

RESILIENCE

If there was a word to characterize Hospice of Michigan in 2015, it would be *resilience*.

Facing increased competitive impact from the growth of for-profit hospice providers, combined with our commitment to a mission that compels us to serve the most complex and expensive patients, we challenged our leadership to ensure our operations remained efficient and focused on delivering the quality, innovative care that sets HOM apart. While this process resulted in a minor workforce reduction, it was concentrated within HOM's administrative functions and had no impact care at the bedside.

The second half of the year was marked by the realization of several key goals identified in HOM's long-term strategic plan including:

- A transformative gift from the Samuel and Jean Frankel Foundation to establish the Jo Elyn Nyman Anchors Programs for Children. This gift significantly expands HOM's pediatric hospice, palliative support and research programs statewide. Jo Elyn's generous gift is also helping to develop the Center for Pediatric Research and Education, a first-of-its kind facility under the Hospice of Michigan Institute umbrella.
- The announcement of an affiliation with Arbor Hospice, making our combined nonprofit organizations the largest provider of comprehensive hospice and palliative care in the state. The affiliation is already producing financial benefits by sharing many operational expenses, allowing us to dedicate precious resources to patients' bedsides.

This affiliation is the first step toward our goal to preserve, protect and grow the non-profit hospice mission. While we expect 2016 will be a year of transition as the integration with Arbor proceeds, our long term focus will not waver. We will continue to seek growth through affiliation, while remaining committed to developing and implementing industry-leading, innovative approaches to care.

Robert Cahill
President and Chief Executive Officer
Hospice of Michigan



Robert J. Cahill

Robert J. Cahill
President & CEO



Jane McNamara

Jane McNamara
Chair, Board of Trustees

HIGHLIGHTS



GRCC STUDENT PROJECT HIGHLIGHTS END-OF-LIFE CARE

A journalism project by students at Grand Rapids Community College documenting the lives of Hospice of Michigan staff and patients received top honors at the 2015 Armen Awards.

The Armen Awards—named after longtime GRCC supporter, Armen Oumedian, who created and funds the awards—honors excellence in service learning. We were delighted and honored to be part of this award-winning effort aimed at exploring the question of how do you live a meaningful life. The stories and a video of the project are available at <http://thecollegiatelive.com/hospice>.

END-OF-LIFE DECISION MAKING: THE LAW, JEWISH TRADITION AND PRACTICAL CONCERNS

Board of Trustees member Andy Broder, in conjunction with Temple Beth El in Bingham Farms, facilitated a five-part end-of-life series, *End-of-Life-Decision Making: The Law, Jewish Tradition and Practical Concerns*. Each presentation was designed to help attendees understand and come to terms with various aspects end-of-life decision making including: the Legal Perspective, the Jewish Perspective, Common Myths and FAQ's, Advance Directives, and Dealing with Disputes and Conflicts Regarding End of Life Decisions. The sessions were recorded and are available to view at <http://bit.do/broder>.



MAKING DREAMS COME TRUE

Helping patients live life to the fullest, is something our care teams take to heart. For Etta Lynn and John, our Big Rapids team reached out to the community to ensure Etta Lynn could live to see her last wish – to marry. Despite severely declining health, her care team pulled out all the stops to make her dream come true. With the generosity of the Hospice of Michigan staff and volunteers, and donations from several local vendors, including a wedding dress from Connie's Bridal, Etta Lynn and John were married in a touching ceremony held at our Big Rapids office and officiated by HOM Spiritual Care Advisor, Walter Ross.





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Consolidated Statement of Financial Position

December 31, 2015

Assets

Current assets:	
Cash and cash equivalents	\$2,411,013
Patient accounts receivable (net of allowances)	8,054,714
Pledges receivable (current portion)	942,221
Other current assets	1,266,047
Total current assets	\$12,673,995
Contributions receivable	507,279
Investments	6,273,129
Property and equipment	6,422,876
Other long-term assets	33,166
Total assets	\$25,910,445

Liabilities and Net Assets

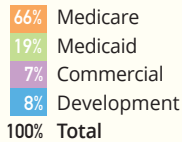
Current liabilities:	
Accounts payable and other accrued expenses	\$440,000
Accrued salaries, wages and withholdings	2,655,479
Line of credit	3,030,000
Current portion of obligations under capital leases	100,090
Current portion of bonds payable	440,000
Total current liabilities	\$10,079,231
Bonds payable, less current portion	1,545,000
Obligations under capital leases, net of current portion	17,625
	<u>1,562,625</u>
Net assets:	
Undesignated	7,159,486
Board designated for endowment	1,822,783
Temporarily restricted	4,477,597
Permanently restricted endowment	808,723
Total net assets	14,268,589
Total liabilities and net assets	\$25,910,445

2015 Financial Report

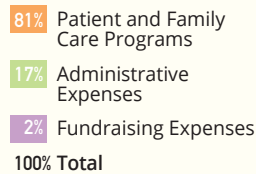
Major Expenses



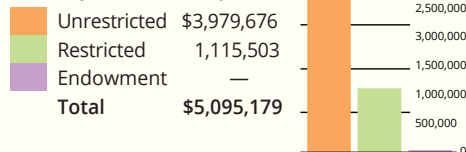
Revenue Sources



How your donation is used at Hospice of Michigan



Development Activity



* Includes patient-related ancillary services, nursing home and GIP expenses, consulting, advertising, payroll processing, maintenance agreements

Statement of Operations and Changes in Net Assets

Years ended December 31, 2015 and 2014

	2015	2014
Changes in Unrestricted Net Assets		
Operating Revenue:		
Net patient service revenue	\$55,775,318	\$58,962,061
At Home Support revenue	2,911,773	4,270,363
Contributions and fundraising	3,979,676	2,019,000
Investment income (loss)	(103,776)	206,270
Other revenue	196,771	112,978
Net assets released from restriction	1,607,215	1,721,769
Total Operating Revenue	64,366,977	67,292,441
Operating Expenses:		
Salaries & Benefits	27,431,716	27,623,849
Purchased services	18,357,864	20,695,756
Other non-wage	4,753,205	4,429,420
Depr. leases, Interest	763,503	842,115
Medical equip rental & supplies	2,979,102	2,961,044
Provision for uncollectible accounts	349,151	313,802
Fundraising expense	1,263,557	1,204,694
Total Expenses:	63,375,142	66,368,505
Change in Unrestricted Net Assets from Operations	991,835	923,936
Temporarily Restricted Net Assets		
Contributions and fundraising	1,115,503	1,658,362
Investment income (loss)	(4,901)	17,477
Net assets released from restriction	(1,607,215)	(1,721,769)
Change in Temporarily Restricted Net Assets	(496,613)	(45,930)
Permanently Restricted Net Assets		
Donor release of endowment funds	100,000	-
Change in Permanently Restricted Net Assets	100,000	-
Change in Net Assets	595,222	878,006
Net Assets - Beginning of year	13,673,367	12,795,361
Net Assets - End of year	\$14,268,589	\$13,673,367