,975	991,750	88,224	1,080,525	(550)	1,517,862	(437,887)
10 TOTAL CURRENT ASSETS	20,254,455	29,797,596	(9,543,142)	27,398,573	(7,144,118)	24,100,158	(3,845,704)
11 ASSETS LIMITED AS TO USE							
12 HELD BY TRUSTEES - BOND AGREEMENTS	3,571,279	3,571,279		3,181,089	390,189	3,731,642	(160,363)
15 REMAINDER UNITRUST - RECEIVABLE	47,522	47,522		43,996	3,526	47,976	(454)
16 ENDOWMENT FUND - INVESTMENTS	2,982,677	2,960,184	22,493	2,616,990	365,687	2,466,271	516,405
18 TOTAL ASSETS - USE IS LIMITED	6,601,477	6,578,984	22,493	5,842,075	759,402	6,245,889	355,588
19 PROPERTY PLANT & EQUIPMENT							
20 PROPERTY PLANT & EQUIPMENT	140,166,078	136,903,754	3,262,324	132,297,068	7,869,010	129,292,102	10,873,976
21 LESS: ACCUMULATED DEPRECIATION	(77,008,301)	(75,712,695)	(1,295,606)	(72,741,611)	(4,266,690)	(67,522,491)	(9,485,810)
24 NET PROPERTY, PLANT & EQUIPMENT	63,157,777	61,191,059	1,966,718	59,555,457	3,602,321	61,769,611	1,388,166
25 OTHER ASSETS							
27 INVESTMENTS - FIXED INCOME	25,262,407	22,595,563	2,666,843	25,941,901	(679,494)	25,125,564	136,842
28 INVESTMENTS - SHR	439,455	439,455		425,186	14,269	411,413	28,042
29 INVESTMENTS - WMS	3,795,576	3,769,317	26,259	3,647,124	148,452	3,335,316	460,260
30 INVESTMENTS - LAKE REGION HMS	100,000		100,000			100,000	
30 INVESTMENTS - VHAUM CSC	54,963	54,963		79,963	(25,000)	79,136	(24,173)
32 GOODWILL, NET	84,389	84,722	(333)	86,056	(1,667)		84,389
33 DEFERRED DEBT ACQUISITION COSTS				200,398	(200,398)	518,347	(518,347)
36 TOTAL OTHER ASSETS	29,736,789	26,944,020	2,792,770	30,380,628	(643,839)	29,469,777	267,013
38 TOTAL ASSETS	\$109,560,499	\$124,511,659	(\$14,951,161)	\$123,176,733	(\$3,416,234)	\$121,585,435	(\$1,854,936)
40 LIABILITIES AND NET ASSETS							
41 CURRENT LIABILITIES							
43 CURRENT MATURITIES OF LTD	\$2,424,846	\$1,730,232	\$694,614	\$2,290,275	\$134,570	\$1,981,181	\$443,664
44 ACCOUNTS PAYABLE - TRADE	1,525,556	1,939,719	(414,163)	1,730,604	(205,048)	1,563,350	(37,794)
45 EST. THIRD PARTY PAYOR SETTLEMENTS	132,266	192,060	(59,794)	(29,304)	161,770	217,700	(85,434)
46 ACCRUED SALARIES, WAGES AND BENEFIT	10,734,852	11,135,015	(400,163)	10,992,653	(257,801)	10,751,022	(16,170)
47 ACCRUED INTEREST AND DUE TO WMS	1,607,149	2,093,781	(486,632)	2,089,775	(482,626)	2,449,639	(842,490)
49 TOTAL CURRENT LIABILITIES	16,424,668	17,090,807	(666,139)	17,073,804	(649,136)	16,962,892	(538,224)
51 LONG TERM DEBT (LESS CURRENT)	47,573,113	49,770,570	(2,197,457)	45,957,263	1,615,851	49,270,010	(1,696,897)
53 TOTAL LIABILITIES	63,997,782	66,861,377	(2,863,596)	63,031,067	966,715	66,232,902	(2,235,120)
54 COMMITMENTS AND CONTINGENCIES							
57 NET ASSETS							
58 RESTRICTED FUNDS							
59 DEBT SERVICE AND RESERVE	3,571,279	3,571,279		3,181,089	390,189	3,731,642	(160,363)
60 SPECIFIC PURPOSE FUND	419,989	270,286	149,703	88,338	331,651	74,393	345,396
61 PERMANENT ENDOWMENT	2,982,677	2,960,184	22,493	2,616,990	365,687	2,466,271	516,405
62 CURRENT YEAR INCOME	(2,233,155)	(3,428,035)	1,194,880	2,430,598	(4,663,753)	4,206,309	(6,439,464)
63 UNRESTRICTED	51,011,928	54,276,569	(3,264,641)	51,828,651	(816,723)	44,873,718	6,138,210
65 TOTAL NET ASSETS	55,752,717	57,650,282	(1,897,565)	60,145,666	(4,392,949)	55,352,533	400,184
67 TOTAL LIABILITIES AND NET ASSETS	\$119,750,499	\$124,511,659	(\$4,761,161)	\$123,176,733	(\$3,416,234)	\$121,585,435	(\$1,854,936)

RICE MEMORIAL HOSPITAL CONSOLIDATED
For the Month Ending

	March 2014	Prior 3 Mo Average	% Var	February 2014	% Var	January 2014	% Var	December 2013	% Var
OPERATING REVENUE									
INPATIENT REVENUE	\$5,236,703	\$5,233,443	0.1%	\$5,077,226	3.1%	\$5,330,834	(1.8%)	\$5,292,268	(1.0%)
OUTPATIENT REVENUE	10,057,744	9,545,037	5.4%	9,036,190	11.3%	9,671,408	4.0%	9,927,513	1.3%
RICE CARE CENTER REVENUE	787,560	822,600	(4.3%)	782,435	0.7%	837,973	(6.0%)	847,372	(7.1%)
RICE HOME MEDICAL REVENUE	948,025	1,079,045	(12.1%)	896,205	5.8%	1,054,342	(10.1%)	1,286,589	(26.3%)
TOTAL PATIENT REVENUE	17,030,032	16,680,125	2.1%	15,792,076	7.8%	16,894,557	0.8%	17,353,742	(1.9%)
LESS DISCOUNTS & CONTRACTUALS	8,715,100	8,663,397	0.6%	8,405,263	3.7%	8,782,102	(0.8%)	8,802,825	(1.0%)
LESS UNCOMPENSATED CARE	40,658	114,519	(64.5%)	92,986	(56.3%)	180,504	(77.5%)	70,066	(42.0%)
LESS BAD DEBT EXPENSE	150,257	150,896	(0.4%)	141,744	6.0%	177,433	(15.3%)	133,512	12.5%
TOTAL DEDUCTIONS FROM REVENUE	8,906,015	8,928,812	(0.3%)	8,639,993	3.1%	9,140,039	(2.6%)	9,006,403	(1.1%)
NET REVENUE FROM PATIENTS	8,124,017	7,751,313	4.8%	7,152,083	13.6%	7,754,518	4.8%	8,347,339	(2.7%)
OTHER OPERATING REVENUE	1,204,393	1,429,854	(15.8%)	1,109,162	8.6%	1,204,710	0.0%	1,975,690	(39.0%)
TOTAL OPERATING REVENUE	9,328,410	9,181,167	1.6%	8,261,245	12.9%	8,959,228	4.1%	10,323,029	(9.6%)
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	1,802,047	1,876,588	(4.0%)	1,798,406	0.2%	1,821,554	(1.1%)	2,009,803	(10.3%)
TOTAL OPERATING REVENUE	7,526,363	7,304,580	3.0%	6,462,839	16.5%	7,137,674	5.4%	8,313,226	(9.5%)
OPERATING EXPENSES									
SALARIES AND WAGES	3,943,531	3,819,606	3.2%	3,556,845	10.9%	3,955,028	(0.3%)	3,946,945	(0.1%)
CONTRACT LABOR	329,716	366,785	(10.1%)	379,486	(13.1%)	391,656	(15.8%)	329,212	0.2%
SUPPLEMENTAL BENEFITS	1,027,917	1,339,505	(23.3%)	1,305,355	(21.3%)	1,478,341	(30.5%)	1,234,819	(16.8%)
SUPPLIES	893,786	1,032,600	(13.4%)	852,467	4.8%	1,000,880	(10.7%)	1,244,454	(28.2%)
DRUGS	464,229	456,206	1.8%	430,654	7.8%	463,074	0.2%	474,889	(2.2%)
PURCHASED SERVICES	484,778	502,115	(3.5%)	514,261	(5.7%)	472,347	2.6%	519,736	(6.7%)
REPAIRS, SERVICE & RENTALS	198,293	284,662	(30.3%)	293,749	(32.5%)	305,181	(35.0%)	255,057	(22.3%)
UTILITIES	136,649	153,696	(11.1%)	154,072	(11.3%)	157,695	(13.3%)	149,321	(8.5%)
INSURANCE	57,246	61,166	(6.4%)	80,962	(29.3%)	45,881	24.8%	56,654	1.0%
PATIENT RELATED TRAVEL	34,435	33,584	2.5%	29,299	17.5%	33,810	1.8%	37,644	(8.5%)
EDUCATION, TRAVEL, & DUES	66,578	75,160	(11.4%)	64,526	3.2%	92,277	(27.8%)	68,676	(3.1%)
OTHER	39,315	39,398	(0.2%)	26,837	46.5%	41,519	(5.3%)	49,838	(21.1%)
DEPRECIATION AND AMORT	716,996	747,925	(4.1%)	740,489	(3.2%)	760,281	(5.7%)	743,006	(3.5%)
INTEREST	155,737	145,944	6.7%	149,817	4.0%	155,695	0.0%	132,320	17.7%
TAXES & SURCHARGE	177,991	190,920	(6.8%)	182,446	(2.4%)	191,966	(7.3%)	198,348	(10.3%)
TOTAL OPERATING EXPENSES	8,727,197	9,249,272	(5.6%)	8,761,265	(0.4%)	9,545,631	(8.6%)	9,440,919	(7.6%)
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	1,101,196	1,169,682	(5.9%)	1,144,946	(3.8%)	1,175,081	(6.3%)	1,189,018	(7.4%)
NET OPERATING EXPENSES	7,626,001	8,079,590	(5.6%)	7,616,319	0.1%	8,370,550	(8.9%)	8,251,901	(7.6%)
OPERATING INCOME (LOSS)	(99,638)	(775,010)	(87.1%)	(1,153,480)	(91.4%)	(1,232,876)	(91.9%)	61,325	(262.5%)
NON OPERATING INCOME									
INVESTMENT INCOME	42,044	86,486	(51.4%)	30,114	39.6%	115,127	(63.5%)	114,216	(63.2%)
UNREALIZED GAIN (LOSS)	(101,904)	(47,564)	114.2%	45,186	(325.5%)	161,928	(162.9%)	(349,806)	(70.9%)
OTHER GAIN (LOSS)	21,307	(18,348)	(216.1%)	(70,840)	(130.1%)	9,876	115.7%	5,919	260.0%
TOTAL NON OPERATING INCOME	(38,553)	20,573	(287.4%)	4,460	(964.4%)	286,931	(113.4%)	(229,671)	(83.2%)
NET INCOME (LOSS)	(\$138,191)	(\$754,437)	(81.7%)	(\$1,149,020)	(88.0%)	(\$945,945)	(85.4%)	(\$168,346)	(17.9%)

RICE HOSPITAL
For the Month Ending

	March 2014	Prior 3 Mo Average	% Var	February 2014	% Var	January 2014	% Var	December 2013	% Var
OPERATING REVENUE									
INPATIENT REVENUE	\$5,236,703	\$5,233,443	0.1%	\$5,077,226	3.1%	\$5,330,834	(1.8%)	\$5,292,268	(1.0%)
OUTPATIENT REVENUE	10,057,745	9,545,037	5.4%	9,036,191	11.3%	9,671,408	4.0%	9,927,512	1.3%
TOTAL PATIENT REVENUE	15,294,448	14,778,480	3.5%	14,113,417	8.4%	15,002,242	1.9%	15,219,780	0.5%
LESS DISCOUNTS & CONTRACTUALS	8,182,283	8,062,438	1.5%	7,877,366	3.9%	8,246,357	(0.8%)	8,063,590	1.5%
LESS UNCOMPENSATED CARE	40,497	112,784	(64.1%)	91,184	(55.6%)	180,497	(77.6%)	66,670	(39.3%)
LESS BAD DEBT EXPENSE	150,495	141,225	6.6%	119,146	26.3%	172,062	(12.5%)	132,467	13.6%
TOTAL DEDUCTIONS FROM REVENUE	8,373,275	8,316,446	0.7%	8,087,696	3.5%	8,598,916	(2.6%)	8,262,727	1.3%
NET REVENUE FROM PATIENTS	6,921,173	6,462,033	7.1%	6,025,721	14.9%	6,403,326	8.1%	6,957,053	(0.5%)
OTHER OPERATING REVENUE	1,192,402	1,415,760	(15.8%)	1,098,012	8.6%	1,184,436	0.7%	1,964,833	(39.3%)
TOTAL OPERATING REVENUE	8,113,575	7,877,794	3.0%	7,123,733	13.9%	7,587,762	6.9%	8,921,886	(9.1%)
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	1,802,047	1,876,588	(4.0%)	1,798,406	0.2%	1,821,554	(1.1%)	2,009,803	(10.3%)
TOTAL OPERATING REVENUE	6,311,528	6,001,206	5.2%	5,325,327	18.5%	5,766,208	9.5%	6,912,083	(8.7%)
OPERATING EXPENSES									
SALARIES AND WAGES	3,447,795	3,333,955	3.4%	3,124,882	10.3%	3,441,822	0.2%	3,435,160	0.4%
CONTRACT LABOR	249,705	277,772	(10.1%)	299,753	(16.7%)	301,302	(17.1%)	232,260	7.5%
SUPPLEMENTAL BENEFITS	843,570	1,140,054	(26.0%)	1,112,902	(24.2%)	1,291,926	(34.7%)	1,015,333	(16.9%)
SUPPLIES	564,865	651,732	(13.3%)	559,242	1.0%	636,052	(11.2%)	759,903	(25.7%)
DRUGS	446,660	439,140	1.7%	405,374	10.2%	448,001	(0.3%)	464,045	(3.7%)
PURCHASED SERVICES	445,237	459,553	(3.1%)	475,167	(6.3%)	438,421	1.6%	465,072	(4.3%)
REPAIRS, SERVICE & RENTALS	173,745	256,693	(32.3%)	269,911	(35.6%)	277,168	(37.3%)	222,999	(22.1%)
UTILITIES	111,832	123,951	(9.8%)	122,638	(8.8%)	128,660	(13.1%)	120,554	(7.2%)
INSURANCE	49,195	53,126	(7.4%)	72,910	(32.5%)	37,830	30.0%	48,637	1.1%
PATIENT RELATED TRAVEL	19,398	21,572	(10.1%)	17,091	13.5%	21,223	(8.6%)	26,402	(26.5%)
EDUCATION, TRAVEL, & DUES	56,358	66,297	(15.0%)	50,956	10.6%	84,892	(33.6%)	63,042	(10.6%)
OTHER	27,829	26,146	6.4%	10,326	169.5%	27,422	1.5%	40,690	(31.6%)
DEPRECIATION AND AMORT	597,075	582,624	2.5%	598,225	(0.2%)	593,207	0.7%	556,440	7.3%
INTEREST	124,051	119,337	4.0%	125,222	(0.9%)	127,994	(3.1%)	104,796	18.4%
TAXES & SURCHARGE	138,513	151,042	(8.3%)	142,054	(2.5%)	152,143	(9.0%)	158,928	(12.8%)
TOTAL OPERATING EXPENSES	7,295,828	7,702,992	(5.3%)	7,386,653	(1.2%)	8,008,063	(8.9%)	7,714,261	(5.4%)
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	1,101,196	1,169,682	(5.9%)	1,144,946	(3.8%)	1,175,081	(6.3%)	1,189,018	(7.4%)
NET OPERATING EXPENSES	6,194,632	6,533,311	(5.2%)	6,241,707	(0.8%)	6,832,982	(9.3%)	6,525,243	(5.1%)
OPERATING INCOME (LOSS)	116,896	(532,105)	(122.0%)	(916,380)	(112.8%)	(1,066,774)	(111.0%)	386,840	(69.8%)
NON OPERATING INCOME									
INVESTMENT INCOME	42,044	86,349	(51.3%)	29,614	42.0%	115,427	(63.6%)	114,006	(63.1%)
UNREALIZED GAIN (LOSS)	(101,904)	(47,564)	114.2%	45,186	(325.5%)	161,928	(162.9%)	(349,806)	(70.9%)
OTHER GAIN (LOSS)	15,673	(18,456)	(184.9%)	(70,840)	(122.1%)	9,876	58.7%	5,597	180.0%
TOTAL NON OPERATING INCOME	(44,187)	20,329	(317.4%)	3,960	(1,215.8%)	287,231	(115.4%)	(230,203)	(80.8%)
NET INCOME (LOSS)	\$72,709	(\$511,775)	(114.2%)	(\$912,420)	(108.0%)	(\$779,543)	(109.3%)	\$156,637	(53.6%)

RICE CARE CENTER
For the Month Ending

	March 2014	Prior 3 Mo Average	% Var	February 2014	% Var	January 2014	% Var	December 2013	% Var
OPERATING REVENUE									
RICE CARE CENTER REVENUE	\$787,560	\$822,600	(4.3%)	\$782,455	0.7%	\$837,973	(6.0%)	\$847,372	(7.1%)
TOTAL PATIENT REVENUE	787,560	822,600	(4.3%)	782,455	0.7%	837,973	(6.0%)	847,372	(7.1%)
LESS DISCOUNTS & CONTRACTUALS	228,548	229,859	(0.6%)	222,614	2.7%	209,415	9.1%	257,547	(11.3%)
LESS BAD DEBT EXPENSE	(7,237)	(177)	3,988.7%	729	(1,092.7%)	1,079	(770.7%)	(2,339)	209.4%
TOTAL DEDUCTIONS FROM REVENUE	221,311	229,682	(3.6%)	223,343	(0.9%)	210,494	5.1%	255,208	(13.3%)
NET REVENUE FROM PATIENTS	566,249	592,918	(4.5%)	559,112	1.3%	627,479	(9.8%)	592,164	(4.4%)
OTHER OPERATING REVENUE	554	443	25.1%	446	24.2%	430	28.8%	453	22.3%
TOTAL OPERATING REVENUE	566,803	593,361	(4.5%)	559,558	1.3%	627,909	(9.7%)	592,617	(4.4%)
LESS: WILLMAR MEDICAL SERVICES									
TOTAL OPERATING REVENUE	566,803	593,361	(4.5%)	559,558	1.3%	627,909	(9.7%)	592,617	(4.4%)
OPERATING EXPENSES									
SALARIES AND WAGES	223,229	217,700	2.5%	192,370	16.0%	243,763	(8.4%)	216,966	2.9%
CONTRACT LABOR	80,011	89,013	(10.1%)	79,734	0.3%	90,354	(11.4%)	96,952	(17.5%)
SUPPLEMENTAL BENEFITS	92,258	90,313	2.2%	80,987	13.9%	83,962	9.9%	105,991	(13.0%)
SUPPLIES	42,434	36,993	14.7%	28,170	50.6%	39,320	7.9%	43,488	(2.4%)
DRUGS	17,568	17,066	2.9%	25,280	(30.5%)	15,073	16.6%	10,844	62.0%
PURCHASED SERVICES	12,131	15,799	(23.2%)	14,585	(16.8%)	17,718	(31.5%)	15,093	(19.6%)
REPAIRS, SERVICE & RENTALS	3,910	5,277	(25.9%)	3,501	11.7%	3,611	8.3%	8,719	(55.2%)
UTILITIES	11,828	15,000	(21.1%)	16,303	(27.4%)	16,577	(28.6%)	12,119	(2.4%)
INSURANCE	4,195	4,195	0.0%	4,195	0.0%	4,195	0.0%	4,195	0.0%
PATIENT RELATED TRAVEL	500	336	48.8%	387	29.2%	321	55.8%	300	66.7%
EDUCATION, TRAVEL, & DUES	7,588	3,812	99.1%	5,142	47.6%	3,287	130.8%	3,008	152.3%
OTHER	10	99	(89.9%)	220	(95.5%)	55	(81.8%)	22	(54.5%)
DEPRECIATION AND AMORT	38,082	37,886	0.5%	37,979	0.3%	37,845	0.6%	37,835	0.7%
INTEREST	31,686	19,013	66.7%	24,595	28.8%	27,679	14.5%	4,764	565.1%
TAXES & SURCHARGE	35,883	35,583	0.8%	35,883	0.0%	35,883	0.0%	34,984	2.6%
TOTAL OPERATING EXPENSES	601,313	588,085	2.2%	549,331	9.5%	619,643	(3.0%)	595,280	1.0%
LESS: WILLMAR MEDICAL SERVICES									
NET OPERATING EXPENSES	601,313	588,085	2.2%	549,331	9.5%	619,643	(3.0%)	595,280	1.0%
OPERATING INCOME (LOSS)	(34,510)	5,277	(754.0%)	10,227	(437.4%)	8,266	(517.5%)	(2,663)	1,195.9%
NON OPERATING INCOME									
INVESTMENT INCOME		403	(100.0%)	500	(100.0%)	500	(100.0%)	210	(100.0%)
TOTAL NON OPERATING INCOME		403	(100.0%)	500	(100.0%)	500	(100.0%)	210	(100.0%)
NET INCOME (LOSS)	(\$34,510)	\$5,680	(707.6%)	\$10,727	(421.7%)	\$8,766	(493.7%)	(\$2,453)	1,306.8%

RICE HOME MEDICAL
RICE HOME MEDICAL
For the Month Ending March 31, 2014

	March 2014	% of Gross Sales	Prior 3 Mo Average	% of Gross Sales	February 2014	% of Gross Sales	January 2014	% of Gross Sales
GROSS SALES								
SALES REVENUE	\$543,859	57.33%	\$649,743	60.10%	\$503,801	56.18%	\$625,784	59.18%
RENTS REVENUE	404,166	42.61%	429,302	39.71%	392,404	43.76%	428,558	40.53%
MISC REVENUE	545	0.06%	2,029	0.19%	600	0.07%	3,075	0.29%
GROSS SALES	948,569	100.00%	1,081,074	100.00%	896,805	100.00%	1,057,417	100.00%
LESS: CONTRACTUAL ALLOWANCES	(304,268)	(32.08%)	(371,100)	(34.33%)	(305,283)	(34.04%)	(326,330)	(30.86%)
LESS: UNCOMPENSATED CARE	(161)	(0.02%)	(1,735)	(0.16%)	(1,802)	(0.20%)	(7)	0.00%
LESS: BAD DEBT EXPENSE	(6,999)	(0.74%)	(9,848)	(0.91%)	(21,869)	(2.44%)	(4,292)	(0.41%)
NET SALES	637,141	67.17%	698,391	64.60%	567,850	63.32%	726,788	68.73%
COST OF GOODS SOLD								
OXYGEN	5,107	0.54%	5,955	0.55%	5,778	0.64%	5,646	0.53%
EQUIPMENT	65,356	6.89%	82,142	7.60%	62,134	6.93%	73,358	6.94%
SUPPLY - FREIGHT	10,682	1.13%	13,506	1.25%	10,802	1.20%	13,889	1.31%
SUPPLY	172,871	18.22%	196,051	18.13%	161,366	17.99%	195,119	18.45%
EQUIPMENT REPAIR	22,709	2.39%	25,085	2.32%	11,610	1.29%	21,549	2.04%
SHOP EXPENSE	2,552	0.27%	5,514	0.51%	6,240	0.70%	4,259	0.40%
EQUIPMENT RENTAL & LEASES	213	0.02%	0	0.00%	0	0.00%	0	0.00%
PURCHASE DISCOUNTS	(10,892)	(1.15%)	(11,622)	(1.08%)	(10,103)	(1.13%)	(16,769)	(1.59%)
TOTAL COST OF GOODS SOLD	268,599	28.32%	316,632	29.29%	247,826	27.63%	297,052	28.09%
GROSS PROFIT	368,542	38.85%	381,759	35.31%	320,025	35.68%	429,737	40.64%
OPERATING EXPENSES								
SALARIES & WAGES	272,508	28.73%	267,951	24.79%	239,593	26.72%	269,443	25.48%
SUPPLEMENTAL BENEFITS	92,089	9.71%	109,138	10.10%	111,466	12.43%	102,454	9.69%
SUPPLIES AND DRUGS	6,996	0.74%	15,622	1.45%	7,127	0.79%	11,687	1.11%
PURCHASED SERVICES	27,410	2.89%	26,762	2.48%	24,509	2.73%	16,208	1.53%
REPAIRS, SERVICE & RENTALS	20,638	2.18%	22,692	2.10%	20,336	2.27%	24,401	2.31%
UTILITIES	12,989	1.37%	14,746	1.36%	15,131	1.69%	12,459	1.18%
INSURANCE	3,856	0.41%	3,845	0.36%	3,856	0.43%	3,856	0.36%
PATIENT RELATED TRAVEL	14,537	1.53%	11,676	1.08%	11,821	1.32%	12,266	1.16%
EDUCATION, TRAVEL, & DUES	2,631	0.28%	5,051	0.47%	8,428	0.94%	4,098	0.39%
OTHER EXPENSE	11,476	1.21%	13,153	1.22%	16,291	1.82%	14,042	1.33%
DEPRECIATION & AMORTIZATION	81,839	8.63%	127,415	11.79%	104,285	11.63%	129,228	12.22%
INTEREST EXPENSE	0	0.00%	7,594	0.70%	0	0.00%	22	0.00%
TAXES	3,594	0.38%	4,294	0.40%	4,509	0.50%	3,939	0.37%
TOTAL OPERATING EXPENSES	550,563	58.04%	629,940	58.27%	567,352	63.26%	604,103	57.13%
NET OPERATING INCOME (LOSS)	(182,021)	(19.19%)	(248,180)	(22.96%)	(247,327)	(27.58%)	(174,366)	(16.49%)
INVESTMENT INCOME	0	0.00%	267	0.02%	0	0.00%	800	0.08%
OTHER GAIN (LOSS)	5,633	0.59%	108	0.01%	0	0.00%	0	0.00%
NET INCOME (LOSS)	(\$176,387)	(18.60%)	(\$248,073)	(22.95%)	(\$247,327)	(27.58%)	(\$174,366)	(16.49%)

RICE MEMORIAL HOSPITAL CONSOLIDATED
For the Year To Date Period Ending

	March 2014	March 2013	% Var	March 2012	% Var	March 2011	% Var
OPERATING REVENUE							
INPATIENT REVENUE	\$15,644,763	\$15,286,299	2.3%	\$15,823,946	(1.1%)	\$17,126,204	(8.7%)
OUTPATIENT REVENUE	28,765,343	28,779,975	(0.1%)	30,350,652	(5.2%)	29,584,451	(2.8%)
RICE CARE CENTER REVENUE	2,407,988	2,566,081	(6.2%)	1,854,517	29.8%	1,375,868	75.0%
RICE HOME MEDICAL REVENUE	2,898,572	3,028,377	(4.3%)	2,602,144	11.4%	2,403,149	20.6%
TOTAL PATIENT REVENUE	49,716,666	49,660,732	0.1%	50,631,259	(1.8%)	50,489,672	(1.5%)
LESS DISCOUNTS & CONTRACTUALS	25,902,464	24,353,156	6.4%	24,141,491	7.3%	23,882,009	8.5%
LESS UNCOMPENSATED CARE	314,148	294,766	6.6%	367,236	(14.5%)	685,342	(54.2%)
LESS BAD DEBT EXPENSE	469,435	370,274	26.8%	292,268	60.6%	422,963	11.0%
TOTAL DEDUCTIONS FROM REVENUE	26,686,047	25,018,196	6.7%	24,800,995	7.6%	24,990,314	6.8%
NET REVENUE FROM PATIENTS	23,030,619	24,642,536	(6.5%)	25,830,264	(10.8%)	25,499,358	(9.7%)
OTHER OPERATING REVENUE	3,518,265	3,927,951	(10.4%)	4,001,476	(12.1%)	4,209,061	(16.4%)
TOTAL OPERATING REVENUE	26,548,884	28,570,487	(7.1%)	29,831,740	(11.0%)	29,708,419	(10.6%)
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	5,422,007	5,045,205	7.5%	5,284,793	2.6%	4,968,420	9.1%
TOTAL OPERATING REVENUE	21,126,877	23,525,282	(10.2%)	24,546,947	(13.9%)	24,739,999	(14.6%)
OPERATING EXPENSES							
SALARIES AND WAGES	11,455,404	11,512,823	(0.5%)	11,626,127	(1.5%)	10,908,957	5.0%
CONTRACT LABOR	1,100,858	813,251	35.4%	988,368	11.4%	486,112	126.5%
SUPPLEMENTAL BENEFITS	3,811,614	3,552,555	7.3%	3,247,205	17.4%	3,416,041	11.6%
SUPPLIES	2,747,133	3,014,954	(8.9%)	2,828,471	(2.9%)	2,899,622	(5.3%)
DRUGS	1,357,957	1,645,951	(17.5%)	2,367,955	(42.7%)	1,555,985	(12.7%)
PURCHASED SERVICES	1,471,386	1,627,319	(9.6%)	1,935,702	(24.0%)	1,677,599	(12.3%)
REPAIRS, SERVICE & RENTALS	797,222	865,221	(7.9%)	824,003	(3.3%)	810,942	(1.7%)
UTILITIES	448,416	403,157	11.2%	410,911	9.1%	382,348	17.3%
INSURANCE	184,089	169,280	8.7%	162,892	13.0%	148,766	23.7%
PATIENT RELATED TRAVEL	97,545	112,556	(13.3%)	106,685	(8.6%)	92,221	5.8%
EDUCATION, TRAVEL, & DUES	223,381	292,334	(23.6%)	254,515	(12.2%)	213,141	4.8%
OTHER	107,672	115,697	(6.9%)	135,491	(20.5%)	104,099	3.4%
DEPRECIATION AND AMORT	2,217,766	2,028,586	9.3%	1,970,434	12.6%	1,841,621	20.4%
INTEREST	461,249	420,858	9.6%	563,115	(18.1%)	630,000	(26.8%)
TAXES & SURCHARGE	552,402	531,691	3.9%	461,512	19.7%	564,166	(2.1%)
TOTAL OPERATING EXPENSES	27,034,094	27,106,233	(0.3%)	27,883,386	(3.0%)	25,731,620	5.1%
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	3,421,223	2,298,278	48.9%	2,759,645	24.0%	2,193,664	56.0%
NET OPERATING EXPENSES	23,612,871	24,807,955	(4.8%)	25,123,741	(6.0%)	23,537,956	0.3%
OPERATING INCOME (LOSS)	(2,485,994)	(1,282,673)	93.8%	(576,794)	331.0%	1,202,043	(306.8%)
NON OPERATING INCOME							
INVESTMENT INCOME	187,285	150,133	24.7%	218,789	(14.4%)	189,445	(1.1%)
UNREALIZED GAIN (LOSS)	105,211	(31,755)	(431.3%)	(125,641)	(183.7%)	(65,529)	(260.6%)
OTHER GAIN (LOSS)	(39,657)	126,274	(131.4%)	7,544	(625.7%)	19,642	(301.9%)
TOTAL NON OPERATING INCOME	252,839	244,652	3.3%	100,692	151.1%	143,558	76.1%
NET INCOME (LOSS)	(\$2,233,155)	(\$1,038,021)	115.1%	(\$476,102)	369.0%	\$1,345,601	(266.0%)

RICE HOSPITAL
For the Year To Date Period Ending

	March 2014	March 2013	% Var	March 2012	% Var	March 2011	% Var
OPERATING REVENUE							
INPATIENT REVENUE	\$15,644,763	\$15,286,299	2.3%	\$15,823,946	(1.1%)	\$17,126,204	(8.7%)
OUTPATIENT REVENUE	28,765,343	28,779,975	(0.1%)	30,350,652	(5.2%)	29,584,451	(2.8%)
TOTAL PATIENT REVENUE	44,410,106	44,066,274	0.8%	46,174,598	(3.8%)	46,710,655	(4.9%)
LESS DISCOUNTS & CONTRACTUALS	24,306,006	22,949,550	5.9%	23,291,488	4.4%	23,154,023	5.0%
LESS UNCOMPENSATED CARE	312,178	294,575	6.0%	361,635	(13.7%)	685,342	(54.4%)
LESS BAD DEBT EXPENSE	441,704	371,270	19.0%	280,052	57.7%	407,735	8.3%
TOTAL DEDUCTIONS FROM REVENUE	25,059,888	23,615,395	6.1%	23,933,175	4.7%	24,247,100	3.4%
NET REVENUE FROM PATIENTS	19,350,218	20,450,879	(5.4%)	22,241,423	(13.0%)	22,463,555	(13.9%)
OTHER OPERATING REVENUE	3,474,850	3,903,712	(11.0%)	3,972,591	(12.5%)	4,201,571	(17.3%)
TOTAL OPERATING REVENUE	22,825,068	24,354,591	(6.3%)	26,214,014	(12.9%)	26,665,126	(14.4%)
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	5,422,007	5,045,205	7.5%	5,284,793	2.6%	4,968,420	9.1%
TOTAL OPERATING REVENUE	17,403,061	19,309,386	(9.9%)	20,929,221	(16.8%)	21,696,706	(19.8%)
OPERATING EXPENSES							
SALARIES AND WAGES	10,014,498	10,156,847	(1.4%)	10,295,901	(2.7%)	9,787,802	2.3%
CONTRACT LABOR	850,759	502,332	69.4%	912,450	(6.8%)	476,309	78.6%
SUPPLEMENTAL BENEFITS	3,248,398	3,070,753	5.8%	2,750,206	18.1%	3,012,262	7.8%
SUPPLIES	1,760,159	1,985,961	(11.4%)	1,904,760	(7.6%)	2,017,307	(12.7%)
DRUGS	1,300,035	1,594,514	(18.5%)	2,320,849	(44.0%)	1,528,566	(15.0%)
PURCHASED SERVICES	1,358,825	1,449,936	(6.3%)	1,793,982	(24.3%)	1,583,986	(14.2%)
REPAIRS, SERVICE & RENTALS	720,824	789,112	(8.7%)	768,032	(6.1%)	751,413	(4.1%)
UTILITIES	363,129	340,771	6.6%	356,299	1.9%	332,645	9.2%
INSURANCE	159,935	144,864	10.4%	137,922	16.0%	124,370	28.6%
PATIENT RELATED TRAVEL	57,712	73,451	(21.4%)	63,933	(9.7%)	57,440	0.5%
EDUCATION, TRAVEL, & DUES	192,207	259,897	(26.0%)	223,139	(13.9%)	191,847	0.2%
OTHER	65,578	84,976	(22.8%)	122,949	(46.7%)	91,233	(28.1%)
DEPRECIATION AND AMORT	1,788,507	1,803,412	(0.8%)	1,754,281	2.0%	1,685,541	6.1%
INTEREST	377,267	377,010	0.1%	517,754	(27.1%)	589,910	(36.0%)
TAXES & SURCHARGE	432,710	410,428	5.4%	363,574	19.0%	494,896	(12.6%)
TOTAL OPERATING EXPENSES	22,690,543	23,044,264	(1.5%)	24,286,031	(6.6%)	22,725,527	(0.2%)
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	3,421,223	2,298,278	48.9%	2,759,645	24.0%	2,193,664	56.0%
NET OPERATING EXPENSES	19,269,320	20,745,986	(7.1%)	21,526,386	(10.5%)	20,531,863	(6.1%)
OPERATING INCOME (LOSS)	(1,866,259)	(1,436,600)	29.9%	(597,165)	212.5%	1,164,843	(260.2%)
NON OPERATING INCOME							
INVESTMENT INCOME	187,085	148,962	25.6%	217,899	(14.1%)	183,349	2.0%
UNREALIZED GAIN (LOSS)	105,211	(31,755)	(431.3%)	(125,641)	(183.7%)	(65,529)	(260.6%)
OTHER GAIN (LOSS)	(45,290)	126,274	(135.9%)	(4,349)	941.4%	7,484	(705.2%)
TOTAL NON OPERATING INCOME	247,006	243,481	1.4%	87,909	181.0%	125,304	97.1%
NET INCOME (LOSS)	(\$1,619,253)	(\$1,193,119)	35.7%	(\$509,256)	218.0%	\$1,290,147	(225.5%)

RICE CARE CENTER
For the Year To Date Period Ending

	March 2014	March 2013	% Var	March 2012	% Var	March 2011	% Var
OPERATING REVENUE							
RICE CARE CENTER REVENUE	\$2,407,988	\$2,566,081	(6.2%)	\$1,854,517	29.8%	\$1,375,868	75.0%
TOTAL PATIENT REVENUE	2,407,988	2,566,081	(6.2%)	1,854,517	29.8%	1,375,868	75.0%
LESS DISCOUNTS & CONTRACTUALS	660,577	736,699	(10.3%)	291,349	126.7%	179,508	268.0%
LESS BAD DEBT EXPENSE	(5,429)	(4,656)	16.6%	335	(1,720.6%)	8,821	(161.5%)
TOTAL DEDUCTIONS FROM REVENUE	655,148	732,043	(10.5%)	291,684	124.6%	188,329	247.9%
NET REVENUE FROM PATIENTS	1,752,840	1,834,038	(4.4%)	1,562,833	12.2%	1,187,539	47.6%
OTHER OPERATING REVENUE	1,431	1,804	(20.7%)	3,100	(53.8%)	3,262	(56.1%)
TOTAL OPERATING REVENUE	1,754,271	1,835,842	(4.4%)	1,565,933	12.0%	1,190,801	47.3%
LESS: WILLMAR MEDICAL SERVICES							
TOTAL OPERATING REVENUE	1,754,271	1,835,842	(4.4%)	1,565,933	12.0%	1,190,801	47.3%
OPERATING EXPENSES							
SALARIES AND WAGES	659,362	634,716	3.9%	684,595	(3.7%)	575,103	14.7%
CONTRACT LABOR	250,099	310,919	(19.6%)	75,918	229.4%	234	106,779.9%
SUPPLEMENTAL BENEFITS	257,207	248,708	3.4%	297,375	(13.5%)	246,840	4.2%
SUPPLIES	109,924	140,056	(21.5%)	101,845	7.9%	84,004	30.9%
DRUGS	57,922	51,437	12.6%	47,106	23.0%	27,419	111.2%
PURCHASED SERVICES	44,434	64,707	(31.3%)	43,594	1.9%	28,586	55.4%
REPAIRS, SERVICE & RENTALS	11,022	10,991	0.3%	12,669	(13.0%)	9,900	11.3%
UTILITIES	44,708	34,048	31.3%	31,387	42.4%	21,136	111.5%
INSURANCE	12,586	12,139	3.7%	8,608	46.2%	7,532	67.1%
PATIENT RELATED TRAVEL	1,209	1,029	17.5%	919	31.6%	148	716.9%
EDUCATION, TRAVEL, & DUES	16,017	11,976	33.7%	14,563	10.0%	12,594	27.2%
OTHER	285	1,541	(81.5%)	253	12.6%	848	(66.4%)
DEPRECIATION AND AMORT	113,906	83,624	36.2%	93,353	22.0%	38,797	193.6%
INTEREST	83,960	32,511	158.3%	33,080	153.8%	22,955	265.8%
TAXES & SURCHARGE	107,649	108,293	(0.6%)	86,680	24.2%	56,343	91.1%
TOTAL OPERATING EXPENSES	1,770,290	1,746,695	1.4%	1,531,945	15.6%	1,132,439	56.3%
LESS: WILLMAR MEDICAL SERVICES							
NET OPERATING EXPENSES	1,770,290	1,746,695	1.4%	1,531,945	15.6%	1,132,439	56.3%
OPERATING INCOME (LOSS)	(16,019)	89,147	(118.0%)	33,988	(147.1%)	58,362	(127.4%)
NON OPERATING INCOME							
INVESTMENT INCOME	1,000	1,170	(14.5%)	1,844	(45.8%)	2,250	(55.6%)
TOTAL NON OPERATING INCOME	1,000	1,170	(14.5%)	1,844	(45.8%)	2,250	(55.6%)
NET INCOME (LOSS)	(\$15,019)	\$90,317	(116.6%)	\$35,832	(141.9%)	\$60,612	(124.8%)

Rice Home Medical
RICE HOME MEDICAL
For the 03 Months Ending March 31, 2014

	March 2014	% of Gross Sales	March 2013	% of Gross Sales	March 2012	% of Gross Sales	March 2011	% of Gross Sales
GROSS SALES								
SALES REVENUE	\$1,673,444	57.65%	\$1,743,935	57.51%	\$1,659,719	63.78%	\$1,514,393	63.01%
RENTS REVENUE	1,225,128	42.21%	1,284,443	42.36%	942,424	36.22%	888,756	36.98%
MISC REVENUE	4,220	0.15%	4,158	0.14%	0	0.00%	137	0.01%
GROSS SALES	2,902,791	100.00%	3,032,535	100.00%	2,602,144	100.00%	2,403,286	100.00%
LESS: CONTRACTUAL ALLOWANCES	(935,881)	(32.24%)	(666,907)	(21.99%)	(558,654)	(21.47%)	(548,479)	(22.82%)
LESS: UNCOMPENSATED CARE	(1,971)	(0.07%)	(191)	(0.01%)	(5,601)	(0.22%)	0	0.00%
LESS: BAD DEBT EXPENSE	(33,160)	(1.14%)	(3,660)	(0.12%)	(11,881)	(0.46%)	(6,407)	(0.27%)
NET SALES	1,931,780	66.55%	2,361,777	77.88%	2,026,007	77.86%	1,848,400	76.91%
COST OF GOODS SOLD								
OXYGEN	16,531	0.57%	29,872	0.99%	33,199	1.28%	34,507	1.44%
EQUIPMENT	200,847	6.92%	243,001	8.01%	201,115	7.73%	248,286	10.33%
SUPPLY - FREIGHT	35,373	1.22%	43,772	1.44%	42,175	1.62%	29,964	1.25%
SUPPLY	529,357	18.24%	495,531	16.34%	484,427	18.62%	427,294	17.78%
EQUIPMENT REPAIR	55,868	1.92%	44,917	1.48%	24,318	0.93%	21,785	0.91%
SHOP EXPENSE	13,051	0.45%	9,105	0.30%	14,001	0.54%	7,513	0.31%
EQUIPMENT RENTAL & LEASES	213	0.01%	0	0.00%	0	0.00%	0	0.00%
PURCHASE DISCOUNTS	(37,765)	(1.30%)	(18,277)	(0.60%)	(25,784)	(0.99%)	(4,091)	(0.17%)
TOTAL COST OF GOODS SOLD	813,476	28.02%	847,920	27.96%	773,450	29.72%	765,258	31.84%
GROSS PROFIT	1,118,304	38.53%	1,513,856	49.92%	1,252,557	48.14%	1,083,142	45.07%
OPERATING EXPENSES								
SALARIES & WAGES	781,544	26.92%	721,260	23.78%	645,631	24.81%	546,051	22.72%
CONTRACT LABOR	0	0.00%	0	0.00%	0	0.00%	9,569	0.40%
SUPPLEMENTAL BENEFITS	306,009	10.54%	233,094	7.69%	199,623	7.67%	156,939	6.53%
SUPPLIES AND DRUGS	25,809	0.89%	22,741	0.75%	22,633	0.87%	28,961	1.21%
PURCHASED SERVICES	68,127	2.35%	112,677	3.72%	98,126	3.77%	65,027	2.71%
REPAIRS, SERVICE & RENTALS	65,376	2.25%	65,119	2.15%	43,303	1.66%	49,629	2.07%
UTILITIES	40,579	1.40%	28,338	0.93%	23,224	0.89%	28,568	1.19%
INSURANCE	11,568	0.40%	12,277	0.40%	16,362	0.63%	16,864	0.70%
PATIENT RELATED TRAVEL	38,624	1.33%	38,076	1.26%	41,834	1.61%	34,632	1.44%
EDUCATION, TRAVEL, & DUES	15,157	0.52%	20,460	0.67%	16,813	0.65%	8,699	0.36%
OTHER EXPENSE	41,809	1.44%	29,181	0.96%	12,289	0.47%	12,018	0.50%
DEPRECIATION & AMORTIZATION	315,352	10.86%	141,550	4.67%	122,800	4.72%	117,283	4.88%
INTEREST EXPENSE	22	0.00%	11,337	0.37%	12,281	0.47%	17,135	0.71%
TAXES	12,043	0.41%	12,971	0.43%	11,258	0.43%	12,928	0.54%
TOTAL OPERATING EXPENSES	1,722,018	59.32%	1,449,080	47.78%	1,266,177	48.66%	1,104,304	45.95%
NET OPERATING INCOME (LOSS)	(603,714)	(20.80%)	64,777	2.14%	(13,620)	(0.52%)	(21,162)	(0.88%)
INVESTMENT INCOME	800	0.03%	(1)	0.00%	954	0.04%	(3,846)	(0.16%)
OTHER GAIN (LOSS)	5,633	0.19%	0	0.00%	11,893	0.46%	12,158	0.51%
NET INCOME (LOSS)	(\$598,081)	(20.60%)	\$64,777	2.14%	(\$1,727)	(0.07%)	(\$9,004)	(0.37%)

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**RICE MEMORIAL HOSPITAL
CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE PERIOD ENDED:
March 31, 2014**

Line #	Current YTD	Prior YTD
1 Sources of Cash & Investments:		
2 Net Income	\$ (2,233,155)	\$ (1,038,021)
3 Depreciation & Amortization	2,217,766	\$ 2,028,586
4 Debt Proceeds	-	-
5 Other		
6		
7 Total Sources	<u>(15,389)</u>	<u>990,565</u>
8		
9 Uses		
10 Property, Plant, and Equipment - Gross	4,154,404	2,586,204
11 Debt Payments/Re-funding	1,502,843	1,839,103
12 Working Capital Changes & Other - Net	(1,514,604)	(3,228,793)
13		
14 Total Uses	<u>4,142,643</u>	<u>1,196,514</u>
15		
16 Increase / (Decrease) Cash & Investments	(4,158,032)	(205,949)
17		
18 Beginning of Period (January 1)	<u>31,952,720</u>	<u>28,941,389</u>
19		
20 End of Period	<u>\$ 27,794,688</u>	<u>\$ 28,735,440</u>

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**RICE MEMORIAL HOSPITAL
STATISTICAL AND VOLUME SUMMARY
FOR THE PERIOD ENDED:
March 31, 2014**

Line #	Patient Days	CURRENT MONTH				Act/2013	Prior	Act/Prior	
		Actual	Forecast	Var.	Var. %	2013	3 mo avg	Var. %	
1	Adult Health Care	586	542	44	8.1%	526	11.4%	558	5.0%
2	Women and Children's Care	225	210	15	7.1%	201	11.9%	183	23.0%
3	ICCU	50	61	(11)	-18.0%	45	11.1%	63	-20.6%
4	Mental Health	235	215	20	9.3%	212	10.8%	215	9.3%
5	Total Adult & Peds	1,096	1,028	68	6.6%	984	11.4%	1,019	7.6%
6									
7	Average Daily Census	35.4	33.2	2.2	6.6%	31.7	11.4%	34.0	4.1%
8									
9	Average Length of Stay	3.83	3.54	0.29	8.3%	3.62	5.9%	3.84	-0.2%
10									
11	Admissions-Inpatient	283	290	(7)	-2.5%	266	6.4%	269	5.2%
12	Observation patients	167	171	(4)	-2.3%	200	-16.6%	147	13.7%
13									
14	Medicare Case Mix Index	1.291	1.288	0.003	0.2%	1.288	0.2%	1.340	-3.6%
15	Case Mix Index-Total	0.975	1.014	(0.039)	-3.9%	1.064	-8.4%	1.020	-4.4%
16									
17	Adjusted Admissions	829	842	(13)	-1.6%	828	0.1%	759	9.2%
18	Adjusted Patient Days	3,210	2,981	229	7.7%	3,062	4.8%	2,876	11.6%
19									
20	Births	70	68	2	2.9%	52	34.6%	62	12.9%
21									
22	Rice Care Center-Days	1,833	1,860	(27)	-1.5%	2,031	-9.7%	1,781	2.9%
23	Rice Care Center-Average Daily Census	59.1	60.0	(0.9)	-1.5%	65.5	-9.7%	59.4	-0.4%
24	Rice Care Center Case Mix Index	1.025	1.020	0.00	0.5%	1.022	0.3%	1.025	0.0%
25									
26									
27									
		YEAR-TO-DATE				Act/2013		Act/2012	
		Actual	Forecast	Var.	Var. %	2013	Var. %	2012	Var. %
28	Patient Days								
29	Adult Health Care	1,732	1,626	106	6.5%	1,611	7.5%	1,739	-0.4%
30	Women and Children's Care	588	630	(42)	-6.7%	647	-9.1%	756	-22.2%
31	ICCU	177	183	(6)	-3.3%	172	2.9%	228	-22.4%
32	Mental Health	675	645	30	4.7%	624	8.2%	566	19.3%
33	Total Adult & Peds	3,172	3,084	88	2.9%	3,054	3.9%	3,289	-3.6%
34									
35	Average Daily Census	35.2	34.3	1.0	2.9%	33.9	3.9%	36.1	-2.5%
36									
37	Average Length of Stay	3.87	3.54	0.33	9.4%	3.54	9.4%	3.58	8.1%
38									
39	Admissions-Inpatient	817	871	(54)	-6.2%	857	-4.7%	918	-11.0%
40	Observation patients	451	513	(62)	-12.1%	556	-18.9%	726	-37.8%
41									
42	Medicare Case Mix Index	1.344	1.288	0.056	4.4%	1.280	5.0%	1.336	0.6%
43	Case Mix Index-Total	1.005	1.014	(0.010)	-1.0%	1.030	-2.5%	1.027	-2.2%
44									
45	Adjusted Admissions	2,323	2,526	(204)	-8.1%	2,471	-6.0%	2,679	-13.3%
46	Adjusted Patient Days	9,017	8,944	74	0.8%	8,821	2.2%	9,597	-6.0%
47									
48	Births	188	204	(16)	-7.8%	192	-2.1%	173	8.7%
49									
50	Rice Care Center-Days	5,350	5,580	(230)	-4.1%	6,056	-11.7%	6,441	-16.9%
51	Rice Care Center-Average Daily Census	59.4	62.0	(2.6)	-4.1%	67.3	-11.7%	70.8	-16.0%
52	Rice Care Center Case Mix Index	1.029	1.020	0.01	0.8%	1.022	0.6%	1.014	1.4%

**RICE MEMORIAL HOSPITAL
STATISTICAL AND VOLUME SUMMARY
FOR THE PERIOD ENDED:
March 31, 2014**

	CURRENT MONTH				Act/2013	Prior	Act/Prior
	Actual	Forecast	Var.	Var. %	2013	3 mo avg	Var. %
Ancillary Services							
1 IP Surgeries	70	93	(23)	-24.7%	81	75	-6.7%
2 OP Surgeries	177	197	(20)	-10.2%	187	183	-3.3%
3 Total Surgeries	247	290	(43)	-14.8%	268	258	-4.3%
4							
5 ER Visits-Inpatient	184	173	11	6.4%	179	166	10.8%
6 ER Visits-Outpatient	894	906	(12)	-1.3%	913	756	18.3%
7 ER Visits-Total	1,078	1,079	(1)	-0.1%	1,092	922	16.9%
8							
9 Lab Tests	23,138	22,239	899	4.0%	20,736	21,737	6.4%
10 Medical Imaging Procedures	1,525	1,429	96	6.7%	1,412	1,354	12.6%
11 Radiation Oncology Treatments	251	414	(163)	-39.4%	577	203	23.6%
12 Medical Oncology Visits	236	205	31	15.1%	178	234	0.9%
13							
14 Dialysis Treatments	1,020	818	202	24.7%	774	917	11.2%
15 Rehab Visits	3,730	3,693	37	1.0%	3,271	3,499	6.6%
16 Hospice Visits	2,115	1,847	268	14.5%	1,824	1,778	19.0%
17 Ambulance Runs	215	221	(6)	-2.7%	225	233	-7.7%
18							
19							
Full Time Equivalents (FTE's)							
21 FTE's - Hospital	627	625	2	0.3%	649	636	-1.5%
22 FTE's - Care Center	81	79	2	2.1%	83	79	2.1%
23 FTE's - Home Medical	84	87	(3)	-3.8%	77	83	0.8%
24 Total FTE's	791	791	0	0.0%	809	799	-1.0%

	YEAR-TO-DATE				Act/Prior	Act/Prior	
	Actual	Forecast	Var.	Var. %	2013	2012	Var. %
Ancillary Services							
30 IP Surgeries	209	279	(70)	-25.1%	276	297	-29.6%
31 OP Surgeries	504	591	(87)	-14.7%	542	661	-23.8%
32 Total Surgeries	713	870	(157)	-18.0%	818	870	-18.0%
33							
34 ER Visits-Inpatient	513	519	(6)	-1.2%	506	579	-11.4%
35 ER Visits-Outpatient	2,403	2,718	(315)	-11.6%	2,574	2,663	-9.8%
36 ER Visits-Total	2,916	3,237	(321)	-9.9%	3,080	3,242	-10.1%
37							
38 Lab Tests	66,011	66,717	(706)	-1.1%	64,810	72,009	-8.3%
39 Medical Imaging Procedures	4,236	4,287	(51)	-1.2%	4,038	4,760	-11.0%
40 Radiation Oncology Treatments	709	1,242	(533)	-42.9%	1,427	1,991	-64.4%
41 Medical Oncology Visits	698	615	83	13.5%	563	655	6.6%
42							
43 Dialysis Treatments	2,856	2,454	402	16.4%	2,242	2,024	41.1%
44 Rehab Visits	10,881	11,079	(198)	-1.8%	10,497	10,579	2.9%
45 Hospice Visits	5,634	5,541	93	1.7%	5,734	5,780	-2.5%
46 Ambulance Runs	705	663	42	6.3%	679	648	8.8%
47							
48							
Full Time Equivalents (FTE's)							
50 FTE's - Hospital	634	625	9	1.4%	643	658	-3.7%
51 FTE's - Care Center	80	79	1	1.0%	84	83	-3.7%
52 FTE's - Home Medical	84	87	(3)	-4.0%	78	69	20.2%
53 Total FTE's	797	791	6	0.7%	805	811	-1.7%

25

**RICE MEMORIAL HOSPITAL
KEY PERFORMANCE INDICATORS**

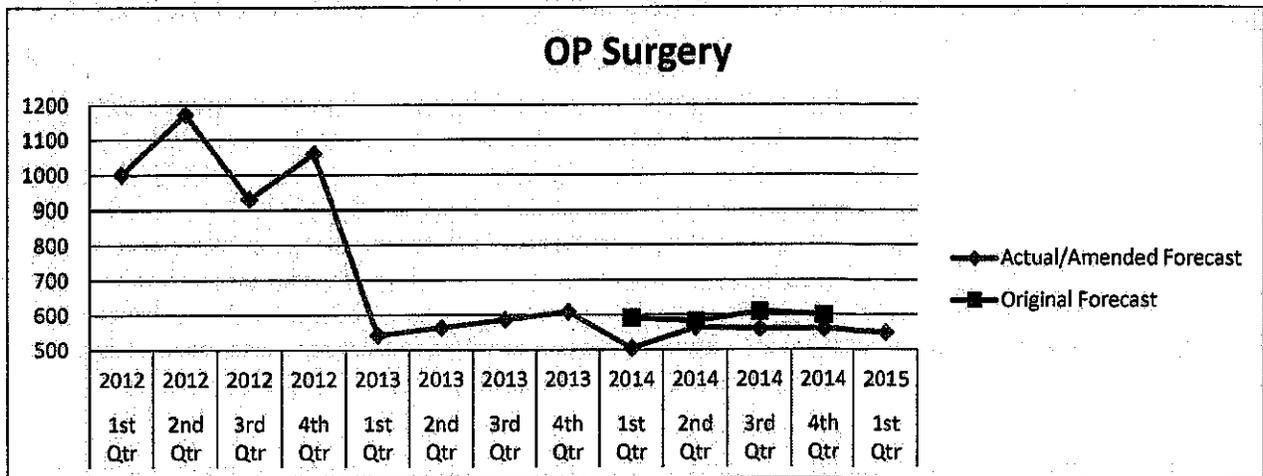
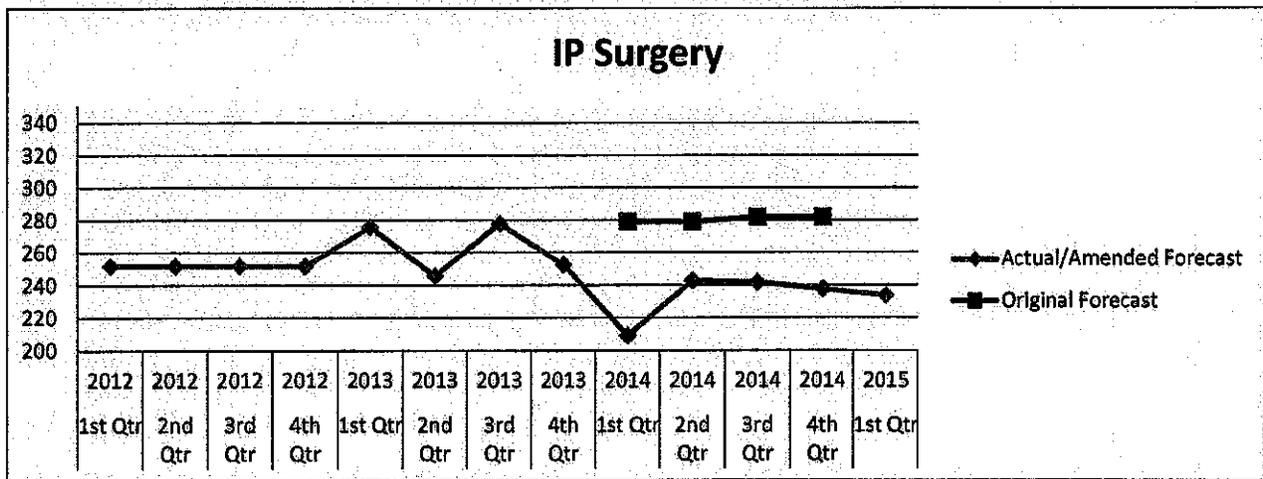
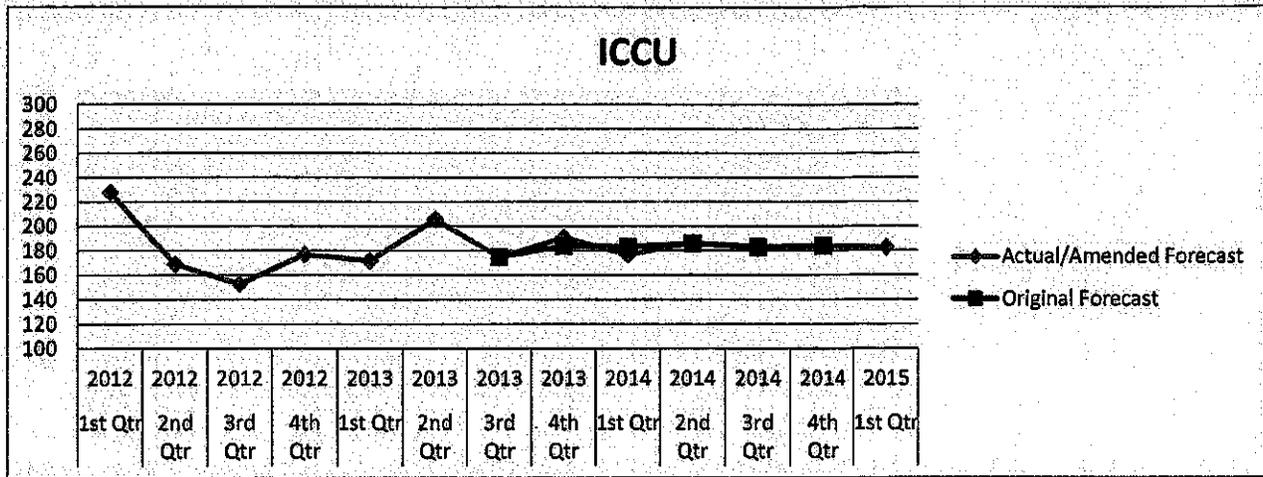
FOR THE PERIOD ENDED:

Line #	03/31/14 Actual	2014 YTD Actual	2014 Forecast	2013 Actual	2012 Actual	2011 Actual	Industry Benchmarks
1	OPERATIONAL						
2	Operating Margin						
3	Rice Hospital	1.9%	-10.7%	1.6%	-1.5%	1.3%	5.0%
4	Rice Care Center	-6.1%	-0.9%	3.7%	1.0%	8.7%	-0.1%
5	Rice Home Medical	-28.6%	-31.3%	4.0%	-22.5%	-3.0%	1.4%
6							
7	Consolidated Operating Margin	-1.3%	-11.8%	2.0%	-3.2%	1.4%	4.4%
8							2.2%
9	Consolidated Excess Margin	-1.8%	-10.4%	2.5%	-3.6%	2.4%	5.8%
10							2.8%
11	EBIDA Operating Margin	10.3%	0.9%	12.6%	7.0%	11.6%	14.6%
12							10.8%
13	FINANCIAL						
14	Debt/Capitalization Ratio		46.0%	43.3%	46.3%	43.3%	46.3%
15	Debt Service Coverage		0.5	3.2	1.8	3.0	3.5
16	Net Days in Accounts Receivable-Hospital		57	46	52	64	55
17	Days of Cash		117	117	128	114	116
18	Unrestricted Cash/Debt		58%	68%	64%	63.0%	58.6%
19	Cushion Ratio		7.7	10.1	8.9	7.1	6.3
20	Average Age of Plant		9.4	10.1	9.3	9.1	9.2
21	Financial Strength Index		(2.44)	0.79	(0.52)	0.75	1.65
22	PRODUCTIVITY						
23	Rice Hospital						
24							
25	Controllable Expense/Adj. Admit	\$ 7,860	\$ 8,689	\$ 7,922	\$ 8,255	\$ 8,287	\$ 7,610
26							
27	Compensation Ratio	55.6%	61.7%	51.0%	52.6%	50.5%	48.1%
28							50%
29	FTE per Adjusted Admit	14.8	16.0	14.4	14.9	14.6	13.4
30	FTE per Adjusted Patient Day	3.8	4.1	4.1	4.2	4.1	3.8
31							14.9
32	Supply Expense per CMI Adjusted Discharge	\$ 692	\$ 753	\$ 744	\$ 770	\$ 755	\$ 739
33	Drug Expense per CMI Adjusted Discharge	\$ 453	\$ 523	\$ 662	\$ 684	\$ 762	\$ 614
34	Total Supply & Drug Expense per CMI Adj. Disch	\$ 1,145	\$ 1,276	\$ 1,406	\$ 1,454	\$ 1,517	\$ 1,353
35							
36	Bad Debt as % of Net Patient Revenue	2.1%	2.2%	1.9%	2.0%	2.2%	2.1%
37							7.4%
38	Capital Expense (Interest + Depreciation)	9.8%	9.5%	9.3%	9.1%	9.0%	9.6%
39							6.9%
40	Rice Care Center Hours per Day	7.1	7.0	6.5	6.6	6.7	6.5
41							5.8
42	Rice Home Medical						
43	Sales per FTE	\$ 135,900	\$ 138,800	\$ 191,600	\$ 161,600	\$ 144,500	\$ 158,000
44							
45	Inventory Turns		3.9		4.7	5.8	6.0
46	Inventory Days on Hand		94		78	63	61
47							

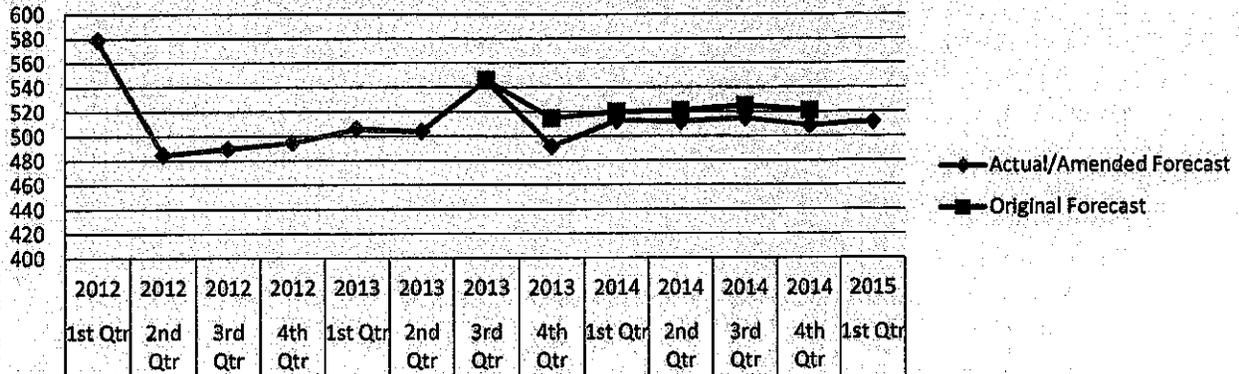
KEY PERFORMANCE INDICATORS by ENTITY

	2011	1st Qtr 2012	2nd Qtr 2012	3rd Qtr 2012	4th Qtr 2012	1st Qtr 2013	2nd Qtr 2013	3rd Qtr 2013	4th Qtr 2013	1st Qtr 2014	YTD 2014
Consolidated:											
Operating Margin %	4.4%	-2.3%	3.4%	-2.9%	7.2%	-5.5%	-0.9%	-0.4%	-6.2%	-11.8%	-11.8%
Excess Margin %	5.8%	-1.9%	5.2%	-1.7%	7.6%	-4.4%	-2.8%	-0.7%	-6.8%	-10.4%	-10.4%
EBIDA Operating Margin %	14.1%	8.0%	13.1%	7.3%	15.6%	5.0%	9.3%	8.8%	4.2%	0.9%	0.8%
Hospital											
Operating Margin %	5.0%	-2.9%	3.4%	-4.1%	8.0%	-7.4%	5.3%	0.2%	-5.0%	-10.7%	-10.7%
EBIDA Operating Margin %	15.0%	8.0%	13.5%	6.8%	17.0%	3.9%	15.6%	10.6%	5.8%	1.7%	1.7%
Revenue/Adj. Admission Reimbursement Rate	\$ 10,120 \$ 48.7%	\$ 9,785 \$ 48.2%	\$ 10,358 \$ 49.4%	\$ 9,892 \$ 47.7%	\$ 10,800 \$ 48.7%	\$ 9,856 \$ 46.4%	\$ 10,417 \$ 48.9%	\$ 9,840 \$ 46.1%	\$ 10,283 \$ 44.8%	\$ 9,837 \$ 43.6%	\$ 9,842 \$ 43.6%
FTE/Adj. Admission	13.4	14.5	14.4	14.8	14.9	15.2	14.6	14.2	15.6	16.1	16.1
FTE/Adj. Patient Day	3.6	4.0	4.1	4.1	4.3	4.3	4.0	4.2	4.3	4.1	4.1
Total Expense Ratio	49.0%	52.6%	52.1%	52.2%	50.3%	52.3%	49.4%	48.6%	51.7%	51.1%	51.1%
Controllable Exp./AA	\$ 7,610	\$ 8,062	\$ 8,087	\$ 8,122	\$ 6,101	\$ 6,277	\$ 7,838	\$ 7,886	\$ 8,552	\$ 8,559	\$ 8,663
Compensation Ratio	48.1%	53.2%	50.5%	51.9%	50.1%	55.4%	49.8%	52.3%	55.7%	61.8%	61.8%
Supply & Drug Expense/CMI AA	\$ 1,357	\$ 1,516	\$ 1,579	\$ 1,574	\$ 1,418	\$ 1,402	\$ 1,400	\$ 1,446	\$ 1,606	\$ 1,312	\$ 1,310
Care Center											
Operating Margin %	-0.1%	2.2%	10.8%	12.6%	8.1%	4.9%	-2.8%	1.0%	0.9%	-0.9%	-0.9%
EBIDA Operating Margin %	6.6%	10.2%	17.7%	18.9%	14.0%	11.2%	3.9%	7.8%	10.1%	10.4%	10.4%
Case Mix	1.06	1.01	1.02	1.03	1.00	1.02	1.04	1.01	1.01	1.03	1.03
Total Revenue/Day	\$ 212	\$ 243	\$ 272	\$ 283	\$ 298	\$ 303	\$ 292	\$ 298	\$ 313	\$ 328	\$ 328
Controllable Exp./Day	\$ 187	\$ 205	\$ 208	\$ 214	\$ 238	\$ 251	\$ 263	\$ 254	\$ 262	\$ 274	\$ 274
Operating Margin/Day	\$ (0.3)	\$ 5.1	\$ 29.0	\$ 35.4	\$ 23.8	\$ 14.4	\$ (8.7)	\$ 3.1	\$ 3.2	\$ (2.7)	\$ (3.0)
Hours/Resident Day	6.1	6.2	6.2	6.1	6.2	6.4	6.5	6.8	6.7	7.0	7.0
Home Medical											
Operating Margin %	1.4%	-0.7%	-3.2%	-5.5%	-2.7%	2.7%	-118.8%	-6.2%	-20.7%	-31.3%	-31.3%
EBIDA Operating Margin %	7.7%	6.0%	3.8%	0.8%	3.1%	9.2%	-103.1%	3.4%	-11.4%	-14.9%	-14.9%
Net Sales % / Gross Sales	76.3%	77.9%	79.2%	75.2%	75.6%	77.9%	37.0%	73.4%	64.4%	66.5%	66.5%
Gross Profit %	60.6%	61.8%	60.4%	57.0%	66.6%	64.2%	23.9%	58.9%	52.5%	58.0%	58.0%
Sales/FTE	\$ 158,081	\$ 149,876	\$ 137,504	\$ 149,774	\$ 141,174	\$ 155,584	\$ 147,234	\$ 167,857	\$ 175,516	\$ 138,895	\$ 138,837
Sales/Sq. Ft.											

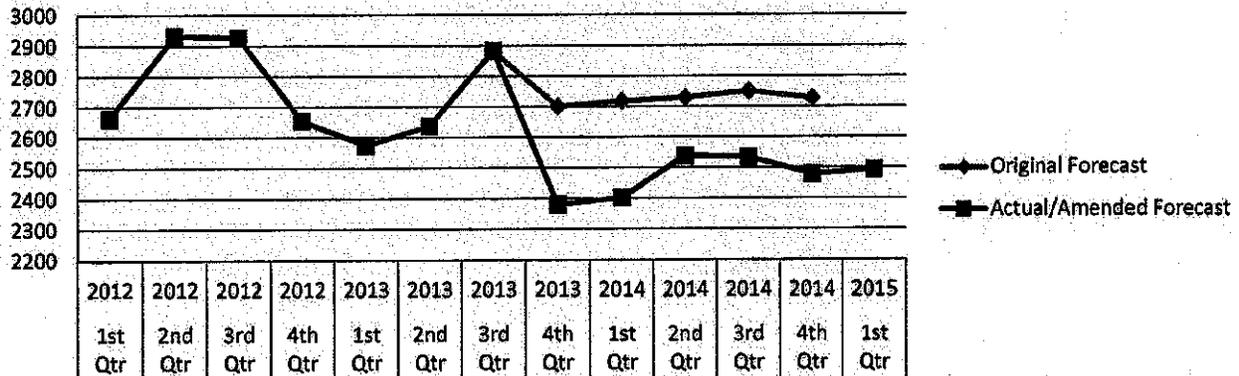
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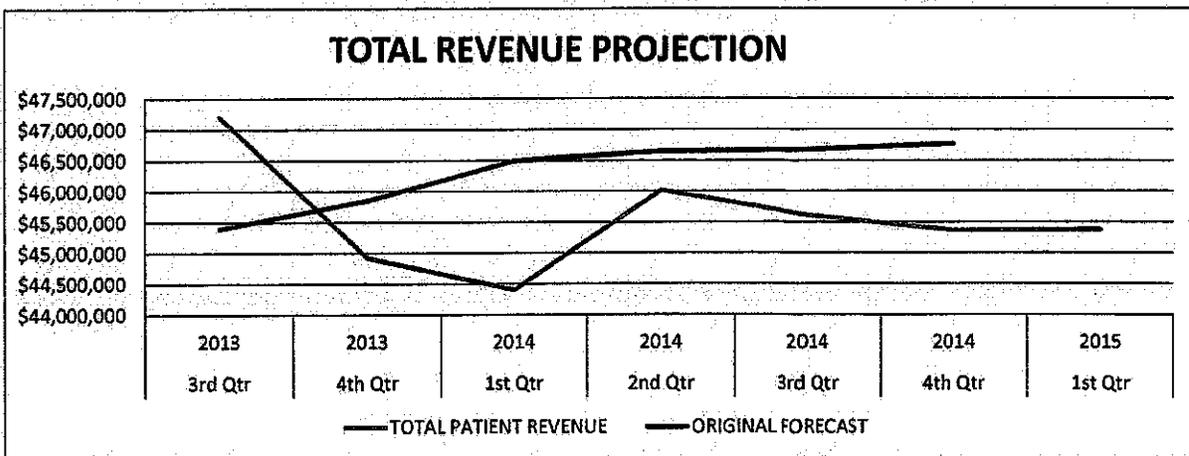
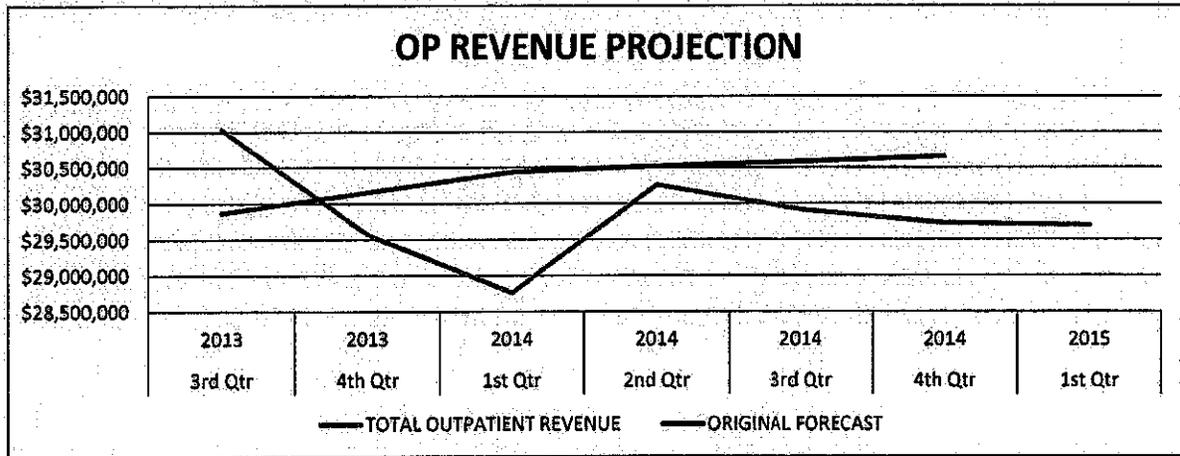
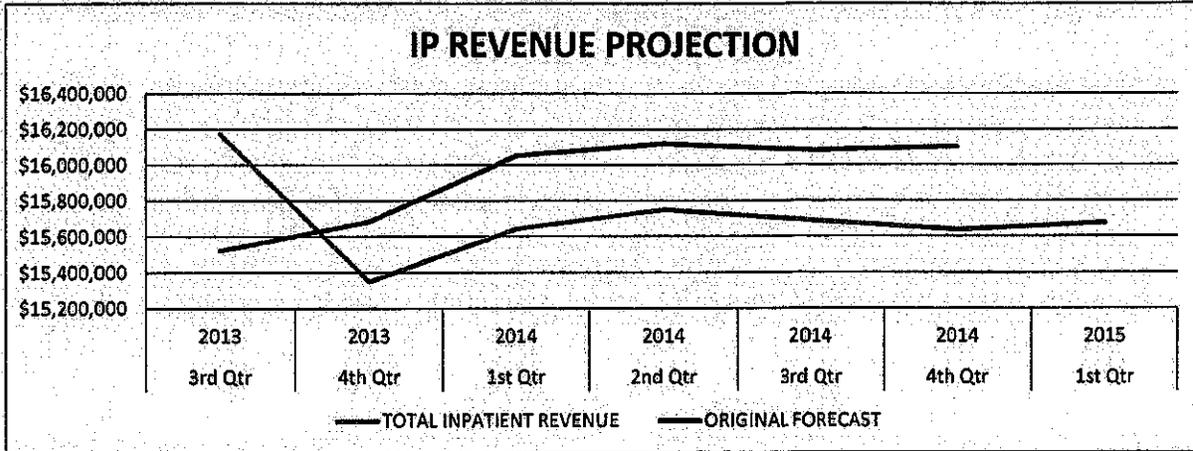
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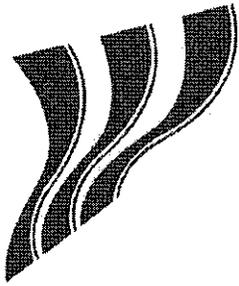


OP ED



Revenue Projections - Actual/Amended Forecast to Original Forecast





**CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE
ACTION**

Agenda Item Number: 4

Meeting Date: May 12, 2014

Attachments: Yes No

CITY COUNCIL ACTION

Date: June 2, 2014

Approved Denied
 Amended Tabled
 Other

Originating Department: City Planner/Airport Manager

Agenda Item: Consideration of Special Ag Land Bids

Recommended Action: N/A

Background/Summary:

Dan Groothuis, prior owner of land northwest of the new airport runway, has inquired to various Council Members whether special bidding criteria could be given to land owners who lost acreage from the eminent domain taking of land. Mr. Groothuis will express his desires to have negotiated rental rates or rights of first refusal after bids are solicited.

Alternatives: Stay with the Current Four Year Policy of Bidding Agricultural Land Conducted by the Airport Manager.

Financial Considerations: Possible Loss of Revenue

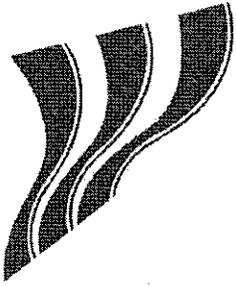
Preparer: City Planner/Airport Manager

Signature: *Megan M. DeSchepper*

Comments:

Awarded Ag Bid Stats

Land	Awarded	Amount Per Acre	Acre	Years total 4	July 1st	Dec. 1st	Each year
Tract 1	Kallevig Agri-Products	\$ 232.87	73 acres	\$ 67,998.04	\$ 8,499.75	\$ 8,499.76	\$ 16,999.51
Tract 2	Kallevig Agri-Products	\$ 238.27	138.5 acres	\$ 132,001.58	\$ 16,500.19	\$ 16,500.20	\$ 33,000.39
Tract 3	Justin Boike	\$ 156.00	10.95 acres	\$ 6,832.80	\$ 854.10	\$ 854.10	\$ 1,708.20
Tract 4	Byron Boike	2011 - \$146.00 2012 - \$146.00 2013 - \$207.00 2014 - \$207.00	56 acres	\$ 39,536.00	\$ 4,088.00 \$ 4,088.00 \$ 5,796.00 \$ 5,796.00	\$ 4,088.00 \$ 4,088.00 \$ 5,796.00 \$ 5,796.00	\$ 8,176.00 \$ 8,176.00 \$ 11,592.00 \$ 11,592.00
Tract 5	Heidecker Bros.	\$ 75.00	17.2 acres	\$ 5,160.00	\$ 645.00	\$ 645.00	\$ 1,290.00
Tract 6	Steve Ruschen	2011 - \$165.00 2012 - \$160.00 2013 - \$165.00 2014 - \$170.00	140 acres	\$ 91,700.00	\$ 11,550.00 \$ 11,200.00 \$ 11,200.00 \$ 11,900.00	\$ 11,550.00 \$ 11,200.00 \$ 11,200.00 \$ 11,900.00	\$ 23,100.00 \$ 22,400.00 \$ 22,400.00 \$ 23,800.00
Tract 7	John Arndt	2011 - \$125.50 2012 - \$125.50 2013 - \$125.60 2014 - \$125.60	24.48 acres	\$ 12,293.84	\$ 1,536.12 \$ 1,536.12 \$ 1,537.34 \$ 1,537.34	\$ 1,536.12 \$ 1,536.12 \$ 1,537.34 \$ 1,537.34	\$ 3,072.24 \$ 3,072.24 \$ 3,074.68 \$ 3,074.68
Tract 8	Jay Larson	\$ 125.50	72.7 acres	\$ 36,495.40	\$ 4,561.92	\$ 4,561.93	\$ 9,123.85
R.O.W. 1	Dennis Bredeson	\$ 100.00	13 acres	\$ 5,200.00	\$ 650.00	\$ 650.00	\$ 1,300.00
R.O.W. 2	Dan Groothuis	\$ 176.00	68 acres	\$ 47,872.00	\$ 5,984.00	\$ 5,984.00	\$ 11,968.00
R.O.W. 3	Peggy Groothuis	\$ 120.00	10.62 acres	\$ 5,097.60	\$ 637.20	\$ 637.20	\$ 1,274.40
R.O.W. 4	Steve Ruschen	2011 - \$147.00 2012 - \$147.00 2013 - \$149.00 2014 - \$150.00	137.09 acres (.06 acres over)	\$ 81,294.37	\$ 10,076.11 \$ 10,076.11 \$ 10,213.20 \$ 10,281.75	\$ 10,076.12 \$ 10,076.12 \$ 10,213.21 \$ 10,281.75	\$ 20,152.23 \$ 20,152.23 \$ 20,426.41 \$ 20,563.50
R.O.W. 5	No bids - Myron Bluhm		6 acres	\$400.00	\$50.00	\$50.00	\$100.00



**CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION**

Agenda Item Number: 5

Meeting Date: May 12, 2014

Attachments: Yes No

CITY COUNCIL ACTION

Date: May 19, 2014

- | | |
|-----------------------------------|---------------------------------|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Denied |
| <input type="checkbox"/> Amended | <input type="checkbox"/> Tabled |
| <input type="checkbox"/> Other | |

Originating Department: Finance

Agenda Item: 2015 Proposed Budget Calendar

Recommended Action: Review and approve the 2015 Proposed Budget Calendar.

Background/Summary: Annually, Council reviews and approves the budget calendar.

Alternatives: N/A

Financial Considerations: None.

Preparer: Steve Okins, Finance Director

Signature:

Comments:

BUDGET CALENDAR

CALENDAR

MAY

PROPOSED ACTION

Mayor, City Administrator and Finance Director to meet on establishing the Budget Calendar.

Finance Committee to adopt Budget Calendar.

JUNE

Mayor shall prepare or cause to be prepared and submitted to the Council a five (5) year capital program at least three (3) months prior to the final date for submission of the proposed budget.

Council work session on Capital Improvement Programs

Finance Director to compile information on budget forms pertaining to prior and current year expenditures and prepare preliminary revenue estimates. Send out forms and instructions for annual budget preparation to Department Heads.

JULY

Completed Department Heads' estimates must be returned to the Finance Director.

Mayor meets with the City Administrator and Finance Director to prepare the Mayor's Proposed Budget.

AUGUST

Publish a notice in the paper telling the public both the proposed Operating and Capital Improvement Budgets are on file and are open for inspection.

Mayor presents Proposed Budget to Finance Committee.

SEPTEMBER

Adopt and Certify Proposed Levy to the County Auditor for the Truth in Taxation Requirements.

OCTOBER – NOVEMBER

Gather citizen input.

Live WRAC-8 Broadcast

Public Informational Meeting

Publish notice in the paper telling the public both the Operating and Capital Improvement Budgets will be discussed at the Truth in Taxation Hearing.

DECEMBER

City Council shall hold Truth in Taxation hearing to study the Proposed Budget. Date determined by County and School District Hearings.

Adoption of the Budget.

DECEMBER 31st (No Later Than) Certification of the Tax Levy to the County.

ARTICLE V. FINANCIAL PROCEDURESSection 5.01. Fiscal year.Section 5.02. Submission of budget and message.Section 5.03. The budget.Section 5.04. Capital program.Section 5.05. Adoption of the annual budget and capital program.Section 5.06. Public records.Section 5.07. Amendments after adoption.Section 5.08. Lapse of appropriations.Section 5.09. Administration of budget.**Section 5.01. Fiscal year.**

The fiscal year of the City shall be the calendar year.

(Ord. No. 1027, § 1, 7-15-92)

Section 5.02. Submission of budget and message.

Within the time frame established by State law, the Mayor shall prepare or cause to be prepared and submit to the Council the budget for the ensuing fiscal year and an accompanying message. The budget message shall explain the proposed budget both in fiscal terms and in terms of the work programs. It shall outline the proposed financial policies of the City for the ensuing year, describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures and revenues together with the reasons for such changes, summarize the City's debt position and include such other material as the Finance Committee of the Council deems desirable. Prior to the submission of the proposed budget and budget message, notice thereof shall be published at least ten (10) days prior to the meeting at which it shall be presented and shall state the time and place of said meeting and shall state that said proposed budget is on file in the office of the City Clerk and open to inspection. At least one copy of the proposed budget and of the proposed capital program shall be filed with the City Clerk upon the publication of the notice and shall be kept available for public inspection until the budget and capital program are adopted.

(Ord. No. 1027, § 1, 7-15-92)

Section 5.03. The budget.

The budget shall provide a complete financial plan of all City funds and activities for the ensuing year and, except as required by law or this Charter, shall be in such form as the Council deems desirable or may require. The total of proposed expenditures shall not exceed the total of estimated income.

(Ord. No. 1027, § 1, 7-15-92)

Section 5.04. Capital program.

The Mayor shall prepare or cause to be prepared and submitted to the Council a five (5) year capital program at least three (3) months prior to the final date for submission of the proposed budget.

(Ord. No. 1027, § 1, 7-15-92)

Section 5.05. Adoption of the annual budget and capital program.

The Council shall hold public meetings on the budget and capital program. The meeting shall be conducted so as to give interested citizens a reasonable opportunity to be heard. The Council shall adopt the budget and capital program within the time limits established by State law and the adoption shall be by resolution.

(Ord. No. 1027, § 1, 7-15-92)

Section 5.06. Public records.

Copies of the budget and the capital program as adopted shall be public records and shall be available for inspection by the public at the offices of the City Clerk.

(Ord. No. 1027, § 1, 7-15-92)

Section 5.07. Amendments after adoption.

Subdivision 1. Supplemental appropriations. If during the fiscal year the City Administrator certifies that there are available for appropriation revenues in excess of those estimated in the budget, the Council by resolution may make supplemental appropriations for the year up to the amount of such excess.

Subdivision 2. Contingency Reserve. The Council shall be authorized to have a reserve fund which shall be called a contingency reserve in an amount not to exceed ten (10) percent of the current and subsequent budget, excluding such contingency reserve. In the event that any appropriation from any other fund shall be, in the judgment of the Council, insufficient to meet the demands of the City with respect to the program or budget item affected and provide for the orderly administration of the City, the Council by a vote of six (6) members thereof may transfer out of the contingency reserve to such fund such sums as it shall determine shall be reasonably necessary to effect the purpose.

Subdivision 3. Reduction of appropriations. If at any time during the fiscal year it appears to the Council that the revenues available will be insufficient to meet the amount appropriated, the Council shall then take such further action as it deems necessary to prevent or minimize any deficit for that purpose and may by resolution reduce one or more appropriations.

Subdivision 4. Transfer of appropriations. The Council may by resolution transfer part or all of any unencumbered appropriation balance from one department, office or agency to another.

Subdivision 5. Emergency appropriations; tax anticipation certificates. To meet a public emergency affecting life, health, property or the public peace, the Council may make emergency appropriations. Such appropriations may be made by emergency ordinance in accordance with the provisions of Subdivision 3 of Section 2.12 of Article II of this Charter. To the extent that there are no available unappropriated revenues to meet such appropriation, the Council may by such emergency ordinance, authorize issuance of tax anticipation certificates in accordance with the provisions of law. Such tax anticipation certificates shall be paid not later than two (2) years succeeding that in which the emergency appropriation was made.

Subdivision 6. Limitations; effective date. No appropriation for debt service may be reduced or transferred, and no appropriation may be reduced below any amount required by law to be appropriated or by more than the unencumbered balance thereof. The supplemental and emergency appropriations and reduction or transfer of appropriations authorized by this section may be made effective immediately upon adoption.

(Ord. No. 1027, § 1, 7-15-92; Ord. No. 1337, § 22, 11-19-12)

Section 5.08. Lapse of appropriations.

Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose of any

such appropriation shall be deemed abandoned if no disbursement or encumbrance of the appropriation is completed by the close of the third fiscal year following the fiscal year in which the funds were appropriated.

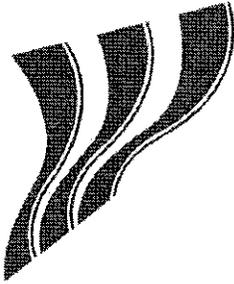
(Ord. No. 1027, § 1, 7-15-92; Ord. No. 1337, § 22, 11-19-12)

Section 5.09. Administration of budget.

Subdivision 1. Work programs and allotments. At such time as the City Administrator shall specify, each department, office or agency shall submit work programs for the ensuing fiscal year showing the requested allotments of its appropriation by periods within the year. The Council shall review and authorize such allotments with or without revision as early as possible in the fiscal year. Such allotments may be revised during the year if desirable and shall be revised in accordance with any supplemental, emergency, reduced or transferred appropriations made pursuant to this article.

Subdivision 2. Payments and obligations prohibited. No payment shall be made or obligation incurred against any allotment or appropriation except in accordance with appropriations duly made and unless the Council or its designee first certify that there is a sufficient unencumbered balance in such allotment or appropriation and that sufficient funds therefrom are or will be available to cover the claim or meet the obligation when it becomes due and payable. Any authorization of payment or incurring of obligation in violation of the provisions of this Charter shall be void and any payment so made illegal; such action shall be cause for removal of any officer who knowingly authorized or made such payment or incurred such obligation, and said officer shall also be liable to the City for any amount so paid. However, except where prohibited by law, nothing in this Charter shall be construed to prevent the making or authorizing of payments or making of contracts for capital improvements to be financed wholly or partly by the issuance of bonds, or to prevent the making of any contract or lease providing for payments beyond the end of the fiscal year, provided that such action is made or approved by ordinance.

(Ord. No. 1027, § 1, 7-15-92)



**CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION**

Agenda Item Number: 6

Meeting Date: May 12, 2014

Attachments: Yes No

CITY COUNCIL ACTION

Date: May 19, 2014

- | | |
|-----------------------------------|---------------------------------|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Denied |
| <input type="checkbox"/> Amended | <input type="checkbox"/> Tabled |
| <input type="checkbox"/> Other | |

Originating Department: Finance

Agenda Item: 2014 Street Improvement Financing

Recommended Action: Receive update on options for 2014 Street Improvement Financing.

Background/Summary: There are ongoing discussions with local lending institutions for possible alternatives to normal bonding procedures for street improvement financing. Preliminary information reflects little additional costs using local financing.

Alternatives: Normal bonding process or local lending institution financing.

Financial Considerations: Bonding costs versus local lending institution financing costs.

Preparer: Steve Okins, Finance Director

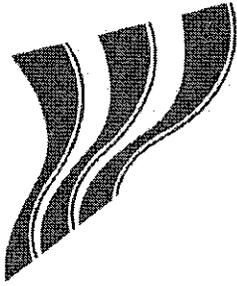
Signature: 

Comments:

Schedule of Events		
Date	Event	Responsible Party
April 8, 2014	Final date for filing of certificate of intent (15 days from publication of ordinance).	
April 23, 2014	Request for Official Statement Information sent to City Staff.	Springsted
May 6, 2014	Construction bids due.	City Staff
May 7, 2014	Information forwarded to Springsted for preparation of the Official Statement.	City Staff
May 9, 2014	Finalize Bond structure and prepare Terms of Proposal. Provide issue description for Finance Committee.	Springsted
May 12, 2014	Finance Committee Meeting.	City Staff
May 14, 2014	Sale Recommendations and Bond Resolution delivered to City	Springsted Kennedy & Graven
May 19, 2014	City Council considers Resolution authorizing the Bond sale.	City Council
May 19, 2014	Rough draft of Official Statement sent out to City Staff and Kennedy & Graven for review.	Springsted
May 26, 2014	Final comments to Springsted on Official Statement draft (no later than noon).	City Staff Kennedy & Graven
May 27, 2014	Posting of Official Statement and application for rating forwarded to rating agency.	Springsted
Week of June 2, 2014	Rating conference.	Moody's City Staff Springsted
June 11, 2014	Form of Award Resolution delivered to the City	Kennedy & Graven
June 16, 2014	Sale and consideration and award of the Bonds by City Council. Award of construction contracts.	City Springsted

Schedule of Events

Date	Event	Responsible Party
June 23, 2014	Distribution of addendum to Official Statement.	Springsted
Early July, 2014	Settlement of the Bonds; receipt of Bond proceeds.	City Staff Kennedy & Graven Springsted



**CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION**

Agenda Item Number: 7

Meeting Date: May 12, 2014

Attachments: Yes No

CITY COUNCIL ACTION

Date: May 19, 2014

- | | |
|-----------------------------------|---------------------------------|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Denied |
| <input type="checkbox"/> Amended | <input type="checkbox"/> Tabled |
| <input type="checkbox"/> Other | |

Originating Department: Public Works

Agenda Item: County Ditch Repairs in City Limits

Recommended Action: Reallocate funds from the Surface Water Management Budget to pay repair liens levied by County board for County ditches within City limits.

Background/Summary: The annual levy on each county ditch is based on the previous year expenses. The City has received invoices for ditch repairs in the amount of \$156,270.29. These costs are previous to the Redetermination of Benefits of County ditches. Future expenses for routine maintenance and repairs will be considerably less. The 2014 budget only includes \$20,000 for these repairs. There is approximately \$207,000 budgeted for Surface Water Management which would leave a remaining balance of \$72,000.

Alternatives: N/A

Financial Considerations: Funds for repairs to come out of the Surface Water Management Fund

Preparer: Sean Christensen, P.E.
Public Works Director

Signature:

Comments:

City of Willmar

Drainage Benefits Summary

Stormwater, Streets, Industrial and Residential Properties

This list does not include individual parcels the City owns

Net Benefits are Relative to the Total Ditch Benefits

Loren Engelby, Kandiyohi County Drainage Dept.

(320) 235-3266 ext. 4250

April 1, 2014

County Ditch #10 (Begins at the outlet of Foot lake and ends west of Priam)

Total Ditch Benefits = \$6,866,016

City of Willmar Total Net Benefits = \$1,219,260

Airport = \$106,260

Stormwater = \$1,003,000

Sanitary Sewer = \$110,000

County Ditch #12 (Through Valley Brook Estates)

Total Ditch Benefits = \$938,889

City of Willmar Total Net Benefits = \$120,000

County Ditch #19 (West end of the new airport)

Total Ditch Benefits = \$4,136,091

City of Willmar Total Net Benefits = \$624,239

Airport = \$458,830

Sanitary Sewer = \$165,409

County Ditch #23 (Willmar to Wakanda)

Total Ditch Benefits = \$8,246,060

City of Willmar Total Net Benefits = \$4,497,900

County Ditch #46 (Old Sanitary outfall ditch)

Total Ditch Benefits = \$2,616,149

City of Willmar Total Net Benefits for Storm sewer = \$420,000

Parcel #33-020-0011 for Interceptor Line Property = \$22,230

Joint County Ditch #1 (South Fork Crow River-Downstream of CD 23)

Total Ditch Benefits = \$1,096,824

City of Willmar Total Net Benefits = \$106,584

Joint County Ditch #7 (Hawk Creek-Downstream of CD 10, 12, 19 and 46)

Total Ditch Benefits = \$2,882,836

City of Willmar Total Net Benefits = \$600,000

The annual levy is based on the previous year expenses. Now that the County Ditches have gone through a Redetermination of Benefits, future expenses will be for routine maintenance and repairs. We usually have our annual levy calculated by mid January. You can calculate your share by multiplying your net benefit by the levy percentage.

Statement

KANDIYOHI COUNTY AUDITOR
P.O. Box 936
Willmar, Minnesota 56201
Telephone 231-6202

Date: March 18, 2014

To: City of Willmar
Kevin Halliday - Clerk
P.O. Box 755
Willmar, MN 56201

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Benefits to Streets

Per Loren E. billing missed

County Ditch #12

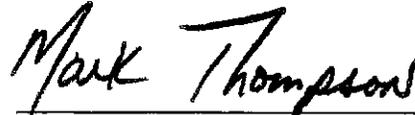
4.3% repair lien levied by the County board 2014
(#753) County Ditch #12
Storm Sewer/Streets, Industrial & Residential Properties

(14-601-0715-5053) \$5,160.00

Total Due \$5,160.00

=====

I declare under the penalties of law that this account, claim or demand is just and correct and that no part of it has been paid.


Signature of Claimant

Kandiyohi County Auditor
P.O. Box 936
Willmar, Minnesota 56201

447.

Statement

KANDIYOHI COUNTY AUDITOR
P.O. Box 936
Willmar, Minnesota 56201
Telephone 231-6202

Date: March 18, 2014

To: City of Willmar
Kevin Halliday - Clerk
P.O. Box 755
Willmar, MN 56201

=====

Benefits to Streets

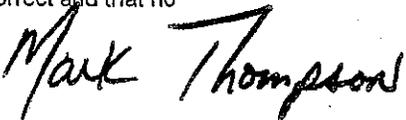
Per Loren E. billings missed

County Ditch #46

Repairs for Storm Sewer/Streets, Industrial & Residential Properties	(16-601-1-0769-5053)	
2% 2012	\$8,400.00	
2.5% 2013	\$10,500.00	
1% 2014	4,200.00	\$23,100.00
Total Due		\$23,100.00

=====

I declare under the penalties of law that this account, claim or demand is just and correct and that no part of it has been paid.



Signature of Claimant

Kandiyohi County Auditor
P.O. Box 936
Willmar, Minnesota 56201

Statement

KANDIYOHI COUNTY AUDITOR
P.O. Box 936
Willmar, Minnesota 56201
Telephone 231-6202

Date: March 18, 2014

To: City of Willmar
Kevin Halliday - Clerk
P.O. Box 755
Willmar, MN 56201

Benefits to Streets

2.5% repair lien levied by the County Board for 2014 (#8541) County Ditch #23	(14-601-1-0730-5053)	\$112,447.50
.4% repair lien levied by the County Board for 2014 (#193) County Ditch #19	(14-601-1-0724-5053)	\$2,496.95
1% repair lien levied by the County Board for 2014 (#6649) Judicial Ditch #1, M & K	(14-601-1-0604-5053)	\$1,065.84
2% repair lien levied by the County Board for 2014 (#6200) Judicial Ditch #7, C K & R	(14-601-1-0658-5053)	\$12,000.00

Total Due **\$128,010.29**

I declare under the penalties of law that this account, claim or demand is just and correct and that no part of it has been paid.

Mark Thompson

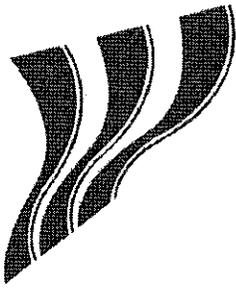
Signature of Claimant

Kandiyohi County Auditor
P.O. Box 936
Willmar, Minnesota 56201

Surface Water Management funds
417, 0445, 0449

*125K
5M4K*

156,270.29



**CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE
ACTION**

Agenda Item Number: 8

Meeting Date: May 12, 2014

Attachments: ___ Yes No

CITY COUNCIL ACTION

Date: May 19, 2014

- Approved Denied
- Amended Tabled
- Other

Originating Department: City Clerk-Treasurer

Agenda Item: Consideration of Increasing the Lakeland Drive SE Bike Trail Budget.

Recommended Action: Increase the Budget

Background/Summary:

Bill Latham of WM Latham Appraisals (under contract for \$29,500) has concluded the appraisal of the Lakeland Drive SE Bike Trail project. Initial permanent and temporary easement values were estimated at \$40,500. The total appraised value return by Mr. Latham to the City Clerk-Treasurer comes to \$85,450.

To complete the task of purchasing the necessary easements an additional \$45,000 needs to be added to the budget.

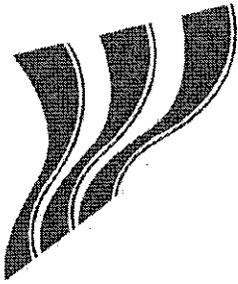
Alternatives: Discontinue the Bike Trail Concept.

Financial Considerations: \$45,000 from the Industrial Development Fund (Former Local Option Sales Tax Fund). Keeping in mind the Temporary easement deadline is two years from purchase. If the City fails to construct the bike trail by late May / early June of 2016, the temporary easement money totaling \$16,100 is kept by the landowner and the City must repurchase temporary easements.

Preparer: City Clerk-Treasurer

Signature:

Comments: Adopt Resolution Amending the Project Budget.



CITY OF WILLMAR, MINNESOTA
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 9
Meeting Date: May 12, 2014
Attachments: Yes No

CITY COUNCIL ACTION

Date: May 19, 2014

- Approved Denied
- Amended Tabled
- Other

Originating Department: Public Works

Agenda Item: Reallocate Funds

Recommended Action: Request to reallocate funds into the Public Works budget in a CIP Amendment

Background/Summary: The 2014 CIP has \$25,000 designated for Sign Retro-Reflectivity by federal mandate. Staff would like to request to reallocate the funds into the Public Works: Maintenance of Other Improvements Budget Line Item 26. It is not a capital project that requires fixed asset tracking, but rather annual maintenance.

Alternatives: N/A

Financial Considerations: Adopt resolution reallocating money towards the Public Works: Maintenance of Other Improvements budget.

Preparer: Sean Christensen, P.E.
Public Works Director

Signature:

Comments: