

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. Northwestern Medical Center	Taxpayer identification number (TIN) 03-0266986
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 133 Fairfield St.	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. St. Albans, VT 05478	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12
Form 990-T (corporation)	07		

Stephanie Breault, CPA

- The books are in the care of ▶ **133 Fairfield Street - St. Albans, VT 05478**

Telephone No. ▶ **802-524-5911** Fax No. ▶ _____

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **August 15, 2023**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ calendar year _____ or
- ▶ tax year beginning **OCT 1, 2021**, and ending **SEP 30, 2022**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-TE and Form 8879-TE for payment instructions.

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

2021

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Open to Public Inspection

A For the **2021** calendar year, or tax year beginning **OCT 1, 2021** and ending **SEP 30, 2022**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Northwestern Medical Center Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 133 Fairfield St. City or town, state or province, country, and ZIP or foreign postal code St. Albans, VT 05478 F Name and address of principal officer: Peter Wright same as C above	D Employer identification number 03-0266986 E Telephone number 802-524-5911 G Gross receipts \$ 125,846,577. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ www.northwesternmedicalcenter.org		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1977 M State of legal domicile: VT

Part I Summary

1	Briefly describe the organization's mission or most significant activities: Northwestern Medical Center's mission is to provide exceptional healthcare for our community.	
2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
3	Number of voting members of the governing body (Part VI, line 1a)	3 11
4	Number of independent voting members of the governing body (Part VI, line 1b)	4 10
5	Total number of individuals employed in calendar year 2021 (Part V, line 2a)	5 982
6	Total number of volunteers (estimate if necessary)	6 71
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a 0.
7b	Net unrelated business taxable income from Form 990-T, Part I, line 11	7b 0.
8	Contributions and grants (Part VIII, line 1h)	Prior Year 4,732,300. Current Year 477,513.
9	Program service revenue (Part VIII, line 2g)	124,050,547. 121,286,732.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	9,468,245. 421,575.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	334,844. 574,533.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	138,585,936. 122,760,353.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	63,561. 62,169.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0. 0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	67,098,101. 60,600,867.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0. 0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.	
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	55,801,518. 66,573,549.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	122,963,180. 127,236,585.
19	Revenue less expenses. Subtract line 18 from line 12	15,622,756. -4,476,232.
20	Total assets (Part X, line 16)	Beginning of Current Year 180,177,619. End of Year 166,987,756.
21	Total liabilities (Part X, line 26)	47,438,080. 46,304,618.
22	Net assets or fund balances. Subtract line 21 from line 20	132,739,539. 120,683,138.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer Stephanie Breault, CFO Type or print name and title	Date
Paid Preparer Use Only	Print/Type preparer's name Joseph R. Byrne	Preparer's signature Joseph R. Byrne
	Date 06/26/23	Check if self-employed <input type="checkbox"/> PTIN P01289281
	Firm's name ▶ Berry Dunn McNeil & Parker, LLC	Firm's EIN ▶ 01-0523282
	Firm's address ▶ 2211 Congress St Portland, ME 04102	Phone no. (207) 775-2387

May the IRS discuss this return with the preparer shown above? See instructions Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: Northwestern Medical Center's mission is to provide exceptional healthcare for our community.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [X] Yes [] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code:) (Expenses \$ 84,221,710. including grants of \$ 62,169.) (Revenue \$ 121,838,654.) Providing inpatient and outpatient services to the general public in a full-service 70-bed hospital. The Hospital publishes an annual report. Please refer to the annual report for additional explanation of the Hospital's programs and achievements.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$) Charity Care - The Hospital provides care to patients who meet certain criteria under its charity care policy. Because the Hospital does not pursue collection or amounts determined to qualify as charity care they are not reported in revenue. The Hospital maintains records to identify and monitor the level of charity care it provides. The records include the amount of charges foregone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies and equivalent service statistics. The following information measures the level of charity care provided during the year ended September 30, 2022.

See continuation on Schedule O.

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe on Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 84,221,710.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? See instructions	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i> See instructions		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22 X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23 X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	X
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	X
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b	X
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i>	26	X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	X
28 Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>	28a	X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>	28b	X
c A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33 X	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34 X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	X
38 Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19?	38 X	

Note: All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable	1a	124
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable	1b	0
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No checkboxes. Includes questions 2a through 17 regarding employee counts, tax returns, unrelated business income, foreign accounts, prohibited transactions, and charitable contributions.

Part VI Governance, Management, and Disclosure. For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
	1a	11	
b	Enter the number of voting members included on line 1a, above, who are independent		
	1b	10	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
10b			
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b	Describe on Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done	X	
12c			
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
b	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		
16b			

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **▶ VT**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain on Schedule O)
- 19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records **▶**
Stephanie Breault, CPA - 802-524-5911
133 Fairfield Street, St. Albans, VT 05478

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations. See the instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Dr. Robert Beattie, M.D. Orthopedic Physician	40.00 0.00					X	642,634.	0.	35,145.	
(2) Dr. Lawrence Sullivan, M.D. Member / OB Physician	40.00 0.00	X					561,873.	0.	37,710.	
(3) Dr. Nathan Mauser, M.D. Orthopedic Physician	40.00 0.00					X	582,050.	0.	15,349.	
(4) Dr. Andrew Myrtue, M.D. Orthopedic Physician	40.00 0.00					X	583,819.	0.	5,800.	
(5) Dr. Gregory Brophey, M.D. Ophthalmologist	40.00 0.00					X	555,511.	0.	27,842.	
(6) Dr. Kahren K. Aydinian, M.D. Physician	40.00 0.00					X	464,876.	0.	7,212.	
(7) Dean French Past CEO	40.00 0.00			X			439,079.	0.	32,444.	
(8) Dr. John Minadeo Chief Medical & Quality Officer	40.00 0.00				X		387,382.	0.	35,254.	
(9) Robyn Alvis Past COO	40.00 0.00			X			239,696.	0.	26,097.	
(10) Stephanie Breault CFO	40.00 0.00			X			220,780.	0.	33,518.	
(11) Jonathan Billings COO/Interim CEO	40.00 0.00			X			179,268.	0.	24,007.	
(12) Jake Holzscheiter President	5.00 0.00	X		X			0.	0.	0.	
(13) John Casavant Vice President	5.00 0.00	X		X			0.	0.	0.	
(14) Dawn Bugbee Treasurer	5.00 0.00	X		X			0.	0.	0.	
(15) Barb Toof Secretary	5.00 0.00	X		X			0.	0.	0.	
(16) Nick Hadden Member	5.00 0.00	X					0.	0.	0.	
(17) Karyn Rocheleau Member	5.00 0.00	X					0.	0.	0.	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Corey Parent Member	5.00 0.00	X						0.	0.	0.
(19) Erin Creley Member	5.00 0.00	X						0.	0.	0.
(20) Coleen Kohaut Member	5.00 0.00	X						0.	0.	0.
(21) Matthew Habedank Member	5.00 0.00	X						0.	0.	0.
1b Subtotal								4,856,968.	0.	280,378.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								4,856,968.	0.	280,378.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **123**

	Yes	No
3 Did the organization list any former officer, director, trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Shiftwise PO Box 70870, St. Paul, MN 55170	Traveler Staffing	8,564,733.
Freedom Healthcare Staffing, 1851 S Parker Rd Suite 1100, Aurora, CO 80014	Traveler Staffing	2,988,746.
University of Vermont Medical Center PO Box 1902, Burlington, VT 05402	Various Medical Services	1,995,826.
Weatherby Locums, Inc PO Box 972633, Dallas, TX 75397	Traveler Staffing	1,570,934.
Clinical Colleagues, 1121 N Bethlehem Pike Suite 60-234, Spring House, PA 19477	Anesthesia Services	1,531,073.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **12**

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c	39,413.				
	d Related organizations	1d					
	e Government grants (contributions)	1e	400,566.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	37,534.				
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f			477,513.			
Program Service Revenue	2 a Patient Service Revenue	Business Code	622100	256111955.	256111955.		
	b Other Operating Revenue		622100	6,070,452.	6,070,452.		
	c Cafeteria		622100	441,365.		441,365.	
	d Contractual Allowances/Char. Adj.		622100	-141337040.	-141337040.		
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			121286732.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			1,439,814.		1439814.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	588,737.				
		(ii) Personal					
		6b Less: rental expenses	36,815.				
	6c Rental income or (loss)	551,922.					
	d Net rental income or (loss)		551,922.	551,922.			
	7 a Gross amount from sales of assets other than inventory	(i) Securities	2,018,718.	746.			
		(ii) Other					
		7b Less: cost or other basis and sales expenses	3,037,703.	0.			
	7c Gain or (loss)	-1,018,985.	746.				
	d Net gain or (loss)		-1,018,239.			-1018239.	
8 a Gross income from fundraising events (not including \$ 39,413. of contributions reported on line 1c). See Part IV, line 18		32,416.					
	8b Less: direct expenses	11,706.					
	c Net income or (loss) from fundraising events		20,710.			20,710.	
9 a Gross income from gaming activities. See Part IV, line 19		1,901.					
	9b Less: direct expenses	0.					
	c Net income or (loss) from gaming activities		1,901.			1,901.	
10 a Gross sales of inventory, less returns and allowances							
	10b Less: cost of goods sold						
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue	11 a	Business Code					
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d						
12 Total revenue. See instructions			122760353.	121397289.	0.	885,551.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...	11,951.	11,951.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	50,218.	50,218.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,217,108.	1,429,591.	787,517.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	45,927,497.	29,614,050.	16,313,447.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,332,186.	1,503,794.	828,392.	
9 Other employee benefits	6,926,790.	4,466,394.	2,460,396.	
10 Payroll taxes	3,197,286.	2,061,610.	1,135,676.	
11 Fees for services (nonemployees):				
a Management	447,971.	288,852.	159,119.	
b Legal	105,144.	67,797.	37,347.	
c Accounting	142,634.	91,970.	50,664.	
d Lobbying	13,046.		13,046.	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	167,617.		167,617.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	30,159,190.	19,446,646.	10,712,544.	
12 Advertising and promotion	173,798.	112,065.	61,733.	
13 Office expenses	579,967.	373,963.	206,004.	
14 Information technology				
15 Royalties				
16 Occupancy	2,117,498.	1,365,363.	752,135.	
17 Travel	139,064.	89,668.	49,396.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings				
20 Interest	617,285.	398,026.	219,259.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	6,351,177.	4,095,239.	2,255,938.	
23 Insurance	1,696,960.	1,094,200.	602,760.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a Supplies	14,153,172.	9,125,965.	5,027,207.	
b Provider Tax	6,857,254.	6,857,254.	0.	
c Miscellaneous Expenses	2,426,716.	1,403,018.	1,023,698.	
d Dues & Subscriptions	425,056.	274,076.	150,980.	
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	127,236,585.	84,221,710.	43,014,875.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				
Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A)		(B)	
		Beginning of year		End of year	
Assets	1 Cash - non-interest-bearing	15,139,480.	1	11,109,675.	
	2 Savings and temporary cash investments	19,064,044.	2	16,913,279.	
	3 Pledges and grants receivable, net		3		
	4 Accounts receivable, net	9,042,305.	4	10,010,921.	
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5		
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6		
	7 Notes and loans receivable, net		7		
	8 Inventories for sale or use	1,980,728.	8	2,194,021.	
	9 Prepaid expenses and deferred charges	2,100,976.	9	2,197,754.	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 142,414,046.			
	b Less: accumulated depreciation	10b 74,859,849.	69,585,327.	10c	67,554,197.
	11 Investments - publicly traded securities	55,428,246.	11	51,101,428.	
	12 Investments - other securities. See Part IV, line 11	1,998,968.	12		
	13 Investments - program-related. See Part IV, line 11		13		
	14 Intangible assets		14		
	15 Other assets. See Part IV, line 11	5,837,545.	15	5,906,481.	
16 Total assets. Add lines 1 through 15 (must equal line 33)	180,177,619.	16	166,987,756.		
Liabilities	17 Accounts payable and accrued expenses	9,545,548.	17	10,216,524.	
	18 Grants payable		18		
	19 Deferred revenue		19		
	20 Tax-exempt bond liabilities	28,175,042.	20	26,581,142.	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21		
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22		
	23 Secured mortgages and notes payable to unrelated third parties	1,571,901.	23	1,477,811.	
	24 Unsecured notes and loans payable to unrelated third parties		24		
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	8,145,589.	25	8,029,141.	
	26 Total liabilities. Add lines 17 through 25	47,438,080.	26	46,304,618.	
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.				
	27 Net assets without donor restrictions	129,041,863.	27	117,312,710.	
	28 Net assets with donor restrictions	3,697,676.	28	3,370,428.	
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.				
	29 Capital stock or trust principal, or current funds		29		
	30 Paid-in or capital surplus, or land, building, or equipment fund		30		
	31 Retained earnings, endowment, accumulated income, or other funds		31		
	32 Total net assets or fund balances	132,739,539.	32	120,683,138.	
	33 Total liabilities and net assets/fund balances	180,177,619.	33	166,987,756.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	122,760,353.
2	Total expenses (must equal Part IX, column (A), line 25)	2	127,236,585.
3	Revenue less expenses. Subtract line 2 from line 1	3	-4,476,232.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	132,739,539.
5	Net unrealized gains (losses) on investments	5	-9,790,227.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	2,210,058.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	120,683,138.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2b	Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits		

Form 990 (2021)

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Table with 7 columns: (a) 2017, (b) 2018, (c) 2019, (d) 2020, (e) 2021, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f); 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2017, (b) 2018, (c) 2019, (d) 2020, (e) 2021, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources; 9 Net income from unrelated business activities, whether or not the business is regularly carried on; 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.); 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc. (see instructions); 13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 2 columns: Line number, Percentage. Rows include: 14 Public support percentage for 2021 (line 6, column (f), divided by line 11, column (f)); 15 Public support percentage from 2020 Schedule A, Part II, line 14; 16a 33 1/3% support test - 2021. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization; b 33 1/3% support test - 2020. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization; 17a 10% -facts-and-circumstances test - 2021. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization; b 10% -facts-and-circumstances test - 2020. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization; 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions.

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2021 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2020 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2021 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2020 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2021. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2020. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

Table with 3 columns: Question, Yes, No. Row 11: Has the organization accepted a gift or contribution from any of the following persons? Sub-rows 11a, 11b, 11c.

Section B. Type I Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 1: Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? Row 2: Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization?

Section C. Type II Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 1: Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)?

Section D. All Type III Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 1: Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided? Row 2: Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? Row 3: By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year?

Section E. Type III Functionally Integrated Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 1: Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions). Sub-rows a, b, c. Row 2: Activities Test. Answer lines 2a and 2b below. Sub-rows a, b. Row 3: Parent of Supported Organizations. Answer lines 3a and 3b below. Sub-rows a, b.

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in Part VI*). See instructions.
All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (<i>explain in detail in Part VI</i>):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - provide details in Part VI)	5
6	Other distributions (describe in Part VI). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	8
9	Distributable amount for 2021 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2021	(iii) Distributable Amount for 2021
1	Distributable amount for 2021 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2021 (reasonable cause required - explain in Part VI). See instructions.		
3	Excess distributions carryover, if any, to 2021		
a	From 2016		
b	From 2017		
c	From 2018		
d	From 2019		
e	From 2020		
f	Total of lines 3a through 3e		
g	Applied to underdistributions of prior years		
h	Applied to 2021 distributable amount		
i	Carryover from 2016 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.		
4	Distributions for 2021 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2021 distributable amount		
c	Remainder. Subtract lines 4a and 4b from line 4.		
5	Remaining underdistributions for years prior to 2021, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.		
6	Remaining underdistributions for 2021. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.		
7	Excess distributions carryover to 2022. Add lines 3j and 4c.		
8	Breakdown of line 7:		
a	Excess from 2017		
b	Excess from 2018		
c	Excess from 2019		
d	Excess from 2020		
e	Excess from 2021		

Schedule A (Form 990) 2021

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Multiple horizontal lines for supplemental information.

Schedule B
(Form 990)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990 or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2021

Name of the organization

Northwestern Medical Center

Employer identification number

03-0266986

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990).

Name of organization Northwestern Medical Center	Employer identification number 03-0266986
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/>	\$ <u>70,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	<hr/> <hr/> <hr/>	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	<hr/> <hr/> <hr/>	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	<hr/> <hr/> <hr/>	\$ <u>6,780.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	<hr/> <hr/> <hr/>	\$ <u>324,792.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	<hr/> <hr/> <hr/>	\$ <u>13,082.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization Northwestern Medical Center	Employer identification number 03-0266986
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	<hr/> <hr/> <hr/>	\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	<hr/> <hr/> <hr/>	\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	<hr/> <hr/> <hr/>	\$ 5,774.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization Northwestern Medical Center	Employer identification number 03-0266986
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____

Name of organization Northwestern Medical Center	Employer identification number 03-0266986
--	---

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE C
(Form 990)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2021

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527
 ▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
 ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (See separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (See separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization Northwestern Medical Center	Employer identification number 03-0266986
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political campaign activity expenditures ▶ \$ _____
- 3 Volunteer hours for political campaign activities _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ _____
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ _____
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990) 2021

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grassroots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? ..		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		13,046.
j Total. Add lines 1c through 1i			13,046.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures. See instructions	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (See instructions); and Part II-B, line 1. Also, complete this part for any additional information.

Part II-B, Line 1, Lobbying Activities:

Northwestern Medical Center is a member of the Vermont Association of Hospitals and Health Systems and the American Hospital Association. A portion of the dues paid to these organizations is available for lobbying expenditures on behalf of Northwestern Medical Center and other member organizations in furtherance of their exempt purposes.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**
▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2021

Open to Public Inspection

Name of the organization Northwestern Medical Center **Employer identification number** 03-0266986

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
 Preservation of land for public use (for example, recreation or education) Preservation of a historically important land area
 Protection of natural habitat Preservation of a certified historic structure
 Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule D (Form 990) 2021

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange program
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	1,335,762.	1,142,938.	1,145,463.	1,144,129.	1,118,351.
b Contributions					
c Net investment earnings, gains, and losses	-242,224.	192,824.	-2,525.	1,334.	25,778.
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	1,093,538.	1,335,762.	1,142,938.	1,145,463.	1,144,129.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment 0.0000 %
 - b Permanent endowment 100 %
 - c Term endowment 0.0000 %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|-----|----|
| (i) Unrelated organizations | X | |
| (ii) Related organizations | | X |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? <input type="checkbox"/> | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,020,531.		1,020,531.
b Buildings		89,698,576.	38,510,448.	51,188,128.
c Leasehold improvements				
d Equipment		46,032,510.	33,753,928.	12,278,582.
e Other		5,662,429.	2,595,473.	3,066,956.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				67,554,197.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Estimated Third-Party Settlements	4,165,848.
(3) Deferred Compensation	3,863,293.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	8,029,141.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ...

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	114,769,339.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
	a Net unrealized gains (losses) on investments	2a	-9,790,227.	
	b Donated services and use of facilities	2b		
	c Recoveries of prior year grants	2c		
	d Other (Describe in Part XIII.)	2d	2,452,282.	
	e Add lines 2a through 2d	2e		-7,337,945.
3	Subtract line 2e from line 1		3	122,107,284.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a	167,617.	
	b Other (Describe in Part XIII.)	4b	485,452.	
	c Add lines 4a and 4b	4c		653,069.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	122,760,353.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	126,825,740.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
	a Donated services and use of facilities	2a		
	b Prior year adjustments	2b		
	c Other losses	2c		
	d Other (Describe in Part XIII.)	2d		
	e Add lines 2a through 2d	2e		0.
3	Subtract line 2e from line 1		3	126,825,740.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a	167,617.	
	b Other (Describe in Part XIII.)	4b	243,228.	
	c Add lines 4a and 4b	4c		410,845.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5	127,236,585.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part V, line 4:

The Organization intends to use the endowment funds in the manner prescribed by the donors.

Part XI, Line 2d - Other Adjustments:

Unrealized Gain on Interest Rate Swaps 2,452,282.

Part XI, Line 4b - Other Adjustments:

Depreciation in Beneficial Interest in Perpetual Trusts 242,224.

Expenses netted against revenue for financial statement purposes 243,228.

Total to Schedule D, Part XI, Line 4b 485,452.

Part XIII Supplemental Information (continued)

Part XII, Line 4b - Other Adjustments:

Expenses netted against revenue for financial statement

purposes 243,228.

Schedule D, Part V, Line 3a(i)

The Organization has Beneficial Interest in Trusts which are not held at
nor in the possession of the Organization.

**SCHEDULE G
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public Inspection

Name of the organization

Northwestern Medical Center

Employer identification number

03-0266986

Part I Fundraising Activities. Complete if the organization answered "Yes" on Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a** Mail solicitations
- b** Internet and email solicitations
- c** Phone solicitations
- d** In-person solicitations
- e** Solicitation of non-government grants
- f** Solicitation of government grants
- g** Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

b If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total						

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))	
		Jim Bashaw Cancer - Run (event type)	Community Partners Gol (event type)	1 (total number)		
Revenue	1	Gross receipts	11,454.	52,471.	7,904.	71,829.
	2	Less: Contributions	8,824.	30,589.		39,413.
	3	Gross income (line 1 minus line 2)	2,630.	21,882.	7,904.	32,416.
Direct Expenses	4	Cash prizes				
	5	Noncash prizes	500.			500.
	6	Rent/facility costs		6,607.		6,607.
	7	Food and beverages		3,999.	600.	4,599.
	8	Entertainment				
	9	Other direct expenses				
	10	Direct expense summary. Add lines 4 through 9 in column (d)				
11	Net income summary. Subtract line 10 from line 3, column (d)					20,710.

Part III Gaming. Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))	
Revenue	1	Gross revenue		1,901.	1,901.	
	2	Cash prizes				
Direct Expenses	3	Noncash prizes				
	4	Rent/facility costs				
	5	Other direct expenses				
6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input checked="" type="checkbox"/> No		
7	Direct expense summary. Add lines 2 through 5 in column (d)					
8	Net gaming income summary. Subtract line 7 from line 1, column (d)					1,901.

9 Enter the state(s) in which the organization conducts gaming activities: _____

a Is the organization licensed to conduct gaming activities in each of these states? Yes No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? Yes No

b If "Yes," explain: _____

- 11 Does the organization conduct gaming activities with nonmembers? Yes No
- 12 Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? Yes No
- 13 Indicate the percentage of gaming activity conducted in:

a	The organization's facility	13a	%
b	An outside facility	13b	%
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No
- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____
- c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

Director/officer Employee Independent contractor

17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions.

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, question 20.
- ▶ Attach to Form 990.
- ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public Inspection

Name of the organization: **Northwestern Medical Center**
Employer identification number: **03-0266986**

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
b If "Yes," was it a written policy?	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>400</u> %	X	
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	X	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
6a Did the organization prepare a community benefit report during the tax year?		X
b If "Yes," did the organization make it available to the public?		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			799,035.		799,035.	.63%
b Medicaid (from Worksheet 3, column a)			31956414.	16361298.	15595116.	12.26%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			32755449.	16361298.	16394151.	12.89%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			2235634.	1694340.	541,294.	.43%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			62,169.		62,169.	.05%
j Total. Other Benefits			2297803.	1694340.	603,463.	.48%
k Total. Add lines 7d and 7j			35053252.	18055638.	16997614.	13.37%

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

- 1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? 1 X
- 2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount 2 0.
- 3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3
- 4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

- 5 Enter total revenue received from Medicare (including DSH and IME) 5 21,138,091.
- 6 Enter Medicare allowable costs of care relating to payments on line 5 6 37,143,584.
- 7 Subtract line 6 from line 5. This is the surplus (or shortfall) 7 -16,005,493.
- 8 Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6.
Check the box that describes the method used:
 Cost accounting system Cost to charge ratio Other

Section C. Collection Practices

- 9a Did the organization have a written debt collection policy during the tax year? 9a X
- b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI 9b X

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %

Part V Facility Information (continued)

Section B. Facility Policies and Practices

(complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or letter of facility reporting group Northwestern Medical Center

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>21</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C		X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	X	
7 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>See Part V, Page 8</u>		
b <input type="checkbox"/> Other website (list url): _____		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input checked="" type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>21</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>See Part V, Page 8</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group Northwestern Medical Center

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	X	
If "Yes," indicate the eligibility criteria explained in the FAP:			
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>400</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %		
b	<input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
c	<input checked="" type="checkbox"/> Asset level		
d	<input checked="" type="checkbox"/> Medical indigency		
e	<input type="checkbox"/> Insurance status		
f	<input checked="" type="checkbox"/> Underinsurance status		
g	<input checked="" type="checkbox"/> Residency		
h	<input type="checkbox"/> Other (describe in Section C)		
14	Explained the basis for calculating amounts charged to patients?	X	
15	Explained the method for applying for financial assistance?	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):			
a	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c	<input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d	<input checked="" type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e	<input type="checkbox"/> Other (describe in Section C)		
16	Was widely publicized within the community served by the hospital facility?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>See Part V, Page 8</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>See Part V, Page 8</u>		
c	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>See Part V, Page 8</u>		
d	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f	<input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i	<input type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j	<input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group Northwestern Medical Center

	Yes	No
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	X	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?		X
If "Yes," check all actions in which the hospital facility or a third party engaged:		
a <input type="checkbox"/> Reporting to credit agency(ies)		
b <input type="checkbox"/> Selling an individual's debt to another party		
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP		
d <input type="checkbox"/> Actions that require a legal or judicial process		
e <input type="checkbox"/> Other similar actions (describe in Section C)		
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):		
a <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C)		
b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)		
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)		
d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
e <input type="checkbox"/> Other (describe in Section C)		
f <input type="checkbox"/> None of these efforts were made		

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	X	
If "No," indicate why:		
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
d <input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information *(continued)*

Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)

Name of hospital facility or letter of facility reporting group Northwestern Medical Center

	Yes	No
22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b <input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
c <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
d <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	23	X
If "Yes," explain in Section C.		
24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	24	X
If "Yes," explain in Section C.		

Schedule H (Form 990) 2021

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Northwestern Medical Center:

Part V, Section B, Line 5: As part of our 2021/2022 (FY'22) Community Health Needs Assessment, NMC gathered input in a variety of ways including interviews with physicians, providers, and community partners; perspectives from staff and volunteers; discussions with the Incorporators from throughout our service area; patient satisfaction insights; and utilization trend analysis. Significant input, perspective, and prioritization were received through a local group of experts who were asked to validate the direction and findings of the assessment and to establish priority among various identified issues. The composition of this group of community members aligns with the Federal regulations for involvement of community leaders with specified skills or representing specified constituencies and allows for them to use their connections to their neighbors and clientele and insights there in to assist in refining and prioritizing the community health needs.

Northwestern Medical Center:

- Part V, Section B, Line 6b:
- Center for Rural Studies at the University of Vermont
- Abenaki Nation of Missisquoi
- Champlain Valley Office of Economic Opportunity
- Franklin County Home Health Association
- Northwest Counseling and Support Services
- Northwest Regional Planning Commission
- Northern Tier Center for Health

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

United Way of Northwest Vermont

Vermont Department of Health

Northwestern Medical Center:

Part V, Section B, Line 7d: In addition to making the Community Health Needs Assessment widely available via the hospital website and in response to requests, Northwestern Medical Center provided overviews of the Community Health Needs Assessment to members of the community through presentations at groups such as the NMC Incorporators (150 local members who elect the hospital Board); the Boards of Directors of Northwestern Medical Center, Franklin County Home Health Agency; Northwestern Counseling & Support Services, NOTCH (Northern Tier Centers for Health Federally Qualified Health Centers); and the St. Albans Rotary comprised of business and civic leaders from across the region; and via Health Beat, NMC's public access television show. The priorities of the Community Health Needs Assessment are frequently referenced in other hospital documents, plans, publications, and presentations as we work to integrate these findings into our efforts to care for our community.

Northwestern Medical Center:

Part V, Section B, Line 11: NMC is addressing the significant needs identified in its most recently conducted CHNA through a variety of initiatives including: Access to healthcare (continuing to increase access to local specialty care services in our community, including cardiology, midwifery, physician medicine & rehab services, inpatient pediatrics,

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

tele-neurology, urology, etc.), Affordability of services and cost of living (continuing to work with our community in implementing the State's value-based care model to reduce health care costs, improving patient experience, increasing equity and improving population health), Safety and Belonging (exploring opportunities for continued alignment and partnership with local public transportation providers; engaging in opportunities to promote community activities and resources that bring people together, foster belonging, and improve the overall quality of life) and Community Gathering and Connectedness (creating safe spaces by having opportunities for modeling our differences as staff, medical staff, and administration drawing guidance from our DEI work, which could include encouraging pronoun usage in our communications, showing support through intentional actions, posting "welcome" in different languages etc.). The Community Health Improvement Plan was developed by recognizing NMC's role as a community hospital in addressing the health needs of the population, as well as developing an understanding of what other organizations are doing to address the needs of the populations we serve. In addition, we restructured our Accountable Community for Health to specifically address systematic issues that are creating barriers to health.

NMC's most recent CHNA also addressed several additional items that NMC is working with other community partners to lead the CAIRES Accountable for Health (ACH). The mission of the CAIRES ACH is to design health and service systems together with communities to be equitable, responsible, and adaptable. Our vision is that Grand Isle and Franklin Counties will be inclusive, self-determined, health communities where everyone is well, safe, nurtured, and respected. To encourage collaboration and reduce the

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

impact hierarchies of systemic oppression have on communities. The structure of the ACH de-centralizes decision making. The ACH is made of three group types with specific purposes and decision-making powers.

-The CAIRES Circle is focused on the ongoing sustainability of the ACH and supports collaboration across workgroups.

-Workgroups are formed around specific areas of focus and make decisions related to workgroup goals.

-The Production Team provides organization and administrative support across the ACH to support the shared vision and mission of the ACH.

NMC's Director of Population Health serves on the Production Team and attends the CAIRES Circle with members of NMC's senior leadership team. Members of NMC's Department of Population Health are leading and serving on workgroups, including:

1. A Regional Transportation Workgroup
2. The Transitions of Care Workgroup
3. Youth Health Workgroup
4. Outpatient Service Medical Workgroup
5. Homeless Healthcare Workgroup

Part V, line 10a, Hospital facility's website:

<https://www.northwesternmedicalcenter.org/about-nmc/hospital-data/community-assessments/>

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Part V, line 17a, Hospital facility's website:

<https://www.northwesternmedicalcenter.org/about-nmc/hospital-data/community-assessments/>

Part V, line 16a, FAP website:

<https://www.northwesternmedicalcenter.org/patients-visitors/pay-an-nmc-bill/free-care-discount-policy/>

Part V, line 16b, FAP Application website:

<https://www.northwesternmedicalcenter.org/patients-visitors/pay-an-nmc-bill/free-care-discount-policy/>

Part V, line 16c, FAP Plain Language Summary website:

<https://www.northwesternmedicalcenter.org/patients-visitors/pay-an-nmc-bill/free-care-discount-policy/>

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 8

Name and address	Type of Facility (describe)
1 Northwestern Medical Center Pediatrics 11 Crest Road St. Albans, VT 05478	Pediatrics
2 Northwestern Walk-in Clinic 927 Ethan Allen Hwy, Ste 2 Georgia, VT 05468	Diagnostic Imaging, Physical Therapy & Urgent Care
3 Northwestern Georgia Health Center 4178 Highbridge Road Georgia, VT 05486	Primary Care
4 Northwestern Comprehensive Pain 17-19 Catherine Street St. Albans, VT 05478	Pain Care
5 Northwestern Ophthalmology 53 Fairfax Road St. Albans, VT 05478	Ophthalmology
6 Physical Therapy Services 44 Center Street Enosburg, VT 05450	Physical Therapy
7 Branon's Pools & Spa 248 North Main Street St. Albans, VT 05478	Physical Therapy
8 Northwestern Medical Center Pediatrics 12 First Street Swanton, VT 05488	Pediatrics

Part VI Supplemental Information

Provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Part I, Line 3c:

Determining eligibility for free care and/or discounted care is not solely determined by Federal Poverty Guidelines (FPG). Other considerations, such as net worth, other financial obligations, and outstanding medical bills are reviewed in addition to income.

Part I, Line 7g:

Subsidized health services includes the Medicare shortfall from physician practices that are not included in the Hospital's cost reporting reflected on Part III, Line 7.

Part III, Line 4:

See pages 8-12 of the attached audited financial statements.

Part III, Line 8:

The cost was determined using the cost to charge ratio.

The Medicare shortfall of \$16,005,494 reported on line 7 of Part III, does

Part VI Supplemental Information (Continuation)

not represent all Medicare services provided by the Hospital, as required by IRS instructions. When taking all Medicare services into account, the Hospital calculated a different Medicare shortfall using an internal costing methodology.

Part III, Line 9b:

During the collection process, financial assistance, a payment plan or a discount may be offered to the patient, if appropriate, and in accordance with established hospital policy.

Part VI, Line 2:

In alignment with the Federal mandate, Northwestern Medical Center conducted a comprehensive Community Health Needs Assessment in 2022. This document was formally approved by the Hospital's Board of Directors at their May 6, 2022 meeting, placing it in the Hospital's 2022 Fiscal Year. This document replaces the previous Community Health Needs Assessment which was approved in the Hospital's 2019 Fiscal Year.

Five top priorities were identified: BIPOC; Healthy & affordable food; Affordability of Healthcare; Reliable Transportation and Environmental, Physical and Emotional Safety - and action plans have been created to help address each of these priorities. The current (and previous) assessment is available free of charge on the Hospital website and the Hospital's Community Relations Office is available to provide free printed copies as requested.

Part VI, Line 3:

The Hospital uses a variety of methods of communication to inform and

Part VI Supplemental Information (Continuation)

educate patients about its financial assistance program. For example, information related to financial assistance and charity care is available on the Hospital's website and patient portal, included on the back of patient statements, posted on signs at registration areas, and patients may speak on the phone with a collection specialist. The Hospital's financial assistance program is also widely publicized within the community, including published information regularly placed in the local newspaper and information brochures displayed at local United Way and Department of Health offices.

Part VI, Line 4:

The Hospital serves the greater Franklin and Grand Isle counties in northwestern Vermont. The service area consists of approximately 56,000 people and the area is primarily rural and agricultural in nature with some light industry.

Part VI, Line 5:

The Hospital maintains an open medical staff and a community based Board of Directors. The Hospital's Board of Directors is elected by the Hospital's Board of Incorporators, which consists of approximately 150 local residents. The Hospital created and funds a program known as The Center for Health and Wellness, which is committed to a collaborative approach to community health improvement.

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for the latest information.**

OMB No. 1545-0047

2021

**Open to Public
Inspection**

Name of the organization **Northwestern Medical Center** Employer identification number **03-0266986**

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? **Yes** **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of noncash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
Howard Center, Inc. 208 Flynn Avenue, Suite 3J Burlington, VT 05401	03-0179433	501(c)(3)	11,000.	0.			Support programs complimentary to the Hospital's exempt purpose.

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 1

3 Enter total number of other organizations listed in the line 1 table ▶ 0

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) 2021

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
Scholarships	3	6,000.	0.		
Bashaw Grants	88	44,218.	0.		

Part IV Supplemental Information. Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

Part I, Line 2:

All grants are periodically reviewed for compliance with NMC's grant policy. Assistance is given with appropriate management approval for the benefit of 501(c)(3) public charities, government agencies and individuals whom have been determined to meet the criteria of need stated in NMC's grant policy. Special purpose grants, such as scholarships, are sent directly to educational institutions or loan agencies. After the approval process has been completed by management, request for grant payment is submitted to Finance to release the grant funds according to the required

Part IV Supplemental Information

information and approval provided.

Multiple horizontal lines for supplemental information.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
 ▶ Attach to Form 990.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

2021

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization: **Northwestern Medical Center**
 Employer identification number: **03-0266986**

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in or receive payment from a supplemental nonqualified retirement plan?
- c** Participate in or receive payment from an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2	X	
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2021

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Dr. Robert Beattie, M.D. Orthopedic Physician	(i)	593,134.	30,000.	19,500.	4,333.	30,812.	677,779.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) Dr. Lawrence Sullivan, M.D. Member / OB Physician	(i)	523,290.	38,583.	0.	5,800.	31,910.	599,583.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) Dr. Nathan Mauser, M.D. Orthopedic Physician	(i)	562,550.	0.	19,500.	5,800.	9,549.	597,399.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) Dr. Andrew Myrtue, M.D. Orthopedic Physician	(i)	583,819.	0.	0.	5,800.	0.	589,619.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) Dr. Gregory Brophey, M.D. Ophthalmologist	(i)	506,011.	30,000.	19,500.	5,800.	22,042.	583,353.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) Dr. Kahren K. Aydinyan, M.D. Physician	(i)	336,367.	109,009.	19,500.	5,800.	1,412.	472,088.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) Dean French Past CEO	(i)	439,079.	0.	0.	5,800.	26,644.	471,523.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) Dr. John Minadeo Chief Medical & Quality Officer	(i)	367,882.	0.	19,500.	5,800.	29,454.	422,636.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) Robyn Alvis Past COO	(i)	239,696.	0.	0.	4,896.	21,201.	265,793.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) Stephanie Breault CFO	(i)	220,780.	0.	0.	4,506.	29,012.	254,298.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) Jonathan Billings COO/Interim CEO	(i)	179,268.	0.	0.	3,657.	20,350.	203,275.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Part I, Line 7:

Robert Beattie, Gregory Brophy, Kahren K. Aydinyan, Highest Compensated Employees, and Lawrence Sullivan, Board Member, received bonuses from an incentive compensation plan.

Supplemental Information on Tax-Exempt Bonds

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**
▶ **Attach to Form 990.** ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Name of the organization **Northwestern Medical Center** Employer identification number **03-0266986**

Part I	Bond Issues	See Part VI for Columns (a) and (f) Continuations												
		(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing		
								Yes	No	Yes	No	Yes	No	
	A	Vermont Educational & Health Building Financin	23-7154467	NoneAvail	06/01/16	35000000.	Refund 2012A Bond and New Capital P			X		X		X
	B													
	C													
	D													

Part II	Proceeds								
		A		B		C		D	
1	Amount of bonds retired	8,256,672.							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	35,000,000.							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	235,906.							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	17,429,519.							
11	Other spent proceeds	17,334,575.							
12	Other unspent proceeds								
13	Year of substantial completion	2017							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?	X							
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use								
	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X						
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? ...								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government								
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6 Total of lines 4 and 5								
7 Does the bond issue meet the private security or payment test?		X						
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X							

Part IV Arbitrage								
	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X						
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X						
b Exception to rebate?		X						
c No rebate due?	X							
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?	X							

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	<input checked="" type="checkbox"/>							
b Name of provider	People's United Ban							
c Term of hedge	12.0000000							
d Was the hedge superintegrated?	<input checked="" type="checkbox"/>							
e Was the hedge terminated?		<input checked="" type="checkbox"/>						
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		<input checked="" type="checkbox"/>						
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		<input checked="" type="checkbox"/>						
7 Has the organization established written procedures to monitor the requirements of section 148?	<input checked="" type="checkbox"/>							

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation isn't available under applicable regulations?	<input checked="" type="checkbox"/>							

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K. See instructions.

Schedule K, Part I, Bond Issues:

(a) Issuer Name: Vermont Educational & Health Building Financing Agency

(f) Description of Purpose: Refund 2012A Bond and New Capital Projects

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or Form 990-EZ.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2021

Open to Public
Inspection

Name of the organization

Northwestern Medical Center

Employer identification number

03-0266986

Form 990, Part III, Line 3, Changes in Program Services:

On May 2, 2022, Northwestern Primary Care and Georgia Health Center transitioned from being hospital-employed practices to Northern Tier Center for Health (NOTCH). This transition will allow NMC to focus our resources on high quality acute hospital care, specialty care and emergency care for our community. NOTCH is a Federally Qualified Health Center that provides primary care services at multiple sites throughout our region.

Form 990, Part III, Line 4b, Program Service Accomplishments:

Estimated costs and expenses incurred to provide charity care: \$913,094

Number of charity care patients served: 1,168

The Hospital provides health care services to residents of St. Albans, Vermont, and the surrounding area, without regard to the individual's ability to pay for their services.

Form 990, Part V, Line 13, List of States with Qualified Health Plans:

VT

Form 990, Part VI, Section A, line 6:

The organization has a maximum of 150 members, elected at the annual meeting from a slate of candidates nominated by the Nominating Committee.

Other candidates for membership may be nominated from the floor at the

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990) 2021

Name of the organization Northwestern Medical Center	Employer identification number 03-0266986
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annual meeting. Any person whose term as a Corporation Director has expired shall automatically become a member if that person consents to become a member.

Form 990, Part VI, Section A, line 7a:

The membership elects a presiding membership officer, an alternate presiding membership officer and a membership secretary. Said officers are designated as Chair, Vice Chair and Recording Secretary of the membership.

Form 990, Part VI, Section B, line 11b:

The entire Form 990 is provided to the full Board of Directors for review. The Board has the opportunity to ask questions and the Board votes on giving Administration approval to file the return in advance.

Form 990, Part VI, Section B, Line 12c:

Each Board Member and each member of the management team completes an annual statement attesting that they have received a copy of the policy and that they have read and understand it and will comply with it. Each person also completes a conflict of interest survey to identify potential conflicts and relevant financial interests. Each person also provides a listing of immediate family members, including spouse, children, grandchildren, parents, siblings, and any other person(s) living in their household. All disclosures are reviewed; determination of conflicts for Board Members are voted on by the remaining Board Members and determination of conflicts by the management staff is voted on by the senior leadership team. Those with conflicts are not allowed to participate in discussion and/or votes related to the conflict. A full copy of the policy can be provided upon request.

Name of the organization Northwestern Medical Center	Employer identification number 03-0266986
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Form 990, Part VI, Section B, Line 15:

Beginning in December 2020, the CEO is now an employee of Northwestern Medical Center. Respective contracts, including compensation, are approved by the Board of Directors on an annual basis.

Form 990, Part VI, Section C, Line 19:

Northwestern Medical Center does not formally make its governing documents and conflict of interest policy available to the public. Financial information is available to the public through the annual tax return filing, annual Medicare and Medicaid cost report filing, and financial data published by the Green Mountain Care Board and available on the Hospital's website, as well as summarized financial information and statistics published in the Hospital's annual report distributed to local communities and published on the Hospital's website.

Form 990, Part IX, Line 11g, Other Fees:

Other Professional Services:

Program service expenses	17,005,410.
Management and general expenses	9,367,744.
Fundraising expenses	0.
Total expenses	26,373,154.

Maintenance Contracts:

Program service expenses	2,441,236.
Management and general expenses	1,344,800.
Fundraising expenses	0.
Total expenses	3,786,036.

Name of the organization Northwestern Medical Center	Employer identification number 03-0266986
--	---

Total Other Fees on Form 990, Part IX, line 11g, Col A **30,159,190.**

Form 990, Part X, Line 10: Land, Buildings, and Equipment

Section 1.263(a)-3(n) Election:

Northwestern Medical Center

133 Fairfield St.

St. Albans, VT 05478

EIN: 03-0266986

Northwestern Medical Center is electing to capitalize repair and maintenance costs under Regulation Section 1.263(a)-3(n).

Form 990, Part XI, line 9, Changes in Net Assets:

Unrealized Gain on Interest Rate Swaps **2,452,282.**

Depreciation in Beneficial Interest in Perpetual Trusts **-242,224.**

Total to Form 990, Part XI, Line 9 **2,210,058.**

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public Inspection

Name of the organization **Northwestern Medical Center** Employer identification number **03-0266986**

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
Northwestern Occupational Health, LLC - 03-0360669, 133 Fairfield Street, St. Albans, VT 05478	Medical rehabilitative and urgent care services	Vermont	0.	0.	Northwestern Medical Center

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
Northwestern Medical Center Auxiliary, Inc. - 03-0278425, 133 Fairfield St., St. Albans, VT 05478	Promotion and Support of Northwestern Medical Center	Vermont	501(c)(3)	Line 12a, I	Northwestern Medical Center	X	

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2021

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)		X
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

Multiple horizontal lines for supplemental information.



Northwestern Medical Center, Inc.

FINANCIAL STATEMENTS

September 30, 2022 and 2021

With Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Northwestern Medical Center, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Northwestern Medical Center, Inc., which comprise the balance sheets as of September 30, 2022 and 2021, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Northwestern Medical Center, Inc. as of September 30, 2022 and 2021, and the results of its operations, changes in its net assets, and its cash flows for the years ended, in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 Northwestern Medical Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 U.S. generally accepted accounting principles, 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 Northwestern Medical Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. 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 U.S. generally accepted auditing standards will always detect a material misstatement when it exists.

Board of Trustees
Northwestern Medical Center, Inc. and Subsidiaries

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 U.S. generally accepted 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 Northwestern Medical Center, Inc.'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 Northwestern Medical Center, Inc.'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 audits.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire

January 6, 2023, except for Note 7 debt covenant disclosure, as to which the date is January 30, 2023

Registration No. 92-0000278

NORTHWESTERN MEDICAL CENTER, INC.

Balance Sheets

September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	23,199,690	26,020,000
Patient accounts receivable, net	10,010,921	9,042,305
Short-term investments	8,718,859	9,983,728
Other current assets	<u>4,391,775</u>	<u>4,081,704</u>
Total current assets	46,321,245	49,127,737
Assets limited as to use	7,368,816	9,218,423
Investments	44,462,524	52,094,910
Property and equipment, net	67,554,197	69,585,327
Other long-term assets	148,611	151,222
Interest rate swaps, net	<u>1,132,363</u>	<u>-</u>
Total assets	<u>\$ 166,987,756</u>	<u>\$ 180,177,619</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 4,296,088	\$ 3,343,284
Salaries, wages and payroll taxes	5,065,831	5,684,425
Other accrued expenses	854,605	517,839
Third-party accelerated payments	-	154,261
Estimated third-party settlements, net	4,165,848	1,986,913
Current portion of long-term debt	<u>1,740,026</u>	<u>1,700,032</u>
Total current liabilities	16,122,398	13,386,754
Deferred compensation	3,863,293	4,684,496
Long-term debt, net of current portion and unamortized bond issuance costs	26,318,927	28,046,911
Interest rate swaps	<u>-</u>	<u>1,319,919</u>
Total liabilities	<u>46,304,618</u>	<u>47,438,080</u>
Net assets		
Without donor restrictions	117,312,710	129,041,863
With donor restrictions	<u>3,370,428</u>	<u>3,697,676</u>
Total net assets	<u>120,683,138</u>	<u>132,739,539</u>
Total liabilities and net assets	<u>\$ 166,987,756</u>	<u>\$ 180,177,619</u>

The accompanying notes are an integral part of these financial statements.

NORTHWESTERN MEDICAL CENTER, INC.

Statements of Operations

Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues, gains, and other support without donor restrictions		
Patient service revenue (net of contractual allowances and discounts)	\$ 93,398,649	\$ 97,727,310
Other operating revenue	4,863,209	4,638,406
U.S. Department of Health and Human Services (HHS) stimulus revenue	324,792	4,023,054
Fixed prospective revenue	21,376,266	20,157,746
Net assets released from restriction used for operations	<u>1,646,258</u>	<u>2,404,649</u>
Total revenues, gains and other support without donor restrictions	<u>121,609,174</u>	<u>128,951,165</u>
Expenses		
Salaries and wages	47,713,122	55,004,260
Employee benefits	12,645,291	12,093,841
Supplies	14,750,734	14,219,293
Contracted services	20,985,119	18,884,665
Depreciation	6,351,176	6,098,074
Travelers' expense	10,003,114	4,046,484
Health care improvement tax	6,857,254	6,152,744
Other operating	6,902,645	5,600,042
Interest	<u>617,285</u>	<u>738,866</u>
Total expenses	<u>126,825,740</u>	<u>122,838,269</u>
(Loss) income from operations	<u>(5,216,566)</u>	<u>6,112,896</u>
Nonoperating gains (losses)		
Net investment income	189,609	9,288,054
Unrealized gains on interest rate swaps	2,452,282	1,135,623
Unrealized losses on investments	(9,741,159)	(734,537)
Other	<u>586,681</u>	<u>352,573</u>
Nonoperating (losses) gains, net	<u>(6,512,587)</u>	<u>10,041,713</u>
(Deficiency) excess of revenues, gains and other support over expenses and losses, and change in net assets without donor restrictions	<u>\$(11,729,153)</u>	<u>\$ 16,154,609</u>

The accompanying notes are an integral part of these financial statements.

NORTHWESTERN MEDICAL CENTER, INC.

Statements of Changes in Net Assets

Years Ended September 30, 2022 and 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balances, October 1, 2020	\$ <u>112,887,254</u>	\$ <u>3,635,619</u>	\$ <u>116,522,873</u>
Excess of revenues, gains and other support over expenses and losses	16,154,609	-	16,154,609
Contributions	-	2,405,121	2,405,121
Appreciation in beneficial interest in perpetual trusts	-	192,824	192,824
Net investment loss	-	(131,239)	(131,239)
Net assets released from restriction used for operations	<u>-</u>	<u>(2,404,649)</u>	<u>(2,404,649)</u>
Change in net assets	<u>16,154,609</u>	<u>62,057</u>	<u>16,216,666</u>
Balances, September 30, 2021	<u>129,041,863</u>	<u>3,697,676</u>	<u>132,739,539</u>
Deficiency of revenues, gains and other support over expenses and losses	(11,729,153)	-	(11,729,153)
Contributions	-	1,497,631	1,497,631
Depreciation in beneficial interest in perpetual trusts	-	(242,224)	(242,224)
Net investment gain	-	63,603	63,603
Net assets released from restriction used for operations	<u>-</u>	<u>(1,646,258)</u>	<u>(1,646,258)</u>
Change in net assets	<u>(11,729,153)</u>	<u>(327,248)</u>	<u>(12,056,401)</u>
Balances, September 30, 2022	<u>\$ 117,312,710</u>	<u>\$ 3,370,428</u>	<u>\$ 120,683,138</u>

The accompanying notes are an integral part of these financial statements.

NORTHWESTERN MEDICAL CENTER, INC.

Statements of Cash Flows

Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (12,056,401)	\$ 16,216,666
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	6,358,936	6,109,869
Gain on sale of property and equipment	-	(185,870)
Net realized and unrealized losses (gains) on investments	10,760,144	(7,681,256)
Net change in beneficial interest in perpetual trusts	242,224	(192,824)
Unrealized gains on interest rate swaps	(2,452,282)	(1,135,623)
Decrease (increase) in		
Patient accounts receivable, net	(968,616)	866,288
Contributions receivable	-	179,155
Other assets	(307,460)	9,137,306
(Decrease) increase in		
Accounts payable and accrued expenses	565,559	(6,696,635)
HHS stimulus deferred revenue	-	(3,653,507)
Third-party accelerated payments	(154,261)	(5,720,935)
Estimated third-party settlements	<u>2,178,935</u>	<u>(4,158,833)</u>
Net cash provided by operating activities	<u>4,166,778</u>	<u>3,083,801</u>
Cash flows from investing activities		
Purchase of property and equipment	(4,214,629)	(5,659,283)
Net proceeds from sale of property and equipment	-	79,545
Purchase of investments	(3,095,427)	(11,582,166)
Proceeds from sale of investments	<u>2,018,718</u>	<u>11,179,567</u>
Net cash used by investing activities	<u>(5,291,338)</u>	<u>(5,982,337)</u>
Cash flows from financing activities		
Principal payments on long-term debt	<u>(1,695,750)</u>	<u>(1,650,999)</u>
Net cash used by financing activities	<u>(1,695,750)</u>	<u>(1,650,999)</u>
Net decrease in cash and cash equivalents	<u>(2,820,310)</u>	<u>(4,549,535)</u>
Cash and cash equivalents, beginning of year	<u>26,020,000</u>	<u>30,569,535</u>
Cash and cash equivalents, end of year	<u>\$ 23,199,690</u>	<u>\$ 26,020,000</u>
Supplemental disclosures of cash flow information		
Cash paid for interest	<u>\$ 609,525</u>	<u>\$ 724,524</u>
Acquisition of property and equipment included in accounts payable	<u>\$ 105,417</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

NORTHWESTERN MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2022 and 2021

Organization

Northwestern Medical Center, Inc. (Hospital or NMC) is a 70-bed, not-for-profit hospital in St. Albans, Vermont. The Hospital was the sole-owning member of Northwestern Occupational Health, LLC (NOH), a for-profit entity that provides medical rehabilitative and urgent care services. In April 2018, NOH's operations were transferred to NMC. There was minimal activity related to NOH in the 2021 statement of operations. NOH was absorbed into the Hospital during 2022 and all assets and liabilities were transferred to the Hospital in 2022. The financial statements also include the accounts of the Northwestern Medical Center Auxiliary, Inc. (Auxiliary) prior to its dissolution which is organized specifically for the promotion and support of the Hospital. The Hospital and the Auxiliary are collectively referred to as the Organization. The Hospital is the sole-owning member of the Auxiliary. Auxiliary volunteers provide the Hospital approximately 13,300 hours of support annually, as well as financial support.

The Hospital and Auxiliary are tax-exempt corporations pursuant to Section 501(c)(3) of the Internal Revenue Code (Code) and, as such, are not subject to certain income and property taxes. As a single member LLC, NOH was considered a disregarded tax entity and its results of operations are with the Hospital.

1. Summary of Significant Accounting Policies

Basis of Presentation

Net assets and revenues, expenses, and gains are classified based on the existence or absence of donor-imposed restrictions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-For-Profit Entities*, as described below. Under FASB ASC Topic 958 and FASB ASC Topic 954, *Health Care Entities*, all not-for-profit healthcare organizations are required to provide a balance sheet, a statement of operations, a statement of changes in net assets, and a statement of cash flows. FASB ASC Topic 954 requires reporting amounts for an organization's total assets, liabilities, and net assets in a balance sheet; reporting the change in an organization's net assets in statements of operations and changes in net assets; and reporting the change in its cash and cash equivalents in a statement of cash flows.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Hospital. These net assets may be used at the discretion of the Hospital's management and the Board of Directors (Board).

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Hospital or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of operations and changes in net assets.

NORTHWESTERN MEDICAL CENTER, INC.

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Use of Estimates

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents include money market funds with a maturity of three months or less when purchased. The Hospital maintains its cash in deposit accounts which, at times, may exceed federal depository insurance limits. Management believes credit risk related to these investments is minimal. The Hospital has not experienced any losses in such accounts.

Revenue Recognition and Accounts Receivable

Patient service revenue is reported at the amount that reflects the consideration to which the Hospital expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Hospital bills the patients and third-party payors several days after the services are performed or the patient is discharged from the hospital. Revenue is recognized as performance obligations are satisfied.

The Hospital has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Hospital's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the Hospital does in certain instances enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Performance obligations are determined based on the nature of the services provided by the Hospital. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Hospital believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in hospitals receiving inpatient acute care services or patients receiving services in outpatient centers. The Hospital measures the performance obligation from admission into the hospital or the commencement of an outpatient service to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services. Revenue from performance obligations satisfied at a point in time is generally recognized when the goods are provided to patients and customers in a retail setting (for example, cafeteria) and the Hospital does not believe it is required to provide additional goods or services related to that sale.

NORTHWESTERN MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2022 and 2021

Because all of its performance obligations relate to contracts with a duration of less than one year, the Hospital has elected to apply the optional exemption provided in FASB ASC 606-10-50-14 (a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

The Hospital determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Hospital's policy, and implicit price concessions provided to uninsured patients. The Hospital determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Hospital determines its estimate of implicit price concessions based on its historical collection experience with this class of patients and records these as a direct reduction to net patient service revenue. Management continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and changes in commercial contractual terms resulting from contract negotiations and renewals.

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

The Hospital has agreements with third-party reimbursing agencies that provide for payments at amounts different from its established rates. A summary of the payment arrangements with major third-party reimbursing entities follows:

Medicare

Due to its geographic location, the Hospital is deemed to be a sole community hospital. Under this designation, it is reimbursed at a prospectively-determined rate per inpatient discharge based upon its historical costs from a base period. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Outpatient services rendered to Medicare program beneficiaries are paid at prospectively-determined rates. These rates vary according to an ambulatory payment classification system that is based on clinical, diagnostic, and other factors. Final settlements have been determined for all years through September 30, 2019.

NORTHWESTERN MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2022 and 2021

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at acuity-based prospectively-determined rates per discharge. Outpatient services rendered to Medicaid program beneficiaries are paid at prospectively-determined rates. The Hospital's Medicaid cost reports have been audited by the fiscal intermediary through September 30, 2013.

Blue Cross and Commercial

Inpatient and outpatient services rendered to Blue Cross Blue Shield of Vermont (Blue Cross) and MVP Health Care subscribers are reimbursed at submitted charges less a discount. Physician professional fees are reimbursed on a fee schedule. The amounts paid to the Hospital are not subject to any retroactive adjustments.

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

Revenue from the Medicare and Medicaid programs accounted for approximately 22% and 7%, respectively, of the Hospital's patient revenue (net of contractual allowances and discounts) for the year ended 2022, and 24% and 8%, respectively, of the Hospital's patient revenue (net of contractual allowances and discounts) for the year ended 2021.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result of investigations by governmental agencies, various healthcare organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Hospital's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Hospital. In addition, the contracts the Hospital has with commercial and other payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive revenue adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Hospital's historical settlement activity, including a determination it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from changes in transaction price in 2022 and 2021 increased net patient service revenue by approximately \$3,180,000 and \$4,600,000, respectively.

NORTHWESTERN MEDICAL CENTER, INC.

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Consistent with the Hospital's mission, care is provided to patients regardless of their ability to pay. Therefore, the Hospital has determined it has provided implicit price concessions to uninsured patients and other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represents the difference between amounts billed to patients and the amounts the Hospital expects to collect based on its collection history with those patients.

Patients who meet the Hospital's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue. The criteria for charity care consider family income, net worth, and extent of financial obligations, including healthcare costs.

The net cost of charity care provided was approximately \$876,000 in 2022 and \$1,159,000 in 2021. The total cost estimate is based on the Hospital's cost accounting system. The cost accounting system derives a cost estimate by allocating expense at a detail charge level.

As part of its mission, the Hospital underwrites a number of healthcare related programs that may not be otherwise available to the community. These activities directly align with the Community Health Needs Assessment, targeting the priorities both directly and indirectly.

Some examples of healthcare related programs are described below:

- The Healthy Hearts community health fair focuses on improved cardiovascular health with free screenings, educational booths, opportunities to try fitness activities, engaging kids' activities, healthy snacks, and opportunities to discuss screening results and health questions with providers.
- NMC's Lifestyle Medicine Department offers various community wellness and prevention programming, including media pieces, special events, smoking cessation activities, public lectures, and health related support groups.
- NMC invests staff time and production costs to dedicate space in hospital publications, paid advertising, proactive traditional media, and social media to raise awareness of health issues, prevention efforts, wellness activities, and supportive offerings put forth by the Hospital as well as community providers, who often lack the staff or resources to fully communicate these important messages to the target audiences in the community.
- NMC underwrites and voluntarily participates in local United Way programs and outreach with a focus on health, education, and income, all of which contribute to improved quality of life and overall community health.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Hospital also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges.

NORTHWESTERN MEDICAL CENTER, INC.

Notes to Financial Statements

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The Hospital estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. Bad debt expense for the years ended September 30, 2022 and 2021 was not significant.

The Hospital has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, Medicare, Medicaid, managed care or other insurance, patient) have different reimbursement and payment methodologies
- Length of the patient's service or episode of care
- Method of reimbursement (fee for service or fixed prospective payment)
- Hospital's program that provided the service

For the years ended September 30, 2022 and 2021, the Hospital determined revenue recognized from goods and services that transfer to the customer at a point in time is not material to the financial statements.

Short-Term Investments, Assets Limited as to Use, and Investments

Short-term investments include money market funds, certificates of deposit and highly liquid debt instruments with a maturity of one year or less when purchased. These funds represent excess cash from operations that are available for day-to-day operational needs, as required.

Assets limited as to use include donor-restricted investments, funds collateralizing property financed by bank loans, bond proceeds to be used for capital projects, deferred compensation plan assets and designated assets set aside by the Board for future capital improvements, over which the Board retains control and which it may, at its discretion, use for other purposes.

Investments represent donations without donor restrictions received over the years, as well as excess funds generated from the operations of the Hospital. These funds, collectively, may only be used upon Board approval. While these funds are identified and referred to as the Hospital's endowment, they are not endowment funds as defined by the Uniform Prudent Management of Institutional Funds Act (UPMIFA) or U.S. GAAP and are not subject to any donor limitations or guidelines with respect to withdrawals.

Investments also include the non-current portion of short-term investments.

NORTHWESTERN MEDICAL CENTER, INC.

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Investments in equity securities are reported at readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheets. The Hospital has adopted FASB ASC Topic 825, *Financial Instruments*, and has elected the fair value option relative to its investments which consolidates all investment performance activity within the excess (deficiency) of revenues, gains and other support over expenses and losses in the statements of operations to simplify the presentation of these amounts.

Investment income or loss on investments, including realized gains and losses on investments, unrealized gains and losses on investments, and interest and dividends is included in nonoperating gains (losses), unless the income or loss is restricted by donor or law.

Employee Fringe Benefits

The Hospital has an "earned time" plan to provide certain fringe benefits for its employees; however, certain employees are not eligible for this plan. Under this plan, each employee "earns" paid leave for each payroll period. Accumulated hours may be used for vacations, holidays, or illnesses. Hours earned, but not used, vest with the employees up to established limits. The Hospital accrues the cost of these benefits as they are earned.

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if contributed, at fair market value determined at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method.

Gifts of long-lived assets such as land, buildings, or equipment are reported as net assets without donor restrictions, and are excluded from the excess (deficiency) of revenues, gains, and other support over expenses and losses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

The Hospital reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. The factors considered by management in performing this assessment include current operating results, trends and prospects, as well as the effects of obsolescence, demand, competition and other economic factors.

NORTHWESTERN MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2022 and 2021

Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Provider Relief Stimulus Funds

The CARES Act provided funds to eligible healthcare providers to prevent, prepare for and respond to the Coronavirus Disease (COVID-19). The funds were appropriated to reimburse healthcare providers for healthcare related expenses or lost revenues that are attributable to COVID-19. The CARES Act provides the U.S. Department of Health and Human Services (HHS) with discretion to operate the program and determine the reporting requirements. During 2022 and 2020, the Hospital received \$324,792 and \$12,200,000, respectively, of HHS Provider Relief Stimulus Funds (HHS Funds) and attested to the receipt of the HHS Funds and agreement with the associated terms and conditions. The Hospital has chosen to follow the conditional contribution model for the HHS Funds. At September 30, 2022 and 2021, the Hospital recognized stimulus funds in the amount of \$324,792 and \$3,653,507, respectively, of HHS Funds in other operating revenue in the statements of operations. Management believes the conditions on which the HHS Funds depend were substantially met. Management believes the position taken is a reasonable interpretation of the rules currently available. Due to the complexity of the reporting requirements and the continued issuance of clarifying guidance, there is at least a reasonable possibility the amount of income recognized related to the lost revenues and qualifying expenses may change by a material amount. Any difference between amounts previously estimated and amounts subsequently determined to be recoverable or payable will be included in income in the year that such amounts become known.

In response to the COVID-19 pandemic, the Centers for Medicare and Medicaid Services (CMS) and Blue Cross made available an accelerated and advance payment program to providers. The Hospital received \$5,875,196 of accelerated advanced payments during 2020. CMS recoups payment from claims payments one year from the date the respective advances were made to the Hospital. At September 30, 2021, the balance of accelerated advanced payments was \$154,261. At September 30, 2022, all accelerated CMS payments have been recouped. Blue Cross began recouping payment from claims payments starting in October 2020 and as of September 30, 2021, all accelerated payments had been recouped by Blue Cross.

Interest Rate Swaps

The Hospital uses interest rate swap contracts to mitigate the cash flow exposure of interest rate movements on variable-rate debt. The Hospital has adopted FASB ASC Topic 815, *Derivatives and Hedging*, to account for its interest rate swap contracts. The interest rate swaps do not qualify as cash flow hedges. Gains and losses on derivative financial instruments that do not qualify as hedges are required to be included in the performance indicator. As a result, the unrealized gains and losses on the interest rate swaps for 2022 and 2021, respectively, have been included in the (deficiency) excess of revenues, gains, and other support over expenses and losses.

NORTHWESTERN MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2022 and 2021

Nonoperating Gains (Losses)

Activities other than those in connection with providing healthcare services are considered to be nonoperating. Nonoperating gains and losses consist primarily of income and gains and losses on invested funds, contributions without donor restrictions, and unrealized gains and (losses) on interest rate swaps.

(Deficiency) Excess of Revenues, Gains and Other Support Over Expenses and Losses

The statements of operations include (deficiency) excess of revenues, gains and other support over expenses and losses. Changes in net assets without donor restrictions which are excluded from this measure, consistent with industry practice, include permanent transfers of assets and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets).

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received and the conditions are met. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of operations as net assets released from restriction. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying financial statements.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. GAAP, the Organization has considered transactions of events occurring through January 6, 2023, the date the financial statements were available for issuance.

2. Availability and Liquidity of Financial Assets

The Organization maintains a general operating account that has average days (based on normal expenditures) cash and cash equivalents on hand of 70 and 81 at September 30, 2022 and 2021, respectively. In addition, the Organization has working capital of \$30,198,847 and \$35,740,983 at September 30, 2022 and 2021, respectively.

NORTHWESTERN MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2022 and 2021

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, were as follows as of September 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 23,199,690	\$ 26,020,000
Patient accounts receivable, net	10,010,921	9,042,305
Other receivables	721,157	820,393
Investments	<u>53,181,383</u>	<u>62,078,638</u>
Financial assets available at year end for current use	<u>\$ 87,113,151</u>	<u>\$ 97,961,336</u>

At September 30, 2021, cash and cash equivalents included \$5,875,196 specifically related to third-party accelerated payments. At September 30, 2021, average days cash and cash equivalents on hand, excluding the third-party accelerated payments and HHS stimulus funds, was 68.

The Organization has short-term and long-term investments which are available for general expenditure within one year in the normal course of operations with Board approval. Accordingly, these assets have been included in the quantitative information above. The Organization also had assets limited as to use that are designated for future capital acquisition of \$849,782 as of September 30, 2021, which are more fully described in Note 5, that have not been included in the quantitative information above. These assets limited as to use are not available for general expenditure within the next year; however, the amounts could be made available if necessary.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to optimize the investment of its available funds. The Organization reports monthly to the Finance Committee and Board the days cash on hand, estimated cost report settlements to Medicare and Medicaid and estimated settlement due to a third-party payor who pays the Organization under a Prospective Interim Payment system. The Hospital's goal is generally to maintain financial assets to meet 200 days of operating expenses.

3. Net Patient Service Revenue

Net patient service revenue consisted of the following for the years ended September 30:

	<u>2022</u>	<u>2021</u>
Gross patient service revenue		
Inpatient services	\$ 48,679,849	\$ 43,399,341
Outpatient services	<u>186,055,840</u>	<u>195,655,850</u>
	234,735,689	239,055,191
Less contractual allowances and discounts	<u>141,337,040</u>	<u>141,327,881</u>
Net patient service revenue	<u>\$ 93,398,649</u>	<u>\$ 97,727,310</u>

NORTHWESTERN MEDICAL CENTER, INC.

Notes to Financial Statements

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Each performance obligation is separately identifiable from other promises in the customer contract. As the performance obligations are met (i.e., room, board, ancillary services, level of care), revenue is recognized based upon the allocated transaction price. The transaction price is allocated to separate performance obligations based upon the relative standalone selling price. In instances where management determines there are multiple performance obligations across multiple months, the transaction price is allocated by applying an estimated implicit and explicit rate to gross charges based on the separate performance obligations.

In assessing collectibility, the Hospital has elected the portfolio approach. This portfolio approach is being used as the Hospital has a large volume of similar contracts with similar classes of customers. The Hospital reasonably expects that the effect of applying a portfolio approach to a group of contracts would not differ materially from considering each contract separately. Management's judgment to group the contracts by portfolio is based on the payment behavior expected in each portfolio category. As a result, aggregating all of the contracts (which are at the patient level) by the particular payor or group of payors, will result in the recognition of the same amount of revenue as applying the analysis at the individual patient level.

Net patient service revenue recognized for the years ended September 30, 2022 and 2021 from these major payors is as follows:

	<u>2022</u>	<u>2021</u>
Medicare and Medicaid	\$ 29,196,992	\$ 33,242,329
Commercial and other	62,933,258	63,223,222
Self-pay	<u>1,268,399</u>	<u>1,261,759</u>
Total	<u>\$ 93,398,649</u>	<u>\$ 97,727,310</u>

4. Property and Equipment

The major categories of property and equipment are as follows as of September 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 1,020,531	\$ 1,020,532
Land improvements	3,809,868	3,891,198
Buildings	89,698,576	88,679,447
Major moveable equipment	<u>46,032,510</u>	<u>49,091,913</u>
	140,561,485	142,683,090
Less accumulated depreciation	<u>74,859,849</u>	<u>74,419,950</u>
	65,701,636	68,263,140
Construction-in-progress	<u>1,852,561</u>	<u>1,322,187</u>
	<u>\$ 67,554,197</u>	<u>\$ 69,585,327</u>

NORTHWESTERN MEDICAL CENTER, INC.

Notes to Financial Statements

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At September 30, 2022 and 2021, construction in progress included approximately \$943,500 and \$545,400, respectively, related to expansion and renovation of the emergency room. The total capital amount budgeted for this project is \$10,800,000. The project is being funded through operations and is expected to be completed in September 2023.

5. Assets Limited as to Use and Investments

The composition of assets limited as to use and investments as of September 30 is as follows:

	<u>2022</u>	<u>2021</u>
Assets Limited as to Use		
Internally designated for capital acquisition		
Cash equivalents	\$ -	\$ 50,195
Equities	-	-
Fixed income	-	-
Alternative investment – hedge funds	<u>-</u>	<u>799,587</u>
	<u>-</u>	<u>849,782</u>
Donor-restricted		
Cash equivalents	1,969,379	1,825,625
Equities	396,787	457,689
Fixed income	249,350	268,600
Beneficial interest in perpetual trusts	<u>890,007</u>	<u>1,132,231</u>
	<u>3,505,523</u>	<u>3,684,145</u>
Other investments		
Deferred compensation	<u>3,863,293</u>	<u>4,684,496</u>
	<u>\$ 7,368,816</u>	<u>\$ 9,218,423</u>

NORTHWESTERN MEDICAL CENTER, INC.

Notes to Financial Statements

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Investments

Cash equivalents	\$ 2,726,092	\$ 5,975,046
Certificates of deposit with maturity dates exceeding twelve months	-	202,254
Fixed income	18,937,563	15,177,324
Equities	31,517,728	39,524,633
Alternative investment – hedge funds	<u>-</u>	<u>1,199,381</u>
 Total	 53,181,383	 62,078,638
 Less short-term investments	 <u>8,718,859</u>	 <u>9,983,728</u>
 Long-term investments	 <u>\$ 44,462,524</u>	 <u>\$ 52,094,910</u>

Investment income and gains and (losses) without donor restrictions for assets limited as to use and investments are comprised of the following:

	<u>2022</u>	<u>2021</u>
Interest and dividend income, net of fees	\$ 1,208,594	\$ 872,261
Realized (losses) gains, net	<u>(1,018,985)</u>	<u>8,415,793</u>
 Unrealized losses, net	 <u>189,609</u> <u>(9,741,159)</u>	 9,288,054 <u>(734,537)</u>
	 <u>\$ (9,551,550)</u>	 <u>\$ 8,553,517</u>

On May 5, 2009, the Governor of Vermont signed UPMIFA as regulation over donor-restricted endowment funds. Under UPMIFA, the amount of the original gifts is not expendable, although the value of the investments purchased may occasionally fall below that amount. UPMIFA describes “historic dollar value” as the amount that is not expendable. Income not specifically restricted by donors is reported as net assets with donor restrictions until appropriated by the Board and expended.

6. Beneficial Interest in Perpetual Trusts

The Hospital is the beneficiary of various trusts for which it is not the trustee, consisting of \$890,007 and \$1,132,231 in irrevocable perpetual trusts at September 30, 2022 and 2021, respectively. The Hospital has reflected as assets in the balance sheets, included in donor-restricted assets limited as to use, its share of the fair value of the underlying investments in the trusts. Receipts of income are included as investment income without donor restrictions when received. Receipts from the trusts were approximately \$133,100 and \$26,400 for the years ended September 30, 2022 and 2021, respectively, and were recorded in net investment (loss) income.

NORTHWESTERN MEDICAL CENTER, INC.

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7. Borrowings

Long-term debt consisted of the following as of September 30:

	<u>2022</u>	<u>2021</u>
Vermont Educational and Health Building Finance Agency Hospital Revenue Bonds 2016 Series A, currently held by People's United Bank, interest, at a variable rate based on 75% of the one-month London Inter-bank Offered Rate (LIBOR) plus 0.71% (2.45% at September 30, 2022), plus principal are paid monthly; due through June 1, 2036; collateralized by substantially all of the Hospital's assets	\$ 26,743,328	\$ 28,349,023
Capital lease payable, with interest at 3.0%, due in monthly installments of \$11,333, including interest, through 2035	<u>1,477,811</u>	<u>1,571,901</u>
	28,221,139	29,920,924
Less: unamortized bond issuance costs	162,186	173,981
Less: current portion	<u>1,740,026</u>	<u>1,700,032</u>
Long-term debt, net of current portion and unamortized bond issuance costs	<u>\$ 26,318,927</u>	<u>\$ 28,046,911</u>

Maturities on long-term debt, before unamortized debt issuance costs, for fiscal years subsequent to September 30, 2022 are as follows:

2023	\$ 1,740,026
2024	1,784,338
2025	1,831,966
2026	1,878,720
2027	1,927,370
Thereafter	<u>19,058,719</u>
	<u>\$ 28,221,139</u>

The 2016A bond issue requires the Hospital to meet certain covenants. As of September 30, 2022, the Hospital was not in compliance with certain of those covenants. As a result the Hospital is required to engage a consultant to make recommendations to achieve compliance within the next 24 months.

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Interest Rate Swaps

The Hospital has entered into three swap agreements. During 2022 and 2021, the interest rate swap agreements did not qualify for hedge accounting.

The Hospital is required to include the fair value of the swaps in the balance sheet, and annual changes, if any, in the fair value of the swaps in the statement of operations. For example, during the Bonds' holding period, the annually calculated value of the swaps will be reported as assets if expected interest rates increase above those expected on the date the swaps were entered into (and as an unrealized gain in the statement of operations), which will generally be indicative that the net fixed rate the Hospital is paying is below market expectations of rates during the remaining term of the swap. The swaps will be reported as a liability (and as an unrealized loss in the statement of operations) if expected interest rates decrease below those expected on the date the swaps were entered into, which will generally be indicative that the net fixed rate the Hospital is paying on the swap is above market expectations of rates during the remaining term of the swap. These annual accounting adjustments of value changes in the swap transaction are non-cash recognition requirements. The Hospital retains the sole right to terminate the swap agreements should the need arise; however, such termination may result in a payment or receipt based on interest rate expectations at that time. The Hospital recorded the swaps at their asset position of \$1,132,363 and liability position of \$1,319,919 at September 30, 2022 and 2021, respectively. The interest rate swap contract disclosures are summarized as follows:

Fixed Rate Paid	Variable Rate Received	Current Notional Amount	Fair Value as of September 30, 2022	Fair Value as of September 30, 2021	Termination Date	Counterparty
1.2075%	1.7435%	20,813,328	1,257,951	(578,079)	06/01/2028	M&T Bank
.1514%	.0571%	-	-	(736)	10/01/2021	M&T Bank
3.228%	2.2897%	5,930,000	<u>(125,588)</u>	<u>(741,104)</u>	10/01/2030	Deutsche Bank AG
			<u>\$ 1,132,363</u>	<u>\$ (1,319,919)</u>		

The variable rate for the interest rate swaps is based on 68% of the one-month USD-LIBOR-BBA rate.

8. Retirement Plans

The Hospital sponsors a 403(b) retirement plan for its employees. To be eligible to participate in the 403(b) plan, an employee must meet certain requirements as specified in the Plan documents. The Hospital matches 1% if the employee contributes 2% or 3% of their annual salary, and the Hospital contributes 2% if the employee contributes 4% or more of their annual salary. Total expense under the 403(b) retirement plan was \$833,628 and \$921,783 in 2022 and 2021, respectively.

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The Hospital also sponsors a Money Purchase Pension Plan covering substantially all of its employees. The Hospital's contributions are determined for, and allocated to, eligible participants based on a predetermined percent of compensation paid. Individual benefits at retirement are the amounts which can be provided by the sums contributed to each participant's account. The plan, which may be terminated at any time by the Board, provides for employee vesting over a six-year period. Retirement plan expenses charged to operations were \$1,529,017 and \$1,282,221 in 2022 and 2021, respectively.

The Hospital has a nonqualified deferred compensation plan established under Section 457 of the Code. The plan permits certain management and highly compensated employees to defer portions of their compensation based on Internal Revenue Service guidelines. The Hospital has cumulatively recorded \$3,863,293 and \$4,684,496 at September 30, 2022 and 2021, respectively, related to this plan. The related investments are segregated in a separate account and reported in the balance sheet along with the Hospital's related liability to the employees.

9. Commitments and Contingencies

Operating Leases

The Hospital has operating leases for medical care space, and has various leases for medical and office equipment with expiration dates through 2027. Certain of these leases have renewal options and contain an annual Consumer Price Index increase provision. The Hospital's future minimum payments under these leases are as follows:

Years ending September 30,	
2023	\$ 512,000
2024	414,000
2025	289,000
2026	206,000
2027	<u>209,000</u>
	<u>\$ 1,630,000</u>

Rental expense for the years ended September 30, 2022 and 2021 was \$798,696 and \$799,238, respectively.

Professional Liability Insurance and Litigation

The Hospital carries malpractice insurance coverage under a claims-made policy. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The Hospital intends to renew its coverage on a claims-made basis and has no reason to believe that it may be prevented from renewing such coverage.

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The Hospital is subject to complaints, claims and litigation due to potential claims which arise in the normal course of business. U.S. GAAP require the Hospital to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. Amounts accrued under this provision are included in other current assets and other accrued expenses in the balance sheets. The Hospital at various times during the year may be involved in other legal proceedings of a nature considered normal to its business. The Hospital has evaluated its exposure to losses arising from identifiable potential claims and has properly accounted for them in the balance sheets for the years ended September 30, 2022 and 2021.

QHR, LLC

The Hospital contracts with QHR, LLC for management advisory services. Total expenses related to the QHR, LLC contract, and charged to operations, were \$608,880 and \$781,351 for the years ended September 30, 2022 and 2021, respectively.

Self-Funded Health Insurance

The Hospital maintains a self-funded health insurance plan. A reserve of \$683,175 and \$319,515 in 2022 and 2021, respectively, has been established to allow for incurred but not reported claims for healthcare services based on claim history. The self-funded policy had an individual stop loss of \$125,000 in 2022 and 2021. The Hospital's aggregate stop loss coverage begins at 125% of expected claims, excluding claim amounts which are paid under the individual stop loss coverage.

OneCare Vermont, LLC

The Hospital is a participant in OneCare Vermont, LLC (OneCare), a statewide Accountable Care Organization (ACO). Beginning January 1, 2017, the Hospital entered into a risk bearing arrangement through the Vermont Medicaid program. Beginning January 1, 2018, the Hospital accepted additional risk as a member of OneCare by participating in the Medicare Next Generation Model and Blue Cross. Under the Medicare Next Generation Model, Blue Cross/Blue Shield of Vermont, and Vermont Medicaid program, the Hospital receives monthly fixed prospective payments for services provided to attributed members. The ACO is responsible for both the cost and quality of care for each attributed member. This is true whether that person uses little or no care or whether they require services consistently throughout the year. The Hospital recognizes its share of annual contract settlements as an increase or decrease to fixed prospective revenue in the statement of operations.

10. Health Care Improvement Tax

A health care improvement tax is imposed on hospitals, nursing homes, and home health agencies as part of a program to upgrade services in Vermont. Hospitals in Vermont are assessed as a percentage of net patient revenue which is determined annually by the General Assembly. The Hospital tax rate was 6% in 2022 and 2021.

NORTHWESTERN MEDICAL CENTER, INC.

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11. Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at September 30 are as follows:

	<u>2022</u>	<u>2021</u>
Medicare	23 %	30 %
Medicaid	11	11
Blue Cross	12	12
Other third-party payors	32	21
Patients	<u>22</u>	<u>26</u>
	<u>100 %</u>	<u>100 %</u>

12. Functional Expenses

The statements of operations reports certain expense categories that are attributable to both healthcare services and support functions. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Employee benefits are allocated based on salaries and occupancy costs are allocated by square footage. Expenses related to healthcare and support services for the year ended September 30 are as follows:

	<u>2022</u>	<u>Healthcare Services</u>	<u>Support Services</u>	<u>Total</u>
Salaries and wages	\$ 30,765,421	\$ 16,947,701	\$ 47,713,122	
Employee benefits	8,153,684	4,491,607	12,645,291	
Supplies	9,511,273	5,239,461	14,750,734	
Contracted services	13,531,205	7,453,914	20,985,119	
Depreciation	4,095,238	2,255,938	6,351,176	
Travelers' expense	6,450,008	3,553,106	10,003,114	
Health care improvement tax	6,857,254	-	6,857,254	
Other operating	4,450,825	2,451,820	6,902,645	
Interest	398,025	219,260	617,285	
	<u>\$ 84,212,933</u>	<u>\$ 42,612,807</u>	<u>\$ 126,825,740</u>	
		<u>Healthcare Services</u>	<u>Support Services</u>	<u>Total</u>
<u>2021</u>				
Salaries and wages	\$ 34,982,709	\$ 20,021,551	\$ 55,004,260	
Employee benefits	7,691,683	4,402,158	12,093,841	
Supplies	9,043,470	5,175,823	14,219,293	
Contracted services	12,010,647	6,874,018	18,884,665	
Depreciation	3,878,375	2,219,699	6,098,074	
Travelers' expense	2,573,564	1,472,920	4,046,484	
Health care improvement tax	6,152,744	-	6,152,744	
Other operating	3,561,627	2,038,415	5,600,042	
Interest	469,919	268,947	738,866	
	<u>\$ 80,364,738</u>	<u>\$ 42,473,531</u>	<u>\$ 122,838,269</u>	

NORTHWESTERN MEDICAL CENTER, INC.

Notes to Financial Statements

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13. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at September 30:

	<u>2022</u>	<u>2021</u>
Purpose restricted		
Community wellness initiatives	\$ 1,723,674	\$ 1,721,778
Capital expenditures	188,128	188,128
Education assistance	42,660	37,710
Free care assistance	67,163	123,557
Other community programs	<u>255,265</u>	<u>290,741</u>
	<u>2,276,890</u>	<u>2,361,914</u>
Perpetual in nature		
Beneficial Interest in Trusts, the income is without donor restrictions	890,007	1,132,231
Sowles Memorial Fund, the income to be used for charity care	<u>203,531</u>	<u>203,531</u>
	<u>1,093,538</u>	<u>1,335,762</u>
	<u>\$ 3,370,428</u>	<u>\$ 3,697,676</u>

Net assets without donor restrictions are available for the following purposes at September 30:

	<u>2022</u>	<u>2021</u>
Internally designated for capital acquisition	\$ -	\$ 849,782
Undesignated	<u>117,312,710</u>	<u>128,192,081</u>
	<u>\$ 117,312,710</u>	<u>\$ 129,041,863</u>

NORTHWESTERN MEDICAL CENTER, INC.

Notes to Financial Statements

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14. Fair Value Measurement

FASB ASC Topic 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets and liabilities measured at fair value at September 30, 2022 are summarized below:

	<u>Fair Value Measurements Using</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Assets limited as to use				
Cash equivalents	\$ 1,969,379	\$ -	\$ -	\$ 1,969,379
Fixed income	128,076	121,274	-	249,350
Equities	396,787	-	-	396,787
Deferred compensation plan assets	3,863,293	-	-	3,863,293
Beneficial interest in perpetual trusts	-	-	890,007	890,007
	<u>\$ 6,357,535</u>	<u>\$ 121,274</u>	<u>\$ 890,007</u>	<u>\$ 7,368,816</u>
Investments				
Cash equivalents	\$ 2,726,092	\$ -	\$ -	\$ 2,726,092
Fixed income	16,416,804	2,520,759	-	18,937,563
Equities	31,517,728	-	-	31,517,728
	<u>\$ 50,660,624</u>	<u>\$ 2,520,759</u>	<u>\$ -</u>	<u>\$ 53,181,383</u>
Interest rate swaps	<u>\$ -</u>	<u>\$ 1,132,363</u>	<u>\$ -</u>	<u>\$ 1,132,363</u>

NORTHWESTERN MEDICAL CENTER, INC.

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Assets measured at fair value at September 30, 2021 are summarized below:

	Fair Value Measurements Using			Total
	Level 1	Level 2	Level 3	
Assets:				
Assets limited as to use				
Cash equivalents	\$ 1,875,820	\$ -	\$ -	\$ 1,875,820
Fixed income	128,259	140,341	-	268,600
Equities	457,689	-	-	457,689
Deferred compensation plan assets	4,684,496	-	-	4,684,496
Beneficial interest in perpetual trusts	<u>-</u>	<u>-</u>	<u>1,132,231</u>	<u>1,132,231</u>
	<u>\$ 7,146,264</u>	<u>\$ 140,341</u>	<u>\$ 1,132,231</u>	8,418,836
Alternative investment – hedge funds				<u>799,587</u>
				<u>\$ 9,218,423</u>
Investments				
Cash equivalents	\$ 5,975,046	\$ -	\$ -	\$ 5,975,046
Certificates of deposit with maturity dates exceeding twelve months	202,254	-	-	202,254
Fixed income	11,757,409	3,419,915	-	15,177,324
Equities	<u>39,524,633</u>	<u>-</u>	<u>-</u>	<u>39,524,633</u>
	<u>\$ 57,459,342</u>	<u>\$ 3,419,915</u>	<u>\$ -</u>	60,879,257
Alternative investment – hedge funds				<u>1,199,381</u>
				<u>\$ 62,078,638</u>
Liabilities:				
Interest rate swaps	<u>\$ -</u>	<u>\$ 1,319,919</u>	<u>\$ -</u>	<u>\$ 1,319,919</u>

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for the Hospital's various financial instruments included in Level 2.

The Hospital's hedge fund alternative investments were valued based on the net asset values (NAV) in accordance with U.S. GAAP as a practical expedient. The Hospital invested in hedge funds, which were calculated NAV per share in accordance with FASB guidance relative to investment companies, and these investments were reported at fair value based on the NAV per share as reported by the investee. In accordance with U.S. GAAP, the investments for which fair value is measured at fair value using the practical expedient have not been categorized in the fair value hierarchy.

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The fair value of the interest rate swap agreements is based on the income approach using a discounted cash flow analysis of the future cash inflows and cash outflows based on the notional amount of the interest rate swap agreement, market expectations regarding the variable rate as outlined in the Series 2016A bonds, and the fixed interest rate of the swap agreement.

The hedge fund investment primarily invested in limited partnerships and similar pooled investment vehicles often referred to as portfolio funds. These funds were managed by independent portfolio managers that employ diverse alternative investment strategies across a variety of asset classes. The alternative investment involved certain risks due to a lack of a public market and certain time restrictions on withdrawals such as lock-up periods which could be two years or longer. After expiration of the lock-up period, withdrawals typically were permitted only on a limited basis, such as monthly, quarterly, semi-annually, or annually.

Because the Hospital will never receive the assets held in the perpetual trusts, the beneficial interest in the perpetual trusts has been categorized as a Level 3 measurement. The fair value of the perpetual trusts is based on an estimate of the Hospital's portion of the fair value of the assets held by the perpetual trusts. The fair value of the assets held by the perpetual trusts is based on the market value of the underlying assets. Due to the level of risk associated with the fair value of the underlying securities and the level of uncertainty related to changes in their value, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the balance sheets.

Changes in the beneficial interest in perpetual trusts are comprised of the following for the years ended September 30:

	<u>2022</u>	<u>2021</u>
Fair value, beginning of year	\$1,132,231	\$ 939,407
Net (depreciation) appreciation	<u>(242,224)</u>	<u>192,824</u>
Fair value, end of year	<u>\$ 890,007</u>	<u>\$1,132,231</u>