

M E M O R A N D U M

TO: NRHI Finance Committee
FROM: Michael Wilson, VP Finance & Operations
CC: Elizabeth Mitchell, CEO
RE: Year-end Financial Reports
DATE: January 26, 2015

Please find attached the agenda for the January 28th meeting. Also attached are the Balance Sheet as of December 31, 2014, and the Profit and Loss Statement for the Calendar Year Ended December 31, 2014. We still are working on year-end tasks, so those reports could change.

With this caveat in mind, also attached for your review is a 2014 Calendar Year-end – High Level Dashboard Observations. That dashboard synthesizes at a high-level highlights of 2014 calendar year-end performance.

We normally would suggest splitting the net income for the year (\$11K) between cash reserves and staffing. However, as you will see from the balance sheet, we have a deficit Retained Earnings of almost \$40K from last year. The 2014 net income thus will be absorbed by that deficit entirely and thereby reduce it.

Please let us know if you have any questions. We look forward to talking with you on January 28.

Network for Regional Healthcare Improvement

Balance Sheet

As of December 31, 2014

(Unaudited)

Assets

Current Assets

Cash and Cash Equivalents

1000 - Operating Account - Key Bank 39,609

1030 - Operating Account - Restricted 788,109

Total Cash and Cash Equivalents 827,718

Other Current Assets

1200 - Accounts Receivable 188,700

1400 - Prepaid Expenses 6,366

Total Other Current Assets 195,066

Total Current Assets 1,022,784

Fixed Assets, Net

Fixed Assets

1600 - Furniture & Fixtures 5,895

1610 - Office Equipment 7,031

1620 - Software 54

Total Fixed Assets 12,980

Total Fixed Assets, Net 12,980

Other Assets

Deposits and Prepayments

1500 - Security Deposits 1,875

Total Deposits and Prepayments 1,875

Total Other Assets 1,875

Total Assets \$ 1,037,639

Liabilities and Equity

Liabilities

Current Liabilities

Accounts Payable

2000 - Accounts Payable 16,373

Total Accounts Payable 16,373

Network for Regional Healthcare Improvement

Balance Sheet

As of December 31, 2014

(Unaudited)

Accrued Liabilities	
2200 - Accrued Expenses Payable	6,120
Total Accrued Liabilities	<u>6,120</u>
Deferred Revenue	
2900 - Deferred Membership Dues	220,550
2910 - Deferred Grants	823,110
Total Deferred Revenue	<u>1,043,660</u>
Total Current Liabilities	<u>1,066,153</u>
Total Liabilities	<u>1,066,153</u>
Stockholders Equity	
Retained Earnings	
3000 - Retained Earnings/Net Assets	(39,506)
Total Retained Earnings	<u>(39,506)</u>
Net Income (Loss)	10,992
Total Stockholders Equity	<u>(28,514)</u>
Total Liabilities and Equity	<u>\$ 1,037,639</u>

Network for Regional Healthcare Improvement
Profit and Loss Statement - Budget to Actual (Unaudited)
For the Year Ended December 31, 2014

Account No. and Name	Year Ending 12/31/2014 Original Budget	Year To Date 12/31/2014 Actual	Remaining Budget	Year To Date 12/31/2014 % Earned/Spent
Revenue				
Membership & Program Fees				
4000 - Membership Dues	213,500	215,275	(1,775)	100.8 %
4500 - Program Fees	20,000	16,155	3,845	80.8 %
Total Membership & Program Fees	233,500	231,430	2,070	99.1 %
Grants				
4200 - Foundation/Trust Grants	3,125,369	4,147,069	(1,021,700)	132.7 %
Total Grants	3,125,369	4,147,069	(1,021,700)	132.7 %
Other Revenue				
4600 - Other Services Income	147,990	0	147,990	0.0 %
4700 - Other Income	0	3,921	(3,921)	0.0 %
4710 - Reimbursed Expenses	24,000	1,770	22,230	7.4 %
Total Other Revenue	171,990	5,691	166,299	3.3 %
Total Revenue	3,530,859	4,384,190	(853,331)	124.2 %
Expenses				
Payroll Expenses				
6000 - Salaries & Wages	1,404,907	958,551	446,356	68.2 %
6005 - In-Kind Salaries	0	39,922	(39,922)	0.0 %
6010 - Payroll Taxes	0	62,569	(62,569)	0.0 %
6015 - In-Kind Payroll Taxes	0	1,814	(1,814)	0.0 %
6020 - 403(b) Plan Contributions	0	4,604	(4,604)	0.0 %
6030 - Employee Insurance Benefits	0	56,738	(56,738)	0.0 %
6035 - In-Kind Employee Insurance Benefits	0	584	(584)	0.0 %
6040 - Other Personnel Expense	0	1,274	(1,274)	0.0 %
Total Payroll Expenses	1,404,907	1,126,056	278,851	80.2 %
Contracted Services				
6100 - Consultant Fees	300,433	310,826	(10,393)	103.5 %
6200 - Outside Services	993,546	970,881	22,665	97.7 %
6310 - Grant & Contract Expense	0	1,610,411	(1,610,411)	0.0 %
Total Contracted Services	1,293,979	2,892,118	(1,598,139)	223.5 %
Professional Fees				
6120 - Accounting Fees	0	51,876	(51,876)	0.0 %
6130 - Legal Fees	61,111	19,759	41,352	32.3 %
6140 - Other Professional Fees	0	34,567	(34,567)	0.0 %
Total Professional Fees	61,111	106,202	(45,091)	173.8 %
Occupancy Expenses				
6600 - Rent, Parking, & Utilities	48,663	42,832	5,831	88.0 %
6610 - Other Occupancy Expense	0	4,745	(4,745)	0.0 %
Total Occupancy Expenses	48,663	47,577	1,086	97.8 %
General and Administrative Expenses				
6300 - Gifts & Awards	0	51	(51)	0.0 %

Network for Regional Healthcare Improvement
Profit and Loss Statement - Budget to Actual (Unaudited)
For the Year Ended December 31, 2014

Account No. and Name	Year Ending	Year To Date		Year To Date
	12/31/2014	12/31/2014	Remaining Budget	12/31/2014
	Original Budget	Actual		% Earned/Spent
6400 - Books, Subscriptions, & Reference	0	1,260	(1,261)	0.0 %
6410 - Dues Expense	5,000	1,050	3,950	21.0 %
6500 - Supplies	12,968	7,885	5,084	60.8 %
6510 - Postage, Shipping, & Delivery	750	869	(118)	115.8 %
6520 - Printing & Copying	1,944	287	1,657	14.8 %
6530 - Telephone & Telecommunications	4,922	13,830	(8,908)	281.0 %
6700 - Insurance Expense - Non-employee	0	7,654	(7,655)	0.0 %
6800 - Equipment Rental & Maintenance	2,334	3,628	(1,294)	155.5 %
6810 - IT & Computer Support	33,000	9,635	23,365	29.2 %
6820 - Furniture & Fixtures Expense	7,500	10,089	(2,589)	134.5 %
6830 - Office Equipment Expense	14,250	6,677	7,572	46.9 %
6840 - Software Expense	1,389	299	1,090	21.5 %
6900 - Conferences, Conventions, & Meetings Expense	68,037	61,480	6,558	90.4 %
6910 - Travel Expense	174,711	54,336	120,375	31.1 %
6920 - Meals & Entertainment	20,178	4,426	15,752	21.9 %
7000 - Miscellaneous Expense	0	4,799	(4,799)	0.0 %
7100 - Other Program Expenses	25,000	0	25,000	0.0 %
7500 - Advertising & Marketing Expense	8,191	12,977	(4,786)	158.4 %
7800 - Bank Charges	0	13	(12)	0.0 %
8000 - Program Administration Allocations	339,716	0	339,716	0.0 %
Total General and Administrative Expenses	719,890	201,245	518,646	28.0 %
Total Expenses	3,528,550	4,373,198	(844,647)	123.9 %
Net Income (Loss)	\$ 2,309	\$ 10,992	\$ (8,684)	476.1 %