

BROADLAWNS MEDICAL CENTER

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2020 AND 2019

**BROADLAWNS MEDICAL CENTER
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
STATEMENTS OF NET POSITION	15
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	17
STATEMENTS OF CASH FLOWS	18
NOTES TO FINANCIAL STATEMENTS	20
REQUIRED SUPPLEMENTARY INFORMATION	
BUDGET AND BUDGETARY ACCOUNTING	49
OTHER POSTEMPLOYMENT BENEFIT PLAN	50
SCHEDULE OF THE MEDICAL CENTER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	51
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM, SCHEDULE OF MEDICAL CENTER CONTRIBUTIONS	52
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION, PENSION LIABILITY	53
SUPPLEMENTARY INFORMATION	
COMBINING STATEMENTS OF NET POSITION – BY DEPARTMENT	55
COMBINING STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION – BY DEPARTMENT	59
ANALYSIS OF NET PATIENT RECEIVABLES	61
CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION AND AMORTIZATION	62
PATIENT SERVICE REVENUE	66
OTHER OPERATING REVENUE	68



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, 2020 and 2019, 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, 2020 and 2019, 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 – 14 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 11, 2020, 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.



CliftonLarsonAllen LLP

West Des Moines, Iowa
November 11, 2020

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2020 AND 2019**

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, 2020 and 2019. 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, 2020, 2019, and 2018.

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, 2020 AND 2019**

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 \$13,208,064 which is a decrease of \$782,950 from last fiscal year, which ended with a change in net position of \$13,991,014.
- Total operating expenses for the current fiscal year were \$10,018,364 more than last fiscal year.
- Total operating revenue for the year was \$134,025,537, which is an increase of \$4,756,455.
- Net nonoperating revenue, which includes revenue from the property tax levy, increased \$4,508,039.
- During the fiscal year, the Medical Center made capital investments totaling \$22,181,100. Capital investments were more than depreciation expense of \$7,342,148 by \$14,838,952. The following is a list of significant purchases and improvements placed in service during the fiscal year:

<u>Capital Investments</u>	<u>Vendor</u>	<u>Department</u>	<u>Amount</u>
Sands Vertical	Various	Various	\$ 17,478,259
Oncology	Various	Oncology	1,234,505
Cityville	Various	Cityville	599,268
Fluoroscopy Room	Various	Imaging	432,734

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, 2020 AND 2019**

Net Position

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.

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.

June 30, 2019: Total current assets are \$203,949,735, which is \$7,155,775 more than last year. The difference is mainly due to an increase in cash and cash equivalents, restricted cash and cash equivalents, and short-term investments of \$1,327,130; an increase in due from third-party payors of \$3,459,451; an increase in succeeding year property taxes of \$2,835,968; an increase in other receivables of \$650,740 and a decrease in patient receivables of \$1,824,912. Total noncurrent assets are \$116,561,135, which is \$11,420,560 more than last year. The increase resulted mainly from an increase in construction in progress of \$14,002,092 and a decrease in depreciable capital assets of \$2,537,847.

Deferred outflows related to pension are \$22,515,595, which is \$1,171,427 more than last year. Deferred outflows related to postemployment benefits is new this year totaling \$26,405. 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 \$20,806,181 are \$1,910,545 less than last fiscal year. The change is mainly due to a decrease in due to third-party payors of \$2,378,295. Noncurrent liabilities of \$63,870,198 are \$2,497,280 more than last fiscal year. The increase is primarily due to an increase in net pension liability of \$2,511,114.

Deferred inflow of resources totaled \$69,552,658; \$65,962,093 relates to revenue for the succeeding year's property taxes which is \$2,835,968 more than last fiscal year. The portion that relates to pension due to GASB Statement Nos. 68 and 71 described In Note 6, is \$3,040,775 which is \$1,928,363 more than last year.

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2020 AND 2019**

Net Position (Continued)

Net position totaled \$188,823,833, which is \$13,991,014 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,		
	2020	2019	2018
Total Current Assets	\$ 209,913,541	\$ 203,949,735	\$ 162,452,222
Capital Assets, Net	101,013,564	86,211,890	73,841,051
Other Assets	30,995,957	30,349,245	69,442,169
Total Assets	<u>341,923,062</u>	<u>320,510,870</u>	<u>305,735,442</u>
Deferred Outflows	<u>19,796,870</u>	<u>22,542,000</u>	<u>17,402,635</u>
Total Assets and Deferred Outflows	<u>\$ 361,719,932</u>	<u>\$ 343,052,870</u>	<u>\$ 323,138,077</u>
Current Liabilities	\$ 20,342,125	\$ 20,125,575	\$ 24,451,496
Long-Term Debt Outstanding and Other Long-Term Liabilities	<u>61,529,756</u>	<u>64,550,804</u>	<u>75,558,706</u>
Total Liabilities	81,871,881	84,676,379	100,010,202
Deferred Inflows:			
Related to Pension	8,591,656	3,040,775	614,680
Related to Postemployment Benefits	593,049	549,790	106,794
Revenue for Succeeding Year Property Taxes	68,631,449	65,962,093	57,569,994
Total Deferred Inflows	<u>77,816,154</u>	<u>69,552,658</u>	<u>58,291,468</u>
Net Investment in Capital Assets	100,070,090	85,545,464	51,453,945
Restricted	5,814,845	6,703,079	6,700,965
Unrestricted	96,146,962	96,575,290	106,681,497
Total Net Position	<u>202,031,897</u>	<u>188,823,833</u>	<u>164,836,407</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 361,719,932</u>	<u>\$ 343,052,870</u>	<u>\$ 323,138,077</u>

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2020 AND 2019**

Summary of Revenue, Expenses, and Changes in Net Position

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.

Year Ended June 30, 2019: Net patient revenue is \$122,682,859, which is \$5,346,454 or 4.6% more than last fiscal year. Grants and contract revenue is \$3,375,931 which is \$255,385 more than last fiscal year. Other revenue is \$3,210,292, which is \$1,654,239 more than last year. Salaries increased \$3,846,174 or 4.6% due to the annual cost of living rate increase and a 3.6% increase in FTEs. Pension expense increased \$710,448 or 7.3% (see Note 6). Employee benefits excluding pension expense increased \$1,703,394 or 10.4% due mainly to an increase in health insurance claims and covered lives. Physician fees and outside services increased \$468,462 or 10.9% due to increased procedures and services provided. Supplies and other expenses increased \$4,379,830 or 8.5% due mainly to an increase in patient volume and increase in the cost of supplies. Property tax revenue is \$67,016,920, which is \$5,622,981 more than last fiscal year. Interest expense decreased \$1,022,428 or 99.9% due to the retirement of the revenue bonds.

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2020 AND 2019**

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, 2020, 2019 and 2018.

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

	Year Ended June 30,		
	2020	2019	2018
Revenue:			
Net Patient Service Revenue	\$ 126,163,004	\$ 122,682,859	\$ 111,341,108
Grants and Contracts	3,730,874	3,375,931	3,050,175
Other	4,131,659	3,210,292	4,184,186
Total Operating Revenue	<u>134,025,537</u>	<u>129,269,082</u>	<u>118,575,469</u>
Expenses:			
Salaries and Employee Benefits	123,587,986	115,230,005	99,489,413
Supplies and Other Expenses	56,370,964	56,013,096	48,327,702
Physician Fees and Outside Services	5,563,529	4,757,307	4,422,927
Depreciation and Amortization	7,342,148	6,845,855	4,742,790
Operating Expenses	<u>192,864,627</u>	<u>182,846,263</u>	<u>156,982,832</u>
Operating Loss	(58,839,090)	(53,577,181)	(38,407,363)
Nonoperating Revenue, Net	71,938,545	67,430,506	59,281,727
Capital Contributions	<u>108,609</u>	<u>137,689</u>	<u>1,055,469</u>
Increase in Net Position	<u>\$ 13,208,064</u>	<u>\$ 13,991,014</u>	<u>\$ 21,929,833</u>
Total Revenue	<u>\$ 206,074,485</u>	<u>\$ 199,638,213</u>	<u>\$ 179,430,799</u>
Total Expenses	<u>\$ 192,866,421</u>	<u>\$ 182,847,199</u>	<u>\$ 157,500,966</u>

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2020 AND 2019**

Patient and Medical Center Statistical Data

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.

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.

Year Ended June 30, 2019: Acute admissions of 2,734 patients for the current fiscal year are 147 less than last fiscal year. Average length of stay for acute patients is 4.1 days, which is 0.1 days less than last fiscal year. Average length of stay for mental health patients is 14.8 days, which is 0.3 days more than last fiscal year. Acute patient days of 22,258 days for the current fiscal year is 634 days more than last fiscal year.

Emergency room visits of 23,740 for the current year is 421 visits less than last fiscal year. Clinic visits of 234,852 for current year is 1,493 visits less than last fiscal year.

Table 3: Patient and Medical Center Statistical Data

	Year Ended June 30,		
	2020	2019	2018
Acute Patient Days	22,502	22,258	21,624
Acute Admissions	2,726	2,734	2,881
Acute Discharges	2,714	2,744	2,858
Residential Patient Days	7,722	6,893	7,528
Residential Admissions	139	158	180
Residential Discharges	132	162	196
Average Length of Stay (Days):			
Acute	4.3	4.1	4.2
Mental Health	14.8	14.8	14.5
Emergency Room Visits	22,107	23,740	24,161
Clinic Visits:			
Mental Health	43,144	45,707	48,668
Main Campus Urgent Care	23,420	26,050	28,524
Specialty Clinics	100,907	97,831	93,617
Family Health Center	13,192	12,964	13,728
Primary Care Clinic	22,803	26,256	25,894
Oral Medicine	11,830	14,145	13,471
Women's Health Clinic	8,216	8,287	7,323
Addiction Medicine	2,050	3,612	5,120
Total Clinic Visits	225,562	234,852	236,345

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2020 AND 2019**

Sources of Revenue

Net Patient Revenue

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.

Year Ended June 30, 2019: 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 2019, the Medical Center recorded \$122,682,859 in net patient revenue representing 61.5% of total revenue. The \$122,682,859 in net patient revenue represents 39.8% of gross patient charges compared to 41.5% 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,		
	2020	2019	2018
Medicare	31 %	30 %	30 %
Medicaid	42	46	51
Commercial	12	10	5
Wellmark	10	10	10
Self Pay, Including Charity Care and Bad Debts	5	4	4
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2020 AND 2019**

Sources of Revenue (Continued)

Net Patient Revenue (Continued)

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.

Year Ended June 30, 2019: Deductions from revenue consist of charity care totaling \$13,543,849, contractual adjustments totaling \$160,426,914 and bad debts totaling \$11,962,406. As a percentage of gross patient charges, charity care remained consistent at 4.4%, contractual adjustments increased 2.4% to 52.0% and bad debts decreased 0.7% to 3.9%, resulting in a decrease of 1.7% for net patient revenue as compared to gross patient charges.

Grant/Contract Revenue

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.

Year Ended June 30, 2019: Grant and contract revenue for the year ended June 30, 2019 totaled \$2,544,692 and \$831,239, respectively, for a total of \$3,375,931, which represents 1.7% of total revenue compared to a total of \$3,120,546 in 2018.

Other Revenue

Other revenue consists of sales of services provided to other entities, refunds and reimbursements. Other revenue totals \$4,131,659 and \$3,210,292, which represent 2.0% and 1.6% of total revenue for the years ended June 30, 2020 and 2019, respectively.

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2020 AND 2019**

Tax 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.

Year Ended June 30, 2019: Broadlawns Medical Center has the taxing authority under the Code of Iowa to support its operations. For the year ended June 30, 2019, the Medical Center's tax revenue totaled \$67,016,920, which is an increase of \$5,622,981 or 9.2% more than the prior year. The tax revenue represented 33.6% of total revenue.

Table 5: Tax Receipts

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>Levied Taxes June 30, 2021</u>
Improvement and Maintenance	\$ 51,186,914	\$ 49,505,650	\$ 45,346,644	\$ 1,681,264	\$ 52,614,750
FICA Fund	-	-	-	-	-
IPERS Fund	6,393,637	-	-	6,393,637	5,861,796
Unemployment	-	-	-	-	-
Tort (Insurance) Fund	11,712,332	17,511,270	16,047,296	(5,798,938)	10,154,903
Total Taxes	<u>\$ 69,292,883</u>	<u>\$ 67,016,920</u>	<u>\$ 61,393,940</u>	<u>\$ 2,275,963</u>	<u>\$ 68,631,449</u>

In addition to receiving the Levied Taxes of \$68,631,449 in the fiscal year ending June 30, 2021, the Medical Center expects to receive the Utility Tax Replacement Excise Tax of \$1,617,795 and State Backfill Tax of \$2,965,027. The total tax receipts for 2021 is expected to be \$73,214,271.

**BROADLAWNS MEDICAL CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2020 AND 2019**

Capital Assets

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.

June 30, 2019: As of June 30, 2019, the Medical Center had \$86,211,890 invested in capital assets. Capital expenditures in 2019 were more than the 2019 depreciation expense, resulting in an increase of \$11,464,245 in net capital assets from 2018 to 2019.

Table 6: Capital Assets

	June 30,		
	2020	2019	2018
Capital Assets Not Being Depreciated:			
Land	\$ 2,096,975	\$ 2,096,975	\$ 1,969,220
Construction in Progress	29,678,851	14,829,779	955,442
Capital Assets Net of Depreciation			
Land Improvements	5,318,586	5,697,421	6,091,030
Buildings	25,604,455	26,554,631	27,566,412
Building Equipment	27,588,176	26,363,153	27,980,725
Fixed Equipment	62,439	87,521	114,038
Vehicles	48,609	87,606	64,109
Major Movable Equipment	10,615,473	10,494,804	10,006,669
Total Capital Assets, Net	<u>\$ 101,013,564</u>	<u>\$ 86,211,890</u>	<u>\$ 74,747,645</u>

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

Fiscal Year 2021 Outlook

The Board of Trustees has approved and set the budget for the 2021 fiscal year. The budget projects an increase in net position of \$7,179,180.

The fiscal year 2021 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. 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, bondholders 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, 2020 AND 2019**

	Medical Center		Component Unit (Foundation)	
	2020	2019	2020	2019
ASSETS AND DEFERRED OUTFLOWS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 18,739,221	\$ 7,562,782	\$ 138,396	\$ 99,287
Restricted Cash and Cash Equivalents	12,913,142	10,869,528	717,711	701,067
Pledges Receivable, Net	-	-	26,352	93,289
Short-Term Investments	73,034,734	79,109,752	-	-
Restricted Short-Term Investments	14,000,000	14,000,000	1,864,256	812,126
Receivables:				
Patients, Less Estimated Allowances for Uncollectibles, Charity and Contractuals				
2020 \$29,206,288; 2019 \$28,739,114	12,153,258	12,503,799	-	-
Property Taxes	448,599	330,981	-	-
Succeeding Year Property Taxes	68,631,449	65,962,093	-	-
Federal Grants	453,354	397,739	-	-
Nonfederal Grants	172,845	341,035	-	-
Other	1,261,754	1,515,190	-	-
Due from Third-Party Payors	4,111,700	7,664,263	-	-
Inventories	2,390,357	2,069,377	-	-
Prepaid Expenses and Other Assets	1,603,128	1,623,196	-	-
Total Current Assets	<u>209,913,541</u>	<u>203,949,735</u>	<u>2,746,715</u>	<u>1,705,769</u>
NONCURRENT ASSETS				
Noncurrent Cash and Investments, Net of Current Portion:				
Cash and Cash Equivalents	7,376,560	7,410,848	-	-
Investments	<u>23,619,397</u>	<u>22,938,397</u>	<u>391,376</u>	<u>1,110,134</u>
Total Noncurrent Cash and Investments	30,995,957	30,349,245	391,376	1,110,134
Pledges Receivable, Net of Current Portion	-	-	12,160	5,268
Other Assets	-	-	<u>37,239</u>	<u>37,462</u>
Total Noncurrent Assets	<u>30,995,957</u>	<u>30,349,245</u>	<u>440,775</u>	<u>1,152,864</u>
Capital Assets:				
Nondepreciable	31,775,826	16,926,754	-	-
Depreciable, Net	<u>69,237,738</u>	<u>69,285,136</u>	-	-
Total Capital Assets	<u>101,013,564</u>	<u>86,211,890</u>	-	-
Total Noncurrent Assets	<u>132,009,521</u>	<u>116,561,135</u>	<u>440,775</u>	<u>1,152,864</u>
Total Assets	341,923,062	320,510,870	3,187,490	2,858,633
DEFERRED OUTFLOWS				
Related to Pension	19,772,428	22,515,595	-	-
Related to Postemployment Benefits	<u>24,442</u>	<u>26,405</u>	-	-
Total Deferred Outflows	<u>19,796,870</u>	<u>22,542,000</u>	-	-
Total Assets and Deferred Outflows	<u>\$ 361,719,932</u>	<u>\$ 343,052,870</u>	<u>\$ 3,187,490</u>	<u>\$ 2,858,633</u>

See accompanying Notes to Basic Financial Statements.

**BROADLAWNS MEDICAL CENTER
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019**

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	Medical Center		Component Unit (Foundation)	
	2020	2019	2020	2019
CURRENT LIABILITIES				
Accounts Payable and Other Accrued Expenses	\$ 4,490,649	\$ 4,375,427	\$ 436	\$ 2,926
Accrued Employee Compensation and Payroll Taxes	13,126,296	10,776,904	-	-
Due to Third-Party Payors	1,373,016	3,048,497	-	-
Current Portion of Accrued Claims on Self-Insurance	1,352,164	1,924,747	-	-
Total Current Liabilities	20,342,125	20,125,575	436	2,926
NONCURRENT LIABILITIES				
Other Postemployment Benefits	744,095	680,606	-	-
Accrued Claims on Self-Insurance, Less Current Portion	2,987,393	3,155,181	-	-
Net Pension Liability	57,798,268	60,715,017	-	-
Total Noncurrent Liabilities	61,529,756	64,550,804	-	-
Total Liabilities	81,871,881	84,676,379	436	2,926
DEFERRED INFLOWS				
Related to Pension	8,591,656	3,040,775	-	-
Related to Postemployment Benefits	593,049	549,790	-	-
Revenue for Succeeding Year Property Taxes	68,631,449	65,962,093	-	-
Total Deferred Inflows	77,816,154	69,552,658	-	-
COMMITMENTS AND CONTINGENCIES				
NET POSITION				
Net Investment in Capital Assets	100,070,090	85,545,464	-	-
Restricted:				
For Enabling Legislation	5,747,192	6,639,457	-	-
For Specific Activities	67,653	63,622	3,048,658	2,756,420
Unrestricted	96,146,962	96,575,290	138,396	99,287
Total Net Position	202,031,897	188,823,833	3,187,054	2,855,707
Total Liabilities, Deferred Inflows, and Net Position	\$ 361,719,932	\$ 343,052,870	\$ 3,187,490	\$ 2,858,633

See accompanying Notes to Basic Financial Statements.

BROADLAWNS MEDICAL CENTER
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019

	Medical Center		Component Unit (Foundation)	
	2020	2019	2020	2019
OPERATING REVENUE				
Net Patient Service Revenue	\$ 126,163,004	\$ 122,682,859	\$ -	\$ -
Contracts	768,119	831,239	-	-
Operating Grants	2,962,755	2,544,692	-	-
Other	4,131,659	3,210,292	-	-
Total Operating Revenue	<u>134,025,537</u>	<u>129,269,082</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES				
Salaries and Wages	93,254,639	86,679,817	-	-
Employee Benefits:				
Pension	13,098,873	10,466,310	-	-
All Others	17,234,474	18,083,878	-	-
Physician Fees and Outside Services	5,563,529	4,757,307	-	-
Supplies and Other Expenses	56,370,964	56,013,096	241,455	358,374
Depreciation and Amortization	7,342,148	6,845,855	-	-
Total Operating Expenses	<u>192,864,627</u>	<u>182,846,263</u>	<u>241,455</u>	<u>358,374</u>
OPERATING LOSS	(58,839,090)	(53,577,181)	(241,455)	(358,374)
NONOPERATING REVENUE (EXPENSE)				
Property Taxes Revenue	69,292,883	67,016,920	-	-
Property Taxes Expense	(2,800,000)	(2,800,000)	-	-
Noncapital Grants and Contributions	2,696,733	62,132	505,039	470,769
Investment Earnings	2,728,291	3,036,454	67,763	41,864
Interest Expense	(1,794)	(936)	-	-
Other, Net	22,432	115,936	-	-
Total Nonoperating Revenue, Net	<u>71,938,545</u>	<u>67,430,506</u>	<u>572,802</u>	<u>512,633</u>
CAPITAL CONTRIBUTIONS	<u>108,609</u>	<u>137,689</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	13,208,064	13,991,014	331,347	154,259
Net Position - Beginning of Year	<u>188,823,833</u>	<u>174,832,819</u>	<u>2,855,707</u>	<u>2,701,448</u>
NET POSITION - END OF YEAR	<u>\$ 202,031,897</u>	<u>\$ 188,823,833</u>	<u>\$ 3,187,054</u>	<u>\$ 2,855,707</u>

See accompanying Notes to Basic Financial Statements.

**BROADLAWNS MEDICAL CENTER
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	Medical Center		Component Unit (Foundation)	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from and on Behalf of Patients	\$ 128,390,627	\$ 118,669,395	\$ -	\$ -
Payments to Suppliers and Contractors	(62,098,113)	(61,216,928)	-	-
Payments to Employees	(121,915,476)	(114,329,870)	-	-
Other Receipts and Payments, Net	13,385,760	8,891,768	(183,677)	(228,847)
Net Cash Used by Operating Activities	(42,237,202)	(47,985,635)	(183,677)	(228,847)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property Taxes	66,375,265	64,175,521	-	-
Noncapital Grants and Contributions	2,696,733	62,132	505,039	470,769
Other	22,432	115,936	-	-
Net Cash Provided by Noncapital Financing Activities	69,094,430	64,353,589	505,039	470,769
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Sale of Capital Assets	-	34,649	-	-
Purchase of Capital Assets	(21,902,381)	(18,293,301)	-	-
Capital Contributions	108,609	137,689	-	-
Net Cash Used by Capital and Related Financing Activities	(21,793,772)	(18,120,963)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	2,728,291	3,036,454	67,763	41,864
Sales (Purchases) of Investments	5,394,018	(20,761,799)	(333,372)	(541,546)
Net Cash Provided (Used) by Investing Activities	8,122,309	(17,725,345)	(265,609)	(499,682)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,185,765	(19,478,354)	55,753	(257,760)
Cash and Cash Equivalents - Beginning of Year	25,843,158	45,321,512	800,354	1,058,114
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 39,028,923</u>	<u>\$ 25,843,158</u>	<u>\$ 856,107</u>	<u>\$ 800,354</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and Cash Equivalents in Current Assets	\$ 18,739,221	\$ 7,562,782	\$ 138,396	\$ 99,287
Restricted Cash and Cash Equivalents	12,913,142	10,869,528	717,711	701,067
Noncurrent Cash and Cash Equivalents	7,376,560	7,410,848	-	-
Total Cash and Cash Equivalents	<u>\$ 39,028,923</u>	<u>\$ 25,843,158</u>	<u>\$ 856,107</u>	<u>\$ 800,354</u>

See accompanying Notes to Basic Financial Statements.

**BROADLAWNS MEDICAL CENTER
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2020 AND 2019**

	Medical Center		Component Unit (Foundation)	
	2020	2019	2020	2019
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES				
Operating Loss	\$ (58,839,090)	\$ (53,577,181)	\$ (241,455)	\$ (358,374)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:				
Depreciation and Amortization	7,342,148	6,845,855	-	-
Provisions for Bad Debts	11,903,768	11,962,406	-	-
(Gain) Loss on Disposal of Capital Assets	35,607	(51,448)	-	-
Changes in Assets and Liabilities:				
Patient Receivables	(11,553,227)	(10,137,494)	-	-
Pledges Receivable	-	-	60,045	133,919
Inventories, Prepaid Expenses, Other Assets, and Other Receivables	65,099	(1,316,739)	223	(1,266)
Due from/to Third-Party Payors	1,877,082	(5,838,376)	-	-
Accounts Payable and Accrued Expenses	1,508,890	453,610	(2,490)	(3,126)
Net Pension Liability	(2,916,749)	2,511,114	-	-
Deferred Outflows of Resources	2,745,130	(1,197,832)	-	-
Deferred Inflows of Resources	5,594,140	2,360,450	-	-
Net Cash Used by Operating Activities	<u>\$ (42,237,202)</u>	<u>\$ (47,985,635)</u>	<u>\$ (183,677)</u>	<u>\$ (228,847)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Change in Accounts Payable Related to Construction in Progress	<u>\$ 943,474</u>	<u>\$ 666,426</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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 BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

**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, 2020 and 2019 is \$4,588,000 and \$5,097,000, 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 BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

**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 2020 fiscal year. The succeeding year property tax levy receivable represents taxes certified by the Board of Supervisors to be collected in the 2021 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, 2020 and 2019.

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

**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 BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

**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, 2020 and 2019 were \$2,962,755 and \$2,544,692, 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 a gain of approximately \$365,000 related to the Medicare and Medicaid EHR incentive programs during the year ended June 30, 2020 and did not recognize any revenue related to the Medicare and Medicaid EHR incentive programs during the year ended June 30, 2019.

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

**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. Total grant funds approved and received by the Medical Center from these grants were \$2,632,921. The HHS grant funds are subject to certain restrictions on eligible expenses or uses, and reporting requirements.

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, 2020 and 2019, as a reserve for the RAC program. It is reasonably possible that the recorded estimates will change materially in the near term.

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 \$5,620,013 and \$6,473,226 for tort immunity and \$127,179 and \$166,231 for unemployment funds as of June 30, 2020 and 2019, respectively.

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

Net Position (Continued)

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 \$16,566,653 and \$13,543,849 for the years ended June 30, 2020 and 2019, respectively.

The cost of charity care provided was approximately \$7,784,000 and \$6,255,000 for the years ended June 30, 2020 and 2019, 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 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 Broadlawns 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 and provided for a DSH payment of \$8,560,647 to the Medical Center in exchange for the Medical Center paying \$3,239,510. During the year ended June 30, 2019, the Medical Center entered into an agreement which covered the period from July 1, 2018 to June 30, 2019 and provided for a DSH payment of \$10,282,070 to the Medical Center in exchange for the Medical Center paying \$4,157,318.

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

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.

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, 2017.

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 2 NET PATIENT SERVICE REVENUE (CONTINUED)

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 73% and 76% of the Medical Center's net patient service revenue for the years ended June 30, 2020 and 2019, 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.

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, 2020 and 2019, 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 BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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:

	2020	2019
Gross Patient Service Revenue:		
Inpatient	\$ 65,869,476	\$ 62,842,249
Outpatient	252,745,708	245,773,779
Total	318,615,184	308,616,028
Less: Charity Care	16,566,653	13,543,849
Gross Patient Service Revenue	302,048,531	295,072,179
Less: Provisions for Bad Debts	11,903,768	11,962,406
Less Contractual and Other Adjustments:		
Employee Discounts	-	(10,037)
Contractual Adjustments under Third-Party Reimbursement Programs:		
Medicare	60,881,743	57,516,154
Medicaid/MCO	62,415,332	64,959,252
Wellmark	13,723,977	12,345,855
PCHS	26,103	(1,674)
Other Commercial Insurance	10,720,726	10,407,905
Other	16,213,878	15,209,459
Total	163,981,759	160,426,914
Net Patient Service Revenue	\$ 126,163,004	\$ 122,682,859

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, 2020 and 2019, the Medical Center held cash and cash equivalents, certificates of deposits, and money market investments of \$149,683,054 and \$141,891,307, respectively, which are not measured at fair value and are deposits held at cost.

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

The Foundation has the following recurring fair value measurements as of June 30, 2020 and 2019.

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>2020</u>				
Investments:				
Municipal Bonds	<u>\$ 1,457,866</u>	<u>\$ -</u>	<u>\$ 1,457,866</u>	<u>\$ -</u>
<u>2019</u>				
Investments:				
Municipal Bonds	<u>\$ 1,710,974</u>	<u>\$ -</u>	<u>\$ 1,710,974</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, 2020 compared to June 30, 2019.

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 BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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, 2020, 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, 2020 and 2019. 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, 2020, the Medical Center and Foundation's deposits and investments were not exposed to custodial credit risk.

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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, 2020 and 2019 were designated as follows:

	2020	2019
Board Designed for:		
Building Projects	\$ 2,971,302	\$ 2,938,397
Construction Projects	34,648,095	34,000,000
Bond Retirement	3,590,057	3,543,753
Self-Insured Retention Funds:		
Medical Malpractice	3,130,513	3,091,246
Workers' Compensation	1,249,480	1,380,169
Health Insurance Trust	11,093,899	9,262,122
Dental	1,158,100	939,464
Patient Trust Fund	13,386	9,977
Alumni Fund	54,267	53,645
Total	\$ 57,909,099	\$ 55,218,773

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

	2020	2019
Restricted Cash and Cash Equivalents	\$ 12,913,142	\$ 10,869,528
Restricted Short-Term Investments	14,000,000	14,000,000
Noncurrent Cash and Investments	30,995,957	30,349,245
Total	\$ 57,909,099	\$ 55,218,773

Board designated cash and investments for the Foundation as of June 30, 2020 and 2019 of \$3,048,658 and \$2,756,420, respectively, are designated primarily for departments of the Medical Center and specific health care related causes.

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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, 2020
	June 30, 2019	Additions	Transfers and Disposals	
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>

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Medical Center			
	June 30, 2018	Additions	Transfers and Disposals	June 30, 2019
Capital Assets Not Being Depreciated:				
Land	\$ 1,969,220	\$ 127,755	\$ -	\$ 2,096,975
Construction in Progress	955,442	16,203,359	(2,329,022)	14,829,779
Total Capital Assets Not Being Depreciated	2,924,662	16,331,114	(2,329,022)	16,926,754
Capital Assets Being Depreciated:				
Land Improvements	10,055,746	62,100	-	10,117,846
Buildings	44,072,401	-	(10,782)	44,061,619
Building Improvements	54,845,698	24,686	688,305	55,558,689
Fixed Equipment	428,704	-	(120)	428,584
Vans	434,126	70,672	(72,388)	432,410
Major Moveable Equipment	31,936,147	1,934,206	(3,316,885)	30,553,468
Equipment Under Capital Lease	57,322	-	(29,000)	28,322
Total Capital Assets Being Depreciated	141,830,144	2,091,664	(2,740,870)	141,180,938
Less Accumulated Depreciation for:				
Land Improvements	3,964,716	455,709	-	4,420,425
Buildings	16,505,989	1,011,781	(10,782)	17,506,988
Building Improvements	26,864,973	2,537,154	(206,591)	29,195,536
Fixed Equipment	314,666	26,517	(120)	341,063
Vans	370,017	34,836	(60,049)	344,804
Major Moveable Equipment	21,929,478	2,779,459	(4,650,273)	20,058,664
Equipment Under Capital Lease	57,322	-	(29,000)	28,322
Total Accumulated Depreciation	70,007,161	6,845,456	(4,956,815)	71,895,802
Total Capital Assets, Being Depreciated, Net	71,822,983	(4,753,792)	2,215,945	69,285,136
Capital Assets, Net	<u>\$ 74,747,645</u>	<u>\$ 11,577,322</u>	<u>\$ (113,077)</u>	<u>\$ 86,211,890</u>

During the year ended June 30, 2020, the space lab project, oncology project, Cityville clinic development project, and fluoroscopy room projects were completed and capitalized for \$5,985,376.

At June 30, 2020, construction in progress consists mainly of the Sand's vertical expansion, the lab mechanical project, the outpatient psychiatry residency project, and the surgery project. Total cost of these projects is budgeted at approximately \$36.3 million. Funding will come from the Medical Center's operations and current and noncurrent cash and investments restricted for building projects. The projects are expected to be completed during fiscal year 2021. Total interest expense capitalized during the years ended June 30, 2020 and 2019 was \$-0-.

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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 BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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 2020 and 2019, 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%. Protective occupation members contributed 6.61% and 6.81%, respectively, of covered payroll and the Medical Center contributed 9.91% and 10.21%, respectively, of covered payroll, for a total rate of 16.52% and 17.02%, respectively.

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 6 PENSION PLAN (CONTINUED)

Contributions (Continued)

The Medical Center's contribution to IPERS for the years ended June 30, 2020 and 2019 were \$7,723,077 and \$7,196,202, respectively.

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

At June 30, 2020 and 2019, the Medical Center reported a liability of approximately \$57,798,000 and \$60,715,000, respectively, for its proportionate share of the net pension liability. The Medical Center's net pension liability was measured as of June 30, 2019 and 2018, 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, 2019, the Medical Center's collective proportion was 0.9914860%, which was an increase of 0.0317400% from its proportion measured as of June 30, 2018.

For the years ended June 30, 2020 and 2019, the Medical Center recognized pension expense of approximately \$13,099,000 and \$10,466,000, respectively. At June 30, 2020 and 2019, the Medical Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2020	Deferred Outflows of Resources	Deferred Inflows of Resources
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>

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 6 PENSION PLAN (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2019		
Differences Between Expected and Actual Experience	\$ 332,895	\$ 1,372,279
Changes in Assumptions	8,749,244	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,668,496
Changes in Proportion and Differences Between Medical Center Contributions and Proportionate Share of Contributions	6,237,254	-
Medical Center Contributions Subsequent to the Measurement Date	7,196,202	-
Total	\$ 22,515,595	\$ 3,040,775

Deferred outflows of resources related to pensions resulting from the Medical Center's contributions subsequent to the measurement date of \$7,723,077 and \$7,196,202 will be recognized as a reduction of the net pension liability in the years ending June 30, 2021 and June 30, 2020, 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>	2020 Amount	2019 Amount
2020	\$ -	6,273,568
2021	3,177,131	3,768,329
2022	345,996	1,021,748
2023	356,822	1,018,683
2024	(467,796)	196,290
2025	45,757	-
Total	\$ 3,457,910	\$ 12,278,618

There were no nonemployer contributing entities at IPERS.

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 6 PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the June 30, 2019 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, 2019 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 2019 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 %	5.60 %
International Equity	15	6.08
Global Smart Beta Equity	3	5.82
Core-plus Fixed Income	27	1.71
Public Credit	4	3.32
Public Real Assets	7	2.81
Cash	1	(0.21)
Private Equity	11	10.13
Private Real Assets	8	4.76
Private Credit	3	3.01
Total	<u>100.0 %</u>	

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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, 2020 and 2019, 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 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

	1% Decrease (6.00)%	Discount Rate (7.00)%	1% Increase (8.00)%
June 30, 2020			
Medical Center's Proportionate Share of the Net Pension Liability	\$ 102,632,747	\$ 57,798,268	\$ 20,193,340
June 30, 2019			
Medical Center's Proportionate Share of the Net Pension Liability	\$ 103,047,247	\$ 60,715,017	\$ 25,206,369

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 BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 6 PENSION PLAN (CONTINUED)

Payables to the Pension Plan

At June 30, 2020 and 2019, the Medical Center reported payables to IPERS of approximately \$885,000 and \$821,000, respectively, for legally required employer contributions and approximately \$393,000 and \$383,000, 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, 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 2020 and 2019. The undiscounted liability as of June 30, 2020 and 2019 is approximately \$2,147,000 and \$2,315,000, respectively.

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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

Self-Insurance (Continued)

The Medical Center has accrued liabilities of \$4,339,557 and \$5,079,928 for self-insured losses as of June 30, 2020 and 2019, 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 2025. Rental expense under those agreements was approximately \$1,059,470 and \$1,003,661 for the years ended June 30, 2020 and 2019, 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>
2021	\$ 377,154	\$ 590,246
2022	373,260	117,989
2023	373,260	88,947
2024	373,260	88,947
2025	373,260	57,506
Total	\$ 1,870,194	\$ 943,635

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 BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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:

	2020	2019
Medicare	36 %	37 %
Medicaid/MCO	42	28
Private Pay	10	13
Other	12	22
Total	100 %	100 %

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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 2020 and 2019, the Medical Center contributed \$9,962 and \$-0-, respectively. Retirees receiving benefits contributed \$49,786 and \$22,655, respectively, through their required contributions.

Net OPEB Liability (Asset)

The components of the net OPEB liability (asset) of the Medical Center at June 30, 2020 and 2019 are as follows:

	2020	2019
Total OPEB Liability	\$ 744,095	\$ 680,606
Plan Fiduciary Net Position	-	-
District's Net OPEB Liability (Asset)	<u>\$ 744,095</u>	<u>\$ 680,606</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	0%	0%

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Net OPEB Liability (Asset) (Continued)

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2019	\$ 680,606	\$ -	\$ 680,606
Changes for the Year:			
Service Cost	151,224	-	151,224
Interest Cost	28,689	-	28,689
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumptions or Other Inputs	(92,139)	-	(92,139)
Contributions-Employer	-	-	-
Net Investment income	-	-	-
Benefit Payments	(24,285)	-	(24,285)
Administrative Expense	-	-	-
Net Changes	<u>63,489</u>	<u>-</u>	<u>63,489</u>
Balances at June 30, 2020	<u>\$ 744,095</u>	<u>\$ -</u>	<u>\$ 744,095</u>
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2018	\$ 951,147	\$ -	\$ 951,147
Changes for the Year:			
Service Cost	146,110	-	146,110
Interest Cost	42,219	-	42,219
Differences Between Expected and Actual Experience	(474,592)	-	(474,592)
Changes in Assumptions or Other Inputs	28,368	-	28,368
Contributions-Employer	-	-	-
Net Investment income	-	-	-
Benefit Payments	(12,646)	-	(12,646)
Administrative Expense	-	-	-
Net Changes	<u>(270,541)</u>	<u>-</u>	<u>(270,541)</u>
Balances at June 30, 2019	<u>\$ 680,606</u>	<u>\$ -</u>	<u>\$ 680,606</u>

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
June 30, 2020			
<u>Net OPEB Liability (Asset)</u>	<u>\$ 817,000</u>	<u>\$ 744,095</u>	<u>\$ 677,000</u>
June 30, 2019			
<u>Net OPEB Liability (Asset)</u>	<u>\$ 748,000</u>	<u>\$ 680,606</u>	<u>\$ 620,000</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.

	1% Decrease (5.50%)	Trend Rate (6.50%)	1% Increase (7.50%)
June 30, 2020			
<u>Net OPEB Liability (Asset)</u>	<u>\$ 593,000</u>	<u>\$ 744,095</u>	<u>\$ 934,000</u>
June 30, 2019			
<u>Net OPEB Liability (Asset)</u>	<u>\$ 543,000</u>	<u>\$ 680,606</u>	<u>\$ 855,000</u>

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Net OPEB Liability (Asset) (Continued)

For the years ended June 30, 2020 and 2019, the Medical Center recognized OPEB expenses of \$132,996 and \$147,788, respectively. At June 30, 2020 and 2019, 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, 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>
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>June 30, 2019</u>		
Difference Between Expected and Actual Liability	\$ -	\$ (441,751)
Change of Assumptions	26,405	(108,039)
Net Difference Between Projected and Actual Investment Earnings	-	-
Total	<u>\$ 26,405</u>	<u>\$ (549,790)</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
2021	\$ (46,917)
2022	(46,917)
2023	(46,917)
2024	(46,917)
2025	(46,917)
Thereafter	(334,022)
Total	<u>\$ (568,607)</u>

**BROADLAWNS MEDICAL CENTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary Increases	3.50%
Medical Consumer Price Index Trend	2.00%
Discount Rate	2.21%
Health Care Trend Rates	6.50%
	Decreasing to 4.50% Over 4 Years

Mortality rates are from the SOA RPH-2017 total dataset mortality table fully generational using Scale MP-2017. 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, 2020 and 2019, the most recent valuation date, the plan was 0% funded. As of June 30, 2020 and 2019, the actuarial accrued liability for benefits was \$744,095 and \$680,606, respectively, and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$744,095 and \$680,606, respectively. The covered payroll was \$78,369,000 and \$75,718,967, respectively, and the ratio of the UAAL to the covered payroll was 0.95% and 0.90%, 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
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET AND BUDGETARY ACCOUNTING (UNAUDITED)
YEAR ENDED JUNE 30, 2020
(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, 2020:

<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>
\$ 192,864,627	\$ 14,560,233	\$ 207,424,860	\$ 215,845,493	\$ (8,420,633)

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

Total OPEB Liability	2020	2019	2018	2017
Service Cost	\$ 151,224	\$ 146,110	\$ 146,110	\$ 140,666
Interest	28,689	42,219	36,766	32,540
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	(474,592)	-	-
Changes of Assumptions	(92,139)	28,368	(20,573)	(114,991)
Benefit Payments	(24,285)	(12,646)	(30,161)	(14,489)
Net Change in Total OPEB Liability	<u>63,489</u>	<u>(270,541)</u>	<u>132,142</u>	<u>43,726</u>
Total OPEB Liability - Beginning	680,606	951,147	819,005	775,279
Total OPEB Liability - Ending (a)	<u>\$ 744,095</u>	<u>\$ 680,606</u>	<u>\$ 951,147</u>	<u>\$ 819,005</u>
 Plan Fiduciary Net Position				
Contributions - Employer	\$ -	\$ -	\$ -	\$ -
Net Investment Income	-	-	-	-
Benefit Payments	-	-	-	-
Administrative Expense	-	-	-	-
Net Change in Plan Fiduciary Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Beginning	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 District's Net OPEB Liability - Ending (a) - (b)	 \$ 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%
 Covered Payroll	 \$ 78,369,000	 \$ 75,718,967	 \$ 75,565,000	 \$ 73,009,785
 District's Net OPEB Liability as a Percentage of Covered Payroll	 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
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE MEDICAL CENTER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (UNAUDITED)
YEARS ENDED JUNE 30, 2020, 2019, 2018, 2017, 2016, AND 2015
(SEE INDEPENDENT AUDITORS' REPORT)**

Iowa Public Employees' Retirement System Last Fiscal Year*

	2020	2019	2018	2017	2016	2015
Medical Center's Proportion of the Net Pension Liability	0.991486%	0.959746%	0.881642%	0.825597%	0.819028%	0.784310%
Medical Center's Proportionate Share of the Net Pension Liability	\$ 57,798,268	\$ 60,715,017	\$ 58,203,903	\$ 51,486,901	\$ 40,463,961	\$ 31,105,015
Medical Center's Covered-Employee Payroll	\$ 81,339,399	\$ 76,026,901	\$ 72,234,982	\$ 65,288,646	\$ 58,774,222	\$ 56,206,660
Medical Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	71.06%	79.86%	80.58%	78.86%	68.85%	55.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.38 %	82.57 %	81.99%	81.82%	85.19%	87.61%

*The amounts presented for the fiscal years ended June 30, 2020 and 2019 were determined as of June 30, 2019 and 2018, 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
REQUIRED SUPPLEMENTARY INFORMATION
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM,
SCHEDULE OF MEDICAL CENTER CONTRIBUTIONS (UNAUDITED)
YEAR ENDED JUNE 30, 2020
(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)
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
2011	3,077,754	3,077,754	-	43,697,264	7.04

BROADLAWNS MEDICAL CENTER
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION, PENSION LIABILITY (UNAUDITED)
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

NOTE 1 PENSION LIABILITY

Changes of Benefit Terms

There are no significant changes in benefit terms from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

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, PENSION LIABILITY (UNAUDITED)
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

NOTE 1 PENSION LIABILITY (CONTINUED)

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

**BROADLAWNS MEDICAL CENTER
COMBINING STATEMENT OF NET POSITION
BY DEPARTMENT
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					
Noncurrent Cash and Investments, Net of Current Portion:					
Cash and Cash Equivalents	7,376,560	-	-	-	7,376,560
Investments	<u>23,619,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,619,397</u>
Total Noncurrent Cash and Investments	30,995,957	-	-	-	30,995,957
Capital Assets:					
Nondepreciable	31,775,826	-	-	-	31,775,826
Depreciable, Net	<u>69,189,127</u>	<u>807</u>	<u>47,804</u>	<u>-</u>	<u>69,237,738</u>
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	<u>24,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,442</u>
Total Deferred Outflows	<u>19,796,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,796,870</u>
Total Assets and Deferred Outflows	<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 NET POSITION
BY DEPARTMENT
JUNE 30, 2019
(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	\$ 6,842,098	\$ 22,456	\$ 698,228	\$ -	\$ 7,562,782
Restricted Cash and Cash Equivalents	10,859,551	9,977	-	-	10,869,528
Short-Term Investments	79,109,752	-	-	-	79,109,752
Restricted Short-Term Investments	14,000,000	-	-	-	14,000,000
Receivables:					
Patients, Net	12,176,126	251,721	75,952	-	12,503,799
Property Taxes	330,981	-	-	-	330,981
Succeeding Year Property Taxes	65,962,093	-	-	-	65,962,093
Federal Grants	397,739	-	-	-	397,739
Nonfederal Grants	341,035	-	-	-	341,035
Other	2,609,837	-	-	1,094,647 (1)	1,515,190
Due from Third-Party Payors	7,664,263	-	-	-	7,664,263
Inventories	2,069,377	-	-	-	2,069,377
Prepaid Expenses and Other Assets	1,616,757	1,057	5,382	-	1,623,196
Total Current Assets	<u>203,979,609</u>	<u>285,211</u>	<u>779,562</u>	<u>1,094,647</u>	<u>203,949,735</u>
NONCURRENT ASSETS					
Assets Limited as to Use or Restricted, Net of Current Portion:					
Cash and Cash Equivalents	7,410,848	-	-	-	7,410,848
Investments	22,938,397	-	-	-	22,938,397
Total Assets Limited as to Use or Restricted	<u>30,349,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,349,245</u>
Capital Assets:					
Nondepreciable	16,926,754	-	-	-	16,926,754
Depreciable, Net	69,197,927	10,495	76,714	-	69,285,136
Total Capital Assets	<u>86,124,681</u>	<u>10,495</u>	<u>76,714</u>	<u>-</u>	<u>86,211,890</u>
Total Noncurrent Assets	<u>116,473,926</u>	<u>10,495</u>	<u>76,714</u>	<u>-</u>	<u>116,561,135</u>
Total Assets	320,453,535	295,706	856,276	1,094,647	320,510,870
DEFERRED OUTFLOWS					
Related to Pension	22,515,595	-	-	-	22,515,595
Related to Postemployment Benefits	26,405	-	-	-	26,405
Total Deferred Outflows	<u>22,542,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,542,000</u>
Total Assets	<u>\$ 342,995,535</u>	<u>\$ 295,706</u>	<u>\$ 856,276</u>	<u>\$ 1,094,647</u>	<u>\$ 343,052,870</u>

(1) To eliminate interdepartmental receivables and payables.

**BROADLAWNS MEDICAL CENTER
COMBINING STATEMENT OF NET POSITION
BY DEPARTMENT (CONTINUED)
JUNE 30, 2019
(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	\$ 4,369,547	\$ 927,528	\$ 172,999	\$ 1,094,647 (1)	\$ 4,375,427
Accrued Employee Compensation and Payroll Taxes	10,684,886	35,805	56,213	-	10,776,904
Due to Third-Party Payors	3,048,497	-	-	-	3,048,497
Current Portion of Accrued Claims on Self-Insurance	1,924,747	-	-	-	1,924,747
Total Current Liabilities	20,027,677	963,333	229,212	1,094,647	20,125,575
NONCURRENT LIABILITIES					
Other Postemployment Benefits	680,606	-	-	-	680,606
Accrued Claims on Self-Insurance, Less Current Portion	3,155,181	-	-	-	3,155,181
Net Pension Liability	60,715,017	-	-	-	60,715,017
Total Noncurrent Liabilities	64,550,804	-	-	-	64,550,804
Total Liabilities	84,578,481	963,333	229,212	1,094,647	84,676,379
DEFERRED INFLOWS					
Related to Pension	3,040,775	-	-	-	3,040,775
Related to Postemployment Benefits	549,790	-	-	-	549,790
Revenue for Succeeding Year Property Taxes	65,962,093	-	-	-	65,962,093
Total Deferred Inflows	69,552,658	-	-	-	69,552,658
NET POSITION					
Net Investment in Capital Assets	85,458,255	10,495	76,714	-	85,545,464
Restricted:					
For Enabling Legislation	6,639,457	-	-	-	6,639,457
For Specific Activities	53,645	9,977	-	-	63,622
Unrestricted	96,713,039	(688,099)	550,350	-	96,575,290
Total Net Position	188,864,396	(667,627)	627,064	-	188,823,833
Total Liabilities, Deferred Inflows, and Net Position	\$ 342,995,535	\$ 295,706	\$ 856,276	\$ 1,094,647	\$ 343,052,870

**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
COMBINING STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION
BY DEPARTMENT
YEAR ENDED JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT)**

	Medical Center	Residential Facilities	Positive Alternatives to Hospitalization (PATH)	Eliminations	Total Medical Center
OPERATING REVENUE					
Net Patient Service Revenue	\$ 120,913,302	\$ 67,712	\$ 1,701,845	\$ -	\$ 122,682,859
Contracts	831,239	-	-	-	831,239
Operating Grants	2,544,692	-	-	-	2,544,692
Other	3,291,536	-	-	81,244 (1)	3,210,292
Total Operating Revenue	<u>127,580,769</u>	<u>67,712</u>	<u>1,701,845</u>	<u>81,244</u>	<u>129,269,082</u>
OPERATING EXPENSES					
Salaries and Wages	85,369,322	465,149	845,346	-	86,679,817
Employee Benefits:					
Pension	10,235,302	99,212	131,796	-	10,466,310
All Others	17,635,783	190,679	257,416	-	18,083,878
Physician Fees and Outside Services	4,757,307	-	-	-	4,757,307
Supplies and Other Expenses	55,559,868	165,266	369,206	81,244 (1)	56,013,096
Depreciation and Amortization	6,810,620	9,688	25,547	-	6,845,855
Total Operating Expenses	<u>180,368,202</u>	<u>929,994</u>	<u>1,629,311</u>	<u>81,244</u>	<u>182,846,263</u>
OPERATING GAIN (LOSS)	(52,787,433)	(862,282)	72,534	-	(53,577,181)
NONOPERATING REVENUE (EXPENSE)					
Property Taxes Revenue	67,016,920	-	-	-	67,016,920
Property Taxes Expense	(2,800,000)	-	-	-	(2,800,000)
Noncapital Grants and Contributions	62,132	-	-	-	62,132
Investment Earnings	3,036,454	-	-	-	3,036,454
Interest Expense	(936)	-	-	-	(936)
Other, Net	106,626	-	9,310	-	115,936
Total Nonoperating Revenue, Net	<u>67,421,196</u>	<u>-</u>	<u>9,310</u>	<u>-</u>	<u>67,430,506</u>
EQUITY TRANSFER	(3,347,952)	3,347,952	-	-	-
CAPITAL CONTRIBUTIONS	<u>137,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,689</u>
CHANGE IN NET POSITION	11,423,500	2,485,670	81,844	-	13,991,014
Net Position - Beginning of Year	<u>177,440,896</u>	<u>(3,153,297)</u>	<u>545,220</u>	<u>-</u>	<u>174,832,819</u>
NET POSITION - END OF YEAR	<u>\$ 188,864,396</u>	<u>\$ (667,627)</u>	<u>\$ 627,064</u>	<u>\$ -</u>	<u>\$ 188,823,833</u>

(1) To eliminate interdepartmental transactions.

**BROADLAWNS MEDICAL CENTER
ANALYSIS OF NET PATIENT RECEIVABLES
JUNE 30, 2020 AND 2019
(SEE INDEPENDENT AUDITORS' REPORT)**

	2020		2019	
	Amounts	Percent to Total	Amounts	Percent to Total
0 - 30 (In-House and Unbilled)	\$ 22,924,927	55 %	\$ 23,588,602	57 %
31 - 60	4,633,747	11	5,108,282	12
61 - 90	2,163,488	5	3,592,036	9
91 - 120	1,915,958	5	1,970,156	5
121 - 150	1,525,615	4	1,256,562	3
151 and over	8,195,811	20	5,727,275	14
	<u>41,359,546</u>	<u>100 %</u>	<u>41,242,913</u>	<u>100 %</u>
Allowance for Doubtful Accounts	4,588,000		5,097,000	
Allowance for Charity Care	4,128,000		4,216,000	
Allowance for Contractual and Other Adjustments	<u>20,490,288</u>		<u>19,426,114</u>	
Total	<u>\$ 12,153,258</u>		<u>\$ 12,503,799</u>	
Medicare	\$ 4,329,144	36 %	\$ 4,591,090	37 %
Medicaid	5,153,456	42	3,432,045	28
Private Pay	1,225,741	10	1,670,139	13
Other	<u>1,444,917</u>	<u>12</u>	<u>2,810,525</u>	<u>22</u>
Total	<u>\$ 12,153,258</u>	<u>100 %</u>	<u>\$ 12,503,799</u>	<u>100 %</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
CHANGES IN CAPITAL ASSETS AND
ACCUMULATED DEPRECIATION AND AMORTIZATION
YEAR ENDED JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT)**

	Capital Assets			
	June 30, 2018	Additions	Transfers and Disposals	June 30, 2019
Medical Center:				
Land	\$ 1,949,154	\$ 127,755	\$ -	\$ 2,076,909
Land Improvements	9,869,600	62,100	-	9,931,700
Buildings	37,112,300	-	(10,782)	37,101,518
Building Equipment	48,508,764	24,686	883,170	49,416,620
Fixed Equipment	428,704	-	(120)	428,584
Major Moveable Equipment	31,249,473	1,934,206	(3,316,885)	29,866,794
Equipment under Capital Lease	57,322	-	(29,000)	28,322
Construction in Progress	955,442	16,203,359	(2,329,022)	14,829,779
Total	<u>130,130,759</u>	<u>18,352,106</u>	<u>(4,802,639)</u>	<u>143,680,226</u>
Mental Health Facility:				
Land	20,066	-	-	20,066
Land Improvements	186,146	-	-	186,146
Buildings	6,960,101	-	-	6,960,101
Building Equipment	6,335,999	-	(194,865)	6,141,134
Major Moveable Equipment	586,427	-	-	586,427
Total	<u>14,088,739</u>	<u>-</u>	<u>(194,865)</u>	<u>13,893,874</u>
Total Medical Center	<u>144,219,498</u>	<u>18,352,106</u>	<u>(4,997,504)</u>	<u>157,574,100</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	373,483	70,672	(72,388)	371,767
Major Moveable Equipment	93,328	-	-	93,328
Total PATH	<u>467,746</u>	<u>70,672</u>	<u>(72,388)</u>	<u>466,030</u>
Total	<u>\$ 144,754,806</u>	<u>\$ 18,422,778</u>	<u>\$ (5,069,892)</u>	<u>\$ 158,107,692</u>

**BROADLAWNS MEDICAL CENTER
CHANGES IN CAPITAL ASSETS AND
ACCUMULATED DEPRECIATION AND AMORTIZATION (CONTINUED)
YEAR ENDED JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT)**

Accumulated Depreciation and Amortization

June 30, 2018	Current Provision	Deductions	June 30, 2019
\$ -	\$ -	\$ -	\$ -
3,778,570	455,709	-	4,234,279
10,616,013	836,390	(10,782)	11,441,621
20,776,506	2,490,156	(11,726)	23,254,936
314,667	26,517	(120)	341,064
21,242,804	2,779,459	(4,650,273)	19,371,990
57,322	-	(29,000)	28,322
-	-	-	-
<u>56,785,882</u>	<u>6,588,231</u>	<u>(4,701,901)</u>	<u>58,672,212</u>
-	-	-	-
186,146	-	-	186,146
5,889,976	175,391	-	6,065,367
6,087,532	46,998	(194,865)	5,939,665
586,427	-	-	586,427
<u>12,750,081</u>	<u>222,389</u>	<u>(194,865)</u>	<u>12,777,605</u>
<u>69,535,963</u>	<u>6,810,620</u>	<u>(4,896,766)</u>	<u>71,449,817</u>
6,919	-	-	6,919
40,461	9,688	-	50,149
<u>47,380</u>	<u>9,688</u>	<u>-</u>	<u>57,068</u>
935	-	-	935
329,555	25,148	(60,049)	294,654
93,328	-	-	93,328
<u>423,818</u>	<u>25,148</u>	<u>(60,049)</u>	<u>388,917</u>
<u>\$ 70,007,161</u>	<u>\$ 6,845,456</u>	<u>\$ (4,956,815)</u>	<u>\$ 71,895,802</u>

**BROADLAWNS MEDICAL CENTER
PATIENT SERVICE REVENUE
YEARS ENDED JUNE 30, 2020 AND 2019
(SEE INDEPENDENT AUDITORS' REPORT)**

	2020			2019		
	Inpatients	Outpatients	Total	Inpatients	Outpatients	Total
Daily Patient Services:						
Medical, Surgical	\$ 7,153,571	\$ 6,293,904	\$ 13,447,475	\$ 6,863,067	\$ 6,679,323	\$ 13,542,390
Mental Health	20,453,760	272	20,454,032	19,871,808	2,170	19,873,978
Intensive Care	2,712,084	364,628	3,076,712	2,374,623	494,566	2,869,189
Family Birthing Center	3,252,817	170,447	3,423,264	3,212,183	245,266	3,457,449
Transitional Facilities	756,700	-	756,700	660,800	-	660,800
Residential Facilities	776,781	-	776,781	727,079	-	727,079
Total Daily Patient Services	35,105,713	6,829,251	41,934,964	33,709,560	7,421,325	41,130,885
Other Nursing Services:						
Surgical Services	5,146,414	40,057,530	45,203,944	3,483,291	28,127,686	31,610,977
Medical and Surgical Supplies	3,095,365	9,096,100	12,191,465	3,797,139	8,785,497	12,582,636
Ambulatory Care Services:						
Addiction Medicine	-	770,439	770,439	983	765,071	766,054
Crisis	-	2,398,256	2,398,256	-	2,387,174	2,387,174
Dental Clinic	-	1,564,519	1,564,519	-	1,886,440	1,886,440
ECT Clinic	19,462	230,552	250,014	133,300	353,620	486,920
Emergency	2,122,723	13,992,469	16,115,192	1,866,444	12,999,473	14,865,917
Endocrinology Clinic	-	344,261	344,261	-	345,253	345,253
Eye Clinic	-	1,789,655	1,789,655	-	2,538,628	2,538,628
Family Health Center	18	1,942,552	1,942,570	-	2,164,605	2,164,605
Gastroenterology Clinic	-	44,219	44,219	-	51,492	51,492
Geriatrics Clinic	-	510,111	510,111	-	714,648	714,648
Integrated Health Home	-	2,305,617	2,305,617	-	2,295,932	2,295,932
Internal Medicine Clinic	-	562,537	562,537	-	522,987	522,987
Neurology Clinic	-	537,876	537,876	-	807,663	807,663
Oncology Clinic	-	1,851,210	1,851,210	-	1,990,234	1,990,234
Optical Shop	-	356,937	356,937	-	388,915	388,915
Orthopedics Clinic	-	895,182	895,182	-	1,099,887	1,099,887
Outpatient Behavioral Health	844,815	7,187,426	8,032,241	733,279	9,287,213	10,020,492
Pain Management Center	-	6,886,384	6,886,384	-	10,427,183	10,427,183
Pediatric Clinic	-	626,265	626,265	-	897,736	897,736
Podiatry Clinic	18	1,451,933	1,451,951	-	1,541,290	1,541,290
Primary Care Clinic	-	3,380,710	3,380,710	-	3,735,919	3,735,919
Sleep Medicine and Allergy Clinic	-	929,134	929,134	-	1,786,447	1,786,447
Specialty Clinic	-	388,166	388,166	-	678,531	678,531
Surgery Clinic	14,141	526,102	540,243	-	95,405	95,405
Urology Clinic	-	2,358,618	2,358,618	-	173,235	173,235
Walk-In Clinic	29	2,973,610	2,973,639	162	3,181,967	3,182,129
Women's Health Clinic	-	1,075,978	1,075,978	-	1,090,530	1,090,530
PATH	-	1,699,252	1,699,252	-	1,710,970	1,710,970
Total Other Nursing Services	11,242,985	108,733,600	119,976,585	10,014,598	102,831,631	112,846,229

**BROADLAWNS MEDICAL CENTER
PATIENT SERVICE REVENUE (CONTINUED)
YEARS ENDED JUNE 30, 2020 AND 2019
(SEE INDEPENDENT AUDITORS' REPORT)**

	2020			2019		
	Inpatients	Outpatients	Total	Inpatients	Outpatients	Total
Other Physician Services:						
Anesthesiology	\$ 1,282,199	\$ 4,280,295	\$ 5,562,494	\$ 1,366,175	\$ 3,470,870	\$ 4,837,045
Cardiology	31,411	250,781	282,192	28,182	185,616	213,798
Dallas Center Clinic	-	887,011	887,011	-	1,030,721	1,030,721
Downtown Clinic	-	957,197	957,197	-	515,879	515,879
Drake University Clinic	-	12,015	12,015	-	-	-
East University Clinic	-	4,194,232	4,194,232	63	4,244,388	4,244,451
Emergency Medicine	1,160,891	7,224,578	8,385,469	1,099,609	7,394,043	8,493,652
Endocrinology	-	183,041	183,041	-	220,037	220,037
ENT	4,086	153,682	157,768	-	182,617	182,617
Gastroenterology	18,624	196,642	215,266	68,499	494,847	563,346
Geriatrics	237	384,034	384,271	-	625,867	625,867
Internal Medicine	33,129	2,407,832	2,440,961	21,095	2,305,520	2,326,615
Medical Education	62,425	1,679,290	1,741,715	76,574	2,069,592	2,146,166
Neurology	6,315	397,706	404,021	4,658	690,852	695,510
Obstetrics and Gynecology	1,944,888	703,284	2,648,172	2,086,627	534,359	2,620,986
Oncology	-	264,606	264,606	74	269,009	269,083
Ophthalmology	4,633	2,462,938	2,467,571	5,018	3,223,092	3,228,110
Optometry	-	-	-	-	-	-
Orthopedics	423,422	1,241,935	1,665,357	425,317	1,119,722	1,545,039
Pain Management Center	1,749	2,333,472	2,335,221	5,710	3,927,647	3,933,357
Pediatrics	-	467,340	467,340	3,171	728,061	731,232
Podiatry	225,083	896,199	1,121,282	311,195	1,218,156	1,529,351
Primary Care Clinic	33,980	1,822,265	1,856,245	91,830	2,404,097	2,495,927
Psychiatry	14,362	5,288,761	5,303,123	44,821	5,121,321	5,166,142
Sleep Medicine and Allergy	-	847,303	847,303	332	611,321	611,653
Surgery	183,246	799,102	982,348	128,328	569,816	698,144
Urology	58,208	1,347,158	1,405,366	12,182	345,287	357,469
Walk-In Clinic	-	1,205,557	1,205,557	-	1,299,292	1,299,292
Other Physician Services	-	30,048	30,048	-	39,279	39,279
Total Other Physician Services	<u>5,488,888</u>	<u>42,918,304</u>	<u>48,407,192</u>	<u>5,779,460</u>	<u>44,841,308</u>	<u>50,620,768</u>
Other Professional Services:						
Laboratory	4,050,077	15,244,530	19,294,607	3,887,166	15,379,002	19,266,168
Pharmacy	2,842,228	36,312,091	39,154,319	3,214,379	32,540,230	35,754,609
Radiology	4,065,839	36,383,221	40,449,060	4,205,025	36,624,462	40,829,487
Respiratory Therapy	2,350,876	1,977,790	4,328,666	1,244,394	1,441,488	2,685,882
Diagnostic Services	452,506	2,236,199	2,688,705	508,972	2,282,081	2,791,053
Physical and Occupational Therapy	234,897	1,885,972	2,120,869	250,584	2,159,614	2,410,198
Speech and Hearing Therapy	35,467	224,750	260,217	28,111	252,638	280,749
Total Other Professional Services	<u>14,031,890</u>	<u>94,264,553</u>	<u>108,296,443</u>	<u>13,338,631</u>	<u>90,679,515</u>	<u>104,018,146</u>
Gross Charges at Established Rates	<u>\$ 65,869,476</u>	<u>\$ 252,745,708</u>	318,615,184	<u>\$ 62,842,249</u>	<u>\$ 245,773,779</u>	308,616,028
Charity Care Charges Forgone, Based on Established Rates			16,566,653			13,543,849
Total Gross Patient Service Revenue			<u>302,048,531</u>			<u>295,072,179</u>
Provisions for Contractual and Other Adjustments			163,981,759			160,426,914
Provision for Bad Debts			11,903,768			11,962,406
Total Net Patient Service Revenue			<u>\$ 126,163,004</u>			<u>\$ 122,682,859</u>

**BROADLAWNS MEDICAL CENTER
OTHER OPERATING REVENUE
YEARS ENDED JUNE 30, 2020 AND 2019
(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>2020</u>	<u>2019</u>
Grants:		
Broadlawns Medical Center:		
Women, Infants, and Children Program, State of Iowa, (IDPH)	\$ 2,641,513	\$ 2,313,512
WIC Breast Pump Program, State of Iowa, (IDPH)	158,279	47,852
Hospital Preparedness Program	12,585	10,805
Farmers Market Nutrition Program, State of Iowa (IDALS)	1,683	7,242
Merit/Magellan, Iowa Plan, Iowa State Department of Public Health	59,192	82,328
Breastfeeding Peer Counseling, State of Iowa, (IDPH)	48,391	83,316
Opioid Response Grant, State of Iowa, (IDPH)	-	(363)
Zero Suicide Iowa, Iowa State Department of Public Health	9,000	-
COVID-19 Preparedness Grant, Iowa Hospital Association	5,720	-
Apprenticeship USA Expansion and Innovation, Iowa Workforce Development	26,392	-
Total Grants	<u>2,962,755</u>	<u>2,544,692</u>
Contracts:		
Polk County Health Services:		
Addiction Medicine	322,080	322,080
ISA Nurse Practitioner	55,041	-
Other:		
Medical and Dental Education, University of Iowa	341,215	334,085
Medicare and Medicaid Innovation	6,302	-
Integrated Health Home, Magellan	43,481	175,074
Total Contracts	<u>768,119</u>	<u>831,239</u>
Other:		
Electronic Health Records Incentive Programs	365,490	-
Family Practice Program, Iowa Methodist Medical Center	178,800	172,800
Purchase Discounts	1,007	635
Refunds and Rebates	440,551	622,519
Sales and Supplies, Services, and Salvage	2,298,883	1,711,096
Des Moines Consortium Contribution	54,000	51,833
Research	-	1,600
Miscellaneous	792,928	649,809
Total Other	<u>4,131,659</u>	<u>3,210,292</u>
Total Other Operating Revenue	<u>\$ 7,862,533</u>	<u>\$ 6,586,223</u>