

CITY OF WILLMAR, MINNESOTA  
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 3

Meeting Date: August 10, 2015

Attachments: Yes  No

CITY COUNCIL ACTION

Date: August 17, 2015

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

Originating Department: City Clerk-Treasurer

Agenda Item: Liquor License Violations

Recommended Action: Receive Testimony to Make Recommendation to Full Council

Background/Summary:

Pursuant to the Municipal Code Sec. 3-10 [Minimum penalties for violations of state or city ordinances resulting from the sale of alcoholic beverages] the last alcohol compliance check resulted in one (1) violation of On-Sale establishment and one (1) violation of an Off-Sale establishment.

- 1) A first violation for license holder **Walmart Stores, Inc. dba Walmart #1470** and as such an appearance at a City Council Committee Meeting is required to explain measures being taken to eliminate future violations.
- 2) A Second violation for license holder **Ringneck Restaurant Inc. dba Grizzly's Grill N' Saloon** and as such fined one thousand dollars (\$1,000.00) or request a hearing to appeal the penalty.
  - Payment was received August 3, 2015 (no appeal).

Alternatives:

Financial Considerations: Not Applicable

Preparer: City Clerk-Treasurer

Signature:

Comments:

## MEMORANDUM

TO: City Clerk Kevin Halliday

FROM: Police Chief Jim Felt



DATE: July 16, 2015

**SUBJECT: ALCOHOL COMPLIANCE CHECKS**

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On July 8, 2015 and July 9, 2015, the Willmar Police Department conducted alcohol compliance checks on (16) on-sale and (5) off-sale liquor establishments in the City of Willmar.

The on-sale establishments that were checked were: Applebee's, El Tapatio Mexican Restaurant, Golden Palace, Green Mill, Grizzly's, KEC, KRA Speedway, Peps Sports Bar, Ruff's Wings & Sports Bar, The Oaks at Eagle Creek, Valley Golf, Willmar American Legion Post 167, Willmar Eagles Club, Willmar Elks Lodge 952, Willmar Stingers, Willmar VFW Post 1639.

The Barn Theatre and New Fireside/Carribbean Club were closed and were not checked at this time.

The off-sale establishments that were checked were: Cashwise Liquor, Cub Foods Liquor, Sunray Spirits, Walmart Super Center and Westside Liquor.

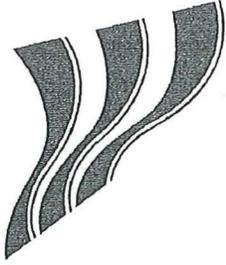
All passed the compliance check, with the exception of Walmart and Grizzly's, who sold alcoholic beverages to our 19 year old decoy. Attached is a copy of the police reports for your records.

This is the first failed compliance check for Walmart, and the second failed compliance check for Grizzly's.

If you have any questions, please contact me.

JEF/sae

Attachments



CITY OF WILLMAR, MINNESOTA  
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 4

Meeting Date:

Attachments: Yes  No

CITY COUNCIL ACTION

Date:

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

Originating Department: Willmar Police

Agenda Item: Possible sale of decommissioned squad cars to MN Highway Safety Research Center

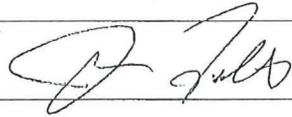
**Recommended Action:** Willmar PD has three Chevrolet Impala squad cars that are scheduled for decommission and sale as part of the city vehicle replacement program. The Minnesota Highway Safety Research Center (MHSRC – St. Cloud / a division of St. Cloud State University) would like to directly purchase the vehicles for use in their emergency vehicle operators training. Willmar PD is requesting authorization to sell the three decommissioned squad cars directly to the MHSRC in return for training voucher dollars for drivers training.

**Background/Summary:** The MHSRC has been the primary drivers training institution for the Willmar Police Department for over 25 years. Willmar Police Officers attend mandatory emergency vehicle operators courses every four years. The MHSRC has done a site visit and offered WPD \$4,000 per vehicle. Research shows that the squad cars have typically gone on city auction and averaged \$3,900. Additional expenses of an auction would include the cost of removing all emergency equipment and a 5% auctioneer fee. The MHSRC will take vehicles as-is and incorporate the emergency equipment that cannot be re-used by WPD. Payment in lieu of cash would be in voucher dollars for WPD officers to attend the mandatory emergency vehicle operators courses (typically about \$600 per officer). By utilizing a sale to MHSRC, the city can retain a higher value on the squad cars and directly reduce costs for recertification of officers.

**Alternatives:** Continue to sell squad cars at auction

**Financial Considerations:** Known price offer versus auction value. No additional costs for auctioneer or for removal of equipment. Payment would be in voucher dollars for training versus cash.

Preparer: Chief Jim Felt

Signature: 

Comments:



CITY OF WILLMAR, MINNESOTA  
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 5

Meeting Date: August 10, 2015

Attachments:  Yes  No

CITY COUNCIL ACTION

Date: August 17, 2015

- Approved
- Amended
- Other
- Denied
- Tabled

Originating Department: Finance

Agenda Item: Willmar Municipal Utilities 05/31/15 Financial Report

Recommended Action: Receive and review the Willmar Municipal Utilities' 05/31/15 Financial Report.

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

Alternatives: N/A

Financial Considerations: Review Financial Status.

Preparer: Steve Okins, Finance Director

Signature:

Comments:

## Operating Results Analysis – May 2015 and Year to Date

### Month

#### Electric

- May revenues were \$2.082 million. This is \$0.003 million (0.1%) **higher** than May 2014 and \$0.350 million **unfavorable** to budget (14.4%). (Across the board.)
- Total operating expenses were \$1.937 million. This is \$0.285 million (12.8%) **lower** than May 2014 and \$0.439 million (18.5%) **favorable** to budget. Key budget to actual differences include lower production O&M, purchased power, transmission operations and G&A offset somewhat by higher distribution O&M..
- Operating income of \$0.144 million is \$0.288 million **higher** than May 2014 and is \$0.088 million **favorable** to budget.

#### Water

- May revenues were \$0.157 million. This is \$0.008 million (5.7%) **higher** than May 2014 and \$0.024 million (13.4%) **unfavorable** to budget. (Across the board.)
- Total operating expenses were \$0.143 million. This is \$0.006 million **lower** than May 2014 and \$0.018 million **favorable** to budget.
- Operating income of \$0.013 million is \$0.015 million **higher** than May 2014 and is \$0.006 million **unfavorable** to budget due to the revenue shortfall.

#### Heating

- May revenues were \$0.058 million. This is \$0.014 million **lower** than May 2014 and \$0.001 million **favorable** to budget.
- Total operating expenses were \$0.072 million. This is \$0.034 million **higher** than May 2014 (lower purchased power costs) and \$0.031 million **favorable** to budget.
- Operating loss of (\$0.015) million is \$0.048 million **higher** than May 2014 and is \$0.032 million **favorable** to budget.

#### Combined

- Total operating income of \$0.143 million is \$0.068 million **higher** than May 2014 and is \$0.114 million **favorable** to budget due to the revenue shortfall being offset by operating expense savings.
- Intergovernmental Transfers to City of Willmar are \$0.179 million in May.
- Net loss is -2% as compared to May 2014 of -6% and -6% for budget.

## Year to Date

### Electric

- YTD revenues are \$11.099 million. This is \$0.060 million (0.5%) **lower** than 2014 and \$1.429 million (11.4%) **unfavorable** to budget.
- Total operating expenses are \$11.033 million. This is \$1.215 million **higher** than 2014 (excess sales and DeWind) and \$0.773 million (6.5%) **favorable** to budget. (Lower transmission and production operations than budgeted.)
- Operating income of \$0.067 million is \$0.275 million **unfavorable** to 2014 (excess energy sales and DeWind) and is \$0.655 million **unfavorable** to budget driven by lower revenues than budgeted.

### Water

- YTD revenues are \$0.758 million. This is \$0.015 million (2.0%) **higher** than 2014 and \$0.148 million (16.3%) **unfavorable** to budget.
- Total operating expenses are \$0.782 million. This is \$0.075 million higher than 2014 and \$0.026 million **favorable** to budget.
- Operating loss of (\$0.023) million is \$0.060 **lower** than 2014 and is \$0.122 million **unfavorable** to budget.

### Heating

- YTD revenues are \$0.564 million. This is \$0.077 million (12.0%) **lower** than 2014 and \$0.007 million (1.2%) **unfavorable** to budget. (Commercial/industrial.)
- Total operating expenses are \$0.403 million. This is \$0.022 million **lower** than 2014 and \$0.096 million **favorable** to budget.
- Operating income of \$0.161 million is \$0.055 million **lower** than 2014 and is \$0.089 million **favorable** to budget.

### Combined

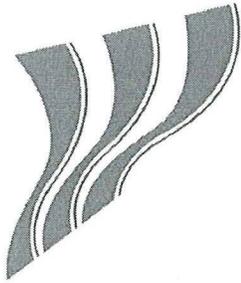
- Total operating income of \$0.204 million is \$1.390 million **lower** than 2014 (excess sales and DeWind) and is \$0.689 million **unfavorable** to budget.
- Intergovernmental transfers to City of Willmar are \$0.897 million YTD, 7.2% of revenues.
- Net loss of (\$0.725) million is -6% as compared to 2014 of +6% and 0% for budget.

			<b>Electric</b>							
2014 Actual May	2014 YTD May	2014 Actual 12 months	Summary	2015 Budget 12 months	2015 Actual May	2015 Budget May	May Variance	2015 Actual YTD	2015 Budget YTD	YTD Variance
			<b>Operating revenues</b>							
512,705	3,115,052	7,477,972	Residential	7,862,120	484,685	616,705	(132,020)	2,936,739	3,176,471	(239,732)
1,418,782	7,275,761	18,798,010	Commercial/industrial	21,177,601	1,467,274	1,661,173	(193,899)	7,431,655	8,556,222	(1,124,567)
-	-	-	Energy acquisition/fuel adj	-	-	-	-	-	-	-
-	-	1,606,163	Transmission	1,733,526	111,717	135,978	(24,261)	619,707	700,383	(80,676)
147,617	768,229	263,037	Miscellaneous	235,600	18,434	18,480	(46)	111,372	95,187	16,185
2,079,104	11,159,042	28,145,182	Total operating revenues	31,008,847	2,082,110	2,432,336	(350,226)	11,099,474	12,528,263	(1,428,789)
			<b>Operating expenses</b>							
92,225	1,117,070	3,407,315	Production operation	3,474,056	110,642	304,567	(193,925)	1,164,019	1,365,826	(201,807)
104,535	83,673	367,659	Production maintenance	1,152,408	92,972	96,033	(3,061)	495,807	480,165	15,642
1,180,213	4,867,772	12,760,188	Purchased power	14,009,896	1,033,148	1,069,169	(36,021)	5,718,496	5,729,880	(11,384)
180,278	887,157	2,257,441	Transmission operation	3,271,930	147,380	252,595	(105,215)	847,687	1,341,349	(493,662)
88,996	152,893	181,070	Transmission maintenance	139,739	15,701	11,645	4,056	45,978	58,225	(12,247)
44,497	217,858	581,003	Distribution operation	496,283	66,088	41,357	24,731	314,698	206,785	107,913
48,416	217,761	510,957	Distribution maintenance	597,335	75,613	49,778	25,835	242,203	248,890	(6,687)
56,262	214,586	529,578	Customer service/energy services	498,816	30,607	42,828	(12,221)	223,582	214,140	9,442
282,334	1,332,531	2,894,964	General & administrative	3,316,697	220,771	276,395	(55,624)	1,263,111	1,381,975	(118,864)
145,023	726,318	1,745,611	Depreciation	1,870,000	144,813	155,833	(11,020)	717,347	779,165	(61,818)
2,222,779	9,817,619	25,235,786	Total operating expenses	28,827,160	1,937,734	2,300,200	(362,466)	11,032,929	11,806,400	(773,471)
(143,675)	1,341,423	2,909,396	<b>Operating income</b>	2,181,687	144,376	132,136	12,240	66,544	721,863	(655,319)
16,921	109,802	793,494	Other income	232,000	16,886	19,333	(2,447)	87,129	96,665	(9,536)
(27,381)	(136,901)	(320,930)	Other expense	(320,100)	(26,117)	(26,675)	558	(130,560)	(133,375)	2,815
(154,135)	1,314,324	3,381,960	Net earnings	2,093,587	135,145	124,794	10,351	23,114	685,153	(662,039)
155,655	778,273	1,867,856	Intergovernmental transfer	1,942,570	161,881	161,881	-	808,533	809,405	(872)
(309,790)	536,051	1,514,104	<b>Net income</b>	151,017	(26,736)	(37,087)	10,351	(785,419)	(124,252)	(661,167)
-15%	5%	5%		0%	-1%	-2%	-3%	-7%	-1%	46%

<u>Water</u>										
2014	2014	2014	Summary	2105	2015	2015		2015	2015	
Actual	YTD	Actual		Budget	Actual	Budget	May	Actual	Budget	YTD
May	May	12 months		12 months	May	May	Variance	YTD	YTD	YTD
										Variance
<b><i>Operating revenues</i></b>										
78,103	384,973	1,033,732	Residential	1,268,296	81,836	94,078	(12,242)	385,420	470,555	(85,135)
67,756	336,392	954,974	Commercial/industrial	1,073,446	74,857	79,624	(4,767)	354,148	398,263	(44,115)
2,609	21,929	87,654	Miscellaneous	102,000	256	7,566	(7,310)	18,824	37,845	(19,021)
148,468	743,294	2,076,360	Total operating revenues	2,443,742	156,948	181,268	(24,320)	758,391	906,663	(148,272)
<b><i>Operating expenses</i></b>										
22,183	106,032	236,482	Production operation	268,738	23,447	22,396	1,051	112,843	111,980	863
1,835	40,452	77,562	Production maintenance	105,350	528	8,780	(8,252)	36,064	43,900	(7,836)
11,166	66,225	155,313	Purchased power	165,300	10,872	13,775	(2,903)	64,290	68,875	(4,585)
-	-	-	Transmission operation	-	-	-	-	-	-	-
-	-	-	Transmission maintenance	-	-	-	-	-	-	-
16,536	64,209	173,649	Distribution operation	169,809	20,806	14,150	6,656	70,727	70,750	(23)
7,542	89,712	142,317	Distribution maintenance	156,834	2,092	13,069	(10,977)	45,282	65,345	(20,063)
15,881	50,838	160,617	Customer service/energy services	178,280	19,056	14,857	4,199	93,776	74,285	19,491
52,284	177,834	528,036	General & administrative	614,203	44,876	51,184	(6,308)	250,066	255,920	(5,854)
22,421	111,614	264,324	Depreciation	280,000	21,805	23,333	(1,528)	108,681	116,665	(7,984)
149,848	706,916	1,738,300	Total operating expenses	1,938,514	143,481	161,544	(18,063)	781,730	807,720	(25,990)
(1,380)	36,378	338,060	<b><i>Operating income</i></b>	505,228	13,467	19,724	(6,257)	(23,338)	98,943	(122,281)
1,797	9,386	82,722	Other income	23,000	2,025	1,917	108	9,460	9,585	(125)
(1,245)	(6,227)	(12,880)	Other expense	(11,100)	(1,038)	(925)	(113)	(5,192)	(4,625)	(567)
(828)	39,537	407,902	Net earnings	517,128	14,454	20,716	(6,262)	(19,071)	103,903	(122,974)
12,107	60,532	145,278	Intergovernmental transfer	150,682	12,106	12,107	(1)	61,432	60,535	897
(12,935)	(20,995)	262,624	<b><i>Net income</i></b>	366,446	2,348	8,609	(6,261)	(80,502)	43,368	(123,870)
-9%	-3%	13%		15%	1%	5%		-11%	5%	

<b>Heating</b>										
2014	2014	2014	Summary	2015	2015	2015	2015	2015	2015	2015
Actual	YTD	Actual		Budget	Actual	Budget	May	Actual	Budget	YTD
May	May	12 months		12 months	May	May	Variance	YTD	YTD	YTD
										Variance
<b>Operating revenues</b>										
8,354	93,730	125,456	Residential	100,008	6,019	6,268	(249)	72,800	63,142	9,658
62,913	545,502	852,325	Commercial/industrial	800,001	51,573	50,142	1,431	489,542	505,108	(15,566)
-	-	-	EAA/Fuel Adjustment	-	-	-	-	-	-	-
348	1,860	4,147	Miscellaneous	4,000	34	251	(217)	1,573	2,526	(953)
71,615	641,092	981,928	Total operating revenues	904,009	57,625	56,661	964	563,915	570,776	(6,861)
<b>Operating expenses</b>										
-	-	-	Production operation	-	-	-	-	-	-	-
-	267	967	Production maintenance	17,000	-	1,417	(1,417)	-	7,085	(7,085)
2,536	266,212	488,344	Purchased power	484,000	39,560	30,563	8,997	233,146	303,230	(70,084)
-	-	-	Transmission operation	-	-	-	-	-	-	-
-	-	-	Transmission maintenance	-	-	-	-	-	-	-
2,532	7,953	25,022	Distribution operation	28,000	1,925	2,334	(409)	20,827	11,670	9,157
2,666	22,852	55,851	Distribution maintenance	64,100	4,652	5,343	(691)	19,639	26,715	(7,076)
794	2,541	8,031	Customer service/energy services	8,914	953	743	210	4,689	3,715	974
13,942	47,422	140,873	General & administrative	163,787	11,154	13,649	(2,495)	52,877	68,245	(15,368)
15,529	77,583	186,334	Depreciation	187,000	14,134	15,583	(1,449)	71,762	77,915	(6,153)
37,999	424,830	905,422	Total operating expenses	952,801	72,378	69,632	2,746	402,940	498,575	(95,635)
33,616	216,262	76,506	<b>Operating income</b>	(48,792)	(14,753)	(12,971)	(1,782)	160,975	72,201	88,774
1,258	6,570	57,905	Other income	16,000	1,418	1,333	85	6,622	6,665	(43)
-	-	-	Other expense	-	-	-	-	-	-	-
34,874	222,832	134,411	Net earnings	(32,792)	(13,335)	(11,638)	(1,697)	167,597	78,866	88,731
5,189	25,942	62,262	Intergovernmental transfer	59,348	5,396	5,396	-	26,951	26,980	(29)
29,685	196,890	72,149	<b>Net income</b>	(92,140)	(18,731)	(17,034)	(1,697)	140,646	51,886	88,760
41%	31%	7%		-10%	-33%	-30%		25%	9%	

<b>Combined Company</b>										
2014 Actual May	2014 YTD May	2014 Actual 12 months	Summary	2015 Budget 12 months	2015 Actual May	2015 Budget May	May Variance	2015 Actual YTD	2015 Budget YTD	YTD Variance
<b>Operating revenues</b>										
1,933,401	3,593,755	8,637,160	Residential	9,230,424	572,539	717,051	(144,512)	3,394,958	3,710,168	(315,210)
4,654,327	8,157,655	20,605,309	Commercial/industrial	23,051,048	1,593,704	1,790,939	(197,235)	8,275,345	9,459,593	(1,184,248)
-	-	-	Energy acquisition/fuel adj	0	0	0	-	0	0	-
658,990	658,990	1,606,163	Transmission	1,733,526	111,717	135,978	(24,261)	619,707	700,383	(80,676)
61,728	133,028	354,838	Miscellaneous	341,600	18,723	26,297	(7,574)	131,769	135,558	(3,789)
7,308,446	12,543,428	31,203,470	Total operating revenues	34,356,598	2,296,683	2,670,265	(373,582)	12,421,780	14,005,702	(1,583,922)
<b>Operating expenses</b>										
576,432	1,223,102	3,643,797	Production operation	3,742,794	134,089	326,963	(192,874)	1,276,863	1,477,806	(200,943)
247,921	124,392	446,188	Production maintenance	1,274,758	93,500	106,230	(12,730)	531,871	531,150	721
3,275,840	5,200,209	13,403,845	Purchased power	14,659,196	1,083,580	1,113,507	(29,927)	6,015,932	6,101,985	(86,053)
863,225	887,157	2,257,441	Transmission operation	3,271,930	147,380	252,595	(105,215)	847,687	1,341,349	(493,662)
122,684	152,893	181,070	Transmission maintenance	139,739	15,701	11,645	4,056	45,978	58,225	(12,247)
187,386	290,020	779,674	Distribution operation	694,092	88,819	57,841	30,978	406,253	289,205	117,048
228,552	330,325	709,125	Distribution maintenance	818,269	82,358	68,190	14,168	307,124	340,950	(33,826)
176,869	267,965	698,226	Customer service/energy services	686,010	50,616	58,428	(7,812)	322,046	292,140	29,906
1,006,599	1,557,787	3,563,873	General & administrative	4,094,687	276,800	341,228	(64,428)	1,566,054	1,706,140	(140,086)
546,565	915,515	2,196,269	Depreciation	2,337,000	180,751	194,749	(13,998)	897,790	973,745	(75,955)
7,232,073	10,949,365	27,879,508	Total operating expenses	31,718,475	2,153,593	2,531,376	(377,783)	12,217,599	13,112,695	(895,096)
76,373	1,594,063	3,323,962	<b>Operating income</b>	2,638,123	143,090	138,889	4,201	204,181	893,007	(688,826)
81,389	125,758	934,121	Other income	271,000	20,329	22,583	(2,254)	103,210	112,915	(9,705)
(85,878)	(143,128)	(333,810)	Other expense	(331,200)	(27,156)	(27,600)	444	(135,752)	(138,000)	2,248
71,884	1,576,693	3,924,273	Net earnings	2,577,923	136,263	133,872	2,391	171,640	867,922	(696,282)
518,850	864,747	2,075,396	Intergovernmental transfer	2,152,600	179,383	179,384	(1)	896,916	896,920	(4)
(446,966)	711,946	1,848,877	<b>Net income</b>	425,323	(43,120)	(45,512)	2,392	(725,276)	(28,998)	(696,278)
-6%	6%	6%		1%	-2%	-2%	-1%	-6%	0%	44%



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

**Agenda Item Number:** 6

**Meeting Date:** August 10, 2015

**Attachments:**  Yes  No

**CITY COUNCIL ACTION**

**Date:** August 17, 2015

- Approved     Denied  
 Amended     Tabled  
 Other

**Originating Department:** Finance

**Agenda Item:** Rice Hospital 06/30/15 Financial Report

**Recommended Action:** Receive and review the Hospital's 06/30/15 Financial Report.

**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  
 June 30, 2015  
Executive Summary

June was a positive month in terms of actual financial performance with Rice generating a gain on operations of \$184,000. Total Patient Revenues were 0.1% greater than the three-month average with Total Operating Revenues 2.1% greater and Net Operating Expenses 4.4% greater. Improved payer mix contributed to the positive performance.

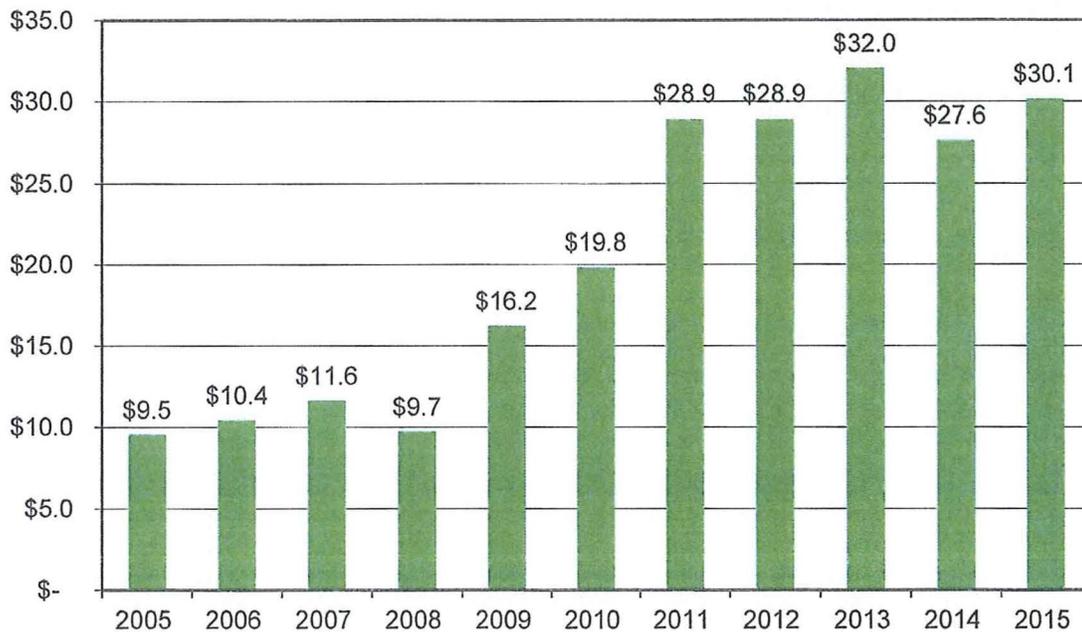
Here is a summary of key financial indicators:

	<u>Actual</u>	<u>Target</u>	<u>2014</u>	<u>2013</u>	<u>Benchmark</u>	<u>Actual - YTD</u>	<u>Desired</u>
Operating Margin-Month	2.2%	1.8%				↑	↑
Operating Margin-YTD	3.1%	1.8%	-3.3%	-3.2%	2.2%	↑	
Excess Margin-Month	3.1%	2.6%				↑	
Excess Margin-YTD	4.5%	2.6%	-1.8%	-3.6%	2.8%	↑	
EBIDA Margin-Month	12.3%	12.6%				↔	
EBIDA Margin-YTD	13.5%	12.6%	7.1%	7.0%	10.8%	↑	
Debt/Capitalization	43.6%	44.5%	45.8%	46.3%	38.7%	↓	
Net Days of Receivables	54	48	53	52	46	↑	
Days of Cash	128	119	116	128	131	↑	
Cash/Debt	65%	62%	57%	64%	87%	↔	

**June 30, 2015 Balance Sheet:**

The June Balance Sheet realized an increase in Net Assets of \$2.7 million from December 31, 2014. Total Assets have increased \$1.4 million while Total Liabilities have decreased \$1.3 million. The Total Assets increase was due an increase in Current Assets of \$2.3 million; a decrease in Assets-Use is Limited of \$3,600; a decrease in Property, Plant, and Equipment of \$1.6 million; and an increase in Other Assets of \$687,000. The increase in Current Assets was due to increases in Cash and Receivables and partially offset by the February Bond Payment. Assets-Use is Limited has decreased due to market value change and activity in the Rice Trust. Property, Plant, and Equipment has decreased due to lower capital expenditure spending than depreciation. Other Assets have increased due to General Investment gains and an increase in the investment in Willmar Medical Services. Cash & General Investments have increased \$2.5 million since December 31, 2014 due an increase in financial performance.

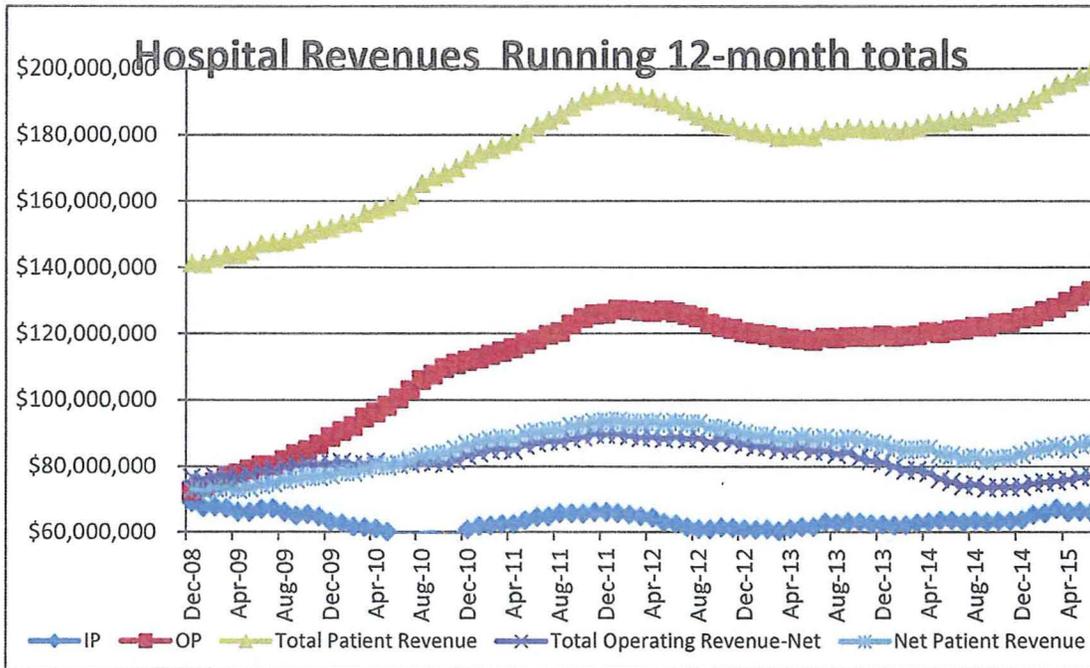
**Cash & General Investments  
(\$millions)**



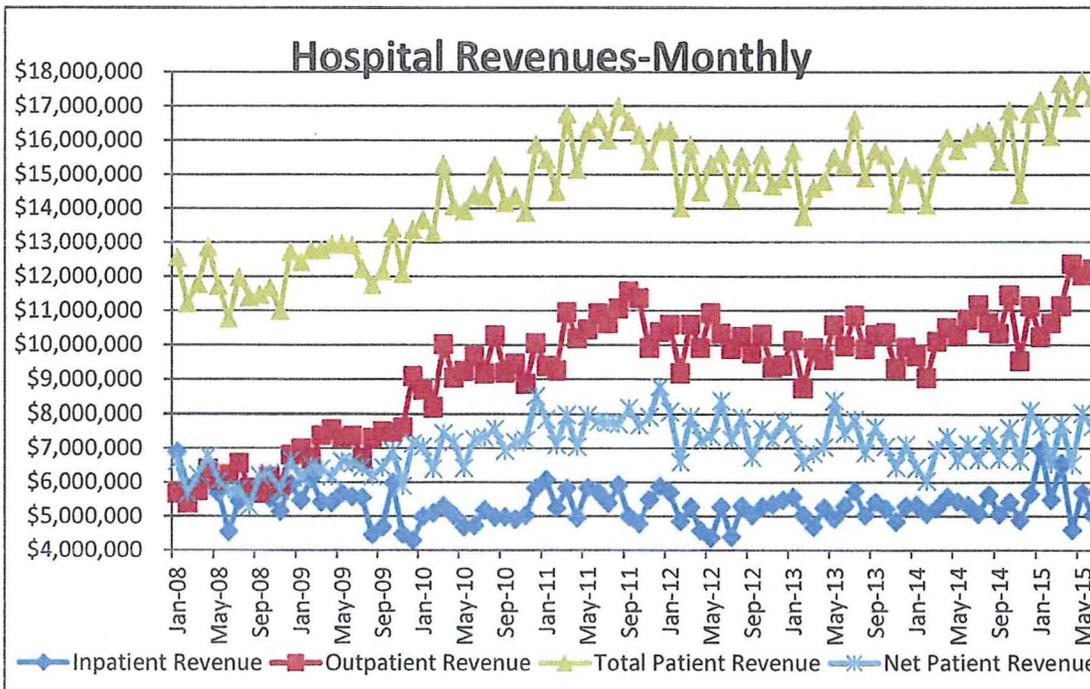
Liabilities have also decreased due to the February Bond Payment which offset the increases in Current Liabilities. In the Net Asset section, Specific Purpose Funds have increased along with an increase in profitability.

**June 2015 Results:**

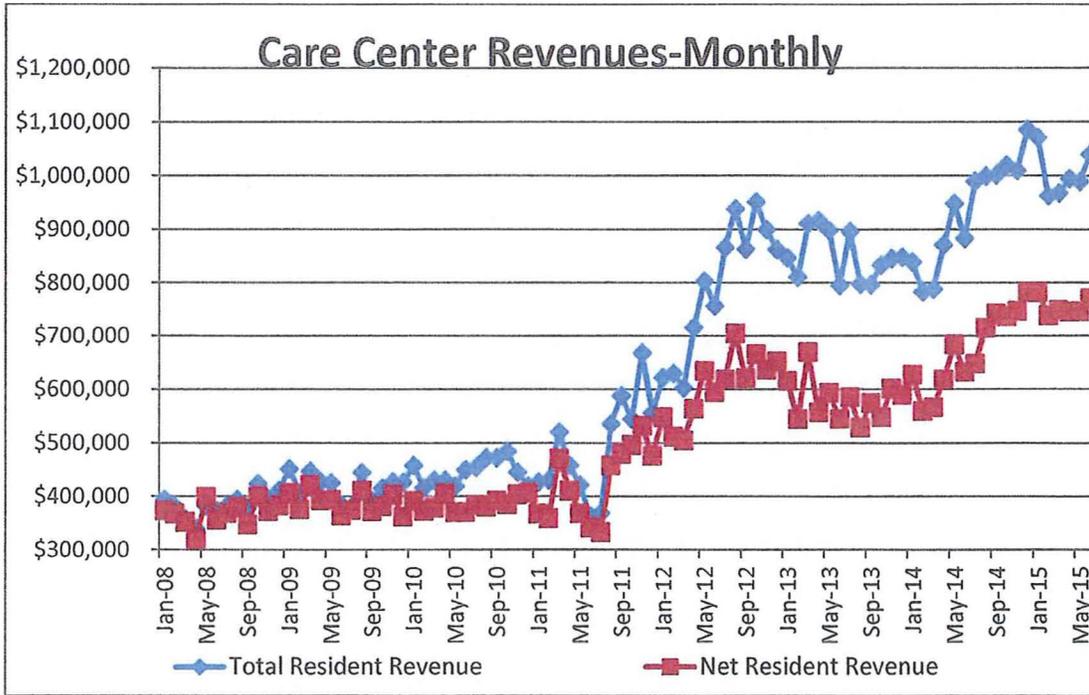
The Consolidated Operating Income was \$184,000 compared to the prior three-month average Operating Income of \$356,000. Total Patient Revenues were 0.1% higher than the 3-month average while Total Operating Revenues were 2.1% higher than the average. Hospital Total Operating Revenues were 0.6% higher than the average with Inpatient Revenues 10.2% lower than average and Outpatient Revenues 3.1% higher than average. As shown in the graph below, Total Patient Revenues have been trending upward for the past year with the increase from Outpatient Revenues while Inpatient Revenues have remained relatively flat.



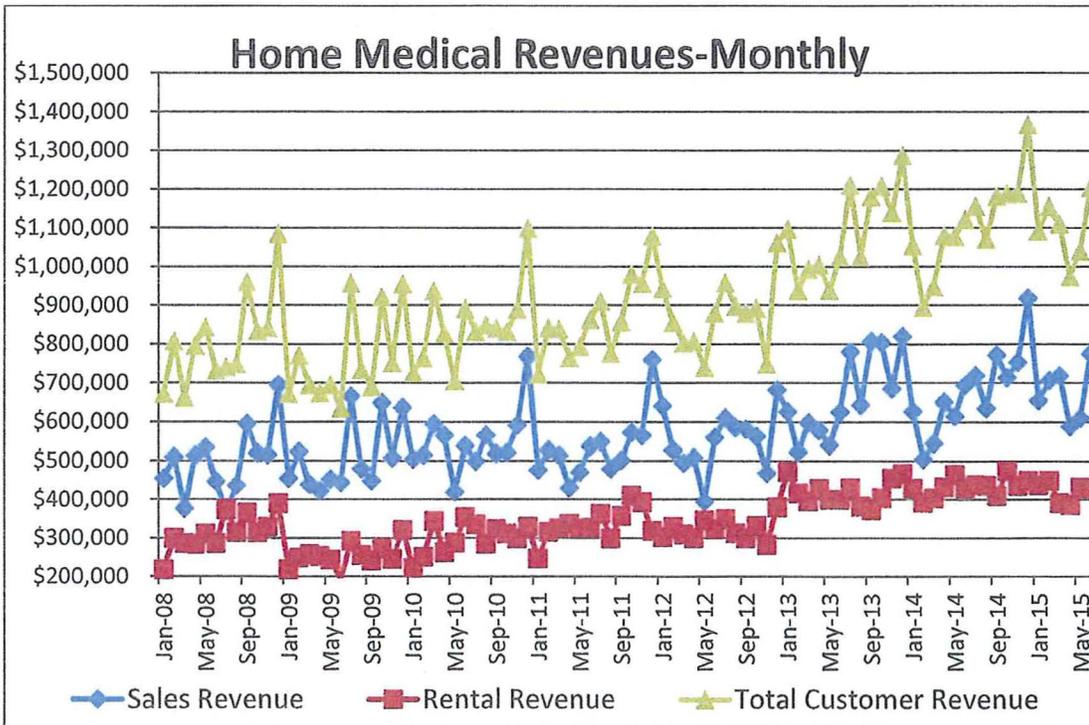
The monthly Hospital Revenues decreased in June due to a decrease in Inpatient Revenues. Outpatient Revenues continued its upward trend over the past few months while Inpatient Revenues continued its roller coaster trend.



Care Center Total Operating Revenues were higher than average by 3.2% for the month with Total Resident Revenues at \$1.0 million; 5.7% greater than average.

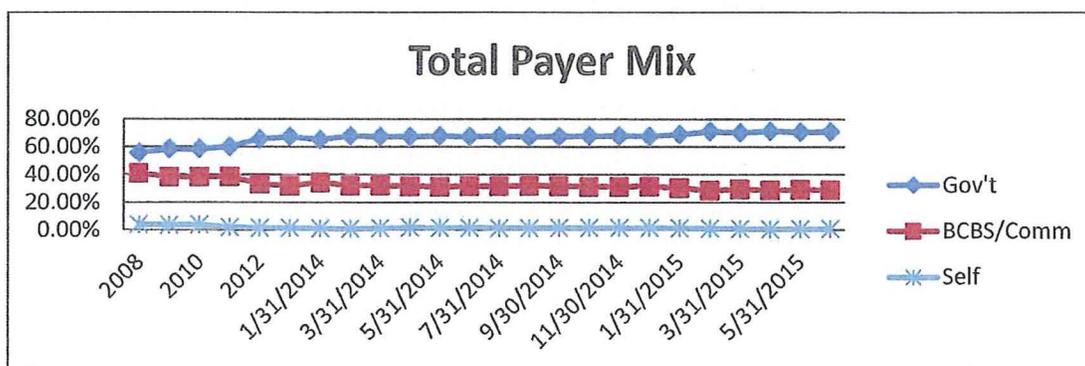


Home Medical Total Customer Revenues increased in June and were 15.6% greater than average. Sales Revenues were significantly higher in June while Rental Revenues were slightly higher



Total Deductions from Revenue were 3.2% less than average due to a decrease in Medicare/Medicaid Revenues percentage. The Hospital's reimbursement rate for the month was 44.2% compared to the 4<sup>th</sup> Quarter 2014 rate of 46.3%; 1<sup>st</sup> Quarter 2015 rate

of 42.9%, and 2<sup>nd</sup> Quarter rate of 42.6%. As shown in the Total Payer Mix graph, Government sources of Revenue in June were 70.5% of Hospital Revenues.



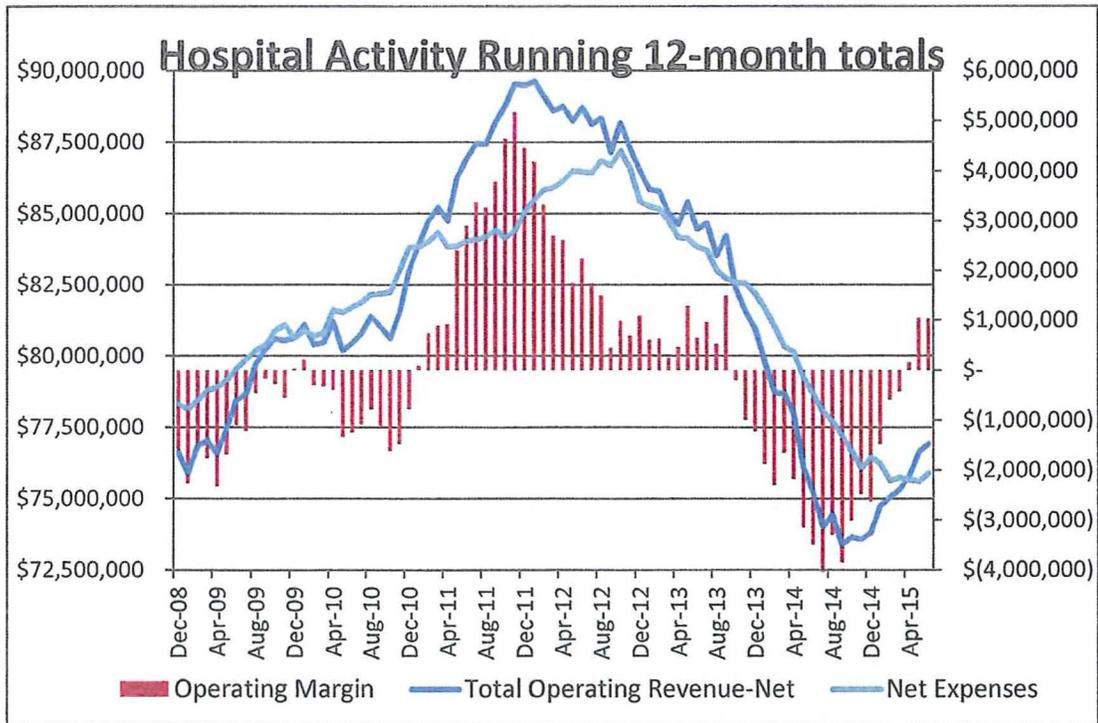
As a result from the service mix of Patient Revenues and the change in the Payer Mix, Net Revenue from Patients was 3.9% greater than average. Other Operating Revenues were significantly lower due to the Meaningful Use reimbursement in April and lower profits at WMS. Net WMS activity at Rice was greater than the average by 1.1% due to higher patient activity.

Net Expenses were \$8.0 million, 4.4% greater than average. Expenses were mixed for the month with Salaries 2.0% (\$75,000) less than average, Contract Labor was 19.5% (\$57,000) greater than average, and Benefits 14.7% (\$162,000) higher than average. Salaries were lower due to decreased inpatient activity, Contract Labor was higher due to Oncology activity and Benefits were higher due to pension accruals and health insurance costs. The Hospital Compensation Ratio was 52.1% for the month and 50.9% for the quarter compared to the target of 50%.

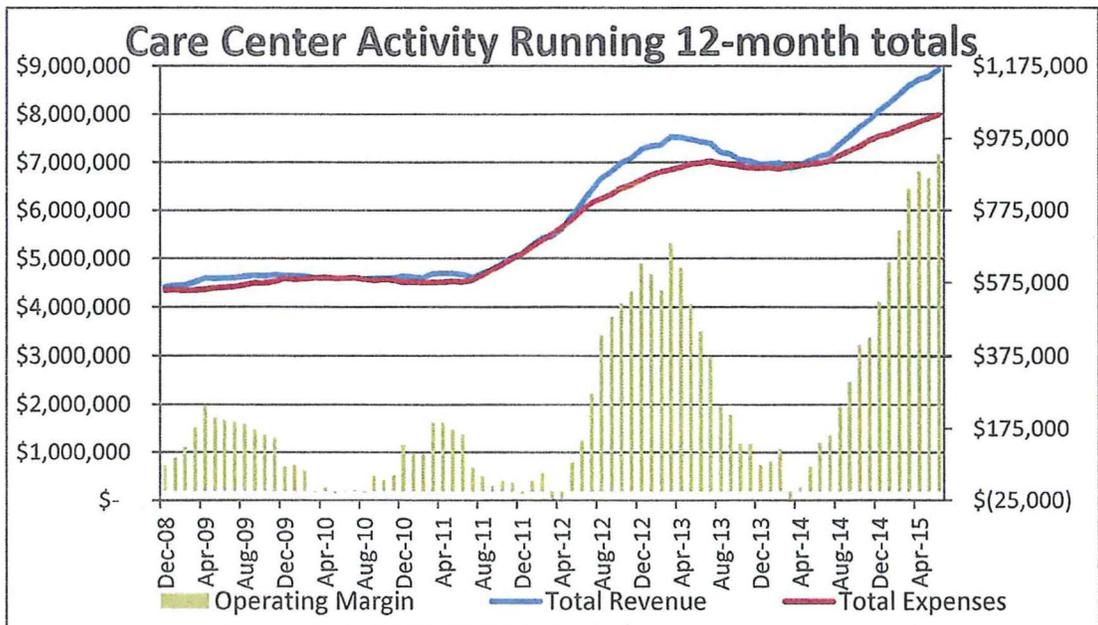
Supplies were 19.7% (\$188,000) higher than average due to Surgery activity and quarterly fees paid to VHA. Drugs were 5.9% (\$34,000) higher than average due to Oncology activity. Purchased Services were 6.4% (\$41,000) higher due to Pathology and Lab; Repairs & Rentals 4.0% lower; Utilities 7.1% lower; Insurance 1.0% lower; Patient Related Travel 2.6% higher due to activity; Education, Travel, and Dues 16.6% lower; and Other 50.5% higher due community benefits. Total Hospital Controllable Costs were \$7.1 million, \$279,000 (3.9%) higher than average. Capital Costs were lower with Depreciation 1.0% lower and Interest 0.2% lower. Taxes were 0.2% greater due to higher cash receipts.

Non-operating activity was higher than the three-month average by \$19,000. Investment Income was lower than average and Unrealized Losses were higher than average. Other Gains were higher due to sale/trade of equipment.

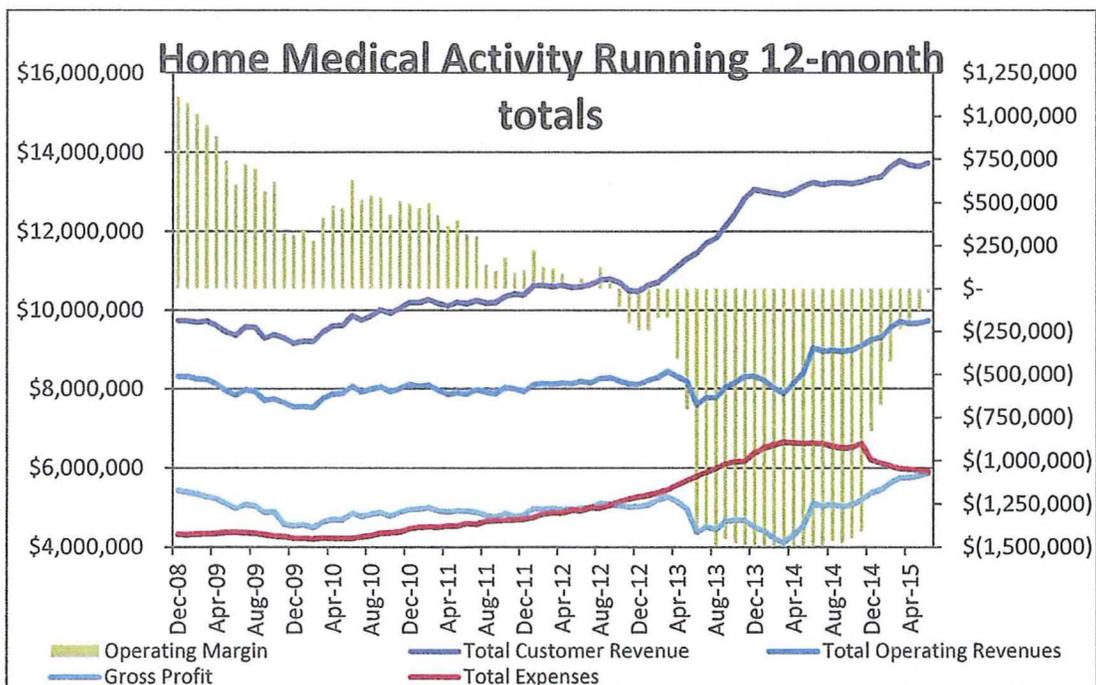
The Hospital generated Operating Income of \$83,000 compared to average Operating Income of \$319,000. Total Operating Revenues were higher than average by 0.6% while Net Operating Expenses were 4.4% higher than average. Operating Income for the Hospital for the past 12 months was slightly above \$1.0 million.



Care Center activity generated Operating Income of \$103,000 compared to average Operating Income of \$63,000. Net Resident Revenues were 3.2% higher than average with Net Operating Expenses 2.3% lower than average. Operating Income for the past twelve months was \$931,000.



Home Medical activity broke even compared to an average Operating Loss of \$20,000. Gross Profit was 6.3% higher than average while Total Operating Expenses were 1.6% higher than average. Operating Losses for the past twelve months were \$25,000.



**June YTD Summary**

The Consolidated YTD Operating Income was \$1.5 million compared to last year’s Operating Loss of \$3.3 million and 2013 YTD Operating Loss of \$1.5 million. Total Operating Revenues were 10.1% greater in 2015 compared to 2014 and 0.8% greater than 2013. Hospital Inpatient Revenues were 7.3% higher than 2014 and 11.5% higher than 2013 with Outpatient Revenues 13.7% higher than 2014 and 16.5% higher than 2013. Care Center Revenues were 17.9% higher than 2014 and 16.4% higher than 2013 and Home Medical Revenues were 6.4% higher than last year and 9.7% higher than 2013. Total Patient Revenues were 11.5% higher than last year; 14.6% higher than 2013; and 14.7% higher than 2012.

The Revenue increases were partially offset by reimbursement decreases experienced by the Hospital. Consolidated Deductions from Revenues were 12.9% higher than 2014 and 22.1% higher than 2013. Even with the increases in Deductions from Revenues, Net Patient Revenues have increased 9.9% from 2014; 6.8% from 2013; and 2.3% compared to 2012. Other Operating Revenues are 13.6% higher than 2014 but 0.5% lower than 2013. WMS activity at Rice which transfers net revenues back to WMS has increased 11.5% from 2014 and 28.9% from 2013 due to increased activity and the transfer of Anesthesia and Sleep Services.

Expenses have trended downward with Net Operating Expenses 1.0% lower than 2014; 5.4% less than 2013; and 6.6% less than 2012. Expenses were mixed with Salaries 1.4% higher than 2014 and 0.7% higher than 2013; Contract Labor 14.9% lower than 2014 but 10.3% higher than 2013; and Benefits 7.4% lower than 2014 and 1.2% lower than 2013.

Other expense categories realizing lower costs in 2015 were Utilities (5.8%/4.3% higher); Insurance (16.4%/10.9% lower); and Patient Related Travel (24.2%/32.1% lower). 2015 expense increases have been realized in Supplies (4.0%/0.1% lower) due to increased activity; Drugs (48.1%/4.0% higher) due to increased Hospital Inpatient and Oncology

activity; Purchased Services (4.2%/16.8% higher) due to increases in numerous departments; Repairs (4.8%/0.4% lower); Education, Travel, & Dues (4.3%/15.1% lower); and Other (1.1%/0.5% higher). Capital Costs were lower with Depreciation (5.2%/0.9% higher) and Interest (4.8%/4.4% higher). Taxes were also higher (0.3%/2.5% higher) due to increased collections.

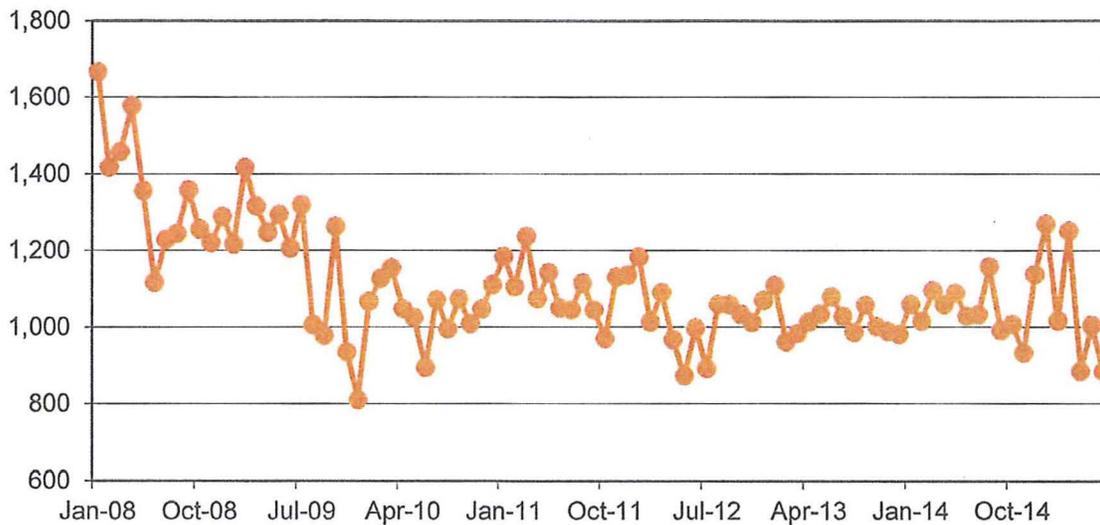
Non-Operating Income has increased \$23,000 from 2014. Non-Operating Income was \$676,000 in 2015 compared to \$653,000 in 2014. Investment Income was higher by 3.9% (\$14,000); Unrealized Gains on Investments were \$268,000 lower compared to 2014; and Other Gains were \$277,000 higher compared to 2014.

The Hospital generated Operating Income of \$1.0 million compared to last year's Operating Loss of \$2.5 million. Care Center's Operating Income was \$510,000 compared to last year's \$102,000 while Home Medical's Operating Loss was \$76,000 compared to last year's Loss of \$838,000.

**Statistical and Volume Summary**

Patient days were 162 (15.5%) less than forecast with admissions 15 (5.4%) less than forecast yielding a decrease in length of stay of 10.3% and a 14.3% decrease in case-mix adjusted length of stay. Compared to the prior year, patient days were 14.0% lower with admissions 7.1% lower. The average daily census for the month was 29.5 compared to forecast of 34.9; 34.3 last year; and a 34.1 monthly average.

**Hospital Patient Days**



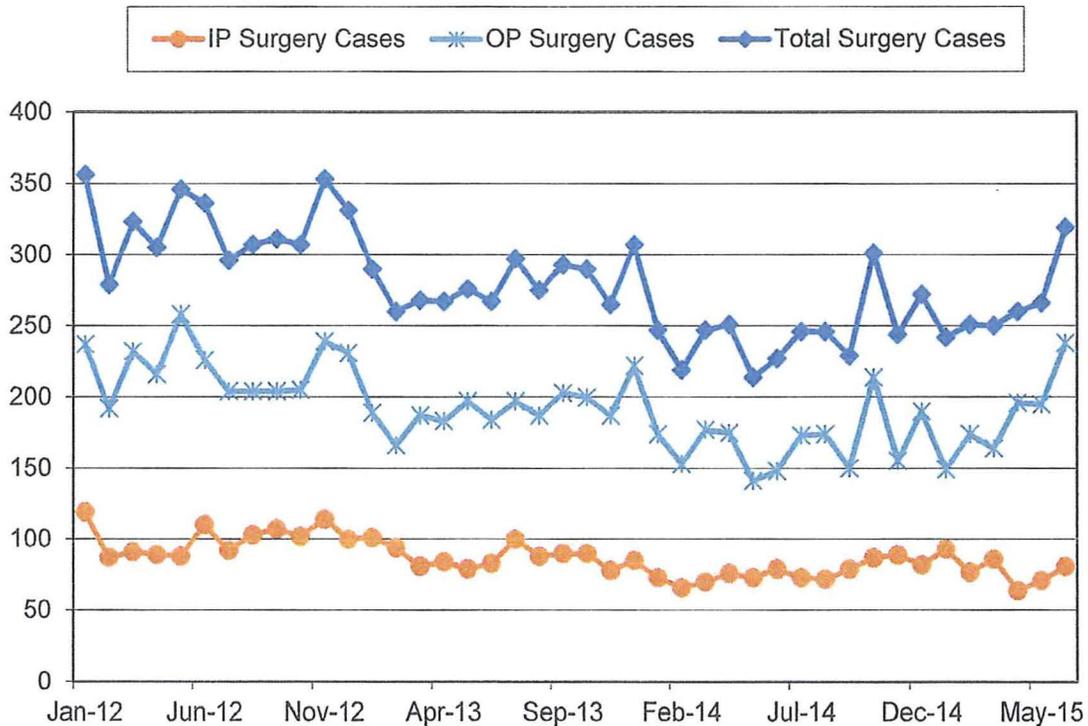
YTD Patient days were 21 (0.3%) greater than forecast with YTD admissions 53 (3.2%) greater than forecast yielding a decrease in length of stay of 3.1% and a 2.8% decrease in case-mix adjusted length of stay. Compared to the prior year, patient days were 0.6% lower with admissions 3.2% higher. The YTD average daily census was 34.9 compared to forecast of 34.8 and 35.1 last year.

The monthly Hospital Medicare case mix was 8.5% greater than forecast and 13.6% greater than last year. The overall case mix was 4.7% greater than forecast and 5.1% greater than last year. Overall activity as measured in adjusted admissions was 11.7% higher than forecast and 5.3% higher than last year while adjusted patient days were 0.2% less than forecast and 2.6% less than last year. Care Center resident days were 2.6% less

than forecast with a 73.0 average daily census. Case mix for the month was 9.5% greater than forecast, 9.5% greater than last year, and 6.8% higher than the average.

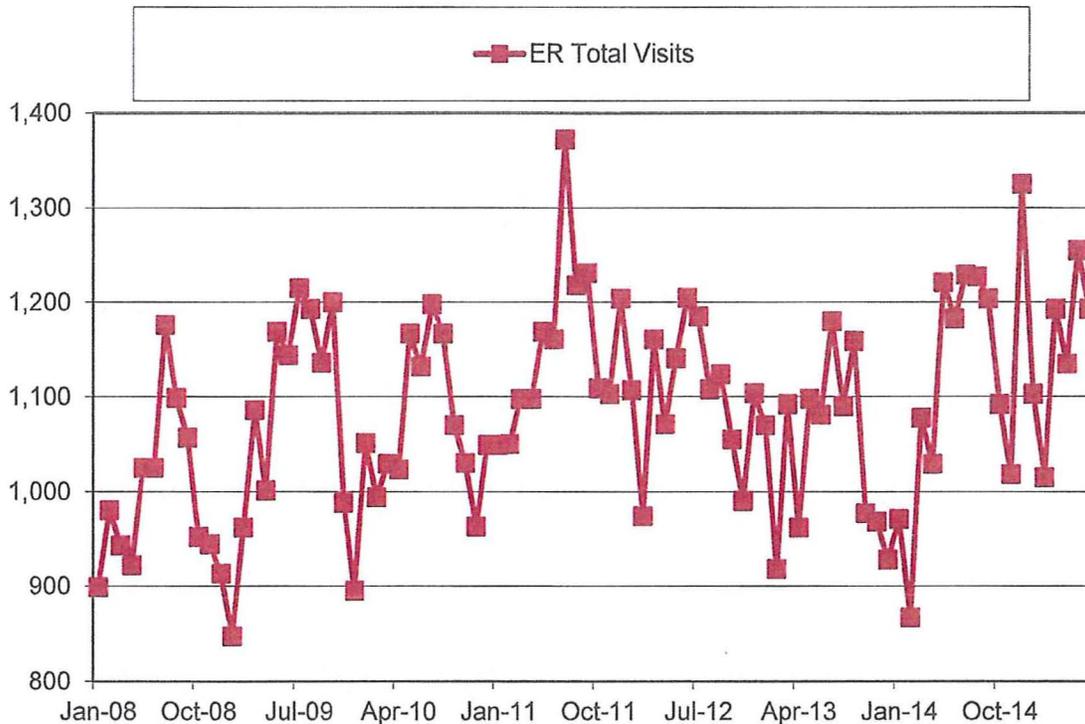
The YTD Hospital Medicare case mix was 1.5% less than forecast and 1.9% less than last year. The overall case mix was 0.3% less than forecast but 1.3% greater than last year. YTD overall activity as measured in adjusted admissions was 7.2% greater than forecast and 7.6% higher than last year while adjusted patient days were 3.8% greater than forecast and 3.3% greater than last year. YTD Care Center resident days were 1.9% less than forecast with a 73.6 average daily census. YTD case mix was 1.1% greater than forecast and 2.2% greater than last year.

Ancillary departments were mixed for the month. Monthly Surgery & GI cases were 27.6% greater than forecast, 40.5% greater than last year, and 23.2% greater than average. Inpatient activity was 2.5% greater than forecast and 2.5% greater than last year while Outpatient activity was 39.2% greater than forecast and 60.8% greater than last year.



YTD Surgery cases were 6.5% greater than forecast and 13.0% greater than last year. Inpatient cases were 0.9% greater than forecast and 8.0% greater than last year while Outpatient cases were 9.1% greater than forecast and 15.3% greater than last year.

Emergency Room visits were 3.2% greater than forecast for the month, 0.8% higher than last year, but 0.1% less than average. YTD visits were 0.4% greater than forecast and 8.6% greater than last year and 10.8% greater than 2013.



Monthly Laboratory tests were 5.0% less than forecast, 2.6% greater than last year, but 3.3% less than average. Medical Imaging procedures were 3.2% greater than forecast, 3.3% less than last year, and 3.1% less than average. Radiation Oncology treatments were 10.6% greater than forecast, 14.0% less than last year, and 5.2% less than average. Medical Oncology visits were 21.4% greater than forecast, 13.6% greater than last year, and 5.6% greater than average. Dialysis treatments were 1.6% greater than forecast, 4.5% greater than last year, but 1.8% less than average; Rehab visits were 2.6% less than forecast, 4.6% less than last year, and 5.4% less than average; Hospice visits were 2.4% less than forecast, 4.1% less than last year, but 2.9% greater than average; and Ambulance runs were 11.5% less than forecast, 8.9% less than last year, and 6.5% less than average.

YTD Laboratory tests were 2.6% less than forecast but 0.6% greater than last year. Medical Imaging procedures were 3.0% greater than forecast and 0.7% greater than last year. Radiation Oncology treatments were 15.6% greater than forecast and 8.2% greater than last year. Medical Oncology visits were 10.5% greater than forecast and 11.6% greater than last year. Dialysis treatments were 2.0% greater than forecast and 5.0% greater than last year; Rehab visits were 1.2% greater than forecast and 3.1% greater than last year; Hospice visits were 8.1% less than forecast and 9.2% less than last year; and Ambulance runs were 5.9% less than forecast and 1.4% less than last year.

Full Time Equivalents (FTE's) for the month were 773 compared to a forecast of 760, an increase of 1.8%. This compared to last year's total of 789 (1.9% lower) and the three month average of 765 (1.1% higher). Hospital FTE's were 1.3% higher than forecast, 2.6% less than last year, and 0.4% higher than average. Care Center FTE's were 9.8% greater than forecast, 8.0% greater than last year and 3.3% greater than average. Home

Medical FTE's were 3.4% less than forecast, 8.2% less than last year, but 3.7% greater than average.

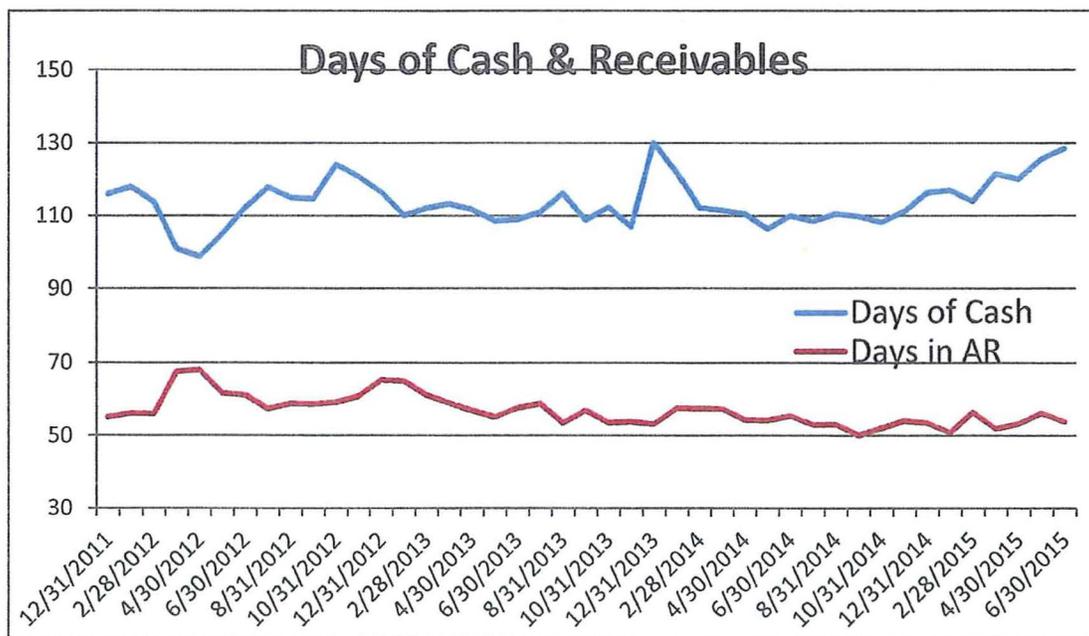
YTD FTE's were 1.7% higher than forecast at 774 compared to 762. This compared to last year's FTE's of 790 (2.0% lower) and 801 (3.3% lower) from 2013. Hospital FTE's were 1.6% higher than forecast but 2.6% less than last year. Care Center was 8.1% higher than forecast and 12.7% higher than last year while Home Medical was 5.1% less than forecast and 13.0% less than last year.

**Key Performance Indicators**

The Operational indicators were positive for the month and compared to the forecast. Consolidated Operating Margin was 2.2% for the month; 3.1% YTD; forecast of 1.8% and last year's -3.3%. Excess Margin was 3.1% for the month; 4.5% YTD; forecast of 2.6% and last year's -1.8%. EBIDA Operating Margin was 12.3% for the month; 13.5% YTD; forecast of 12.6% and last year's 7.1%.

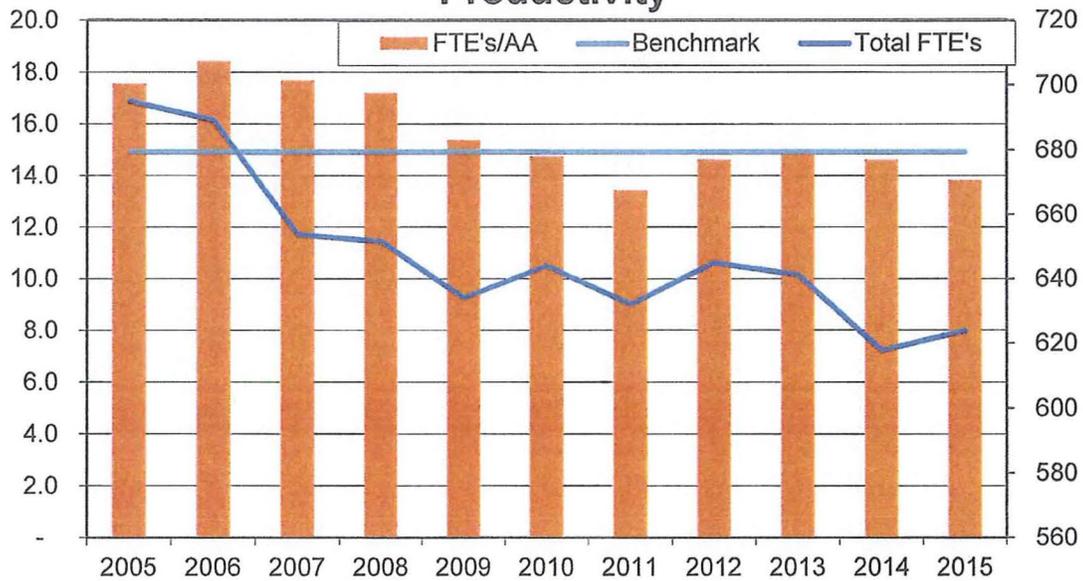
The Financial ratios indicate that the Debt/Capitalization ratio of 43.6% was lower than last month; lower than the forecast of 44.5%; lower than last year's 45.8%, and lower than the targeted ceiling of 45%. The decrease was due to improved financial performance and the February Bond payment. Debt Service Coverage was 3.8 compared to the forecast of 3.0 and last year's 2.4. The Cash/Debt ratio was 65% compared to the forecast of 62% and last year's 57%. The Financial Strength Index was 1.49 compared to the forecast of 1.0 and -0.33 last year.

Days in accounts receivable were 54 compared to the forecast of 48 and last year's 53. Days of Cash were 128 compared to the forecast of 119 and last year's 116.



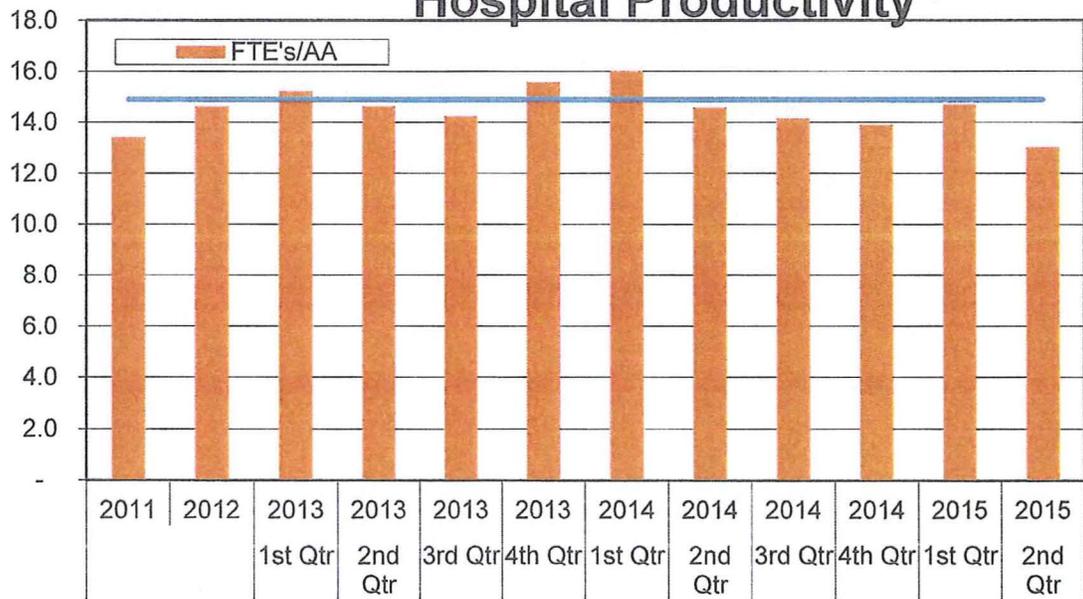
Hospital productivity ratios in terms of staffing were lower for the month than the forecast with FTE's per adjusted admit at 13.2 for the month and 13.8 YTD compared to the forecast of 14.4 and last year's ratio of 14.6. FTE's per adjusted patient day were 3.9 for the month and 3.8 YTD compared to the forecast of 4.1 and 3.9 last year.

## Hospital Full Time Equivalents & Productivity

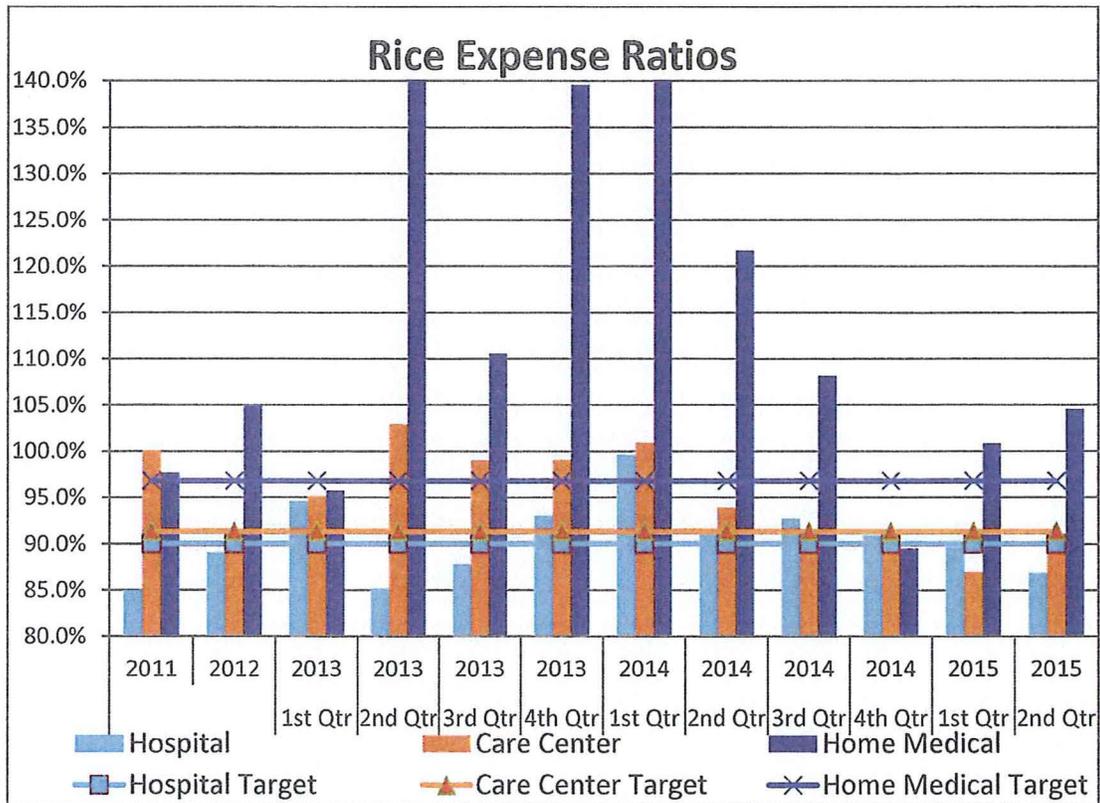


Comparing 2<sup>nd</sup> Quarter productivity to the prior quarters, the Hospital Productivity ratio was lower than the recent quarters and significantly improved from 1<sup>st</sup> Quarter 2014 and 4<sup>th</sup> Quarter 2013.

## Hospital Productivity



The Hospital Total Operating Expense Ratio was 89.0% for the month; 88.2% YTD, forecast of 90%; and last year's 93.5%. Bad Debt ratio was 1.2% YTD compared to the 2.0% forecast and significantly better than the benchmark of 7.4%. Capital Expense ratio was 8.7% YTD compared to 9.0% forecast, 9.3% last year, and the benchmark of 6.9%.

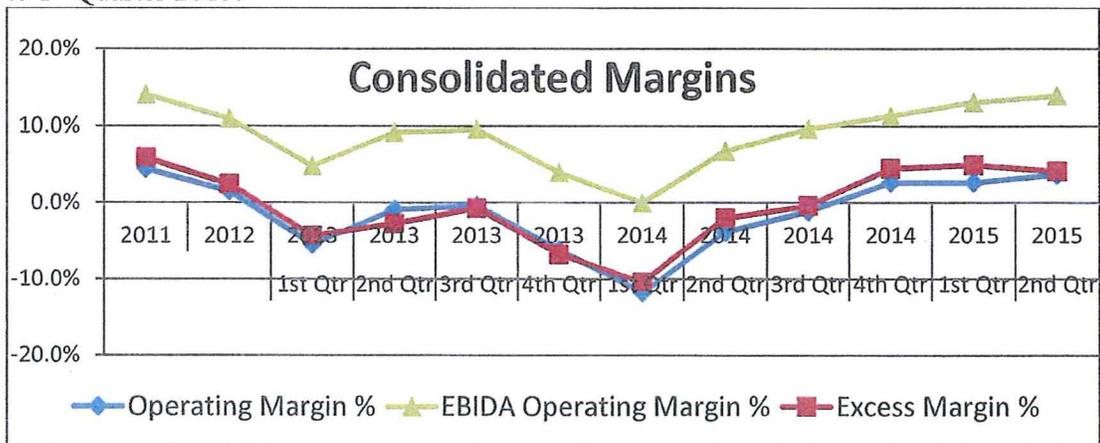


Care Center Hours per Resident Day were 7.3 for the month; 6.7 YTD; forecast of 6.5 and 6.7 last year. The Care Center's Total Operating Expense Ratio was 86.6% for the month; 88.8% YTD; 91.3% Forecast; and 93.5% in 2014.

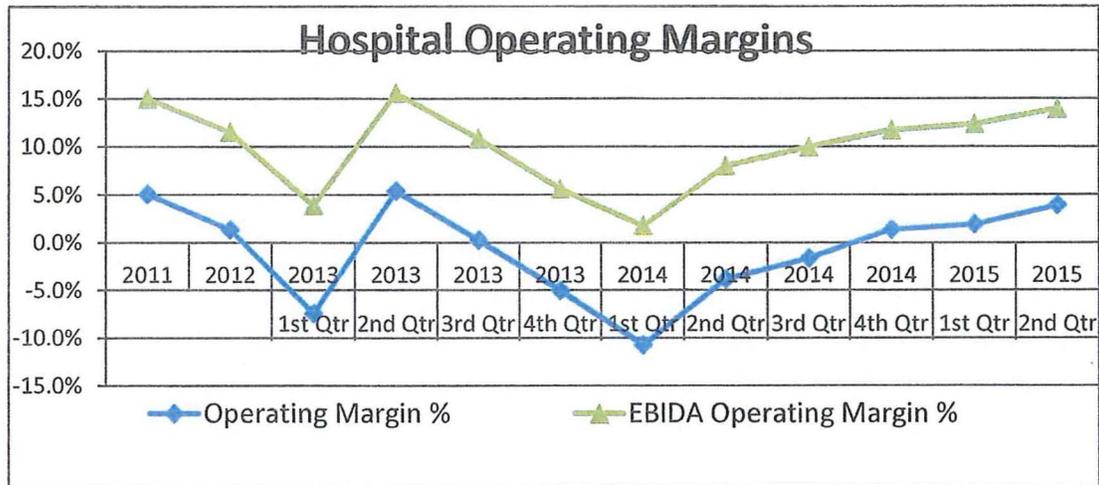
Sales per FTE at Home Medical were \$204,800 for the month; \$187,200 YTD; forecast of \$191,600 and \$171,700 last year. Home Medical's Total Operating Expense Ratio was 100.1% for the month; 102.6% YTD; 96.8% Forecast; and 115.5% in 2014.

**Key Performance Indicators by Entity**

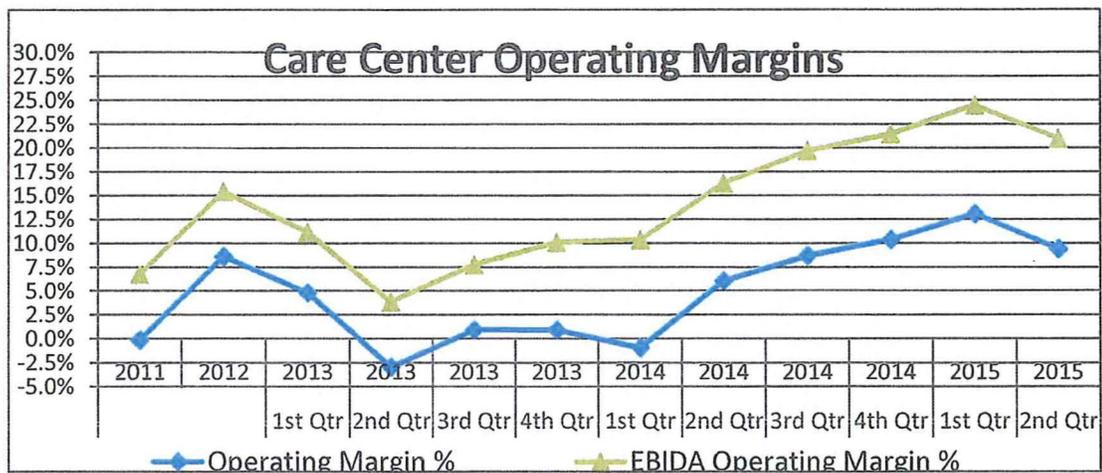
The Consolidated Margins were positive in 2<sup>nd</sup> Quarter 2015. Operating Margin and EBIDA Operating Margin improved while Excess Margin was slightly lower compared to 1<sup>st</sup> Quarter 2015.



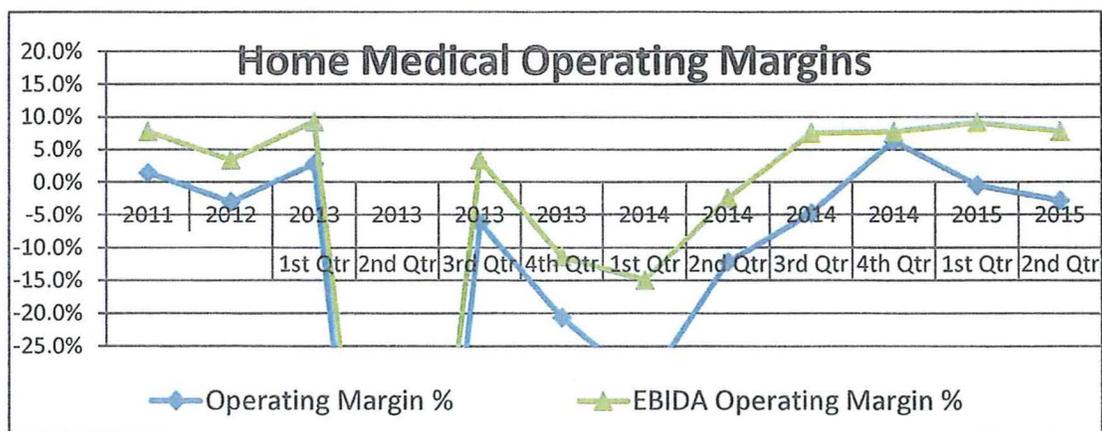
Hospital Margins improved in 2<sup>nd</sup> Quarter 2015 compared to 1<sup>st</sup> Quarter 2015 and 4<sup>th</sup> Quarter 2014 due to increased patient activity and lower expenses.



Care Center Margins declined in 2<sup>nd</sup> Quarter 2015 compared to 1<sup>st</sup> Quarter due to increased expenses and lower Net Resident Revenues.



Home Medical financial performance declined in 2<sup>nd</sup> Quarter 2015 compared to the past two quarters due to lower activity.



**RICE MEMORIAL HOSPITAL  
CONSOLIDATED  
BALANCE SHEET**  
For the Six Months Ending June 30, 2015

	June 2015	12/31/14	Variance	12/31/13	Variance	12/31/12	Variance
<b>1 ASSETS</b>							
<b>2 CURRENT ASSETS</b>							
3 CASH AND CASH EQUIVALENTS	\$4,581,362	\$2,447,311	\$2,134,051	\$9,355,434	(\$4,774,072)	\$2,999,489	\$1,581,874
4 TRUSTEE BOND AGREEMENTS - CURRENT	1,854,531	2,757,540	(903,010)	2,379,838	(525,307)	2,393,907	(539,376)
5 ACCOUNTS RECEIVABLE NET	15,759,157	14,720,163	1,038,994	14,513,548	1,245,608	18,416,955	(2,657,798)
6 OTHER RECEIVABLES	569,844	548,759	21,085	437,453	132,392	626,136	(56,311)
7 INVENTORY	1,973,293	1,974,860	(1,567)	2,117,850	(144,557)	1,881,543	91,750
8 PREPAID EXPENSES	958,261	877,299	80,961	991,750	(33,490)	1,080,525	(122,264)
<b>10 TOTAL CURRENT ASSETS</b>	<b>25,696,447</b>	<b>23,325,933</b>	<b>2,370,514</b>	<b>29,795,874</b>	<b>(4,099,427)</b>	<b>27,398,573</b>	<b>(1,702,126)</b>
<b>11 ASSETS LIMITED AS TO USE</b>							
12 HELD BY TRUSTEES - BOND AGREEMENTS	3,776,634	3,776,634		3,571,279	205,356	3,181,089	595,545
13 REMAINDER UNITRUST - RECEIVABLE	47,522	47,522		47,522		43,996	3,526
16 ENDOWMENT FUND - INVESTMENTS	3,057,581	3,061,232	(3,651)	2,960,184	97,397	2,616,990	440,591
<b>18 TOTAL ASSETS - USE IS LIMITED</b>	<b>6,881,737</b>	<b>6,885,388</b>	<b>(3,651)</b>	<b>6,578,984</b>	<b>302,753</b>	<b>5,842,075</b>	<b>1,039,662</b>
<b>19 PROPERTY PLANT &amp; EQUIPMENT</b>							
20 PROPERTY PLANT & EQUIPMENT	144,109,477	142,634,962	1,474,514	136,903,754	7,205,722	132,297,068	11,812,409
22 LESS: ACCUMULATED DEPRECIATION	(83,972,230)	(80,874,221)	(3,098,009)	(75,712,695)	(8,259,535)	(72,741,611)	(11,230,619)
<b>24 NET PROPERTY, PLANT &amp; EQUIPME</b>	<b>60,137,247</b>	<b>61,760,741</b>	<b>(1,623,494)</b>	<b>61,191,059</b>	<b>(1,053,812)</b>	<b>59,555,457</b>	<b>581,790</b>
<b>25 OTHER ASSETS</b>							
27 INVESTMENTS - FIXED INCOME	25,491,471	25,106,026	385,445	22,595,563	2,895,908	25,941,901	(450,429)
28 INVESTMENTS - SHR	459,048	459,048		439,455	19,593	425,186	33,862
29 INVESTMENTS - WMS	4,608,837	4,269,043	339,794	3,769,317	839,521	3,647,124	961,713
30 INVESTMENTS - LAKE REGION HMS	(14,025)	18,125	(32,150)		(14,025)		(14,025)
30 INVESTMENTS - VHALUM CSC	50,000	54,963	(4,963)	54,963	(4,963)	79,963	(29,963)
32 GOODWILL, NET	82,728	83,389	(661)	84,722	(1,995)	86,056	(3,328)
33 DEFERRED DEBT ACQUISITION COSTS						200,398	(200,398)
<b>36 TOTAL OTHER ASSETS</b>	<b>30,678,059</b>	<b>29,990,593</b>	<b>687,466</b>	<b>26,944,020</b>	<b>3,734,039</b>	<b>30,380,628</b>	<b>297,431</b>
<b>38 TOTAL ASSETS</b>	<b>\$123,393,490</b>	<b>\$121,962,656</b>	<b>\$1,430,834</b>	<b>\$124,509,937</b>	<b>(\$1,116,447)</b>	<b>\$123,176,733</b>	<b>\$216,757</b>
<b>40 LIABILITIES AND NET ASSETS</b>							
<b>41 CURRENT LIABILITIES</b>							
43 CURRENT MATURITIES OF LTD	\$1,944,520	\$1,944,520		\$1,730,232	\$214,288	\$2,290,275	(\$345,755)
44 ACCOUNTS PAYABLE - TRADE	2,111,656	1,856,340	255,315	1,939,719	171,937	1,730,604	381,052
45 EST. THIRD PARTY PAYOR SETTLEMENTS	(59,000)	(188,000)	129,000	192,060	(251,060)	(29,504)	(29,496)
46 ACCRUED SALARIES, WAGES AND BENEFITS	11,398,529	11,471,484	(72,955)	11,131,571	266,958	10,992,653	405,876
47 ACCRUED INTEREST AND DUE TO WMS	2,581,640	2,225,849	355,790	2,093,781	487,859	2,089,775	491,865
<b>49 TOTAL CURRENT LIABILITIES</b>	<b>17,977,344</b>	<b>17,310,194</b>	<b>667,151</b>	<b>17,087,362</b>	<b>889,982</b>	<b>17,073,804</b>	<b>903,541</b>
<b>51 LONG TERM DEBT (LESS CURRENT)</b>	<b>45,958,673</b>	<b>47,945,859</b>	<b>(1,987,186)</b>	<b>49,770,570</b>	<b>(3,811,897)</b>	<b>45,957,263</b>	<b>1,410</b>
<b>53 TOTAL LIABILITIES</b>	<b>63,936,017</b>	<b>65,256,052</b>	<b>(1,320,035)</b>	<b>66,857,932</b>	<b>(2,921,915)</b>	<b>63,031,067</b>	<b>904,951</b>
<b>55 COMMITMENTS AND CONTINGENCIES</b>							
<b>56 NET ASSETS</b>							
58 RESTRICTED FUNDS							
59 DEBT SERVICE AND RESERVE	3,776,634	3,776,634		3,571,279	205,356	3,181,089	595,545
60 SPECIFIC PURPOSE FUND	439,890	216,568	223,323	270,286	169,604	88,338	351,553
61 PERMANENT ENDOWMENT	3,057,581	3,061,232	(3,651)	2,960,184	97,397	2,616,990	440,591
62 CURRENT YEAR INCOME	2,177,759	(1,677,586)	3,855,726	(3,426,313)	5,604,052	2,430,598	(252,859)
63 UNRESTRICTED	50,005,628	51,330,156	(1,324,528)	54,276,569	(4,270,941)	51,828,651	(1,823,023)
<b>65 TOTAL NET ASSETS</b>	<b>59,457,473</b>	<b>56,706,604</b>	<b>2,750,869</b>	<b>57,652,005</b>	<b>1,805,468</b>	<b>60,145,666</b>	<b>(688,193)</b>
<b>67 TOTAL LIABILITIES AND NET ASSET</b>	<b>\$123,393,490</b>	<b>\$121,962,656</b>	<b>\$1,430,834</b>	<b>\$124,509,937</b>	<b>(\$1,116,447)</b>	<b>\$123,176,733</b>	<b>\$216,757</b>

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RICE MEMORIAL HOSPITAL CONSOLIDATED  
For the Month Ending

	June 2015	Prior 3 Mo Average	% Var	May 2015	% Var	April 2015	% Var	March 2015	% Var
<b>OPERATING REVENUE</b>									
INPATIENT REVENUE	\$5,040,036	\$5,615,569	(10.2%)	\$5,706,510	(11.7%)	\$4,597,052	9.6%	\$6,543,145	(23.0%)
OUTPATIENT REVENUE	12,214,163	11,846,306	3.1%	12,034,126	1.5%	12,367,059	(1.2%)	11,137,732	9.7%
RICE CARE CENTER REVENUE	1,039,449	983,202	5.7%	988,371	5.2%	994,229	4.5%	967,005	7.5%
RICE HOME MEDICAL REVENUE	1,203,440	1,041,472	15.6%	1,040,252	15.7%	974,011	23.6%	1,110,154	8.4%
<b>TOTAL PATIENT REVENUE</b>	<b>19,497,088</b>	<b>19,486,549</b>	<b>0.1%</b>	<b>19,769,259</b>	<b>(1.4%)</b>	<b>18,932,351</b>	<b>3.0%</b>	<b>19,758,036</b>	<b>(1.3%)</b>
LESS DISCOUNTS & CONTRACTUALS	10,006,253	10,388,544	(3.7%)	10,198,610	(1.9%)	10,722,243	(6.7%)	10,244,780	(2.3%)
LESS UNCOMPENSATED CARE	108,092	152,218	(29.0%)	96,603	11.9%	280,315	(61.4%)	79,737	35.6%
LESS BAD DEBT EXPENSE	151,477	59,548	154.4%	(18,536)	(917.2%)	9,686	1,463.9%	187,495	(19.2%)
<b>TOTAL DEDUCTIONS FROM REVENUE</b>	<b>10,265,822</b>	<b>10,600,311</b>	<b>(3.2%)</b>	<b>10,276,677</b>	<b>(0.1%)</b>	<b>11,012,244</b>	<b>(6.8%)</b>	<b>10,512,012</b>	<b>(2.3%)</b>
<b>NET REVENUE FROM PATIENTS</b>	<b>9,231,266</b>	<b>8,886,238</b>	<b>3.9%</b>	<b>9,492,582</b>	<b>(2.8%)</b>	<b>7,920,107</b>	<b>16.6%</b>	<b>9,246,024</b>	<b>(0.2%)</b>
OTHER OPERATING REVENUE	1,326,558	1,479,361	(10.3%)	1,214,851	9.2%	2,122,022	(37.5%)	1,101,211	20.5%
<b>TOTAL OPERATING REVENUE</b>	<b>10,557,824</b>	<b>10,365,599</b>	<b>1.9%</b>	<b>10,707,433</b>	<b>(1.4%)</b>	<b>10,042,129</b>	<b>5.1%</b>	<b>10,347,235</b>	<b>2.0%</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	2,313,283	2,287,121	1.1%	2,396,166	(3.5%)	2,261,819	2.3%	2,203,378	5.0%
<b>TOTAL OPERATING REVENUE</b>	<b>8,244,541</b>	<b>8,078,478</b>	<b>2.1%</b>	<b>8,311,267</b>	<b>(0.8%)</b>	<b>7,780,310</b>	<b>6.0%</b>	<b>8,143,857</b>	<b>1.2%</b>
<b>OPERATING EXPENSES</b>									
SALARIES AND WAGES	3,797,222	3,872,922	(2.0%)	3,899,993	(2.6%)	3,834,288	(1.0%)	3,884,485	(2.2%)
CONTRACT LABOR	347,286	290,658	19.5%	297,391	16.8%	298,159	16.5%	276,423	25.6%
SUPPLEMENTAL BENEFITS	1,262,695	1,100,542	14.7%	1,095,765	15.2%	1,108,415	13.9%	1,097,447	15.1%
SUPPLIES	1,142,244	954,509	19.7%	863,951	32.2%	970,704	17.7%	1,028,873	11.0%
DRUGS	615,871	581,781	5.9%	726,048	(15.2%)	526,895	16.9%	492,400	25.1%
PURCHASED SERVICES	681,595	640,895	6.4%	613,323	11.1%	652,796	4.4%	656,565	3.8%
REPAIRS, SERVICE & RENTALS	281,652	293,486	(4.0%)	317,225	(11.2%)	277,831	1.4%	285,401	(1.3%)
UTILITIES	124,747	134,292	(7.1%)	134,304	(7.1%)	131,066	(4.8%)	137,505	(9.3%)
INSURANCE	50,085	50,590	(1.0%)	52,189	(4.0%)	50,108	0.0%	49,473	1.2%
PATIENT RELATED TRAVEL	27,349	26,656	2.6%	25,954	5.4%	25,040	9.2%	28,973	(5.6%)
EDUCATION, TRAVEL, & DUES	66,319	79,524	(16.6%)	77,303	(14.2%)	92,152	(28.0%)	69,118	(4.0%)
OTHER	55,958	37,174	50.5%	31,277	78.9%	35,741	56.6%	44,504	25.7%
DEPRECIATION AND AMORT	687,237	694,460	(1.0%)	702,398	(2.2%)	683,106	0.6%	697,875	(1.5%)
INTEREST	145,461	145,736	(0.2%)	141,471	2.8%	145,563	(0.1%)	150,174	(3.1%)
TAXES & SURCHARGE	192,237	191,886	0.2%	188,662	1.9%	175,126	9.8%	211,869	(9.3%)
<b>TOTAL OPERATING EXPENSES</b>	<b>9,477,958</b>	<b>9,095,110</b>	<b>4.2%</b>	<b>9,167,254</b>	<b>3.4%</b>	<b>9,006,990</b>	<b>5.2%</b>	<b>9,111,085</b>	<b>4.0%</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	1,417,557	1,373,587	3.2%	1,492,975	(5.1%)	1,295,238	9.4%	1,332,549	6.4%
<b>NET OPERATING EXPENSES</b>	<b>8,060,401</b>	<b>7,721,522</b>	<b>4.4%</b>	<b>7,674,279</b>	<b>5.0%</b>	<b>7,711,752</b>	<b>4.5%</b>	<b>7,778,536</b>	<b>3.6%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>184,140</b>	<b>356,956</b>	<b>(48.4%)</b>	<b>636,988</b>	<b>(71.1%)</b>	<b>68,558</b>	<b>168.6%</b>	<b>365,321</b>	<b>(49.6%)</b>
<b>NON OPERATING INCOME</b>									
INVESTMENT INCOME	47,387	51,579	(8.1%)	52,999	(10.6%)	52,863	(10.4%)	48,876	(3.0%)
UNREALIZED GAIN (LOSS)	(7,417)	566	(1,410.4%)	(48,476)	(84.7%)	(36,455)	(79.7%)	86,630	(108.6%)
OTHER GAIN (LOSS)	34,636	3,586	865.9%	700	4,848.0%	9,218	275.7%	840	4,023.3%
<b>TOTAL NON OPERATING INCOME</b>	<b>74,606</b>	<b>55,732</b>	<b>33.9%</b>	<b>5,223</b>	<b>1,328.4%</b>	<b>25,626</b>	<b>191.1%</b>	<b>136,346</b>	<b>(45.3%)</b>
<b>NET INCOME (LOSS)</b>	<b>\$258,746</b>	<b>\$412,687</b>	<b>(37.3%)</b>	<b>\$642,211</b>	<b>(59.7%)</b>	<b>\$94,184</b>	<b>174.7%</b>	<b>\$501,667</b>	<b>(48.4%)</b>

RICE HOSPITAL  
For the Month Ending

	June 2015	Prior 3 Mo Average	% Var	May 2015	% Var	April 2015	% Var	March 2015	% Var
<b>OPERATING REVENUE</b>									
INPATIENT REVENUE	\$5,040,036	\$5,615,569	(10.2%)	\$5,706,510	(11.7%)	\$4,597,052	9.6%	\$6,543,145	(23.0%)
OUTPATIENT REVENUE	12,214,164	11,846,306	3.1%	12,034,126	1.5%	12,367,059	(1.2%)	11,137,732	9.7%
<b>TOTAL PATIENT REVENUE</b>	<b>17,254,200</b>	<b>17,461,875</b>	<b>(1.2%)</b>	<b>17,740,636</b>	<b>(2.7%)</b>	<b>16,964,111</b>	<b>1.7%</b>	<b>17,680,877</b>	<b>(2.4%)</b>
LESS DISCOUNTS & CONTRACTUALS	9,378,441	9,850,142	(4.8%)	9,665,624	(3.0%)	10,177,059	(7.8%)	9,707,742	(3.4%)
LESS UNCOMPENSATED CARE	108,056	152,132	(29.0%)	96,566	11.9%	280,279	(61.4%)	79,552	35.8%
LESS BAD DEBT EXPENSE	144,009	54,440	164.5%	(28,509)	(605.1%)	3,145	4,479.0%	188,683	(23.7%)
<b>TOTAL DEDUCTIONS FROM REVENUE</b>	<b>9,630,506</b>	<b>10,056,714</b>	<b>(4.2%)</b>	<b>9,733,681</b>	<b>(1.1%)</b>	<b>10,460,483</b>	<b>(7.9%)</b>	<b>9,975,977</b>	<b>(3.5%)</b>
<b>NET REVENUE FROM PATIENTS</b>	<b>7,623,694</b>	<b>7,405,161</b>	<b>3.0%</b>	<b>8,006,955</b>	<b>(4.8%)</b>	<b>6,503,628</b>	<b>17.2%</b>	<b>7,704,900</b>	<b>(1.1%)</b>
OTHER OPERATING REVENUE	1,315,785	1,468,378	(10.4%)	1,204,200	9.3%	2,111,912	(37.7%)	1,089,023	20.8%
<b>TOTAL OPERATING REVENUE</b>	<b>8,939,479</b>	<b>8,873,539</b>	<b>0.7%</b>	<b>9,211,155</b>	<b>(2.9%)</b>	<b>8,615,540</b>	<b>3.8%</b>	<b>8,793,923</b>	<b>1.7%</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	2,313,283	2,287,121	1.1%	2,396,166	(3.5%)	2,261,819	2.3%	2,203,378	5.0%
<b>TOTAL OPERATING REVENUE</b>	<b>6,626,196</b>	<b>6,586,418</b>	<b>0.6%</b>	<b>6,814,989</b>	<b>(2.8%)</b>	<b>6,353,721</b>	<b>4.3%</b>	<b>6,590,545</b>	<b>0.5%</b>
<b>OPERATING EXPENSES</b>									
SALARIES AND WAGES	3,317,826	3,385,943	(2.0%)	3,398,610	(2.4%)	3,352,039	(1.0%)	3,407,180	(2.6%)
CONTRACT LABOR	249,568	192,353	29.7%	203,420	22.7%	194,457	28.3%	179,182	39.3%
SUPPLEMENTAL BENEFITS	1,090,161	911,159	19.6%	882,595	23.5%	937,700	16.3%	913,183	19.4%
SUPPLIES	741,696	625,359	18.6%	537,500	38.0%	665,786	11.4%	672,790	10.2%
DRUGS	588,612	562,248	4.7%	708,567	(16.9%)	506,044	16.3%	472,134	24.7%
PURCHASED SERVICES	629,163	601,118	4.7%	574,570	9.5%	615,771	2.2%	613,012	2.6%
REPAIRS, SERVICE & RENTALS	260,407	269,182	(3.3%)	296,172	(12.1%)	246,940	5.5%	264,434	(1.5%)
UTILITIES	107,378	113,260	(5.2%)	115,000	(6.6%)	111,735	(3.9%)	113,045	(5.0%)
INSURANCE	42,629	43,119	(1.1%)	44,733	(4.7%)	42,629	0.0%	41,996	1.5%
PATIENT RELATED TRAVEL	18,318	18,489	(0.9%)	16,678	9.8%	17,459	4.9%	21,330	(14.1%)
EDUCATION, TRAVEL, & DUES	58,546	73,604	(20.5%)	71,149	(17.7%)	85,653	(31.6%)	64,011	(8.5%)
OTHER	39,548	20,942	88.8%	15,881	149.0%	20,297	94.8%	26,647	48.4%
DEPRECIATION AND AMORT	545,683	554,145	(1.5%)	560,582	(2.7%)	543,718	0.4%	558,135	(2.2%)
INTEREST	119,053	119,328	(0.2%)	115,063	3.5%	119,155	(0.1%)	123,766	(3.8%)
TAXES & SURCHARGE	151,783	150,275	1.0%	148,209	2.4%	134,838	12.6%	167,779	(9.5%)
<b>TOTAL OPERATING EXPENSES</b>	<b>7,960,371</b>	<b>7,640,525</b>	<b>4.2%</b>	<b>7,688,729</b>	<b>3.5%</b>	<b>7,594,221</b>	<b>4.8%</b>	<b>7,638,624</b>	<b>4.2%</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	1,417,557	1,373,587	3.2%	1,492,975	(5.1%)	1,295,238	9.4%	1,332,549	6.4%
<b>NET OPERATING EXPENSES</b>	<b>6,542,814</b>	<b>6,266,937</b>	<b>4.4%</b>	<b>6,195,754</b>	<b>5.6%</b>	<b>6,298,983</b>	<b>3.9%</b>	<b>6,306,075</b>	<b>3.8%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>83,382</b>	<b>319,481</b>	<b>(73.9%)</b>	<b>619,235</b>	<b>(86.5%)</b>	<b>54,738</b>	<b>52.3%</b>	<b>284,470</b>	<b>(70.7%)</b>
<b>NON OPERATING INCOME</b>									
INVESTMENT INCOME	46,413	50,913	(8.8%)	51,999	(10.7%)	51,863	(10.5%)	48,876	(5.0%)
UNREALIZED GAIN (LOSS)	(7,417)	566	(1,410.4%)	(48,476)	(84.7%)	(36,455)	(79.7%)	86,630	(108.6%)
OTHER GAIN (LOSS)	30,000	3,233	827.9%	700	4,185.7%	8,998	233.4%		0.0%
<b>TOTAL NON OPERATING INCOME</b>	<b>68,996</b>	<b>54,712</b>	<b>26.1%</b>	<b>4,223</b>	<b>1,533.8%</b>	<b>24,406</b>	<b>182.7%</b>	<b>135,506</b>	<b>(49.1%)</b>
<b>NET INCOME (LOSS)</b>	<b>\$152,378</b>	<b>\$374,193</b>	<b>(59.3%)</b>	<b>\$623,458</b>	<b>(75.6%)</b>	<b>\$79,144</b>	<b>92.5%</b>	<b>\$419,976</b>	<b>(63.7%)</b>

RICE CARE CENTER  
For the Month Ending

	June 2015	Prior 3 Mo Average	% Var	May 2015	% Var	April 2015	% Var	March 2015	% Var
<b>OPERATING REVENUE</b>									
RICE CARE CENTER REVENUE	\$1,039,449	\$983,202	5.7%	\$988,371	5.2%	\$994,229	4.5%	\$967,005	7.5%
<b>TOTAL PATIENT REVENUE</b>	<b>1,039,449</b>	<b>983,202</b>	<b>5.7%</b>	<b>988,371</b>	<b>5.2%</b>	<b>994,229</b>	<b>4.5%</b>	<b>967,005</b>	<b>7.5%</b>
LESS DISCOUNTS & CONTRACTUALS	262,152	235,665	11.2%	230,205	13.9%	248,557	5.5%	228,234	14.9%
LESS BAD DEBT EXPENSE	6,186	493	1,154.8%	11,715	(47.2%)		0.0%	(10,237)	(160.4%)
<b>TOTAL DEDUCTIONS FROM REVENUE</b>	<b>268,338</b>	<b>236,158</b>	<b>13.6%</b>	<b>241,920</b>	<b>10.9%</b>	<b>248,557</b>	<b>8.0%</b>	<b>217,997</b>	<b>23.1%</b>
<b>NET REVENUE FROM PATIENTS</b>	<b>771,111</b>	<b>747,044</b>	<b>3.2%</b>	<b>746,451</b>	<b>3.3%</b>	<b>745,672</b>	<b>3.4%</b>	<b>749,008</b>	<b>3.0%</b>
OTHER OPERATING REVENUE	573	761	(24.7%)	1,059	(45.9%)	463	23.8%	761	(24.7%)
<b>TOTAL OPERATING REVENUE</b>	<b>771,684</b>	<b>747,805</b>	<b>3.2%</b>	<b>747,510</b>	<b>3.2%</b>	<b>746,135</b>	<b>3.4%</b>	<b>749,769</b>	<b>2.9%</b>
LESS: WILLMAR MEDICAL SERVICES									
<b>TOTAL OPERATING REVENUE</b>	<b>771,684</b>	<b>747,805</b>	<b>3.2%</b>	<b>747,510</b>	<b>3.2%</b>	<b>746,135</b>	<b>3.4%</b>	<b>749,769</b>	<b>2.9%</b>
<b>OPERATING EXPENSES</b>									
SALARIES AND WAGES	254,321	261,143	(2.6%)	274,896	(7.5%)	262,496	(3.1%)	246,036	3.4%
CONTRACT LABOR	97,718	98,305	(0.6%)	93,971	4.0%	103,702	(5.8%)	97,242	0.5%
SUPPLEMENTAL BENEFITS	84,879	104,298	(18.6%)	129,302	(34.4%)	85,738	(1.0%)	97,854	(13.3%)
SUPPLIES	41,928	36,682	14.3%	35,636	17.7%	38,955	7.6%	35,456	18.3%
DRUGS	27,133	19,459	39.4%	17,481	55.2%	20,748	30.8%	20,149	34.7%
PURCHASED SERVICES	22,599	13,033	73.4%	13,374	69.0%	9,542	136.8%	16,183	39.6%
REPAIRS, SERVICE & RENTALS	2,181	6,657	(67.2%)	3,599	(39.4%)	12,202	(82.1%)	4,171	(47.7%)
UTILITIES	9,692	11,393	(14.9%)	10,227	(5.2%)	10,151	(4.5%)	13,801	(29.8%)
INSURANCE	3,401	3,401	0.0%	3,401	0.0%	3,401	0.0%	3,401	0.0%
PATIENT RELATED TRAVEL	273	286	(4.5%)	72	279.2%	642	(57.5%)	144	89.6%
EDUCATION, TRAVEL, & DUES	2,731	3,254	(16.1%)	2,969	(8.0%)	3,962	(31.1%)	2,832	(3.6%)
OTHER		3,432	(100.0%)	1,864	(100.0%)	30	(100.0%)	8,403	(100.0%)
DEPRECIATION AND AMORT	60,165	61,519	(2.2%)	62,183	(3.2%)	60,184	0.0%	62,190	(3.3%)
INTEREST	26,408	26,408	0.0%	26,408	0.0%	26,408	0.0%	26,408	0.0%
TAXES & SURCHARGE	35,000	35,000	0.0%	35,000	0.0%	35,000	0.0%	35,000	0.0%
<b>TOTAL OPERATING EXPENSES</b>	<b>668,429</b>	<b>684,271</b>	<b>(2.3%)</b>	<b>710,383</b>	<b>(5.9%)</b>	<b>673,161</b>	<b>(0.7%)</b>	<b>669,270</b>	<b>(0.1%)</b>
LESS: WILLMAR MEDICAL SERVICES									
<b>NET OPERATING EXPENSES</b>	<b>668,429</b>	<b>684,271</b>	<b>(2.3%)</b>	<b>710,383</b>	<b>(5.9%)</b>	<b>673,161</b>	<b>(0.7%)</b>	<b>669,270</b>	<b>(0.1%)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>103,255</b>	<b>63,533</b>	<b>62.5%</b>	<b>37,127</b>	<b>178.1%</b>	<b>72,974</b>	<b>41.5%</b>	<b>80,499</b>	<b>28.3%</b>
<b>NON OPERATING INCOME</b>									
INVESTMENT INCOME	1,000	667	49.9%	1,000	0.0%	1,000	0.0%		0.0%
<b>TOTAL NON OPERATING INCOME</b>	<b>1,000</b>	<b>667</b>	<b>49.9%</b>	<b>1,000</b>	<b>0.0%</b>	<b>1,000</b>	<b>0.0%</b>		<b>0.0%</b>
<b>NET INCOME (LOSS)</b>	<b>\$104,255</b>	<b>\$64,200</b>	<b>62.4%</b>	<b>\$38,127</b>	<b>173.4%</b>	<b>\$73,974</b>	<b>40.9%</b>	<b>\$80,499</b>	<b>29.5%</b>

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**RICE HOME MEDICAL**  
**RICE HOME MEDICAL**  
For the Month Ending June 30, 2015

	June 2015	% of Gross Sales	Prior 3 Mo Average	% of Gross Sales	May 2015	% of Gross Sales	April 2015	% of Gross Sales
<b>GROSS SALES</b>								
SALES REVENUE	\$775,501	64.44%	\$638,322	61.28%	\$608,353	58.48%	\$587,754	60.34%
RENTS REVENUE	427,939	35.56%	403,151	38.70%	431,899	41.52%	386,257	39.66%
MISC REVENUE	0	0.00%	230	0.02%	0	0.00%	0	0.00%
<b>GROSS SALES</b>	<b>1,203,440</b>	<b>100.00%</b>	<b>1,041,703</b>	<b>100.00%</b>	<b>1,040,252</b>	<b>100.00%</b>	<b>974,011</b>	<b>100.00%</b>
LESS: CONTRACTUAL ALLOWANCES	(365,661)	(30.38%)	(302,738)	(29.06%)	(302,782)	(29.11%)	(296,627)	(30.45%)
LESS: UNCOMPENSATED CARE	(36)	0.00%	(86)	(0.01%)	(36)	0.00%	(36)	0.00%
LESS: BAD DEBT EXPENSE	(1,281)	(0.11%)	(4,616)	(0.44%)	1,742	0.17%	(6,540)	(0.67%)
<b>NET SALES</b>	<b>836,462</b>	<b>69.51%</b>	<b>734,263</b>	<b>70.49%</b>	<b>739,175</b>	<b>71.06%</b>	<b>670,807</b>	<b>68.87%</b>
<b>COST OF GOODS SOLD</b>								
OXYGEN	6,523	0.54%	6,429	0.62%	6,319	0.61%	6,680	0.69%
EQUIPMENT	50,966	4.24%	43,636	4.19%	35,151	3.38%	34,940	3.59%
SUPPLY - FREIGHT	13,630	1.13%	13,459	1.29%	14,622	1.41%	12,982	1.33%
SUPPLY	250,300	20.80%	194,640	18.68%	203,530	19.57%	178,689	18.35%
EQUIPMENT REPAIR	27,854	2.31%	20,026	1.92%	11,973	1.15%	19,938	2.05%
SHOP EXPENSE	398	0.03%	2,028	0.19%	398	0.04%	3,955	0.41%
EQUIPMENT RENTAL & LEASES	3,628	0.30%	3,059	0.29%	3,628	0.35%	2,988	0.31%
PURCHASE DISCOUNTS	(3,441)	(0.29%)	(6,332)	(0.61%)	(7,674)	(0.74%)	(8,570)	(0.88%)
<b>TOTAL COST OF GOODS SOLD</b>	<b>349,858</b>	<b>29.07%</b>	<b>276,945</b>	<b>26.59%</b>	<b>267,946</b>	<b>25.76%</b>	<b>251,600</b>	<b>25.83%</b>
<b>GROSS PROFIT</b>	<b>486,604</b>	<b>40.43%</b>	<b>457,318</b>	<b>43.90%</b>	<b>471,229</b>	<b>45.30%</b>	<b>419,207</b>	<b>43.04%</b>
OTHER OPERATING REVENUE	8,949	0.74%	9,550	0.92%	8,028	0.77%	9,702	1.00%
<b>TOTAL OPERATING REVENUE</b>	<b>495,553</b>	<b>41.18%</b>	<b>466,868</b>	<b>44.82%</b>	<b>479,257</b>	<b>46.07%</b>	<b>428,910</b>	<b>44.04%</b>
<b>OPERATING EXPENSES</b>								
SALARIES & WAGES	225,075	18.70%	225,837	21.68%	226,487	21.77%	219,753	22.56%
SUPPLEMENTAL BENEFITS	87,654	7.28%	85,085	8.17%	83,867	8.06%	84,977	8.72%
SUPPLIES AND DRUGS	5,448	0.45%	9,265	0.89%	15,195	1.46%	5,895	0.61%
PURCHASED SERVICES	29,833	2.48%	26,744	2.57%	25,379	2.44%	27,483	2.82%
REPAIRS, SERVICE & RENTALS	19,064	1.58%	17,646	1.69%	17,454	1.68%	18,689	1.92%
UTILITIES	7,677	0.64%	9,639	0.93%	9,076	0.87%	9,180	0.94%
INSURANCE	4,056	0.34%	4,071	0.39%	4,056	0.39%	4,079	0.42%
PATIENT RELATED TRAVEL	8,758	0.73%	7,881	0.76%	9,204	0.88%	6,939	0.71%
EDUCATION, TRAVEL, & DUES	5,041	0.42%	2,666	0.26%	3,185	0.31%	2,537	0.26%
OTHER EXPENSE	16,410	1.36%	12,800	1.23%	13,532	1.30%	15,415	1.58%
DEPRECIATION & AMORTIZATION	81,389	6.76%	78,796	7.56%	79,633	7.66%	79,204	8.13%
TAXES	5,454	0.45%	6,610	0.63%	5,454	0.52%	5,288	0.54%
<b>TOTAL OPERATING EXPENSES</b>	<b>495,858</b>	<b>41.20%</b>	<b>487,039</b>	<b>46.75%</b>	<b>492,523</b>	<b>47.35%</b>	<b>479,440</b>	<b>49.22%</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>(305)</b>	<b>(0.03%)</b>	<b>(20,171)</b>	<b>(1.94%)</b>	<b>(13,266)</b>	<b>(1.28%)</b>	<b>(50,530)</b>	<b>(5.19%)</b>
INVESTMENT INCOME (LOSS)	(2,189)	(0.18%)	(5,891)	(0.57%)	(6,111)	(0.59%)	(8,626)	(0.89%)
OTHER GAIN (LOSS)	4,610	0.38%	353	0.03%	0	0.00%	220	0.02%
<b>NET INCOME (LOSS)</b>	<b>\$2,116</b>	<b>0.18%</b>	<b>(\$25,708)</b>	<b>(2.47%)</b>	<b>(\$19,377)</b>	<b>(1.86%)</b>	<b>(\$58,936)</b>	<b>(6.05%)</b>

RICE MEMORIAL HOSPITAL CONSOLIDATED  
For the Year To Date Period Ending

	June 2015	June 2014	% Var	June 2013	% Var	June 2012	% Var
<b>OPERATING REVENUE</b>							
INPATIENT REVENUE	\$34,306,009	\$31,965,001	7.3%	\$30,765,712	11.5%	\$30,054,438	14.1%
OUTPATIENT REVENUE	68,615,244	60,336,487	13.7%	58,886,719	16.5%	61,521,368	11.5%
RICE CARE CENTER REVENUE	6,021,596	5,107,863	17.9%	5,173,647	16.4%	4,128,997	45.8%
RICE HOME MEDICAL REVENUE	6,575,147	6,179,980	6.4%	5,996,051	9.7%	5,030,218	30.7%
<b>TOTAL PATIENT REVENUE</b>	<b>115,517,996</b>	<b>103,589,331</b>	<b>11.5%</b>	<b>100,822,129</b>	<b>14.6%</b>	<b>100,735,021</b>	<b>14.7%</b>
LESS DISCOUNTS & CONTRACTUALS	61,137,434	53,525,859	14.2%	49,534,319	23.4%	47,275,271	29.3%
LESS UNCOMPENSATED CARE	645,852	708,785	(8.9%)	675,765	(4.4%)	684,186	(5.6%)
LESS BAD DEBT EXPENSE	593,121	1,012,682	(41.4%)	872,802	(32.0%)	810,132	(26.8%)
<b>TOTAL DEDUCTIONS FROM REVENUE</b>	<b>62,376,407</b>	<b>55,247,326</b>	<b>12.9%</b>	<b>51,082,886</b>	<b>22.1%</b>	<b>48,769,589</b>	<b>27.9%</b>
<b>NET REVENUE FROM PATIENTS</b>	<b>53,141,589</b>	<b>48,342,005</b>	<b>9.9%</b>	<b>49,739,243</b>	<b>6.8%</b>	<b>51,965,432</b>	<b>2.3%</b>
OTHER OPERATING REVENUE	8,051,661	7,089,717	13.6%	8,091,577	(0.5%)	8,505,383	(5.3%)
<b>TOTAL OPERATING REVENUE</b>	<b>61,193,250</b>	<b>55,431,722</b>	<b>10.4%</b>	<b>57,830,820</b>	<b>5.8%</b>	<b>60,470,815</b>	<b>1.2%</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	13,276,278	11,911,578	11.5%	10,296,609	28.9%	10,476,459	26.7%
<b>TOTAL OPERATING REVENUE</b>	<b>47,916,972</b>	<b>43,520,144</b>	<b>10.1%</b>	<b>47,534,211</b>	<b>0.8%</b>	<b>49,994,356</b>	<b>(4.2%)</b>
<b>OPERATING EXPENSES</b>							
SALARIES AND WAGES	23,146,413	22,836,333	1.4%	22,981,339	0.7%	22,645,231	2.2%
CONTRACT LABOR	1,863,865	2,190,792	(14.9%)	1,689,096	10.3%	1,869,538	(0.3%)
SUPPLEMENTAL BENEFITS	6,561,262	7,086,809	(7.4%)	6,641,167	(1.2%)	6,867,427	(4.5%)
SUPPLIES	5,853,833	5,630,838	4.0%	5,860,109	(0.1%)	5,834,681	0.3%
DRUGS	3,590,926	2,424,952	48.1%	3,454,350	4.0%	4,627,336	(22.4%)
PURCHASED SERVICES	3,823,947	3,670,153	4.2%	3,275,204	16.8%	3,598,876	6.3%
REPAIRS, SERVICE & RENTALS	1,714,849	1,636,396	4.8%	1,722,527	(0.4%)	1,560,455	9.9%
UTILITIES	822,528	873,340	(5.8%)	788,893	4.3%	798,405	3.0%
INSURANCE	304,627	364,422	(16.4%)	342,077	(10.9%)	326,188	(6.6%)
PATIENT RELATED TRAVEL	155,311	205,131	(24.3%)	228,840	(32.1%)	204,235	(24.0%)
EDUCATION, TRAVEL, & DUES	489,778	469,527	4.3%	576,696	(15.1%)	528,093	(7.3%)
OTHER	231,427	228,801	1.1%	230,259	0.5%	256,070	(9.6%)
DEPRECIATION AND AMORT	4,110,409	4,337,396	(5.2%)	4,073,746	0.9%	3,985,562	3.1%
INTEREST	873,013	917,345	(4.8%)	836,136	4.4%	1,005,063	(13.1%)
TAXES & SURCHARGE	1,117,886	1,114,067	0.3%	1,091,053	2.5%	1,016,785	9.9%
<b>TOTAL OPERATING EXPENSES</b>	<b>54,660,074</b>	<b>53,986,302</b>	<b>1.2%</b>	<b>53,791,492</b>	<b>1.6%</b>	<b>55,123,945</b>	<b>(0.8%)</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	8,244,576	7,114,526	15.9%	4,749,236	73.6%	5,425,311	52.0%
<b>NET OPERATING EXPENSES</b>	<b>46,415,498</b>	<b>46,871,776</b>	<b>(1.0%)</b>	<b>49,042,256</b>	<b>(5.4%)</b>	<b>49,698,634</b>	<b>(6.6%)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,501,474</b>	<b>(3,351,632)</b>	<b>(144.8%)</b>	<b>(1,508,045)</b>	<b>(199.6%)</b>	<b>295,722</b>	<b>407.7%</b>
<b>NON OPERATING INCOME</b>							
INVESTMENT INCOME	368,384	354,709	3.9%	325,866	13.0%	594,434	(38.0%)
UNREALIZED GAIN (LOSS)	61,417	329,721	(81.4%)	(621,720)	(109.9%)	(33,071)	(285.7%)
OTHER GAIN (LOSS)	246,476	(31,258)	(888.5%)	108,653	126.8%	3,573	6,798.3%
<b>TOTAL NON OPERATING INCOME</b>	<b>676,277</b>	<b>653,172</b>	<b>3.5%</b>	<b>(187,201)</b>	<b>(461.3%)</b>	<b>564,936</b>	<b>19.7%</b>
<b>NET INCOME (LOSS)</b>	<b>\$2,177,751</b>	<b>(\$2,698,460)</b>	<b>(180.7%)</b>	<b>(\$1,695,246)</b>	<b>(228.5%)</b>	<b>\$860,658</b>	<b>153.0%</b>

RICE HOSPITAL  
For the Year To Date Period Ending

	June 2015	June 2014	% Var	June 2013	% Var	June 2012	% Var
<b>OPERATING REVENUE</b>							
INPATIENT REVENUE	\$34,306,009	\$31,965,001	7.3%	\$30,765,712	11.5%	\$30,054,438	14.1%
OUTPATIENT REVENUE	68,615,244	60,336,488	13.7%	58,886,719	16.5%	61,521,368	11.5%
<b>TOTAL PATIENT REVENUE</b>	<b>102,921,253</b>	<b>92,301,489</b>	<b>11.5%</b>	<b>89,652,431</b>	<b>14.8%</b>	<b>91,575,806</b>	<b>12.4%</b>
LESS DISCOUNTS & CONTRACTUALS	57,723,621	50,206,682	15.0%	45,359,904	27.3%	45,452,052	27.0%
LESS UNCOMPENSATED CARE	645,469	705,079	(8.5%)	672,213	(4.0%)	675,220	(4.4%)
LESS BAD DEBT EXPENSE	555,968	940,712	(40.9%)	864,063	(35.7%)	787,804	(29.4%)
<b>TOTAL DEDUCTIONS FROM REVENUE</b>	<b>58,925,058</b>	<b>51,852,473</b>	<b>13.6%</b>	<b>46,896,180</b>	<b>25.7%</b>	<b>46,915,076</b>	<b>25.6%</b>
<b>NET REVENUE FROM PATIENTS</b>	<b>43,996,195</b>	<b>40,449,016</b>	<b>8.8%</b>	<b>42,756,251</b>	<b>2.9%</b>	<b>44,660,730</b>	<b>(1.5%)</b>
OTHER OPERATING REVENUE	7,983,545	7,047,746	13.3%	8,042,307	(0.7%)	8,456,396	(5.6%)
<b>TOTAL OPERATING REVENUE</b>	<b>51,979,740</b>	<b>47,496,762</b>	<b>9.4%</b>	<b>50,798,558</b>	<b>2.3%</b>	<b>53,117,126</b>	<b>(2.1%)</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING REVENUE	13,276,278	11,911,578	11.5%	10,296,609	28.9%	10,476,459	26.7%
<b>TOTAL OPERATING REVENUE</b>	<b>38,703,462</b>	<b>35,585,184</b>	<b>8.8%</b>	<b>40,501,949</b>	<b>(4.4%)</b>	<b>42,640,667</b>	<b>(9.2%)</b>
<b>OPERATING EXPENSES</b>							
SALARIES AND WAGES	20,223,186	19,991,432	1.2%	20,259,980	(0.2%)	20,023,955	1.0%
CONTRACT LABOR	1,264,855	1,649,666	(23.3%)	1,062,848	19.0%	1,589,899	(20.4%)
SUPPLEMENTAL BENEFITS	5,485,948	5,955,396	(7.9%)	5,583,414	(1.7%)	5,930,361	(7.5%)
SUPPLIES	3,764,001	3,509,303	7.3%	3,824,422	(1.6%)	3,996,814	(5.8%)
DRUGS	3,466,179	2,320,945	49.3%	3,351,017	3.4%	4,529,563	(23.5%)
PURCHASED SERVICES	3,567,640	3,435,365	3.9%	2,922,088	22.1%	3,342,296	6.7%
REPAIRS, SERVICE & RENTALS	1,569,894	1,486,874	5.6%	1,552,643	1.1%	1,455,857	7.8%
UTILITIES	692,679	723,431	(4.3%)	674,188	2.7%	702,823	(1.4%)
INSURANCE	259,800	316,113	(17.8%)	293,248	(11.4%)	276,223	(5.9%)
PATIENT RELATED TRAVEL	107,366	127,214	(15.6%)	138,700	(22.6%)	122,881	(12.6%)
EDUCATION, TRAVEL, & DUES	445,000	423,170	5.2%	514,687	(13.5%)	463,128	(3.9%)
OTHER	134,791	135,667	(0.6%)	173,479	(22.3%)	221,126	(39.0%)
DEPRECIATION AND AMORT	3,277,429	3,573,006	(8.3%)	3,603,389	(9.0%)	3,554,393	(7.8%)
INTEREST	714,563	750,347	(4.8%)	748,740	(4.6%)	914,785	(21.9%)
TAXES & SURCHARGE	875,164	875,708	(0.1%)	854,389	2.4%	798,058	9.7%
<b>TOTAL OPERATING EXPENSES</b>	<b>45,848,495</b>	<b>45,273,637</b>	<b>1.3%</b>	<b>45,557,232</b>	<b>0.6%</b>	<b>47,922,162</b>	<b>(4.3%)</b>
LESS: WILLMAR MEDICAL SERVICES OPERATING EXPENSES	8,244,576	7,114,526	15.9%	4,749,236	73.6%	5,425,311	52.0%
<b>NET OPERATING EXPENSES</b>	<b>37,603,919</b>	<b>38,159,111</b>	<b>(1.5%)</b>	<b>40,807,996</b>	<b>(7.9%)</b>	<b>42,496,851</b>	<b>(11.5%)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,099,543</b>	<b>(2,573,927)</b>	<b>(142.7%)</b>	<b>(306,047)</b>	<b>(459.3%)</b>	<b>143,816</b>	<b>664.5%</b>
<b>NON OPERATING INCOME</b>							
INVESTMENT INCOME	362,710	351,149	3.3%	323,757	12.0%	592,397	(38.8%)
UNREALIZED GAIN (LOSS)	61,417	329,721	(81.4%)	(621,720)	(109.9%)	(33,071)	(285.7%)
OTHER GAIN (LOSS)	238,730	(36,892)	(747.1%)	102,244	133.5%	(9,270)	(2,675.3%)
<b>TOTAL NON OPERATING INCOME</b>	<b>662,857</b>	<b>643,978</b>	<b>2.9%</b>	<b>(195,719)</b>	<b>(438.7%)</b>	<b>550,056</b>	<b>20.5%</b>
<b>NET INCOME (LOSS)</b>	<b>\$1,762,400</b>	<b>(\$1,929,949)</b>	<b>(191.3%)</b>	<b>(\$501,766)</b>	<b>(451.2%)</b>	<b>\$693,872</b>	<b>154.0%</b>

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RICE CARE CENTER  
For the Year To Date Period Ending

	June 2015	June 2014	% Var	June 2013	% Var	June 2012	% Var
<b>OPERATING REVENUE</b>							
RICE CARE CENTER REVENUE	\$6,021,596	\$5,107,863	17.9%	\$5,173,647	16.4%	\$4,128,997	45.8%
<b>TOTAL PATIENT REVENUE</b>	<b>6,021,596</b>	<b>5,107,863</b>	<b>17.9%</b>	<b>5,173,647</b>	<b>16.4%</b>	<b>4,128,997</b>	<b>45.8%</b>
LESS DISCOUNTS & CONTRACTUALS	1,478,281	1,416,508	4.4%	1,649,753	(10.4%)	773,791	91.0%
LESS BAD DEBT EXPENSE	9,999	3,569	180.2%	(3,746)	(366.9%)	(609)	(1,741.9%)
<b>TOTAL DEDUCTIONS FROM REVENUE</b>	<b>1,488,280</b>	<b>1,420,077</b>	<b>4.8%</b>	<b>1,646,007</b>	<b>(9.6%)</b>	<b>773,182</b>	<b>92.5%</b>
<b>NET REVENUE FROM PATIENTS</b>	<b>4,533,316</b>	<b>3,687,786</b>	<b>22.9%</b>	<b>3,527,640</b>	<b>28.5%</b>	<b>3,355,815</b>	<b>35.1%</b>
OTHER OPERATING REVENUE	7,415	2,539	192.0%	2,828	162.2%	5,877	26.2%
<b>TOTAL OPERATING REVENUE</b>	<b>4,540,731</b>	<b>3,690,325</b>	<b>23.0%</b>	<b>3,530,468</b>	<b>28.6%</b>	<b>3,361,692</b>	<b>35.1%</b>
LESS: WILLMAR MEDICAL SERVICES							
<b>TOTAL OPERATING REVENUE</b>	<b>4,540,731</b>	<b>3,690,325</b>	<b>23.0%</b>	<b>3,530,468</b>	<b>28.6%</b>	<b>3,361,692</b>	<b>35.1%</b>
<b>OPERATING EXPENSES</b>							
SALARIES AND WAGES	1,538,865	1,325,247	16.1%	1,264,992	21.7%	1,325,683	16.1%
CONTRACT LABOR	599,010	541,126	10.7%	626,249	(4.3%)	279,639	114.2%
SUPPLEMENTAL BENEFITS	549,329	529,313	3.8%	521,555	5.3%	565,114	(2.8%)
SUPPLIES	236,108	223,259	5.8%	257,972	(8.5%)	210,908	11.9%
DRUGS	124,097	103,795	19.6%	103,333	20.1%	97,773	26.9%
PURCHASED SERVICES	92,657	82,498	12.3%	125,114	(25.9%)	94,471	(1.9%)
REPAIRS, SERVICE & RENTALS	35,962	23,523	52.9%	37,657	(4.5%)	18,586	93.5%
UTILITIES	71,710	78,552	(8.7%)	60,231	19.1%	51,041	40.5%
INSURANCE	20,403	25,172	(18.9%)	24,275	(16.0%)	17,215	18.5%
PATIENT RELATED TRAVEL	1,951	2,116	(7.8%)	1,526	27.9%	2,393	(18.5%)
EDUCATION, TRAVEL, & DUES	17,893	26,410	(32.2%)	23,344	(23.4%)	27,004	(33.7%)
OTHER	10,403	15,583	(33.2%)	2,392	334.9%	506	1,955.9%
DEPRECIATION AND AMORT	363,072	228,259	59.1%	167,147	117.2%	185,886	95.3%
INTEREST	158,450	166,998	(5.1%)	64,645	145.1%	65,781	140.9%
TAXES & SURCHARGE	210,001	216,048	(2.8%)	210,631	(0.3%)	192,307	9.2%
<b>TOTAL OPERATING EXPENSES</b>	<b>4,029,911</b>	<b>3,587,899</b>	<b>12.3%</b>	<b>3,491,063</b>	<b>15.4%</b>	<b>3,134,307</b>	<b>28.6%</b>
LESS: WILLMAR MEDICAL SERVICES							
<b>NET OPERATING EXPENSES</b>	<b>4,029,911</b>	<b>3,587,899</b>	<b>12.3%</b>	<b>3,491,063</b>	<b>15.4%</b>	<b>3,134,307</b>	<b>28.6%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>510,820</b>	<b>102,426</b>	<b>398.7%</b>	<b>39,405</b>	<b>1,196.3%</b>	<b>227,385</b>	<b>124.6%</b>
<b>NON OPERATING INCOME</b>							
INVESTMENT INCOME	5,700	3,560	60.1%	2,111	170.0%	3,344	70.5%
OTHER GAIN (LOSS)			0.0%	3,500	(100.0%)		0.0%
<b>TOTAL NON OPERATING INCOME</b>	<b>5,700</b>	<b>3,560</b>	<b>60.1%</b>	<b>5,611</b>	<b>1.6%</b>	<b>3,344</b>	<b>70.5%</b>
<b>NET INCOME (LOSS)</b>	<b>\$516,520</b>	<b>\$105,986</b>	<b>387.3%</b>	<b>\$45,016</b>	<b>1,047.4%</b>	<b>\$230,729</b>	<b>123.9%</b>

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**Rice Home Medical**  
**RICE HOME MEDICAL**  
For the 06 Months Ending June 30, 2015

	June 2015	% of Gross Sales	June 2014	% of Gross Sales	June 2013	% of Gross Sales	June 2012	% of Gross Sales
<b>GROSS SALES</b>								
SALES REVENUE	\$4,051,210	61.61%	\$3,630,327	58.66%	\$3,484,858	58.06%	\$3,119,124	62.01%
RENTS REVENUE	2,523,937	38.38%	2,549,653	41.20%	2,511,193	41.84%	1,911,094	37.99%
MISC REVENUE	764	0.01%	8,858	0.14%	5,788	0.10%	166	0.00%
<b>GROSS SALES</b>	<b>6,575,912</b>	<b>100.00%</b>	<b>6,188,838</b>	<b>100.00%</b>	<b>6,001,839</b>	<b>100.00%</b>	<b>5,030,384</b>	<b>100.00%</b>
LESS: CONTRACTUAL ALLOWANCES	(1,935,532)	(29.43%)	(1,902,670)	(30.74%)	(2,524,662)	(42.06%)	(1,049,429)	(20.86%)
LESS: UNCOMPENSATED CARE	(383)	(0.01%)	(3,706)	(0.06%)	(3,552)	(0.06%)	(8,966)	(0.18%)
LESS: BAD DEBT EXPENSE	(27,155)	(0.41%)	(68,402)	(1.11%)	(12,486)	(0.21%)	(22,937)	(0.46%)
<b>NET SALES</b>	<b>4,612,842</b>	<b>70.15%</b>	<b>4,214,061</b>	<b>68.09%</b>	<b>3,461,138</b>	<b>57.67%</b>	<b>3,949,052</b>	<b>78.50%</b>
<b>COST OF GOODS SOLD</b>								
OXYGEN	38,142	0.58%	37,538	0.61%	57,553	0.96%	66,024	1.31%
EQUIPMENT	293,763	4.47%	455,122	7.35%	450,550	7.51%	402,154	7.99%
SUPPLY - FREIGHT	80,747	1.23%	69,525	1.12%	84,486	1.41%	83,713	1.66%
SUPPLY	1,219,892	18.55%	1,105,050	17.86%	992,321	16.53%	946,303	18.81%
EQUIPMENT REPAIR	143,733	2.19%	152,472	2.46%	118,553	1.98%	49,679	0.99%
SHOP EXPENSE	9,304	0.14%	27,320	0.44%	22,395	0.37%	30,266	0.60%
EQUIPMENT RENTAL & LEASES	19,633	0.30%	4,908	0.08%	40	0.00%	0	0.00%
PURCHASE DISCOUNTS	(37,473)	(0.57%)	(56,731)	(0.92%)	(40,655)	(0.68%)	(42,944)	(0.85%)
<b>TOTAL COST OF GOODS SOLD</b>	<b>1,767,740</b>	<b>26.88%</b>	<b>1,795,204</b>	<b>29.01%</b>	<b>1,685,244</b>	<b>28.08%</b>	<b>1,535,196</b>	<b>30.52%</b>
<b>GROSS PROFIT</b>	<b>2,845,102</b>	<b>43.27%</b>	<b>2,418,857</b>	<b>39.08%</b>	<b>1,775,894</b>	<b>29.59%</b>	<b>2,413,856</b>	<b>47.99%</b>
OTHER OPERATING REVENUE	54,613	0.83%	15,242	0.25%	0	0.00%	0	0.00%
<b>TOTAL OPERATING REVENUE</b>	<b>2,899,715</b>	<b>44.10%</b>	<b>2,434,099</b>	<b>39.33%</b>	<b>1,775,894</b>	<b>29.59%</b>	<b>2,413,856</b>	<b>47.99%</b>
<b>OPERATING EXPENSES</b>								
SALARIES & WAGES	1,384,363	21.05%	1,519,654	24.55%	1,456,367	24.27%	1,295,593	25.76%
SUPPLEMENTAL BENEFITS	525,985	8.00%	602,100	9.73%	536,198	8.93%	371,952	7.39%
SUPPLIES AND DRUGS	49,161	0.75%	46,555	0.75%	51,816	0.86%	48,818	0.97%
PURCHASED SERVICES	163,649	2.49%	152,290	2.46%	228,002	3.80%	162,109	3.22%
REPAIRS, SERVICE & RENTALS	108,994	1.66%	125,999	2.04%	132,227	2.20%	86,012	1.71%
UTILITIES	58,138	0.88%	71,356	1.15%	54,473	0.91%	44,541	0.89%
INSURANCE	24,423	0.37%	23,136	0.37%	24,554	0.41%	32,750	0.65%
PATIENT RELATED TRAVEL	45,995	0.70%	75,802	1.22%	88,614	1.48%	78,960	1.57%
EDUCATION, TRAVEL, & DUES	26,885	0.41%	19,948	0.32%	38,666	0.64%	37,961	0.75%
OTHER EXPENSE	86,232	1.31%	77,551	1.25%	54,388	0.91%	34,438	0.68%
DEPRECIATION & AMORTIZATION	469,908	7.15%	536,131	8.66%	303,210	5.05%	245,282	4.88%
INTEREST EXPENSE	0	0.00%	0	0.00%	22,751	0.38%	24,497	0.49%
TAXES	32,722	0.50%	22,311	0.36%	26,033	0.43%	26,419	0.53%
<b>TOTAL OPERATING EXPENSES</b>	<b>2,976,454</b>	<b>45.26%</b>	<b>3,272,832</b>	<b>52.88%</b>	<b>3,017,300</b>	<b>50.27%</b>	<b>2,489,333</b>	<b>49.49%</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>(76,739)</b>	<b>(1.17%)</b>	<b>(838,733)</b>	<b>(13.55%)</b>	<b>(1,241,406)</b>	<b>(20.68%)</b>	<b>(75,477)</b>	<b>(1.50%)</b>
INVESTMENT INCOME (LOSS)	(32,150)	(0.49%)	(41,400)	(0.67%)	0	0.00%	0	0.00%
OTHER GAIN (LOSS)	7,720	0.12%	5,633	0.09%	2,907	0.05%	11,535	0.23%
<b>NET INCOME (LOSS)</b>	<b>(\$101,169)</b>	<b>(1.54%)</b>	<b>(\$874,500)</b>	<b>(14.13%)</b>	<b>(\$1,238,499)</b>	<b>(20.64%)</b>	<b>(\$63,942)</b>	<b>(1.27%)</b>

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**RICE MEMORIAL HOSPITAL  
CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE PERIOD ENDED:  
June 30, 2015**

Line #	Current YTD	Prior YTD
1 Sources of Cash & Investments:		
2 Net Income	\$ 2,177,754	\$ (2,698,462)
3 Depreciation & Amortization	4,110,409	\$ 4,337,395
4 Debt Proceeds	-	-
5 Other		
6		
7 Total Sources	<u>6,288,163</u>	<u>1,638,933</u>
8		
9 Uses		
10 Property, Plant, and Equipment - Gross	2,550,440	6,019,564
11 Debt Payments/Re-funding	1,987,186	1,662,712
12 Working Capital Changes & Other - Net	(768,959)	(175,373)
13		
14 Total Uses	<u>3,768,667</u>	<u>7,506,903</u>
15		
16 Increase / (Decrease) Cash & Investments	2,519,496	(5,867,970)
17		
18 Beginning of Period (January 1)	<u>27,553,337</u>	<u>31,952,720</u>
19		
20 End of Period	<u>\$ 30,072,833</u>	<u>\$ 26,084,750</u>

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**RICE MEMORIAL HOSPITAL  
STATISTICAL AND VOLUME SUMMARY  
FOR THE PERIOD ENDED:  
June 30, 2015**

Line #	Patient Days	CURRENT MONTH				Act/2014	Prior	Act/Prior	
		Actual	Forecast	Var.	Var. %	2014	Var. %	3 mo avg	Var. %
1	Adult Health Care	450	574	(124)	-21.6%	548	-17.9%	556	-19.1%
2	Women and Children's Care	165	188	(23)	-12.2%	203	-18.7%	207	-20.3%
3	ICCU	50	59	(9)	-15.3%	55	-9.1%	56	-10.7%
4	Mental Health	220	226	(6)	-2.7%	223	-1.3%	228	-3.5%
5	Total Adult & Peds	885	1,047	(162)	-15.5%	1,029	-14.0%	1,047	-15.5%
6									
7	Average Daily Census	29.5	34.9	(5.4)	-15.5%	34.3	-14.0%	34.1	-13.6%
8									
9	Average Length of Stay	3.38	3.76	(0.39)	-10.3%	3.56	-5.1%	3.53	-4.3%
10	Average Length of Stay-CMI	3.20	3.74	(0.54)	-14.3%	3.55	-9.7%	3.61	-11.3%
11									
12	Admissions-Inpatient	263	278	(15)	-5.4%	283	-7.1%	292	-9.9%
13	Observation patients	150	128	22	17.3%	110	36.5%	176	-14.7%
14									
15	Medicare Case Mix Index	1.392	1.284	0.109	8.5%	1.226	13.6%	1.240	12.3%
16	Case Mix Index-Total	1.055	1.008	0.047	4.7%	1.004	5.1%	0.980	7.7%
17									
18	Adjusted Admissions	900	806	94	11.7%	855	5.3%	910	-1.1%
19	Adjusted Patient Days	3,030	3,036	(7)	-0.2%	3,110	-2.6%	3,257	-7.0%
20									
21	Births	53	66	(13)	-19.7%	68	-22.1%	68	-22.1%
22									
23	Rice Care Center-Days	2,191	2,250	(59)	-2.6%	1,887	16.1%	2,240	-2.2%
24	Rice Care Center-Average Daily Census	73.0	75.0	(2.0)	-2.6%	62.9	16.1%	73.0	0.0%
25	Rice Care Center Case Mix Index	1.150	1.050	0.100	9.5%	1.050	9.5%	1.077	6.8%
26									
27									
28									
29	<u>Patient Days</u>								
30	Adult Health Care	3,359	3,444	(85)	-2.5%	3,433	-2.2%	3,153	6.5%
31	Women and Children's Care	1,229	1,134	95	8.4%	1,189	3.4%	1,333	-7.8%
32	ICCU	367	354	13	3.7%	370	-0.8%	378	-2.9%
33	Mental Health	1,357	1,359	(2)	-0.1%	1,358	-0.1%	1,318	3.0%
34	Total Adult & Peds	6,312	6,291	21	0.3%	6,350	-0.6%	6,182	2.1%
35									
36	Average Daily Census	34.9	34.8	0.1	0.3%	35.1	-0.6%	34.2	2.1%
37									
38	Average Length of Stay	3.65	3.76	(0.11)	-3.1%	3.80	-3.9%	3.59	1.7%
39	Average Length of Stay-CMI	3.63	3.73	(0.11)	-2.8%	3.82	-5.1%	3.51	3.3%
40									
41	Admissions-Inpatient	1,724	1,671	53	3.2%	1,671	3.2%	1,718	0.3%
42	Observation patients	996	774	222	28.6%	829	20.1%	1,007	-1.1%
43									
44	Medicare Case Mix Index	1.264	1.284	(0.019)	-1.5%	1.289	-1.9%	1.337	-5.4%
45	Case Mix Index-Total	1.005	1.008	(0.003)	-0.3%	0.993	1.3%	1.021	-1.5%
46									
47	Adjusted Admissions	5,195	4,846	349	7.2%	4,827	7.6%	5,010	3.7%
48	Adjusted Patient Days	18,931	18,244	687	3.8%	18,334	3.3%	18,045	4.9%
49									
50	Births	395	393	2	0.5%	395	0.0%	409	-3.4%
51									
52	Rice Care Center-Days	13,315	13,575	(260)	-1.9%	10,953	21.6%	11,862	12.2%
53	Rice Care Center-Average Daily Census	73.6	75.0	(1.4)	-1.9%	60.5	21.6%	65.5	12.2%
54	Rice Care Center Case Mix Index	1.061	1.050	0.011	1.1%	1.039	2.2%	1.033	2.7%

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**RICE MEMORIAL HOSPITAL**  
**STATISTICAL AND VOLUME SUMMARY**  
**FOR THE PERIOD ENDED:**  
**June 30, 2015**

	CURRENT MONTH				2014	Act/2014	Prior	Act/Prior
	Actual	Forecast	Var.	Var. %		Var. %	3 mo avg	Var. %
<b>Ancillary Services</b>								
1 IP Surgeries	81	79	2	2.5%	79	2.5%	74	9.5%
2 OP Surgeries	238	171	67	39.2%	148	60.8%	185	28.6%
3 Total Surgeries	319	250	69	27.6%	227	40.5%	259	23.2%
4								
5 ER Visits-Inpatient	178	176	2	1.1%	172	3.5%	200	-11.0%
6 ER Visits-Outpatient	1,015	980	35	3.6%	1,011	0.4%	994	2.1%
7 ER Visits-Total	1,193	1,156	37	3.2%	1,183	0.8%	1,194	-0.1%
8								
9 Lab Tests	22,091	23,245	(1,154)	-5.0%	21,525	2.6%	22,840	-3.3%
10 Medical Imaging Procedures	1,486	1,440	46	3.2%	1,537	-3.3%	1,533	-3.1%
11 Radiation Oncology Treatments	271	245	26	10.6%	315	-14.0%	286	-5.2%
12 Medical Oncology Visits	301	248	53	21.4%	265	13.6%	285	5.6%
13								
14 Dialysis Treatments	1,015	999	16	1.6%	971	4.5%	1,034	-1.8%
15 Rehab Visits	3,831	3,934	(103)	-2.6%	4,017	-4.6%	4,048	-5.4%
16 Hospice Visits	1,820	1,864	(44)	-2.4%	1,897	-4.1%	1,768	2.9%
17 Ambulance Runs	216	244	(28)	-11.5%	237	-8.9%	231	-6.5%
18								
19								
20 <b>Full Time Equivalents (FTE's)</b>								
21 FTE's - Hospital	609	601	8	1.3%	625	-2.6%	606	0.4%
22 FTE's - Care Center	94	86	8	9.8%	87	8.0%	91	3.3%
23 FTE's - Home Medical	71	73	(2)	-3.4%	77	-8.2%	68	3.7%
24 Total FTE's	773	760	13	1.8%	789	-1.9%	765	1.1%
25								
26								
27								
28								
	YEAR-TO-DATE				2014	Act/2014	2013	Act/2013
	Actual	Forecast	Var.	Var. %		Var. %		Var. %
<b>Ancillary Services</b>								
30 IP Surgeries	472	468	4	0.9%	437	8.0%	522	-9.6%
31 OP Surgeries	1,116	1,023	93	9.1%	968	15.3%	1,106	0.9%
32 Total Surgeries	1,588	1,491	97	6.5%	1,405	13.0%	1,628	-2.5%
33								
34 ER Visits-Inpatient	1,145	1,053	92	8.7%	1,032	10.9%	1,010	13.4%
35 ER Visits-Outpatient	5,749	5,811	(62)	-1.1%	5,317	8.1%	5,211	10.3%
36 ER Visits-Total	6,894	6,864	30	0.4%	6,349	8.6%	6,221	10.8%
37								
38 Lab Tests	135,240	138,813	(3,573)	-2.6%	134,379	0.6%	132,337	2.2%
39 Medical Imaging Procedures	8,878	8,622	256	3.0%	8,812	0.7%	8,364	6.1%
40 Radiation Oncology Treatments	1,696	1,467	229	15.6%	1,568	8.2%	2,878	-41.1%
41 Medical Oncology Visits	1,631	1,476	155	10.5%	1,462	11.6%	1,233	32.3%
42								
43 Dialysis Treatments	6,101	5,979	122	2.0%	5,811	5.0%	4,756	28.3%
44 Rehab Visits	23,728	23,439	289	1.2%	23,018	3.1%	21,692	9.4%
45 Hospice Visits	10,293	11,202	(909)	-8.1%	11,338	-9.2%	10,954	-6.0%
46 Ambulance Runs	1,378	1,464	(86)	-5.9%	1,398	-1.4%	1,297	6.2%
47								
48								
49 <b>Full Time Equivalents (FTE's)</b>								
50 FTE's - Hospital	612	602	9	1.6%	628	-2.6%	639	-4.3%
51 FTE's - Care Center	92	86	7	8.1%	82	12.7%	83	12.1%
52 FTE's - Home Medical	70	74	(4)	-5.1%	81	-13.0%	79	-11.3%
53 Total FTE's	774	762	13	1.7%	790	-2.0%	801	-3.3%

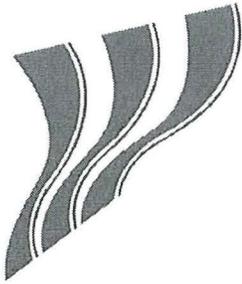
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**RICE MEMORIAL HOSPITAL  
KEY PERFORMANCE INDICATORS**

**FOR THE PERIOD ENDED:**

Line #	06/30/15 Actual	2015 YTD Actual	2015 Forecast	2014 Actual	2013 Actual	2012 Actual	2011 Actual	Industry Benchmarks
1	<b>OPERATIONAL</b>							
2	<b>Operating Margin</b>							
3	1.3%	2.8%	1.3%	-3.6%	-1.5%	1.3%	5.0%	
4	13.4%	11.2%	8.7%	6.5%	1.0%	8.7%	-0.1%	
5	0.0%	-1.6%	1.9%	-9.0%	-22.5%	-3.0%	1.4%	
6								
7	2.2%	3.1%	1.8%	-3.3%	-3.2%	1.4%	4.4%	2.2%
8								
9	3.1%	4.5%	2.6%	-1.8%	-3.6%	2.4%	5.8%	2.8%
10								
11	12.3%	13.5%	12.6%	7.1%	7.0%	11.6%	14.6%	10.8%
12								
13	<b>FINANCIAL</b>							
14		43.6%	44.5%	45.8%	46.3%	43.3%	46.3%	38.7%
15		3.8	3.0	2.4	1.8	3.0	3.5	2.9
16		54	48	53	52	64	55	46
17		128	119	116	128	114	116	131
18		65%	62%	57%	64%	63.0%	58.6%	87%
19		8.1	8.0	7.7	8.9	7.1	6.3	9.1
20		11.8	11.0	10.6	9.3	9.1	9.2	10.2
21		1.49	1.00	(0.33)	(0.52)	0.75	1.65	0.30
22	<b>PRODUCTIVITY</b>							
23	<b>Rice Hospital</b>							
24								
25	\$ 7,934	\$ 7,923		\$ 8,197	\$ 8,255	\$ 8,287	\$ 7,610	
26								
27	89.0%	88.2%	90.0%	93.5%	90.0%	89.1%	85.0%	
28								
29	52.1%	51.9%	50.0%	55.5%	52.6%	50.5%	48.1%	50%
30								
31	13.2	13.8	14.4	14.6	14.9	14.6	13.4	14.9
32	3.9	3.8	4.1	3.9	4.2	4.1	3.8	4.4
33								
34	\$ 784	\$ 721		\$ 771	\$ 770	\$ 755	\$ 739	
35	\$ 622	\$ 664		\$ 584	\$ 684	\$ 762	\$ 614	
36	\$ 1,405	\$ 1,386		\$ 1,355	\$ 1,454	\$ 1,517	\$ 1,353	
37								
38		1.2%	2.0%	2.6%	2.0%	2.2%	2.1%	7.4%
39								
40		8.7%	9.0%	9.3%	9.1%	9.0%	9.6%	6.9%
41								
42	<b>Rice Care Center</b>							
43	7.3	6.7	6.5	6.7	6.6	6.7	6.5	5.8
44								
45	86.6%	88.8%	91.3%	93.5%	99.0%	91.3%	100.1%	
46								
47	<b>Rice Home Medical</b>							
48	\$ 204,800	\$ 187,200	\$ 191,600	\$ 171,700	\$ 161,600	\$ 144,500	\$ 158,000	
49								
50	100.1%	102.6%	96.8%	115.5%	142.0%	104.9%	97.7%	
51								
52		#DIV/0!		4.9	4.7	5.8	6.0	
53		#DIV/0!		74	78	63	61	
54								

27



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

**Agenda Item Number:** 7  
**Meeting Date:** August 10, 2015  
**Attachments:**    Yes X No

**CITY COUNCIL ACTION**

**Date:** August 17, 2015

- Approved     Denied  
 Amended     Tabled  
 Other

**Originating Department:** City Clerk-Treasurer

**Agenda Item:** Consideration of Special Assessment Hearing for Unpaid Weed/Grass Mowing Removal

**Recommended Action:** Set Hearing for 7:01 p.m. on September 8, 2015

**Background/Summary:**

Pursuant to Willmar Municipal Code, Chapter 9, Article III concerning the cutting of weeds or grass, and in the case of noncompliance, such work to be performed by the City or its agent, the costs thereof can be certified as a special assessment against the property concerned, and

Notice will be given that the City Council of the City of Willmar, Minnesota, will meet on the 8<sup>th</sup> day of September 2015, at 7:01 p.m. to consider objections to the proposed assessment for the mowing cost incurred on the below-listed property owners.

95-880-0030	Raymundo & Elma Bazaldua	1011 Becker Ave SE	\$152.32
95-600-0190	David & Christine Bofenkamp	931 Meadow Lane SW	\$152.32
95-922-6700	Juan & Laura Cardenas	1600 6 <sup>th</sup> St SW	\$152.32
95-280-2060	Craig Danielson.	922 2 <sup>nd</sup> St SW	\$152.32
95-006-6890	U.S. Bank, N.A	318 12 <sup>th</sup> St SW	\$609.28
95-250-1600	Stacy Evans	408 Augusta Ave SE	\$304.64
95-143-0380	Minnesota Housing Finance Agency c/o US Bank National Association	1311 19 <sup>th</sup> Ave SE	\$152.32
95-130-0110	Lorraine Hofland & M. V. Blom	116 Minnesota Ave SE	\$113.57
95-323-0010	Jel Land Company	1901 1 <sup>st</sup> Street S	\$152.32
95-280-0250	Michael Madsen	920 4 <sup>th</sup> Street SW	\$606.07
95-665-0260	Corey A. Marthaller	1101 Olena Ave SE	\$456.96
95-914-2080	Tyson & Sarah Reuer	802 Mary Avenue SE	\$152.32
95-250-0900	Shane Vanhove	936 3 <sup>rd</sup> Street SE	\$190.01

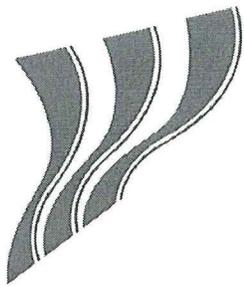
**Alternatives:** Deny

**Financial Considerations:** \$3,346.77

**Preparer:** City Clerk-Treasurer

**Signature:**

**Comments:**



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

**Agenda Item Number:** 8

**Meeting Date:** August 10, 2015

**Attachments:** \_\_\_ Yes X No

**CITY COUNCIL ACTION**

**Date:** August 17, 2015

- Approved     Denied
- Amended     Tabled
- Other

**Originating Department:** City Clerk-Treasurer

**Agenda Item:** Consideration of Special Assessment Hearing for Unpaid Garbage Removal

**Recommended Action:** Set Hearing for 7:02 p.m. on September 8, 2015

**Background/Summary:**

Pursuant to Willmar Municipal Code, Chapter 12, Article II concerning the removal of nuisance conditions by the City. The cost of such removal or remedial measures shall be assessed by action of the City Council against the property, under such terms and conditions as the City Council may require.

Notice will be given that the City Council of the City of Willmar, Minnesota, will meet on the 8th day of September 2015, at 7:02 p.m. to consider objections to the proposed assessment for the garbage removal costs on the below-listed property owners.

95-180-0380	Jeffrey T. Ellingboe	728 3 <sup>rd</sup> Street SE	\$80.00
95-040-0020	Luci M Vasquez	1514 Trott Avenue SW	\$80.00

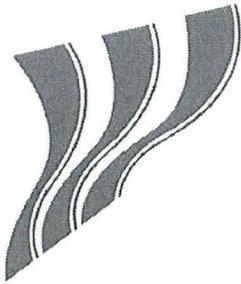
**Alternatives:** Deny

**Financial Considerations:** \$160.00

**Preparer:** City Clerk-Treasurer

**Signature:**

**Comments:**



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

**Agenda Item Number:** 9

**Meeting Date:** August 10, 2015

**Attachments:** \_\_\_ Yes X No

**CITY COUNCIL ACTION**

**Date:** August 17, 2015

- Approved     Denied
- Amended     Tabled
- Other

**Originating Department:** City Clerk-Treasurer

**Agenda Item:** Consideration of Special Assessment Hearing for Unpaid Snow / Ice Removal

**Recommended Action:** Set Hearing for 7:03 p.m. on September 8, 2015

**Background/Summary:**

Pursuant to Willmar Municipal Code, Chapter 13, Article III concerning the removal of snow or ice from sidewalks, and in the case of nonpayment of the charge against each separate lot, the personal liability of said cost of service to be certified for collection.

Notice will be given that the City Council of the City of Willmar, Minnesota, will meet on the 8th day of September 2015, at 7:03 p.m. to consider objections to the proposed assessment for the snow/ice removal costs on the below-listed property owners.

95-143-0380	Minnesota Housing Finance Agency c/o US Bank National Association	1311 19 <sup>th</sup> Ave SE	\$ 36.00
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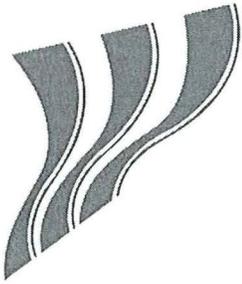
**Alternatives:** Deny

**Financial Considerations:** \$36.00

**Preparer:** City Clerk-Treasurer

**Signature:**

**Comments:**



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

**Agenda Item Number:** 10

**Meeting Date:**

**Attachments:**  Yes  No

**CITY COUNCIL ACTION**

**Date:**

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

**Originating Department:** Community Education & Recreation

**Agenda Item:** Maintenance Work at Dorothy Olson Aquatic Center

**Recommended Action:** Enter into an agreement with Horizon Commercial Pool Supply to refurbish 3 play features \$9,600.00 and to perform maintenance on the two slides \$44,850.00 at the DOAC.

**Background/Summary:** In the 2015 CIP resources were allocated to complete this work. Total amount in the CIP was \$75,500.00. Quotes for this work totaled \$54,450.00.

**Alternatives:** No alternatives really exist for the play features as we are down to the last layer of surface prior to the fiberglass starting to shred. The facility is over ten years old and that is the estimated timeline to consider this work.

**Financial Considerations:**

**Preparer:** Steve Brisendine

**Signature:**

**Comments:**

## Steve Okins

---

**From:** Steve Brisendine <brisendines@willmar.k12.mn.us>  
**Sent:** Wednesday, July 29, 2015 8:40 AM  
**To:** Scott Ledeboer; Gary Manzer; Justin DeLeeuw; Sean Christensen  
**Cc:** Kevin Halliday; Steve Okins  
**Subject:** DOAC Maintenance  
**Attachments:** EX Sum DOAC.docx

Hello All,

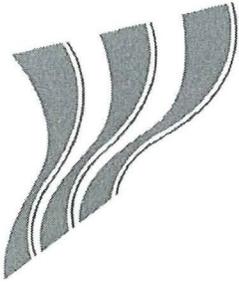
Attached you will find an executive summary for the work to be done this fall on the play equipment and slides at the DOAC. I am available to attend finance on the 10th but not PW on the 11th. I am sure Justin or Scott could take my place at PW if you want to go to that committee.

Please advise and I will drop off a signed copy of the ex summary to the Director in charge.

Thanks and have a great day!

Steve Brisendine  
Director of Community Education & Recreation  
City of Willmar/Willmar Public Schools  
1234 Kandiyohi Avenue SW  
Willmar MN 56201  
320-231-8494





CITY OF WILLMAR, MINNESOTA  
REQUEST FOR COMMITTEE ACTION

Agenda Item Number: 11

Meeting Date: August 10, 2015

Attachments:  Yes  No

CITY COUNCIL ACTION

Date: August 17, 2015

- Approved
- Amended
- Other
- Denied
- Tabled

Originating Department: Fire Department

Agenda Item: Fire Department SCBA Verbal Order

**Recommended Action:** To pass a motion to approve the purchase as proposed, contingent on: 1) the City including such expenditures in its official 2016 Budget (or CIP as applicable); and 2) City Staff not execute any contracts, purchase orders, or other documents related to the purchase until after the 2016 Budget (or CIP as applicable) has been officially adopted and instituted.

**Background/Summary:** Further discussion on previous SCBA actions.

**Alternatives:** Not Applicable

**Financial Considerations:** None for 2015  
Up to \$340,000 for 2016

**Preparer:** Steve Okins, Finance Director

**Signature:**

**Comments:**

## Steve Okins

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**From:** Steve Okins  
**Sent:** Monday, July 27, 2015 3:42 PM  
**To:** Marvin Calvin  
**Cc:** Kevin Halliday  
**Subject:** FW: SCBA & bottles purchase

fyi

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**From:** Robert Scott [mailto:rtscott@flaherty-hood.com]  
**Sent:** Thursday, July 23, 2015 3:32 PM  
**To:** Kevin Halliday  
**Cc:** Steve Okins  
**Subject:** SCBA & bottles purchase

Kevin,

I'm not sure what direction you're going to head with the proposed SCBA purchase after Monday's meeting. The below issues may be moot if the city decides to purchase only the bottles and not apparatuses themselves at this time.

First, the motion that the council considered on Monday was problematic because the motion was simply to approve the purchase of \$330,000+ of equipment in 2016 without any caveats to that approval, such that city staff could execute a legally binding contract or purchase order any time after that motion had passed and have been acting consistent with the council's action. I'm not sure if the company would have insisted on the city actually executing a legally binding contract or purchase order, but the motion itself would have allowed for it. Of course the 2016 budget and/or capital programs have not been set yet, so as Council Member Anderson indicated (and as section 5.09 of the charter requires) the city council should not incur an obligation for a future year when the budget for that year has not been set.

If as indicated at the meeting Monday night the City wishes to lock in the price of purchasing the full \$330,000+ worth of equipment in 2016 without legally committing to such purchase at this time, and the seller is okay without receiving a legal commitment to purchase from the city, I would recommend the City Council pass a motion to approve the purchase as proposed, but which is contingent on (1) the city including such expenditure in its official 2016 budget (or CIP, as applicable); and (2) city staff not executing any contracts, purchase orders or other documents related to the purchase until after the 2016 budget (or CIP, as applicable) has been officially adopted and includes such expenditure.

There does appear to be one way for the city to incur a financial obligation for a future year for which it has not yet budgeted: to pass an ordinance authorizing the future expenditure. This would only come into play in the event the city council wished to authorize entry into a legally binding contract or purchase order for the purchase to be made in 2016 before approving the 2016 budget (or CIP, as applicable). The applicable charter provision is as follows:

### Section 5.09. - Administration of budget.

\* \* \* \*

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.

I copied Steve on this message in case he has any additional thoughts about how this contemplated 2016 purchase would affect the budgeting process.

Please let me know if you have any questions.

Thank you.

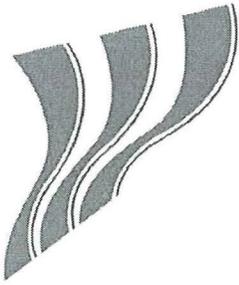
Robert

Robert T. Scott, Senior Attorney  
Flaherty & Hood, P.A.  
525 Park Street, Suite 470  
St. Paul, MN 55103  
Phone (651) 225-8840  
Fax (651) 225-9088  
[www.flaherty-hood.com](http://www.flaherty-hood.com)

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

**Agenda Item Number:** 12  
**Meeting Date:** August 10, 2015  
**Attachments:**  Yes  No

**CITY COUNCIL ACTION**

**Date:** August 17, 2015

- Approved  Denied  
 Amended  Tabled  
 Other

**Originating Department:** Finance

**Agenda Item:** Reports

**Recommended Action:** Receive and review the following report:  
A) 07/31/15 CVB Financial Report

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

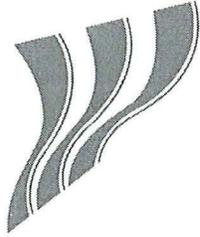
**Alternatives:** N/A

**Financial Considerations:** Review Financial Status.

**Preparer:** Steve Okins, Finance Director

**Signature:**

**Comments:**



City of Willmar  
**CONVENTION & VISITORS BUREAU**  
**Balance Sheet as of July 31, 2015**  
(As of 08/05/15)

**Assets**

Cash	\$ 29,120.13
Petty Cash	50.00
Investments	183,301.14
Taxes Receivable	-
Accounts Receivable	-
Prepaid Expenses	13,250.36
Interest Receivable	-
<b>Total Assets</b>	<b>\$ 225,721.63</b>

**Liabilities**

Accounts Payable	\$ -
Due to General Fund	-
Due to Capital Improvements	-
<b>Total Liabilities</b>	<b>-</b>

**Fund Balance**

Restricted Fund Balance - Prepaid Expenses	12,766.43
Committed Fund Balance - CVB	31,193.62
Assigned Fund Balance - Petty Cash/CVB	50.00
Assigned Fund Balance - CVB	181,711.58
<b>Total Fund Balance</b>	<b>225,721.63</b>

**Total Liabilities & Fund Balance**      **\$ 225,721.63**





City of Willmar  
**CONVENTION & VISITORS BUREAU**  
**COMPARATIVE INCOME STATEMENT**  
 For the Period Ended July 31, 2015  
 (As of 08/05/15)

	<u>Budget</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
<b><u>Revenues</u></b>			
Lodging Receipts	\$ 170,000.00	\$ 117,232.05	\$ 82,576.49
State Tourism Grant	7,000.00	4,056.98	845.54
Kandiyohi County	14,500.00	-	-
Kandiyohi Co. Tourism Phone Reim	1,000.00	-	-
Kandiyohi Co. Tourism Partnerhip	34,000.00	34,000.00	34,000.00
Advertising Sales	2,000.00	2,039.63 *	2,045.29 *
Miscellaneous	-	-	-
Interest Earnings	-	1,628.47 *	1,435.15
Market Value Increase (Decr)	-	3,535.90 *	8,701.42 *
Refunds & Reimbursements	-	2,968.79 *	627.48 *
<b>Total Revenues</b>	228,500.00	165,461.82	130,231.37
<b><u>Expenditures</u></b>			
<b>Operating</b>			
Full Time Exec Director Salary	88,000.00	39,661.00	37,351.04
Temporary Employee Salaries	-	-	-
Benefits and Taxes	18,000.00	10,286.46	7,786.91
Office Supplies/Copies	3,000.00	840.06	938.57
Small Tools	-	1,277.89 *	4,211.08 *
Postage	1,500.00	421.43	409.01
Mtce. of Equipment	1,000.00	-	161.34
General Supplies	2,200.00	292.94	250.00
Telephone/Fax	9,000.00	7,367.47	1,915.93
Printing & Publishing	2,000.00	2,020.88 *	1,374.15
Travel/Lodging/Dues	6,000.00	2,976.55	2,788.35
Mtce. of Equipment	-	57.75 *	1,042.50 *
Other Services	-	380.73 *	382.98 *
Rents	8,000.00	3,759.66	3,759.66
Insurances & Bonds	450.00	460.00 *	447.00 *
Awards & Indemnities	250.00	-	-
Subscription/Membership	2,600.00	609.01	1,295.83
Professional Services	2,200.00	60.00	1,911.00
Advertising/Marketing	-	-	-
Other Charges	-	-	-
Contingency Fund	500.00	-	12.50
City Transfer (5%)	8,500.00	-	-
Transfer Out Capital Improvements	-	-	-
Refunds and Reimbursements	-	-	-
Market Value Adjustment	-	2,449.77 *	3,474.66 *
Tourism Expenses	34,000.00	24,158.21	31,357.34
Ad Development & Revisions	300.00	40.00	-
Conference & Convention	22,000.00	6,223.46	14,363.57
Group Tour Promotions	1,500.00	1,500.00	-
Leisure Travel	25,000.00	19,365.10	14,031.96
Fall/Winter Promotions	6,500.00	3,379.65	1,868.49
Spring/Summer Promotions	-	-	-
Special Projects	5,000.00	-	1,000.00
Strategic Marketing	4,000.00	-	1,564.58
<b>Total Expenditures</b>	251,500.00	127,588.02	133,698.45
Net Income (Loss)	(23,000.00)	37,873.80	(3,467.08)
Fund Balance January 1	187,847.83	187,847.83	184,413.58
Prior Period Adjustment	-	-	-
<b>Fund Balance July 31</b>	\$ 164,847.83	\$ 225,721.63	\$ 180,946.50

\* Indicates Over Budget



## **Carol Cunningham**

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**From:** Steve Okins  
**Sent:** Thursday, August 06, 2015 11:03 AM  
**To:** Carol Cunningham  
**Subject:** RE: July, 2015, CVB Financial Report

Please include in Finance Agenda under reports. Thank you in advance. Steve

---

**From:** Carol Cunningham  
**Sent:** Wednesday, August 05, 2015 2:24 PM  
**To:** Steve Okins  
**Subject:** July, 2015, CVB Financial Report

Hi Steve

Attached is the Excel file containing the CVB Financial Reports as of 7/31/15. Please forward on to Beth Fischer at the CVB at your earliest convenience. Thanks.

Carol

***Carol Cunningham***

Accounting Supervisor  
City of Willmar Finance Dept  
333 SW 6<sup>th</sup> Street  
Willmar, MN 56201  
(320) 214-5177  
[ccunningham@willmarmn.gov](mailto:ccunningham@willmarmn.gov)