

OFFICIAL NOTICE AND AGENDA

Notice is hereby given that the **Executive Committee of the North Central Community Services Program Board** will hold a meeting at the following date, time as noted below:

Monday, October 30, 2023 at 8:30 AM
North Central Health Care – Eagle Board Room
2400 Marshall Street, Suite A, Wausau WI 54403

Persons wishing to attend the meeting by phone may call into the telephone conference beginning five (5) minutes prior to the start time indicated above using the following number:

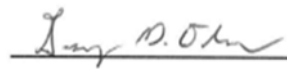
Meeting number: 1-408-418-9388 **Access Code:** 2482 317 6309 **Password:** 1234

AGENDA

1. Call to Order
2. Public Comments (15 Minutes)
3. Approval of September 20, 2023 Executive Committee Meeting Minutes
4. Educational Presentations and Committee Discussion
 - a. Discussion of Lease Agreement between Marathon County and NCHC for certain properties utilized for CBRF operations
 - b. Construction Update – G. Olsen
 - c. Lakeside Medically Monitored Treatment (MMT) Update – G. Olsen
 - d. Financial Update – J. Hake
5. Discussion and Possible Action
 - a. ACTION: Sick Leave Benefits for Employees of Pine Crest Nursing Home and Lincoln Industries Policy;
 - b. Discussion and Possible Action of Management Agreement, Transfer Agreement, and Assignment of Leases to a 501(C)(3) non-profit organization operating in the Wausau area;
 - c. Discussion and Possible Action of Transfer of certain properties located in Wausau, Wisconsin, from North Central Health Care to Marathon County
7. Next Meeting: Wednesday, November 15, 2023 in the North Central Health Care Eagle Board Room
8. Adjournment

Any person planning to attend this meeting who needs some type of special accommodation in order to participate should call the Administrative Office at 715-848-4405. For TDD telephone service call 715-845-4928.

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



Presiding Officer or Designee

DATE: 10/25/2023 TIME: 4:00 PM BY: D. Osowski

NORTH CENTRAL COMMUNITY SERVICES PROGRAM EXECUTIVE COMMITTEE MEETING MINUTE

September 20, 2023

1:00 p.m.

North Central Health Care

Present: X Kurt Gibbs
EXC Lance Leonhard

X_(WebEx) Renee Krueger
X_(WebEx) Robin Stowe

Staff: Gary Olsen, Jason Hake

Others: Dejan Adzic, Marathon County Deputy Corporation Counsel, Jacque Krause

Call to Order

- Meeting was called to order by Chair Gibbs at 1:01 p.m.

Public Comments

- Jacque Krause, employee at Pine Crest Nursing Home provided comments regarding the sick leave balance that was transferred to NCHC on 1/1/2020 at the onset of the Management Agreement and keeping the balances secure through another transition.

Approval of Executive Committee Meeting Minutes

- **Motion**/second, Krueger/Stowe, to approve the August 31, 2023 Executive Committee meeting minutes. Motion carried.

Executive Director Update – G. Olsen

- G. Olsen provided an overview of his report noting that construction for us is coming to an end in the next few months. Outpatient Services will move mid-October. A site visit will occur for Adult Crisis Stabilization (ACSF) tomorrow and the State has finally scheduled a site visit next week for the Medically Monitored Treatment (MMT) program.

Financial Update

- J. Hake provided an overview of the August financial statements and the financial position of the organization through August. Several large adjustments occurred due to receiving \$599,000 in additional supplemental funds from last year's supplemental payment. Without the adjustments we would have had a \$15,000 loss.
- Pharmacy expenses in the hospital have lived within the pharmacy budget and we are working to apply these to hospital expenses.
- Health insurance claims are down from prior years.

Sick Leave Benefits for Employees of Pine Crest Nursing Home and Lincoln Industries Policy – G. Olsen

- Retaining sick leave is the number one concern of employees of Pine Crest. We have been working with Corporation Counsel on what options are available. The option of a sick payout into a 115 Health Trust Plan administered by Precision Retirement was presented and discussed.
- **Motion**/second, Krueger/Stowe, to postpone action on the Sick Leave Policy until the next Executive Committee meeting where additional information will be presented including how money was transferred, financial impact, etc. Motion carried.

Medical Staff

- Medical Executive Staff requests the Executive Committee approve the following recommendations contingent on approval at their meeting on 9/21/23:
- **Motion**/second, Krueger/Stowe, to approve the recommendations of the Medical Staff for Initial Appointment for David McMahon, DO, Reappointments for Bennett Harris, D.O. and Susan Tran, M.D., and privilege amendment for Susan Brust, APNP, and Heidi Heise, APNP. Motion carried.

Next Meeting

- Wednesday, October 18th, 2023 at North Central Health Care.

Adjourn

- **Motion**/second, Stowe/Krueger, to adjourn at 1:55 p.m. Motion carried.

Minutes prepared by Debbie Osowski, Senior Executive Assistant

To: Executive Committee
From: Gary D. Olsen, MPA, Executive Director
Date: October 25, 2023
RE: Information for the October 30, 2023 Executive Committee Meeting

Discussion of Lease Agreement between Marathon County and NCHC for certain properties utilized for CBRF operations:

In 1997 NCHC conveyed the properties for the two CBRF's located on Heather Street and Chadwick Street to the County due to the fact that per the Tri-County agreement NCHC cannot own property. A lease was required to be completed. We cannot find that this lease was done when the transfer of the properties occurred back in 1997. We have completed a lease that has been signed by the County and NCHC.

Construction Update:

The remaining offices moved into the space and now all the office space remodeling is complete, and final moves have taken place. Mount View 2 North is the last space to be renovated and is scheduled for completion towards the end of November.

Lakeside Medically Monitored Treatment (MMT) and Adult Crisis Stabilization (ACSF) Update:

We received notice from the State that they have approved our license for MMT. We needed the license to be able to apply to bill Medicaid. We have applied to be able to bill Medicaid and there is a 60-day time period for them to approve our request. We have been approved for certification for our new location for the adult crisis stabilization facility and are awaiting the official license to schedule the move, which will set us up for regional expansion.

Financial Update:

Managing Director of Finance/Administration, Jason Hake, will provide a financial report for the Committee.

Sick Leave Benefits for Employees of Pine Crest Nursing Home and Lincoln Industries Policy:

This item was tabled from last month for us to work with Lincoln County on the aspects of how these payments would work. We will need to table this item again, because we are working out the logistics of how these payments would work.

Discussion and Possible Action of Management Agreement, Transfer Agreement, and Assignment of Leases to a 501(C)(3) non-profit organization operating in the Wausau area:

Included in the Committee packet is a copy of the Management Agreement, Transfer Agreement, and assignment of leases to Opportunity Inc. We are partnering and transferring the operations of the Wausau Adult Day Services (ADS), Supported Apartments, and Group Homes (CBRF's) programs to Opportunity Inc. Counties stopped performing these services around the time that Family Care was started in the State. We are now transferring these programs to an organization who specializes in these programs and who can run them as well as we have run them in the past. This will allow NCHC to focus on our core programs.

Discussion and Possible Action of Transfer of Certain Properties located in Wausau, Wisconsin, from North Central Health Care to Marathon County:

Per the Tri-County agreement, NCHC cannot own property. There are currently two pieces of property NCHC owns that should be deeded to the County. More information will be presented to the Committee at the meeting regarding this agenda item.

North Central Health Care
Programs by Service Line
For the Period Ending September 30, 2023

	Revenue			Expense			Net Income/ (Loss)	Variance From Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
BEHAVIORAL HEALTH SERVICES								
Adult Behavioral Health Hospital	4,850,288	3,858,890	991,398	5,737,812	4,943,227	(794,586)	(887,525)	196,812
Adult Crisis Stabilization Facility	1,260,915	1,310,422	(49,507)	969,636	1,214,740	245,105	291,279	195,597
Lakeside Recovery MMT	88,210	893,106	(804,896)	309,262	763,776	454,514	(221,051)	(350,382)
Youth Behavioral Health Hospital	1,764,172	1,079,974	684,198	2,273,964	2,375,882	101,917	(509,792)	786,115
Youth Crisis Stabilization Facility	763,863	862,492	(98,630)	603,395	805,279	201,883	160,467	103,254
Crisis Services	1,775,916	1,842,361	(66,445)	1,993,396	2,176,679	183,283	(217,480)	116,838
Psychiatry Residency	226,174	661,710	(435,536)	162,838	776,182	613,344	63,336	177,808
	<u>10,729,538</u>	<u>10,508,956</u>	<u>220,582</u>	<u>12,050,304</u>	<u>13,055,765</u>	<u>1,005,460</u>	<u>(1,320,766)</u>	<u>1,226,042</u>
COMMUNITY SERVICES								
Outpatient Services (Marathon)	3,638,350	3,329,880	308,470	3,790,491	4,360,824	570,333	(152,141)	878,803
Outpatient Services (Lincoln)	846,888	718,303	128,584	582,158	591,115	8,957	264,730	137,541
Outpatient Services (Langlade)	651,144	592,955	58,189	494,339	604,289	109,950	156,804	168,139
Community Treatment Adult (Marathon)	3,832,410	3,584,416	247,994	3,989,553	3,948,547	(41,006)	(157,143)	206,988
Community Treatment Adult (Lincoln)	590,105	605,118	(15,013)	595,300	668,072	72,772	(5,195)	57,759
Community Treatment Adult (Langlade)	198,812	245,318	(46,506)	427,799	460,110	32,310	(228,987)	(14,196)
Community Treatment Youth (Marathon)	4,721,550	3,519,477	1,202,073	4,451,465	3,362,417	(1,089,048)	270,085	113,025
Community Treatment Youth (Lincoln)	1,276,506	1,250,755	25,751	1,257,931	1,169,458	(88,473)	18,575	(62,722)
Community Treatment Youth (Langlade)	867,911	1,069,298	(201,386)	894,637	872,949	(21,688)	(26,726)	(223,074)
Jail Meals (Marathon)	607,700	-	607,700	412,537	-	(412,537)	195,164	195,164
	<u>17,231,376</u>	<u>14,915,520</u>	<u>2,315,856</u>	<u>16,896,210</u>	<u>16,037,781</u>	<u>(858,429)</u>	<u>335,166</u>	<u>1,457,427</u>
COMMUNITY LIVING								
Adult Day Services (Marathon)	677,239	799,432	(122,193)	608,076	810,593	202,517	69,163	80,324
Day Services (Langlade)	293,106	291,757	1,349	232,478	208,142	(24,336)	60,628	(22,987)
Supportive Employment Program	224,766	121,229	103,537	217,812	192,202	(25,610)	6,953	77,927
Andrea St Group Home	469,413	-	469,413	479,750	-	(479,750)	(10,337)	(10,337)
Chadwick Group Home	520,813	399,784	121,029	573,618	424,492	(149,126)	(52,805)	(28,097)
Bissell Street Group Home	175,391	-	175,391	323,132	-	(323,132)	(147,741)	(147,741)
Heather Street Group Home	249,367	349,609	(100,242)	186,553	412,107	225,554	62,813	125,312
Marshall Street Residential	-	812,539	(812,539)	-	818,537	818,537	-	5,999
Jelinek Apartments	727,176	627,219	99,957	692,011	538,592	(153,420)	35,165	(53,462)
River View Apartments	420,678	531,255	(110,577)	555,924	497,051	(58,873)	(135,247)	(169,451)
Riverview Terrace	179,804	-	179,804	182,312	-	(182,312)	(2,508)	(2,508)
Hope House (Sober Living Marathon)	20,883	15,280	5,603	60,919	40,504	(20,414)	(40,035)	(14,811)
Sober Living (Langlade)	37,576	45,314	(7,738)	51,759	45,965	(5,794)	(14,183)	(13,532)
	<u>3,996,211</u>	<u>3,993,418</u>	<u>2,793</u>	<u>4,164,344</u>	<u>3,988,186</u>	<u>(176,158)</u>	<u>(168,134)</u>	<u>(173,365)</u>
NURSING HOMES								
Mount View Care Center	15,824,024	17,912,830	(2,088,807)	14,163,551	15,141,110	977,559	1,660,473	(1,111,248)
Pine Crest Nursing Home	9,557,555	10,139,110	(581,556)	9,523,594	9,292,582	(231,012)	33,961	(812,567)
	<u>25,381,578</u>	<u>28,051,940</u>	<u>(2,670,362)</u>	<u>23,687,144</u>	<u>24,433,691</u>	<u>746,547</u>	<u>1,694,434</u>	<u>(1,923,815)</u>
Pharmacy	5,932,756	5,951,829	(19,073)	6,129,492	5,989,900	(139,593)	(196,736)	(158,666)
OTHER PROGRAMS								
Aquatic Services	860,206	935,518	(75,313)	801,541	842,457	40,916	58,664	(34,397)
Birth To Three	401,318	-	401,318	401,318	-	(401,318)	-	-
Adult Protective Services	581,494	649,712	(68,218)	537,226	626,585	89,359	44,268	21,141
Demand Transportation	323,981	336,411	(12,431)	352,715	368,941	16,226	(28,734)	3,795
	<u>2,166,998</u>	<u>1,921,642</u>	<u>245,357</u>	<u>2,092,800</u>	<u>1,837,983</u>	<u>(254,818)</u>	<u>74,198</u>	<u>(9,461)</u>
Total NCHC Service Programs	<u>65,438,457</u>	<u>65,343,304</u>	<u>95,153</u>	<u>65,020,295</u>	<u>65,343,305</u>	<u>323,010</u>	<u>418,162</u>	<u>418,163</u>
SELF-FUNDED INSURANCE TRUST FUNDS								
Health Insurance Trust Fund	6,531,728	-	6,531,728	5,969,926	-	(5,969,926)	561,803	561,803
Dental Insurance Trust Fund	375,796	-	375,796	315,705	-	(315,705)	60,091	60,091
Total NCHC Self-Funded Insurance Trusts	<u>6,907,524</u>	<u>-</u>	<u>6,907,524</u>	<u>6,285,630</u>	<u>-</u>	<u>(6,285,630)</u>	<u>621,894</u>	<u>621,894</u>

North Central Health Care
Fund Balance Review
For the Period Ending September 30, 2023

	<u>Marathon</u>	<u>Langlade</u>	<u>Lincoln</u>	<u>Total</u>
YTD Appropriation (Tax Levy) Revenue	3,585,904	172,640	780,640	4,539,183
Total Revenue at Period End	46,716,786	3,749,976	14,971,695	65,438,457
County Percent of Total Net Position	71.4%	5.7%	22.9%	
Total Operating Expenses, Year-to-Date *	46,081,336	4,086,065	14,852,895	65,020,295
<i>* Excluding Depreciation Expenses to be allocated at the end of the year</i>				
Share of Operating Cash	10,007,271	803,288	3,207,109	14,017,668
Days Cash on Hand	59	54	59	59
Minimum Target - 20%	12,288,356	1,089,617	3,960,772	17,338,745
Over/(Under) Target	(2,281,085)	(286,329)	(753,663)	(3,321,077)
Share of Investments	-	-	-	-
Days Invested Cash	0	0	0	0
Days Invested Cash on Hand Target - 90 Days	15,150,028	1,343,364	4,883,143	21,376,535
Current Percentage of Operating Cash	21.7%	19.7%	21.6%	21.6%
Over/(Under) Target	(2,281,085)	(286,329)	(753,663)	(3,321,077)
Share of Investments	-	-	-	-
Amount Needed to Fulfill Fund Balance Policy	<u>(2,281,085)</u>	<u>(286,329)</u>	<u>(753,663)</u>	<u>(3,321,077)</u>

North Central Health Care
Review of Services in Marathon County
For the Period Ending September 30, 2023

	Revenue			Expense			Net Income/ (Loss)	Variance From Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
Direct Services								
Outpatient Services	3,638,350	3,329,880	308,470	3,790,491	4,360,824	570,333	(152,141)	878,803
Community Treatment-Adult	3,832,410	3,584,416	247,994	3,989,553	3,948,547	(41,006)	(157,143)	206,988
Community Treatment-Youth	4,721,550	3,519,477	1,202,073	4,451,465	3,362,417	(1,089,048)	270,085	113,025
Residential	2,562,837	2,720,405	(157,569)	2,810,988	2,690,779	(120,209)	(248,152)	(277,778)
Hope House Sober Living	20,883	15,280	5,603	60,919	40,504	(20,414)	(40,035)	(14,811)
Riverview Terrace	179,804	-	179,804	182,312	-	(182,312)	(2,508)	(2,508)
Demand Transportation	323,981	336,411	(12,431)	352,715	368,941	16,226	(28,734)	3,795
Jail Meals	607,700	-	607,700	412,537	-	(412,537)	195,164	195,164
Adult Day Services	677,239	799,432	(122,193)	608,076	810,593	202,517	69,163	80,324
Aquatic Services	860,206	935,518	(75,313)	801,541	842,457	40,916	58,664	(34,397)
Mount View Care Center	15,824,024	17,912,830	(2,088,807)	14,163,551	15,141,110	977,559	1,660,473	(1,111,248)
	33,248,983	33,153,651	95,333	31,624,148	31,566,172	(57,976)	1,624,835	37,357
Shared Services								
Adult Behavioral Health Hospital	3,626,265	2,890,322	735,943	4,259,343	3,669,499	(589,844)	(633,078)	146,099
Youth Behavioral Health Hospital	1,309,508	801,609	507,900	1,688,029	1,763,685	75,656	(378,521)	583,556
Residency Program	167,895	491,206	(323,311)	120,879	576,182	455,303	47,016	131,992
Supportive Employment Program	166,850	89,992	76,858	161,688	142,677	(19,011)	5,162	57,847
Crisis Services	1,392,662	1,441,986	(49,324)	1,479,755	1,615,811	136,056	(87,094)	86,732
Adult Crisis Stabilization Facility	936,013	972,764	(36,751)	719,788	901,737	181,948	216,225	145,197
Youth Crisis Stabilization Facility	567,037	640,253	(73,216)	447,918	597,781	149,864	119,119	76,648
Pharmacy	4,404,055	4,418,213	(14,158)	4,550,098	4,446,474	(103,624)	(146,043)	(117,782)
Lakeside Recovery MMT	65,481	662,978	(597,497)	229,574	566,973	337,399	(164,093)	(260,098)
Adult Protective Services	430,718	481,358	(50,640)	398,798	465,132	66,333	31,920	15,694
Birth To Three	401,318	-	401,318	401,318	-	(401,318)	-	-
	13,467,803	12,890,680	577,122	14,457,188	14,745,951	288,763	(989,386)	865,885
Excess Revenue/(Expense)	46,716,786	46,044,331	672,455	46,081,336	46,312,123	230,787	635,450	903,242

North Central Health Care
Review of Services in Lincoln County
For the Period Ending September 30, 2023

	Revenue			Expense			Net Income/ (Loss)	Variance From Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
Direct Services								
Outpatient Services	846,888	718,303	128,584	582,158	591,115	8,957	264,730	137,541
Community Treatment-Adult	590,105	605,118	(15,013)	595,300	668,072	72,772	(5,195)	57,759
Community Treatment-Youth	1,276,506	1,250,755	25,751	1,257,931	1,169,458	(88,473)	18,575	(62,722)
Pine Crest Nursing Home	9,557,555	10,139,110	(581,556)	9,523,594	9,292,582	(231,012)	33,961	(812,567)
	<u>12,271,052</u>	<u>12,713,286</u>	<u>(442,233)</u>	<u>11,958,982</u>	<u>11,721,226</u>	<u>(237,756)</u>	<u>312,071</u>	<u>(679,989)</u>
Shared Services								
Adult Behavioral Health Hospital	777,369	625,848	151,521	876,941	755,500	(121,441)	(99,572)	30,080
Youth Behavioral Health Hospital	269,522	164,952	104,570	347,542	363,119	15,577	(78,021)	120,146
Residency Program	34,567	101,133	(66,565)	24,887	118,628	93,741	9,680	27,175
Supportive Employment Program	34,352	18,528	15,824	33,289	29,375	(3,914)	1,063	11,910
Crisis Services	267,433	277,588	(10,155)	304,661	332,674	28,012	(37,229)	17,857
Adult Crisis Stabilization Facility	192,712	200,279	(7,566)	148,195	185,655	37,461	44,518	29,894
Youth Crisis Stabilization Facility	116,745	131,819	(15,074)	92,220	123,075	30,855	24,525	15,781
Pharmacy	906,735	909,650	(2,915)	936,803	915,469	(21,335)	(30,068)	(24,250)
Lakeside Recovery MMT	13,482	136,498	(123,017)	47,266	116,732	69,466	(33,784)	(53,551)
Adult Protective Services	87,726	98,152	(10,426)	82,107	95,764	13,657	5,619	3,231
	<u>2,700,643</u>	<u>2,664,447</u>	<u>36,196</u>	<u>2,893,913</u>	<u>3,035,991</u>	<u>142,078</u>	<u>(193,270)</u>	<u>178,274</u>
Excess Revenue/(Expense)	14,971,695	15,377,733	(406,037)	14,852,895	14,757,217	(95,677)	118,801	(501,715)

North Central Health Care
Review of Services in Langlade County
For the Period Ending September 30, 2023

	Revenue			Expense			Net Income/ (Loss)	Variance From Budget
	Actual	Budget	Variance	Actual	Budget	Variance		
Direct Services								
Outpatient Services	651,144	592,955	58,189	494,339	604,289	109,950	156,804	168,139
Community Treatment-Adult	198,812	245,318	(46,506)	427,799	460,110	32,310	(228,987)	(14,196)
Community Treatment-Youth	867,911	1,069,298	(201,386)	894,637	872,949	(21,688)	(26,726)	(223,074)
Sober Living	37,576	45,314	(7,738)	51,759	45,965	(5,794)	(14,183)	(13,532)
Day Services	293,106	291,757	1,349	232,478	208,142	(24,336)	60,628	(22,987)
	<u>2,048,549</u>	<u>2,244,642</u>	<u>(196,093)</u>	<u>2,101,013</u>	<u>2,191,455</u>	<u>90,443</u>	<u>(52,464)</u>	<u>(105,650)</u>
Shared Services								
Adult Behavioral Health Hospital	446,655	342,720	103,934	601,529	518,228	(83,301)	(154,875)	20,633
Youth Behavioral Health Hospital	185,142	113,414	71,729	238,393	249,078	10,685	(53,251)	82,413
Residency Program	23,711	69,371	(45,660)	17,071	81,372	64,300	6,640	18,641
Supportive Employment Program	23,564	12,709	10,854	22,835	20,150	(2,685)	729	8,170
Crisis Services	115,822	122,788	(6,966)	208,980	228,194	19,215	(93,158)	12,249
Adult Crisis Stabilization Facility	132,189	137,379	(5,190)	101,653	127,349	25,696	30,537	20,506
Youth Crisis Stabilization Facility	80,080	90,420	(10,340)	63,258	84,422	21,165	16,823	10,825
Pharmacy	621,966	623,966	(2,000)	642,591	627,957	(14,634)	(20,625)	(16,634)
Lakeside Recovery MMT	9,248	93,630	(84,382)	32,422	80,071	47,649	(23,174)	(36,733)
Adult Protective Services	63,050	70,202	(7,152)	56,321	65,689	9,368	6,730	2,216
	<u>1,701,427</u>	<u>1,676,599</u>	<u>24,828</u>	<u>1,985,052</u>	<u>2,082,509</u>	<u>97,457</u>	<u>(283,625)</u>	<u>122,285</u>
Excess Revenue/(Expense)	3,749,976	3,921,241	(171,265)	4,086,065	4,273,964	187,900	(336,089)	16,635

North Central Health Care
Income Statement
For the Period Ending September 30, 2023

	MTD Actual	MTD Budget	\$ Variance	% Variance	YTD Actual	YTD Budget	\$ Variance	% Variance
Direct Revenues								
Patient Gross Revenues	1,347,058	1,520,157	(173,098)	-11.4%	12,346,561	13,681,409	(1,334,848)	-9.8%
Patient Contractual Adjustments	31,029	(45,693)	76,721	-167.9%	(125,414)	(411,235)	285,821	-69.5%
Net Patient Revenue	1,378,087	1,474,464	(96,377)	-6.5%	12,221,147	13,270,174	(1,049,028)	-7.9%
County Revenue	-	-	-	0.0%	-	-	-	0.0%
Contracted Service Revenue	-	-	-	0.0%	-	-	-	0.0%
Grant Revenues and Contractuals	-	-	-	0.0%	-	-	-	0.0%
Appropriations	132,667	132,667	-	0.0%	1,194,000	1,194,000	-	0.0%
COVID-19 Relief Funding	-	-	-	0.0%	-	-	-	0.0%
Other Revenue	134,992	268,583	(133,592)	-49.7%	1,364,125	2,417,250	(1,053,125)	-43.6%
Total Direct Revenue	1,645,745	1,875,714	(229,969)	-12.3%	14,779,272	16,881,424	(2,102,152)	-12.5%
Indirect Revenues								
County Revenue	-	-	-	0.0%	-	-	-	0.0%
Contracted Service Revenue	-	-	-	0.0%	-	-	-	0.0%
Grant Revenues and Contractuals	-	-	-	0.0%	-	-	-	0.0%
Appropriations	-	-	-	0.0%	-	-	-	0.0%
Other Revenue	2,344	583	1,760	301.7%	5,789	5,250	539	10.3%
Allocated Revenue	113,112	114,017	(905)	-0.8%	1,033,086	1,026,156	6,930	0.7%
Total Indirect Revenue	115,456	114,600	855	0.7%	1,038,875	1,031,406	7,469	0.7%
Total Operating Revenue	1,761,201	1,990,314	(229,113)	-11.5%	15,818,147	17,912,830	(2,094,683)	-11.7%
Direct Expenses								
Personnel Expenses	831,865	872,164	40,299	4.6%	7,575,368	7,849,473	274,105	3.5%
Contracted Services Expenses	47,371	66,997	19,626	29.3%	466,107	602,973	136,866	22.7%
Supplies Expenses	39,113	35,667	(3,446)	-9.7%	288,590	321,000	32,410	10.1%
Drugs Expenses	19,414	37,841	18,426	48.7%	211,147	340,567	129,420	38.0%
Program Expenses	624	1,417	792	55.9%	7,149	12,750	5,601	43.9%
Land & Facility Expenses	-	167	167	100.2%	5,118	1,500	(3,618)	-241.2%
Equipment & Vehicle Expenses	5,042	9,375	4,333	46.2%	108,267	84,375	(23,892)	-28.3%
Diversions Expenses	-	-	-	0.0%	-	-	-	0.0%
Other Operating Expenses	25,579	30,223	4,644	15.4%	205,394	272,010	66,616	24.5%
Total Direct Expenses	969,009	1,053,850	84,841	8.1%	8,867,140	9,484,649	617,509	6.5%
Indirect Expenses								
Personnel Expenses	60,826	56,764	(4,062)	-7.2%	515,377	510,875	(4,501)	-0.9%
Contracted Services Expenses	6,608	6,271	(337)	-5.4%	74,198	56,437	(17,760)	-31.5%
Supplies Expenses	99	125	26	20.8%	681	1,125	444	39.5%
Drugs Expenses	-	-	-	0.0%	-	-	-	0.0%
Program Expenses	7,593	9,333	1,740	18.6%	67,547	84,000	16,453	19.6%
Land & Facility Expenses	4,275	-	(4,275)	0.0%	38,473	-	(38,473)	0.0%
Equipment & Vehicle Expenses	23,922	-	(23,922)	0.0%	222,541	-	(222,541)	0.0%
Diversions Expenses	-	-	-	0.0%	-	-	-	0.0%
Other Operating Expenses	5,859	69,675	63,816	91.6%	70,831	627,077	556,246	88.7%
Allocated Expense	478,272	486,327	8,055	1.7%	4,306,765	4,376,946	70,181	1.6%
Total Indirect Expenses	587,454	628,495	41,041	6.5%	5,296,412	5,656,461	360,049	6.4%
Total Operating Expenses	1,556,463	1,682,345	125,882	7.5%	14,163,552	15,141,110	977,558	6.5%
Metrics								
Direct Expense/Gross Patient Revenue	71.9%	69.3%			71.8%	69.3%		
Write-Offs/Gross Patient Revenue	1.1%	0.4%			0.6%	0.4%		
Indirect Expenses/Direct Expenses	60.6%	59.6%			59.7%	59.6%		
Overtime/Total Wages	7.3%	9.3%			8.9%	9.3%		
Agency Staffing/Total Wages	0.0%	0.6%			0.0%	0.6%		
Non-Operating Income/Expense								
Interest Income	-	-	-	0.0%	-	-	-	0.0%
Donations Income	472	-	472	100.0%	5,877	-	5,877	100.0%
Other Non-Operating	-	-	-	100.0%	-	-	-	100.0%
Total Non-Operating	472	-	472	0.0%	5,877	-	5,877	0.0%
Net Income (Loss)	205,210	307,969	(102,759)	33.4%	1,660,472	2,771,721	(1,111,249)	40.1%
Net Income	11.7%	15.5%			10.5%	15.5%		

North Central Health Care
Income Statement
For the Period Ending September 30, 2023

	MTD Actual	MTD Budget	\$ Variance	% Variance	YTD Actual	YTD Budget	\$ Variance	% Variance
Direct Revenues								
Patient Gross Revenues	910,404	947,065	(36,660)	-3.9%	8,338,071	8,523,581	(185,511)	-2.2%
Patient Contractual Adjustments	28,570	(107,811)	136,381	-126.5%	(283,506)	(970,296)	686,790	-70.8%
Net Patient Revenue	938,975	839,254	99,721	11.9%	8,054,565	7,553,285	501,280	6.6%
County Revenue	-	-	-	0.0%	-	-	-	0.0%
Contracted Service Revenue	-	-	-	0.0%	-	-	-	0.0%
Grant Revenues and Contractuals	-	-	-	0.0%	11,607	-	11,607	0.0%
Appropriations	36,735	36,735	-	0.0%	330,611	330,611	-	0.0%
COVID-19 Relief Funding	-	-	-	0.0%	-	-	-	0.0%
Other Revenue	107,975	233,333	(125,358)	-53.7%	967,020	2,100,000	(1,132,980)	-54.0%
Total Direct Revenue	1,083,684	1,109,322	(25,638)	-2.3%	9,363,803	9,983,896	(620,093)	-6.2%
Indirect Revenues								
County Revenue	14,750	14,750	-	0.0%	132,750	132,750	-	0.0%
Contracted Service Revenue	-	-	-	0.0%	-	-	-	0.0%
Grant Revenues and Contractuals	-	83	(83)	-99.6%	-	750	(750)	-100.0%
Appropriations	-	-	-	0.0%	-	-	-	0.0%
Other Revenue	1,529	625	904	144.6%	7,294	5,625	1,669	29.7%
Allocated Revenue	4,199	5,488	(1,289)	-23.5%	31,591	49,389	(17,798)	-36.0%
Total Indirect Revenue	23,928	16,821	7,107	42.3%	189,101	151,389	37,711	24.9%
Total Operating Revenue	1,107,612	1,126,143	(18,531)	-1.6%	9,552,904	10,135,285	(582,381)	-5.7%
Direct Expenses								
Personnel Expenses	494,340	537,444	43,105	8.0%	4,514,202	4,837,000	322,798	6.7%
Contracted Services Expenses	40,393	54,933	14,540	26.5%	719,778	494,400	(225,378)	-45.6%
Supplies Expenses	23,002	12,758	(10,243)	-80.3%	130,010	114,825	(15,185)	-13.2%
Drugs Expenses	12,150	14,583	2,433	16.7%	123,152	131,250	8,098	6.2%
Program Expenses	700	1,517	817	53.9%	9,439	13,650	4,211	30.8%
Land & Facility Expenses	33,750	-	(33,750)	0.0%	303,750	-	(303,750)	0.0%
Equipment & Vehicle Expenses	841	1,158	317	27.4%	18,551	10,425	(8,126)	-77.9%
Diversions Expenses	-	-	-	0.0%	-	-	-	0.0%
Other Operating Expenses	30,110	22,113	(7,998)	-36.2%	201,903	199,013	(2,891)	-1.5%
Total Direct Expenses	635,286	644,507	9,221	1.4%	6,020,785	5,800,563	(220,222)	-3.8%
Indirect Expenses								
Personnel Expenses	179,457	182,464	3,007	1.6%	1,635,751	1,642,176	6,425	0.4%
Contracted Services Expenses	8,050	15,000	6,950	46.3%	77,408	135,000	57,592	42.7%
Supplies Expenses	6,186	6,917	730	10.6%	68,329	62,250	(6,079)	-9.8%
Drugs Expenses	-	-	-	0.0%	-	-	-	0.0%
Program Expenses	3,398	867	(2,531)	-292.0%	32,643	7,800	(24,843)	-318.5%
Land & Facility Expenses	39,867	32,917	(6,950)	-21.1%	180,177	296,250	116,073	39.2%
Equipment & Vehicle Expenses	21,975	1,500	(20,475)	-1365.0%	198,962	13,500	(185,462)	-1373.8%
Diversions Expenses	-	-	-	0.0%	1,164	-	(1,164)	0.0%
Other Operating Expenses	54,217	56,650	2,433	4.3%	481,465	509,850	28,385	5.6%
Allocated Expense	83,790	91,688	7,898	8.6%	826,909	825,193	(1,716)	-0.2%
Total Indirect Expenses	396,939	388,002	(8,937)	-2.3%	3,502,809	3,492,019	(10,790)	-0.3%
Total Operating Expenses	1,032,225	1,032,509	284	0.0%	9,523,594	9,292,582	(231,012)	-2.5%
Metrics								
Direct Expense/Gross Patient Revenue	69.8%	68.1%			72.2%	68.1%		
Write-Offs/Gross Patient Revenue	0.4%	0.5%			0.2%	0.5%		
Indirect Expenses/Direct Expenses	62.5%	60.2%			58.2%	60.2%		
Overtime/Total Wages	5.9%	5.2%			6.0%	5.2%		
Agency Staffing/Total Wages	7.3%	4.6%			9.4%	4.6%		
Non-Operating Income/Expense								
Interest Income	355	8	346	4153.7%	2,913	75	2,838	3785.5%
Donations Income	240	417	(177)	100.0%	1,737	3,750	(2,013)	100.0%
Other Non-Operating	-	-	-	100.0%	-	-	-	100.0%
Total Non-Operating	594	425	169	39.8%	4,651	3,825	826	21.6%
Net Income (Loss)	75,981	94,059	(18,078)	19.2%	33,961	846,529	(812,568)	96.0%
Net Income	6.9%	8.4%			0.4%	8.4%		

CBRF, ADULT DAY SERVICES, and SUPPORTIVE APARTMENT MANAGEMENT AGREEMENT

This CBRF, Adult Day Services, and Supportive Apartment Management Agreement (“Agreement”) is effective as of November 1, 2023, (“effective date”), by and between NORTH CENTRAL HEALTH CARE (“NCHC”), a Multicounty Department of Community Programs, and Opportunity Inc. (“Opportunity”), a Wisconsin 501(C)(3) nonprofit nonstock corporation.

RECITALS:

WHEREAS, NCHC is a governmental entity engaged in the business of, among other things, operating a licensed CBRF facility, adult day services, and supportive apartment services (collectively referred to as “Operations”); and

WHEREAS, Opportunity is a nonprofit corporation engaged in operating and managing CBRF facilities; and

WHEREAS, NCHC desires to transfer the ownership and operation of all of its Operations to Opportunity; and

WHEREAS, Opportunity is currently in the process of obtaining all required licenses and Wisconsin Department of Health Services (DHS) approvals in order to assume ownership and operation of NCHC’s Operations; and

WHEREAS, while Opportunity is in the process of obtaining required licensure necessary to effectuate a transfer of Operations, NCHC and Opportunity mutually agree to enter into this Agreement whereby Opportunity will manage all Operations on behalf of NCHC pending a formal transfer of ownership and operations.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, and for other good and adequate consideration the receipt of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I: APPOINTMENT OF MANAGEMENT COMPANY AND TRANSFER OF EMPLOYEES TO MANAGEMENT COMPANY

1.1 *Appointment of Opportunity*: Subject to the terms and conditions in this Agreement, NCHC hereby consents to the appointment of Opportunity as the management company of its Operations, which appointment shall commence on November 1, 2023, thus allowing Opportunity to manage and operate CBRF, ADS, and Supportive Apartment programs and facilities on behalf of NCHC.

1.2 *Appointment of Administrator*: In compliance with DHS Chapter 83 of Wisconsin Administrative Code, Opportunity shall identify and name a person to act as an Administrator and assume oversight of the CBRF operations.

1.3 *Authority and Status*: In the performance of its duties hereunder, Opportunity will be and act as an independent contractor, with sole and independent duty to supervise, monitor, and oversee the operation and performance of the CBRF Operations, for the benefit and subject to the right of NCHC and other restrictions as set forth in this Agreement.

1.4 *Transfer of Employees:* NCHC shall transfer to Opportunity all NCHC's Operations employees, to the extent that each employee consents to any such transfer. Employees who do not consent to the transfer may be terminated from NCHC employment. For employees that consent to the transfer of employment to Opportunity, NCHC shall pay out employees all wages, and any other compensation then due and owing, through their last day of employment with NCHC. In addition, for those employees who accept employment with Opportunity, NCHC agrees to provide COBRA insurance coverage until December 31, 2023, or until the employee is no longer employed with Opportunity, whichever comes first.

ARTICLE II: TERM AND TERMINATION

2.1 *Term:* This Agreement shall be effective as of November 1, 2023, and continue until Opportunity obtains necessary licensure in order to obtain exclusive control and ownership of CBRF Operations. This Agreement shall terminate at the time of transfer of ownership of Operations from NCHC to Opportunity or as otherwise outlined in Paragraph 2.2 and 2.3 below.

2.2 *Termination by NCHC:* NCHC may terminate this Agreement for convenience, and for any reason whatsoever, by giving Opportunity 90 days advance notice in writing. Opportunity may terminate this Agreement for convenience, and for any reason whatsoever, by giving NCHC 180 days advance notice in writing.

2.3 *Termination for Cause:* If Opportunity defaults under any terms of this Agreement, or otherwise fails to manage the Operations in accordance with all applicable laws or fails in consistently meeting and/or exceeding commonly accepted industry standards as they relate to resident and client care and safety, NCHC shall give Opportunity notice of default and Opportunity to Cure. Opportunity shall have fifteen (15) days to cure default from receipt of the notice. If Opportunity fails to cure the default within the fifteen (15) day period, NCHC shall have the right to immediate termination of this Agreement.

ARTICLE III: AUTHORITY, DUTIES, and RESPONSIBILITY OF MANAGEMENT COMPANY

3.1 *Compliance With Applicable Laws.* In performance of its duties under the terms of this Agreement, Opportunity shall at all times maintain strict compliance with all applicable local, state, and federal laws, rules, regulations and/or ordinances. This compliance shall include, but is not limited to, strict adherence to requirements of DHS Chapter 83 of the Wisconsin Administrative Code.

3.2 *Licensure Required for Management and Operation of CBRF Facility and Other Programs.* Opportunity, and its employees, agents, and 3rd party affiliates shall at all times possess and maintain in good standing any and all licenses, permits, certifications and/or necessary qualifications required for the management and operation of a CBRF facility and other programs as defined in "Operations."

3.3 *Management of Operations.* Opportunity shall monitor and, on behalf of NCHC, take steps necessary to ensure that all legal requirements are met, compliance guidelines are followed, and that all

licenses and permits that are necessary for the operation of the program and/or facility are not jeopardized, suspended, or revoked as a result of any action, or inaction, of Opportunity.

- 3.4 *Maintenance and Availability of CBRF Resident Records and Program Client Records.* Opportunity shall maintain all records related to the management of Operations and make such records immediately available to NCHC for review or inspection. Opportunity acknowledges and agrees that, for the duration of this Agreement, all records pertaining to Operations belong to NCHC and NCHC shall have ultimate ownership and control with respect to any such documents.
- 3.5. *Maintenance and Availability of Books and Records Relating to Operations and Finances.* Opportunity shall maintain all books and records relating to the Operations and prepare monthly and annual financial statements which Opportunity shall make available to NCHC upon request. In addition, Opportunity shall prepare, keep, and provide to NCHC upon request, access to all contracts, books records, documents, policies, procedures, and any and all other information necessary for the lawful operation and sound management of Operations.
- 3.6 *Procurement of Professional Services.* Opportunity acknowledges and agrees that it is the duty and responsibility of Opportunity to retain, hire, or contract for all services and/or professionals necessary for the operation, billing, accounting, compliance, reporting, and all other professional services in connection with Operations.
- 3.7 *Compliance and Cooperation.* Opportunity acknowledges and agrees that, during the term of this Agreement, Opportunity is operating under NCHC's license and, as such, shall reasonably and meaningfully cooperate, participate, and be responsible for any internal or external matter concerning NCHC or Operations which shall include, but are not limited to, surveys, inspections, investigations, legal or insurance related matters or disputes, and regulatory and/or compliance matters.
- 3.8 *General and Professional Liability Insurance.* During the term of this Agreement, Opportunity shall at all times maintain in full force and effect general and professional liability insurance in the amount as required under applicable Wisconsin laws but in no event less than \$1,000,000.00/\$3,000,000.00 of liability coverage.
- 3.9 *Repairs and Maintenance.* Opportunity shall be responsible for all repairs, maintenance, code compliance, and all other repair or maintenance related matters that are associated with Operations and shall plan, contract for, execute, and provide supervision over, any maintenance and/or repair services rendered for the benefit of Operations.
- 3.10 *Other Costs Associated With Operations.* Opportunity agrees and acknowledges that it is solely responsible for all costs associated with Operations which include, but are not limited to, overhead costs, insurance, taxes, employer contributions, worker's comp insurance, unemployment insurance, and any other cost associated with Operations.

3.11 *Notification to NCHC.* Opportunity acknowledges and agrees that it shall promptly notify NCHC with respect to any developments, incidences, and/or occurrences relating to Operations and that are reasonably likely to have an impact on NCHC.

3.12 *Compliance Plan.* Opportunity shall agree to follow any applicable NCHC Compliance Plan or, in the alternative, submit a proposed Compliance Plan for NCHC's review and approval. NCHC shall ultimately have the final say on Compliance Plan and all compliance related requirements during the term of this Agreement.

ARTICLE IV: BILLING AND COLLECTIONS

4.1 *Billing for Services and Receipts.* Opportunity shall bill 3rd party payors for services rendered under the terms of this Agreement and shall be entitled to all receipts from services billed as consideration for management services provided under this Agreement. Opportunity agrees that it shall follow all applicable state, federal, and other 3rd party payor billing and documentation requirements and shall indemnify and hold NCHC harmless from and against any claim by any governmental entity or 3rd party payor source from any and all claims relating to improper billing, overpayment, violation of the law, or any other impropriety related to service documentation and billing.

4.2 *Collections.* Opportunity shall have sole responsibility for any collection matters associated with Operations and shall bear all financial downsides resulting from any inability to collect payment for services rendered for any reason whatsoever regardless of whether inability to collect results from Opportunity's failure to document and submit claims or from inability to collect.

4.3 *Operating Losses.* Opportunity assumes all potential financial losses and other downsides associated with Operations and shall not be entitled to reimbursement from NCHC for any losses resulting from Operations.

ARTICLE V: LIMITATION ON MANAGEMENT COMPANY AUTHORITY

5.1 *Reducing or Increasing Number of Beds, Program Census, Quality and Type of Services Provided, or any Other Change to Operations Deemed Material to NCHC.* During the term of this Agreement, Opportunity (1) shall not reduce or increase the number of operating and/or licensed or certified beds; (2) shall not reduce or increase census for any program or service as defined under "Operations"; (3) shall not reduce or increase amount or type of programs and/or services currently offered under programs and services defined as "Operation"; and (3) shall not enact or implement any other material changes to "Operations" without first obtaining express written approval of NCHC.

5.2 *Borrowing Money or Incurring Indebtedness.* Opportunity shall not borrow any money or incur indebtedness on behalf of NCHC, although Opportunity may do so on its own behalf assuming the liability for repayment is exclusive to Opportunity.

5.3 *Encumbrance of Government Property and/or Assets.* Opportunity shall not encumber, pledge, or otherwise provide a security interest in any assets of NCHC.

5.4 *Sale and/or Disposition of Government Property.* Opportunity shall not sell or otherwise dispose of any assets or property of NCHC, or any assets or property of another governmental entity having an interest in Operations, without first obtaining express written approval of NCHC.

5.5 *Claims and Judgments.* During the period of this Agreement, Opportunity shall not confess to any claims or judgment, or enter into any settlements in connection with Operations, without first notifying NCHC and obtaining NCHC's express written consent and approval prior to taking any formal action with respect to any claim, judgment, or outstanding liability. Nothing about this Agreement shall entitle Opportunity to consent to the payment of any claims, or admit to any liabilities, on behalf of NCHC.

ARTICLE VI: REPRESENTATIONS AND WARRANTIES OF MANAGEMENT COMPANY

6.1 *Authority.* Opportunity represents and warrants that Opportunity has full power and authority to enter in this Agreement and to carry out its obligations as set forth herein. Opportunity has taken all action required by law, its Articles of Organization, its Operating Agreement, its Board of Directors, or any other action otherwise necessary to authorize the execution of this Agreement and the consummation of the transactions as contemplated herein.

6.2 *No Violations or Pending Investigation.* Opportunity certifies and warrants that it is not currently being investigated by any local, state, and/or federal organization or agency for violation of any rules, regulations, or statutes relating to any of its operations.

6.3 *Employees and Employee Related Matters.* With respect to Operations, Opportunity is the employer and has complied with all legal requirement relating to the recruitment and hiring of employees and employment of labor including, but not limited to, Family Medical Leave Act, Fair Labor Standards Act, and all laws governing occupational health and safety.

6.4 *Certification Regarding Suspension or Debarment.* Opportunity certifies that, as of the date of this Agreement, that neither Opportunity, nor its contractors and/or principles which include, but are not limited to, officers, directors, owners, or partners, are presently debarred, suspended, proposed for debarment, or otherwise declared ineligible or excluded from participation in any federal programs, or any programs supported in whole or in part through federal pass through funds.

6.5 *Nondiscrimination.* Opportunity certifies and warrants that, in the performance of its duties and obligations under this Agreement, it will not discriminate, exclude, or treat people differently on the basis of race, color, national origin, age, disability, sex (including pregnancy, sexual orientation, and gender identity), religion, or filing of a prior civil rights complaint. This nondiscrimination requirement shall apply to employees, contractors, patients, and any other entity or individual engaged with Opportunity in the performance of its duties and obligations as set forth in this Agreement.

6.6 *Caregiver Background Checks.* Opportunity shall conduct caregiver background checks at its own expense of all employees assigned to Operations under this contract if such employee has actual, direct contact with the consumers or their funds. Opportunity shall retain in its Personnel Files all pertinent information, to include a Background Information Disclosure Form and/or search results from the Department of Justice, the Department of Health Services, Department of Children and Families, and the Department of Safety and Professional Services, as well as out-of-state records, tribal court proceedings and military records, if applicable. After the initial background check, Opportunity must conduct a new caregiver background search every four years, (or more frequently for some provider types), or at any time within that period when Opportunity has reason to believe a new check should be obtained.

6.7 *HIPAA Compliance and Training.* Opportunity represents and warrants that it will apply with all applicable HIPAA and other privacy laws related to resident information and shall take adequate measures to ensure the continued protection and confidentiality of that information. In addition, Opportunity represents and warrants that it has a HIPAA training program in place and that all its employees who will be participating in Operations are adequately trained on HIPAA confidentiality requirements.

ARTICLE VII: INDEMNITY AND HOLD HARMLESS

7.1 *Indemnification and Hold Harmless.* In addition to any other remedy or indemnification provision contained herein, Opportunity agrees to indemnify and hold harmless NCHC against and with respect to any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, deficiencies, including interest, penalties, and reasonable attorneys' fees and expenses, cost of litigation and cost of investigation resulting from (a) breach of representation or warranty contained in Article V, VI, or any other provision of this Agreement; (b) gross negligence or willful misconduct of Opportunity in exercising its duties and responsibilities hereunder; (c) Opportunity's uncured breach of any provision of this agreement; (d) any liability or breach arising out of or resulting from management of Operations at any time during the term of this Agreement, including without limitation, any and all liabilities which relate to events occurring during the Term, except for those caused by or arising out of the gross negligence or willful misconduct of NCHC; (e) any other liability, including liability for repayment of funds or penalties to any governmental entity or organization, resulting from Opportunity's management of Operations.

ARTICLE VIII: ACCESS TO AND USE OF OPERATIONS

8.1 *Access.* During the term of this Agreement, NCHC shall have complete and unhindered access to Operations to the extent such access is necessary to perform its obligation under this Agreement, maintain compliance with any local, state, and/or federal law, or otherwise engage in any legitimate operational, compliance, regulatory, or legal function.

8.2 *Limitation on Use.* Opportunity shall use the employees, premises, assets, or any other items or property relating to Operations exclusively for the management of NCHC's Operations and for no

other reason whatsoever unless Opportunity first obtains express written consent of NCHC for any additional use not contemplated under this Agreement.

8.3 *NCHC's Right to Access and Inspection.* Notwithstanding any other provision of this Agreement to the contrary, NCHC, its employees, agents, and/or contractors shall have complete and unhindered access to Operations at all times and have the right to frequent and inspect the premises at any time and without notice to Opportunity.

ARTICLE IX: REMEDIES AND DEFAULT

9.1 *Default.* The breach of, or inability to meet or maintain compliance with, any provision of this Agreement shall constitute an event of default.

9.2 *Remedy on Default.* In addition to any other remedy under this Agreement, in the event of default, the non-defaulting party shall have the right to pursue any one or more of the following courses of action (a) termination of this Agreement; (b) right to institute any and all proceeding permitted by law or in equity, including, but not limited to, actions for injunction, specific performance, and/or damages.

ARTICLE X: PROHIBITION AGAINST ASSIGNMENT

10.1 *Prohibition on Assignment.* No Party shall have the right to assign this Agreement, or any portion thereof, to any third party without the express written consent of the other Party. Assignment by either Party of its interest in this Agreement shall not relieve the Party from its obligations under this Agreement and it shall remain liable to the non-assigning Party for any action, breach, omission, or default of the assignee.

ARTICLE XI: MISCELLANEOUS PROVISIONS

11.1 *Binding Agreement.* This Agreement has been executed by the Parties hereto of their own free will, without any coercion or undue influence and shall be valid and legally binding on both parties from the date above written. Both Parties consider this Agreement to be absolutely fair and as being in their respective best interest.

11.2 *Notices.* All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given on the date delivered.

If to NCHC: Attn: Gary D. Olsen, 2400 Marshall St, Suite A, Wausau, Wisconsin 54403

If to Opportunity: Attn: Sara Satterfield, 388 River Drive, Wausau, Wisconsin 54403

11.3 *Entire Agreement.* This Agreement, together with other writings signed by the parties which are expressly mentioned herein or stated to be supplemental hereto, constitutes the entire agreement between the parties and supersedes all prior understandings and writings and may be changed only by a writing signed by both parties hereto.

11.4 *Governing Law, Jurisdiction, and Venue.* This contract will be interpreted under and governed by the laws of the State of Wisconsin. Both Parties agree to consent to the jurisdiction of Wisconsin federal and state Courts and further agree that sole and exclusive venue for any dispute arising out of this Agreement shall be in Circuit Court of Marathon County, Wisconsin.

11.5 *Severability.* The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

11.6 *Waiver.* No failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy.

11.7 *Construction.* Parties mutually acknowledge that they, and their attorneys to the extent that party elected to consult an attorney, have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

11.8 *Counterparts.* This Amendment may be executed in multiple counterparts, each of which is to be deemed original for all purposes, but all of which together shall constitute one and the same instrument. Signatures to this Amendment transmitted by facsimile or via electronic mail (by pdf or similar file types) shall be valid and effective to bind the party so signing.

NORTH CENTRAL HEALTH CARE

Gary D. Olsen, Executive Director

Date

OPPORTUNITY INC.

Sara Satterfield, Executive Director

Date

CBRF, ADS, and SUPPORTIVE APARTMENT OPERATIONS TRANSFER AGREEMENT

This Operations Transfer Agreement (“Agreement”) is made and entered into on November 1, 2023 (the “Execution Date”) by and among North Central Health Care (“NCHC” or “Transferor”), a governmental entity, and Opportunity Inc. (“Opportunity” or “Transferee”), a nonprofit corporation, collectively referred to as the “Parties”, for the transfer of CBRF, ADS, and Supportive Apartment operations (collectively referred to as “Operations”).

WHEREAS, NCHC operates CBRF (“Community-Based Residential Facility”), ADS (“Adult Day Services”) and Supportive Apartment programs in Wausau, Wisconsin; and

WHEREAS, Opportunity specializes in programs that provide support services to individuals with disabilities; **and**

WHEREAS, NCHC wishes to transfer to Opportunity, and Opportunity wishes to assume, NCHC’s ADS, CBRF, and Supportive Apartment operations.

NOW, THEREFORE, in consideration of the forgoing recitals, the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, NCHC and Opportunity agree as follows:

1. Binding and Effective Date

The “Binding” date of this agreement shall be November 1, 2023. Because Opportunity is still in the process of obtaining appropriate licenses to assume the Operations, the “Effective Date” of the transfer shall be seven (7) days from the date Wisconsin Department of Health Services (“DHS”) issues all appropriate licenses and certifications to Opportunity that are necessary and required in order for Opportunity to assume ownership of Operations. Although licenses and certifications contemplated herein are only required for CBRFs, NCHC is transferring all Operations simultaneously and, therefore, prior to the transfer “Effective Date”, Opportunity must be able to assume ownership of all Operations simultaneously.

2. Notice of License and Certifications

Opportunity shall notify NCHC immediately after obtaining necessary licenses and/or certifications necessary to assume Operations so that NCHC can send out all appropriate notices to its consumers, their guardians, and managed care organizations, and in order to otherwise effectuate a successful transfer of Operations to Opportunity within seven (7) days of Opportunity obtaining appropriate licenses and/or certifications.

3. Assets Transferred

- All NCHC's CBRF Operations located at the following addresses:
 - o 9205 Andrea St, Scofield, WI 54476 ("Andrea Street CBRF")
 - o 5006 Chadwick St, Schofield, WI 54476 ("Chadwick Street CBRF")
 - o 5010 Heather St, Schofield, WI 54476 ("Heather Street CBRF")
- All NCHC's ADS Operations located in Wausau, Wisconsin.
- All NCHC's Supportive Apartments Operations located at the following addresses:
 - o 3102 Jelinek Avenue, Schofield, WI 54476 ("Jelinek 1 Supportive Apartments")
 - o 3104 Jelinek Avenue, Schofield, WI 54476 ("Jelinek 2 Supportive Apartments")
 - o 500 Grand Avenue, Wausau, WI 54403 ("Riverview Towers Supportive Apartments")
 - o 540 East Thomas St, Wausau, WI 54403 ("Riverview Terrace Supportive Apartments")
- All movable personal property located at the above-described programs of operation, except computers, printers, or any other technological equipment which NCHC shall remove prior to the "Effective Date" of the Agreement.
- All other programs, operations, or property that is not specifically included herein shall be excluded from the Agreement.

4. Records

All records created in the course of operations prior to the "Effective Date" shall constitute records belonging to NCHC and Opportunity shall cooperate with NCHC to provide those records to NCHC. All records created in the course of operations after the "Effective Date" shall constitute records belonging to Opportunity.

5. Taxes

NCHC, by virtue of being a governmental entity, and Opportunity, by virtue of being incorporated under s. 501(c)(3) of the Internal Revenue Code, both have tax-exempt status.

The Parties further acknowledge that either Party's failure to maintain tax-exempt status may result in a tax liability to that Party. The Parties agree to cooperate in good faith to address any tax matters that may arise as a result of this Agreement. This cooperation may include, but is not limited to, providing information, documentation, and assistance as required to resolve any tax issues. The Parties agree to consult with tax professionals or legal counsel as necessary to ensure compliance with all applicable tax laws and regulations.

6. Assumption of Operations and Assumed Liabilities

Commencing on the "Effective Date," Opportunity agrees to fully assume all Operations, and assume all liabilities arising from Operations, which shall include, but are not limited to, existing financial and custodial obligations, losses, or any other obligation or liability incurred.

In addition, Opportunity agrees to assume all liabilities arising from its management of operations that are incurred between the Binding Date and the Effective Date of this Agreement.

7. Assignment

NCHC shall cooperate with Opportunity in assigning to Opportunity its rights under any lease or other agreement. Opportunity acknowledges that each lease or other agreement may have provisions requiring that consents be obtained and NCHC will work diligently with those counterparties to obtain those consents to assignment. However, Opportunity understands and acknowledges that this may not always be possible with every lease or agreement where consent is withheld by the counterparty and, in those circumstances, Opportunity shall contract independently with the counterparty to enter into a separate lease or other agreement.

8. Closing Costs

Each Party shall be liable for its own closing costs which shall include, but are not limited to, attorney's fees incurred by either party.

9. Closing

The Closing Date, which shall also serve as cutoff date for any due diligence or other inspections, shall be November 1, 2023.

10. Employees

All current NCHC employees as of the Binding Date employed in positions that will cease to operate under NCHC shall be offered job positions by Opportunity. Employees who consent to transfer of employment to Opportunity shall commence employment with Opportunity on November 1, 2023.

11. Health Care Coverage

For those employees who accept employment with Opportunity, NCHC shall cover health insurance from November 1, 2023, until December 31, 2023, at which time employees will become eligible for Opportunity benefits. NCHC shall only be obligated to pay for employee benefits until December 31, 2023, or the date on which the employee terminates employment with Opportunity, whichever comes first.

12. Paid Time Off (“PTO”) and other accrued benefits

NCHC shall pay out all PTO and other accrued benefits that were vested on or before October 31, 2023. Opportunity shall be responsible for PTO and any other benefits for transferred employees that vest on or after November 1, 2023, with the exception of health care coverage as described in Paragraph 11 above.

13. Revenue and Expenses

Commencing on November 1, 2023, Opportunity shall be entitled to all revenue derived from management of Operations and, subsequently, all revenue derived after the transfer of Operations to Opportunity. Likewise, Opportunity shall be liable for all expenses incurred after November 1, 2023, and resulting from either the management of Operations or assumption of ownership of Operations.

14. Accounts Receivable

All accounts receivable that are in existence, become due, or remain unpaid as of November 1, 2023, hereinafter referred to as the "Pre-Transfer Accounts Receivable," shall be the exclusive property of NCHC, and NCHC shall have the sole right to collect, manage, and realize on the Pre-Transfer Accounts Receivable.

All accounts receivable that are generated or incurred after November 1, 2023, hereinafter referred to as the “Post-Transfer Accounts Receivable” shall be exclusive property of Opportunity, and Opportunity shall have the sole right to collect, manage, and realize on the Post-Transfer Accounts Receivable.

15. Indemnity and Hold Harmless

Each Party agrees indemnify and harmless the other Party, their employees, affiliates and/or agents, from any claims, losses, liabilities, damages, expenses, and costs (including reasonable attorney's fees) arising out of acts, omissions, breach, or negligence related to the other Party's management, operation and/or ownership of Operations. This indemnification and hold harmless obligation shall apply to actions or omissions occurring both before and after the Effective Date of this Agreement. Notwithstanding the foregoing, one Party shall not be liable to the other if the claims brought are a result of the negligence of the Party wishing to invoke the indemnity.

16. Applicable Law, Jurisdiction and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin, without regard to conflicts of law rules or principles. Any legal action, suit, or proceeding arising out of or relating to this Agreement shall be instituted exclusively in the state courts located within the State of Wisconsin and the Parties irrevocably submit to the personal jurisdiction of such courts. The Parties hereby waive any objection to such courts being an inconvenient forum and any claim that such courts do not have jurisdiction over them. Additionally, the Parties agree that sole and exclusive venue shall be in Circuit Court of Marathon County located in Wausau, Wisconsin.

17. Waiver of Trial by Jury

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, PARTIES HEREBY IRREVOCABLY AND EXPRESSLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY DOCUMENT OR TRANSACTION DOCUMENTER HEREIN OR THAT IS GERMANE TO THIS AGREEMENT.

18. Waiver of Rule of Construction

Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the **rule of construction** that any ambiguity in this Agreement shall be construed against the drafting Party shall not apply.

19. Severability

If any part, term or provision of this Agreement is held to be illegal, in conflict with any law or otherwise invalid, the remaining portion or portions shall be considered severable and not be affected by such determination, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provisions held to be illegal or invalid.

20. Entire Agreement

This Agreement, in conjunction with the Parties' agreement for the management of operations, constitutes the **entire agreement** of the parties hereto and supersedes all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter hereof.

NORTH CENTRAL HEALTH CARE

Gary D. Olsen, Executive Director

Date

OPPORTUNITY INC.

Sara Satterfield, Executive Director

Date