

BROADLAWNS MEDICAL CENTER
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2021 AND 2020



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**BROADLAWNS MEDICAL CENTER
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Broadlawns Medical Center
Des Moines, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of Broadlawns Medical Center (Medical Center), and Broadlawns Medical Center Foundation (Foundation), a discretely presented component unit, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise Broadlawns Medical Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Broadlawns Medical Center and its discretely presented component unit, Broadlawns Medical Center Foundation, as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 – 13 and the required supplementary information as listed in the table of contents, on pages 49 – 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for that portion marked "unaudited," has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it. In our opinion, except for that portion marked "unaudited", the information is fairly stated in all material respects in relation to the financial statements as a whole.

Board of Trustees
Broadlawns Medical Center

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021, on our consideration of Broadlawns Medical Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Broadlawns Medical Center's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Des Moines, Iowa
November 10, 2021

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020**

Introduction

This section of the Broadlawns Medical Center (Medical Center) annual financial report presents management's discussion and analysis of the Medical Center's financial performance during the years ended June 30, 2021 and 2020. The purpose is to provide an objective analysis of the financial activities of the Medical Center based on currently known facts, decisions, and conditions. Please read it in conjunction with the Medical Center's basic financial statements and the notes to basic financial statements.

Overview of the Financial Statements

This annual report consists of two parts - management's discussion and analysis and the basic financial statements.

Required Financial Statements

The statement of net position, which is also referred to as the balance sheet, offers short-term and long-term financial information about the Medical Center's activities. The balance sheet includes all of the Medical Center's assets, liabilities, deferred outflows and deferred inflows and provides information about the nature and amounts of investments in resources (assets) and the obligations to Medical Center creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Medical Center and assessing the liquidity and financial flexibility of the Medical Center. All of the current year's revenue and expenses are accounted for in the statement of revenue, expenses, and changes in net position. This statement measures the results from the Medical Center's operations over the past year and can be used to determine whether the Medical Center has been able to recover all of its costs through its patient service revenue and other revenue sources. The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide answers to such questions as, "Where did cash come from?" "What was cash used for?" and "What was the change in cash balance during the reporting period?"

Financial Analysis of the Medical Center

The statement of net position and the statement of revenue, expenses, and changes in net position report information about the Medical Center's activities. These two statements report the net position of the Medical Center and changes in them. Increases or decreases in the Medical Center's net position are one indication of whether its financial health is improving or deteriorating. However, other nonfinancial factors such as changes in the health care industry, changes in Medicare and Medicaid regulations and changes in managed care contracting should be considered.

Management's discussion and analysis of Broadlawns Medical Center's financial performance provides an overview of the Medical Center's financial activities for the fiscal years ended June 30, 2021, 2020, and 2019.

Organization

Broadlawns Medical Center is organized under Chapter 347 of the Iowa Code, not subject to taxes on income or property. The Medical Center is a county public hospital and receives tax support from the property tax levy. A seven-member elected Board of Trustees has the responsibility for overseeing Medical Center operations.

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020**

Organization (Continued)

Broadlawns Medical Center Foundation (Foundation) is a legally separate, tax exempt, discretely presented component unit of Broadlawns Medical Center. The Foundation was formed to, among other things, raise funds for the general welfare, maintenance, and improvement of the Medical Center. The Board of the Foundation is self-perpetuating and consists of citizens of Polk County. Although the Medical Center does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds are contributed to the Medical Center. Because these resources held by the Foundation have historically been for the benefit of the Medical Center, the Foundation is considered a component unit of the Medical Center and is discretely presented in the Medical Center's financial statements. Complete financial statements for the Foundation can be obtained from Karl Vilums, Broadlawns Medical Center, 1801 Hickman Road, Des Moines, Iowa 50314.

Financial Highlights

- For the year the Medical Center's change in net position is \$15,214,780 which is an increase of \$2,006,716 from last fiscal year, which ended with a change in net position of \$13,208,064.
- Total operating expenses for the current fiscal year were \$15,544,082 more than last fiscal year.
- Total operating revenue for the year was \$150,441,739, which is an increase of \$16,416,202.
- Net nonoperating revenue, which includes revenue from the property tax levy, increased \$526,415.
- During the fiscal year, the Medical Center made capital investments totaling \$13,236,970. Capital investments were more than depreciation expense of \$8,495,483 by \$4,589,945. The following is a list of significant purchases and improvements placed in service during the fiscal year:

Capital Investments	Vendor	Department	Amount
Sands Addition	Various	Various	\$ 30,021,203
Lab Remodel	Various	Various	2,401,914
Buildout Shell Space - Medical Plaza	Various	Medical Education Psych	899,326
Rauland R5 Nurse Call Upgrade	Communications Engineering Company	Various	313,105
7 G5 Ventilators	Hamilton Medical	Respiratory	240,851

The source of funding of these projects is derived from operations and donations.

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020**

Net Position

June 30, 2021: Total current assets are \$251,550,948, which is \$41,637,407 more than last year. The difference is mainly due to an increase in cash and cash equivalents of \$27,650,342, an increase in restricted short-term investments of \$20,234,247; an increase receivables from Federal grants of \$1,222,297; offset by a decrease in short-term investments of \$3,892,474; and a decrease in due from third-party payors of \$3,369,066. Total noncurrent assets are \$114,404,634, which is \$17,604,887, less than last year. The decrease resulted mainly from a decrease in noncurrent cash and investments of \$22,194,832; a decrease in construction in progress and other nondepreciable capital assets of \$22,355,428 and an increase in depreciable net capital assets of \$26,945,373.

Deferred outflows related to pension are \$21,433,661 which is \$1,661,233 more than last year. Deferred outflows related to postemployment benefits are \$1,198,784, which is \$1,174,342 more than last year. Deferred outflows relate to the adoption of GASB Statement Nos. 68, 71, and 75 and are discussed in Notes 6 and 9.

Total current liabilities of \$21,598,258 are \$1,256,133 more than last fiscal year. The change is mainly due to an increase in accounts payable and other accrued expenses of \$1,262,190. Noncurrent liabilities of \$78,975,490 are \$17,445,734 more than last fiscal year. The increase is due to an increase in other postemployment benefits of \$1,309,395; an increase in accrued claims on self-insurance less current portion of \$2,036,740; and an increase in net pension liability of \$14,099,599.

Deferred inflow of resources totaled \$70,767,602, which is \$7,048,552 less than last fiscal year. The portion that relates to pension due to GASB Statement Nos. 68 and 71 described In Note 6, is \$1,704,384 which is \$6,887,272 less than last year.

Net position totaled \$217,246,677, which is \$15,214,780 more than last fiscal year.

June 30, 2020: Total current assets are \$209,913,541, which is \$5,963,806 more than last year. The difference is mainly due to an increase in cash and cash equivalents of \$11,176,439, an increase in restricted cash and cash equivalents of \$2,043,614; an increase in succeeding year property taxes of \$2,669,356; offset by a decrease in short-term investments of \$6,075,018; a decrease in patient receivables net of \$350,541; and a decrease in due from third-party payors of \$3,552,563. Total noncurrent assets are \$132,009,521, which is \$15,448,386, more than last year. The increase resulted mainly from an increase in noncurrent cash and investments of \$646,712 and an increase in construction in progress of \$14,849,072.

Deferred outflows related to pension are \$19,772,428 which is \$2,743,167 less than last year. Deferred outflows related to postemployment benefits are \$24,442, which is \$1,963 less than last year. Deferred outflows relate to the adoption of GASB Statement Nos. 68, 71, and 75 and are discussed in Notes 6 and 9.

Total current liabilities of \$20,342,125 are \$216,550 more than last fiscal year. The change is mainly due to an increase in accrued employee compensation and payroll tax of \$2,349,392 and a decrease in due to third party payors of \$1,675,481. Noncurrent liabilities of \$61,529,756 are \$3,021,048 less than last fiscal year. The decrease is primarily due to a decrease in net pension liability of \$2,916,749.

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020**

Net Position (Continued)

Deferred inflow of resources totaled \$77,816,154; \$68,631,449 relates to revenue for the succeeding year's property taxes which is \$2,669,356 more than last fiscal year. The portion that relates to pension due to GASB Statement Nos. 68 and 71 described in Note 6, is \$8,591,656 which is \$5,550,881 more than last year.

Net position totaled \$202,031,897, which is \$13,208,064 more than last fiscal year.

A summary of the Medical Center's statements of net position are presented in Table 1 below:

Table 1: Condensed Statements of Net Position

	June 30,		
	2021	2020	2019
Total Current Assets	\$ 251,550,948	\$ 209,913,541	\$ 203,949,735
Capital Assets, Net	105,603,509	101,013,564	86,211,890
Other Assets	8,801,125	30,995,957	30,349,245
Total Assets	<u>365,955,582</u>	<u>341,923,062</u>	<u>320,510,870</u>
Deferred Outflows	<u>22,632,445</u>	<u>19,796,870</u>	<u>22,542,000</u>
Total Assets and Deferred Outflows	<u>\$ 388,588,027</u>	<u>\$ 361,719,932</u>	<u>\$ 343,052,870</u>
Current Liabilities	\$ 21,598,258	\$ 20,342,125	\$ 20,125,575
Long-Term Debt Outstanding and Other Long-Term Liabilities	<u>78,975,490</u>	<u>61,529,756</u>	<u>64,550,804</u>
Total Liabilities	<u>100,573,748</u>	<u>81,871,881</u>	<u>84,676,379</u>
Deferred Inflows:			
Related to Pension	1,704,384	8,591,656	3,040,775
Related to Postemployment Benefits	544,169	593,049	549,790
Revenue for Succeeding Year Property Taxes	<u>68,519,049</u>	<u>68,631,449</u>	<u>65,962,093</u>
Total Deferred Inflows	<u>70,767,602</u>	<u>77,816,154</u>	<u>69,552,658</u>
Net Investment in Capital Assets	105,443,712	100,070,090	85,545,464
Restricted	190,702	5,814,845	6,703,079
Unrestricted	<u>111,612,263</u>	<u>96,146,962</u>	<u>96,575,290</u>
Total Net Position	<u>217,246,677</u>	<u>202,031,897</u>	<u>188,823,833</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 388,588,027</u>	<u>\$ 361,719,932</u>	<u>\$ 343,052,870</u>

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020**

Summary of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2021: Net patient revenue is \$142,435,816, which is \$16,272,812 or 12.9% more than last fiscal year. Grants and contract revenue is \$4,252,356 which is \$521,482 more than last fiscal year. Other revenue is \$3,753,567, which is \$378,092 less than last year. Salaries increased \$2,988,274 or 3.2% due mainly to the annual cost of living rate increase. Pension expense increased \$361,042 or 2.8% (see Note 6). Employee benefits excluding pension expense increased \$2,582,445 or 15.0% due mainly to an increase in health insurance claims. Physician fees and outside services increased \$1,150,367 or 20.7% due to increased procedures and services provided. Supplies and other expenses increased \$7,308,619 or 13.0% due mainly to the increase in procedures and services provided. Property tax revenue is \$73,224,440, which is \$3,931,557 more than last fiscal year. Noncapital grants and contributions is \$1,150,801, which is \$1,545,932 less than last fiscal year.

Year Ended June 30, 2020: Net patient revenue is \$126,163,004, which is \$3,480,145 or 2.8% more than last fiscal year. Grants and contract revenue is \$3,730,874 which is \$354,943 more than last fiscal year. Other revenue is \$4,131,659, which is \$921,367 more than last year. Salaries increased \$6,574,822 or 7.6% due to the annual cost of living rate increase and a 3.8% increase in FTEs. Pension expense increased \$2,632,563 or 25.2% (see Note 6). Employee benefits excluding pension expense decreased \$849,404 or 4.7% due mainly to a decrease in health insurance claims. Physician fees and outside services increased \$806,222 or 16.9% due to increased procedures and services provided. Supplies and other expenses increased \$357,868 or 0.6% due mainly to an increase in the cost of supplies. Property tax revenue is \$69,292,883, which is \$2,275,963 more than last fiscal year. Noncapital grants and contributions is \$2,696,733, which is \$2,634,601 more than last fiscal year.

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020**

Summary of Revenue, Expenses, and Changes in Net Position (Continued)

The following table presents a summary of the Medical Center's revenue, expenses, and changes in net position for the fiscal years ended June 30, 2021, 2020 and 2019.

Table 2: Revenue, Expenses, and Changes in Net Position

	Year Ended June 30,		
	2021	2020	2019
Revenue:			
Net Patient Service Revenue	\$ 142,435,816	\$ 126,163,004	\$ 122,682,859
Grants and Contracts	4,252,356	3,730,874	3,375,931
Other	3,753,567	4,131,659	3,210,292
Total Operating Revenue	<u>150,441,739</u>	<u>134,025,537</u>	<u>129,269,082</u>
Expenses:			
Salaries and Employee Benefits	129,519,747	123,587,986	115,230,005
Supplies and Other Expenses	63,679,583	56,370,964	56,013,096
Physician Fees and Outside Services	6,713,896	5,563,529	4,757,307
Depreciation and Amortization	8,495,483	7,342,148	6,845,855
Operating Expenses	<u>208,408,709</u>	<u>192,864,627</u>	<u>182,846,263</u>
Operating Loss	(57,966,970)	(58,839,090)	(53,577,181)
Nonoperating Revenue, Net	72,464,960	71,938,545	67,430,506
Capital Contributions	716,790	108,609	137,689
Increase in Net Position	<u>\$ 15,214,780</u>	<u>\$ 13,208,064</u>	<u>\$ 13,991,014</u>
Total Revenue	<u>\$ 223,645,355</u>	<u>\$ 208,874,485</u>	<u>\$ 199,638,213</u>
Total Expenses	<u>\$ 208,430,575</u>	<u>\$ 192,866,421</u>	<u>\$ 182,847,199</u>

Patient and Medical Center Statistical Data

Year Ended June 30, 2021: Acute admissions of 2,992 patients for the current fiscal year are 266 more than last fiscal year. Average length of stay for acute patients is 4.8 days, which is 0.5 days more than last fiscal year. Average length of stay for mental health patients is 13.8 days, which is 1.0 day less than last fiscal year. Acute patient days of 24,032 days for the current fiscal year is 1,530 days more than last fiscal year.

Emergency department visits of 19,606 for the current year is 2,501 visits less than last fiscal year. Clinic visits of 242,931 for current year is 17,369 visits more than last fiscal year.

Year Ended June 30, 2020: Acute admissions of 2,726 patients for the current fiscal year are 8 less than last fiscal year. Average length of stay for acute patients is 4.3 days, which is 0.2 days more than last fiscal year. Average length of stay for mental health patients is 14.8 days, which is consistent with last fiscal year. Acute patient days of 22,502 days for the current fiscal year is 244 days more than last fiscal year.

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020**

Patient and Medical Center Statistical Data (Continued)

Emergency room visits of 22,107 for the current year is 1,633 visits less than last fiscal year. Clinic visits of 225,562 for current year is 9,290 visits less than last fiscal year.

Table 3: Patient and Medical Center Statistical Data

	Year Ended June 30,		
	2021	2020	2019
Acute Patient Days	24,032	22,502	22,258
Acute Admissions	2,992	2,726	2,734
Acute Discharges	3,009	2,714	2,744
Residential Patient Days	6,351	7,722	6,893
Residential Admissions	76	139	158
Residential Discharges	78	132	162
Average Length of Stay (Days):			
Acute	4.8	4.3	4.1
Mental Health	13.8	14.8	14.8
Emergency Room Visits	19,606	22,107	23,740
Clinic Visits:			
Mental Health	49,470	43,144	45,707
Main Campus Urgent Care	22,833	23,420	26,050
Specialty Clinics	114,098	100,907	97,831
Family Health Center	12,730	13,192	12,964
Primary Care Clinic	23,842	22,803	26,256
Oral Medicine	8,569	11,830	14,145
Women's Health Clinic	9,689	8,216	8,287
Addiction Medicine	1,700	2,050	3,612
Total Clinic Visits	242,931	225,562	234,852

Sources of Revenue

Net Patient Revenue

Year Ended June 30, 2021: The Medical Center is the safety net for the indigent uninsured and underinsured of Polk County and is dependent on two major sources of revenue, which are net patient revenue and property taxes. During fiscal year 2021, the Medical Center recorded \$142,435,816 in net patient revenue representing 62.9% of total revenue. The \$142,435,816 in net patient revenue represents 38.8% of gross patient charges compared to 39.6% last fiscal year. The majority of net patient revenue is paid by Medicare, Medicaid, and third-party payors based upon established contracts. The difference between the covered charges and the established contract is recognized as a contractual allowance. Patients that fall under 300% of the Federal Poverty Guidelines and are otherwise eligible under the Broadlawns Community Care program would receive a 100% discount. Patients that fall between 301% and 400% of the Federal Poverty Guidelines and are otherwise eligible under the Broadlawns Community Care program would receive a discount up to the calculated Amounts Generally Billed.

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020**

Sources of Revenue (Continued)

Net Patient Revenue (Continued)

Year Ended June 30, 2020: The Medical Center is the safety net for the indigent uninsured and underinsured of Polk County and is dependent on two major sources of revenue, which are net patient revenue and property taxes. During fiscal year 2020, the Medical Center recorded \$126,163,004 in net patient revenue representing 60.4% of total revenue. The \$126,163,004 in net patient revenue represents 39.6% of gross patient charges compared to 39.8% last fiscal year. The majority of net patient revenue is paid by Medicare, Medicaid, and third-party payors based upon established contracts. The difference between the covered charges and the established contract is recognized as a contractual allowance. Patients that fall under 300% of the Federal Poverty Guidelines and are otherwise eligible under the Broadlawns Community Care program would receive a 100% discount. Patients that fall between 301% and 400% of the Federal Poverty Guidelines and are otherwise eligible under the Broadlawns Community Care program would receive a discount up to the calculated Amounts Generally Billed.

Table 4: Payor Mix by Percentages

	Year Ended June 30,		
	2021	2020	2019
Medicare	31 %	31 %	30 %
Medicaid	39	42	46
Commercial	13	12	10
Wellmark	14	10	10
Self Pay, Including Charity Care and Bad Debts	3	5	4
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

Year Ended June 30, 2021: Deductions from revenue consist of charity care totaling \$14,859,091, contractual adjustments totaling \$198,072,222 and bad debts totaling \$12,071,273. As a percentage of gross patient charges, charity care decreased 1.2% to 4.0%, contractual adjustments increased 2.4% to 53.9% and bad debts decreased 0.5% to 3.3%, resulting in a decrease of 0.8% for net patient revenue as compared to gross patient charges.

Year Ended June 30, 2020: Deductions from revenue consist of charity care totaling \$16,566,653, contractual adjustments totaling \$163,981,759 and bad debts totaling \$11,903,768. As a percentage of gross patient charges, charity care increased 0.8% to 5.2%, contractual adjustments decreased 0.5% to 51.5% and bad debts decreased 0.2% to 3.7%, resulting in a decrease of 0.2% for net patient revenue as compared to gross patient charges.

Grant/Contract Revenue

Year Ended June 30, 2021: Grant and contract revenue for the year ended June 30, 2021 totaled \$3,535,639 and \$716,717, respectively, for a total of \$4,252,356, which represents 1.9% of total revenue compared to a total of \$3,730,874 in 2020.

Year Ended June 30, 2020: Grant and contract revenue for the year ended June 30, 2020 totaled \$2,962,755 and \$768,119, respectively, for a total of \$3,730,874, which represents 1.8% of total revenue compared to a total of \$3,375,931 in 2019.

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020**

Other Revenue

Other revenue consists of sales of services provided to other entities, refunds and reimbursements. Other revenue totals \$3,753,567 and \$4,131,659, which represent 1.7% and 2.0% of total revenue for the years ended June 30, 2021 and 2020, respectively.

Tax Revenue

Year Ended June 30, 2021: Broadlawns Medical Center has the taxing authority under the Code of Iowa to support its operations. For the year ended June 30, 2021, the Medical Center's tax revenue totaled \$73,224,440, which is an increase of \$3,931,557 or 5.7% more than the prior year. The tax revenue represented 32.3% of total revenue.

Year Ended June 30, 2020: Broadlawns Medical Center has the taxing authority under the Code of Iowa to support its operations. For the year ended June 30, 2020, the Medical Center's tax revenue totaled \$69,292,883, which is an increase of \$2,275,963 or 3.4% more than the prior year. The tax revenue represented 33.2% of total revenue.

Table 5: Tax Receipts

	2021	2020	2019	Increase (Decrease)	Levied Taxes June 30, 2022
Improvement and Maintenance	\$ 56,135,801	\$ 51,186,914	\$ 49,505,650	\$ 4,948,887	\$ 52,614,750
FICA Fund	-	-	-	-	-
IPERS Fund	6,254,081	6,393,637	-	(139,556)	5,861,796
Unemployment	-	-	-	-	-
Tort (Insurance) Fund	10,834,558	11,712,332	17,511,270	(877,774)	10,154,903
Total Taxes	\$ 73,224,440	\$ 69,292,883	\$ 67,016,920	\$ 3,931,557	\$ 68,631,449

In addition to receiving the Levied Taxes of \$68,519,049 in the fiscal year ending June 30, 2022, the Medical Center expects to receive the Utility Tax Replacement Excise Tax and State Backfill Tax of \$4,687,720. The total tax receipts for 2022 is expected to be \$73,206,769.

Capital Assets

June 30, 2021: As of June 30, 2021, the Medical Center had \$105,603,509 invested in capital assets. Capital expenditures in 2021 were more than the 2021 depreciation expense, resulting in an increase of \$4,589,945 in net capital assets from 2020 to 2021.

June 30, 2020: As of June 30, 2020, the Medical Center had \$101,013,564 invested in capital assets. Capital expenditures in 2020 were more than the 2020 depreciation expense, resulting in an increase of \$14,801,674 in net capital assets from 2019 to 2020.

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2021 AND 2020**

Capital Assets (Continued)

Table 6: Capital Assets

	June 30,		
	2021	2020	2019
Capital Assets Not Being Depreciated:			
Land	\$ 2,096,975	\$ 2,096,975	\$ 2,096,975
Construction in Progress	7,323,423	29,678,851	14,829,779
Capital Assets Net of Depreciation			
Land Improvements	5,371,603	5,318,586	5,697,421
Buildings	37,945,709	25,604,455	26,554,631
Building Equipment	42,144,126	27,588,176	26,363,153
Fixed Equipment	81,605	62,439	87,521
Vehicles	27,130	48,609	87,606
Major Movable Equipment	10,612,938	10,615,473	10,494,804
Total Capital Assets, Net	<u>\$ 105,603,509</u>	<u>\$ 101,013,564</u>	<u>\$ 86,211,890</u>

Additional information relating to capital assets can be found in Note 5 to the basic financial statements.

Fiscal Year 2022 Outlook

The Board of Trustees has approved and set the budget for the 2022 fiscal year. The budget projects an increase in net position of \$13,148,392.

The fiscal year 2022 budget reflects Management's conservative approach to the financial stewardship of the Medical Center. The health care industry and Broadlawns is facing a number of challenges such as potential reductions to Disproportionate Share payments, reductions to the 340 B program, and funding shortfalls for behavioral health services. In addition, the Covid-19 pandemic has created additional challenges resulting in staffing shortages and increased demand for services that will put expense pressure on the health care industry. Management believes its conservative approach to the operations of the Medical Center will ensure that the health care needs of Polk County residents will continue to be met and that the organization will remain financially viable far into the future.

The Budget also highlights Management's emphasis on growth in volume and breadth of services. The Medical Center continues to engage in physician recruitment in the areas of family medicine, behavioral health, and other specialties in order to address the growing health care needs of the most vulnerable members of our community.

Contacting the Medical Center's Financial Management

The financial report provides the citizens of Polk County, our patients, and creditors with a general overview of the Medical Center's finances and operations. If you have any questions about this report, please contact Mr. Karl Vilums, Chief Financial Officer (CFO), Broadlawns Medical Center, 1801 Hickman Road, Des Moines, Iowa 50314.

**BROADLAWNS MEDICAL CENTER
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020**

ASSETS AND DEFERRED OUTFLOWS	Medical Center		Component Unit (Foundation)	
	2021	2020	2021	2020
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 46,389,563	\$ 18,739,221	\$ 174,134	\$ 138,396
Restricted Cash and Cash Equivalents	12,406,684	12,913,142	442,743	717,711
Pledges Receivable, Net	-	-	80,042	26,352
Short-Term Investments	69,142,260	73,034,734	-	-
Restricted Short-Term Investments	34,234,247	14,000,000	2,265,258	1,864,256
Receivables:				
Patients, Less Estimated Allowances for Uncollectibles, Charity and Contractuals				
2021 \$37,470,282; 2020 \$29,206,288	13,012,167	12,153,258	-	-
Property Taxes	492,185	448,599	-	-
Succeeding Year Property Taxes	68,519,049	68,631,449	-	-
Federal Grants	1,675,651	453,354	-	-
Nonfederal Grants	234,415	172,845	-	-
Other	583,981	1,261,754	3,521	-
Due from Third-Party Payors	742,634	4,111,700	-	-
Inventories	2,518,241	2,390,357	-	-
Prepaid Expenses and Other Assets	1,599,871	1,603,128	-	-
Total Current Assets	251,550,948	209,913,541	2,965,698	2,746,715
NONCURRENT ASSETS				
Noncurrent Cash and Investments, Net of Current Portion:				
Cash and Cash Equivalents	5,829,367	7,376,560	-	-
Investments	2,971,758	23,619,397	-	391,376
Total Noncurrent Cash and Investments	8,801,125	30,995,957	-	391,376
Pledges Receivable, Net of Current Portion	-	-	125,441	12,160
Other Assets	-	-	49,021	37,239
Total Noncurrent Assets	8,801,125	30,995,957	174,462	440,775
Capital Assets:				
Nondepreciable	9,420,398	31,775,826	-	-
Depreciable, Net	96,183,111	69,237,738	-	-
Total Capital Assets	105,603,509	101,013,564	-	-
Total Noncurrent Assets	114,404,634	132,009,521	174,462	440,775
Total Assets	365,955,582	341,923,062	3,140,160	3,187,490
DEFERRED OUTFLOWS				
Related to Pension	21,433,661	19,772,428	-	-
Related to Postemployment Benefits	1,198,784	24,442	-	-
Total Deferred Outflows	22,632,445	19,796,870	-	-
Total Assets and Deferred Outflows	\$ 388,588,027	\$ 361,719,932	\$ 3,140,160	\$ 3,187,490

See accompanying Notes to Basic Financial Statements.

**BROADLAWNS MEDICAL CENTER
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020**

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	Medical Center		Component Unit (Foundation)	
	2021	2020	2021	2020
CURRENT LIABILITIES				
Accounts Payable and Other Accrued Expenses	\$ 5,752,839	\$ 4,490,649	\$ 1,767	\$ 436
Accrued Employee Compensation and Payroll Taxes	12,499,485	13,126,296	-	-
Due to Third-Party Payors	1,371,545	1,373,016	-	-
Current Portion of Accrued Claims on Self-Insurance	1,974,389	1,352,164	-	-
Total Current Liabilities	21,598,258	20,342,125	1,767	436
NONCURRENT LIABILITIES				
Other Postemployment Benefits	2,053,490	744,095	-	-
Accrued Claims on Self-Insurance, Less Current Portion	5,024,133	2,987,393	-	-
Net Pension Liability	71,897,867	57,798,268	-	-
Total Noncurrent Liabilities	78,975,490	61,529,756	-	-
Total Liabilities	100,573,748	81,871,881	1,767	436
DEFERRED INFLOWS				
Related to Pension	1,704,384	8,591,656	-	-
Related to Postemployment Benefits	544,169	593,049	-	-
Revenue for Succeeding Year Property Taxes	68,519,049	68,631,449	-	-
Total Deferred Inflows	70,767,602	77,816,154	-	-
COMMITMENTS AND CONTINGENCIES				
NET POSITION				
Net Investment in Capital Assets	105,443,712	100,070,090	-	-
Restricted:				
For Enabling Legislation	117,646	5,747,192	-	-
For Specific Activities	73,056	67,653	2,964,259	3,048,658
Unrestricted	111,612,263	96,146,962	174,134	138,396
Total Net Position	217,246,677	202,031,897	3,138,393	3,187,054
Total Liabilities, Deferred Inflows, and Net Position	\$ 388,588,027	\$ 361,719,932	\$ 3,140,160	\$ 3,187,490

See accompanying Notes to Basic Financial Statements.

BROADLAWNS MEDICAL CENTER
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2021 AND 2020

	Medical Center		Component Unit (Foundation)	
	2021	2020	2021	2020
OPERATING REVENUE				
Net Patient Service Revenue	\$ 142,435,816	\$ 126,163,004	\$ -	\$ -
Contracts	716,717	768,119	-	-
Operating Grants	3,535,639	2,962,755	-	-
Other	3,753,567	4,131,659	-	-
Total Operating Revenue	<u>150,441,739</u>	<u>134,025,537</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES				
Salaries and Wages	96,242,913	93,254,639	-	-
Employee Benefits:				
Pension	13,459,915	13,098,873	-	-
All Others	19,816,919	17,234,474	-	-
Physician Fees and Outside Services	6,713,896	5,563,529	-	-
Supplies and Other Expenses	63,679,583	56,370,964	868,661	241,455
Depreciation and Amortization	8,495,483	7,342,148	-	-
Total Operating Expenses	<u>208,408,709</u>	<u>192,864,627</u>	<u>868,661</u>	<u>241,455</u>
OPERATING LOSS	(57,966,970)	(58,839,090)	(868,661)	(241,455)
NONOPERATING REVENUE (EXPENSE)				
Property Taxes Revenue	73,224,440	69,292,883	-	-
Property Taxes Expense	(2,800,000)	(2,800,000)	-	-
Noncapital Grants and Contributions	1,150,801	2,696,733	798,242	505,039
Investment Earnings	882,387	2,728,291	21,758	67,763
Interest Expense	(21,866)	(1,794)	-	-
Other, Net	29,198	22,432	-	-
Total Nonoperating Revenue, Net	<u>72,464,960</u>	<u>71,938,545</u>	<u>820,000</u>	<u>572,802</u>
CAPITAL CONTRIBUTIONS	<u>716,790</u>	<u>108,609</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	15,214,780	13,208,064	(48,661)	331,347
Net Position - Beginning of Year	<u>202,031,897</u>	<u>188,823,833</u>	<u>3,187,054</u>	<u>2,855,707</u>
NET POSITION - END OF YEAR	<u>\$ 217,246,677</u>	<u>\$ 202,031,897</u>	<u>\$ 3,138,393</u>	<u>\$ 3,187,054</u>

See accompanying Notes to Basic Financial Statements.

**BROADLAWNS MEDICAL CENTER
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	Medical Center		Component Unit (Foundation)	
	2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from and on Behalf of Patients	\$ 144,944,502	\$ 128,390,627	\$ -	\$ -
Payments to Suppliers and Contractors	(68,369,478)	(62,098,113)	-	-
Payments to Employees	(126,178,198)	(121,915,476)	-	-
Other Receipts and Payments, Net	11,630,119	13,385,760	(1,049,604)	(183,677)
Net Cash Used by Operating Activities	<u>(37,973,055)</u>	<u>(42,237,202)</u>	<u>(1,049,604)</u>	<u>(183,677)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property Taxes	70,380,854	66,375,265	-	-
Noncapital Grants and Contributions	1,150,801	2,696,733	798,242	505,039
Other	29,198	22,432	-	-
Net Cash Provided by Noncapital Financing Activities	<u>71,560,853</u>	<u>69,094,430</u>	<u>798,242</u>	<u>505,039</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(13,896,150)	(21,902,381)	-	-
Capital Contributions	716,790	108,609	-	-
Net Cash Used by Capital and Related Financing Activities	<u>(13,179,360)</u>	<u>(21,793,772)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	882,387	2,728,291	21,758	67,763
Sales (Purchases) of Investments	4,305,866	5,394,018	(9,626)	(333,372)
Net Cash Provided (Used) by Investing Activities	<u>5,188,253</u>	<u>8,122,309</u>	<u>12,132</u>	<u>(265,609)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	25,596,691	13,185,765	(239,230)	55,753
Cash and Cash Equivalents - Beginning of Year	<u>39,028,923</u>	<u>25,843,158</u>	<u>856,107</u>	<u>800,354</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 64,625,614</u>	<u>\$ 39,028,923</u>	<u>\$ 616,877</u>	<u>\$ 856,107</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION				
Cash and Cash Equivalents in Current Assets	\$ 46,389,563	\$ 18,739,221	\$ 174,134	\$ 138,396
Restricted Cash and Cash Equivalents	12,406,684	12,913,142	442,743	717,711
Noncurrent Cash and Cash Equivalents	5,829,367	7,376,560	-	-
Total Cash and Cash Equivalents	<u>\$ 64,625,614</u>	<u>\$ 39,028,923</u>	<u>\$ 616,877</u>	<u>\$ 856,107</u>

See accompanying Notes to Basic Financial Statements.

**BROADLAWNS MEDICAL CENTER
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2021 AND 2020**

	Medical Center		Component Unit (Foundation)	
	2021	2020	2021	2020
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES				
Operating Loss	\$ (57,966,970)	\$ (58,839,090)	\$ (868,661)	\$ (241,455)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:				
Depreciation and Amortization	8,495,483	7,342,148	-	-
Provisions for Bad Debts	12,071,273	11,903,768	-	-
Loss on Disposal of Capital Assets	27,045	35,607	-	-
Changes in Assets and Liabilities:				
Patient Receivables	(12,930,182)	(11,553,227)	-	-
Pledges Receivable	-	-	(166,971)	60,045
Inventories, Prepaid Expenses, Other Assets, and Other Receivables	(730,721)	65,099	(15,303)	223
Due from/to Third-Party Payors	3,367,595	1,877,082	-	-
Accounts Payable and Accrued Expenses	5,365,550	1,508,890	1,331	(2,490)
Net Pension Liability	14,099,599	(2,916,749)	-	-
Deferred Outflows of Resources	(2,835,575)	2,745,130	-	-
Deferred Inflows of Resources	(6,936,152)	5,594,140	-	-
Net Cash Used by Operating Activities	<u>\$ (37,973,055)</u>	<u>\$ (42,237,202)</u>	<u>\$ (1,049,604)</u>	<u>\$ (183,677)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Change in Accounts Payable Related to Construction in Progress	<u>\$ 159,797</u>	<u>\$ 943,474</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Broadlawns Medical Center (Medical Center) is a county public hospital created in 1917 and organized under the provisions of Chapter 347 of the Code of Iowa. As a county public hospital, the Medical Center is a political subdivision of the state of Iowa. The Medical Center is controlled by a seven-member board of trustees elected from qualified residents of Polk County, Iowa, for terms of six years. The board of trustees has all the power and duties granted to it by the General Assembly of Iowa.

The Medical Center provides primary and secondary health care services through the operation of an acute care hospital, various clinics, and other comprehensive health care programs. Patients are primarily from Polk County, Iowa. Care is provided to any resident of Polk County, Iowa, including those lacking adequate financial resources.

Broadlawns Medical Center Foundation (Foundation) is a legally separate, tax exempt, discretely presented component unit of Broadlawns Medical Center. The Foundation was formed to, among other things, raise funds for the general welfare, maintenance, and improvement of the Medical Center. The Board of the Foundation is self-perpetuating and consists of citizens of Polk County. Although the Medical Center does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds are contributed to the Medical Center. Because these resources held by the Foundation have historically been for the benefit of the Medical Center, the Foundation is considered a component unit of the Medical Center and is discretely presented in the Medical Center's financial statements. The Foundation has a June 30 fiscal year-end. Individual financial statements can be obtained from the Foundation's office at 1801 Hickman Road, Des Moines, Iowa 50314.

Basis of Presentation

The financial statements include all funds of the above-mentioned entities. The Medical Center does not have any other component units, agencies or organizations for which it is financially accountable under criteria set forth by the Governmental Accounting Standards Board (GASB), other than the Foundation which is discretely presented in these financial statements.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in estimates and assumptions in the near term would be material to the financial statements.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Accrual Basis of Accounting

The accrual basis of accounting is used by the Medical Center and Foundation. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recognized when the liability has been incurred.

Cash and Cash Equivalents

Cash and cash equivalents include temporary cash investments whose use is not limited or restricted. The temporary cash investments have original maturities of three months or less at date of issuance.

Patient Receivables

Patient receivables, where a third-party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual adjustments or discounts provided to third-party payors.

Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Medical Center analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, the Medical Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients, the Medical Center records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts. The Medical Center's allowance for doubtful accounts for the years ended June 30, 2021 and 2020 is \$5,246,000 and \$4,588,000, respectively.

Receivables or payables related to estimated settlements on various risk contracts that the Medical Center participates in are reported as estimated third-party payor receivables or payables.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Inventories

Inventories are stated at lower of cost or market, with cost determined using the first-in, first-out, or average cost method. Inventories are recorded as an expenditure at the time of consumption.

Property Tax Levy Receivable/Succeeding Year Property Tax Levy Receivable

The property tax levy is recognized as a receivable on the levy or lien date, which is the date that the tax asking is certified by the County Board of Supervisors and is thereby an enforceable legal claim. Property taxes receivable represents unpaid taxes for the 2021 fiscal year. The succeeding year property tax levy receivable represents taxes certified by the Board of Supervisors to be collected in the 2022 fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the board of trustees is required to certify the budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year county property tax levy receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Investments

Noncurrent cash and investments are recorded at fair value. Interest-bearing investments are intended to be held until maturity. Investments whose use is not limited or restricted are available to satisfy current obligations and are, therefore, classified as current assets in the accompanying statements of net position. Donated investments are reported at fair value at date of receipt, which becomes the asset cost. Realized gains or losses are determined based on the specific identification method.

The Medical Center invests in Iowa Public Agency Investment Trust which is a 2a-7-Like pool. The Iowa Public Agency Investment Trust is a common law trust established under Iowa law and is administered by an appointed investment management company. The trust utilizes the amortized cost method for valuation purposes. There are no limitations or restrictions on withdrawals from the Iowa Public Agency Investment Trust.

Capital Assets

Capital assets in excess of \$5,000 are capitalized and recorded at cost or, if donated, at fair value at date of donation. Depreciation is computed by the straight-line method over the assets' estimated useful lives ranging from three to 40 years. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets and is depreciated over the estimated useful lives of the constructed assets. The Medical Center had \$-0- of capitalized interest for the years ended June 30, 2021 and 2020.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and other postemployment benefit and contributions from the Medical Center after the measurement date but before the end of the Medical Center's reporting period.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources in the statement of net position consists of other postemployment benefit and succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and the unamortized portion of the net difference between projected and actual earning on Iowa Public Employees' Retirement System (IPERS) investments.

Pensions

For purposes of measuring that net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the IPERS and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Net patient service revenue is reported net of provision for bad debts.

Operating Income

The Medical Center distinguishes operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from the primary purpose of the Medical Center, which is to provide medical services to the region. Other operating revenue consists of revenue from grants, contracts and other miscellaneous services. Operating expenses consist of salaries and wages, employee benefits, physician fees and outside services, depreciation and amortization, supplies and other. All revenue and expenses not meeting these criteria are considered nonoperating.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Operating Income (Continued)

For the Foundation, operating revenue and expenses generally result from operations of the Foundation which are to obtain contributions and use those funds to support the Medical Center according to the donor's intentions. Other operating revenue consists of contributions received. Operating expenses consist of salaries and wages, employee benefits, depreciation, supplies and other. All revenue and expenses not meeting these criteria are considered nonoperating.

Operating Grants Revenue

Grants are recognized as revenue when earned. Expense-driven grants are recognized as revenue when the qualifying expenses have been incurred and all other grant requirements have been met. Operating grants revenue for the years ended June 30, 2021 and 2020 were \$3,535,639 and \$2,962,755, respectively.

Contracts and Other Operating Revenue

The basic financial statements include contracts and other operating revenue which primarily represent contracts with Polk County, miscellaneous sales and electronic health record incentive program.

The electronic health records incentive program, enacted as part of the American Recovery and Reinvestment Act of 2009, provides for incentive payments under both the Medicare and Medicaid programs to eligible health systems that demonstrate meaningful use of certified electronic health records (EHR) technology. Payments under both the Medicare and Medicaid programs are for five and six years, respectively, based on a statutory formula. The Medicaid programs are determined on a state-by-state basis, which are approved by the Centers for Medicare and Medicaid Services. Payment under both programs are contingent on the Medical Center initially attesting to being a meaningful user of EHR technology and then continuing to meet escalating criteria, including other specific requirements that are applicable, for consecutive reporting periods. The final amount for any payment year is determined based upon an audit by the fiscal intermediary. Events could occur that would cause the final amounts to differ from the initial payments under the program, although management does not anticipate material adjustments, as input data for the EHR incentive amounts has remained relatively consistent over time. The Medical Center accounts for the incentive payments under the gain contingency model, which means it has met the meaningful use criteria and receipt of the incentive payments was certain. Income from incentive payments is recognized as revenue after the Medical Center has demonstrated that it complied with the meaningful use criteria over the entire applicable compliance period. The Medical Center recognized no revenue related to the Medicare and Medicaid EHR incentive programs during the year ended June 30, 2021 and recognized a gain of approximately \$365,000 related to the Medicare and Medicaid EHR incentive programs during the year ended June 30, 2020.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Noncapital Grants and Contributions

From time-to-time, the Medical Center receives grants and contributions from individuals, private organizations, and governmental organizations. Revenues from grants and contributions (including contributions of long-lived assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues.

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Given the significant impact the pandemic had on global markets, supply chains, businesses and communities, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers. Additionally, the Federal Emergency Management Agency (FEMA) made available multiple preparedness and response grants. Total grant funds approved and received by the Medical Center from these grants was \$3,785,513. The grant funds are subject to certain restrictions on eligible expenses or uses, and reporting requirements. Of the total amount received, \$1,152,593 and \$2,632,920 is reported as Noncapital Grants and Contributions or Capital Contributions in the statements of revenues, expenses, and changes in net position for the years ending June 30, 2021 and 2020, respectively.

Regulatory Investigations

Congress passed the Medicare Modernization Act in 2003, which among other things established a demonstration of the Medicare Recovery Audit Contractor (RAC) program. During fiscal year 2007, the RACs identified and corrected a significant amount of improper overpayments to providers in the demonstration states, which did not include Iowa. In 2006, Congress passed the Tax Relief and Health Care Act of 2006 which authorized the expansion of the RAC program to all 50 states. The Medical Center has been subject to such audits and will continue to be subject to additional audits in the future. The Medical Center has recorded an estimated liability, which is included in Due to Third-Party Payors on the accompanying statements of net position as of June 30, 2021 and 2020, as a reserve for the RAC program. It is reasonably possible that the recorded estimates will change materially in the near term.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Position

Net position is classified in three components.

Net Investment in Capital Assets – this component of net position consists of capital assets net of accumulated depreciation and amortization

Restricted – this component of net position consists of constraints placed on net position when there are limitations imposed on their use either through the enabling legislation adopted by the Organization or through external constraints that must be used for a particular purpose, as specified by creditors, granters or contributors external to the Organization, including amounts deposited as required by debt agreements. Net position restricted through enabling legislation consists of \$-0- and \$5,620,013 for tort immunity and \$117,646 and \$127,179 for unemployment funds as of June 30, 2021 and 2020, respectively.

Unrestricted – this component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted", above.

It is the Medical Center's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted are available.

Charity Care

The Medical Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue. Charity care services rendered by the Medical Center at established rates totaled \$14,859,091 and \$16,566,653 for the years ended June 30, 2021 and 2020, respectively.

The cost of charity care provided was approximately \$6,479,000 and \$7,784,000 for the years ended June 30, 2021 and 2020, respectively. The cost of providing financial assistance is estimated by applying an overall cost-to-charge ratio to the financial assistance charges incurred.

The Affordable Care Act substantially increased the federally and state-funded Medicaid insurance program, and authorized states to establish federally subsidized non-Medicaid health plans for low income residents not eligible for Medicaid. Patients that were previously in the IowaCare program or who were uninsured generally enrolled in the Iowa Marketplace program or other commercial insurance. The IowaCare program expired effective December 31, 2013.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Charity Care (Continued)

Broadlawns was a legislatively recognized and authorized provider under the IowaCare program that ended December 31, 2013, with the advent of the Iowa Marketplace program taking effect January 1, 2014. The Iowa General Assembly authorized Broadlawn's continued receipt of disproportionate share hospital (DSH) funding Broadlawn had been receiving pursuant to the IowaCare program. This continued DSH funding is required to be with local tax-based funding from the County to provide the nonfederal share for these DSH payments, instead of what has previously been state appropriated funds for the nonfederal share under the IowaCare program. During the year ended June 30, 2020, the Medical Center entered into an agreement which covered the period from July 1, 2019 to June 30, 2022. This agreement provided for a DSH payment of \$6,525,673 and \$8,560,647, respectively, for the years ended June 30, 2021 and 2020 to the Medical Center in exchange for the Medical Center paying \$2,100,390 and \$3,239,510, respectively.

Tax Revenue

The Medical Center may receive tax support for maintenance and operations, certain payroll and other expenses, and property and equipment improvements and replacements, subject to specified limits.

Income Taxes

The Medical Center and Foundation are organizations described in Section 501(c)(3) and 509(a)(3), respectively, of the Internal Revenue Code (the Code) and, therefore, are exempt from federal taxes on related income pursuant to Sections 501 (a) and 509(a) of the Code.

Subsequent Events

Specific to the Medical Center, COVID-19 may impact various parts of its 2022 operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of health care personnel, or loss of revenue due to reductions in certain revenue streams. Management believes the Medical Center is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of June 30, 2021.

In preparing the financial statements, the Medical Center has considered events and transactions that have occurred through November 10, 2021, the date in which the financial statements were available to be issued.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 NET PATIENT SERVICE REVENUE

As a provider of health care services, the Medical Center generally grants credit to patients without requiring collateral or other securities; however, it routinely obtains assignments of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies that are considered third-party payors.

A significant portion of net patient service revenue relates to patients covered by Medicare, Medicaid, Commercial, and other reimbursement agreements. Patient revenue is recorded at the Medical Center's established rates when patient services are performed.

The Medical Center has agreements with these third-party payors that provide for payments to the Medical Center at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient nonacute services and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The Medical Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare fiscal intermediary. The Medical Center's Medicare cost reports have been audited by the Medicare fiscal intermediary through the year ended June 30, 2018.

Medicaid

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Medical Center is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicaid fiscal intermediary. Effective April 1, 2016, Iowa Medicaid transitioned to three managed care organizations (MCO): United Healthcare, Amerigroup, and Amerihealth Caritas. During fiscal year 2018 Amerihealth Caritas dropped out of the plan and is no longer participating. The Medical Center is a participating provider with both organizations. Payment rates and methodology with each MCO are to mirror those that were previously paid by Iowa Medicaid. Effective July 1, 2019, United Healthcare is no longer a participating managed care organization, while Iowa Total Care has now entered the plan. The Medical Center is contracted with Iowa Total Care.

The Medicare and Medicaid programs accounted for approximately 69% and 73% of the Medical Center's net patient service revenue for the years ended June 30, 2021 and 2020, respectively. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 NET PATIENT SERVICE REVENUE (CONTINUED)

In 2011, CMS approved the State of Iowa's Hospital Provider Tax Program. Under the Program, which was retroactive to July 1, 2010, a hospital is required to pay a quarterly provider tax assessment. The tax assessments collected by the State are used to fund a health care access improvement fund and are used to obtain federal matching funds, all of which must be distributed to Iowa hospitals to help bring Medicaid reimbursement closer to the cost of providing care. The allocation of these funds to specific health care providers is based primarily on the amount of care provided to Medicaid recipients. The Program increases inpatient DRG reimbursement rates and also implements several supplemental inpatient and outpatient methodologies. The Medical Center's additional reimbursement has been recorded in the accompanying financial statements as a reduction of contractual adjustment expense. Total assessments incurred by the Medical Center related to this Program amounted to approximately \$243,000 for each of the years ended June 30, 2021 and 2020, which is included in other operating expenses.

The Medical Center also has entered into payment agreements with certain commercial insurance carriers, HMOs, and preferred provider organizations. The basis for payment to the Medical Center under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

Reimbursement by third-party payor programs under the provisions of case payment and cost reimbursement programs in effect generally result in amounts received being less than the established billing rates of the Medical Center. Amounts due from and to third-party payors represent settlement amounts due from and to Medicare and other programs based upon the application of reimbursement formulas, applicable law, regulations, and program instructions.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 NET PATIENT SERVICE REVENUE (CONTINUED)

A reconciliation of gross patient service revenue to net patient service revenue for the years ended June 30, is as follows:

	<u>2021</u>	<u>2020</u>
Gross Patient Service Revenue:		
Inpatient	\$ 73,653,773	\$ 65,869,476
Outpatient	293,784,629	252,745,708
Total	<u>367,438,402</u>	<u>318,615,184</u>
Less: Charity Care	<u>14,859,091</u>	<u>16,566,653</u>
Gross Patient Service Revenue	352,579,311	302,048,531
Less: Provisions for Bad Debts	12,071,273	11,903,768
Less Contractual and Other Adjustments:		
Contractual Adjustments under Third-Party Reimbursement Programs:		
Medicare	72,700,775	60,881,743
Medicaid/MCO	73,507,586	62,415,332
Wellmark	17,579,842	13,723,977
PCHS	-	26,103
Other Commercial Insurance	14,413,414	10,720,726
Other	<u>19,870,605</u>	<u>16,213,878</u>
Total	<u>198,072,222</u>	<u>163,981,759</u>
Net Patient Service Revenue	<u>\$ 142,435,816</u>	<u>\$ 126,163,004</u>

NOTE 3 CASH AND INVESTMENTS

The Medical Center uses the fair value hierarchy established by accounting principles generally accepted in the United States of America based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

As of June 30, 2021 and 2020, the Medical Center held cash and cash equivalents, certificates of deposits, and money market investments of \$170,973,879 and \$149,683,054, respectively, which are not measured at fair value and are deposits held at cost.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

The Foundation has the following recurring fair value measurements as of June 30, 2021 and 2020.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>2021</u>				
Investments:				
Municipal Bonds	<u>\$ 2,053,620</u>	<u>\$ -</u>	<u>\$ 2,053,620</u>	<u>\$ -</u>
<u>2020</u>				
Investments:				
Municipal Bonds	<u>\$ 1,457,866</u>	<u>\$ -</u>	<u>\$ 1,457,866</u>	<u>\$ -</u>

The Medical Center uses methods and assumptions described below in determining the fair value of its financial instruments. There have been no changes in valuation methodologies at June 30, 2021 compared to June 30, 2020.

Government Securities

U.S. treasury notes are reported at fair value based on the last sales price at current exchange rates.

Government Agencies

Fair value is based on quoted market prices of the underlying securities in active markets, when available.

The Medical Center had no other investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement (GASBS) No. 72.

Interest Rate Risk

In accordance with the Organization's investment policy, the Medical Center and Foundation strive to obtain a reasonable return. Neither policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Credit Risk

The Iowa Code authorizes the Medical Center and Foundation to invest in obligations of the U.S. government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions; prime banker's acceptances that mature within 270 days and that are eligible for purchase by a federal reserve bank; commercial paper or other short-term corporate debt that matures within 270 days and that is rated within the two highest classifications, as established by at least one of the standard rating services approved by the superintendent of banking; repurchase agreements whose underlying collateral consists of obligations of the U.S. government, its agencies and instrumentalities; an open-end management investment company registered with federal securities and exchange commission under the Federal Investment Company Act of 1940; a joint investment trust organized pursuant to Chapter 28E prior to and existing in good standing on April 28, 1992, or is rated within the two highest classifications by at least one of the standard rating services approved by the superintendent of banking; and warrants or improvement certificates of a levee or drainage district. The Medical Center and Foundation's investment policies do not further limit its investment choices.

As of June 30, 2021, the Medical Center's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's Investor Services</u>	<u>Standard & Poor's</u>
Federal Farm Credit Bank	Aaa	AA+
Federal Home Loan Bank	Aaa	AA+
Federal Home Loan Mortgage Corp.	Aaa	AA+
Federal National Mortgage Association	Aaa	AA+
United States Treasury Notes	Aaa	AA+

Concentration of Credit Risk

The Medical Center places no limit on the amount the Medical Center may invest in any one issuer. None of the Medical Center's investments are in Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corp and Federal National Mortgage Association as of June 30, 2021 and 2020. The Foundation places no limit on the amount the Foundation may invest in any one issuer.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. It is the Medical Center and Foundation's policy to avoid default risks with financial institutions with which the Chief Financial Officer deposits monies by determining in advance of the deposit that each depository in which monies are to be placed is an approved depository for purposes of Chapter 453 of Iowa Code. As of June 30, 2021, the Medical Center and Foundation's deposits and investments were not exposed to custodial credit risk.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 4 BOARD DESIGNATED CASH AND INVESTMENTS

Board designated cash and investments include assets set aside by the board of trustees for plant replacement and expansion, recognition of memorial contributions, funding of the Medical Center's self-insured retention fund, and by agreement with others. Noncurrent cash and investments restricted by the board of trustees may, at the Board's discretion, be subsequently used for other purposes. Board designated cash and investments are classified as current assets, to the extent available, to meet current liabilities.

Board designated cash and investments as of June 30, 2021 and 2020 were designated as follows:

	2021	2020
Board Designed for:		
Building Projects	\$ 2,971,758	\$ 2,971,302
Construction Projects	34,234,247	34,648,095
Bond Retirement	3,590,430	3,590,057
Self-Insured Retention Funds:		
Medical Malpractice	2,293,507	3,130,513
Workers' Compensation	862,865	1,249,480
Health Insurance Trust	10,444,987	11,093,899
Dental	971,206	1,158,100
Patient Trust Fund	17,855	13,386
Alumni Fund	55,201	54,267
Total	\$ 55,442,056	\$ 57,909,099

These balances are presented in the accompanying statements of net position as summarized below:

	2021	2020
Restricted Cash and Cash Equivalents	\$ 12,406,684	\$ 12,913,142
Restricted Short-Term Investments	34,234,247	14,000,000
Noncurrent Cash and Investments	8,801,125	30,995,957
Total	\$ 55,442,056	\$ 57,909,099

Board designated cash and investments for the Foundation as of June 30, 2021 and 2020 of \$2,964,259 and \$3,048,658, respectively, are designated primarily for departments of the Medical Center and specific health care related causes.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 5 CAPITAL ASSETS

Activity in capital assets and accumulated depreciation and amortization for the years ended June 30 were as follows:

	Medical Center			June 30, 2021
	June 30, 2020	Additions	Transfers and Disposals	
Capital Assets Not Being Depreciated:				
Land	\$ 2,096,975	\$ -	\$ -	\$ 2,096,975
Construction in Progress	29,678,851	11,696,181	(34,051,609)	7,323,423
Total Capital Assets Not Being Depreciated	31,775,826	11,696,181	(34,051,609)	9,420,398
Capital Assets Being Depreciated:				
Land Improvements	10,198,563	-	536,333	10,734,896
Buildings	44,067,302	-	13,496,489	57,563,791
Building Improvements	59,421,257	13,861	17,951,729	77,386,847
Fixed Equipment	428,584	-	7,356	435,940
Vans	432,410	-	(21,891)	410,519
Major Moveable Equipment	33,050,183	1,526,928	84,375	34,661,486
Equipment Under Capital Lease	28,322	-	-	28,322
Total Capital Assets Being Depreciated	147,626,621	1,540,789	32,054,391	181,221,801
Less Accumulated Depreciation for:				
Land Improvements	4,879,977	483,316	-	5,363,293
Buildings	18,462,847	1,237,122	(81,887)	19,618,082
Building Improvements	31,833,081	3,783,041	(373,401)	35,242,721
Fixed Equipment	366,145	27,524	(39,334)	354,335
Vans	383,801	21,479	(21,891)	383,389
Major Moveable Equipment	22,434,710	2,943,000	(1,329,162)	24,048,548
Equipment Under Capital Lease	28,322	-	-	28,322
Total Accumulated Depreciation	78,388,883	8,495,482	(1,845,675)	85,038,690
Total Capital Assets, Being Depreciated, Net	69,237,738	(6,954,693)	33,900,066	96,183,111
Capital Assets, Net	<u>\$ 101,013,564</u>	<u>\$ 4,741,488</u>	<u>\$ (151,543)</u>	<u>\$ 105,603,509</u>

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Medical Center			
	June 30, 2019	Additions	Transfers and Disposals	June 30, 2020
Capital Assets Not Being Depreciated:				
Land	\$ 2,096,975	\$ -	\$ -	\$ 2,096,975
Construction in Progress	14,829,779	20,830,019	(5,980,947)	29,678,851
Total Capital Assets Not Being Depreciated	16,926,754	20,830,019	(5,980,947)	31,775,826
Capital Assets Being Depreciated:				
Land Improvements	10,117,846	-	80,717	10,198,563
Buildings	44,061,619	5,683	-	44,067,302
Building Improvements	55,558,689	17,986	3,844,582	59,421,257
Fixed Equipment	428,584	-	-	428,584
Vans	432,410	-	-	432,410
Major Moveable Equipment	30,553,468	1,327,412	1,169,303	33,050,183
Equipment Under Capital Lease	28,322	-	-	28,322
Total Capital Assets Being Depreciated	141,180,938	1,351,081	5,094,602	147,626,621
Less Accumulated Depreciation for:				
Land Improvements	4,420,425	459,552	-	4,879,977
Buildings	17,506,988	955,859	-	18,462,847
Building Improvements	29,195,536	2,674,918	(37,373)	31,833,081
Fixed Equipment	341,063	25,082	-	366,145
Vans	344,804	38,997	-	383,801
Major Moveable Equipment	20,058,664	3,188,138	(812,092)	22,434,710
Equipment Under Capital Lease	28,322	-	-	28,322
Total Accumulated Depreciation	71,895,802	7,342,546	(849,465)	78,388,883
Total Capital Assets, Being Depreciated, Net	69,285,136	(5,991,465)	5,944,067	69,237,738
Capital Assets, Net	<u>\$ 86,211,890</u>	<u>\$ 14,838,554</u>	<u>\$ (36,880)</u>	<u>\$ 101,013,564</u>

During the year ended June 30, 2021, the Sand's vertical expansion, lab mechanical project, and outpatient psychiatry projects were completed and capitalized for \$33,322,443.

At June 30, 2021, construction in progress consists mainly of the surgery project. Total cost of surgery project is budgeted at approximately \$6 million. Funding will come from the Medical Center's operations and current and noncurrent cash and investments restricted for building projects. The project is expected to be completed in February 2022.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 6 PENSION PLAN

Plan Description

Iowa Public Employees Retirement System (IPERS) membership is mandatory for employees of the Medical Center, except for those covered by another retirement system. Employees of the Medical Center are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 978 and the administrative rules thereunder. Chapter 978 and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits

A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary. For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.

Protection occupation members may retire at normal retirement age, which is generally at age 55. The formula used to calculate a protection occupation member's monthly IPERS benefits includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.50% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 6 PENSION PLAN (CONTINUED)

Pension Benefits (Continued)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits

A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions

Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate to be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability based on a 30-year amortization period. The payment to amortize the unfunded actuarial is determined as a level percentage of your payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2021 and 2020, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the Medical Center contributed 9.44% of covered payroll for a total rate of 15.73%.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 6 PENSION PLAN (CONTINUED)

Contributions (Continued)

The Medical Center's contribution to IPERS for the years ended June 30, 2021 and 2020 were \$7,908,821 and \$7,723,077, respectively.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At June 30, 2021 and 2020, the Medical Center reported a liability of approximately \$71,898,000 and \$57,798,000, respectively, for its proportionate share of the net pension liability. The Medical Center's net pension liability was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Medical Center's proportion of the net pension liability was based on the Medical Center's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2020, the Medical Center's collective proportion was 1.0306830%, which was an increase of 0.0391970% from its proportion measured as of June 30, 2019.

For the years ended June 30, 2021 and 2020, the Medical Center recognized pension expense of approximately \$13,460,000 and \$13,099,000, respectively. At June 30, 2021 and 2020, the Medical Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 79,426	\$ 1,704,384
Changes in Assumptions	3,690,494	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,041,803	-
Changes in Proportion and Differences Between Medical Center Contributions and Proportionate Share of Contributions	5,713,117	-
Medical Center Contributions Subsequent to the Measurement Date	7,908,821	-
Total	<u>\$ 21,433,661</u>	<u>\$ 1,704,384</u>

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 6 PENSION PLAN (CONTINUED)

**Net Pension Liability, Pension Expense, Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pension (Continued)**

<u>June 30, 2020</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 160,235	\$ 2,078,161
Changes in Assumptions	6,191,127	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	6,513,495
Changes in Proportion and Differences Between Medical Center Contributions and Proportionate Share of Contributions	5,697,989	-
Medical Center Contributions Subsequent to the Measurement Date	7,723,077	-
Total	<u>\$ 19,772,428</u>	<u>\$ 8,591,656</u>

Deferred outflows of resources related to pensions resulting from the Medical Center's contributions subsequent to the measurement date of \$7,908,821 and \$7,723,077 will be recognized as a reduction of the net pension liability in the years ending June 30, 2022 and June 30, 2021, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>2021 Amount</u>	<u>2020 Amount</u>
2021	\$ -	\$ 3,176,916
2022	3,163,463	345,996
2023	3,191,442	356,822
2024	2,364,080	(467,796)
2025	2,913,484	45,757
2026	187,987	-
Total	<u>\$ 11,820,456</u>	<u>\$ 3,457,695</u>

There were no nonemployer contributing entities at IPERS.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 6 PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rate of salary increase (effective June 30, 2017)	3.25% to 16.25%, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00%, compounding annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	22.0 %	4.43 %
International Equity	17.5	5.15
Global Smart Beta Equity	6.0	4.87
Core-plus Fixed Income	28.0	(0.29)
Public Credit	4.0	2.29
Cash	1.0	(0.78)
Private Equity	11.0	6.54
Private Real Assets	7.5	4.48
Private Credit	3.0	3.11
Total	<u>100.0 %</u>	

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 6 PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and that contributions from the Medical Center will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Medical Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Medical Center's proportionate share of the net pension liability as of June 30, 2021 and 2020, calculated using the discount rate of 7.00%, as well as what the Medical Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate.

	One Percent Decrease (6.00)%	Discount Rate (7.00)%	One Percent Increase (8.00)%
June 30, 2021			
Medical Center's Proportionate Share of the Net Pension Liability	\$ 119,883,661	\$ 71,897,867	\$ 31,662,551
June 30, 2020			
Medical Center's Proportionate Share of the Net Pension Liability	\$ 102,632,747	\$ 57,798,268	\$ 20,193,340

Pension Plan Fiduciary Net Position

Detailed information about the IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 6 PENSION PLAN (CONTINUED)

Payables to the Pension Plan

At June 30, 2021 and 2020, the Medical Center reported payables to IPERS of approximately \$973,000 and \$885,000, respectively, for legally required employer contributions and approximately \$419,000 and \$393,000, respectively, for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS. These amounts are included in accrued employee compensation and payroll taxes on the statements of net position.

NOTE 7 RISK MANAGEMENT, SELF-INSURANCE, AND COMMITMENTS

Broadlawns Medical Center is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. These risks, except those self-insured by the Medical Center, are covered by the purchase of commercial insurance. Settled claims for these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Self-Insurance

The Medical Center self-insures its professional liability with annual limits of \$1,000,000 per claim and \$3,000,000 in aggregate. Thereafter, excess liability insurance coverage is maintained on a claims-made basis with an annual aggregate liability limit of \$25,000,000. The Medical Center also self-insures worker's compensation, with limits of \$1,000,000 per claim and \$3,000,000 aggregate limit. The Medical Center is self-insured for dental insurance with a limit of \$1,200 per covered person per year, increasing to \$1,750 per covered person per year effective January 1, 2021, and is self-insured for employee health expenses with limits of \$250,000 per covered person per year and no limit during such person's lifetime. The Medical Center has insurance coverage for general liability and automobile liability, with aggregate limits of \$2,000,000 and \$1,000,000, respectively.

The Medical Center has a revocable trust for each self-insurance plan for the purpose of setting aside assets based on actuarial funding recommendations. Under the trust agreements, the trust assets can only be used for payment of professional liability losses, related expenses and the cost of administering the trust. Income earned on trust fund assets (primarily U.S. treasury securities and money market funds invested in government securities) is included in nonoperating revenue.

The annual provision for professional liability losses and expenses included in the accompanying statements of revenue, expenses, and changes in net position is based on the actuarially determined estimate of the present value of liabilities and related expenses resulting from asserted and unasserted incidents, discounted at 1.5% in both 2021 and 2020. The undiscounted liability as of June 30, 2021 and 2020 is approximately \$3,211,000 and \$2,147,000, respectively.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 RISK MANAGEMENT, SELF-INSURANCE, AND COMMITMENTS (CONTINUED)

Self-Insurance (Continued)

The Medical Center has accrued liabilities of \$6,998,522 and \$4,339,557 for self-insured losses as of June 30, 2021 and 2020, respectively. These accrued liabilities are based on management's evaluation of the merits of various claims, historical experience, and consultation with external insurance consultants and include estimates for incurred but not reported claims. Losses estimated to be settled within one year have been classified as current liabilities.

Lease Commitments

The Medical Center leases equipment and real estate under operating agreements which expire through 2026. Rental expense under those agreements was approximately \$1,205,140 and \$1,059,470 for the years ended June 30, 2021 and 2020, respectively. The schedule of minimum rental payments due under these agreements is as follows:

<u>Year Ending June 30,</u>	<u>Equipment</u>	<u>Real Estate</u>
2022	\$ 414,768	\$ 618,097
2023	411,396	552,312
2024	380,580	519,312
2025	380,580	487,870
2026	380,580	456,429
Total	\$ 1,967,904	\$ 2,634,020

Subsequent to year-end, the Medical Center entered into a ground lease agreement with Drake University. The term of the lease will commence during the year ended June 30, 2022 and will expire on the 40th lease year following the project completion date. The Medical Center will pay annual rent in the amount of \$48,800, which will be subject to annual escalators of 1.75%.

Laws and Regulations

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not limited to, accreditation, licensure, government health care program participation requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in exclusion from government health care program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received. The Medical Center believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing.

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 RISK MANAGEMENT, SELF-INSURANCE, AND COMMITMENTS (CONTINUED)

Health Care Reform

The Affordable Care Act substantially increased the federally and state-funded Medicaid insurance program, and authorized states to establish federally subsidized non-Medicaid health plans for low-income residents not eligible for Medicaid. The ACA also called for changes to Disproportionate Share Payments that would be reduced over time. Congress has previously delayed enacting those payment reductions. However, the delays in these cuts have been temporary and for these payments to be permanently reinstated, Congressional legislative action would be required to permanently repeal the payment reductions. The Medical Center is currently eligible and receives Disproportionate Share Payments. Any changes to this program could have a significant impact on the Medical Center.

NOTE 8 CONCENTRATIONS OF CREDIT RISK

The Medical Center grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements or who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. The mix of net receivables from patients and third-party payors as of June 30 was as follows:

	2021	2020
Medicare	44 %	36 %
Medicaid/MCO	37	42
Private Pay	12	10
Other	7	12
Total	100 %	100 %

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The Medical Center sponsors a single-employer health care plan that provides self-insured medical, prescription drug and dental benefits to full- and part-time active and retired employees and their eligible dependents until age 65. Benefits terminate upon attaining Medicare eligibility.

Eligible retirees receive health care coverage through the Medical Center's self-insured plan. Contributions are required for both retiree and dependent coverage. The retiree contributions are based on the historical full cost of active members. Retiree expenses are then offset by monthly contributions.

Funding Policy

The Medical Center, with assistance from the third-party administrator, establishes and amends contribution requirements for both active and retiree members on an annual basis.

The current funding policy of the Medical Center is to pay health claims as they occur. This arrangement does not qualify as OPEB plan assets under GASB guidance for current GASB reporting.

The required contribution is based on projected pay-as-you-go financing. For fiscal years 2021 and 2020, the Medical Center contributed \$-0- and \$9,962, respectively. Retirees receiving benefits contributed \$113,691 and \$49,786, respectively, through their required contributions.

Net OPEB Liability (Asset)

The components of the net OPEB liability (asset) of the Medical Center at June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Total OPEB Liability	\$ 2,053,490	\$ 744,095
Plan Fiduciary Net Position	-	-
District's Net OPEB Liability (Asset)	<u>\$ 2,053,490</u>	<u>\$ 744,095</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	0%	0%

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Net OPEB Liability (Asset) (Continued)

The changes in net OPEB liability (asset) are as follows:

	<u>Total OPEB Liability</u>
Balances at June 30, 2020	\$ 744,095
Changes for the Year:	
Service Cost	123,972
Interest Cost	18,389
Differences Between Expected and Actual Experience	797,032
Changes in Assumptions or Other Inputs	441,957
Contributions-Employer	-
Net Investment income	-
Benefit Payments	(71,955)
Administrative Expense	-
Net Changes	<u>1,309,395</u>
Balances at June 30, 2021	<u>\$ 2,053,490</u>
	<u>Total OPEB Liability</u>
Balances at June 30, 2019	\$ 680,606
Changes for the Year:	
Service Cost	151,224
Interest Cost	28,689
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	(92,139)
Contributions-Employer	-
Net Investment income	-
Benefit Payments	(24,285)
Administrative Expense	-
Net Changes	<u>63,489</u>
Balances at June 30, 2020	<u>\$ 744,095</u>

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Net OPEB Liability (Asset) (Continued)

The following presents the net OPEB liability (asset) of the Medical Center, as well as what the Medical Center's net OPEB liability (asset) would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	One Percent Decrease (1.16%)	Discount Rate (2.16%)	One Percent Increase (3.16%)
June 30, 2021			
<u>Net OPEB Liability (Asset)</u>	<u>\$ 2,248,000</u>	<u>\$ 2,053,490</u>	<u>\$ 1,878,000</u>
	One Percent Decrease (1.21%)	Discount Rate (2.21%)	One Percent Increase (3.21%)
June 30, 2020			
<u>Net OPEB Liability (Asset)</u>	<u>\$ 817,000</u>	<u>\$ 744,095</u>	<u>\$ 677,000</u>

The following presents the total OPEB liability (asset) of the Medical Center, as well as what the Medical Center's total OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates.

	One Percent Decrease (5.50%)	Trend Rate (6.50%)	One Percent Increase (7.50%)
June 30, 2021			
<u>Net OPEB Liability (Asset)</u>	<u>\$ 1,767,000</u>	<u>\$ 2,053,490</u>	<u>\$ 2,410,000</u>
	One Percent Decrease (5.50%)	Trend Rate (6.50%)	One Percent Increase (7.50%)
June 30, 2020			
<u>Net OPEB Liability (Asset)</u>	<u>\$ 593,000</u>	<u>\$ 744,095</u>	<u>\$ 934,000</u>

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Net OPEB Liability (Asset) (Continued)

For the years ended June 30, 2021 and 2020, the Medical Center recognized OPEB expenses of \$158,128 and \$132,996, respectively. At June 30, 2021 and 2020, the Medical Center report deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>June 30, 2021</u>		
Difference Between Expected and Actual Liability	\$ 756,708	\$ 376,071
Change of Assumptions	442,076	168,098
Net Difference Between Projected and Actual Investment Earnings	-	-
Total	<u>\$ 1,198,784</u>	<u>\$ 544,169</u>
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>June 30, 2020</u>		
Difference Between Expected and Actual Liability	\$ -	\$ 408,911
Change of Assumptions	24,442	184,138
Net Difference Between Projected and Actual Investment Earnings	-	-
Total	<u>\$ 24,442</u>	<u>\$ 593,049</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	Future Recognition
2022	\$ 15,767
2023	15,767
2024	15,767
2025	15,767
2026	15,767
Thereafter	575,780
Total	<u>\$ 654,615</u>

**BROADLAWNS MEDICAL CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Methods and Assumptions

Based on the implementation of GASB 75, the actuarial cost method changed from using one of six different actuarial cost methods to the Entry Age Normal cost method on a level percentage of projected salary.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary Increases	3.00%
Discount Rate	2.16%
Health Care Trend Rates	7.00%
	Decreasing to 4.50% Over 10 Years

Mortality rates are from the SOA Public Plan 2010 and the SOA RPH-2019 total dataset mortality table fully generational using Scale MP-2019. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Discount rate is used to reflect the time value of money. Discount rates are used in determining the present value as of the valuation date of future cash flows currently expected to be required to satisfy the postretirement benefit obligation

Experience gains and losses are amortized over a closed period of 14 years starting on July 1, 2016, equal to the average remaining service of active and inactive plan members.

Funded Status and Funding Progress

As of June 30, 2021 and 2020, the most recent valuation date, the plan was 0% funded. As of June 30, 2021 and 2020, the actuarial accrued liability for benefits was \$2,053,490 and \$744,095, respectively, and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$2,053,490 and \$744,095, respectively. The covered payroll was \$87,655,742 and \$78,369,000, respectively, and the ratio of the UAAL to the covered payroll was 2.34% and 0.95%, respectively.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results is compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**BROADLAWNS MEDICAL CENTER
 BUDGET AND BUDGETARY ACCOUNTING (UNAUDITED)
 YEAR ENDED JUNE 30, 2021
 (SEE INDEPENDENT AUDITORS' REPORT)**

In accordance with the Code of Iowa, the board of trustees annually adopts a budget following required public notice and hearings for all funds. The annual budget may be amended during the year utilizing similar statutorily-prescribed procedures. The budgetary basis is non-GAAP basis adjusted for depreciation and amortization, equipment improvements, lease payments, and restricted expenses.

The following is a comparison of actual expenses to budget for the year ended June 30, 2021:

<u>GAAP Expenses</u>	<u>Adjustments to Budgetary Basis</u>	<u>Budgetary Basis</u>	<u>Adopted Budget</u>	<u>Budget to Actual Variance Over (Under) Budget</u>
\$ 208,408,709	\$ 5,400,667	\$ 213,809,376	\$ 224,862,037	\$ (11,052,661)

**BROADLAWNS MEDICAL CENTER
OTHER POSTEMPLOYMENT BENEFIT PLAN (UNAUDITED)
YEARS ENDED JUNE 30, 2021, 2020, 2019, 2018, AND 2017
(SEE INDEPENDENT AUDITORS' REPORT)**

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	\$ 123,972	\$ 151,224	\$ 146,110	\$ 146,110	\$ 140,666
Interest	18,389	28,689	42,219	36,766	32,540
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	797,032	-	(474,592)	-	-
Changes of Assumptions	441,957	(92,139)	28,368	(20,573)	(114,991)
Benefit Payments	(71,955)	(24,285)	(12,646)	(30,161)	(14,489)
Net Change in Total OPEB Liability	1,309,395	63,489	(270,541)	132,142	43,726
Total OPEB Liability - Beginning	744,095	680,606	951,147	819,005	775,279
Total OPEB Liability - Ending (a)	\$ 2,053,490	\$ 744,095	\$ 680,606	\$ 951,147	\$ 819,005
Plan Fiduciary Net Position					
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ -
Net Investment Income	-	-	-	-	-
Benefit Payments	-	-	-	-	-
Administrative Expense	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Net OPEB Liability - Ending (a) - (b)	\$ 2,053,490	\$ 744,095	\$ 680,606	\$ 951,147	\$ 819,005
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	\$ 87,655,742	\$ 78,369,000	\$ 75,718,967	\$ 75,565,000	\$ 73,009,785
District's Net OPEB Liability as a Percentage of Covered Payroll	2.34%	0.95%	0.90%	1.26%	1.12%

The Medical Center implemented GASB Statement No. 75 in fiscal year 2017, and the above table will be expanded to 10 years of information as the information becomes available.

**BROADLAWNS MEDICAL CENTER
SCHEDULE OF THE MEDICAL CENTER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY (UNAUDITED)
YEARS ENDED JUNE 30, 2021, 2020, 2019, 2018, 2017, 2016, AND 2015
(SEE INDEPENDENT AUDITORS' REPORT)**

Iowa Public Employees' Retirement System Last Fiscal Year*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Medical Center's Proportion of the Net Pension Liability	1.030683%	0.991486%	0.959746%	0.881642%	0.825597%
Medical Center's Proportionate Share of the Net Pension Liability	\$ 71,897,867	\$ 57,798,268	\$ 60,715,017	\$ 58,203,903	\$ 51,486,901
Medical Center's Covered Payroll	\$ 83,296,289	\$ 81,339,399	\$ 76,026,901	\$ 72,234,982	\$ 65,288,646
Medical Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	86.32%	71.06%	79.86%	80.58%	78.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.38 %	84.38 %	82.57 %	81.99%	81.82%
	<u>2016</u>	<u>2015</u>			
Medical Center's Proportion of the Net Pension Liability	0.819028%	0.784310%			
Medical Center's Proportionate Share of the Net Pension Liability	\$ 40,463,961	\$ 31,105,015			
Medical Center's Covered Payroll	\$ 58,774,222	\$ 56,206,660			
Medical Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	68.85%	55.34%			
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.85 %	0.88 %			

*The amounts presented for the fiscal years ended June 30, 2021 and 2020 were determined as of June 30, 2020 and 2019, respectively.

Note: GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the Medical Center will present information for those years for which information is available.

**BROADLAWNS MEDICAL CENTER
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM,
SCHEDULE OF MEDICAL CENTER CONTRIBUTIONS (UNAUDITED)
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

Schedule of Medical Center Contributions

Fiscal Year Ended	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Medical Center's Covered Payroll (c)	Contribution as a Percentage of Covered Payroll (a/c)
2021	\$ 7,863,170	\$ 7,863,170	\$ -	\$ 83,296,289	9.44 %
2020	7,678,440	7,678,440	-	81,339,399	9.44
2019	7,176,940	7,176,940	-	76,026,901	9.44
2018	6,450,584	6,450,584	-	72,234,982	8.93
2017	6,154,297	6,154,297	-	65,288,646	9.43
2016	5,284,871	5,284,871	-	58,774,222	8.99
2015	4,860,272	4,860,272	-	56,206,660	8.65
2014	4,614,625	4,614,625	-	51,525,133	8.96
2013	4,195,017	4,195,017	-	47,992,511	8.74
2012	3,644,442	3,644,442	-	44,831,022	8.13

BROADLAWNS MEDICAL CENTER
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION, PENSION LIABILITY (UNAUDITED)
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

NOTE 1 PENSION LIABILITY

Changes of Benefit Terms

There were no significant changes in benefit terms.

Changes of Assumptions

The 2018 valuation implemented the following refinements as a result of demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

**BROADLAWNS MEDICAL CENTER
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION, OPEB LIABILITY (UNAUDITED)
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

NOTE 1 PENSION LIABILITY

Changes of Benefit Terms

There were no significant changes in benefit terms.

Changes of Assumptions

The 2021 valuation implemented the following changes of assumptions:

- The discount rate was updated from 2.21% to 2.16%.
- The mortality assumption was updated from RP-2014 mortality table with generational scale MP-2018 to Pub-2010 mortality table with generational scale MP-2020 to reflect the Society of Actuaries' recent mortality study.
- The retirement rates and termination tables were updated to the rates from the IPERS 2018 valuation to the IPERS 2020 valuation. This resulted in no change to retirement or termination rates.

BROADLAWNS MEDICAL CENTER
COMBINING STATEMENT OF NET POSITION – BY DEPARTMENT
JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Medical Center	Residential Facilities	Positive Alternatives to Hospitalization (PATH)	Eliminations	Total Medical Center
ASSETS AND DEFERRED OUTFLOWS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 45,342,233	\$ 2,701	\$ 1,044,629	\$ -	\$ 46,389,563
Restricted Cash and Cash Equivalents	12,388,829	17,855	-	-	12,406,684
Short-Term Investments	69,142,260	-	-	-	69,142,260
Restricted Short-Term Investments	34,234,247	-	-	-	34,234,247
Receivables:					
Patients, Net	12,729,713	251,396	31,058	-	13,012,167
Property Taxes	492,185	-	-	-	492,185
Succeeding Year Property Taxes	68,519,049	-	-	-	68,519,049
Federal Grants	1,675,651	-	-	-	1,675,651
Nonfederal Grants	234,415	-	-	-	234,415
Other	2,299,915	-	-	1,715,934 (1)	583,981
Due from Third-Party Payors	742,634	-	-	-	742,634
Inventories	2,518,241	-	-	-	2,518,241
Prepaid Expenses and Other Assets	1,592,363	1,057	6,451	-	1,599,871
Total Current Assets	<u>251,911,735</u>	<u>273,009</u>	<u>1,082,138</u>	<u>1,715,934</u>	<u>251,550,948</u>
NONCURRENT ASSETS					
Noncurrent Cash and Investments, Net of Current Portion:					
Cash and Cash Equivalents	5,829,367	-	-	-	5,829,367
Investments	2,971,758	-	-	-	2,971,758
Total Noncurrent Cash and Investments	<u>8,801,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,801,125</u>
Capital Assets:					
Nondepreciable	9,420,398	-	-	-	9,420,398
Depreciable, Net	96,155,981	-	27,130	-	96,183,111
Total Capital Assets	<u>105,576,379</u>	<u>-</u>	<u>27,130</u>	<u>-</u>	<u>105,603,509</u>
Total Noncurrent Assets	<u>114,377,504</u>	<u>-</u>	<u>27,130</u>	<u>-</u>	<u>114,404,634</u>
Total Assets	366,289,239	273,009	1,109,268	1,715,934	365,955,582
DEFERRED OUTFLOWS					
Related to Pension	21,433,661	-	-	-	21,433,661
Related to Postemployment Benefits	1,198,784	-	-	-	1,198,784
Total Deferred Outflows	<u>22,632,445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,632,445</u>
Total Assets and Deferred Outflows	<u>\$ 388,921,684</u>	<u>\$ 273,009</u>	<u>\$ 1,109,268</u>	<u>\$ 1,715,934</u>	<u>\$ 388,588,027</u>

(1) To eliminate interdepartmental receivables and payables.

BROADLAWNS MEDICAL CENTER
COMBINING STATEMENT OF NET POSITION – BY DEPARTMENT (CONTINUED)
JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	Medical Center	Residential Facilities	Positive Alternatives to Hospitalization (PATH)	Eliminations	Total Medical Center
CURRENT LIABILITIES					
Accounts Payable and Other Accrued Expenses	\$ 5,745,816	\$ 1,255,486	\$ 467,471	\$ 1,715,934 (1)	\$ 5,752,839
Accrued Employee Compensation and Payroll Taxes	12,390,290	30,373	78,822	-	12,499,485
Due to Third-Party Payors	1,371,545	-	-	-	1,371,545
Current Portion of Accrued Claims on Self-Insurance	1,974,389	-	-	-	1,974,389
Total Current Liabilities	21,482,040	1,285,859	546,293	1,715,934	21,598,258
NONCURRENT LIABILITIES					
Other Postemployment Benefits	2,053,490	-	-	-	2,053,490
Accrued Claims on Self-Insurance, Less Current Portion	5,024,133	-	-	-	5,024,133
Net Pension Liability	71,897,867	-	-	-	71,897,867
Total Noncurrent Liabilities	78,975,490	-	-	-	78,975,490
Total Liabilities	100,457,530	1,285,859	546,293	1,715,934	100,573,748
DEFERRED INFLOWS					
Related to Pension	1,704,384	-	-	-	1,704,384
Related to Postemployment Benefits	544,169	-	-	-	544,169
Revenue for Succeeding Year Property Taxes	68,519,049	-	-	-	68,519,049
Total Deferred Inflows	70,767,602	-	-	-	70,767,602
NET POSITION					
Net Investment in Capital Assets	105,416,582	-	27,130	-	105,443,712
Restricted:					
For Enabling Legislation	117,646	-	-	-	117,646
For Specific Activities	55,201	17,855	-	-	73,056
Unrestricted	112,107,123	(1,030,705)	535,845	-	111,612,263
Total Net Position	217,696,552	(1,012,850)	562,975	-	217,246,677
Total Liabilities, Deferred Inflows, and Net Position	\$ 388,921,684	\$ 273,009	\$ 1,109,268	\$ 1,715,934	\$ 388,588,027

BROADLAWNS MEDICAL CENTER
COMBINING STATEMENT OF NET POSITION – BY DEPARTMENT (CONTINUED)
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS AND DEFERRED OUTFLOWS	Medical Center	Residential Facilities	Positive Alternatives to Hospitalization (PATH)	Eliminations	Total Medical Center
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 17,793,228	\$ 7,836	\$ 938,157	\$ -	\$ 18,739,221
Restricted Cash and Cash Equivalents	12,899,756	13,386	-	-	12,913,142
Short-Term Investments	73,034,734	-	-	-	73,034,734
Restricted Short-Term Investments	14,000,000	-	-	-	14,000,000
Receivables:					
Patients, Net	11,821,853	287,031	44,374	-	12,153,258
Property Taxes	448,599	-	-	-	448,599
Succeeding Year Property Taxes	68,631,449	-	-	-	68,631,449
Federal Grants	453,354	-	-	-	453,354
Nonfederal Grants	172,845	-	-	-	172,845
Other	2,516,179	-	-	1,254,425 (1)	1,261,754
Due from Third-Party Payors	4,111,700	-	-	-	4,111,700
Inventories	2,390,357	-	-	-	2,390,357
Prepaid Expenses and Other Assets	1,596,716	-	6,412	-	1,603,128
Total Current Assets	<u>209,870,770</u>	<u>308,253</u>	<u>988,943</u>	<u>1,254,425</u>	<u>209,913,541</u>
NONCURRENT ASSETS					
Assets Limited as to Use or Restricted, Net of Current Portion:					
Cash and Cash Equivalents	7,376,560	-	-	-	7,376,560
Investments	23,619,397	-	-	-	23,619,397
Total Assets Limited as to Use or Restricted	<u>30,995,957</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,995,957</u>
Capital Assets:					
Nondepreciable	31,775,826	-	-	-	31,775,826
Depreciable, Net	69,189,127	807	47,804	-	69,237,738
Total Capital Assets	<u>100,964,953</u>	<u>807</u>	<u>47,804</u>	<u>-</u>	<u>101,013,564</u>
Total Noncurrent Assets	<u>131,960,910</u>	<u>807</u>	<u>47,804</u>	<u>-</u>	<u>132,009,521</u>
Total Assets	341,831,680	309,060	1,036,747	1,254,425	341,923,062
DEFERRED OUTFLOWS					
Related to Pension	19,772,428	-	-	-	19,772,428
Related to Postemployment Benefits	24,442	-	-	-	24,442
Total Deferred Outflows	<u>19,796,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,796,870</u>
Total Assets	<u>\$ 361,628,550</u>	<u>\$ 309,060</u>	<u>\$ 1,036,747</u>	<u>\$ 1,254,425</u>	<u>\$ 361,719,932</u>

(1) To eliminate interdepartmental receivables and payables.

BROADLAWNS MEDICAL CENTER
COMBINING STATEMENT OF NET POSITION – BY DEPARTMENT (CONTINUED)
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	Medical Center	Residential Facilities	Positive Alternatives to Hospitalization (PATH)	Eliminations	Total Medical Center
CURRENT LIABILITIES					
Accounts Payable and Other Accrued Expenses	\$ 4,489,830	\$ 1,064,348	\$ 190,896	\$ 1,254,425 (1)	\$ 4,490,649
Accrued Employee Compensation and Payroll Taxes	13,021,653	31,883	72,760	-	13,126,296
Due to Third-Party Payors	1,373,016	-	-	-	1,373,016
Current Portion of Accrued Claims on Self-Insurance	1,352,164	-	-	-	1,352,164
Total Current Liabilities	20,236,663	1,096,231	263,656	1,254,425	20,342,125
NONCURRENT LIABILITIES					
Other Postemployment Benefits	744,095	-	-	-	744,095
Accrued Claims on Self-Insurance, Less Current Portion	2,987,393	-	-	-	2,987,393
Net Pension Liability	57,798,268	-	-	-	57,798,268
Total Noncurrent Liabilities	61,529,756	-	-	-	61,529,756
Total Liabilities	81,766,419	1,096,231	263,656	1,254,425	81,871,881
DEFERRED INFLOWS					
Related to Pension	8,591,656	-	-	-	8,591,656
Related to Postemployment Benefits	593,049	-	-	-	593,049
Revenue for Succeeding Year Property Taxes	68,631,449	-	-	-	68,631,449
Total Deferred Inflows	77,816,154	-	-	-	77,816,154
NET POSITION					
Net Investment in Capital Assets	100,021,479	807	47,804	-	100,070,090
Restricted:					
For Enabling Legislation	5,747,192	-	-	-	5,747,192
For Specific Activities	54,267	13,386	-	-	67,653
Unrestricted	96,223,039	(801,364)	725,287	-	96,146,962
Total Net Position	202,045,977	(787,171)	773,091	-	202,031,897
Total Liabilities, Deferred Inflows, and Net Position	\$ 361,628,550	\$ 309,060	\$ 1,036,747	\$ 1,254,425	\$ 361,719,932

BROADLAWNS MEDICAL CENTER
COMBINING STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION – BY DEPARTMENT
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Medical Center	Residential Facilities	Positive Alternatives to Hospitalization (PATH)	Eliminations	Total Medical Center
OPERATING REVENUE					
Net Patient Service Revenue	\$ 141,069,232	\$ 39,536	\$ 1,327,048	\$ -	\$ 142,435,816
Contracts	650,322	-	66,395	-	716,717
Operating Grants	3,535,639	-	-	-	3,535,639
Other	3,834,444	-	-	80,877 (1)	3,753,567
Total Operating Revenue	<u>149,089,637</u>	<u>39,536</u>	<u>1,393,443</u>	<u>80,877</u>	<u>150,441,739</u>
OPERATING EXPENSES					
Salaries and Wages	94,775,676	580,843	886,394	-	96,242,913
Employee Benefits:					
Pension	13,242,473	85,048	132,394	-	13,459,915
All Others	19,358,213	198,005	260,701	-	19,816,919
Physician Fees and Outside Services	6,713,896	-	-	-	6,713,896
Supplies and Other Expenses	63,306,934	150,129	303,397	80,877 (1)	63,679,583
Depreciation and Amortization	8,474,003	807	20,673	-	8,495,483
Total Operating Expenses	<u>205,871,195</u>	<u>1,014,832</u>	<u>1,603,559</u>	<u>80,877</u>	<u>208,408,709</u>
OPERATING LOSS	(56,781,558)	(975,296)	(210,116)	-	(57,966,970)
NONOPERATING REVENUE (EXPENSE)					
Property Taxes Revenue	73,224,440	-	-	-	73,224,440
Property Taxes Expense	(2,800,000)	-	-	-	(2,800,000)
Noncapital Grants and Contributions	1,150,801	-	-	-	1,150,801
Investment Earnings	882,387	-	-	-	882,387
Interest Expense	(21,866)	-	-	-	(21,866)
Other, Net	28,760	438	-	-	29,198
Total Nonoperating Revenue, Net	<u>72,464,522</u>	<u>438</u>	<u>-</u>	<u>-</u>	<u>72,464,960</u>
EQUITY TRANSFER	(749,179)	749,179	-	-	-
CAPITAL CONTRIBUTIONS	<u>716,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>716,790</u>
CHANGE IN NET POSITION	15,650,575	(225,679)	(210,116)	-	15,214,780
Net Position - Beginning of Year	<u>202,045,977</u>	<u>(787,171)</u>	<u>773,091</u>	<u>-</u>	<u>202,031,897</u>
NET POSITION - END OF YEAR	<u>\$ 217,696,552</u>	<u>\$ (1,012,850)</u>	<u>\$ 562,975</u>	<u>\$ -</u>	<u>\$ 217,246,677</u>

(1) To eliminate interdepartmental transactions.

BROADLAWNS MEDICAL CENTER
COMBINING STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION – BY DEPARTMENT
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Medical Center	Residential Facilities	Positive Alternatives to Hospitalization (PATH)	Eliminations	Total Medical Center
OPERATING REVENUE					
Net Patient Service Revenue	\$ 124,359,652	\$ 116,374	\$ 1,686,978	\$ -	\$ 126,163,004
Contracts	713,078	-	55,041	-	768,119
Operating Grants	2,962,755	-	-	-	2,962,755
Other	4,212,420	623	-	81,384 (1)	4,131,659
Total Operating Revenue	<u>132,247,905</u>	<u>116,997</u>	<u>1,742,019</u>	<u>81,384</u>	<u>134,025,537</u>
OPERATING EXPENSES					
Salaries and Wages	91,899,510	490,902	864,227	-	93,254,639
Employee Benefits:					
Pension	12,883,459	92,339	123,075	-	13,098,873
All Others	16,763,986	206,505	263,983	-	17,234,474
Physician Fees and Outside Services	5,563,529	-	-	-	5,563,529
Supplies and Other Expenses	55,998,719	137,732	315,897	81,384 (1)	56,370,964
Depreciation and Amortization	7,303,550	9,688	28,910	-	7,342,148
Total Operating Expenses	<u>190,412,753</u>	<u>937,166</u>	<u>1,596,092</u>	<u>81,384</u>	<u>192,864,627</u>
OPERATING GAIN (LOSS)	(58,164,848)	(820,169)	145,927	-	(58,839,090)
NONOPERATING REVENUE (EXPENSE)					
Property Taxes Revenue	69,292,883	-	-	-	69,292,883
Property Taxes Expense	(2,800,000)	-	-	-	(2,800,000)
Noncapital Grants and Contributions	2,696,733	-	-	-	2,696,733
Investment Earnings	2,728,291	-	-	-	2,728,291
Interest Expense	(1,794)	-	-	-	(1,794)
Other, Net	22,332	-	100	-	22,432
Total Nonoperating Revenue, Net	<u>71,938,445</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>71,938,545</u>
EQUITY TRANSFER	(700,625)	700,625	-	-	-
CAPITAL CONTRIBUTIONS	<u>108,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,609</u>
CHANGE IN NET POSITION	13,181,581	(119,544)	146,027	-	13,208,064
Net Position - Beginning of Year	<u>188,864,396</u>	<u>(667,627)</u>	<u>627,064</u>	<u>-</u>	<u>188,823,833</u>
NET POSITION - END OF YEAR	<u>\$ 202,045,977</u>	<u>\$ (787,171)</u>	<u>\$ 773,091</u>	<u>\$ -</u>	<u>\$ 202,031,897</u>

(1) To eliminate interdepartmental transactions.

BROADLAWNS MEDICAL CENTER
ANALYSIS OF NET PATIENT RECEIVABLES
JUNE 30, 2021 AND 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>2021</u>		<u>2020</u>	
	<u>Amounts</u>	<u>Percent to Total</u>	<u>Amounts</u>	<u>Percent to Total</u>
0 - 30 (In-House and Unbilled)	\$ 26,564,196	52 %	\$ 22,924,927	55 %
31 - 60	8,950,447	18	4,633,747	11
61 - 90	4,046,137	8	2,163,488	5
91 - 120	2,397,547	5	1,915,958	5
121 - 150	1,586,488	3	1,525,615	4
151 and over	6,937,634	14	8,195,811	20
	<u>50,482,449</u>	<u>100 %</u>	<u>41,359,546</u>	<u>100 %</u>
Allowance for Doubtful Accounts	6,104,000		4,588,000	
Allowance for Charity Care	4,593,000		4,128,000	
Allowance for Contractual and Other Adjustments	<u>26,773,282</u>		<u>20,490,288</u>	
 Total	 <u>\$ 13,012,167</u>		 <u>\$ 12,153,258</u>	
 Medicare	 \$ 5,804,183	 44 %	 \$ 4,329,144	 36 %
Medicaid	4,825,659	37	5,153,456	42
Private Pay	1,514,991	12	1,225,741	10
Other	<u>867,334</u>	<u>7</u>	<u>1,444,917</u>	<u>12</u>
 Total	 <u>\$ 13,012,167</u>	 <u>100 %</u>	 <u>\$ 12,153,258</u>	 <u>100 %</u>

**BROADLAWNS MEDICAL CENTER
CHANGES IN CAPITAL ASSETS AND ACCUMULATED
DEPRECIATION AND AMORTIZATION
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	Capital Assets			
	June 30, 2020	Additions	Transfers and Disposals	June 30, 2021
Medical Center:				
Land	\$ 2,076,909	\$ -	\$ -	\$ 2,076,909
Land Improvements	10,012,417	-	510,057	10,522,474
Buildings	37,107,201	-	13,588,009	50,695,210
Building Equipment	53,279,188	13,861	17,185,477	70,478,526
Fixed Equipment	428,584	-	7,356	435,940
Major Moveable Equipment	32,363,509	1,526,928	184,622	34,075,059
Equipment under Capital Lease	28,322	-	-	28,322
Construction in Progress	29,678,851	11,696,181	(34,051,609)	7,323,423
Total	<u>164,974,981</u>	<u>13,236,970</u>	<u>(2,576,088)</u>	<u>175,635,863</u>
Mental Health Facility:				
Land	20,066	-	-	20,066
Land Improvements	186,146	-	26,276	212,422
Buildings	6,960,101	-	(91,520)	6,868,581
Building Equipment	6,141,134	-	767,187	6,908,321
Major Moveable Equipment	586,427	-	-	586,427
Total	<u>13,893,874</u>	<u>-</u>	<u>701,943</u>	<u>14,595,817</u>
Total Medical Center	<u>178,868,855</u>	<u>13,236,970</u>	<u>(1,874,145)</u>	<u>190,231,680</u>
Residential Facilities:				
Major Moveable Equipment	6,919	-	(6,919)	-
Vehicles	60,643	-	(21,891)	38,752
Total Residential Facilities	<u>67,562</u>	<u>-</u>	<u>(28,810)</u>	<u>38,752</u>
Positive Alternative to Hospitalization (PATH):				
Building Equipment	935	-	(935)	-
Vehicles	371,767	-	-	371,767
Major Moveable Equipment	93,328	-	(93,328)	-
Total PATH	<u>466,030</u>	<u>-</u>	<u>(94,263)</u>	<u>371,767</u>
Total	<u>\$ 179,402,447</u>	<u>\$ 13,236,970</u>	<u>\$ (1,997,218)</u>	<u>\$ 190,642,199</u>

BROADLAWNS MEDICAL CENTER
CHANGES IN CAPITAL ASSETS AND ACCUMULATED
DEPRECIATION AND AMORTIZATION (CONTINUED)
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

Accumulated Depreciation and Amortization

June 30, 2020	Current Provision	Deductions	June 30, 2021
\$ -	\$ -	\$ -	\$ -
4,693,831	476,747	-	5,170,578
12,274,856	1,167,571	(9,053)	13,433,374
25,846,190	3,565,565	(372,466)	29,039,289
366,145	27,524	(39,334)	354,335
21,748,036	2,943,000	(1,228,915)	23,462,121
28,322	-	-	28,322
-	-	-	-
<u>64,957,380</u>	<u>8,180,407</u>	<u>(1,649,768)</u>	<u>71,488,019</u>
-	-	-	-
186,146	6,569	-	192,715
6,187,991	69,551	(72,834)	6,184,708
5,985,956	217,476	-	6,203,432
586,427	-	-	586,427
<u>12,946,520</u>	<u>293,596</u>	<u>(72,834)</u>	<u>13,167,282</u>
<u>77,903,900</u>	<u>8,474,003</u>	<u>(1,722,602)</u>	<u>84,655,301</u>
6,919	-	(6,919)	-
59,837	806	(21,891)	38,752
<u>66,756</u>	<u>806</u>	<u>(28,810)</u>	<u>38,752</u>
935	-	(935)	-
323,964	20,673	-	344,637
93,328	-	(93,328)	-
<u>418,227</u>	<u>20,673</u>	<u>(94,263)</u>	<u>344,637</u>
<u>\$ 78,388,883</u>	<u>\$ 8,495,482</u>	<u>\$ (1,845,675)</u>	<u>\$ 85,038,690</u>

**BROADLAWNS MEDICAL CENTER
CHANGES IN CAPITAL ASSETS AND ACCUMULATED
DEPRECIATION AND AMORTIZATION
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	Capital Assets			
	June 30, 2019	Additions	Transfers and Disposals	June 30, 2020
Medical Center:				
Land	\$ 2,076,909	\$ -	\$ -	\$ 2,076,909
Land Improvements	9,931,700	-	80,717	10,012,417
Buildings	37,101,518	5,683	-	37,107,201
Building Equipment	49,416,620	17,986	3,844,582	53,279,188
Fixed Equipment	428,584	-	-	428,584
Major Moveable Equipment	29,866,794	1,327,412	1,169,303	32,363,509
Equipment under Capital Lease	28,322	-	-	28,322
Construction in Progress	14,829,779	20,830,019	(5,980,947)	29,678,851
Total	<u>143,680,226</u>	<u>22,181,100</u>	<u>(886,345)</u>	<u>164,974,981</u>
Mental Health Facility:				
Land	20,066	-	-	20,066
Land Improvements	186,146	-	-	186,146
Buildings	6,960,101	-	-	6,960,101
Building Equipment	6,141,134	-	-	6,141,134
Major Moveable Equipment	586,427	-	-	586,427
Total	<u>13,893,874</u>	<u>-</u>	<u>-</u>	<u>13,893,874</u>
Total Medical Center	<u>157,574,100</u>	<u>22,181,100</u>	<u>(886,345)</u>	<u>178,868,855</u>
Residential Facilities:				
Major Moveable Equipment	6,919	-	-	6,919
Vehicles	60,643	-	-	60,643
Total Residential Facilities	<u>67,562</u>	<u>-</u>	<u>-</u>	<u>67,562</u>
Positive Alternative to Hospitalization (PATH):				
Building Equipment	935	-	-	935
Vehicles	371,767	-	-	371,767
Major Moveable Equipment	93,328	-	-	93,328
Total PATH	<u>466,030</u>	<u>-</u>	<u>-</u>	<u>466,030</u>
Total	<u>\$ 158,107,692</u>	<u>\$ 22,181,100</u>	<u>\$ (886,345)</u>	<u>\$ 179,402,447</u>

**BROADLAWNS MEDICAL CENTER
CHANGES IN CAPITAL ASSETS AND ACCUMULATED
DEPRECIATION AND AMORTIZATION (CONTINUED)
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

Accumulated Depreciation and Amortization

June 30, 2019	Current Provision	Deductions	June 30, 2020
\$ -	\$ -	\$ -	\$ -
4,234,279	459,552	-	4,693,831
11,441,621	833,235	-	12,274,856
23,254,936	2,628,627	(37,373)	25,846,190
341,064	25,081	-	366,145
19,371,990	3,188,138	(812,092)	21,748,036
28,322	-	-	28,322
-	-	-	-
<u>58,672,212</u>	<u>7,134,633</u>	<u>(849,465)</u>	<u>64,957,380</u>
-	-	-	-
186,146	-	-	186,146
6,065,367	122,624	-	6,187,991
5,939,665	46,291	-	5,985,956
586,427	-	-	586,427
<u>12,777,605</u>	<u>168,915</u>	<u>-</u>	<u>12,946,520</u>
<u>71,449,817</u>	<u>7,303,548</u>	<u>(849,465)</u>	<u>77,903,900</u>
-	-	-	-
6,919	-	-	6,919
50,149	9,688	-	59,837
<u>57,068</u>	<u>9,688</u>	<u>-</u>	<u>66,756</u>
-	-	-	-
935	-	-	935
294,654	29,310	-	323,964
93,328	-	-	93,328
<u>388,917</u>	<u>29,310</u>	<u>-</u>	<u>418,227</u>
<u>\$ 71,895,802</u>	<u>\$ 7,342,546</u>	<u>\$ (849,465)</u>	<u>\$ 78,388,883</u>

**BROADLAWNS MEDICAL CENTER
PATIENT SERVICE REVENUE
YEARS ENDED JUNE 30, 2021 AND 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	2021			2020		
	Inpatients	Outpatients	Total	Inpatients	Outpatients	Total
Daily Patient Services:						
Medical, Surgical	\$ 10,344,930	\$ 6,726,421	\$ 17,071,351	\$ 7,153,571	\$ 6,293,904	\$ 13,447,475
Mental Health	20,617,911	1,268	20,619,179	20,453,760	272	20,454,032
Intensive Care	3,492,616	223,478	3,716,094	2,712,084	364,628	3,076,712
Family Birthing Center	4,292,504	307,624	4,600,128	3,252,817	170,447	3,423,264
Transitional Facilities	542,944	-	542,944	756,700	-	756,700
Residential Facilities	785,734	-	785,734	776,781	-	776,781
Total Daily Patient Services	40,076,639	7,258,791	47,335,430	35,105,713	6,829,251	41,934,964
Other Nursing Services:						
Surgical Services	4,853,690	51,214,741	56,068,431	5,146,414	40,057,530	45,203,944
Medical and Surgical Supplies	2,347,724	13,096,287	15,444,011	3,095,365	9,096,100	12,191,465
Ambulatory Care Services:						
Addiction Medicine	-	505,048	505,048	-	770,439	770,439
Crisis	816	2,260,825	2,261,641	-	2,398,256	2,398,256
Dental Clinic	-	1,140,311	1,140,311	-	1,564,519	1,564,519
ECT Clinic	-	-	-	19,462	230,552	250,014
Emergency	2,538,232	13,679,351	16,217,583	2,122,723	13,992,469	16,115,192
Endocrinology Clinic	-	460,401	460,401	-	344,261	344,261
Eye Clinic	-	2,204,425	2,204,425	-	1,789,655	1,789,655
Family Health Center	408	2,184,820	2,185,228	18	1,942,552	1,942,570
Gastroenterology Clinic	-	-	-	-	44,219	44,219
Geriatrics Clinic	-	486,370	486,370	-	510,111	510,111
Integrated Health Home	-	2,129,367	2,129,367	-	2,305,617	2,305,617
Internal Medicine Clinic	18	609,871	609,889	-	562,537	562,537
Neurology Clinic	-	581,061	581,061	-	537,876	537,876
Oncology Clinic	-	1,735,819	1,735,819	-	1,851,210	1,851,210
Optical Shop	-	410,270	410,270	-	356,937	356,937
Orthopedics Clinic	18	1,017,467	1,017,485	-	895,182	895,182
Outpatient Behavioral Health	639,878	8,432,243	9,072,121	844,815	7,187,426	8,032,241
Pain Management Center	1,420	7,147,117	7,148,537	-	6,886,384	6,886,384
Pediatric Clinic	-	615,209	615,209	-	626,265	626,265
Podiatry Clinic	1,500	2,677,294	2,678,794	18	1,451,933	1,451,951
Primary Care Clinic	180	3,624,053	3,624,233	-	3,380,710	3,380,710
Sleep Medicine and Allergy Clinic	-	965,627	965,627	-	929,134	929,134
Specialty Clinic	-	142,460	142,460	-	388,166	388,166
Surgery Clinic	23,394	1,292,034	1,315,428	14,141	526,102	540,243
Urology Clinic	-	3,141,022	3,141,022	-	2,358,618	2,358,618
Walk-In Clinic	824	3,002,667	3,003,491	29	2,973,610	2,973,639
Women's Health Clinic	443	1,130,232	1,130,675	-	1,075,978	1,075,978
PATH	-	1,343,042	1,343,042	-	1,699,252	1,699,252
Total Other Nursing Services	10,408,545	127,229,434	137,637,979	11,242,985	108,733,600	119,976,585

**BROADLAWNS MEDICAL CENTER
PATIENT SERVICE REVENUE (CONTINUED)
YEARS ENDED JUNE 30, 2021 AND 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	2021			2020		
	Inpatients	Outpatients	Total	Inpatients	Outpatients	Total
Other Physician Services:						
Anesthesiology	\$ 1,420,715	\$ 5,806,871	\$ 7,227,586	\$ 1,282,199	\$ 4,280,295	\$ 5,562,494
Cardiology	47,171	548,400	595,571	31,411	250,781	282,192
Dallas Center Clinic	-	872,128	872,128	-	887,011	887,011
Downtown Clinic	-	1,348,768	1,348,768	-	957,197	957,197
Drake University Clinic	-	11,850	11,850	-	12,015	12,015
East University Clinic	171	4,389,868	4,390,039	-	4,194,232	4,194,232
Emergency Medicine	1,327,757	6,812,228	8,139,985	1,160,891	7,224,578	8,385,469
Endocrinology	-	283,937	283,937	-	183,041	183,041
ENT	9,635	1,574,317	1,583,952	4,086	153,682	157,768
Gastroenterology	-	-	-	18,624	196,642	215,266
Geriatrics	-	452,319	452,319	237	384,034	384,271
Internal Medicine	38,484	2,622,914	2,661,398	33,129	2,407,832	2,440,961
Medical Education	102,328	2,203,789	2,306,117	62,425	1,679,290	1,741,715
Neurology	13,823	447,770	461,593	6,315	397,706	404,021
Obstetrics and Gynecology	2,576,939	1,034,694	3,611,633	1,944,888	703,284	2,648,172
Oncology	32	331,340	331,372	-	264,606	264,606
Ophthalmology	1,835	3,070,668	3,072,503	4,633	2,462,938	2,467,571
Orthopedics	343,933	2,530,053	2,873,986	423,422	1,241,935	1,665,357
Pain Management Center	58	2,350,639	2,350,697	1,749	2,333,472	2,335,221
Pediatrics	-	526,011	526,011	-	467,340	467,340
Podiatry	219,463	1,194,179	1,413,642	225,083	896,199	1,121,282
Primary Care Clinic	32,364	2,236,155	2,268,519	33,980	1,822,265	1,856,245
Psychiatry	20,182	5,840,001	5,860,183	14,362	5,288,761	5,303,123
Sleep Medicine and Allergy	-	965,604	965,604	-	847,303	847,303
Surgery	266,386	1,024,629	1,291,015	183,246	799,102	982,348
Urology	49,293	2,453,627	2,502,920	58,208	1,347,158	1,405,366
Walk-In Clinic	-	1,391,151	1,391,151	-	1,205,557	1,205,557
Other Physician Services	-	51,708	51,708	-	30,048	30,048
Total Other Physician Services	<u>6,470,569</u>	<u>52,375,618</u>	<u>58,846,187</u>	<u>5,488,888</u>	<u>42,918,304</u>	<u>48,407,192</u>
Other Professional Services:						
Laboratory	5,246,099	18,858,873	24,104,972	4,050,077	15,244,530	19,294,607
Pharmacy	3,388,136	38,702,516	42,090,652	2,842,228	36,312,091	39,154,319
Radiology	4,941,509	41,757,399	46,698,908	4,065,839	36,383,221	40,449,060
Respiratory Therapy	2,216,442	1,457,351	3,673,793	2,350,876	1,977,790	4,328,666
Diagnostic Services	585,855	2,925,380	3,511,235	452,506	2,236,199	2,688,705
Physical and Occupational Therapy	272,741	2,941,466	3,214,207	234,897	1,885,972	2,120,869
Speech and Hearing Therapy	47,238	277,801	325,039	35,467	224,750	260,217
Total Other Professional Services	<u>16,698,020</u>	<u>106,920,786</u>	<u>123,618,806</u>	<u>14,031,890</u>	<u>94,264,553</u>	<u>108,296,443</u>
Gross Charges at Established Rates	<u>\$ 73,653,773</u>	<u>\$ 293,784,629</u>	<u>367,438,402</u>	<u>\$ 65,869,476</u>	<u>\$ 252,745,708</u>	<u>318,615,184</u>
Charity Care Charges Forgone, Based on Established Rates			<u>14,859,091</u>			<u>16,566,653</u>
Total Gross Patient Service Revenue			<u>352,579,311</u>			<u>302,048,531</u>
Provisions for Contractual and Other Adjustments			<u>198,072,222</u>			<u>163,981,759</u>
Provision for Bad Debts			<u>12,071,273</u>			<u>11,903,768</u>
Total Net Patient Service Revenue			<u>\$ 142,435,816</u>			<u>\$ 126,163,004</u>

**BROADLAWNS MEDICAL CENTER
OTHER OPERATING REVENUE
YEARS ENDED JUNE 30, 2021 AND 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>2021</u>	<u>2020</u>
Grants:		
Broadlawns Medical Center:		
Women, Infants, and Children Program, State of Iowa, (IDPH)	\$ 2,553,442	\$ 2,641,513
WIC Breast Pump Program, State of Iowa, (IDPH)	20,501	158,279
Hospital Preparedness Program	20,882	12,585
Farmers Market Nutrition Program, State of Iowa (IDALS)	4,657	1,683
Merit/Magellan, Iowa Plan, Iowa State Department of Public Health	17,992	59,192
Breastfeeding Peer Counseling, State of Iowa, (IDPH)	86,337	48,391
COVID-19 Grant, State of Iowa, (IDPH)	399,285	-
Community Grant, Polk County	78,000	-
Zero Suicide Iowa, Iowa State Department of Public Health	15,000	9,000
Hypertension and Cholesterol Improvement Project, Iowa State Department of Public Health	100,500	-
COVID-19 Preparedness Grant, Iowa Hospital Association	50,641	5,720
Apprenticeship USA Expansion and Innovation, Iowa Workforce Development	188,402	26,392
Total Grants	<u>3,535,639</u>	<u>2,962,755</u>
Contracts:		
Polk County Health Services:		
Addiction Medicine	322,080	322,080
ISA Nurse Practitioner	66,395	55,041
Other:		
Medical and Dental Education, University of Iowa	236,162	341,215
Medicare and Medicaid Innovation	24,834	6,302
Integrated Health Home, Magellan	67,246	43,481
Total Contracts	<u>716,717</u>	<u>768,119</u>
Other:		
Electronic Health Records Incentive Programs	-	365,490
Family Practice Program, Iowa Methodist Medical Center	173,358	178,800
Purchase Discounts	880	1,007
Refunds and Rebates	381,185	440,551
Sales and Supplies, Services, and Salvage	2,277,522	2,298,883
Des Moines Consortium Contribution	57,167	54,000
Miscellaneous	863,455	792,928
Total Other	<u>3,753,567</u>	<u>4,131,659</u>
Total Other Operating Revenue	<u>\$ 8,005,923</u>	<u>\$ 7,862,533</u>

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