

### **AGENDA**

### **Board of Directors Meeting**

6:00 PM - Wednesday, January 26, 2022

Click link to join Zoom meeting

Meeting ID: 878 0782 1015 Pwd: 931197 Phone Line: 669-900-9128 or 301-715-8592

Kelly Cooper,	Keriann Baker	Aaron Weisser
President		
Melissa Jacobsen,	M. Todd Boling, DO	Bernadette Wilson
Vice Pres.		
Julie Woodworth,	Matthew Hambrick	Beth Wythe
Secretary		
Walter Partridge,	Edson Knapp, MD	Ryan Smith, CEO
Treasurer		

### Page

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1	CALL	TO	ORDER
	UALL	- 10	CIVELL

### 2. ROLL CALL

### 3. REFLECT ON LIVING OUR VALUES

### 4. WELCOME GUESTS & PUBLIC / INTRODUCTIONS / ANNOUNCEMENTS

4.1. Rules for Participating in a Public Meeting
Rules for Participating in a Public Meeting

### 5. APPROVAL OF THE AGENDA

### 6. APPROVAL OF THE CONSENT CALENDAR

- 6 11
   6.1. Consideration to Approve the South Peninsula Hospital (SPH) Board of Directors meeting minutes for December 1, 2021.
   Board of Directors Dec 01 2021 Minutes
- 12 19 6.2. Consideration to Approve November FY 2022 and December FY 2022 Financials

		Balance Sheet - November FY22 Income Statement - November FY22
		Cash Flows Statement - November FY22 Balance Sheet - December FY22
		Income Statement - December FY22
		Cash Flows Statement - December FY22
20 - 27	6.3.	Consideration to Approve Notice of Change of Officials and Notice of Reorganization  Memo  Election of Officers, Notice of Reorganization 2022  Notice of Change of Officials
28 - 29	6.4.	Consideration to Approve SPH Resolution 2022-02, A Resolution of the South Peninsula Hospital Board of Directors Approving the Capital Budget for RY 2023  SPH Resolution 22-02  Priority 1 FY23 Capital Budget Requests
30 - 84	6.5.	Consideration to Accept the Financial Audit for FY 2021  FY21 Audit Report South Peninsula Hospital
	7.	PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA
	8.	PRESENTATIONS
	8.1.	Presentation of the FY2021 Audit by Jake Kolipano of BDO
	9.	UNFINISHED BUSINESS
	10.	NEW BUSINESS
85	10.1.	Election of Officers for 2022  Memo
86 - 87	10.2.	Consideration to Approve Board Roster and Committee Assignments  Board Roster (to be updated after officer are elected)  Board Committee Roster
88 - 91	10.3.	Consideration to Approve SPH Resolution 2022-01, A Resolution of the South Peninsula Hospital Board of Directors Approving Capital Repairs of the Property Located at 203 West Pioneer Avenue, Homer AK 99603

92 - 102 10.4. Second Reading: Consideration to Amend Board of Directors Bylaws Bylaws, revised

### 11. REPORTS

11.1. BOD Committees: Pension/Finance

**Presenter:** Walter Partridge

103 - 106 11.2. Chief Executive Officer

**Presenter:** Ryan Smith

4th Quarter 2021 Balanced Scorecard

107 - 108 11.3. BOD Committee: Governance

**Presenter:** Beth Wythe

Board Governance Committee - Jan 20 2022 - Minutes - DRAFT

11.4. BOD Committee: Education

**Presenter:** Julie Woodworth

11.5. Service Area Board Representative

**Presenter:** Roberta Highland

### 12. DISCUSSION

### 13. COMMENTS

(Announcements/Congratulations)

- 13.1. Chief Executive Officer
- 13.2. Board Members

### 14. INFORMATIONAL ITEMS

109 - 115 14.1. Annual Forms: Conflict of Interest, Board Information for CMS, Confidentiality Agreement

Confidentiality Agreement

Conflict of Interest Form 2022

**CMS Form** 

### 15. PUBLIC COMMENTS

15.1.

- 16. ADJOURN TO EXECUTIVE SESSION (IF NEEDED)
- 17. ANNOUNCEMENTS AS A RESULT OF EXECUTIVE SESSION
- 17.1. Credentialing
- 18. ADJOURNMENT



### **MEMO**

Administration 4300 Bartlett Street Homer, AK 99603 907-235-0325 ~ 907-235-0253, fax

To: Public Participants

From: Operating Board of Directors – South Peninsula Hospital

Re: Rules for Participating in a Public Meeting

The following has been adapted from the "Rules for Participating in a Public Meeting" used by Kenai Peninsula SAB of SPHI.

Each member of the public desiring to speak on any issue before the SPH Operating Board of Directors at tonight's meeting will be given an opportunity to speak to the following guidelines:

- Those who wish to speak will need to sign in on the sign in sheet being circulated. When the chair recognizes you to speak, you need to clearly give your name and the subject you wish to address.
- Please be concise and courteous, in time, so others present will have an opportunity to speak.
- Please observe normal rules of decorum and avoid disparaging by name the reputation or character of any member of the Operating Board of directors, the administration or personnel of SPHI, or the public. You cannot mention or use names of individuals.
- The Operating Board Directors may ask you to respond to their questions following your comments. You could be asked to give further testimony in "Executive Session" if your comments are directly related to a member of personnel, or management of SPHI, or dealing with specific financial matters, either of which could be damaging to the character of an individual or the financial health of SPHI, however, you are under no obligation to answer any question put to you by the Operating Board Directors.
- This is your opportunity to provide your support or opposition to matters that are within the areas of Operating Board of Directors governance. If you have questions, you may direct them to the chair.

These rules for participating in a public meeting were discussed and approved at the Board Governance Committee meeting on February 24, 2013.



# MINUTES Board of Directors Meeting

**6:00 PM - Wednesday, December 1, 2021** Virtual Meeting Only

The Board of Directors of the South Peninsula Hospital was called to order on Wednesday, December 1, 2021, at 6:00 PM, via Virtual Zoom meeting.

### 1. CALL TO ORDER

The BOD went into Executive Session to discuss personnel and financial matters prior to the start of the regular meeting.

\*\*\*\*\*Into Executive Session – 5:15 p.m. \*\*\*\*\*

\*\*\*\*\*Out of Executive Session – 5:55 p.m. \*\*\*\*\*

\*\*\*\*\*Regular Session – 6:00 p.m. \*\*\*\*\*

President Kelly Cooper called the regular meeting to order at 6:00 p.m.

### 2. ROLL CALL

**BOARD PRESENT:** 

Kelly Cooper, Keriann Baker, Todd Boling, David Groesbeck, Matthew Hambrick, Melissa Jacobsen, Edson Knapp, Walter Partridge, Bernadette

Wilson, Julie Woodworth, Beth Wythe, and Ryan Smith (CEO).

SUPPORT STAFF PRESENT:

Maura Jones, Executive Assistant

A quorum was present.

### 3. REFLECT ON LIVING OUR VALUES

Derotha Ferraro, PR/Marketing Director shared a story. The Foundation received a donation in the form of a check in the mail from a couple. It was unexpected, so she reached out to find out what prompted the donation. It was from a patient who was bitten by a rattlesnake in California and almost died. He received no follow up after being seen in the ER in California. When he came back to Homer he saw Dr. Martinez at Homer Medical Center and underwent 10 weeks of wound care therapy with their wound care specialist. He was incredibly thankful for the care.

### 4. WELCOME GUESTS & PUBLIC / INTRODUCTIONS / ANNOUNCEMENTS

Kelly Cooper welcomed all guests. She reminded that board and audience members that the hospital Foundation is growing and donations can be made any time on the SPH website under "Support the Foundation."

4.1. Rules for Participating in a Public Meeting

Board of Directors Meeting December 1, 2021 Page 1 of 6

### 5. APPROVAL OF THE AGENDA

Secretary Melissa Jacobsen made a motion to approve the consent calendar as read. Bernadette Wilson seconded the motion. Motion Carried

### 6. APPROVAL OF THE CONSENT CALENDAR

Ms. Jacobsen read the consent calendar into the record.

- 6.1. Consideration to Approve the South Peninsula Hospital (SPH) Board of Directors meeting minutes for October 27, 2021
- 6.2. Consideration to Approve October FY 2022 Financials
- 6.3. Consideration to Approved Revised Board Policy Q-02 Peer Review, as recommended by the Governance Committee

Secretary Melissa Jacobsen made a motion to approve the consent calendar as read. Julie Woodworth seconded the motion. Motion Carried.

### 7. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Tim Nixon of LifeMed Alaska commented. He shared some information about LifeMed, which is a merger between Lifeguard and Airmed International. They are an Alaska based company providing rapid transportation around the state. They have done a little under 40,000 flights now and are the only CAMES accredited air medical transport. The medical crew goes through rigorous ongoing education. They do monthly chart reviews with medical directors. They are able to take patients anywhere and are not beholden to any particular hospital.

Willy Dunne, member of the Service Area Board, commented. He has been appointed by the SAB to serve on the Master Facility Planning committee for SPH. He will also be representing the SAB in meetings for the Opioid Task Force. He also thanked the hospital for some great care he received there recently.

Lane Chesley, KPB Assembly member, commented. He wished everyone a Happy Holidays. He thanked the staff and the Board for all of their hard work.

### 8. PRESENTATIONS

There were no presentations.

### 9. UNFINISHED BUSINESS

There was no unfinished business.

### 10. NEW BUSINESS

### 10.1. Election of Board Members

Secretary Melissa Jacobsen made a motion to postpone the election of new board members to a special meeting to be held on Friday, December 3rd at 12:15pm. Keriann Baker seconded the motion. Motion Carried.

### 10.2. First Reading: Consideration to Amend Board of Directors Bylaws, as recommended by the Governance Committee

The revised bylaws were presented for a first reading by the Governance Committee. Ms. Baker and Ms. Cooper did the initial revisions.

Melissa Jacobsen asked if the position of Secretary was necessary, since most secretarial duties are completed by Administration. The Board asked Governance Committee to look at this prior to the next meeting, and the difference between Corporate Secretary vs. Recording Secretary or Executive Assistant. Any other comments or suggestions should be sent to Ms. Wythe for review at the next Governance Committee meeting.

#### 11. REPORTS

#### 11.1. Chief Executive Officer

Ryan Smith, CEO, gave a verbal report. The balanced scorecard was presented in the packet. It was unchanged from last month. The CMS Interim Final Rule was announced on November 4th and a lot of work as gone into implementing the provisions. Our policy essentially mirrors that of Providence. On Monday we learned the mandate is on pause in all 50 states, so we will wait to see how that unfolds. Dr. Lucy Fisher, our new full time psychiatrist, will be joining the team on January 24th and the behavioral health clinic will be opening in its new location on Hohe Street. Dr. Nathan Kincaid, our new general surgeon, starts at SPH on March 1st. Dr. Giammar will help cover dates through February. Dr. Kurt Mentzer is joining the orthopedic surgery clinic for ten days per month starting in January, and will be on board full time by March. Dr. Hennigan, endocrinologist, has joined the team and is doing well. Dr. Chris Glenn is complementing Dr. Knapp's coverage for the Imaging Department, Dr. Filipek is retiring at the end of the year, though she has agreed to be available for emergency coverage. Dr. Cotten retired in October. She was not able to attend the meeting tonight, but we hope to honor her at a future time.

We underwent our CMS survey for both the hospital and Long Term Care, including Life Safety and Emergency Management. We've received the results and are working on a Plan of Correction. We also received \$1.4 million in provider relief funds this week to help fund the work at the COVID testing and vaccine site. Thank you to the Finance team for all their work. Dr. Tuomi has accepted the position of Chief Medical Officer and will start the position in the new year.

### 11.2. BOD Committee: Pension

Walter Partridge, Pension Committee Chair, reported. The Pension Committee met on 11/18 and reviewed the results through the third quarter, as well as policy PEN-001, which was updated and is provided tonight for your information. We discussed de-risking the plan and passed a motion to allow Administration to do so. We reviewed new reports from Newport and discussed needed changes.

#### 11.3. BOD Committee: Finance

Walter Partridge, Finance Committee Chair, reported. The Finance Committee met on 11/18 and reviewed the financials for October 2021. Those are presented on the consent agenda for your review.

### 11.4. BOD Committee: Governance

Beth Wythe, Governance Chair, reported. The Governance committee met in November and finished all the policy review for the year. We also finished up the Bylaw review, which is presented tonight for first reading. We also reviewed the election process for new members.

#### 11.5. BOD Committee: Education

Julie Woodworth, Education Chair, reported. Information on the AHA Conference is included in the packet. Please contact Ms. Jones if you would like to attend - early bird rates end this Friday.

#### 11.6. Board President

Ms. Cooper noted that it was Mr. Groesbeck's last meeting and hoped everyone would share some kind words during the comments section.

### 11.7. Service Area Board Representative

Judith Lund, Service Area Board representative, reported. She expressed excitement over the changes in the Foundation. She noted there is an opening on the board after losing Marie Walli last month. She will be greatly missed. If you know of anyone interested in serving in her stead, submit an application to the mayor's office. Judith shared that the SAB would miss Mr. Groesbeck's service as well.

### 12. DISCUSSION

There was no additional discussion.

### 13. COMMENTS

(Announcements/Congratulations)

### 13.1. Chief Executive Officer

Mr. Smith expressed his condolensces to the Walli family and friends. Marie was a great historian for the board, and always open and honest in her opinions. She was a great ambassador for the SAB. Mr. Smith also thanked Mr. Groesbeck for his service on the Board of Directors. He was board chair when Mr. Smith joined SPH and he thanked him for his guidance in that transition. He wished everyone a Happy Thanksgiving.

#### 13.2. Board Members

Ms. Baker had to leave the meeting early due to a family emergency.

Mr. Hambrick congratulated Dr. Filipek on her retirement and congratulated Mr. Smith on his new grandson. He thanked Mr. Groesbeck for his service.

Dr. Boling thanked Mr. Groesbeck as well. He expressed how thankful he was that when recruiting new surgeons, he could talk about SPH excellence without reservations. He wished everyone a great Christmas.

Dr. Knapp congratulated Mr. Smith on his new grandson. He thanked Mr. Groesbeck for bringing the board through difficult times and decisions with grace. He wished everyone a Merry Christmas.

Ms. Jacobsen thanked everyone for the good meeting. She thanked Mr. Groesbeck for his leadership and guidance. She wished everyone a Merry Christmas and Happy New Year.

Mr. Partridge congratulated Mr. Smith on his new grandson and congratulated Mr. Groesbeck on his retirement x2. He thanked him for his work on behalf of the board and for always being cool, calm and collected. He thanked him for his work on the Governance Committee, which accomplished a lot this year. He congratulated Dr. Filipek on her impending retirement.

Ms. Wythe congratulated Ryan on his new grandson. She thanked Mr. Groesbeck and felt he was a valuable member on the Governance Committee. She thanked Ms. Cooper and Ms. Baker for their work on the bylaw review. She is looking forward to retirement, and to learning more about different committees next year.

Ms. Woodworth sent her condolences to the Walli family and appreciation for Marie's service to the community. She thanked the staff for their reports and congratulated Mr. Smith on his grandson. She thanked Mr. Groesbeck for steering the Board through stormy seas and for always being a calming force.

Ms. Cooper thanked Mr. Groesbeck as well.

Mr. Groesbeck stated it's been a privilege to serve. He thanked Ryan and SPH for their dedication to excellence. The board had a vision and high expectations and feels fortunate they were able to convince Ryan to join the team. He thanked the board members for their willingness to speak their minds and understanding the importance of respectful disagreement. He thanked the Service Area Board for their long, distinguished history in supporting SPH.

### 14. INFORMATIONAL ITEMS

- 14.1. AHA Rural Health Care Conference 2022 Early Bird Rate Ends December 3rd
- 14.2. Board of Directors Calendar of Meetings 2022 (Draft)
- 15. ANNOUNCEMENTS AS A RESULT OF EXECUTIVE SESSION 15.1. Credentialing
- 16. ADJOURNMENT

Respectfully Submitted,	Accepted:
Maura Jones, Executive Assistant	Kelly Cooper, President
Minutes Approved:	Melissa Jacobsen, Secretary



### DRAFT-UNAUDITED

### BALANCE SHEET As of November 30, 2021

CURRENT ASSETS:   CASH AND CASH EQUIVALENTS   19,675,052   18,314,590   18,678,724   1,280,482   2 EQUITY IN CENTRAL TREASURY   8,842,769   8,626,762   8,825,941   216,007   3 TOTAL CASH   22,517,627   26,541,352   27,504,665   1,576,467   4 PATIENT ACCOUNT'S RECEIVABLE   31,744,262   26,718,486   33,095,598   5,025,776   5 LESS: ALLOWANCES & ADJ (15,283,505)   (12,727,233) (15,646,182)   (2,556,272)   (2,566,772)   (39,912,33)   (15,646,182)   (2,566,772)   (39,912,33)   (15,646,182)   (2,566,772)   (39,912,33)   (15,646,182)   (2,566,772)   (39,912,33)   (30,818)   (30,919)   (30,818)   (30,919)   (30,918)   (30,918			As of November 30, 2021	As of Nov 30, 2020	As of October 31, 2021	CHANGE FROM 11/30/20
1 CASH AND CASH EQUIVALENTS         19,675,052         18,314,500         18,678,724         1,360,462           2 EQUITY IN CENTRAL TREASURY         8,827,691         8,626,762         8,282,941         216,007           3 TOTAL CASH         28,517,821         26,941,352         27,504,665         1,576,468           4 PATIENT ACCOUNTS RECEIVABLE         31,744,262         26,718,486         33,095,598         5,025,776           5 LESS: ALLOWANCES & ADJ         (15,263,505)         (12,727,233)         (15,648,182)         (2,556,272)           7 PROPERTY TAKES RECV - KPB         39,2591         447,649         1,103,024         (55,058)           8 LESS: ALLOW PROP TAX - KPB         (3,599)         (3,046)         (3,599)         (55,109)           9 NET PROPERTY TAX RECV - KPB         388,992         444,601         1,098,425         (55,059)           10 OTHER RECINABLES - SPH         118,625         315,704         39,534         (197,079)           11 INVENTORIES         1,785,738         1,494,753         1,788,679         290,988           12 NETPENSION ASSET GASB         9,090,712         3,593,936         9,057,72         3,597,833         9,050,712         5,510,876           14 TOTAL CURRENT ASSETS         57,522,545         47,742,206         57,781,381		ASSETS				
2 EQUITY IN CENTRAL TREASURY         8,842,769         8,856,762         8,855,941         216,007           3 TOTAL CASH         28,517,821         26,341,352         27,504,665         1,576,468           4 PATIENT ACCOUNTS RECEIVABLE         31,744,282         26,718,486         33,095,598         5,025,778           5 LESS ALLOWANCES & ADJ         (15,283,505)         (12,727,233)         (15,646,182)         (2,556,272)           6 NET PATIENT ACCO RECEIVABLE         16,400,757         13,991,263         17,449,416         2,469,504           7 PROPERTY TAXES RECV - KPB         382,991         447,649         1,103,004         (55,058)           8 LESS ALLOW PROP TAX - KPB         (35,999)         (13,048)         1,099,425         (55,069)           10 OTHER RECEIVABLES - SPH         118,625         315,704         39,534         (197,079)           11 INVENTIORIES         1,785,738         1,494,753         1,786,799         290,985           12 NET PERDISION ASSET - GASB         9,090,712         35,599,386         19,590,799         25,108,766           13 PREPAID EXPENSES         1,199,900         1,014,707         847,950         185,193           14 TOTAL CURRENT ASSETS         25,252,545         47,742,206         57,781,381         9,780,339		CURRENT ASSETS:				
3         TOTAL CASH         28,517,821         26,941,362         27,504,665         1,576,469           4         PATIENT ACCOUNTS RECEIVABLE         31,744,262         26,118,486         33,095,598         5,025,776           5         LESS: ALLOWANCES & ADJ         (15,283,505)         (12,727,233)         (15,646,102)         (2,556,272)           7         PROPERTY TAXES RECV - KPB         392,591         447,649         1,103,024         (55,058)           8         LESS: ALLOW PROP TAX - KPB         (3,599)         (3,048)         (3,599)         (51,10)           9         NET PROPERTY TAX RECV - KPB         388,992         444,649         1,103,024         (55,069)           10         OTHER RECEIVABLES - SPH         118,625         315,704         39,534         (197,079)           11         INVENTORIES         1,785,738         1,494,753         1,789,679         20,985           12         NET PENSION ASSET- GASB         9,090,712         3,538,365         900,0712         5,510,376           3         PREPAID ALLOWERS         1,785,738         1,494,753         1,789,679         20,9085           12         NET PENSION ASSET- GASB         9,090,712         3,535,836         90,900,712         5,510,765						
PATIENT ACCOUNTS RECEIVABLE   31,744,262   26,718,486   33,095,598   5,025,776						
5 LESS ALLOWANCES & ADJ         (15,283,906)         (12,772,233)         (15,646,182)         (2,556,272)           6 NET PATIENT ACCT RECEIVABLE         16,480,757         13,991,253         17,449,416         2,489,504           7 PROPERTY TAXES RECV - KPB         392,591         447,649         1,103,024         (50,568)           8 LESS: ALLOW PROP TAX - KPB         388,992         444,601         1,099,425         (55,699)           10 OTHER RECEIVABLES - SPH         118,625         315,704         39,534         (197,079)           11 INVENTORIES         1,785,738         1,494,753         1,789,679         20,985           12 NET PENSION ASSET- GASB         9,050,712         3,538,383         9,050,712         5,510,876           13 PREPAID EXPENSES         1,199,900         1,014,077         847,950         185,193           14 TOTAL CURRENT ASSETS         57,522,545         47,742,206         57,781,381         9,780,339           ASSETS WHOSE USE IS LIMITED         15 PREF UNOBLIGATED         1,0646,914         8,940,007         10,646,914         1,706,908           15 PREF UNDELIGATED FUNDS         33,648         18,423,326         3,4517         (18,399,678)           17 OTHER RESTRICTED FUNDS         33,648         18,423,326         3,4517         (18,399,678)	3	TOTAL CASH	28,517,821	26,941,352	27,504,665	1,576,469
6         NET PATIENT ACCT RECEIVABLE         16.460,757         13,991,253         17,449,416         2,469,504           7         PROPERTY TAXES RECV - KPB         392,591         447,649         1,103,024         (55,058)           8         LESS: ALLOW PROP TAX - KPB         (3,599)         (3,048)         (3,599)         (55,109)           9         NET PROPERTY TAX RECV - KPB         388,992         444,601         1,099,425         (55,69)           10         OTHER RECEIVABLES - SPH         118,625         315,704         39,534         (197,079)           11         INVENTORIES         1,785,738         1,494,753         1,786,679         29,985           12         NET PENSION ASSET - GASB         9,050,712         3,539,836         9,050,712         5,10,876           13         PREPAID EXPENSES         1,199,900         1,014,707         847,950         185,193           14         TOTAL CURRENT ASSETS         57,522,545         47,742,206         57,761,381         9,780,339           14         TOTAL CURRENT ASSETS         2,925,645         47,742,206         57,761,381         9,780,339           15         PREF UNOBLIGATED         10,646,914         8,940,007         10,646,914         1,706,908 <th< td=""><td>4</td><td>PATIENT ACCOUNTS RECEIVABLE</td><td>31,744,262</td><td>26,718,486</td><td>33,095,598</td><td>5,025,776</td></th<>	4	PATIENT ACCOUNTS RECEIVABLE	31,744,262	26,718,486	33,095,598	5,025,776
7         PROPERTY TAXES RECV - KPB         392,591         447,649         1,103,024         (55,058)           8         LESS: ALLOW PROP TAX - KPB         (3,599)         (3,048)         (3,599)         (551)           9         NET PROPERTY TAX RECV - KPB         388,992         444,601         1,099,425         (55,09)           10         OTHER RECEIVABLES - SPH         118,625         315,704         39,534         (197,079)           11         INVENTORIES         1,785,738         1,494,753         1,798,679         29,985           2         NET PENSION ASSET - GASB         9,050,712         3,599,383         9,950,712         5,510,876           13         PREPAID EXPENSES         1,199,900         1,014,707         847,950         185,193           4         TOTAL CURRENT ASSETS         57,522,545         47,742,206         57,781,381         9,780,339           ASSETS WHOSE USE IS LIMITED         15         PREF UNOBLIGATED         8,940,007         10,646,914         8,940,007         10,646,914         1,706,908           6         PREF OBLIGATED         2,999,908         1,546,050         2,999,908         1,453,857           7         OTHER RESTRICTED FUNDS         33,648         18,243,266         34,517	-	·				
B   LESS: ALLOW PROP TAX - KPB   388.992   3.048  (3.599) (5.51)     NET PROPERTY TAX RECV - KPB   388.992   444.601   1.099.425   (5.569)     NET PROPERTY TAX RECV - KPB   388.992   444.601   1.099.425   (5.569)     10 OTHER RECEIVABLES - SPH   118.625   315,704   3.95.34   (197.079)     11 INVENTORIES   1.785.738   1.494.753   1.789.679   220.985     12 NET PENSION ASSET- GASB   9.050,712   3.539.836   9.050,712   5.510,876     13 PREPAID EXPENSES   1.199.900   1.014,707   347.950   185.193     14 TOTAL CURRENT ASSETS   57,522,545   47,742,206   57,781,381   9,780,339     ASSETS WHOSE USE IS LIMITED   10.646,914   8.940,007   10.646,914   1.706,908     15 PREF UNDBLIGATED   10.646,914   8.940,007   10.646,914   1.706,908     16 PREF DBLIGATED   2.999.908   1.546,050   2.999.908   1.453,857     17 OTHER RESTRICTED FUNDS   3.3648   18.423,326   3.45,17   (18.389.678)     18 LAND AND LAND IMPROVEMENTS   3.942,247   3.816,772   3.901,197   125,475     18 LAND AND LAND IMPROVEMENTS   3.942,247   3.816,772   3.901,197   125,475     19 BUILDINGS   66,317,276   62,880,823   66,259,752   3.436,453     20 EQUIPMENT   29.223,139   27,382,467   29,007,004   1.840,672     21 IMPROVEMENTS OTHER THAN BUILDINGS   299,769   170,665   213,357   99,114     22 CONSTRUCTION IN PROCRESS   547,766   1.928,780   36,447   (1.381,014)     23 LESS: ACCUMULATED DEPRECIATION   (59,283,210)   (55,626,655)   (58,393,422)   (3,395,555)     24 NET CAPITAL ASSETS   112,264,002   117,240,431   112,766,995   (4,976,429)    DEFERRED OUTFLOWS OF RESOURCES   112,264,002   117,240,431   112,766,995   (4,976,429)    DEFERRED OUTFLOWS OF RESOURCES   (568,607)   1,743,772   (568,607)   (2,312,379)     28 UNAMORTIZED DEFERED CHARGE ON REFUNDING   396,422   466,051   402,373   (69,629)    29 TOTAL DEFERRED OUTFLOWS OF RESOURCES   (172,185)   2,209,823   (166,234)   (2,382,008)	6	NET PATIENT ACCT RECEIVABLE	16,460,757	13,991,253	17,449,416	2,469,504
NET PROPERTY TAX RECV - KPB   388,992   444,601   1,099,425   (55,609)	7	PROPERTY TAXES RECV - KPB	392,591	447,649	1,103,024	(55,058)
11	8	LESS: ALLOW PROP TAX - KPB	(3,599)	(3,048)	(3,599)	(551)
11 INVENTORIES   1,785,738   1,494,753   1,789,679   290,985   12 NET PENSION ASSET-GASB   9,050,712   3,539,836   9,050,712   5,510,876   13 PREPAID EXPENSES   1,199,900   1,014,707   847,950   185,193   14 TOTAL CURRENT ASSETS   57,522,545   47,742,206   57,781,381   9,780,339   ASSETS WHOSE USE IS LIMITED   10,646,914   8,940,007   10,646,914   1,706,908   16 PREF OBLIGATED   2,999,908   1,546,050   2,999,908   1,453,857   7 OTHER RESTRICTED FUNDS   33,648   18,423,326   34,517   (18,389,678)   7 OTHER RESTRICTED FUNDS   33,648   18,423,326   34,517   (18,389,678)   7 OTHER RESTRICTED FUNDS   33,648   18,423,326   34,517   (18,389,678)   7 OTHER RESTRICTED FUNDS   33,4247   3,816,772   3,901,197   125,475   43,040,000   1,000,000   1,0	9	NET PROPERTY TAX RECV - KPB	388,992	444,601	1,099,425	(55,609)
12 NET PENSION ASSET- GASB   9,050,712   3,539,836   9,050,712   5,510,876   13 PREPAID EXPENSES   1,199,900   1,014,707   847,950   185,193   14 TOTAL CURRENT ASSETS   57,522,545   47,742,206   57,781,381   9,780,339   14 TOTAL CURRENT ASSETS   10,646,914   8,940,007   10,646,914   1,706,908   1,645,005   1,646,005   1,646,00	10	OTHER RECEIVABLES - SPH	118,625	315,704	39,534	(197,079)
13 PREPAID EXPENSES   1,199,900   1,014,707   847,950   185,193     14 TOTAL CURRENT ASSETS   57,522,545   47,742,206   57,781,381   9,780,339     ASSETS WHOSE USE IS LIMITED   10,646,914   8,940,007   10,646,914   1,706,908     15 PREF UNIOBLIGATED   10,646,914   8,940,007   10,646,914   1,706,908     16 PREF OBLIGATED   2,999,908   1,546,050   2,999,908   1,453,857     17 OTHER RESTRICTED FUNDS   33,648   18,423,326   34,517   (18,389,678)     PROPERTY AND EQUIPMENT:   28,909,383   13,681,339   (15,228,913)     PROPERTY AND EQUIPMENTS   3,942,247   3,901,197   125,475     18 LAND AND LAND IMPROVEMENTS   66,317,276   62,880,823   66,529,752   3,436,453     20 EQUIPMENT   29,223,139   27,382,467   29,007,004   1,840,672     21 IMPROVEMENTS OTHER THAN BUILDINGS   269,769   170,655   213,357   99,114     22 CONSTRUCTION IN PROGRESS   547,766   1,928,780   836,447   (1,381,014)     23 LESS: ACCUMULATED DEPRECIATION   (59,263,210)   (55,626,655)   (58,938,482)   (3,636,555)     24 NET CAPITAL ASSETS   41,036,987   40,552,842   41,279,275   484,145     25 GOODWILL   24,000   36,000   25,000   (12,000)     26 TOTAL ASSETS   112,264,002   117,240,431   112,766,995   (4,976,429)     DEFERRED OUTFLOWS OF RESOURCES   20,000,004   402,373   (69,629)     29 TOTAL DEFERRED OUTFLOWS OF RESOURCES   (172,185)   2,209,823   (166,234)   (2,382,008)	11	INVENTORIES	1,785,738	1,494,753	1,789,679	290,985
TOTAL CURRENT ASSETS   17,781,381   9,780,339	12	NET PENSION ASSET- GASB		3,539,836		
ASSETS WHOSE USE IS LIMITED  15 PREF UNOBLIGATED 10,646,914 8,940,007 10,646,914 1,706,908 14,538,557 17 OTHER RESTRICTED FUNDS 33,648 18,423,326 34,517 (18,389,678) 13,680,470 28,909,383 13,681,339 (15,228,913) PROPERTY AND EQUIPMENT:  18 LAND AND LAND IMPROVEMENTS 3,942,247 3,816,772 3,901,197 125,475 19 BUILDINGS 66,317,276 62,880,823 66,259,752 3,436,453 20 EQUIPMENT 29,223,139 27,382,467 29,007,004 1,840,672 21 IMPROVEMENTS OTHER THAN BUILDINGS 269,769 170,655 213,357 99,114 22 CONSTRUCTION IN PROGRESS 547,766 1,928,780 836,447 (1,381,014) 23 LESS: ACCUMULATED DEPERCIATION (59,263,210) (55,626,655) (58,938,482) (3,636,555) 24 NET CAPITAL ASSETS 112,264,002 117,240,431 112,766,995 (4,976,429) 25 EQUIPMENT OTHER ASSETS 112,264,002 117,240,431 112,766,995 (4,976,429) 29 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008) 29 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008) 29 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008) 29 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008) 29 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008) 29 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008) 20 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008) 20 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008) 20 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008) 20 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008) 20 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008) 20 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008) 20 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008) 20 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008) 20 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008) 20 TOTAL DEFERRED OUTFLOWS OF RESOUR	13	PREPAID EXPENSES	1,199,900		847,950	185,193
15         PREF UNOBLIGATED         10,646,914         8,940,007         10,646,914         1,706,908           16         PREF OBLIGATED         2,999,908         1,546,050         2,999,908         1,453,857           17         OTHER RESTRICTED FUNDS         33,648         18,423,326         34,517         (18,389,678)           PROPERTY AND EQUIPMENT:         PROPERTY AND EQUIPMENTS           18         LAND AND LAND IMPROVEMENTS         3,942,247         3,816,772         3,901,197         125,475           19         BUILDINGS         66,317,276         62,880,823         66,259,752         3,436,453           20         EQUIPMENT         29,223,139         27,382,467         29,007,004         1,840,672           21         IMPROVEMENTS OTHER THAN BUILDINGS         269,769         170,655         213,357         99,114           22         CONSTRUCTION IN PROGRESS         547,766         1,928,780         836,447         (1,381,014)           23         LESS: ACCUMULATED DEPRECIATION         (59,263,210)         (55,626,655)         (58,938,482)         (3,636,555)           24         NET CAPITAL ASSETS         112,264,002         117,240,431         112,766,995         (4,976,429)           DEFERRED OUTFLOWS OF RESOURCES <th< td=""><td>14</td><td>TOTAL CURRENT ASSETS</td><td>57,522,545</td><td>47,742,206</td><td>57,781,381</td><td>9,780,339</td></th<>	14	TOTAL CURRENT ASSETS	57,522,545	47,742,206	57,781,381	9,780,339
16         PREF OBLIGATED         2,999,908         1,546,050         2,999,008         1,453,857           17         OTHER RESTRICTED FUNDS         33,648         18,423,326         34,517         (18,389,678)           PROPERTY AND EQUIPMENT:         **** The CAUTH OF THE COUNTY OF THE CO		ASSETS WHOSE USE IS LIMITED				
Total Deferred outflows of resources   Total Deferred o	15	PREF UNOBLIGATED	10,646,914	8,940,007	10,646,914	1,706,908
PROPERTY AND EQUIPMENT:  18 LAND AND LAND IMPROVEMENTS  3,942,247  3,816,772  3,901,197  125,475  19 BUILDINGS  66,317,276  62,880,823  66,259,752  3,436,453  20 EQUIPMENT  29,223,139  27,382,467  29,007,004  1,840,672  21 IMPROVEMENTS OTHER THAN BUILDINGS  269,769  170,655  213,357  99,114  22 CONSTRUCTION IN PROGRESS  547,766  1,928,780  836,447  (1,381,014)  23 LESS: ACCUMULATED DEPRECIATION  (59,263,210)  (55,626,655)  (58,938,482)  3,636,555)  24 NET CAPITAL ASSETS  112,264,002  117,240,431  112,766,995  (4,976,429)  DEFERRED OUTFLOWS OF RESOURCES  27 PENSION RELATED (GASB 68)  (568,607)  1,743,772  (568,607)  2,312,379)  28 UNAMORTIZED DEFERRED CHARGE ON REFUNDING  396,422  466,051  40,2373  (69,629)  29 TOTAL DEFERRED OUTFLOWS OF RESOURCES  (172,185)  2,209,823  (166,234)  (2,382,008)	16	PREF OBLIGATED	2,999,908	1,546,050	2,999,908	1,453,857
PROPERTY AND EQUIPMENT:  18 LAND AND LAND IMPROVEMENTS  3,942,247  3,816,772  3,901,197  125,475  19 BUILDINGS  66,317,276  62,880,823  66,259,752  3,436,453  20 EQUIPMENT  29,223,139  27,382,467  29,007,004  1,840,672  21 IMPROVEMENTS OTHER THAN BUILDINGS  269,769  170,655  213,357  99,114  22 CONSTRUCTION IN PROGRESS  547,766  1,928,780  836,447  (1,381,014)  23 LESS: ACCUMULATED DEPRECIATION  (59,263,210)  (55,626,655)  (58,938,482)  (3,636,555)  24 NET CAPITAL ASSETS  41,036,987  40,552,842  41,279,275  484,145  25 GOODWILL  24,000  36,000  25,000  (12,000)  26 TOTAL ASSETS  112,264,002  117,240,431  112,766,995  (4,976,429)  DEFERRED OUTFLOWS OF RESOURCES  27 PENSION RELATED (GASB 68)  (568,607)  1,743,772  (568,607)  2,312,379)  28 UNAMORTIZED DEFERRED CHARGE ON REFUNDING  396,422  466,051  402,373  (69,629)  29 TOTAL DEFERRED OUTFLOWS OF RESOURCES  (172,185)  2,209,823  (166,234)  (2,382,008)	17	OTHER RESTRICTED FUNDS				
18         LAND AND LAND IMPROVEMENTS         3,942,247         3,816,772         3,901,197         125,475           19         BUILDINGS         66,317,276         62,880,823         66,259,752         3,436,453           20         EQUIPMENT         29,223,139         27,382,467         29,007,004         1,840,672           21         IMPROVEMENTS OTHER THAN BUILDINGS         269,769         170,655         213,357         99,114           22         CONSTRUCTION IN PROGRESS         547,766         1,928,780         836,447         (1,381,014)           23         LESS: ACCUMULATED DEPRECIATION         (59,263,210)         (55,626,655)         (58,938,482)         (3,636,555)           24         NET CAPITAL ASSETS         41,036,987         40,552,842         41,279,275         484,145           25         GOODWILL         24,000         36,000         25,000         (12,000)           26         TOTAL ASSETS         112,264,002         117,240,431         112,766,995         (4,976,429)           DEFERRED OUTFLOWS OF RESOURCES         (568,607)         1,743,772         (568,607)         (2,312,379)           29         TOTAL DEFERRED CHARGE ON REFUNDING         396,422         466,051         402,373         (69,629)           <			13,680,470	28,909,383	13,681,339	(15,228,913)
19         BUILDINGS         66,317,276         62,880,823         66,259,752         3,436,453           20         EQUIPMENT         29,223,139         27,382,467         29,007,004         1,840,672           21         IMPROVEMENTS OTHER THAN BUILDINGS         269,769         170,655         213,357         99,114           22         CONSTRUCTION IN PROGRESS         547,766         1,928,780         836,447         (1,381,014)           23         LESS: ACCUMULATED DEPRECIATION         (59,263,210)         (55,626,655)         (58,938,482)         (3,636,555)           24         NET CAPITAL ASSETS         41,036,987         40,552,842         41,279,275         484,145           25         GOODWILL         24,000         36,000         25,000         (12,000)           26         TOTAL ASSETS         112,264,002         117,240,431         112,766,995         (4,976,429)           DEFERRED OUTFLOWS OF RESOURCES         27         PENSION RELATED (GASB 68)         (568,607)         1,743,772         (568,607)         (2,312,379)           28         UNAMORTIZED DEFERRED CHARGE ON REFUNDING         396,422         466,051         402,373         (69,629)           29         TOTAL DEFERRED OUTFLOWS OF RESOURCES         (172,185)         2,209,823						
20         EQUIPMENT         29,223,139         27,382,467         29,007,004         1,840,672           21         IMPROVEMENTS OTHER THAN BUILDINGS         269,769         170,655         213,357         99,114           22         CONSTRUCTION IN PROGRESS         547,766         1,928,780         836,447         (1,381,014)           23         LESS: ACCUMULATED DEPRECIATION         (59,263,210)         (55,626,655)         (58,938,482)         (3,636,555)           24         NET CAPITAL ASSETS         41,036,987         40,552,842         41,279,275         484,145           25         GOODWILL         24,000         36,000         25,000         (12,000)           26         TOTAL ASSETS         112,264,002         117,240,431         112,766,995         (4,976,429)           DEFERRED OUTFLOWS OF RESOURCES         27         PENSION RELATED (GASB 68)         (568,607)         1,743,772         (568,607)         (2,312,379)           28         UNAMORTIZED DEFERRED CHARGE ON REFUNDING         396,422         466,051         402,373         (69,629)           29         TOTAL DEFERRED OUTFLOWS OF RESOURCES         (172,185)         2,209,823         (166,234)         (2,382,008)	-					
21         IMPROVEMENTS OTHER THAN BUILDINGS         269,769         170,655         213,357         99,114           22         CONSTRUCTION IN PROGRESS         547,766         1,928,780         836,447         (1,381,014)           23         LESS: ACCUMULATED DEPRECIATION         (59,263,210)         (55,626,655)         (58,938,482)         (3,636,555)           24         NET CAPITAL ASSETS         41,036,987         40,552,842         41,279,275         484,145           25         GOODWILL         24,000         36,000         25,000         (12,000)           26         TOTAL ASSETS         112,264,002         117,240,431         112,766,995         (4,976,429)           DEFERRED OUTFLOWS OF RESOURCES         27         PENSION RELATED (GASB 68)         (568,607)         1,743,772         (568,607)         (2,312,379)           28         UNAMORTIZED DEFERRED CHARGE ON REFUNDING         396,422         466,051         402,373         (69,629)           29         TOTAL DEFERRED OUTFLOWS OF RESOURCES         (172,185)         2,209,823         (166,234)         (2,382,008)						
22 CONSTRUCTION IN PROGRESS         547,766         1,928,780         836,447         (1,381,014)           23 LESS: ACCUMULATED DEPRECIATION         (59,263,210)         (55,626,655)         (58,938,482)         (3,636,555)           24 NET CAPITAL ASSETS         41,036,987         40,552,842         41,279,275         484,145           25 GOODWILL         24,000         36,000         25,000         (12,000)           26 TOTAL ASSETS         112,264,002         117,240,431         112,766,995         (4,976,429)           DEFERRED OUTFLOWS OF RESOURCES         27 PENSION RELATED (GASB 68)         (568,607)         1,743,772         (568,607)         (2,312,379)           28 UNAMORTIZED DEFERRED CHARGE ON REFUNDING         396,422         466,051         402,373         (69,629)           29 TOTAL DEFERRED OUTFLOWS OF RESOURCES         (172,185)         2,209,823         (166,234)         (2,382,008)	_			, ,		
23 LESS: ACCUMULATED DEPRECIATION         (59,263,210)         (55,626,655)         (58,938,482)         (3,636,555)           24 NET CAPITAL ASSETS         41,036,987         40,552,842         41,279,275         484,145           25 GOODWILL         24,000         36,000         25,000         (12,000)           26 TOTAL ASSETS         112,264,002         117,240,431         112,766,995         (4,976,429)           DEFERRED OUTFLOWS OF RESOURCES         27 PENSION RELATED (GASB 68)         (568,607)         1,743,772         (568,607)         (2,312,379)           28 UNAMORTIZED DEFERRED CHARGE ON REFUNDING         396,422         466,051         402,373         (69,629)           29 TOTAL DEFERRED OUTFLOWS OF RESOURCES         (172,185)         2,209,823         (166,234)         (2,382,008)			,			
24 NET CAPITAL ASSETS       41,036,987       40,552,842       41,279,275       484,145         25 GOODWILL       24,000       36,000       25,000       (12,000)         26 TOTAL ASSETS       112,264,002       117,240,431       112,766,995       (4,976,429)         DEFERRED OUTFLOWS OF RESOURCES       (568,607)       1,743,772       (568,607)       (2,312,379)         28 UNAMORTIZED DEFERRED CHARGE ON REFUNDING       396,422       466,051       402,373       (69,629)         29 TOTAL DEFERRED OUTFLOWS OF RESOURCES       (172,185)       2,209,823       (166,234)       (2,382,008)						
25 GOODWILL       24,000       36,000       25,000       (12,000)         26 TOTAL ASSETS       112,264,002       117,240,431       112,766,995       (4,976,429)         DEFERRED OUTFLOWS OF RESOURCES       57 PENSION RELATED (GASB 68)       (568,607)       1,743,772       (568,607)       (2,312,379)         28 UNAMORTIZED DEFERRED CHARGE ON REFUNDING       396,422       466,051       402,373       (69,629)         29 TOTAL DEFERRED OUTFLOWS OF RESOURCES       (172,185)       2,209,823       (166,234)       (2,382,008)	_	·				
26         TOTAL ASSETS         112,264,002         117,240,431         112,766,995         (4,976,429)           DEFERRED OUTFLOWS OF RESOURCES         27         PENSION RELATED (GASB 68)         (568,607)         1,743,772         (568,607)         (2,312,379)           28         UNAMORTIZED DEFERRED CHARGE ON REFUNDING         396,422         466,051         402,373         (69,629)           29         TOTAL DEFERRED OUTFLOWS OF RESOURCES         (172,185)         2,209,823         (166,234)         (2,382,008)	24	NET CAPITAL ASSETS	41,036,987	40,552,842	41,279,275	484,145
DEFERRED OUTFLOWS OF RESOURCES 27 PENSION RELATED (GASB 68) (568,607) 1,743,772 (568,607) (2,312,379) 28 UNAMORTIZED DEFERRED CHARGE ON REFUNDING 396,422 466,051 402,373 (69,629) 29 TOTAL DEFERRED OUTFLOWS OF RESOURCES (172,185) 2,209,823 (166,234) (2,382,008)	25	GOODWILL	24,000	36,000	25,000	(12,000)
27       PENSION RELATED (GASB 68)       (568,607)       1,743,772       (568,607)       (2,312,379)         28       UNAMORTIZED DEFERRED CHARGE ON REFUNDING       396,422       466,051       402,373       (69,629)         29       TOTAL DEFERRED OUTFLOWS OF RESOURCES       (172,185)       2,209,823       (166,234)       (2,382,008)	26	TOTAL ASSETS	112,264,002	117,240,431	112,766,995	(4,976,429)
27       PENSION RELATED (GASB 68)       (568,607)       1,743,772       (568,607)       (2,312,379)         28       UNAMORTIZED DEFERRED CHARGE ON REFUNDING       396,422       466,051       402,373       (69,629)         29       TOTAL DEFERRED OUTFLOWS OF RESOURCES       (172,185)       2,209,823       (166,234)       (2,382,008)		DEFERRED OUTFLOWS OF RESOURCES				
28       UNAMORTIZED DEFERRED CHARGE ON REFUNDING       396,422       466,051       402,373       (69,629)         29       TOTAL DEFERRED OUTFLOWS OF RESOURCES       (172,185)       2,209,823       (166,234)       (2,382,008)			(568.607)	1.743.772	(568.607)	(2.312.379)
			, , ,		,	
<b>30</b> TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES 112,091,817 119,450,254 112,600,761 (7,358,437)	29	TOTAL DEFERRED OUTFLOWS OF RESOURCES	(172,185)	2,209,823	(166,234)	(2,382,008)
	30	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	112,091,817	119,450,254	112,600,761	(7,358,437)

	As of November 30, 2021	As of Nov 30, 2020	As of October 31, 2021	CHANGE FROM 11/30/20
LIABILITIES & FUND BALANCE				
CURRENT LIABILITIES:				
31 ACCOUNTS AND CONTRACTS PAYABLE	1,430,917	1,200,207	1,564,847	230,710
32 ACCRUED LIABILITIES	7,981,927	7,138,628	7,980,211	843,299
33 DEFERRED CREDITS	1,332,992	1,111,782	37,939	221,210
35 CURRENT PORTIONS OF NOTES DUE	0	2,647,561	0	(2,647,561)
36 CURRENT PORTIONS OF BONDS PAYABLE	1,060,000	1,010,000	1,705,000	50,000
37 BOND INTEREST PAYABLE	72,006	81,772	78,012	(9,766)
38 DUE TO/(FROM) THIRD PARTY PAYERS	1,199,598	13,120,478	1,763,418	(11,920,880)
40 TOTAL CURRENT LIABILITIES	13,077,440	26,310,428	13,129,427	(13,232,988)
41 LONG-TERM LIABILITIES				
42 NOTES PAYABLE	0	3,881,070	0	(3,881,070)
43 BONDS PAYABLE NET OF CURRENT PORTION	10.250.000	11,955,000	10,250,000	(1,705,000)
44 PREMIUM ON BONDS PAYABLE	640,275	837,923	655,262	(197,648)
45 CAPITAL LEASE, NET OF CURRENT PORTION	26,531	35,127	26,531	(8,596)
46 TOTAL NONCURRENT LIABILITIES	10,916,806	16,709,120	10,931,793	(5,792,314)
	0	0	0	<u>, , , , , , , , , , , , , , , , , , , </u>
47 TOTAL LIABILITIES	23,994,246	43,019,548	24,061,220	(19,025,302)
48 DEFERRED INFLOW OF RESOURCES	-	0	0	0
49 PROPERTY TAXES RECEIVED IN ADVANCE	0	0	0	0
50 NET POSITION				
51 INVESTED IN CAPITAL ASSETS	5,731,963	5,731,963	5,731,963	0
52 CONTRIBUTED CAPITAL - KPB	0	0	0	0
53 RESTRICTED	25,286	25,286	25,286	0
54 UNRESTRICTED FUND BALANCE - SPH	82,340,322	70,673,457	82,782,292	11,666,865
55 UNRESTRICTED FUND BALANCE - KPB	0	0	0	0
56 TOTAL LIAB & FUND BALANCE	112,091,817	119,450,254	112,600,761	(7,358,437)
ON INITE FIND & I OND DUFFUROF	112,001,011	110,100,201	112,000,101	(1,000,401)



### INCOME STATEMENT As of November 30, 2021

DRAFT-UNAUDITED

			MON'	ТН		YEAR TO DATE			
			11/30/21		11/30/20		11/30/21		11/30/20
		Actual	Budget	Var B/(W)	Actual	Actual	Budget	Var B/(W)	Actual
	Patient Service Revenue	0.004.4=4		4.000/	0.400.40=	40.040.000	10.000.11=	10.000/	
1	Inpatient	2,831,154	2,697,237	4.96%	2,488,135	16,248,628	13,609,147	19.39%	11,957,644
2	Outpatient Long Term Care	10,024,116	10,296,864	-2.65% -13.67%	9,504,859	56,078,165	51,953,743	7.94%	46,150,861
3 4	Total Patient Services	745,643 13,600,913	863,749 13,857,850	-1.85%	621,141 12,614,135	3,853,937 76,180,730	4,358,120 69,921,010	<u>-11.57%</u> 8.95%	3,468,364 61,576,869
-	Total Fatient Services	13,000,913	13,037,030	-1.03/0	12,014,133	70,100,730	09,921,010	0.9376	01,570,009
	Deductions from Revenue								
5	Medicare	2,857,434	2,997,830	4.68%	2,604,427	16,237,430	15,125,819	-7.35%	12,313,956
6	Medicaid	1,989,124	1,900,027	-4.69%	1,482,968	9,622,886	9,586,755	-0.38%	7,329,620
7	Charity Care	96,886	213,388	54.60%	122,336	306,436	1,076,666	71.54%	851,834
8	Commercial and Admin	1,226,036	962,390	-27.39%	1,021,421	6,408,234	4,855,823	-31.97%	4,500,341
9	Bad Debt	230,001	282,302	18.53%	401,990	1,968,072	1,424,379	-38.17%	1,238,936
10	Total Deductions	6,399,481	6,355,937	-0.69%	5,633,142	34,543,058	32,069,442	-7.71%	26,234,687
11	Net Patient Services	7,201,432	7,501,913	-4.01%	6,980,993	41,637,672	37,851,568	10.00%	35,342,182
12	USAC and Other Revenue	50,199	49,721	0.96%	39,879	268,576	253,575	5.92%	233,653
13	Total Operating Revenues	7,251,631	7,551,634	-3.97%	7,020,872	41,906,248	38,105,143	9.98%	35,575,835
	On another Francisco								
14	Operating Expenses Salaries and Wages	3,841,283	3,747,538	-2.50%	3,562,833	19,118,005	17,895,744	-6.83%	17,013,713
15	Employee Benefits	3,041,203 2,009,137	3,747,536 1,293,776	-2.50% -55.29%	3,362,633 1,262,589	8,172,144	6,067,416	-0.63% -34.69%	5,908,706
16	Supplies, Drugs and Food	927,336	808,076	-14.76%	821,149	5,299,860	4,121,188	-28.60%	3,999,622
17	Contract Staffing	405,339	114,455	-254.15%	220,976	1,727,585	583,718	-195.96%	1,403,708
18	Professional Fees	448,750	375,786	-19.42%	351,841	2,192,401	1,916,510	-14.40%	1,814,447
19	Utilities and Telephone	133,450	140,852	5.26%	155,443	663,262	718,343	7.67%	670,453
20	Insurance (gen'l, prof liab, property)	26,967	53,389	49.49%	55,145	263,421	272,283	3.25%	263,391
21	Dues, Books, and Subscriptions	18,581	17,674	-5.13%	22,353	92,804	90,137	-2.96%	100,669
22	Software Maint/Support	157,914	142,536	-10.79%	110,020	724,716	726,936	0.31%	578,985
23	Travel, Meetings, Education	31,796	59,258	46.34%	11,478	195,790	302,214	35.21%	130,632
24	Repairs and Maintenance	186,157	122,076	-52.49%	124,513	574,984	622,589	7.65%	595,138
25	Leases and Rentals	63,657	74,230	14.24%	72,683	342,660	378,572	9.49%	397,779
26	Other (Recruiting, Advertising, etc.)	84,192	77,847	-8.15%	27,231	480,879	397,020	-21.12%	392,995
27	Depreciation & Amortization	325,727	293,373	-11.03%	281,966	1,620,100	1,496,205	-8.28%	1,401,423
28	Total Operating Expenses	8,660,286	7,320,866	-18.30%	7,080,220	41,468,611	35,588,875	-16.52%	34,671,661
29	Gain (Loss) from Operations	(1,408,655)	230,768	-710.42%	(59,348)	437,637	2,516,268	-82.61%	904,174
	Non-Operating Revenues								
30	General Property Taxes	713,230	634,600	12.39%	636,853	4,365,838	4,348,498	0.40%	4,363,935
31	Investment Income	4,184	19,659	-78.72%	2,002	17,629	100,262	-82.42%	53,939
32	Governmental Subsidies	183,072	123,288	48.49%	1,453	183,072	628,767	-70.88%	539,182
33	Other Non Operating Revenue	0	0	100.00%	0	79,384	0	100.00%	0
34	Gifts & Contributions	0	0	0.00%	0	0	0	0.00%	0
35	Gain <loss> on Disposal</loss>	0	(1,151)	-100.00%	0	0	(5,868)	-100.00%	26,999
36	SPH Auxiliary	31	770 200	0.00%	(70)	38	0	0.00%	3,031
37	Total Non-Operating Revenues	900,517	776,396	15.99%	640,238	4,645,961	5,071,659	-8.39%	4,987,086
	Non-Operating Expenses								
38	Insurance	0	0	0.00%	0	0	0	0.00%	0
39	Service Area Board	(3,067)	9,123	133.62%	9,003	15,068	46,529	67.62%	39,619
40	Other Direct Expense	0	411	0.00%	39	16,241	2,096	0.00%	1,230
41	Administrative Non-Recurring	0	0	0.00%	0	0	0	0.00%	0
42	Interest Expense	32,233	31,791	-1.39%	36,489	161,165	162,136	0.60%	182,447
43	Total Non-Operating Expenses	29,166	41,325	29.42%	45,531	192,474	210,761	8.68%	223,296
	Grants								
44	Grant Revenue	95,565	0	100.00%	235,142	767,046	0	100.00%	652,119
45	Grant Expense	230	24,658	0.00%	0	546,725	125,753	0.00%	3,877
46	Total Non-Operating Gains, net	95,335	(24,658)	-486.63%	235,142	220,321	(125,753)	-275.20%	648,242
47	Income <loss> Before Transfers</loss>	(441,969)	941,181	-146.96%	770,501	5,111,445	7,251,413	-29.51%	6,316,206
48	Operating Transfers	0	0	0.00%	0	0	0	0.00%	0
49	Net Income	(441,969)	941,181	-146.96%	770,501	5,111,445	7,251,413	<u>-ऋश्</u> च	146gf6, <b>1</b> %5

### **DRAFT-UNAUDITED**



## **Statement of Cash Flows As of November 30, 2021**

	Cash Flow from Operations:	
1	YTD Net Income	5,111,445
2	Add: Depreciation Expense	1,620,100
3 4 5 6 7 8 9	Adj: Inventory (increase) / decrease Patient Receivable (increase) / decrease Prepaid Expenses (increase) / decrease Other Current assets (increase) / decrease Accounts payable increase / (decrease) Accrued Salaries increase / (decrease) Net Pension Asset (increase) / decrease Other current liability increase / (decrease)	22,877 (3,278,347) (481,393) 370,539 (1,247,870) 1,051,685 (450,000) 1,120,969
11	Net Cash Flow from Operations	3,840,005
12 13 14	Cash Flow from Investing:  Cash paid for the purchase of property/equip Cash transferred to plant replacement fund Proceeds from disposal of equipment	(816,311) (3,275,405)
	· · · ·	
15	Net Cash Flow from Investing	(4,091,716)
	Cash Flow from Financing	
16 17	Cash paid for Lease Payable Cash paid for Debt Service	- (907,884)
18	Net Cash from Financing	(907,884)
19	Net increase in Cash	\$ (1,159,595)
20	Beginning Cash as of July 1, 2021	\$ 29,677,416
21	Ending Cash as of November 30, 2021	\$ 28,517,821



### DRAFT-UNAUDITED

### BALANCE SHEET As of December 31, 2021

2 EQUITY IN CENTRAL TREASURY         8,071,935         8,341,290         8,842,769         (269,35           3 TOTAL CASH         28,835,161         27,333,269         28,517,821         1,501,83           4 PATIENT ACCOUNTS RECEIVABLE         29,855,492         24,539,024         31,744,262         5,316,44           5 LESS: ALLOWANCES & ADJ         (14,486,028)         (12,563,861)         (15,283,505)         (1,922,16           6 NET PATIENT ACCT RECEIVABLE         15,369,464         11,975,163         16,460,757         3,394,30           7 PROPERTY TAXES RECV - KPB         276,890         344,394         392,591         (67,50           8 LESS: ALLOW PROP TAX - KPB         (3,598)         (3,048)         (3,599)         (55           9 NET PROPERTY TAX RECV - KPB         273,292         341,346         388,992         (68,05           10 OTHER RECEIVABLES - SPH         137,746         297,008         118,625         (159,26           11 INVENTORIES         1,787,607         1,494,468         1,785,738         293,11           12 NET PENSION ASSET- GASB         9,150,712         3,614,836         9,050,712         5,536,81           13 PREPAID EXPENSES         1,087,438         985,572         1,199,900         101,81           15 PREF UNOBLIGATED		As of December 31, 2021	As of Dec 31, 2020	As of November 30, 2021	CHANGE FROM 12/31/20
1 CASH AND CASH EQUIVALENTS         20,763,226         18,991,979         19,675,052         1,771,22           2 EQUITY IN CENTRAL TREASURY         8,071,935         8,341,290         8,842,769         (269,35           3 TOTAL CASH         28,835,161         27,333,269         28,517,821         1,501,81           4 PATIENT ACCOUNTS RECEIVABLE         29,855,492         24,539,024         31,744,262         5,316,44           5 LESS: ALLOWANCES & ADJ         (14,486,028)         (12,563,861)         (15,283,505)         (1,922,16           6 NET PATIENT ACCT RECEIVABLE         15,369,464         11,975,163         16,460,757         3,394,31           7 PROPERTY TAXES RECV - KPB         276,890         344,394         392,591         (67,50           8 LESS: ALLOW PROP TAX - KPB         (3,598)         (3,048)         (3,599)         (55           9 NET PROPERTY TAX RECV - KPB         273,292         341,346         388,992         (68,05           10 OTHER RECEIVABLES - SPH         137,746         297,008         118,625         (159,26           11 INVENTORIES         1,787,607         1,494,468         1,785,738         293,11           2 NET PENSION ASSET- GASB         9,150,712         3,614,836         9,050,712         5,535,81           13 PREPAID E	ASSETS				
2 EQUITY IN CENTRAL TREASURY         8,071,935         8,341,290         8,842,769         (269,35           3 TOTAL CASH         28,835,161         27,333,269         28,517,821         1,501,83           4 PATIENT ACCOUNTS RECEIVABLE         29,855,492         24,539,024         31,744,262         5,316,44           5 LESS: ALLOWANCES & ADJ         (14,486,028)         (12,563,861)         (15,283,505)         (1,922,16           6 NET PATIENT ACCT RECEIVABLE         15,369,464         11,975,163         16,460,757         3,394,30           7 PROPERTY TAXES RECV - KPB         276,890         344,394         392,591         (67,50           8 LESS: ALLOW PROP TAX - KPB         (3,598)         (3,048)         (3,599)         (55           9 NET PROPERTY TAX RECV - KPB         273,292         341,346         388,992         (68,05           10 OTHER RECEIVABLES - SPH         137,746         297,008         118,625         (159,26           11 INVENTORIES         1,787,607         1,494,468         1,785,738         293,11           12 NET PENSION ASSET- GASB         9,150,712         3,614,836         9,050,712         5,536,81           13 PREPAID EXPENSES         1,087,438         985,572         1,199,900         101,81           15 PREF UNOBLIGATED	CURRENT ASSETS:				
3         TOTAL CASH         28,835,161         27,333,269         28,517,821         1,501,81           4         PATIENT ACCOUNTS RECEIVABLE         29,855,492         24,539,024         31,744,262         5,316,44           5         LESS: ALLOWANCES & ADJ         (14,486,028)         (12,563,861)         (15,283,505)         (1,922,16           6         NET PATIENT ACCT RECEIVABLE         15,369,464         11,975,163         16,460,757         3,394,30           7         PROPERTY TAXES RECV - KPB         276,890         344,394         392,591         (67,50           8         LESS: ALLOW PROP TAX - KPB         (3,598)         (3,048)         (3,599)         (55           9         NET PROPERTY TAX RECV - KPB         273,292         341,346         388,992         (68,05           10         OTHER RECEIVABLES - SPH         137,746         297,008         118,625         (159,26           11         INVENTORIES         1,787,607         1,494,468         1,785,738         293,11           12         NET PENSION ASSET- GASB         9,150,712         3,614,836         9,050,712         5,535,81           13         PREPAID EXPENSES         1,087,438         985,572         1,199,900         101,81           4	1 CASH AND CASH EQUIVALENTS	20,763,226	18,991,979	19,675,052	1,771,247
4 PATIENT ACCOUNTS RECEIVABLE         29,855,492         24,539,024         31,744,262         5,316,44           5 LESS: ALLOWANCES & ADJ         (14,486,028)         (12,563,861)         (15,283,505)         (1,922,16           6 NET PATIENT ACCT RECEIVABLE         15,369,464         11,975,163         16,460,757         3,394,31           7 PROPERTY TAXES RECV - KPB         276,890         344,394         392,591         (67,50           8 LESS: ALLOW PROP TAX - KPB         (3,598)         (3,048)         (3,599)         (55           9 NET PROPERTY TAX RECV - KPB         273,292         341,346         388,992         (68,05           10 OTHER RECEIVABLES - SPH         137,746         297,008         118,625         (159,26           11 INVENTORIES         1,787,607         1,494,468         1,785,738         293,11           12 NET PENSION ASSET- GASB         9,150,712         3,614,836         9,050,712         5,535,8           13 PREPAID EXPENSES         1,087,438         985,572         1,199,900         101,81           14 TOTAL CURRENT ASSETS         56,641,420         46,041,662         57,522,545         10,599,79           ASSETS WHOSE USE IS LIMITED         10,631,229         8,947,781         10,646,914         1,683,4           16 PREF OBLIGA	2 EQUITY IN CENTRAL TREASURY	8,071,935	8,341,290	8,842,769	(269,355)
5 LESS: ALLOWANCES & ADJ         (14,486,028)         (12,563,861)         (15,283,505)         (1,922,16           6 NET PATIENT ACCT RECEIVABLE         15,369,464         11,975,163         16,460,757         3,394,34           7 PROPERTY TAXES RECV - KPB         276,890         344,394         392,591         (67,50           8 LESS: ALLOW PROP TAX - KPB         (3,598)         (3,048)         (3,599)         (55           9 NET PROPERTY TAX RECV - KPB         273,292         341,346         388,992         (68,05           10 OTHER RECEIVABLES - SPH         137,746         297,008         118,625         (159,26           11 INVENTORIES         1,787,607         1,494,468         1,785,738         293,11           12 NET PENSION ASSET- GASB         9,150,712         3,614,836         9,050,712         5,535,8           13 PREPAID EXPENSES         1,087,438         985,572         1,199,900         101,80           4 TOTAL CURRENT ASSETS         56,641,420         46,041,662         57,522,545         10,599,73           ASSETS WHOSE USE IS LIMITED         15 PREF UNOBLIGATED         10,646,914         1,683,4           16 PREF OBLIGATED         2,999,908         1,546,050         2,999,908         1,453,8           17 OTHER RESTRICTED FUNDS         49,335	3 TOTAL CASH	28,835,161	27,333,269	28,517,821	1,501,892
6         NET PATIENT ACCT RECEIVABLE         15,369,464         11,975,163         16,460,757         3,394,34           7         PROPERTY TAXES RECV - KPB         276,890         344,394         392,591         (67,50           8         LESS: ALLOW PROP TAX - KPB         (3,598)         (3,048)         (3,599)         (55           9         NET PROPERTY TAX RECV - KPB         273,292         341,346         388,992         (68,05           10         OTHER RECEIVABLES - SPH         137,746         297,008         118,625         (159,26           11         INVENTORIES         1,787,607         1,494,468         1,785,738         293,13           12         NET PENSION ASSET- GASB         9,150,712         3,614,836         9,050,712         5,535,8           13         PREPAID EXPENSES         1,087,438         985,572         1,199,900         101,81           14         TOTAL CURRENT ASSETS         56,641,420         46,041,662         57,522,545         10,599,73           ASSETS WHOSE USE IS LIMITED         10,631,229         8,947,781         10,646,914         1,683,44           16         PREF UNOBLIGATED         10,631,229         8,947,781         10,646,914         1,683,44           16         PREF STRICTE	4 PATIENT ACCOUNTS RECEIVABLE	29,855,492	24,539,024	31,744,262	5,316,468
7         PROPERTY TAXES RECV - KPB         276,890         344,394         392,591         (67,50           8         LESS: ALLOW PROP TAX - KPB         (3,598)         (3,048)         (3,599)         (55           9         NET PROPERTY TAX RECV - KPB         273,292         341,346         388,992         (68,05           10         OTHER RECEIVABLES - SPH         137,746         297,008         118,625         (159,26           11         INVENTORIES         1,787,607         1,494,468         1,785,738         293,13           12         NET PENSION ASSET- GASB         9,150,712         3,614,836         9,050,712         5,535,83           13         PREPAID EXPENSES         1,087,438         985,572         1,199,900         101,88           4         TOTAL CURRENT ASSETS         56,641,420         46,041,662         57,522,545         10,599,79           ASSETS WHOSE USE IS LIMITED         1         10,646,914         1,683,44         1,683,44         1,546,050         2,999,908         1,453,84           16         PREF OBLIGATED         10,631,229         8,947,781         10,646,914         1,683,44           16         PREF OBLIGATED         2,999,908         1,546,050         2,999,908         1,433,64	5 LESS: ALLOWANCES & ADJ	(14,486,028)	(12,563,861)	(15,283,505)	(1,922,167)
8 LESS: ALLOW PROP TAX - KPB         (3,598)         (3,048)         (3,599)         (55           9 NET PROPERTY TAX RECV - KPB         273,292         341,346         388,992         (68,05           10 OTHER RECEIVABLES - SPH         137,746         297,008         118,625         (159,26           11 INVENTORIES         1,787,607         1,494,468         1,785,738         293,13           12 NET PENSION ASSET- GASB         9,150,712         3,614,836         9,050,712         5,535,83           13 PREPAID EXPENSES         1,087,438         985,572         1,199,900         101,81           14 TOTAL CURRENT ASSETS         56,641,420         46,041,662         57,522,545         10,599,78           ASSETS WHOSE USE IS LIMITED         10,631,229         8,947,781         10,646,914         1,683,48           15 PREF UNOBLIGATED         10,631,229         8,947,781         10,646,914         1,683,48           16 PREF OBLIGATED         2,999,908         1,546,050         2,999,908         1,453,88           17 OTHER RESTRICTED FUNDS         49,335         18,413,954         33,648         (18,364,61           PROPERTY AND EQUIPMENT:         18 LAND AND LAND IMPROVEMENTS         4,105,746         3,816,772         3,942,247         288,97	6 NET PATIENT ACCT RECEIVABLE	15,369,464	11,975,163	16,460,757	3,394,301
9         NET PROPERTY TAX RECV - KPB         273,292         341,346         388,992         (68,05)           10         OTHER RECEIVABLES - SPH         137,746         297,008         118,625         (159,26)           11         INVENTORIES         1,787,607         1,494,468         1,785,738         293,13           12         NET PENSION ASSET- GASB         9,150,712         3,614,836         9,050,712         5,535,8           13         PREPAID EXPENSES         1,087,438         985,572         1,199,900         101,8           14         TOTAL CURRENT ASSETS         56,641,420         46,041,662         57,522,545         10,599,78           ASSETS WHOSE USE IS LIMITED         10,631,229         8,947,781         10,646,914         1,683,44           16         PREF OBLIGATED         10,631,229         8,947,781         10,646,914         1,683,44           17         OTHER RESTRICTED FUNDS         49,335         18,413,954         33,648         (18,364,61)           PROPERTY AND EQUIPMENT:         13,680,471         28,907,785         13,680,470         (15,227,31)           18         LAND AND LAND IMPROVEMENTS         4,105,746         3,816,772         3,942,247         288,97	7 PROPERTY TAXES RECV - KPB	276,890	344,394	392,591	(67,504)
10 OTHER RECEIVABLES - SPH       137,746       297,008       118,625       (159,26         11 INVENTORIES       1,787,607       1,494,468       1,785,738       293,13         12 NET PENSION ASSET- GASB       9,150,712       3,614,836       9,050,712       5,535,83         13 PREPAID EXPENSES       1,087,438       985,572       1,199,900       101,81         14 TOTAL CURRENT ASSETS       56,641,420       46,041,662       57,522,545       10,599,73         ASSETS WHOSE USE IS LIMITED       15 PREF UNOBLIGATED       10,631,229       8,947,781       10,646,914       1,683,44         16 PREF OBLIGATED       2,999,908       1,546,050       2,999,908       1,453,83         17 OTHER RESTRICTED FUNDS       49,335       18,413,954       33,648       (18,364,61)         PROPERTY AND EQUIPMENT:       13,680,471       28,907,785       13,680,470       (15,227,31)         18 LAND AND LAND IMPROVEMENTS       4,105,746       3,816,772       3,942,247       288,93	8 LESS: ALLOW PROP TAX - KPB	(3,598)	(3,048)	(3,599)	(550)
11 INVENTORIES       1,787,607       1,494,468       1,785,738       293,13         12 NET PENSION ASSET- GASB       9,150,712       3,614,836       9,050,712       5,535,83         13 PREPAID EXPENSES       1,087,438       985,572       1,199,900       101,80         14 TOTAL CURRENT ASSETS       56,641,420       46,041,662       57,522,545       10,599,73         ASSETS WHOSE USE IS LIMITED       15 PREF UNOBLIGATED       10,631,229       8,947,781       10,646,914       1,683,44         16 PREF OBLIGATED       2,999,908       1,546,050       2,999,908       1,453,83         17 OTHER RESTRICTED FUNDS       49,335       18,413,954       33,648       (18,364,61         PROPERTY AND EQUIPMENT:       13,680,471       28,907,785       13,680,470       (15,227,31         18 LAND AND LAND IMPROVEMENTS       4,105,746       3,816,772       3,942,247       288,99	9 NET PROPERTY TAX RECV - KPB	273,292	341,346	388,992	(68,054)
12 NET PENSION ASSET- GASB       9,150,712       3,614,836       9,050,712       5,535,8         13 PREPAID EXPENSES       1,087,438       985,572       1,199,900       101,80         14 TOTAL CURRENT ASSETS       56,641,420       46,041,662       57,522,545       10,599,79         ASSETS WHOSE USE IS LIMITED         15 PREF UNOBLIGATED       10,631,229       8,947,781       10,646,914       1,683,44         16 PREF OBLIGATED       2,999,908       1,546,050       2,999,908       1,453,88         17 OTHER RESTRICTED FUNDS       49,335       18,413,954       33,648       (18,364,61         PROPERTY AND EQUIPMENT:       13,680,471       28,907,785       13,680,470       (15,227,31         18 LAND AND LAND IMPROVEMENTS       4,105,746       3,816,772       3,942,247       288,91	10 OTHER RECEIVABLES - SPH	137,746	297,008	118,625	(159,262)
13 PREPAID EXPENSES         1,087,438         985,572         1,199,900         101,86           14 TOTAL CURRENT ASSETS         56,641,420         46,041,662         57,522,545         10,599,75           ASSETS WHOSE USE IS LIMITED         15 PREF UNOBLIGATED           16 PREF OBLIGATED         10,631,229         8,947,781         10,646,914         1,683,44           16 PREF OBLIGATED         2,999,908         1,546,050         2,999,908         1,453,88           17 OTHER RESTRICTED FUNDS         49,335         18,413,954         33,648         (18,364,61           PROPERTY AND EQUIPMENT:         18 LAND AND LAND IMPROVEMENTS         4,105,746         3,816,772         3,942,247         288,91	11 INVENTORIES	1,787,607	1,494,468	1,785,738	293,139
14       TOTAL CURRENT ASSETS       56,641,420       46,041,662       57,522,545       10,599,78         ASSETS WHOSE USE IS LIMITED       15       PREF UNOBLIGATED       10,631,229       8,947,781       10,646,914       1,683,44         16       PREF OBLIGATED       2,999,908       1,546,050       2,999,908       1,453,88         17       OTHER RESTRICTED FUNDS       49,335       18,413,954       33,648       (18,364,61         PROPERTY AND EQUIPMENT:         18       LAND AND LAND IMPROVEMENTS       4,105,746       3,816,772       3,942,247       288,91	12 NET PENSION ASSET- GASB	9,150,712	3,614,836	9,050,712	5,535,876
ASSETS WHOSE USE IS LIMITED  15 PREF UNOBLIGATED 10,631,229 8,947,781 10,646,914 1,683,44  16 PREF OBLIGATED 2,999,908 1,546,050 2,999,908 1,453,83  17 OTHER RESTRICTED FUNDS 49,335 18,413,954 33,648 (18,364,61)  PROPERTY AND EQUIPMENT:  18 LAND AND LAND IMPROVEMENTS 4,105,746 3,816,772 3,942,247 288,91	13 PREPAID EXPENSES	1,087,438	985,572	1,199,900	101,866
15 PREF UNOBLIGATED     10,631,229     8,947,781     10,646,914     1,683,44       16 PREF OBLIGATED     2,999,908     1,546,050     2,999,908     1,453,83       17 OTHER RESTRICTED FUNDS     49,335     18,413,954     33,648     (18,364,61       PROPERTY AND EQUIPMENT:       18 LAND AND LAND IMPROVEMENTS     4,105,746     3,816,772     3,942,247     288,91	14 TOTAL CURRENT ASSETS	56,641,420	46,041,662	57,522,545	10,599,758
16         PREF OBLIGATED         2,999,908         1,546,050         2,999,908         1,453,88           17         OTHER RESTRICTED FUNDS         49,335         18,413,954         33,648         (18,364,61           PROPERTY AND EQUIPMENT:           18         LAND AND LAND IMPROVEMENTS         4,105,746         3,816,772         3,942,247         288,91	ASSETS WHOSE USE IS LIMITED				
17         OTHER RESTRICTED FUNDS         49,335         18,413,954         33,648         (18,364,61           13,680,471         28,907,785         13,680,470         (15,227,31           PROPERTY AND EQUIPMENT:           18         LAND AND LAND IMPROVEMENTS         4,105,746         3,816,772         3,942,247         288,93	15 PREF UNOBLIGATED	10,631,229	8,947,781	10,646,914	1,683,447
13,680,471 28,907,785 13,680,470 (15,227,31 PROPERTY AND EQUIPMENT:  18 LAND AND LAND IMPROVEMENTS 4,105,746 3,816,772 3,942,247 288,91	16 PREF OBLIGATED	2,999,908	1,546,050	2,999,908	1,453,857
PROPERTY AND EQUIPMENT: <b>18</b> LAND AND LAND IMPROVEMENTS <b>4</b> ,105,746 <b>3</b> ,816,772 <b>3</b> ,942,247 <b>288</b> ,91	17 OTHER RESTRICTED FUNDS	49,335			(18,364,619)
<b>18</b> LAND AND LAND IMPROVEMENTS 4,105,746 3,816,772 3,942,247 288,9		13,680,471	28,907,785	13,680,470	(15,227,314)
<b>19</b> BUILDINGS 66,984,391 63,310,269 66,317,276 3,674,12			, ,		288,974
					3,674,122
		, ,			1,419,948
				•	56,412
					(1,260,302)
					(3,631,976)
<b>24</b> NET CAPITAL ASSETS 41,717,312 41,170,134 41,036,987 547,17	24 NET CAPITAL ASSETS	41,717,312	41,170,134	41,036,987	547,178
<b>25</b> GOODWILL 23,000 35,000 24,000 (12,00	25 GOODWILL	23,000	35,000	24,000	(12,000)
<b>26 TOTAL ASSETS</b> 112,062,203 116,154,581 112,264,002 (4,092,37	26 TOTAL ASSETS	112,062,203	116,154,581	112,264,002	(4,092,378)
DEFERRED OUTFLOWS OF RESOURCES	DEFERRED OUTFLOWS OF RESOURCES				
		(568,607)	1,743,772	(568,607)	(2,312,379)
			459,701		(69,230)
29 TOTAL DEFERRED OUTFLOWS OF RESOURCES (178,136) 2,203,473 (172,185) (2,381,60	29 TOTAL DEFERRED OUTFLOWS OF RESOURCES	(178,136)	2,203,473	(172,185)	(2,381,609)
<b>30</b> TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES 111,884,067 118,358,054 112,091,817 (6,473,98	30 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	111,884,067	118,358,054	112,091,817	(6,473,987)

		As of December 31, 2021	As of Dec 31, 2020	As of November 30, 2021	CHANGE FROM 12/31/20
LIABILITIES & FUND BALANCE					
CURRENT LIABILITIES:					
31 ACCOUNTS AND CONTRACTS	PAYABLE	1,236,374	1,487,476	1,430,917	(251,102)
32 ACCRUED LIABILITIES		7,998,147	7,388,880	7,981,927	609,267
33 DEFERRED CREDITS		2,462,344	1,500,199	1,332,992	962,145
35 CURRENT PORTIONS OF NOTE	ES DUE	0	2,647,561	0	(2,647,561)
36 CURRENT PORTIONS OF BONI	OS PAYABLE	1,060,000	1,010,000	1,060,000	50,000
37 BOND INTEREST PAYABLE		113,274	129,443	72,006	(16,169)
38 DUE TO/(FROM) THIRD PARTY	PAYERS	1,199,598	12,544,082	1,199,598	(11,344,484)
40 TOTAL CURRENT LIABILITIES		14,069,737	26,707,641	13,077,440	(12,637,904)
41 LONG-TERM LIABILITIES					
42 NOTES PAYABLE		0	3,881,070	0	(3,881,070)
43 BONDS PAYABLE NET OF CUR	RENT PORTION	10,250,000	11,955,000	10,250,000	(1,705,000)
44 PREMIUM ON BONDS PAYABLE	<b>=</b>	625,289	820,392	640,275	(195,103)
45 CAPITAL LEASE, NET OF CURF	RENT PORTION	26,531	35,127	26,531	(8,596)
46 TOTAL NONCURRENT LIABILI	TIES	10,901,820	16,691,589	10,916,806	(5,789,769)
		0	0	0	<u> </u>
47 TOTAL LIABILITIES		24,971,557	43,399,230	23,994,246	(18,427,673)
48 DEFERRED INFLOW OF RESOUR	RCES	-	0	0	0
49 PROPERTY TAXES RECEIVED	IN ADVANCE	0	0	0	0
50 NET POSITION					
51 INVESTED IN CAPITAL ASSETS	3	5,731,963	5,731,963	5,731,963	0
52 CONTRIBUTED CAPITAL - KPB		0	0	0	0
53 RESTRICTED		25,286	25,286	25,286	0
54 UNRESTRICTED FUND BALANC	E - SPH	81,155,261	69,201,575	82,340,322	11,953,686
55 UNRESTRICTED FUND BALANC	E - KPB	0	0	0	0
56 TOTAL LIAB & FUND BALAN	CE	111,884,067	118,358,054	112,091,817	(6,473,987)



### INCOME STATEMENT As of December 31, 2021

DRAFT-UNAUDITED

			MON <sup>-</sup>	ТН	40/04/00	YEAR TO DATE			40/04/00
		Actual	12/31/21 Budget	Var B/(W)	12/31/20 Actual	Actual	12/31/21 Budget	Var B/(W)	12/31/20 Actual
	Patient Service Revenue								
1	Inpatient	2,141,617	2,726,946	-21.46%	2,379,520	18,390,245	16,336,094	12.57%	14,337,164
2	Outpatient	9,892,744	10,410,282	-4.97%	9,546,929	65,970,909	62,364,025	5.78%	55,697,790
3	Long Term Care	827,220	873,263	-5.27%	599,612	4,681,157	5,231,382	-10.52%	4,067,976
4	Total Patient Services	12,861,581	14,010,491	-8.20%	12,526,061	89,042,311	83,931,501	6.09%	74,102,930
	Deductions from Revenue								
5	Medicare	2,292,661	3,030,851	24.36%	2,542,591	18,530,091	18,156,669	-2.06%	14,856,547
6	Medicaid	1,555,292	1,920,955	19.04%	2,092,364	11,178,178	11,507,710	2.86%	9,421,985
7	Charity Care	38,686	215,738	82.07%	364,163	345,123	1,292,404	73.30%	1,215,997
8 9	Commercial and Admin Bad Debt	1,313,244	972,990	-34.97%	1,070,153	7,721,477	5,828,814	-32.47%	5,570,494
10	Total Deductions	106,382 5,306,265	285,412 6,425,946	62.73% 17.42%	248,408 6,317,679	2,074,454 39,849,323	1,709,791 38,495,388	-21.33% -3.52%	1,487,343 32,552,366
11	Net Patient Services	7,555,316	7,584,545	-0.39%	6,208,382	49,192,988	45,436,113	8.27%	41,550,564
12	USAC and Other Revenue	52,916	51,378	2.99%	58,423	321,492	304,953	5.42%	292,076
	Total Operating Revenues	7,608,232	7,635,923	-0.36%	6,266,805	49,514,480	45,741,066	8.25%	41,842,640
	Operating Expenses								
14	Salaries and Wages	4,671,780	4,184,705	-11.64%	3,978,453	23,802,086	22,080,449	-7.80%	20,992,166
15	Employee Benefits	1,806,115	2,057,291	12.21%	2,024,600	9,965,958	8,124,707	-22.66%	7,933,306
16	Supplies, Drugs and Food	956,953	835,012	-14.60%	895,913	6,256,813	4,956,199	-26.24%	4,895,536
17	Contract Staffing	346,471	118,270	-192.95%	224,154	2,074,056	701,988	-195.45%	1,627,862
18	Professional Fees	459,405	388,312	-18.31%	366,162	2,651,806	2,304,823	-15.05%	2,180,608
19	Utilities and Telephone	159,849	145,547	-9.83%	151,126	823,111	863,890	4.72%	821,579
20	Insurance (gen'l, prof liab, property)	94,441	55,169	-71.18%	54,635	357,861	327,452	-9.29%	318,026
21	Dues, Books, and Subscriptions	25,858	18,263	-41.59%	25,035	118,663	108,399	-9.47%	125,704
22	Software Maint/Support	139,206	147,288	5.49%	115,464	863,922	874,223	1.18%	694,449
23 24	Travel, Meetings, Education	65,350	61,233	-6.72%	22,866	261,140	363,447	28.15%	153,498
24 25	Repairs and Maintenance Leases and Rentals	164,697 89,494	126,145 76,704	-30.56% -16.67%	166,772 82,388	739,681 432,154	748,735 455,277	1.21% 5.08%	761,910 480,167
26	Other (Recruiting, Advertising, etc.)	93,030	80,442	-15.65%	62,366 41,866	573,909	455,277 477,462	-20.20%	434,861
27	Depreciation & Amortization	325,416	303,152	-7.34%	289,779	1,945,516	1,799,358	-8.12%	1,691,202
28	•	9,398,065	8,597,533	-9.31%	8,439,213	50,866,676	44,186,409	-15.12%	43,110,874
29	Gain (Loss) from Operations	(1,789,833)	(961,610)	86.13%	(2,172,408)	(1,352,196)	1,554,657	-186.98%	(1,268,234)
	Non-Operating Revenues								
30	General Property Taxes	116,709	109,755	6.34%	110,145	4,482,546	4,458,254	0.54%	4,474,080
31	Investment Income	(4,346)	20,315	-121.39%	13,010	13,283	120,577	-88.98%	66,949
32	Governmental Subsidies	500,000	127,397	292.47%	500,000	683,072	756,164	-9.67%	1,039,182
33	Other Non Operating Revenue	0	0	100.00%	0	79,384	0	100.00%	0
34	Gifts & Contributions	0	0	0.00%	50	0	0	0.00%	50
35	Gain <loss> on Disposal</loss>	0	(1,189)	-100.00%	0	0	(7,057)	-100.00%	26,999
36 37	SPH Auxiliary Total Non-Operating Revenues	612,364	<u>0</u> 256,278	0.00% 138.95%	<u>22</u> 623,227	<u>39</u> 5,258,324	5,327,938	<u>0.00%</u> -1.31%	3,053 5,610,313
	, •								
38	Non-Operating Expenses Insurance	0	0	0.00%	0	0	0	0.00%	0
39	Service Area Board	20,367	9,427	-116.05%	7,650	35,434	55,956	36.68%	47,269
40	Other Direct Expense	664	425	0.00%	0	16,906	2,521	0.00%	1,229
41	Administrative Non-Recurring	0	0	0.00%	0	0	0	0.00%	0
42	Interest Expense	32,233	32,851	1.88%	36,489	193,398	194,987	0.81%	218,937
43	Total Non-Operating Expenses	53,264	42,703	-24.73%	44,139	245,738	253,464	3.05%	267,435
	Grants								
44	Grant Revenue	60,375	0	100.00%	121,439	827,421	0	100.00%	773,558
45	Grant Expense	14,704	25,479	0.00%	0	561,428	151,233	0.00%	3,877
46		45,671	(25,479)	-279.25%	121,439	265,993	(151,233)	-275.88%	769,681
47	Income <loss> Before Transfers</loss>	(1,185,062)	(773,514)	53.20%	(1,471,881)	3,926,383	6,477,898	-39.39%	4,844,325
48	Operating Transfers	0	0	0.00%	0	0	0	0.00%	0
49	Net Income	(1,185,062)	(773,514)	53.20%	(1,471,881)	3,926,383	6,477,898	<u>- 19.39</u> g е	184 <b>0f</b> 4, <b>12</b> 5

### **DRAFT-UNAUDITED**



## **Statement of Cash Flows As of December 31, 2021**

	Cash Flow from Operations:	
1	YTD Net Income	3,926,383
2	Add: Depreciation Expense	1,945,516
3 4 5 6 7 8 9	Adj: Inventory (increase) / decrease Patient Receivable (increase) / decrease Prepaid Expenses (increase) / decrease Other Current assets (increase) / decrease Accounts payable increase / (decrease) Accrued Salaries increase / (decrease) Net Pension Asset (increase) / decrease Other current liability increase / (decrease)	21,008 (2,187,054) (368,931) 467,118 (1,442,413) 1,067,905 (550,000) 2,311,282
11	Net Cash Flow from Operations	5,190,814
12 13	and the state of t	(1,849,780) (3,275,405)
14	Proceeds from disposal of equipment	 -
15	Net Cash Flow from Investing	(5,125,185)
	Cash Flow from Financing	
16 17	Cash paid for Lease Payable Cash paid for Debt Service	- (907,884)
18	Net Cash from Financing	(907,884)
19	Net increase in Cash	\$ (842,255)
20	Beginning Cash as of July 1, 2021	\$ 29,677,416
21	Ending Cash as of December 31, 2021	\$ 28,835,161



### **MEMO**

Administration 4300 Bartlett Street Homer, AK 99603 907-235-0325 (f)907-235-0253

To: SPH Board of Directors

From: Ryan Smith

Date: January 21, 2022

Re: Notice of Change of Officers/Directors & Notice of Reorganization

State of Alaska regulations require that SPH notify the state whenever there is a change in officers. The draft forms are attached. These will be updated to reflect officers elected at the January 26<sup>th</sup> meeting.

The Operating Agreement also requires notification of reorganization be sent to the Kenai Peninsula Borough. This draft is also attached.

Recommended Motion: Consideration to Approve the State of Alaska Notice of Change and SPH Notice of Reorganization, revised per the election of officers held January 26, 2022



### NOTICE OF REORGANIZATION

### SOUTH PENINSULA HOSPITAL, Inc. Board of Directors

In accordance with the by-laws and policies and procedures of SPHI Board of Directors: the annual meeting was held on Wednesday, January 26, 2022. The results of the election of officers:

President:	
Vice-President:	
Secretary:	
Treasurer:	

The Board of Directors conducts regular monthly meetings on the fourth Wednesday of each month, except during the months of November & December there will be one meeting held on December 7<sup>tht</sup>. Meetings will begin at 6:00pm.

Due to COVID restrictions, the meetings can be attended virtually via Zoom meeting. Visit <a href="https://www.sphosp.org/about-sph/board-of-directors/">https://www.sphosp.org/about-sph/board-of-directors/</a> for the Zoom link, or use Meeting ID 878 0782 1015, Password 931197. The public is welcome and invited to attend. Reach out to Administration at 235-0241 or <a href="mjones@sphosp.org">mjones@sphosp.org</a> for more information.

<b>Board Members:</b>	<b>Term Expires</b>
Bernadette Wilson	12/2023
Julie Woodworth	12/2023
Melissa Jacobsen	12/2024
Matthew Hambrick	12/2024
Kelly Cooper	12/2022
Aaron Weisser	12/2024
Beth Wythe	12/2022
Keri-Ann Baker	12/2023
Walter Partridge	12/2022
Todd Boling, DO	12/2024
Edson Knapp, MD	12/2022

FOR DIVISION USE ONLY

### **Corporations Section**

State Office Building, 333 Willoughby Avenue, 9th Floor

PO Box 110806, Juneau, AK 99811-0806 Phone: (907) 465-2550 • Fax: (907) 465-2974

Email: corporations@alaska.gov Website: Corporations.Alaska.Gov

### **Notice of Change of Officials**

### **Domestic Non-Profit Corporation (AS 10.20)**

- This Notice of Change of Officials form is only for Domestic Non-Profit Corporations and is used to report changes in officers and directors information between biennial reporting periods.
- This Notice of Change of Officials will not be filed if the entity's biennial report is not current. To verify the
  entity's biennial report due date, go online to www.Corporations.Alaska.Gov and select, Search
  Corporations Database
- Standard processing time for complete and correct filings submitted to this office is approximately 10-15 business days. All filings are reviewed in the date order they are received.
- The information you submit is a public record and will be posted on the State's website.

1. Important:	AS 10.20.631
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Each Domestic Non-Profit Corporation is required to notify this office when there is a change of officials.

- AS 10.20.631

Failure to meet this requirement may result in involuntary dissolution of the entity's authority to transact business in the State of Alaska.

- AS 10.20.325(7)

The Domestic Non-Profit Corporation is to keep and make available the records of the official(s) changes.

- AS 10.20.131

<b>3</b> E	N COENTAINS CONTAINS THE	(0005)	0.440.40.050(-)
<b>2.</b> Fee:	\$25 Nonrefundable Filing Fee	(CORF)	3 AAC 16.050(c)

Mail this form and the non-refundable \$25 filing fee in U.S. dollars to the letterhead address. Make the check or money order payable to the State of Alaska, or use the attached credit card payment form.

3.	Entity Information:	AS 10.20.631	
	Entity Name: So	outh Peninsula Hospital, Inc.	
	Alaska Entity Number	er: 8951D	

### **Notice of Change of Officials SUPPLEMENT**

### If used, this supplement must be returned with Form 08-446

	Entity Name: South Per	ninsula Hospital, Inc.								
	Alaska Entity Number: 89	51D							-	
4.	REMOVE from Record (continued from Page 2):  AS 10.20.631(b)									
	The following officials (officers filing:	and directors) will be completely removed from	the r	ecord	<u>d</u> as a	ı resu	ult of	this		
	Name:	Name:								
	Name:	Name:								
	If an official is not being remo	ved from record, then list them in Item #5 below (	with	their	curre	nt inf	orma	tion).		
5.	ALL Current Officials (contin	ued from Page 2):		F	\S 10		31(b 10.20			
	The following is a complete lis	t of ALL remaining and new officials who will be	on re	cord	as a ı	esult	of th	is filir	ng.	
	Directors. Two or more offices	have a President, Vice-President, Secretary, Tresmay be held by the same person, except the offerson. — AS 10.20.086 and AS 10.20.121							у	
	List <u>ALL</u> officials and their current information to be on record.  BOLD fields are required.			VICE-PRESIDENT	SECRETARY	TREASURER	DIRECTOR (3)	Assistant Secretary	Assistant Treasurer	
	FULL LEGAL NAME	COMPLETE MAILING ADDRESS	PRESIDENT	VICE-	SECR	TREA	DIREC	Assist	Assist	
	Keriann Baker									
	Walter Partridge	PO Box 1171, Homer AK 99603								
l	Melissa Jacobsen	41320 Kay Ct, Homer AK 99603								
M	1. Todd Boling, DO	203 W Pioneer Ave, Homer AK 99603								
E	Edson Knapp, MD	2727 Kachemak Drive, Homer AK 99603								

If necessary to complete Items #4 and #5, make copies of this SUPPLEMENT page.

FOR DIVISION USE ONLY

### **Corporations Section**

State Office Building, 333 Willoughby Avenue, 9<sup>th</sup> Floor PO Box 110806, Juneau, AK 99811-0806

Phone: (907) 465-2550 • Fax: (907) 465-2974

Email: corporations@alaska.gov Website: Corporations.Alaska.Gov

Contac	_ 4	C	_ 4 "
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COHIA			auch

- · Return this form with your filing
- This information may be used by the Division to assist with processing your attached filings
- This form will not be filed for record, or appear online

City:

Entity Information	Enter your entity information as it appears on this filing.
Entity Name:	South Peninsula Hospital, Inc.
AK Entity #:	8951D
Contact Person	Whom may we contact with any questions or problems with this filing?
Company:	
Contact:	
Mailing Address:	Address:
ivialing / taar 656.	City: State: ZIP:
Phone:	
Email:	
Document Return Add	ress Provide an address for the return of your filed documents.
Return my filings to	the address provided <b>ABOVE</b>
Return my filings to	this address provided <b>BELOW</b>
Company:	
Contact:	
Mailing Address:	Address:
i Maililla Addiess.	

08-561 Rev 7/14/16 Contact Information Page 24 of 115

State:

ZIP:

FOR DIVISION USE ONLY

State of Alaska Department of Commerce, Community, and Economic Development Division of Corporations, Business and Professional Licensing PO Box 110806, Juneau, AK 99811

Phone: (907) 465-2550

Credit Card Payment Form	
All major credit cards are accepted. For security purposes, <u>do not email</u> cre Include this credit card payment form with your application.	edit card information.
Name of Applicant or Licensee: South Peninsula Hospital, Inc.	
Program Type:D Non-Profit License Number (if app	licable): 8951D
I wish to make payment by credit card for the following (check all that apply	/): AMOUNT
Application Fee: Change of Officials (CORF)	\$25.00
License or Renewal Fee:	
Other (name change, wall certificate, fine, duplicate license, exam, e	
1	·
2	
ТОТ	ድንፍ ሰብ
Name (as shown on credit card):	
Mailing Address:	
Phone Number: Email (optional):	
Signature of Credit Card Holder:	
08-4438 Rev 12/26/18 Credit Card Payment Form	(all major cards accepted)
CREDIT CARD INFO: Your payment cannot be processed unless a	Il fields are completed!
1. Account Number:	All four fields <b>MUST</b> be completed!
2. Expiration Date:	This section will be
3. Billing ZIP Code:	destroyed after the

4.	REMOVE from Record: AS 10.20.631(b)								
	The following officials (officers and directors) will be completely removed from the record as a result of this filing:								
	Name:	Name:							
	Name:	Name:							
	If an official is not being remove	ved from record, then list them in Item #5 below	(with	their	curre	nt info	orma	tion).	
5.	ALL Current Officials:			ŀ	AS 10		31(b) 10.20		
	The following is a complete lis	t of ALL remaining and new officials who will be	on re	cord	as a	result	of th	is filir	ng.
	Directors. Two or more offices	have a President, Vice-President, Secretary, Tress may be held by the same person, except the of reson. — AS 10.20.086 and AS 10.20.121							у
	List <u>ALL</u> officials and their cur	rent information to be on record.	PRESIDENT	VICE-PRESIDENT	SECRETARY	TREASURER	DIRECTOR (3)	Assistant Secretary	Assistant Treasurer
	FULL LEGAL NAME	COMPLETE MAILING ADDRESS	PRESI	VICE	SECR	TREA	DIREC	Assista	Assista
	BernadetteWilson	4676 Sabrina Road, Homer AK 99603							
	Julie Woodworth	6725 Eileen Circle, Anchorage AK 99507							
N	Matthew Hambrick	PO Box 2767, Homer AK 99603							
	Kelly Cooper	PO Box 404, Homer AK 99603							
	Mary Wythe	PO Box 1822, Homer AK 99603							
$\rightarrow$	If necessary, use the following	g supplement page and include all information r	equire	ed ab	ove i	n Iten	า #5.		
6.	Required Signature:			, A	AS 10		31(b) 10.20		
	The Notice of Change of Officials <u>must be signed by an officer of the non-profit corporation</u> . A Director is not an authorized signer. Persons who sign documents filed with the commissioner that are known to the person to be false in material respects are guilty of a class A misdemeanor.								
	Signature:								
	Printed Name:								
	Title of Authorized Signer:								-
	(Must be signed by an <u>officer</u> of the non-profit. A director is not an authorized signer.)								

### **Notice of Change of Officials SUPPLEMENT**

### If used, this supplement must be returned with Form 08-446

	Entity Name: South Per	ninsula Hospital, Inc.								
	Alaska Entity Number: 899	51D 							-	
4.	REMOVE from Record (continued from Page 2):  AS 10.20.631(b)									
	The following officials (officers filing:	and directors) will be completely removed from	the r	ecor	<u>d</u> as a	ı resu	ult of	this		
	Name:	Name:								
	Name:	Name:								
	If an official is not being remove	ved from record, then list them in Item #5 below	(with	their	curre	nt inf	orma	tion).		
5.	ALL Current Officials (contin	ued from Page 2):		F	\S 10		31(b) 10.20			
	The following is a complete lis	t of ALL remaining and new officials who will be	on re	cord	as a ı	esult	of th	is filir	ng.	
	Non-Profit Corporations <u>must</u> have a President, Vice-President, Secretary, Treasurer, and at least three (3) Directors. Two or more offices may be held by the same person, except the offices of President and Secretary which cannot be the same person. — <i>AS 10.20.086 and AS 10.20.121</i>									
	List <u>ALL</u> officials and their cur BOLD fields are required.	rent information to be on record.	DENT	VICE-PRESIDENT	SECRETARY	TREASURER	DIRECTOR (3)	Assistant Secretary	Assistant Treasurer	
	FULL LEGAL NAME	COMPLETE MAILING ADDRESS	PRESIDENT	VICE-F	SECRE	TREAS	DIREC	Assista	Assista	
	Aaron Weisser	1130 Eric Lane, Homer AK 99603								

If necessary to complete Items #4 and #5, make copies of this SUPPLEMENT page.

Introduced by:

Date:

Administration

1/26/2022

Action:

Approved

Vote:

Yes - XX, No - XX, Excused - XX

### SOUTH PENINSULA HOSPITAL BOARD RESOLUTION 2022-02

### A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS APPROVING THE CAPITAL BUDGET FOR FY 2023

**WHEREAS** Administration uses a systematic, fiscally responsible process for developing the South Kenai Peninsula Hospital Service Area FY 2023 Capital Budget, which includes participation of department directors, managers, medical staff, board of directors and administration; and identification of strategic growth needs versus replacement of aging and obsolete equipment; and

WHEREAS In accordance with the Operating Agreement with the Borough section 13 and 13 b i, <u>Capital Improvement Projects Approval and Management</u>, the Borough may finance capital improvements for the Medical Facilities as necessary for the provision of services and functions to meet the needs of the residents of the Service Area. Projects requiring Borough Assembly approval may be approved during the annual Borough budgeting process or on an individual basis; and

**WHEREAS** the South Peninsula Hospital Capital Committee has identified \$2,443,066 in capital assets necessary to meet patient care needs and strategic initiatives; and

**WHEREAS** it is the intent of South Peninsula Hospital to submit to the Service Area Board a Capital Spending Request of \$2,443,066 to the Borough to be funded with unobligated Service Area and Plant Replacement funds; and

**WHEREAS** South Peninsula Hospital requests funding of \$2,099,859 from Service Area funds to purchase capital assets for FY23; and

**WHEREAS** South Peninsula Hospital requests funding of \$343,207 from Plant Replacement funds to purchase capital assets for FY23; and

WHEREAS the items requested are critical to the mission and vision of South Peninsula Hospital, Inc.; and

WHEREAS, the Capital Budget has been reviewed by the Finance Committee on January 20, 2022; and

### NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL:

- 1. That the South Peninsula Hospital, Inc. Board of Directors recommends the proposed South Kenai Peninsula Hospital Service Area FY 2023 Capital Equipment Budget be forwarded to the Service Area Board for review and approval.
- 2. That the South Peninsula Hospital, Inc. Board of Directors recommends the proposed South Kenai Peninsula Hospital Service Area FY 2023 Capital Equipment Budget be forwarded to the Kenai Peninsula Borough for review and approval.

PASSED AND ADOPTED BY THE BOARD OF DIRECTOR THIS 26 <sup>th</sup> DAY OF JANUARY, 2022.	RS OF SOUTH PENINSULA HOSPITAL
ATTEST:	
	Kelly Cooper, President

Melissa Jacobsen, Secretary

### South Peninsula Hospital FY2023 Capital Budget

Approved Capital Request Total	\$	2,443,065.62	\$ 2,099,858.62	\$ 343,207.00		
Description	Amount		Department	Funding Source	1	
Shower Chair	\$	7,500.00	010 LTC	SA Fund		
Imaging Nuc Med System Part II (Spect CT)	\$	625,000.00	050 Imaging	SA Fund	1	
Imaging Nuc Med Rennovations Part II	\$	400,000.00	050 Imaging	SA Fund		
Infant Security System & LTC Wander Guard	\$	231,625.00	088 Engineering	SA Fund		
Pre-Op PACU Patient Monitor Replacement	\$	168,578.93	001 & 018 Acute & Surg	SA Fund		
Replace Chemistry Analyzer	\$	165,000.00	040 Laboratory	SA Fund		
Main Lobby Door Replacement	\$	110,000.00	088 Engineering	SA Fund		
OR Suite Surgical Light Replacement	\$	97,572.81	018 Surgery	SA Fund		
Mammo Tracking/Reporting Software	\$	88,500.00	046 Mammography	SA Fund		
Pulmonary Function Diagnostic Equipment	\$	86,929.52	030 Respiratory Therapy	SA Fund		
Network Switches Refresh	\$	66,000.00	118 IT	SA Fund		
Newborn Safe Sleep Bassinets	\$	20,389.00	003 Obstetrics	SA Fund		
Patient Simulator Devices	\$	17,315.00	068 Biomed	SA Fund		
Tub Room Overhead Lift	\$	15,448.36	003 Obstetrics	SA Fund	\$	2,099,858.62
Ultrasound Software hardware to increase exam capabilities	\$	65,000.00	052 Ultrasound	PREF		•
Apollo Anesthesia machine for Endoscopy Room	\$	64,599.00	056 Anesthesia	PREF		
MRI AI for Dementia Screening	\$	51,000.00	048 MRI	PREF		
Storage Area Network Replacement	\$	36,000.00	118 IT	PREF		
Truck with Plow	\$	30,000.00	088 Engineering	PREF		
Convection Oven	\$	25,000.00	060 Nutrition	PREF		
Security Vehicle	\$	25,000.00	087 Security	PREF		
Phone Gateway Upgrade	\$	14,494.00	001 Acute & 010 LTC	PREF	]	
PT Entrance Door	\$	13,025.00	088 Engineering	PREF	1	
Replace -40 Freezer	\$	11,000.00	040 Laboratory	PREF	1	
Scifit pro2 Total Body with Bariatric Seat	\$	8,089.00	032 Rehab	PREF	\$	343,207.00

\$2.1 from Service Area Funds, \$343k will come from PREF \$ 2,443,065.62

South Peninsula Hospital (A Component Unit of the Kenai Peninsula Borough)

Basic Financial Statements, Required Supplementary Information and *Government Auditing Standards* Report Years Ended June 30, 2021 and 2020



## South Peninsula Hospital (A Component Unit of the Kenai Peninsula Borough)

Basic Financial Statements, Required Supplementary Information and *Government Auditing Standards* Report Years Ended June 30, 2021 and 2020

## South Peninsula Hospital (A Component Unit of the Kenai Peninsula Borough)

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Tel: 907-278-8878 Fax: 907-278-5779 \*\*\*.bdo.com

### **Independent Auditor's Report**

To the Honorable Mayor and Members of the Kenai Peninsula Borough Assembly, and South Peninsula Hospital, Inc. Operating Board Homer, Alaska

### Report on the Audit of the Financial Statements

### **Opinions**

We have audited the financial statements of South Peninsula Hospital (the Hospital), a component unit of Kenai Peninsula Borough, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Hospital, as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hospital and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Hospital's internal control.
  Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of changes in the Hospital's net pension liability and Hospital pension contributions on pages 6 through 11 and 40 through 41, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Supplementary Information**

Our audit for the year ended June 30, 2021 was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Hospital's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2021.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2021 on our consideration of the Hospital'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 solely 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 the effectiveness of the Hospital's 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 Hospital's internal control over financial reporting and compliance.

Anchorage, Alaska November 12, 2021

BDO USA, LLP

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# Management's Discussion and Analysis

### Introduction

South Peninsula Hospital (the Hospital) is a rural community hospital that serves a population of approximately 15,000 and spans 8,900 square miles. The Hospital's mission is to promote and improve community health and wellness by providing high quality, cost-effective, locally coordinated, and holistic healthcare.

South Peninsula Hospital provides a variety of healthcare services including;

- Diagnostic Laboratory and Imaging
- Inpatient Hospitalization
- Outpatient Care
- General and Orthopedic Surgery
- Skilled Long-term Nursing Care
- 24-Hour Emergency Services
- Specialty Care Clinics
- Home Health Services
- Rehabilitation Therapy
- Sleep Lab Services
- Family Practice Services

The Hospital is a discretely presented component unit of the Kenai Peninsula Borough serving the Southern Kenai Peninsula. The Hospital operates as a not-for-profit hospital and healthcare organization with business-type activities. The Hospital follows accrual based accounting and records transactions in accordance with Governmental Accounting Standards for an enterprise fund.

# The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position

One of the most important questions asked about the Hospital's finances is, "is the Hospital as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenue, Expenses and Changes in Net Position report information about the hospitals resources and its activities in a way that helps answer this question. These statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The Hospital's net position is the difference between its assets and liabilities reported on the Statement of Net Position.

These two statements report the Hospital's net position and changes in it. You can think of the Hospital's net position as one way to measure the Hospital's financial health, or financial position. Over time, increases or decreases in the Hospital's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the hospital's patient base and measures of the quality of service it provides to the service area, as well as local economic factors to assess the overall health of the Hospital.

# Management's Discussion and Analysis

#### The Statement of Cash Flows

The final required statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and both capital and noncapital financing activities. It provides answers to such questions as "Where did cash come from?" "What was cash used for?' and "What was the change in cash balances during the reporting period?"

# The Hospital's Net Position

The Hospital's net position increased by \$12.9M in 2021 and \$10.1M in 2020.

Summarized financial information of the Hospital's Statement of Net Position as of June 30, 2021, 2020 and 2019 (000's omitted) are as follows:

		2021	2020	2019
Assets				
Cash and cash equivalents	\$	23,990	24,939	19,537
Net patient receivables Other current assets		13,106	11,157	13,658
Plant, property and equipment, net		18,090 41,740	32,518 39,628	11,456 40,665
Other noncurrent assets and deferred inflows		13,401	6,894	5,717
Total assets and deferred inflows	Ś	110,327	115,136	91,033
Total assets and deferred inflows	٠,	110,327	113,130	71,033
Liabilities				
Current liabilities and deferred outflows	\$	16,349	28,260	16,101
Long-term bonds and lease payable		10,992	16,762	14,949
Total liabilities and deferred outflows	\$	27,341	45,022	31,050
Net Position				
Invested in capital assets,				
net of related debt	\$	29,485	25,678	24,753
Restricted		63	142	25
Unrestricted		53,438	44,294	35,205
Total net position	\$	82,986	70,114	59,983

The capital infrastructure of the Hospital is primarily funded by an established property tax mil rate which pays for both debt service on bond issuance and provides for capital equipment replacement. Long-range capital expenditures are expected to be adequately funded by this mil rate and funded depreciation.

# Management's Discussion and Analysis

# Operating Results and Changes in the Hospital's Net Position

Summarized financial information of the Hospital's Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2021, 2020 and 2019 (000's omitted) are as follows:

	2021	2020	2019
Total Operating Revenue	\$ 86,232	76,677	81,690
Operating Evapores			
Operating Expenses: Salaries, wages and benefits	58,479	50,704	49,225
Professional fees and contract staffing	8,352	7,286	7,123
Supplies	9,733	7,966	7,639
Depreciation	3,556	3,288	3,285
Other	7,789	7,556	7,223
Total operating expenses	87,909	76,800	74,495
Total operating expenses	67,707	70,000	74,473
Income (loss) from operations	(1,677)	(123)	7,196
Nonoperating gains (losses):			
Property taxes	4,691	4,675	4,530
Other	9,858	5,579	(269)
			-
Total nonoperating gains	14,549	10,254	4,261
Change in net position	12,872	10,131	11,456
Change in het position	12,072	10,131	11,430
Net position, beginning of year	70,114	59,983	48,527
Net position, end of year	\$ 82,986	70,114	59,983

The Hospital realized a loss of \$1.68 million from operations for fiscal year 2021 compared to a \$1.2 thousand loss in fiscal year 2020, and net income from operations of \$7.20 million in 2019. Gross patient revenue grew by 17% while net patient revenue increased by 13%. Net patient revenue for fiscal year 2021 was \$9.5 million higher than previous year and operating expenses increased \$11.1 million. Of that increase, \$7.3 million was in salaries and wages, \$954 thousand was in contract staffing, and \$1.8 million was in supplies & drugs. The majority of the increase in salaries and wages was from negotiated wage increases required by a collective bargaining agreement; other increases were due to expanding services by adding family care providers and podiatry services, as well as pandemic- related staffing needs. Supply increases were attributable to both the increased demand in supplies necessary to protect staff and to provide vaccinations and testing for COVID-19.

# Management's Discussion and Analysis

No substantial operational changes are expected for fiscal year 2022. The facility is in the process of recruiting an additional Nurse Practitioner and Psychiatrist to expand Mental Health services in FY22 and meet the demand within the community. The hospital is also recruiting for an additional General Surgeon, Chief Medical Officer, Director of Obstetrics, and Acute Care Clinical Director among other nonmanagement staff vacancies.

### **Budgetary Highlights**

		Actual	Budget	Variance
Revenue				
Gross patient charges	\$	152,962	153,035	(73)
Deductions	*	(67,365)	(68,676)	1,311
Other revenue		635	627	8
Net Operating Revenue		86,232	84,986	1,246
Operating Expenses:				
Salaries, wages and benefits		58,479	57,903	576
Professional fees and contract staffing		8,352	5,318	3,034
Supplies		9,733	8,962	771
Depreciation		3,356	3,536	(180)
Other		7,989	8,381	(392)
Total operating expenses		87,909	84,100	3,809
Income (loss) from operations		(1,677)	886	(2,563)
Total nonoperating gains		14,549	4,602	9,947
Net Income	\$	12,872	5,488	7,384

The Hospital was nearly on target for gross patient revenue due to annual price increases and strong outpatient services, but below budget by \$1.3 million in deductions due to expected changes in payer mix which did not occur. This variance resulted in net operating revenue which was \$1.2 million above budget. Total expenses exceeded budget by \$3.8 million. Salaries and wages exceeded budget by \$3.9 million due to the addition of staff for COVID-19 testing, screening, and vaccination, and contract staffing exceeded budget by \$2.6 million as numerous clinical positions remained unfilled throughout the year. Employee benefits were \$3.4 million below budget due to a reduction in reserves for medical claims as well as strong earnings on pension plan assets. Total nonoperating gains were \$9.9 million above budget due to receipt of governmental subsidies for lost revenues related to COVID-19 and forgiveness of a Paycheck Protection Program loan. Overall, the facility's net income in FY21 was \$7.4 million over budget.

# Management's Discussion and Analysis

### **Capital Assets**

	2021	2020	2019
Capital Assets			
Land and land improvements	\$ 3,857	3,817	3,817
Buildings and building improvements	66,245	62,733	62,334
Equipment	28,688	27,006	24,980
Improvements other than buildings	213	140	140
Construction in progress	385	289	462
Less accumulated depreciation	(57,648)	(54,357)	(51,069)
Net Capital Assets	\$ 41,740	39,628	40,664

In FY21, South Peninsula Hospital's capital improvement projects totaled \$5.7 million with \$1.9 million in major moveable equipment, and \$1.9 million in fixed equipment. Among the largest capital purchases were a new CT scanner and a deaerator. Total fixed asset depreciation in FY21 was \$3.6 million, resulting in an overall increase in net capital assets of \$2.1 million in FY21 from year prior.

### Other Economic Factors

There are issues facing the hospital that could result in material changes in its financial position in the long term. Among those issues are:

Risks related to changes in Medicare and Medicaid reimbursement Competition in the local healthcare market Nursing and other healthcare related labor shortages Affordable Care Act

The hospital is certified as a provider under both the Medicare program, which provides certain healthcare benefits to beneficiaries who are over 65 year of age or disabled, and the Medicaid program, funded jointly by the federal government and the state, which provides medical assistance to certain needy individuals and families. Approximately 41% of the hospital's gross patient revenue for fiscal year 2021 was derived from Medicare and 24% from Medicaid.

South Peninsula Hospital is uncertain as to the full magnitude that the pandemic will have on South Peninsula Hospital's financial condition, liquidity, and future results of operations. South Peninsula Hospital is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. South Peninsula Hospital is also evaluating additional funding sources.

# Management's Discussion and Analysis

# Contacting the Hospital's Financial Management

The financial report is designed to provide our patients, suppliers, investors and creditors with a general overview of the Hospital's finances. If you have questions about this report or need additional information, contact the Hospital's Finance Office at 4300 Bartlett, Homer, Alaska, 99603.

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# **Basic Financial Statements**

# **Statements of Net Position**

Years Ended June 30,2021	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents	\$ 23,990,124	
Equity in central treasury of Kenai Peninsula Borough	6,276,576	7,785,320
Total cash and cash equivalents and equity in central		
treasury of Kenai Peninsula Borough	30,266,700	32,724,037
Patient receivables, net of contractual allowances of \$8,315,678	47 050 040	45 450 004
in 2021 and \$6,762,607 in 2020	17,850,843	15,459,226
Less estimated uncollectibles	(4,744,533)	(4,302,193
Net patient receivables	13,106,310	11,157,033
Property taxes receivable	135,749	175,851
Less estimated uncollectible taxes	(6,325)	(3,599
Property taxes receivable, net of allowance of \$6,325 in 2021 and \$3,599 in 2020	129,424	172,252
Troperty taxes receivable, her or alternatice or \$0,525 in 2021 and \$5,577 in 2020	127, 121	172,232
Other receivables	619,778	805,404
Inventory	1,808,615	1,557,289
Net pension asset	8,600,712	3,164,836
Cash and cash equivalents - stimulus funds	-	18,328,631
Prepaid expenses	654,007	704,806
Total Current Assets	55,185,546	68,614,288
Assets Whose Use is Limited		
Unspent bond proceeds	23,838	72,544
Plant replacement and expansion fund	10,359,499	4,318,831
Other	26,543	23,609
Total Assets Whose Use is Limited	10,409,880	4,414,984
Capital Assets, Net	41,740,348	39,627,684
Total Assets	107,335,774	112,656,956
Deferred Outflows of Resources		
Pension related	2,536,008	1,981,311
Goodwill	29,000	1,701,511
Unamortized deferred charge on refunding	 426,177	497,800
Total Deferred Outflows of Resources	2,991,185	2,479,111
Total Assets and Deferred Outflows of Resources	\$ 110,326,959	\$ 115,136,067

# Statements of Net Position, continued

Years Ended June 30,2021	2021	2020
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts and contracts payable	\$ 2,690,272	\$ 1,560,724
Accrued liabilities	5,535,887	5,032,964
Medical claims reserve	1,333,116	1,781,435
Unearned revenue	15,859	1,549,245
Current portion of bonds payable	1,705,000	1,630,000
Current portion of capital lease & notes payable	8,378	2,657,059
Bond interest payable	128,549	143,958
Due to third-party payors	1,376,416	13,120,478
Total Current Liabilities	12,793,477	27,475,863
Long-term Liabilities	10 350 000	11 OFF 000
Bonds payable, net of current portion	10,250,000	11,955,000
Long-term notes payable	745 204	3,881,070
Unamortized premium on bonds payable	715,206	925,577
Capital lease, net of current portion	26,531	-
Total Long-term Liabilities	10,991,737	16,761,647
Total Liabilities	23,785,214	44,237,510
Deferred Inflows of Resources		
Pension related	3,104,615	237,539
Property taxes received in advance	451,005	546,520
Total Deferred Inflows of Resources	3,555,620	784,059
Total Deferred lilliows of Resources	3,333,020	704,037
Net Position		
Net investment in capital assets	29,485,248	25,677,953
Restricted	63,366	141,944
Unrestricted	53,437,511	44,294,601
Total Net Position	82,986,125	70,114,498
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 110,326,959	\$ 115,136,067

# Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30,2021	2021	2020
Operating Revenues		
Gross patient charges	\$ 152,961,698	\$ 130,586,156
Less charges associated with charity care	(1,266,505)	(2,323,402)
Patient service revenue	151,695,193	128,262,754
Contractual adjustments	(62,766,688)	(50,551,121)
Provision for bad debts	(3,332,151)	(1,632,346)
Net patient service revenue	85,596,354	76,079,287
Other operating revenue	635,047	597,503
Total Operating Revenues	86,231,401	76,676,790
Operating Expenses		
Salaries and wages	43,867,020	36,586,330
Employee benefits	14,611,588	14,116,266
Professional fees	4,989,523	4,877,491
Supplies, drugs and food	9,732,515	7,966,362
Depreciation and amortization	3,555,630	3,288,093
Repairs and maintenance	3,142,993	2,672,389
Utilities and telephone	1,618,910	1,531,994
Contract staffing	3,362,632	2,408,830
Lease and rentals	892,139	751,861
Insurance	632,594	656,656
Travel, meetings and education	365,068	309,322
Dues, books and subscriptions	243,641	206,694
Other operating expenses	894,307	1,427,475
Total Operating Expenses	87,908,560	76,799,763
Loss from operations	(1,677,159)	(122,973)
Non-Operating Revenues (Expenses)		
General property taxes	4,691,422	4,675,175
Grants and contributions	3,738,022	5,445,419
Gain on extinguishment of PPP loan	6,623,389	5,115,117
Investment income	72,520	510,037
Gain/(loss) on sale of assets	32,049	(1,055)
Interest expense	(493,738)	(315,193)
Other expenses	(114,878)	(60,290)
Total Non-Operating Revenues, net	14,548,786	10,254,093
Change in net position	12,871,627	10,131,120
Net Position, beginning of year	70,114,498	59,983,378
Net Position, end of year	\$ 82,986,125	\$ 70,114,498

# **Statements of Cash Flows**

		_
Years Ended June 30,2021	2021	2020
Cash Flows from (for) Operating Activities		
Receipts from patients and users	\$ 83,671,763	\$ 78,842,458
Payments to suppliers		(27,224,442)
Payments to suppliers  Payments to employees	(61,547,501)	
Other receipts	823,737	389,063
Other receipts	023,737	307,003
Net cash flows from (for) operating activities	(1,975,677)	200,570
Cash Flows from Non-Capital Financing Activities		
Receipts from property taxes	4,638,735	4,684,601
(Decrease) increase in advances from Governmental Payers	(1,502,134)	1,502,134
Grant and other non-operating revenues (expenses)	10,278,582	4,970,374
Net cash flows from non-capital financing activities	13,415,183	11,157,109
Cash Flows for Capital and Related Financing Activities		
Purchase of capital assets	(5,718,919)	(2,251,116)
Bond principal paid	(1,630,000)	(1,565,000)
Payment on capital lease	(21,561)	(80,706)
Interest paid on capital debt	(647,895)	(736,012)
Proceeds from sale of capital assets	<u> </u>	<u> </u>
Net cash flows for capital and related financing activities	(8,018,375)	(4,632,834)
	(0,010,010)	(1,002,001)
Cash Flows for Investing Activities		
Increase in assets whose use is limited	(5,994,896)	(925,665)
Interest and dividends received	72,520	510,037
	,	
Net cash flows for investing activities	(5,922,376)	(415,628)
Net increase (decrease) in cash and cash equivalents	(2,501,245)	6,309,217
Cash, Cash Equivalents and Equity in Central Treasury, beginning of year	32,724,037	26,405,322
Cash, Cash Equivalents and Equity in Central Treasury, end of year	\$ 30,222,792	\$ 32,724,037

# Statements of Cash Flows, continued

Years Ended June 30,2021	2021	2020
Reconciliation of Loss from Operations to Net		
Cash Flows from Operating Activities		
Loss from operations	\$ (1,677,159) \$	(122,973
Adjustments to reconcile income from operations to net		
cash from (for) operating activities:		
Depreciation expense	3,555,630	3,288,09
Bad debt expense	442,340	1,108,44
Change in assets, deferred outflows and liabilities:		
Patient receivables, net	(2,335,679)	(1,524,92
Other receivables	188,690	(208,44
Inventory	(251,326)	113,56
Prepaid expenses	50,799	(77,14
Net pension asset	(5,435,876)	(1,218,41
Deferred outflows - pension related	(554,697)	(340,91
Deferred inflows - pension related	2,867,076	(116,69
Accounts and contracts payable	1,129,548	(1,163,69
Unearned revenue	(31,252)	(108,43
Accrued liabilities	54,604	572,11
otal adjustments	(320,143)	323,54
let Cash Flows from Operating Activities	\$ (1,997,302) \$	200,57
Supplemental Disclosure of Cash-Flow Information		
Unearned revenue related to COVID advance funding	\$ (1,502,134) \$	5 1,502,13

# Notes to Basic Financial Statements June 30, 2021 and 2020

# 1. The Reporting Entity

The South Peninsula Hospital (the Hospital) is a component unit of the Kenai Peninsula Borough (the Borough), which was incorporated as a second-class borough on January 1, 1964, under provisions of the State of Alaska Borough Act of 1961. The South Peninsula Hospital accounts for the provision of Hospital services for the south peninsula area within the Kenai Peninsula Borough. The South Peninsula Hospital is operated under a sublease and operating agreement ("Operating Agreement") by South Peninsula Hospital, Inc. Under the terms of this agreement, which expires December 31, 2029, with an optional five-year extension, the South Peninsula Hospital Service Area provides funds to the Hospital, for payment of debt service, additions to, repairs and replacement of property, plant and equipment and for operational purposes if needed.

In 2012, the Kenai Peninsula Borough adopted the provisions of GASB Statement number 61, *The Financial Reporting Entity: Omnibus*. In connection therewith, the Kenai Peninsula Borough reviewed its legal and contractual agreements with the South Peninsula Hospital, which was previously reported as an enterprise fund, and has determined that, for financial reporting purposes in accordance with generally accepted accounting principles, this activity is appropriately recorded as a discretely presented enterprise component unit of the Kenai Peninsula Borough.

# 2. Summary of Significant Accounting Policies

# **Enterprise Accounting**

Enterprise activities accounting is used to account for government operations which are financed and operated in a manner similar to private business enterprises. It is the intent of the Hospital that the costs (expenses, including depreciation and amortization) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The acquisition, maintenance and improvement of the physical plant facilities required to provide these services are financed from existing cash resources of the Hospital and the Kenai Peninsula Borough including the issuance of general obligation bonds by the Kenai Peninsula Borough on behalf of the Hospital.

The accrual basis of accounting is followed by the Hospital. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred.

### **Deferred Outflows and Deferred Inflows**

A deferred outflow represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. A deferred inflow represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. Deferred outflows consist of deferred charges on debt refunding, goodwill, and outflows related to the pension plan. Deferred inflows of resources consist of payments received as of June 30 for property taxes due October 15<sup>th</sup>. Such deferred property tax revenues are for support for the following fiscal year operations.

### **Notes to Basic Financial Statements**

### **Equity in Central Treasury**

The Kenai Peninsula Borough has combined monies available for investment from all of the Borough's separate reporting funds and component units into a "Central Treasury". The Central Treasury concept permits the more efficient investment of the combined assets. Each entity whose monies are deposited in the Central Treasury has equity therein.

# Cash Equivalents

For purposes of the statements of cash flows, the Hospital considers all highly liquid investments and deposits in the Kenai Peninsula Borough central treasury to be cash equivalents except those included in assets whose use is limited. The central treasury, which holds cash and investments, is used essentially as a cash management pool by each fund or entity.

#### Investments

The Hospital's policy is to invest only in obligations of the U.S. Treasury, its agencies and instrumentalities, fully collateralized certificates of deposit, commercial paper, and money market mutual funds. Investments are stated at fair value.

#### Assets Whose Use is Limited

Assets whose use is limited are assets set aside by the Board for uses over which the Board retains control and may, at its discretion, use for other purposes.

#### Inventory

Inventory consists primarily of Hospital supplies and pharmaceuticals and is stated at the lower of cost (first-in, first-out method) or market.

### **Prepaid Expenses**

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid expenses.

# Capital Assets

Capital assets are stated at cost less accumulated depreciation. Interest incurred during the construction phase is included as part of the capitalized value of the asset constructed. Depreciation is charged to operations by use of the straight-line method over the estimated useful lives of the assets, estimated to be ten to fifty years for buildings and three to fifteen years for equipment. Land is not depreciated. Expenditures for renewals and betterments are capitalized and maintenance and repairs are expensed when incurred. Gains and losses upon asset disposal are reflected in income.

### Notes to Basic Financial Statements

#### **Pensions**

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan and additions to/from the plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# **Charity Care**

The Hospital 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 Hospital does not pursue collection of amounts determined to qualify as charity care, they are not included in net revenue.

#### Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. 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.

# **Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied by the Kenai Peninsula Borough on July 1 and are due in either two installments on September 15 and November 15, or one installment due October 15. The Borough bills and collects property taxes of the Borough service areas including the South Peninsula Hospital.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Net Position**

In the financial statements, net position is reported under three classifications.

The net investment in capital assets classification represents the position of net position related to the Hospital's investment in capital assets net of any related debt.

The restricted classification reflects constraints imposed on resources either by (a) externally by creditors, grantors, contributors, or laws or regulations; or (b) imposed by law through constitutional provisions or enabling legislation.

The unrestricted classification reflects the residual amount of net position.

When both restricted and unrestricted resources are available for use, it is the Hospital's policy to use restricted resources first followed by unrestricted.

# **Notes to Basic Financial Statements**

# 3. Uncompensated Care

Bad debts and charity care are subtracted from patient service revenue to arrive at net patient revenue. The following information relates to uncompensated care for the years ended June 30, 2021 and 2020.

	2021	2020
Bad debt Charges forgone, based on established rates (unaudited)	\$ 3,332,151 1,266,505	\$ 1,632,346 2,323,402
Total Uncompensated Care	\$ 4,598,656	\$ 3,955,748

# 4. Deposits and Investments

Deposits consisted of the following at June 30, 2021 and 2020:

	2	021	2020		
	Carrying		Carrying		
	Amount	Bank Balance	Amount	Bank Balance	
Bank accounts Cash on hand	\$ 24,013,981 2,686	\$ 24,641,976	\$ 43,288,271 2,686	\$ 43,715,271	
	24,016,667	\$ 24,641,976	43,290,957	\$ 43,715,271	
Less cash equivalents included in assets whose use is limited Cash and cash equivalents -	(26,543)		(23,609)		
stimulus funds	<u>-</u>		(18,328,631		
Cash and Cash Equivalents	\$ 23,990,124		\$ 24,938,717		

For the cash and cash equivalents and for central treasury cash, the checking account balances are fully insured by federal deposit insurance or collateralized by securities which are held by the financial institution or third party and the Borough's agent in the Kenai Peninsula Borough's name.

The Kenai Peninsula Borough has combined monies available for investment from all of the Borough's separate funds and several component units into a "Central Treasury." The Hospital's investment in the Central Treasury is recorded on the statements of net position as follows:

	2021	2020
Equity in Central Treasury of Kenai Peninsula Borough Less amount included in assets whose use is limited:	\$ 16,659,913	\$ 12,176,695
Plant replacement and expansion fund	(10,359,499)	(4,318,831)
Unspent bond proceeds	(23,838)	(72,544)
Total Equity in Central Treasury	\$ 6,276,576	\$ 7,785,320

# **Notes to Basic Financial Statements**

# 5. Capital Assets

A summary of the changes in property, plant and equipment during fiscal year 2021 follows:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Land and land					
improvements	\$ 3,816,722	\$ 40,700	\$ - \$	-	\$ 3,857,472
Construction in					
progress	288,705	96,451	-	-	385,156
Total nondepreciable					
assets	4,105,477	137,151	-	-	4,242,628
Buildings and building					
improvements	62,732,513	3,512,155	-	-	66,244,668
Equipment	27,005,986	1,960,731	(278,913)	-	28,687,804
Improvements other					
than buildings	140,475	72,883	-	-	213,358
Total depreciable					
assets	89,878,974	5,545,769	(278,913)	-	95,145,830
Total property, plant					
Total property, plant and equipment	93,984,451	5,682,920	(278,913)	_	99,388,458
		-,,	(== =) = = = /		,
Less accumulated					
depreciation for:					
Land improvements	(2,400,379)	(175,657)	-	-	(2,576,036)
Buildings	(29,801,246)	(2,107,534)	-	-	(31,908,780)
Equipment	(22,063,050)	(1,252,203)	257,288	-	(23,057,965)
Improvements other					(4.0- 000)
than buildings	(92,092)	(13,237)	-	-	(105,329)
Total accumulated					
depreciation	(54,356,767)	(3,548,631)	257,288	-	(57,648,110)
Net Property, Plant					
And Equipment	\$ 39,627,684	\$ 2,134,289	\$ (21,625) \$		\$ 41,740,348

# **Notes to Basic Financial Statements**

A summary of the changes in property, plant and equipment during fiscal year 2020 follows:

	Balance July 1, 2019	Additions	Deletions	Transfers	Jui	Balance ne 30, 2020
Land and land improvements Construction in	\$ 3,816,772	\$ - \$	-	\$ -	\$	3,816,722
progress	462,180	-	-	(173,475)		288,705
Total nondepreciable assets	4,278,952	-	-	(173,475)		4,105,427
Buildings and building improvements Equipment	62,334,004 24,979,904	398,508 2,026,083	-	-		62,732,513 27,005,986
Improvements other than buildings	140,475	-	-	-		140,475
Total depreciable assets	87,454,383	1,424,591	-	-		89,878,974
Total property, plant and equipment	91,733,335	2,424,591	-	(173,475)		93,984,451
Less accumulated depreciation for:						
Land improvements	(2,220,502)	(179,777)	-	-		(2,400,379)
Buildings Equipment Improvements other	(27,854,953) (20,909,468)	(1,946,294) (1,153,581)	-	-		(29,801,246) (22,063,050)
than buildings	(83,751)	(8,341)	-	-		(92,092)
Total accumulated depreciation	(51,068,674)	(3,288,093)	-	-	(	(54,356,767)
Net Property, Plant And Equipment	\$ 40,664,661	\$ (863,502) \$	-	\$ (173,475)	\$	39,627,684

# **Notes to Basic Financial Statements**

# 6. Long-term Debt

Long-term debt consisted of the following at June 30, 2021 and 2020:

Long-term debt consisted of the	Balance June 30, 2020	arie.	Additions		Jun	Balance e 30, 2021	Due Within One Year
Long-term Notes Payable							
Paycheck Protection Loan, payable to a bank in a lump-sum payment, including imputed interest at 1%, maturing August, 2021	\$ 6,528,631	\$	-	\$ 6,528,631	\$	-	\$ -
General Obligation Bonds							
General obligation bonds 2017 series in annual installments, including a coupon rate ranging between 2.5% - 5.0%, maturing in May 2032	3,825,000		_	250,000		3,575,000	260,000
Refunding general obligation bonds 2016 series (2007 original issue) in annual installments, including a coupon rate ranging between 2.5% - 5.0%, maturing in December 2023	2,640,000		_	620,000		2,020,000	645,000
Refunding general obligation bonds 2015 series (2007 original issue) in annual installments, including a coupon rate ranging between 2.0% - 5.0%, maturing in March 2028	7,120,000		_	760,000		6,360,000	800,000
Total General Obligation Bonds	13,585,000		_	1,630,000		11,955,000	1,705,000
Plus unamortized bond premium			_	210,371		715,206	-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	,			• ,• · ·		,	
Total General Obligation Bonds, Net of Premium	14,510,577		-	1,840,371		12,670,206	1,705,000
Total Notes & Bonds Payable	\$ 21,039,208	\$	<u>-</u>	\$ 8,369,002	\$ ·	12,670,206	\$ 1,705,000

# **Notes to Basic Financial Statements**

	B June 30	alance ), 2020	ļ	Additions	Retired	Baland June 30, 202		Due Within One Year
Capital Lease								
Capital lease payable to Olympus through forgiveness of liability through supply purchase commitments through 08/31/2025	\$	9,498	Ś	43.909	\$ (18,498)	\$ 34,90	)9 \$	5 8,378
		·						
The remaining annual requirer	nents of a	all debt	out	standing a	as of June 3	30, 2021 are a	ıs fo	llows:
					General	Obligation B	onds	<u>,</u>
Year Ending June 30,				Princ	ipal	Interest		Total
2022 2023 2024 2025 2026 2027-2031 2032				\$ 1,705, 1,785, 1,850, 1,195, 1,250, 3,785, 385,	,000 ,000 ,000 ,000	512,869 430,219 359,294 297,669 237,919 377,003 13,475	\$	2,217,869 2,215,219 2,209,294 1,492,669 1,487,919 4,162,003 398,475
				\$ 11,955,	,000 \$	2,228,448	\$	14,183,448
					Ca	apital Lease		
Year Ending June 30,				Princ	ipal	Interest		Total
2022 2023 2024 2025 2026				7, 7, 7,	,701 \$ ,070 ,459 ,869 ,384	1,677 1,308 919 509 13	\$	8,378 8,378 8,378 8,378 1,397
				\$ \$30,	,483 \$	4,426	\$	34,909

### **Notes to Basic Financial Statements**

# 7. Deferred Charge on Bonds

The Hospital issued bonds in 2007, which were refunded in 2015 and 2017 (see Note 6 regarding long-term debt) resulting in a deferred charge on bonds. The unamortized balance as of June 30, 2021 and 2020 was \$406,974 and \$468,019, respectively, for the 2016 refunding. The unamortized balance as of June 30, 2021 and 2020 was \$19,203 and \$32,781, respectively, for the 2018 refunding. Combined amortization expense for the years ending June 30, 2021 and 2020 was \$150,820.

# 8. Restricted Net Position

The Hospital has restricted net position of \$63,366 at June 30, 2021 and \$141,944 in 2020. This is the unspent interest earnings on bond funds which must be used for the purposes allowed by the bonds.

#### 9. Leases

The Hospital has multiple operating leases for operating facilities and equipment. The total expense from operating leases for 2021 and 2020 totaled \$470,753 and \$357,669, respectively. Future minimum payments under noncancellable operating leases for the next five years are as follows:

Year Ending June 30,	_
2022	\$ 438,201
2023	412,920
2024	337,226
2025	343,251
2026	349,396
2027-2030	961,854
Total	\$ 2,842,848

# 10. Functional Expenses

Operating expenses grouped according to function are as follows for the years ended June 30, 2021 and 2020:

	 2021	2020
Operating Expenses		
Healthcare services Fiscal, administrative and facility services Provision for depreciation and amortization	\$ 67,855,746 16,497,184 3,555,630	\$ 57,385,292 16,126,378 3,288,093
Total Operating Expenses	\$ 87,908,560	\$ 76,799,763

### **Notes to Basic Financial Statements**

# 11. Third-Party Payer Programs

The Hospital has agreements with third-party payers that provide for reimbursement at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Hospital's established rates for services and amounts reimbursed by third-party payers. A summary of the basis of reimbursement with major third-party payers follows:

#### Medicare

Critical Access Hospitals are paid based on each Hospital's reported costs. Inpatient, Outpatient, Laboratory, Therapy, and Swing-Bed services are paid at 101 percent of the Hospitals' cost of providing those services. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits by the Medicare fiscal intermediary.

### Medicaid

Inpatient and outpatient services rendered to Medicaid program beneficiaries are paid for through a cost reimbursement method. Inpatient stays are paid on a per day rate. Outpatient services are reimbursed as a percentage of charges.

#### Commercial

The hospital has multiple commercial payer contracts with the largest portions of revenue coming from Premera and Aetna. The hospital is reimbursed at a percentage of charges with its commercial payers.

Balances due to third-party payers are as follows for the years ended June 30, 2021 and 2020:

	2021_	2020
Due to Medicare	\$ 1,376,416	\$ 13,120,478
Total Due to Third-Party Payers	\$ 1,376,416	\$ 13,120,478

Composition of payers of gross patient receivables and revenues is approximated as follows for the year ended June 30, 2021:

	Revenues	Patient Receivables
Commercial	31%	32%
Medicare	41	33
Medicaid	24	13
Self-pay and other	4	22
	100%	100%

### **Notes to Basic Financial Statements**

Composition of payers of gross patient receivables and revenues is approximated as follows for the year ended June 30, 2020:

	Revenues	Patient Receivables
Commercial	31%	33%
Medicare	37	33
Medicaid	29	19
Self-pay and other	3	15
	100%	100%

### 12. Defined Benefit Pension Plan

# Description of Plan

The Hospital employees participate in the South Peninsula Hospital Employees' Pension Plan, a defined-benefit single-employer plan. The Plan was established and is administered by the South Peninsula Hospital. The Plan issues separate financial statements that are available by contacting the Hospital at South Peninsula Hospital, 4300 Bartlett Street, Homer, Alaska 99603. As of January 1, 2013, the plan is "frozen for nonunion employees" and will not accept participants other than those previously designated. The Plan has been closed to all employees hired after February 28, 2016.

### **Benefits Provided**

The Plan provides retirement, disability, and death benefits. Retirement benefits for employees are calculated as 0.69% of the employee's average annual compensation plus 0.4% of the average compensation in excess of \$10,000 times years of service to a maximum of 35 years. Average compensation is determined based on the highest five years. Employees with 3 years of continuous service are eligible to retire at age 65. Employees with 12 years of continuous service are eligible to retire at age 55. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal 50% of the participant's deferred vested benefit. An employee who leaves the Hospital's service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date.

At January 1, 2021 and 2020, respectively, the following employees were covered by the benefit terms:

	2021	2020
Inactive employees or beneficiaries currently receiving benefits	58	52
Inactive employees entitled to, but not yet receiving benefits	75	76
Active employees	177	192
	310	320

### **Notes to Basic Financial Statements**

#### **Contributions**

The Plan's funding policy provides for actuarially determined periodic contributions by the Hospital at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The Plan uses the Unit Credit cost funding actuarial method. Significant actuarial assumptions used to calculate the net pension obligation are identical to those used for funding purposes. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees do not contribute to the Plan. For the year ended June 30, 2021 and 2020, respectively, the Hospital's average contribution rate was 33.96% and 23.88% percent of annual payroll.

### Net Pension Asset

The Hospital's net pension asset was measured as of June 30, 2021 and 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021 and 2020.

### **Actuarial Assumptions**

The total pension liability in the June 30, 2021 and 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0% to 2.5%, annually
Salary increases	2.50%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pri-2012 White Collar Mortality, projected with MP-2020 for plan funding.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2020 to December 31, 2020.

The long-term expected rate of return on pension plan investments was determined using a buildingblock method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45%	5.75%
International equity	15	5.85
Fixed income	37	3.50
Cash	3	2.00
Total	100%	

# **Notes to Basic Financial Statements**

### Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that Hospital contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### **Net Pension Asset**

	Total Pension Liability	Plan Net Position	Net Pension Asset
Balances at June 30, 2019	\$ 17,968,237	\$ 19,914,654	\$ (1,946,417)
Charges for the year:			
Service cost	402,959	-	402,959
Interest	1,173,850	-	1,173,850
Difference between expected and actual	, -,		, -,
experience .	496,583	-	493,583
Assumption changes	(9,010)	-	(9,010)
Contributions - employer	-	2,250,000	(2,250,000)
Net investment income	-	1,032,801	(1,032,801)
Benefit payments	(2,397,916)	(2,397,916)	-
Net change for the year	(333,534)	884,885	(1,218,419)
net change for the year	(333,331)	001,003	(1,210,117)
Balances at June 30, 2020	\$ 17,634,703	\$ 20,799,539	\$ (3,164,836)
Charges for the year:			
Service cost	373,822	-	373,822
Interest	1,176,670	-	1,176,670
Difference between expected and actual	1,170,070		1,170,070
experience	662,719	-	662,719
Assumption changes	467,682	-	467,682
Contributions - employer	· -	2,925,000	(2,925,000)
Net investment income	-	5,191,769	(5,191,769)
Benefit payments	(1,676,959)	(1,676,959)	<u>-</u>
Net change for the year	1,003,934	6,439,810	(5,435,876)
Balances at June 30, 2021	\$ 18,638,637	\$ 27,239,349	\$ (8,600,712)

# **Notes to Basic Financial Statements**

Sensitivity of the net pension asset to changes in the discount rate. The following presents the pension asset of the Hospital, calculated using the discount rate of 7.00 percent, as well as what the Hospital's pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Di	Current iscount Rate (7.00%)	1% Increase (8.00%)
Net pension liability (asset) June 30, 2020	\$ (978,445)	\$	(3,164,836)	\$ (5,009,014)
Net pension liability (asset) June 30, 2021	\$ (6,273,145)	\$	(8,600,712)	\$ (10,549,608)

### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan's financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

For the year ended June 30, 2021 and 2020, the Hospital recognized pension expense of \$(198,497) and \$573,970, respectively.

At June 30, 2021, the Hospital reported deferred outflows of resources related to pensions from the following sources:

	 Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,841,108
Changes in assumptions Net difference between projected and actual earnings on	111,833	424,278
pension investments	 2,992,782	270,622
Total Deferred Outflows of Resources - Pension Related	\$ 3,104,615	\$ 2,536,008

# **Notes to Basic Financial Statements**

At June 30, 2020, the Hospital reported deferred outflows of resources related to pensions from the following sources:

		Deferred D Inflows of Out Resources Re				
Differences between expected and actual experience Changes in assumptions	\$	- 130,352	\$	1,538,711 65,971		
Net difference between projected and actual earnings on pension investments		107,187		376,629		
Total Deferred Outflows of Resources - Pension Related	\$	237,539	\$	1,981,311		

Net amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2022	\$ (191,013)
2023	(203,609)
2024	(225,810)
2025	(374,310)
2026	209,639
Remaining	216,496
Total	\$ (568,607)

# 13. Deferred Compensation Plans

The Hospital offers union and nonunion deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The union plan, available to all union employees hired after March 1, 2016, has a 4% defined contribution and an additional 2% match. The nonunion plan has a discretionary defined contribution and match of up to 4%. The deferred compensation is generally not available to employees until termination, retirement, death, or unforeseeable emergency although the Plan organized under Section 403(b) allows employees to borrow against their accounts subject to certain restrictions.

In accordance with the Internal Revenue Code, all assets and income of the Plans are held in trust for the exclusive benefit of participants and their beneficiaries.

### **Notes to Basic Financial Statements**

# 14. Risk Management

The Hospital is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, medical malpractice, errors and omissions, injuries to employees, and natural disasters. The Hospital has claims outstanding at year end that management believes the chances of an adverse outcome are either remote or the loss cannot be reasonably estimated; therefore, there is no accrual at year end. The Hospital purchases commercial insurance for all risks of loss except as described below.

The Hospital is insured for medical malpractice claims by a modified claims-made policy for any occurrence since January 1, 1987 reported during the current policy period or renewal thereof. Management has no reason to believe that the Hospital will not be able to obtain such coverage in future periods. The Hospital also retains \$100,000 of medical claims expense per covered employee each year, with coverage limited to a lifetime maximum of \$1,000,000 per covered employee.

# Self-Insured Health Plan

The Hospital is self-insured for employee health insurance claims. Health Plan administration and processing is contracted to an independent third-party service provider. Health expense claims, administrative fees, and stop loss premiums are accrued in the period incurred. An estimate for claims incurred but not reported (IBNR) and claims incurred but not paid (IBNP) as of the Statement of Net Position's date has been recorded based on claims lag reports from the plan administrator. A schedule of the changes in the claims liability for the years ended June 30, 2021 and 2020 follows:

		2021	2020
Medical claims reserve liabilities, beginning of year Current year claims incurred and changes in estimates for claims	\$	1,781,435	\$ 1,766,480
incurred in prior years  Claims and expenses paid		9,025,776 (9,474,095)	8,997,504 (8,982,549)
Medical Claims Reserve Liabilities, end of year	\$	1,333,116	\$ 1,781,435

### 15. COVID-19 Considerations

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally, and Governor Dunleavy issued a public health disaster emergency for the State of Alaska.

### **Notes to Basic Financial Statements**

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on South Peninsula Hospital's (SPH) financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, SPH estimates the effects of the COVID-19 outbreak on its results of operations, financial condition, and liquidity for fiscal year 2021 at \$6.0 million. SPH received funding in the amount of \$3.6 million in FY21 from the following sources: HHS Stimulus Funds \$2.4 million, HRSA Cares Funds \$51 thousand, Kenai Peninsula Borough Cares Act Support \$491 thousand, City of Homer Cares Support \$258 thousand, State of Alaska \$273 thousand, Other sources \$56 thousand.

The impact of COVID-19 on financial reporting arises from the impacts on business activity, which include, among other possible impacts:

- Temporary cessation of elective procedures
- Decline in patient volumes for outpatient elective services and provider visits
- Decline in patient revenues
- Decline in cash receipts
- Increase in supply expenses
- Increase in labor costs
- Increase in capital equipment costs use for diagnostic tools to detect COVID-19

The impact of COVID-19 to SPH resulted in \$6.6 million of lost net revenue in FY20 and \$1.9 million in FY21. Although SPH cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, it may have a continued adverse effect on the SPH's results from future operations, financial position, and liquidity in fiscal year 2022.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property. SPH did pursue deferral of employment tax payments. SPH did apply for and receive a Paycheck Protection Program loan in the amount of \$6,528,631 through the Small Business Association, a provision of the CARES act, in FY21 that loan was forgiven.

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) into law. ARPA was written to provide additional relief for individuals and businesses and tribal governments as well as education and COVID-19 testing, vaccination support, and research.

SPH continues to examine the impact that the ARPA may have on its operations. Currently, management is unable to determine the impact that the ARPA will have on SPH's financial condition, results of operation, or liquidity.

### **Notes to Basic Financial Statements**

# 16. Paycheck Protection Program

In 2020, under the Paycheck Protection Program the Hospital received loans from the Small Business Administration (SBA). The loans held an interest rate of 1% and required monthly payments from April 2020 thru to the maturity in April 2022. The program required proceeds to be used mainly for employee wages. During 2021, the Hospital received notice that the loan was forgiven and payments are not required. As such the Hospital has reported a gain on forgiveness of debt in the amount of \$6,528,631.

# 17. Recently Issued Accounting Pronouncements

The Governmental Accounting Standards Board has issued several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

GASB Statement No. 84 - Fiduciary Activities - Effective for year-end June 30, 2020. This Statement addresses criteria for identifying and reporting fiduciary activities. No change noted for the year ended June 30, 2021.

GASB Statement No. 87 - Leases - Effective for year-end June 30, 2021, This Statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. No change noted for the year ended June 30, 2021.

GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period - Effective for year-end June 30, 2021. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

GASB Statement No. 90 - Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61 - Effective for year-end June 30, 2020. This Statement addresses accounting and financial reporting for a majority equity interest in a legally separate organization. It provides a definition of a majority equity interest and provides guidance for further presentation as either an investment or a component unit, based on specific criteria.

GASB Statement No. 91 - Conduit Debt Obligations - Effective for year-end June 30, 2022. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations, and related note disclosures. This Statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting.

### **Notes to Basic Financial Statements**

GASB Statement No. 92 - Omnibus 2020 - Provisions of this Statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The effective date for all other provisions of the Statement are to be implemented for year-end June 30, 2021. This Statement addresses a variety of topics such as leases, the applicability of Statement No. 73 and Statement No. 74 for reporting assets accumulated for postemployment benefits, the applicability of Statement No. 84 to postemployment benefit arrangements, the measurements of liabilities and assets related to asset retirement obligations in a government acquisition, reporting of public entity risk pools, referencing to nonrecurring fair value measurements, and terminology used to refer to derivative instruments.

GASB Statement No. 93 - Replacement of Interbank Offered Rates - The provisions of this Statement, except for paragraph 11b, are required to be implemented for year-end June 30, 2022 The requirements in paragraph 11b are required to be implemented for year-end June 30, 2023. This Statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements - Effective for year-end June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APA).

In light of the COVID-19 Pandemic, on May 8, 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, to provide relief to governments. This Statement, which was effective upon issuance, postpones the effective dates of certain provisions in the above noted pronouncements for one year, except for Statement No. 87 and provisions related to leases in Statement No. 92 which are postponed for eighteen months, Certain other provisions of Statement No. 92 are excluded from Statement No. 95. Additionally, Statement No. 95 excludes provisions in Statement No. 93 related to lease modifications and excludes Statement No. 94 since the GASB considered the pandemic in determining effective dates. Earlier application of the standards is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

GASB Statement No. 96 - Subscription-Based Information Technology Arrangements - Effective for year-end June 30, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement, among other things, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA.

GASB Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - Effective for year-end June 30, 2022, except the portion of the pronouncement related to component unit criteria, which is effective for year-end June 30, 2020. This statement modifies certain guidance contained in Statement No. 84 and enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

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# Required Supplementary Information

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# South Peninsula Hospital (A Component Unit of the Kenai Peninsula Borough)

# Schedule of Changes in the Net Pension Asset (Liability) and Related Ratios

Years Ended June 30, 2021	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service costs	\$ 373,822	\$ 402,959	\$ 460,975	\$ 552,945	\$ 677,790	\$ 685,421	\$ 640,873
Interest	1,176,670	1,173,850	1,186,280	1,165,248	1,095,431	1,084,781	1,058,784
Changes in assumptions	467,682	(9,010)	(157,344)	24,287	23,460	22,728	304,145
Difference between expected and actual experience	662,719	496,583	493,686	89,493	646,237	151,435	38,465
Benefit payments, including refunds of employee contributions	(1,676,959)	(2,397,916)	(1,924,438)	(1,138,595)	(1,752,472)	(1,831,964)	(893,400)
Net Change in Total Pension Liability	1,003,934	(333,534)	59,159	693,378	690,446	112,401	1,148,867
Total Pension Liability - beginning of year	17,634,703	17,968,237	17,909,078	17,215,700	16,525,254	16,412,853	15,263,986
Total Pension Liability - end of year	\$18,638,637	\$17,634,703	\$17,968,237	\$17,909,078	\$17,215,700	\$16,525,254	\$16,412,853
Plan Fiduciary Net Position							
Contributions - employer	\$ 2,925,000	\$ 2,250,000	\$ 2,475,000	\$ 2,990,000	\$ 1,174,500	\$ 681,750	\$ 454,500
Additional investment return	5,191,769	1,032,801	1,181,078	1,070,126	1,518,194	144,855	(603,361)
Benefit payments, including refunds of employee contributions	(1,676,959)	(2,397,916)	(1,924,438)	(1,138,595)	(1,752,472)	(1,831,964)	(893,400)
Net Change in Plan Fiduciary Net Position	6,439,810	884,885	1,731,640	2,921,531	940,222	(1,005,359)	28,338
Plan Fiduciary Net Position - beginning of year	20,799,539	19,914,654	18,183,014	15,261,483	14,321,261	15,326,620	15,298,282
Plan Fiduciary Net Position - end of year	\$27,239,349	\$20,799,539	\$19,914,654	\$18,183,014	\$15,261,483	\$14,321,261	\$15,326,620
Hospital's Net Pension Asset (Liability)	\$ 8,600,712	\$ 3,164,836	\$(1,946,417)	\$ (273,936)	\$ 1,954,217	\$ 2,203,993	\$ 1,086,233
Plan fiduciary net position as a percentage of the total pension asset (liability)	146.14%	117.90%	110.80%	101.50%	88.65%	86.66%	93.38%
Covered-employee payroll	\$ 8,612,159	\$ 9,423,893	\$10,864,897	\$11,374,381	\$18,456,466	\$19,654,269	\$17,884,004
Hospital's net pension asset (liability) as a percentage of covered-employee payroll	99.87%	33.60%	-17.90%	-2.40%	10.59%	11.21%	6.07%

#### Notes to Schedule

Information presented for 2021 is based on Plan measurement date of June 30, 2021. This schedule is intended to present 10 years of information. Additional years information will be included as it becomes available.

# Page 73 of 115

### South Peninsula Hospital (A Component Unit of the Kenai Peninsula Borough)

#### **Schedule of Pension Contributions**

Years Ended June 30, 2021	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ -	\$ 1,414,858	\$ 1,722,750	\$ 1,231,588	\$ 1,386,433	\$ 1,354,770	\$ 816,458
Contributions in relation to the actuarially determined contribution	2,925,000	2,250,000	2,475,000	2,990,000	1,174,500	681,750	454,500
Contribution deficiency (excess)	\$ (2,925,000)	\$ (835,142)	\$ (752,250)	\$ (1,758,412)	\$ 211,933	\$ 673,020	\$ 361,958
Covered-employee payroll	\$ 8,612,159	\$ 9,423,893	\$ 10,864,897	\$ 11,374,381	\$ 18,456,466	\$ 19,654,269	\$ 17,884,004
Contributions as a percentage of covered-employee payroll	33.96%	23.88%	22.78%	26.29%	6.36%	3.47%	2.54%

#### Notes to Schedule

Valuation date: Actuarially determined contributions rates are calculated as of January 1, 2021. This schedule is intended to present 10 years of information. Additional years information will be included as it becomes available.

#### Methods and Assumptions Used to Determine Contribution Rates

Liability Interest Rate 7.00%

Administrative Level percentage of payroll

**Remaining Amortization Period** 5 to 13.33 years **Asset Valuation Method** 5-year smooth market

Inflation2.50%Salary Increases2.5% annuallyInvestment Rate of Return7%

Retirement Age All participants are assumed to retire at age 65

Mortality Pri-2012 White Collar Mortality, projected with MP-2020

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### **Single Audit Section**



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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

To the Honorable Mayor and Members of the Kenai Peninsula Borough Assembly, and South Peninsula Hospital, Inc. Operating Board Homer, Alaska

We have audited, in accordance with the 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, the financial statements of the South Peninsula Hospital (the Hospital), a component unit of Kenai Peninsula Borough, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise South Peninsula Hospital's basic financial statements, and have issued our report thereon dated November 12, 2021.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Hospital's internal control over financial reporting (internal control) for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Hospital's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anchorage, Alaska November 12, 2021

BDO USA, LLP



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### Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Honorable Mayor and Members of the Kenai Peninsula Borough Assembly, and South Peninsula Hospital, Inc. Operating Board Homer, Alaska

#### Report on Compliance

#### Opinion on Compliance for Each Major Federal Program

We have audited South Peninsula Hospital's (the Hospital's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Hospital's major federal programs for the year ended June 30, 2021. The Hospital's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Hospital complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

#### **Basis for Opinion**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Hospital and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Hospital's compliance with the types of compliance requirements referred to above.

#### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Hospital's federal programs.

#### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Hospital's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Hospital's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Hospital's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Hospital's internal control over compliance relevant to
  the audit in order to design audit procedures that are appropriate in the circumstances
  and to test and report on internal control over compliance in accordance with the Uniform
  Guidance, but not for the purpose of expressing an opinion on the effectiveness of the
  Hospital's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Anchorage, Alaska November 12, 2021

BDO USA, LLP

### South Peninsula Hospital (A Component Unit of the Kenai Peninsula Borough)

#### Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of the Treasury				
Passed through Alaska Department of Health and Social Services:				
COVID-19 - Coronavirus Relief Fund - 2021 Local Chamber /				
Community Organization Vaccination Incentive Grant	21.019	FY2021	\$ -	\$ 37,000
COVID-19 - Coronavirus Relief Fund - DHSS COVID Funding to				
Support Hospitals and Skilled Nursing Facilities	21.019	605-235-21007	-	235,142
Passed through Kenai Peninsula Borough -				
COVID-19 - Coronavirus Relief Fund - Emergency				
Protective Measures	21.019	KPB 02019-19-39	-	300,000
COVID-19 - Coronavirus Relief Fund	21.019	FY2021		187,648
Total Assistance Listing Number 21.019				759,790
U.S. Department of Health and Human Services				
Direct:				
Provider Relief Fund	93.498		-	4,581,651
Provider Relief Fund	93.498		-	1,191,160
Provider Relief Fund	93.498		-	478,525
Provider Relief Fund	93.498		-	120,000
Total Assistance Listing Number 93.498				6,371,336
Passed through Kenai Peninsula Borough-				
Epidemiology and Laboratory Capacity of Infectious Diseases	93.323	KPB 02020-19-25		190,905
Passed through Alaska Department of Health and Social Services-				
Small Rural Hospital Improvements Grant Program	93.301	SPH05285		11,866
Passed through Alaska State Hospital and Nursing Home Association-				
Hospital Preparedness Program	93.889	FY2021	-	18,897
Passed through Alaska Department of Health and Social Services-				
Hospital Preparedness Program	93.889	0621-021		19,999
Total Assistance Listing Number 93.889				38,896
Total U.S. Department of Health and Human Services				6,613,003
Total Expenditures of Federal Awards			\$ -	\$ 7,372,793

The accompanying notes are an integral part of this schedule.

### South Peninsula Hospital (A Component Unit of the Kenai Peninsula Borough)

#### Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

#### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of South Peninsula Hospital under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of South Peninsula Hospital, it is not intended to and does not present the financial position, changes in net position or cash flows of South Peninsula Hospital

#### 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### 3. Indirect Cost Rate

South Peninsula Hospital has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

### South Peninsula Hospital (A Component Unit of the Kenai Peninsula Borough)

#### Schedule of Findings and Questioned Costs Year Ended June 30, 2021

#### Section I - Summary of Auditor's Results Financial Statements Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified Internal control over financial reporting: Material weakness(es) identified? Yes Significant deficiency(ies) identified? X (none reported) Yes Noncompliance material to financial statements noted? Yes Federal Awards Internal control over major federal programs: Material weakness(es) identified? Yes Significant deficiency(ies) identified? Yes X (none reported) Type of auditor's report issued on compliance for major federal programs: Unmodified Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X no yes Identification of major federal programs: Assistance Listing Number Name of Federal Program or Cluster Agency 21.019 Coronavirus Relief Fund U.S. Department of the Treasury U.S. Department of Health and 93.498 **Human Services** Provider Relief Fund Dollar threshold used to distinguish between Type A and Type B programs: 750,000 Auditee qualified as low-risk auditee? yes X no

### South Peninsula Hospital (A Component Unit of the Kenai Peninsula Borough)

### Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2021

#### Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

#### Section III - Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in in 2 CFR 200.516(a)) that are required to be reported.



#### **MEMO**

Administration 4300 Bartlett Street Homer, AK 99603 907-235-0325 (f)907-235-0253

To: SPH Board of Directors

From: Beth Wythe, Governance Committee Chair

Date: January 21, 2022

Re: Slate of Officers, 2022

Per the Board of Directors Bylaws, Article IV Section 2, "At the annual meeting in the month of January each year, the officers shall be elected, all of whom shall be from among its own membership, and shall hold office for a period of one year."

The Governance Committee put forth a slate of officers, and an election was held during Executive Session. The results of the election will be announced in open session. A sample motion is provided below, but can be altered if changes are made during Executive Session.

Consideration to Approve the Board of Directors slate of officers for 2022 – Kelly Cooper as President, Melissa Jacobsen as Vice President, Julie Woodworth as Secretary and Walter Partridge as Treasurer



#### Board of Directors January 2022

NAME TITLE/INFO. TERM EXPIRES

Bernadette Wilson Homer, AK 99603	Director Appointed 11/2006 Occupation: Retired RN & Records Management	12/23
Julie Woodworth Homer, AK 99603	Director Appointed 03/2009 Occupation: Senior VP & Lending Manager	12/23
Matthew Hambrick Homer, AK 99603	Director Appointed 01/2010 Occupation: General Contractor	12/24
Kelly Cooper Homer, AK 99603	President Appointed 01/2021 Occupation: Business Owner	12/22
Aaron Weisser Homer, AK 99603	Director Appointed 01/2022 Occupation: Pastor	12/24
Beth Wythe Homer, AK 99603	Director Appointed 01/2020 Occupation: Human Resources/Administration	12/22
Keri-Ann Baker Homer, AK 99603	Director Appointed 03/2018 Occupation: Membership Director	12/23
Walter Partridge Homer, AK 99603	Director Appointed 06/2018 Occupation: Retired Telecommunications	12/22
Melissa Jacobsen Homer, AK 99603	Director Appointed 01/2019 Occupation: City Clerk	12/24
Todd Boling, DO Homer, AK 99603	Director – Physician Seat Appointed 02/2020 Occupation: Surgeon	12/24
Edson Knapp, MD Homer, AK 99603	Director – Physician Seat Appointed 03/2020 Occupation: Radiologist	12/22

#### **Committee Chairs / Liaisons:**

Finance Committee: Patient Centered Care Quality Committee:

Pension Committee: Medical Executive Committee:

Education Committee: SPH Foundation:

Governance Committee: Credentials Committee:

Board members may be reached by emailing: sphbod@sphosp.org



#### Board of Directors Committees & Board Liaisons 2022

#### **Board Committees**

Committee	Chair	Members
Education Committee	Melissa Jacobsen	Julie Woodworth, Bernie Wilson, Aaron Weisser, Keriann Baker
Finance Committee	Walter Partridge	Julie Woodworth, Kelly Cooper, Matt Hambrick, Edson Knapp
Pension Plan Committee	Walter Partridge	Julie Woodworth, Kelly Cooper, Matt Hambrick, Edson Knapp
Governance Committee	Aaron Weisser	Beth Wythe, Bernie Wilson, Melissa Jacobsen, Todd Boling

#### **Board Representatives / Liaisons**

Committee / Group	<b>Primary Board Representative</b>	<b>Alternate Board Representative</b>
Credentials Committee	Kelly Cooper	
SPH Foundation	Kelly Cooper	
Medical Executive Committee	Edson Knapp, MD & Todd Boling, DO	
Patient Centered Care Quality Committee	Keriann Baker & Bernie Wilson	

Introduced by: Date: Action: Vote: Administration January 20, 2022 Approved Yes - XX, No - X, Excused - X

#### SOUTH PENINSULA HOSPITAL BOARD RESOLUTION 2022-01

## A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS APPROVING CAPITAL REPAIRS OF THE PROPERTY LOCATED AT 203 WEST PIONEER AVENUE, HOMER AK 99603

**WHEREAS,** South Peninsula Hospital (the Hospital) recently purchased a medical office building located at 203 West Pioneer Avenue, Homer, AK 99603, KPB Parcel number: 17514304 which houses its Home Health Department, Functional Medicine, Surgical Clinic, and Staff Training room, and

**WHEREAS**, that building requires certain durable capital repairs to ensure long-term maintenance and protection of the physical property, and

**WHEREAS**, an inspection of the property was performed prior to purchase revealing the necessary repairs and a credit was provided by the seller toward the purchase price for half of the repair costs; and

WHEREAS, SPH Administration has obtained an estimate for the capital repairs required, and

**WHEREAS**, the necessary capital repairs were known at the time of the building's purchase and a mutually agreed upon purchase discount was negotiated between the buyer and seller, and

WHEREAS, the estimated costs of the repairs are approximately \$295,000; and

**WHEREAS**, the purchasing guidelines of the Kenai Peninsula Borough require that a formal Request for Proposal be issued for the aforementioned repairs; and

**WHEREAS,** South Peninsula Hospital currently has \$10 million in Unobligated Plant Replacement and Expansion Funds; and

**WHEREAS,** SPH Administration would like to use approximately \$147,500 in Unobligated Plant Replacement and Expansion Funds and \$147,500 in SPH Operating Cash to pay for these capital repairs: and

WHEREAS, the repairs were discussed at Finance Committee on January 20, 2022.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL:

- 1. That the South Peninsula Hospital Board of Directors approves the use of \$147,500 in Plant Replacement and Expansion Funds and \$147,500 in SPH Operating Cash to repair the property located at 203 West Pioneer Avenue, Homer, AK 99603.
- 2. That the South Peninsula Hospital Administration shall notify the Kenai Peninsula Borough Contract Administrator and Purchasing and Contracting Director and the South Kenai Peninsula Borough Service Area Board of this project.
  - 3. That the South Peninsula Hospital Board of Directors shall submit this request to the South Kenai Peninsula Borough Service Area Board with a recommendation to approve their appropriation request for the use of Unobligated Plant Replacement and Expansion Funds.
  - 4. That the South Peninsula Hospital Board of Directors shall request that the Borough Assembly appropriate \$147,500 of Unobligated Plant Replacement and Expansion Funds for the capital repairs of the property located at 203 W. Pioneer Ave, Homer, AK 99603.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA AT ITS MEETING HELD ON THIS 26th DAY OF JANUARY, 2022.

ATTEST:	
	Kelly Cooper, Board President
Melissa Jacobsen, Board Secretary	

#### Informal Estimate for Repairs:

Tenant: South Peninsula Hospital

 Bldg:
 203 West Pioneer Ave
 Total: SF
 0

 City:
 Homer AK 99603
 Cost per SF
 0.00

File: Exterior repairs

CSI NO.	ITEM OF WORK	QTY	•	UNIT	EXTENSION
				PRICE	
01010	Project management / Site supervision	8	WKS	1,250.00	10,000.00
01011	Misc. labor / Daily cleaning / Dust protection	8	WKS	550.00	4,400.00
01012	Off hours / Night work	8	WKS	450.00	3,600.00
01013	Material hauling and dump fees	8	WKS	225.00	1,800.00
01014	Equipment rental	8	WKS	450.00	3,600.00
01015	Roof - remove and dispose of metal roofing and over framing	1	LS	14,196.00	14,196.00
01016	Roof - remove and dispose of all roofing and insulation	1	LS	16,039.00	16,039.00
01017	Roof - new TPO roofing system see scope below	1	LS	76,721.00	76,721.00
01018	Roof - additional labor at rooftop mechanical units	4	EA	725.00	2,900.00
01019	Roof - plumbing (allowance for gas piping and vent modification)	1	LS	2,500.00	2,500.00
01020	Roof - electrical (allowance for demo and repairs)	1	LS	4,500.00	4,500.00
01021	Roof - allowance for new scuppers and roof drains	6	EA	1,350.00	8,100.00
01022	Roof - demo and patch skylights	2	EA	3,826.00	7,652.00
01023	Roof - material handling and crane fees	1	LS	2,500.00	2,500.00
01024	Gutters & down spouts (allowance)	1	LS	10,000.00	10,000.00
01025	Sidewalk - remove and dispose of 340lf of 4ft wide sidewalk	1	LS	17,369.00	17,369.00
01026	Sidewalk - remove soils, adjust grade and compact soils	1	LS	6,523.00	6,523.00
01027	Sidewalk - vapor barrier and 2" ridged foam board	1	LS	3,776.00	3,776.00
01028	Sidewalk - #4 rebar tied in a 24" grid pattern	1	LS	6,213.00	6,213.00
01029	Sidewalk - concrete materials hauling and placement	31	SY	165.00	5,115.00
01030	Sidewalk - labor for broom finish with control joints every 4ft	1	LS	8,695.00	8,695.00
01031	Sidewalk - asphalt protection and clean up	1	LS	1,500.00	1,500.00
01032	Sidewalk - allowance to demo and build ADA complaint ramp	1	LS	15,000.00	15,000.00
01033	Paint - touch up as needed to match existing	1	LS	3,525.00	3,525.00
01034	Electrical - heat wire, controls and pathway for new sidewalk	1	LS	13,500.00	13,500.00

SUB TOTAL		249,724.00
Contractors overhead	5.8%	14,483.99
Contractor fee	5.8%	14,483.99
Insurance	1.2%	2,996.69
Risk management	0.8%	1,997.79
TOTAL		\$283,686.46
IOIAL		Ψ <b>2</b> 03,000.40

Tenant: South Peninsula Hospital Bldg: 203 West Pioneer Ave

#### **ALTERNATE PRICING**

#### 1) Additional cost for AMC remediation and disposal

Add \$10,937.00 to the total above

<sup>~</sup> This cost covers all cost related to removal and disposal of roofing if it contains asbestos

<sup>~</sup> Includes all farwest markup and fees

#### **NOTES**

#### **General notes**

#### TPO roofing system

- ~ 6 mill plastic vapor barrier
- ~ R-38 ISO ridged insulation
- ~ 1/4" securock
- ~ 60mil TPO roofing

Electrical or lighting

- ~ run membrane to edge of roof and up and over all walls
- ~ all flashing and coping included
- ~ labor at roof drains and scuppers is included
- ~ clean up and disposal of all debris

#### **Exclusions**

Items not specifically indicated in scope
Building plans, permits, engineering and related fees
Utility company charges or fees
Hidden conditions not visible at time of walkthrough.
Testing or removal of any hazardous materials.
Building required subcontractors or vendors
Access control hardware, installation, pathways or programing
Sprinkler revisions
Fire alarm or control work
Moving, installation or disconnection of any medical equipment

### BYLAWS SOUTH PENINSULA HOSPITAL, INC.

#### ARTICLE I - NAME AND OBJECTIVES

#### Section 1.

The name of this corporation shall be South Peninsula Hospital, Inc., and its mailing address shall be 4300 Bartlett Street, Homer, Alaska 99603.

#### Section 2.

The name of the Board shall be the South Peninsula Hospital Board of Directors, and shall be referred to in these Bylaws as the Hospital Board.

#### Section 3.

The objective of the Hospital Board shall be to construct, maintain, and operate a hospital and authorized services in accordance with the laws and regulations of the State of Alaska and in fulfillment of our responsibility to the taxpayers and citizens of the South Kenai Peninsula Hospital Service Area. The Hospital Board shall be responsible for the control and operation of the Hospital and authorized services including the appointment of a qualified medical staff, the conservation and use of hospital monies, and the formulation of administrative policy.

#### **ARTICLE II - MEETINGS**

#### Section 1. Regular Meetings.

The Hospital Board shall hold <u>a-regular meetings each month</u>, with a minimum of ten (10) meetings a year. Meetings shall be held\_at South Peninsula Hospital or such other place as may be designated, or <u>virtually through telephonic or other electronic means</u>

#### Section 2. Special Meetings.

Special meetings may be called by the President, Vice-President, Secretary, or Treasurer, at the request of the Administrator, Chief of Staff, or three Board members. Members shall be notified of special meetings, the time, place, date, and purpose of said meeting. Notice will be given verbally or by email. A minimum of Forty-eight hour five days' notice shall be given to members except in the event of an emergency. [MII] Notice will be provided to borough clerk and posted on SPHI website.

#### Section 3. Quorum.

A quorum for the transaction of business at any regular, special, or emergency meeting shall consist of a majority of the seated members of the Hospital Board, but a majority of those present

shall have the power to adjourn the meeting to a future time. Attendance may be in person through telephonic or other electronic means. or telephonic [MJ2].

#### Section 4. Minutes.

All proceedings of meetings shall be permanently recorded in writing by the Secretary and distributed to the members of the Hospital Board and ex-officio members. Copies of minutes will be posted on the SPHI website and sent to the borough clerk for posting [MJ3].

#### **Section 5. Reconsideration:**

A member of the board of directors who voted with the prevailing side on any issue may move to reconsider the board's action at the same meeting or at the next regularly scheduled meeting. Notice of reconsideration can be made immediately or made within forty-eight hours from the time of the original action was taken by notifying the president or secretary of the board.

#### **Section 6. Annual Meeting.**

The annual meeting of the Board of South Peninsula Hospital, Inc. shall be held in January, at a time and place determined by the Board of Directors. The purpose of the annual meeting shall include election of officers and may include appointment of Board members.

#### **ARTICLE III - MEMBERS**

#### Section 1.

The Hospital Board shall consist of eleven (11) members. No more than three (3) members may reside outside of the Hospital Service Area. No more than two (2) seats members will may be designated physicians seats. [MJ4]

#### Section 2.

Appointments to the Hospital Board shall be made by the Hospital Board with an affirmative vote of the majority of the Board. Term of office shall be three (3) years with appointments staggered so that at least three members' terms will expire each year on December 31 [MJ5]. Members may be reappointed by an affirmative vote of the majority of the Board. Election shall be by secret ballot. Elections may be held by any electronic means that provides the required anonymity of the ballot.held by mail. [MJ6]

#### Section 3.

Vacancies created by a member no longer able to serve shall be filled by the procedure described in Section 2 for the unexpired term[c7]. Any member appointed to fill a vacant seat shall serve the remainder of the term for the seat the member has been appointed to fill.

#### Section 4.

Ex-officio, non-voting members of this Hospital Board shall be the Chief of Medical Staff and the Administrator.

#### Section 5.

Any Hospital Board member who is absent from two (2) consecutive regular meetings without prior notice may be replaced. In the event of sickness or circumstances beyond the control of the absent member, the absence may be excused by the President of the Board or the President's designee. Any Board member who misses over 50% of the Board meetings during a year may be replaced.

#### Section 6.

Censure of, or removal from the Board of any member shall require a 75% affirmative vote of the Board members.

#### Section 7.

No member shall commit the Hospital Board unless specifically appointed to do so by the Hospital Board, and the appointment recorded in the minutes of the meeting at which the appointment was made.

#### Section 8.

Hospital Board members will receive a stipend according to a schedule adopted by the board and outlined in Board Policy SM-12 Board Member Stipends.

#### **ARTICLE IV - OFFICERS**

#### Section 1.

The officers of the Hospital Board shall be a President, Vice-President, Secretary, and Treasurer.

#### Section 2.

At the annual meeting in the month of January each year, the officers shall be elected, all of whom shall be from among its own membership, and shall hold office for a period of one year.

#### Section 3.

President. The President shall preside at all meetings of the Hospital Board. The President may be an appointed member to any committee and shall be an ex-officio member of each committee. The President shall also be authorized to countersign checks in the absence of the Administrator or Treasurer. [MJ8]

#### Section 4.

**Vice-President**. The Vice-President shall act as President in the absence of the President, and when so acting, shall have all of the power and authority of the President.

#### Section 5.

In the absence of the President and the Vice-President, the members present shall elect a presiding officer.

#### Section 6.

Secretary. The Secretary shall be responsible for the minutes of the meetings and shall act as custodian of all records and reports and other duties as set forth by the Hospital Board\_in connection with SPH staff. The Secretary Sshall ensure be responsible for the posting of the agenda and minutes on the website and forwarded to forward to the borough clerk; The Secretary shall ensure that responsible to notification is provided toy the borough of for any changes in the board membership or officer assignments.

The secretary shall be responsible for the minutes of the meeting, act as custodian of all records and reports, ensure posting of the agenda and minutes on the website, ensure that notification is provided to the Kenai Peninsula Borough for any changes to bard membership or officer assignments, and other duties as set forth by the Hospital Board. These duties shall be performed in conjunction with SPH Hospital Staff assigned to assist the Board.

#### Section 7.

**Treasurer**. The Treasurer shall have charge and custody of, and be responsible to the Hospital Board for all funds, properties and securities of South Peninsula Hospital, Inc. in keeping with such directives as may be enacted by the Hospital Board.

#### **ARTICLE V - COMMITTEES**

#### Section 1.

The President shall appoint the number and types of committees consistent with the size and scope of activities of the hospital. The committees shall provide advice or recommendations to the Board as directed by the President. The President may appoint any person including, but not

limited to, members of the Board to serve as a committee member. Only members of the Board will have voting rights on any Board committee. All appointments shall be made a part of the minutes of the meeting at which they are made.

#### Section 2.

Committee members shall serve without remuneration. Reimbursement for out-of-pocket expenses of committee members may be made only by hospital Board approval through the Finance Committee.

#### Section 3.

Committee reports, to be presented by the appropriate committee, shall be made a part of the minutes of the meeting at which they are presented. Substance of committee work will be fully disclosed to the full board.

#### **ARTICLE VI - ADMINISTRATOR**

#### Section 1.

The Administrator shall be selected by the Hospital Board to serve under its direction and be responsible for carrying out its policies. The Administrator shall have charge of and be responsible for the administration of the hospital.

#### Section 2.

The Administrator shall supervise all business affairs such as the records of financial transactions, collection of accounts and purchases, issuance of supplies, and to <a href="insure ensure">insure ensure</a> that all funds are collected and expended to the best possible advantage. All books and records of account shall be maintained within the hospital facilities and shall be current at all times.

#### Section 3.

The Administrator shall prepare an annual budget showing the expected receipts and expenditures of the hospital.

#### Section 4.

The Administrator shall prepare and submit a written monthly report of all expenses and revenues of the hospital, preferably in advance of meetings. This report shall be included in the minutes of that meeting. Other special reports shall be prepared and submitted as required by the Hospital Board.

#### Section 5.

The Administrator shall appoint a Medical Director of the Long Term Care Facility. The Medical Director shall be responsible for the clinical quality of care in the Long Term Care Facility and shall report directly to the Administrator.

#### Section 6.

The Administrator shall serve as the liaison between the Hospital Board and the Medical Staff.

#### Section 7.

The Administrator shall prepare a personnel manual provide a Collective Bargaining Agreement to the which must be approved by the Hospital Board for approval. [MJ10]

#### Section 8.

The Administrator shall see that all physical properties are kept in a good state of repair and operating condition.

#### Section 9.

The Administrator shall perform any other duty that the Hospital Board may assign.

#### Section 10.

The Administrator shall be held accountable to the Hospital Board in total and not to individual Hospital Board members.

#### ARTICLE VII - MEDICAL STAFF

The Hospital Board will appoint a Medical Staff in accordance with these Bylaws, the Medical Staff Development Plan, and the Bylaws of the Medical Staff approved by the Hospital Board. The Medical Staff will operate as an integral part of the hospital corporation and will be responsible and accountable to the Hospital Board for the discharge of those responsibilities delegated to it by the Hospital Board from time to time. The delegation of responsibilities to the Medical Staff under these Bylaws or the Medical Staff Bylaws does not limit the inherent power of the Hospital Board to act directly in the interests of the Hospital.

#### Section 1.

The Hospital Board has authorized the creation of a Medical Staff to be known as the Medical Staff of South Peninsula Hospital. The membership of the Medical Staff will be comprised of all

practitioners who are eligible under Alaska state law and otherwise satisfy requirements established by the Hospital Board\_Membership in this organization shall not be limited to physicians only. Membership in this organization is a prerequisite to the exercise of clinical privileges in the Hospital, except as otherwise specifically provided in the Medical Staff Bylaws. The Medical Staff organization, and its members will be responsible to the Hospital Board for the quality of patient care practiced under their direction and the Medical Staff will be responsible for the ethical and clinical practice of its members.

The Chief of Staff will be responsible for regular communication with the Hospital Board.

#### Section 2.

The Hospital Board delegates to the Medical Staff its responsibility to develop Bylaws, Rules and Regulations for the internal governance and operation of the Medical Staff. Neither will be effective until approved by the Hospital Board.

The following purposes and procedures will be incorporated into the Bylaws and Rules and Regulations of the Medical Staff:

- 1. The Bylaws and Rules and Regulations of the Medical Staff will state the purposes, functions and organization of the Medical Staff and will set forth the policies by which the Professional Staff exercises and accounts for its delegated authority and responsibilities.
- 2. The Medical Staff Bylaws will require adherence to an identified code of behavior within the Hospital. The Bylaws will state that the ability to work harmoniously and cooperatively with others is a basic requirement for initial appointment and reappointment. Such Bylaws will state that appointment and reappointment is subject to compliance with Medical Staff Bylaws and Hospital Board Bylaws.
- 3. The Medical Staff Bylaws or Rules and Regulations will clearly define a regular method of quality assessment if not established by Hospital Board policy.

#### Section 3.

The following tenets will be applicable to Medical Staff membership and clinical privileges:

- The Hospital Board delegates to the Medical Staff the responsibility and authority to
  investigate and evaluate matters relating to Medical Staff membership, clinical privileges,
  behavior and disciplinary action, and will require that the Medical Staff adopt, and
  forward to the Hospital Board, specific written recommendations with appropriate
  supporting documentation that will allow the Hospital Board to take informed action
  when necessary.
- 2. Final actions on all matters relating to Medical Staff membership, clinical privileges, behavior and disciplinary action will generally be taken by the Hospital Board following consideration of Medical Staff recommendations. However, the Hospital Board has the

- right to directly review and act upon any action or failure to act by the Medical Staff if, in the opinion of the Hospital Board, the Medical Staff does not or is unable to carry out its duties and responsibilities as provided in the Medical Staff Bylaws.
- 3. In acting on matters involving granting and defining Medical Staff membership and in defining and granting clinical privileges, the Hospital Board, through the Medical Staff Development Committee, will consider the Medical Staff Development [MJII] Plan, the Medical Staff's recommendations, the supporting information on which such recommendations are based, and such criteria as are set forth in the Medical Staff Bylaws. No aspect of membership nor specific clinical privileges will be limited or denied to a practitioner on the basis of sex, race, age, color, disability, national origin, religion, or status as a veteran.
- 4. The terms and conditions of membership on the Medical Staff and exercise of clinical privileges will be specifically described in the notice of individual appointment or reappointment.
- 5. Subject to its authority to act directly, the Hospital Board will require that any adverse recommendations or requests for disciplinary action concerning a practitioner's Medical Staff appointment, reappointment, clinical unit affiliation, Medical Staff category, admitting prerogatives or clinical privileges, will follow the requirements set forth in the Medical Staff Bylaws.
- 6. From time to time, the Hospital Board will establish professional liability insurance requirements that must be maintained by members of the Medical Staff as a condition of membership. Such requirements will be specific as to amount and kind of insurance and must be provided by a rated insurance company acceptable to the Hospital Board.

#### **ARTICLE VIII - AUTHORIZATION OF INDEBTEDNESS**

#### Section 1. Indebtedness.

It shall require seventy five percent (75%) of the entire Hospital Board to commit funds beyond current income, cash available, and appropriations of the current budget.

#### **ARTICLE IX - AMENDMENTS**

#### Section 1.

The Bylaws may be altered, amended, or repealed by the members at any regular or special meeting provided that notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal and that said proposed alteration, amendment, or repeal shall be read at two meetings prior to a vote.

#### Section 2.

An affirmative vote of seventy-five percent (75%) of the entire membership shall be required to ratify amendments, alterations or repeals to these Bylaws.

#### Section 3.

These Bylaws shall be reviewed at the annual meeting.

#### ARTICLE X - ORDER OF BUSINESS

#### Section 1.

The order and conduct of business at all meetings of the Hospital Board shall be governed by Roberts Rules of Order Revised, except when provided otherwise in these Bylaws.

#### **ARTICLE XI - INDEMNIFICATION**

#### Section 1.

The corporation shall indemnify every person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a board member, director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust of other enterprise, against expenses (including attorneys' fees), judgment, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contender or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

#### Section 2.

The corporation shall indemnify every person who has or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a board member, director, officer, employee or agent of the corporation, partnership, joint venture, trust of other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with

the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper.

#### Section 3.

To the extent that a board member, director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections 1 and 2 hereof, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

#### Section 4.

Any indemnification under subsections 1 and 2 hereof (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the board member, director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections 1 and 2 hereof. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceedings, or (b) if such quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

#### Section 5.

Expenses incurred in defending a civil or criminal action, suit, or proceeding may be applied by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the manner provided in subsection 4 upon receipt of any undertaking by or on behalf of the board member, director, officer, employee or agent, to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this section.

#### Section 6.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any resolution adopted by the members after notice, both as to action in his official capacity and as to action in another capacity while holding office, and shall continue as to a person who has ceased to be a board member, director, officer,

employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

- Adopted by the South Peninsula Hospital Board of Directors January 22\_\_\_, 20202022.
- Adopted by the South Peninsula Hospital Board of Directors January 22, 2020.
- Thomas Clark, President
- Melissa Jacobsen, Secretary

#### **South Peninsula Hospital**

#### Hospital Board of Trustees Balanced Scorecard Report Fourth Quarter Calendar 2021 (Oct, Nov, Dec)

Overall Indicators	Currently Reported	Target	n	Note
Medicare.gov Care Compare Overall Star Rating (Hospital)	N/A	5		Too few outcome measures calculated
Medicare.gov Care Compare Patient Survey Star Rating (Hospital)	N/A	5		Less than 100 respondents
Medicare.gov Care Compare Overall Star Rating (Nursing Home)	5	5		
The Chartis Group - iVantage Health Analytics Index Rank	70.9	75		
2018 - 82.1 2019 - 34.6 2020-74.7				
Clinical and Service Excellence (Publicly Reported on Care Compare)	4th Q 2021	Target	n	Note: Target = National Average; n=Sample Size/Denominator
Appropriate care for severe sepsis and septic shock	N/A	>57%		Q3-2020 - Q4-2020
Measures the percentage of patients who received appropriate care for severe sepsis and septic shock				Q3-2020: 75%; Q4-2020: 67%; Q1-2021: 67%; Q2-2021: 75%
Elective Deliveries	N/A	<3%		Q3-2020 - Q4-2020
% of deliveries induced <39 weeks gestation without medical cause.				# inductions <39week gestation/# of deliveries <39 weeks gestation - exceptions
Quality and Patient Safety	4th Q 2021	Target	n	Note
Patient Fall Rate AC / injurous fall rate	1.8 / 0	0	1086	# of patient falls / # patient days x 1000
Measures the number of patient falls per 1,000 patient days				n = IP, observations and swing bed patient days.
Resident Fall Rate LTC / injurous fall rate	3.9 / 0.6	2	1541	# of resident falls / # resident days x 1000
Measures the number of resident falls per 1,000 patient days				
Medication Errors that Reached the Patient / Resident	0	0		
Measures the number of reported medication errors causing patient harm or death.				Classified according to the National Coordinating Council for Medication Error Reporting and Prevention/CMS
Never Events	0	0		
Measures the number of errors in medical care that are clearly identifiable, preventable and serious in their consequences as defined by CMS and NQF				
COVID-19 Vaccination Rate	71%	100%		
Total number of staff fully vaccinated (1 or 2 dose initial series complete). Vaccination rate includes students/volunteers, contractors, and travelers				Q1-2021: 55%; Q2-2021: 60%; Q3-2021: 68%

Quality and Patient Safety	4th Q 2021	Target	n	Note
All Cause Readmission Measures	2%	<15%	1086	
Subsequent inpatient admission which occurs within 30 days of the discharge date				# of patients with unplanned readmission within 30 days of discharge - exclusions/Eligible discharges.
Outpatient Clinic Quality	38.77	40		
Merit-Based Incentive Payment System (MIPS) Cross-departmental Quality Score				
CT/MRI Criteria Met for Patient Stroke	100%	>72%		Q2-2021 (most recent evaluated period)
Percentage of patients who came to ED w/Stroke symptoms and received CT/MRI within 45 minutes of arrival.				Numerator = CT/MRI within 45 min; documented last known well. Denominator = Patients with Stroke
Medical Staff Alignment	4th Q 2021	Target	n	Note
Provider Satisfaction Percentile	74th	75th		
Measures the satisfaction of physician respondents as indicated by Press Ganey physician survey results. Measured as a percentile.				Result of provider survey 2021
Employee Engagement	4th Q 2021	Target	n	Note: Comparison to national CAHPS database
Employee Satisfaction Percentile	70th	75th		
Measures the satisfaction of staff respondents as indicated in Press Ganey staff survey results Measured as a percentile.				Result of employee survey 2021
Patient Satisfaction Through Press Ganey	4th Q 2021	Target	n	Note: Comparison to national CAHPS database
Inpatient Percentile	67th	75th	42	
Measures the satisfaction of inpatient patient respondents. Measures as a percentile.				Q2-2021: 41st, n=37 Q3-2021: 55th, n=32
Outpatient Percentile	28th	75th	289	
Measures the satisfaction of outpatient patient respondents. Measures as a percentile.				Q2-2021: 38th, n =260 Q3-2021: 43th, n =228
<b>Emergency Department Percentile</b>	98th	75th	48	
Measures the satisfaction of emergency patient respondents. Measures as a percentile.				Q2-2021: 97th, n =59 Q3-2021: 85th, n =86
Medical Practice Percentile	81st	75th	475	
Measures the satisfaction of patient respondents at SPH Clinics.  Measures as a percentile.				Q3-2021: 63rd, n =510 Q4-2021: 79th, n =494
Ambulatory Surgery Percentile	16th	75th	44	
Measures the satisfaction of ambulatory surgery patient respondents.  Measures as a percentile.				Q2-2021: 86th, n =66 Q3-2021: 17th, n =65
Home Health Care Percentile	24th	75th	29	*Running 12 months due to low quarterly returns
Measures the satisfaction of Home Health Care clients (or family)				Q2-2021: 19th, n = 30 Q3-2021: 39th, n = 28

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Patient Satisfaction Through Press Ganey	4th Q 2021	Target	n	Note : Comparison to national CAHPS database
HCAHPS	80th	75th	40	
Hospital Consumer Assessment of Healthcare Providers and Services Hospital Rating 0-10 Press Ganey National Ranking				Q2-2021: 16th, n=37 Q3-2021: 56th, n-32
Workforce	4th Q 2021	Target	n	Note
Turnover: All Employees	2.08%	3.75%	21	
Percentage of all employees separated from the hospital for any reason				11 Terminations/527 Total Employees
Turnover: Voluntary All Employees	1.89%	3.50%	17	
Measures the percentage of voluntary staff separations from the hospital				10 Voluntary Terminations/527 Total Employees
First Year Total Turnover	3.0%	5%	7	
Measures the percentage of staff hired in the last 12 months and who separated from the hospital for any reason during the quarter.				3 New Staff Terminated in Q4/100 Total New Hires from 1/1/2021-12/31/2021
Information System Solutions	4th Q 2021	Target	n	Note:
Promoting Interoperability (PI) Compliance				Points assigned based on satisfaction of measures
Eligible hospital (EH): hospital-based measures for inpatient and observation stays.	65	>50		CMS score 50 and above = pass
e-Prescribing: Electronic Prescribing (Rx)	7	10		
Health Information Exchange: Support Electronic Referral Loops by receiving and incorporating health information	10	20		
HIE: Support Electronic Referral Loops by sending health information (Summary of Care sent)	4	20		
Provider to patient exchange: Provide patients electronic access to their health information (timely access via the patient portal)	34	40		
Public Health & Clinical Data Exchange	10	10		
MIPS Promoting Interoperability Score	100%	75%		
PI score for Providers (tracking is Athena - OP Clinic services)				Scoring tabulated as a running, annual score. **Promoting Interoperability (PI) score not yet calculated for 2021.**
EMR (Electronic Medical Record) Adoption	5	5		
Health Information Management & Systems Society (HIMSS) Electronic Medical Record Adoption Model (EMRAM) stage.				The current US average is 2.4 out of a possible 7.0 stages. Stage 6 and 7 require site visit validation.
IT Security Awareness Training Complete Rate	94%	100%		
% of employees who have completed assigned training				

Financial Health	4th Q 2021	Target	n	Note
Operating Margin	-18.20%	0.1%		
Measures the surplus (deficit) of operating income over operating expenses as a percentage of net patient service revenue for the quarter.				Target is based on budgeted operating margin for the period.
Adjusted Patient Discharges	954.16	910.52		
Measures the number of patients discharged, adjusted by inpatient revenues for the quarter divided by (inpatient + outpatient revenues).				Long-term care revenues and discharges are not included in this measure.
Net Revenue Growth	8.7%	11.6%		
Measures the percentage increase (decrease) in net patient revenue for the quarter compared to the same period in the prior year.				Target is based on budgeted net patient service revenue for the period compared to net patient service revenue for the same period in prior year.
Full Time Equivalents (FTEs) per Adjusted Occupied Bed	8.55	9.39		
Measures the average number of staff FTEs per adjusted occupied bed for the quarter.				Target is based on budgeted paid hours (FTE) divided by (budg gross patient revenue/budg gross inpatient rev) X budgeted average daily census for the quarter.
Net Days in Accounts Receivable	62.6	55		
Measures the rate of speed with which the hospital is paid for health care services.				
Cash on Hand	83	90		
Measure the actual unrestricted cash on hand (excluding PREF and Service Area) that the hospital has to meet daily operating expenses.				Cash available for operations based average daily operating expenses during the quarter less depreciation for the quarter.
Uncompensated Care as a Percentage of Gross Revenue	1.6%	3-4.7%		
Measures bad debt & charity write offs as a percentage of gross patient service revenue				Target is based on industry standards
Surgical Case Growth	-12.2%	-1.0%		
Measures the increase (decrease) in surgical cases for the quarter compared to the same period in the prior year.				Target is based on budgeted surgeries abouve actual from same quarter prior year
Intense Market Focus to Expand Market Share	4th Q 2021	Target	n	Note
Outpatient Revenue Growth	5%	6%		
Measures percentage increase (decrease) in outpatient revenue for the quarter, compared to the same period in the prior year.				Target is based on budgeted outpatient revenue for the period compared to outpatient revenue for the same period in the prior year.



# MINUTES Board Governance Committee Meeting 1:00 PM - Thursday, January 20, 2022

Zoom

The Board Governance Committee of the South Peninsula Hospital was called to order on Thursday, January 20, 2022, at 1:00 PM, via Zoom, with the following members present:

PRESENT: Chair Beth Wythe, Bernadette Wilson, Keriann Baker, Aaron Weisser, Kelly

Cooper, Ryan Smith, Maura Jones

#### 1. CALL TO ORDER / REVIEW OF AGENDA & MINUTES

#### 1.1. Approval of minutes from November 18, 2021

The minutes were approved as presented.

#### 2. ITEMS

#### 2.1. Review SM-08 Committee Responsibilities / Policy Review Plan 2022-23

The committee reviewed proposed changes to SM-08, Committee Responsibilities. The proposed language allows for biannual review of policies, instead of annual review. Everyone was also in favor of biannual review of the bylaws, though it was also mentioned that an annual review could be achieved by putting the bylaws on the consent agenda each January, while a more indepth review could be done biannually or as needed. Maura will research whether there is a requirement for annual bylaw review. If a change to biannual bylaw review is made, it will require a change in the bylaws.

The committee supports moving this policy to the full Board for initial review under Governance Report, as amended.

#### 2.2. CEO Evaluation Plan

The CEO evaluation process is behind schedule, according to the new schedule established last year. The committee agreed to discuss the CEO Evaluation in February so the process feels less rushed, and work on a better process for the next year. Kelly requested more information be provided next year, like the prior year's evaluation, goals from the prior year and goals for the coming year.

The CEO Evaluation Subcommittee - Walt, Keriann, Beth and Kelly - will meet in Phoenix to discuss the CEO evaluation. Maura will assist Beth with setting this up. Committee makeup changes to the 2022 membership in February, so Aaron will take over as Governance Committee Chair. Aaron may choose to have the Governance Committee meeting at the regularly scheduled time in

February, to hear report from the CEO Evaluation subcommittee and continue policy work.

Maura has created a calendar for 2022 with all the steps involved in CEO evaluation that should help keep us on track.

#### 2.3. Board of Directors Bylaws Revisions

FYI: one change recommended by Melissa Jacobsen. No change to substance, just revision of language for clarity. See section on "Board Secretary"

The committee reviewed the one suggestion made by Melissa Jacobsen and supported the change. Bernadette noted a missing period. The committee supported adding this change to the changes already proposed when the bylaws are brought to the Board for second reading this month. They also supported adding the change to biannual bylaw review, if indicated in further research.

#### 3. DISCUSSION

At Bernadette's request, Maura will reach out to Melissa Jacobsen, and the borough secretary if necessary, to determine if the bylaw changes needed to be read into the record for the minutes. Bernie believes they were advised to do this in the past.

#### 4. ADJOURNMENT

The meeting was adjourned at 1:57pm.



Administration 4300 Bartlett Street Homer, AK 99603 907-235-0325 ~ 907-235-0253 fax

#### **CONFIDENTIALITY AGREEMENT**

I,obtained regarding patients and/or physicians confidential obtained during the course of this job with persons outside Hospital and its representatives any liability arising from	e the hospital. I release South Peninsula
Signature	Date

#### **Guidelines for Practicing Confidentiality**

- Patients should not be discussed at breaks or meal times.
- Patients should not be discussed with health care workers not directly involved in their care.
- Medical and nursing records should not be left at any location where they can be seen by unauthorized personnel.
- Patients must give permission for information (such as diagnosis) to be revealed to anyone. A patient may withdraw permission at any time.
- Patients should not be discussed where information can be overheard by visitors.
- When a patient is your neighbor or friend, you should be particularly careful not to reveal any information to mutual friends.
- No information about patients should be revealed to reporters, press, or media.
- Interviews with confused or disoriented patients are not permitted without family and/or physician's permission.

South Peninsula	SUBJECT: Conflict of Interest	POLICY #: SM-01
Hospital		<b>Page 1</b> of <b>1</b>
Scope: Board of Directors		Original Date: 9/24/03
Approved by: Board of Directors		Effective: 8/25/21
<b>Revised:</b> 5/28/08; 11/16/11; 3/4/19; 8/25/21		Revision Responsibility:
Reviewed: N/A		Board of Directors

#### **PURPOSE:**

Compliance requirements for Board members to report potential or actual conflicts of interest.

#### **DEFINITION(S):**

N/A

#### **POLICY:**

- A. Board service carries with it a requirement of loyalty and fidelity to the hospital. It is the responsibility of the members of the board to govern the hospital's affairs honestly and economically, exercising their best care, skill, and judgment for the benefit of the hospital.
- B. Any duality of interest or possible conflict of interest can best be handled through full disclosure of such interest, together with abstention from any vote where the interest is involved.

#### PROCEDURE:

- The board has identified potential conflict of interest situations in the "Conflict of Interest Questionnaire."
   Candidates for appointment shall complete the questionnaire prior to appointment. Responses to the questionnaire will be considered by the board when evaluating candidates.
- 2. Any duality of interest or possible conflict of interest on the part of board members will be disclosed to the other members of the board and made a matter of record, annually or when the interest becomes a matter of board action. Members will file a Conflict of Interest Questionnaire at the Annual Meeting each January.
- 3. Any board member having a duality of interest or possible conflict of interest on any matter will not vote or use his/her personal influence on the matter. He/she will not be counted in determining the quorum for the vote and must leave the room prior to the vote. The minutes of the meeting will reflect that a disclosure was made, the abstention from voting, and the guorum situation.
- 4. The foregoing requirements will not be construed as preventing the board member from stating his/her position in the matter, nor from answering pertinent questions of other board members, since his/her knowledge may be of assistance.

#### **ADDITIONAL CONSIDERATIONS:**

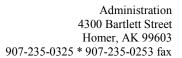
N/A

#### REFERENCE(S):

1. IRS Form 990

#### **CONTRIBUTORS:**

Governance Committee, Board of Directors





# South Peninsula Hospital, Inc. Board of Directors Conflict of Interest Questionnaire

Name:	Title:			
Please c	circle one answer for each of the following questions:			
1.	Are you a voting member of the SPHI Board?	Yes	No	
2.	Were you employed by SPH during the year ended?	Yes	No	
3.	3. If you answered yes to question 2, did that compensation exceed \$10,000 during the organization's tax year?			
4.	Did you receive any expense reimbursements from SPHI during the year ended?	Yes	No	
5.	5. If you answered "yes" to question 4, did total expense reimbursements exceed \$10,000 for the year ended June 30, 2018			
6.	Were you an officer or employee of any related organization during the year ended	Yes	No	
7.	If you answered "yes" to question 6, please list the related organization(s) here:			
8.	Were you or a family member involved in any <i>direct or indirect transactions</i> <sup>2</sup> with SPHI during the organization's tax year?	Yes	No	
9.	If you answered "yes" to question 8, please describe the transactions below:			
	Are you aware of any conflicts of interest or the appearance of any conflicts of interest?  If you answered "yes" to question 10, please describe the conflict below:	Yes	No	
relationshi <sup>2</sup> Direct or transaction	indirect transactions which are reportable on Form 990, Schedule L includes loans, excess benefit transactions <sup>3</sup> , grant	ts assistance of		
Signatur	Date			



#### Conflict of Interest Definitions

#### 1. OUTSIDE INTERESTS

- To hold directly or indirectly, a position or a material financial interest in any outside concern from which the individual has reason to believe the hospital secures goods or services (including the services of buying or selling stocks, bonds, or other securities) or that provides services competitive with the hospital.
- To compete, directly or indirectly, with the hospital in the purchase or sale of property or property rights, interests or services.

#### 2. INVESTMENTS

• With respect to yourself or your immediate family, all investments, other than publicly traded securities, that might be within the category of "a material financial interest".

#### 3. OUTSIDE ACTIVITIES

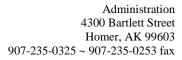
To render directive, managerial, or consultative services to any outside concern that does
business with, or competes with, the services of the hospital or to render other services in
competition with the hospital.

#### 4. GIFTS, GRATUITIES AND ENTERTAINMENT

• To accept gifts, excessive entertainment, or other favors from any outside concern that does, or is seeking to do, business with, or is a competitor of, the hospital – under circumstances from which it might be inferred that such action was intended to influence or possibly would influence the individual in the performance of his/her duties. This does not include the acceptance of items of nominal or minor value that are clearly tokens of respect or friendship and not related to any particular transaction or activity of the hospital.

#### 5. INSIDE INFORMATION

Using or disclosing information relating to the hospital's business for personal profit or
advantage of the individual or his immediate family. Full disclosure of any situation in doubt
should be made so as to permit an impartial and objective determination. It should be
particularly noted that disclosure relates not only to yourself but also to your immediate family.





#### Dear Board Member,

In order for South Peninsula Hospital to bill the Centers for Medicare and Medicaid Services for the services we provide, all individuals with managing control (board members) must supply CMS with personal information. This information is only used for the purposes of CMS and is kept secure and confidential in the Administration office.

The main purpose of 855 form is to make it possible to enforce Medicare and Medicaid exclusion provisions of 42 U.S.C. § 1320a-7. It provides for mandatory exclusion from participation in Medicare and Medicaid for certain offenses and permissive exclusion for other offenses and events.

Please fill out the form below	v and return to	Administration.			
Thank you,					
Governance Committee					
Excerpted from CMS-855A					
Ownership Interest and/or M	anaging Contr	rol Information			
First Name	M.I.	Last Name		Jr., Sr., etc.  State/Country of Birth	
Social Security Number		ate of Birth	State/Country		
Has the individual listed abo action listed on the following			or business identity	, ever had an adverse lega	
☐ YES – Continue Below	□ NO – S	kip Section Below and Si	gn		
If YES, report each adverse body that imposed the action	•		ral or State agency	or the court/administrativ	
Attach a copy of the adverse	legal action d	ocumentation and resoluti	on.		
Adverse Legal Action	Date	Taken By	Resol	ution	
			<u> </u>		
Signature					
I affirm that the above is true	and correct to	o the hest of my knowledg	re:		

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#### **SECTION 3: ADVERSE LEGAL ACTIONS/CONVICTIONS**

This section captures information on adverse legal actions, such as convictions, exclusions, revocations, and suspensions. All applicable adverse legal actions must be reported, regardless of whether any records were expunged or any appeals are pending. If you are uncertain as to whether an action falls within one of the adverse legal action categories or whether a name reported on this application has an adverse legal action, query the Healthcare Integrity and Protection Data Bank. For information on how to access the Data Bank, call 1-800-767-6732 or visit www.npdb-hipdb.com. There is a charge for using this service.

#### **Convictions**

- 1. The provider, supplier, or any owner of the provider or supplier was, within the last 10 years preceding enrollment or revalidation of enrollment, convicted of a Federal or State felony offense that CMS has determined to be detrimental to the best interests of the program and its beneficiaries. Offenses include: Felony crimes against persons and other similar crimes for which the individual was convicted, including guilty pleas and adjudicated pre-trial diversions; financial crimes, such as extortion, embezzlement, income tax evasion, insurance fraud and other similar crimes for which the individual was convicted, including guilty pleas and adjudicated pre-trial diversions; any felony that placed the Medicare program or its beneficiaries at immediate risk (such as a malpractice suit that results in a conviction of criminal neglect or misconduct); and any felonies that would result in a mandatory exclusion under Section 1128(a) of the Act.
- 2. Any misdemeanor conviction, under Federal or State law, related to: (a) the delivery of an item or service under Medicare or a State health care program, or (b) the abuse or neglect of a patient in connection with the delivery of a health care item or service.
- 3. Any misdemeanor conviction, under Federal or State law, related to theft, fraud, embezzlement, breach of fiduciary duty, or other financial misconduct in connection with the delivery of a health care item or service.
- 4. Any felony or misdemeanor conviction, under Federal or State law, relating to the interference with or obstruction of any investigation into any criminal offense described in 42 C.F.R. Section 1001.101 or 1001.201.
- 5. Any felony or misdemeanor conviction, under Federal or State law, relating to the unlawful manufacture, distribution, prescription, or dispensing of a controlled substance.

#### **Exclusions, Revocations or Suspensions**

- 1. Any revocation or suspension of a license to provide health care by any State licensing authority. This includes the surrender of such a license while a formal disciplinary proceeding was pending before a State licensing authority.
- 2. Any revocation or suspension of accreditation.
- 3. Any suspension or exclusion from participation in, or any sanction imposed by, a Federal or State health care program, or any debarment from participation in any Federal Executive Branch procurement or non-procurement program.
- 4. Any current Medicare payment suspension under any Medicare billing number.
- 5. Any Medicare revocation of any Medicare billing number.

70165401 07/2010 Page 2 of 3

#### MEDICARE SUPPLIER ENROLLMENT APPLICATION PRIVACY ACT STATEMENT

The Centers for Medicare and Medicaid Services (CMS) is authorized to collect the information requested on this form by Sections 1124(a)(1), 1124A(a)(3), 1128, 1814, 1815, 1833(e), and 1842(r) of the Social Security Act [42 U.S.C. §§ 1320a-3(a)(1), 1320a-7, 1395f, 1395g, 1395(l)(e), and 1395u(r)] and Section 31001(1) of the Debt Collection Improvement Act [31 U.S.C. § 7701(c)].

The purpose of collecting this information is to determine or verify the eligibility of individuals and organizations to enroll in the Medicare program as suppliers of goods and services to Medicare beneficiaries and to assist in the administration of the Medicare program. This information will also be used to ensure that no payments will be made to providers who are excluded from participation in the Medicare program. All information on this form is required, with the exception of those sections marked as "optional" on the form. Without this information, the ability to make payments will be delayed or denied.

The information collected will be entered into the Provider Enrollment, Chain and Ownership System (PECOS). The information in this application will be disclosed according to the routine uses described below.

Information from these systems may be disclosed under specific circumstances to:

- 1. CMS contractors to carry out Medicare functions, collating or analyzing data, or to detect fraud or abuse;
- 2. A congressional office from the record of an individual health care provider in response to an inquiry from the congressional office at the written request of that individual health care practitioner;
- 3. The Railroad Retirement Board to administer provisions of the Railroad Retirement or Social Security Acts;
- 4. Peer Review Organizations in connection with the review of claims, or in connection with studies or other review activities, conducted pursuant to Part B of Title XVIII of the Social Security Act;
- 5. To the Department of Justice or an adjudicative body when the agency, an agency employee, or the United States Government is a party to litigation and the use of the information is compatible with the purpose for which the agency collected the information;
- 6. To the Department of Justice for investigating and prosecuting violations of the Social Security Act, to which criminal penalties are attached;
- 7. To the American Medical Association (AMA), for the purpose of attempting to identify medical doctors when the Unique Physician Identification Number Registry is unable to establish identity after matching contractor submitted data to the data extract provided by the AMA;
- 8. An individual or organization for a research, evaluation, or epidemiological project related to the prevention of disease or disability, or to the restoration or maintenance of health;
- 9. Other Federal agencies that administer a Federal health care benefit program to enumerate/enroll providers of medical services or to detect fraud or abuse;
- 10. State Licensing Boards for review of unethical practices or non-professional conduct;
- 11. States for the purpose of administration of health care programs; and/or
- 12. Insurance companies, self insurers, health maintenance organizations, multiple employer trusts, and other health care groups providing health care claims processing, when a link to Medicare or Medicaid claims is established, and data are used solely to process supplier's health care claims.

The enrolling supplier should be aware that the Computer Matching and Privacy Protection Act of 1988 (P.L. 100-503) amended the Privacy Act, 5 U.S.C. § 552a, to permit the government to verify information through computer matching.

#### **Protection of Proprietary Information**

Privileged or confidential commercial or financial information collected in this form is protected from public disclosure by Federal law 5 U.S.C. § 552(b)(4) and Executive Order 12600.

#### Protection of Confidential Commercial and/or Sensitive Personal Information

If any information within this application (or attachments thereto) constitutes a trade secret or privileged or confidential information (as such terms are interpreted under the Freedom of Information Act and applicable case law), or is of a highly sensitive personal nature such that disclosure would constitute a clearly unwarranted invasion of the personal privacy of one or more persons, then such information will be protected from release by CMS under 5 U.S.C. §§ 552(b)(4) and/or (b)(6), respectively.

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