



Public Disclosure Copy

This public disclosure copy is being provided to the organization pursuant to Section 6104(e).

Tax-exempt organizations are required to make a copy of the Form(s) 990 (and 990-T, if applicable), available for public inspection and to provide copies of such forms to individuals or organizations that request copies. The public inspection requirement applies to the Form 990 (and 990-T if applicable) and all required schedules and attachments. Most commonly, the public inspection copy redacts contributor information such as name and address from public record. The public inspection rules apply to an organization's Form(s) 990 (and 990-T, if applicable) for the last three years. Failure to comply with disclosure requirements can result in an enforcement action by the IRS.

Where Must Information Be Provided?

Generally, an organization must make its documents available for public inspection at any location where it has three or more employees. If the only services provided at the site are in furtherance of exempt purposes and the site does not serve as an office for management staff, the documents are not required to be made available there. As an alternative to providing copies, an organization may provide access to its Form(s) 990 (and 990-T, if applicable) through the organization's website. The website must provide instructions for downloading the document(s). The information on the website must be in such a format that it may be accessed, downloaded, viewed, or printed in the same format as the actual documents. An organization would need to make the web address available to the general public.

How Quickly Must Organizations Reply?

Requests for copies can be made in person or in writing. When requests are made in person, the copies must generally be provided on the same business day. There are provisions for delays due to unusual circumstances. However, in no event may the period of delay exceed five business days. Unusual circumstances include times when those staff that are capable of fulfilling a request are absent. Requested copies generally must be mailed within 30 days from the date of the receipt of the written request. However, if the organization requires advance payment of a reasonable fee for copying and postage, it may provide the copies within 30 days from the date it receives payment rather than the date of the original request.

For more information about the IRS' public disclosure requirements, please visit:

<https://www.irs.gov/charities-non-profits/exempt-organization-public-disclosure-and-availability-requirements>

Please contact your FORVIS advisor if you have questions about these rules.

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

- ▶ Do not enter Social Security numbers on this form as it may be made public.
- ▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2021

Open to Public Inspection

A For the 2021 calendar year, or tax year beginning 10/01/2021 **and ending** 09/30/2022

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.				D Employer identification number 03-0185556	
	Doing Business As				E Telephone number (802) 334-7331	
	Number and street (or P.O. box if mail is not delivered to street address)		Room/suite			
	189 PROUTY DR City or town, state or province, country, and ZIP or foreign postal code NEWPORT, VT 05855					
F Name and address of principal officer: THOMAS E FRANK 189 PROUTY DR, NEWPORT, VT 05855						
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.NCHSI.ORG				G Gross receipts \$ 120,996,041.
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: 1919		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)
M State of legal domicile: VT						
H(c) Group exemption number ▶						

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>TO PROVIDE HEALTH CARE SERVICES TO THE RESIDENTS OF ORLEANS AND ESSEX COUNTIES, ENSURING THAT HEALTH CARE IS AVAILABLE TO ALL PEOPLE.</u>		
	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	14
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5 Total number of individuals employed in calendar year 2021 (Part V, line 2a)	5	691
	6 Total number of volunteers (estimate if necessary)	6	20
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	14,342.
b Net unrelated business taxable income from Form 990-T, line 34	7b	12,508.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	2,713,296.	937,435.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	95,407,863.	90,152,538.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,027,800.	4,334,697.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	-74,862.	38,949.
		102,074,097.	95,463,619.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	NONE	NONE
	14 Benefits paid to or for members (Part IX, column (A), line 4)	NONE	NONE
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	55,569,447.	53,028,121.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	NONE	NONE
	b Total fundraising expenses (Part IX, column (D), line 25) ▶	NONE	
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	37,936,349.	47,446,442.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	93,505,796.	100,474,563.	
19 Revenue less expenses. Subtract line 18 from line 12	8,568,301.	-5,010,944.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	120,716,878.	114,172,265.
	22 Net assets or fund balances. Subtract line 21 from line 20.	41,790,308.	50,889,063.
	78,926,570.	63,283,202.	

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	Date
	▶ Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	BRIAN D TODD	BRIAN D TODD			P00422601
	Firm's name ▶ FORVIS, LLP	Firm's EIN ▶	44-0160260		
	Firm's address ▶ 910 E ST LOUIS #200/PO BOX 1190 SPRINGFIELD, MO 65806-2523	Phone no.	417-865-8701		

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2021)

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

► **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.	Taxpayer identification number (TIN)
	NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.	03-0185556
	Number, street, and room or suite no. If a P.O. box, see instructions.	
	189 PROUTY DR	
File by the due date for filing your return. See instructions.	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	NEWPORT, VT 05855	

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

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		

- The books are in the care of ► TRACEY PAUL
189 PROUTY DRIVE NEWPORT VT 05855
Telephone No. ► 802 334-7331 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 08/15, 2023, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

► calendar year 20 ____ or
 ► tax year beginning 10/01, 2021, and ending 09/30, 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 \$	NONE
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 \$	NONE
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 \$	NONE

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.

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:

QUALITY PATIENT CARE IS OUR GREATEST COMMITMENT, EMPLOYEES ARE OUR GREATEST ASSET, EXCELLENT PATIENT EXPERIENCE IS OUR GREATEST ACCOMPLISHMENT, AND THE HEALTH OF OUR COMMUNITY IS OUR GREATEST RESPONSIBILITY.

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? [] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 49,810,028. including grants of \$) (Revenue \$ 66,648,767.)

THE HOSPITAL OFFERS OUTPATIENT SERVICES INCLUDING EMERGENCY ROOM, LAB WORK, DIAGNOSTIC IMAGING (X-RAY, CT SCAN, MRI, MAMMOGRAMS, NUCLEAR IMAGING ULTRASOUND), OUTPATIENT SURGERIES, PULMONARY, CARDIAC CARE AND THERAPY SERVICES (PHYSICAL, SPEECH AND REHABILITATIVE).

4b (Code:) (Expenses \$ 24,918,566. including grants of \$) (Revenue \$ 9,343,026.)

THE HOSPITAL'S PHYSICIAN PRACTICE CLINICS PROVIDE INTERNAL MEDICINE RADIOLOGY PROGRAM, PSYCHIATRIC, OB/GYN, NEUROLOGY, ORTHOPEDICS, OCCUPATIONAL HEALTH, PULMONARY-SLEEP, AND SURGICAL SERVICES.

4c (Code:) (Expenses \$ 11,183,535. including grants of \$) (Revenue \$ 14,160,745.)

INPATIENT HOSPITAL CARE WAS PROVIDED AT A CRITICAL ACCESS HOSPITAL TOTALING 6,287 PATIENT DAYS FOR THE YEAR. THE HOSPITAL'S INPATIENT CARE SERVICES INCLUDE A 24 HOUR EMERGENCY DEPARTMENT, MEDICAL AND SURGICAL SERVICES, INTENSIVE CARE UNITS, BIRTHING CENTER, CLINICAL LABORATORY, MRI AND ULTRASOUND, NEUROLOGY, ORTHOPEDICS, PHARMACY, REHABILITATION SERVICES, OCCUPATIONAL AND PHYSICAL THERAPY AMONG OTHERS. THE HOSPITAL ALSO PROVIDED COMMUNITY GRANTS.

4d Other program services (Describe on Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 85,912,129.

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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? See instructions	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14a Did the organization maintain an office, employees, or agents outside of the United States?.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H.</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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>		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>	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>	X	
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		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>		X
25b 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>		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>		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>		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):		
28a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>		X
28b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV.</i>		X
28c 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>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		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>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		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>		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>		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>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
35b 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>		
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>		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>		X
38 Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19? Note: All Form 990 filers are required to complete Schedule O.	X	

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		
1b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable.		
1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. 2a 691		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. See instructions.	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
b	If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation on Schedule O</i>	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12 10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b		
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders 11a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? 13a Note: See the instructions for additional information the organization must report on Schedule O.		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b		
c	Enter the amount of reserves on hand 13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation on Schedule O</i>		
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? 15 If "Yes," see the instructions and file Form 4720, Schedule N.		X
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O. 16		
17	Section 501(c)(21) organizations. Did the trust, any disqualified person, or mine operator engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953? 17 If "Yes," complete Form 6069.		X

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

Table with 3 columns: Question, Yes, No. Rows include: 1a (14), 1b (11), 2 (X), 3 (X), 4 (X), 5 (X), 6 (X), 7a (X), 7b (X), 8a (X), 8b (X), 9 (X).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a (X), 10b, 11a (X), 11b, 12a (X), 12b (X), 12c (X), 13 (X), 14 (X), 15a (X), 15b (X), 16a (X), 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.
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 -> TRACEY PAUL 189 PROUTY DRIVE NEWPORT, VT 05855

802-334-7331

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 X

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 dotted 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) PETER SCHROER, MD PHYSICIAN	40.00 NONE					X	742,941.	NONE	43,159.	
(2) STEPHANE MULLIGAN, MD PHYSICIAN	40.00 NONE					X	711,087.	NONE	44,900.	
(3) GREGORY WALKER, MD MEDICAL STAFF PRESIDENT	40.00 2.00	X		X			581,893.	NONE	49,576.	
(4) PETER STUART, MD MEDICAL STAFF VICE PRESIDENT	40.00 2.00	X		X			603,086.	NONE	27,251.	
(5) MATTHEW KELLEY, MD PHYSICIAN	40.00 NONE					X	575,025.	NONE	41,561.	
(6) ALBERTO PEREZ, MD PHYSICIAN	40.00 NONE					X	551,339.	NONE	45,159.	
(7) PATRICK KEITH, MD PHYSICIAN	40.00 NONE					X	540,796.	NONE	13,886.	
(8) JENNIFER LADD, MD TRUSTEE END 01/22	40.00 2.00	X					450,074.	NONE	44,710.	
(9) DWIGHT BRIAN NALL PRESIDENT & CEO	40.00 2.00	X		X			429,405.	NONE	33,125.	
(10) TRACEY PAUL CFO & COO	40.00 2.00			X			242,447.	NONE	50,340.	
(11) MEGAN SARGENT VP PATIENT CARE SERVICES	40.00 NONE					X	186,814.	NONE	40,362.	
(12) PAUL GIORDANO VP OF HUMAN RESOURCES	40.00 NONE					X	190,878.	NONE	15,174.	
(13) FRANK KNOLL CHAIR	10.00 2.00	X					NONE	NONE	NONE	
(14) LOUISE BONVECHIO FINANCE VICE CHAIR & TREASURER	5.00 2.00	X		X			NONE	NONE	NONE	

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 dotted 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)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(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			
(15) NANCY BULLOCK SECRETARY/CLERK BEG 02/22	5.00 2.00	X		X				NONE	NONE	NONE
(16) GARY GILLESPIE VICE CHAIR	5.00 2.00	X		X				NONE	NONE	NONE
(17) JANET OSBORNE TRUSTEE	5.00 2.00	X						NONE	NONE	NONE
(18) STEVE WRIGHT TRUSTEE	5.00 2.00	X						NONE	NONE	NONE
(19) JOHN MONETTE TRUSTEE	5.00 2.00	X						NONE	NONE	NONE
(20) ANDRE MESSIER TRUSTEE	5.00 2.00	X						NONE	NONE	NONE
(21) JENNIFER HARLOW-JACOBS TRUSTEE BEG 02/22	5.00 2.00	X						NONE	NONE	NONE
(22) WILLIAM PECK TRUSTEE BEG 02/22	5.00 2.00	X						NONE	NONE	NONE
(23) STACEY CHARBONEAU TRUSTEE BEG 02/22	5.00 2.00	X						NONE	NONE	NONE
(24) HEIDI BROWN SECRETARY END 01/22	5.00 2.00	X		X				NONE	NONE	NONE
1b Sub-total								5,805,785.	NONE	449,203.
c Total from continuation sheets to Part VII, Section A								NONE	NONE	NONE
d Total (add lines 1b and 1c)								5,805,785.	NONE	449,203.

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 **▶** 101

	Yes	No
3 Did the organization list any former officer, director, or 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
SEE SCHEDULE O		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **▶** 8

Part VIII Statement of Revenue

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

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions) . .	1e	893,819.				
	f	All other contributions, gifts, grants, and similar amounts not included above .	1f	43,616.				
	g	Noncash contributions included in lines 1a-1f	1g	\$				
	h	Total. Add lines 1a-1f ▶		937,435.				
	Program Service Revenue				Business Code			
2a		PATIENT SERVICE REVENUE		624100	72,888,230.	72,888,230.		
b		FIXED PROSPECTIVE REVENUE		624100	10,591,853.	10,591,853.		
c		OTHER PATIENT SERVICE REVENUE		624100	3,754,467.	3,754,467.		
d		340B PHARMACY		446110	2,691,120.	2,691,120.		
e		CAFETERIA		722514	226,868.	226,868.		
f		All other program service revenue						
g		Total. Add lines 2a-2f ▶			90,152,538.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶			880,068.		880,068.	
	4	Income from investment of tax-exempt bond proceeds . ▶			NONE			
	5	Royalties ▶			NONE			
	6a	Gross rents	6a	(i) Real	(ii) Personal			
	b	Less: rental expenses	6b					
	c	Rental income or (loss)	6c	NONE	NONE			
	d	Net rental income or (loss) ▶				NONE		
	7a	Gross amount from sales of assets other than inventory	7a	(i) Securities	(ii) Other			
						28,287,457.	699,594.	
	b	Less: cost or other basis and sales expenses	7b	25,229,889.	302,533.			
	c	Gain or (loss)	7c	3,057,568.	397,061.			
	d	Net gain or (loss) ▶				3,454,629.	3,454,629.	
8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a		NONE				
b	Less: direct expenses	8b		NONE				
c	Net income or (loss) from fundraising events ▶				NONE			
9a	Gross income from gaming activities. See Part IV, line 19	9a		NONE				
b	Less: direct expenses	9b		NONE				
c	Net income or (loss) from gaming activities ▶				NONE			
10a	Gross sales of inventory, less returns and allowances	10a		NONE				
b	Less: cost of goods sold	10b		NONE				
c	Net income or (loss) from sales of inventory ▶				NONE			
Miscellaneous Revenue				Business Code				
	11a	GAIN ON INVEST IN EQUITY INVESTEE		900099	24,607.		24,607.	
	b	ADMIN SERVICES		561000	8,902.	8,902.		
	c	HOUSEKEEPING		812900	5,440.	5,440.		
	d	All other revenue						
	e	Total. Add lines 11a-11d ▶			38,949.			
12	Total revenue. See instructions ▶			95,463,619.	90,152,538.	14,342.	4,359,304.	

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

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.				
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	NONE			
2 Grants and other assistance to domestic individuals. See Part IV, line 22	NONE			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	NONE			
4 Benefits paid to or for members	NONE			
5 Compensation of current officers, directors, trustees, and key employees	2,945,136.	2,189,819.	755,317.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	NONE			
7 Other salaries and wages	37,883,335.	29,778,571.	8,104,764.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,616,915.	1,272,121.	344,794.	
9 Other employee benefits	7,783,083.	6,121,346.	1,661,737.	
10 Payroll taxes	2,799,652.	2,193,965.	605,687.	
11 Fees for services (nonemployees):				
a Management	58,556.		58,556.	
b Legal	94,866.		94,866.	
c Accounting	210,215.		210,215.	
d Lobbying	NONE			
e Professional fundraising services. See Part IV, line 17	NONE			
f Investment management fees	77,705.		77,705.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Schedule O.)	SEE SCHE O 18,385,881.	18,353,142.	32,739.	
12 Advertising and promotion	269,089.		269,089.	
13 Office expenses	3,621,261.	2,765,026.	856,235.	
14 Information technology	15,221.	15,221.		
15 Royalties	NONE			
16 Occupancy	1,542,222.	1,454,496.	87,726.	
17 Travel	76,211.	72,049.	4,162.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	199,876.	199,876.		
20 Interest	499,362.	445,605.	53,757.	
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization	3,489,849.	3,114,162.	375,687.	
23 Insurance	935,396.		935,396.	
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 MEDICAL SUPPLIES & DRUGS	7,814,554.	7,814,554.		
b PROVIDER TAX	5,419,126.	5,419,126.		
c REPAIRS & MAINTENANCE	4,297,031.	4,263,029.	34,002.	
d LICENSES, DUES, SUBSCRIPTION	440,021.	440,021.		
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	100,474,563.	85,912,129.	14,562,434.	NONE
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) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	290,317.	1	612,497.
	2 Savings and temporary cash investments	20,540,768.	2	18,635,925.
	3 Pledges and grants receivable, net	12,785.	3	238,020.
	4 Accounts receivable, net	9,987,886.	4	26,765,731.
	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	NONE	5	NONE
	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)	NONE	6	NONE
	7 Notes and loans receivable, net	NONE	7	NONE
	8 Inventories for sale or use	2,940,529.	8	2,753,147.
	9 Prepaid expenses and deferred charges	1,047,914.	9	1,107,266.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 79,181,659.		
	b Less: accumulated depreciation	10b 56,509,109.		
		23,039,013.	10c	22,672,550.
	11 Investments - publicly traded securities	58,536,628.	11	37,213,910.
	12 Investments - other securities. See Part IV, line 11	490,503.	12	514,707.
	13 Investments - program-related. See Part IV, line 11	877,283.	13	990,416.
	14 Intangible assets	NONE	14	NONE
15 Other assets. See Part IV, line 11	2,953,252.	15	2,668,096.	
16 Total assets. Add lines 1 through 15 (must equal line 33)	120,716,878.	16	114,172,265.	
Liabilities	17 Accounts payable and accrued expenses	14,445,703.	17	28,851,753.
	18 Grants payable	NONE	18	NONE
	19 Deferred revenue	8,511,504.	19	3,711,257.
	20 Tax-exempt bond liabilities	14,420,279.	20	13,548,055.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	NONE	21	NONE
	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	NONE	22	NONE
	23 Secured mortgages and notes payable to unrelated third parties	905,512.	23	4,510,718.
	24 Unsecured notes and loans payable to unrelated third parties	NONE	24	NONE
	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	3,507,310.	25	267,280.
	26 Total liabilities. Add lines 17 through 25	41,790,308.	26	50,889,063.
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	73,537,554.	27	58,385,496.
	28 Net assets with donor restrictions	5,389,016.	28	4,897,706.
	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	78,926,570.	32	63,283,202.
33 Total liabilities and net assets/fund balances	120,716,878.	33	114,172,265.	

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	95,463,619.
2	Total expenses (must equal Part IX, column (A), line 25)	2	100,474,563.
3	Revenue less expenses. Subtract line 2 from line 1	3	-5,010,944.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	78,926,570.
5	Net unrealized gains (losses) on investments	5	-12,076,558.
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	1,444,134.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	63,283,202.

Part XII Financial Statements and Reporting

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

- 1 Accounting method used to prepare the Form 990: Cash Accrual 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?
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:
 Separate basis Consolidated basis Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant?
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:
 Separate basis Consolidated basis Both consolidated and separate basis
- c 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?
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?
- b 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

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Form 990 (2021)

**SCHEDULE A
(Form 990)**

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ 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 NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.	Employer identification number 03-0185556
---	---

Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box on lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

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

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 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
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

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
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)					12	
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						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2021 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2020 Schedule A, Part II, line 14	15	%
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.		<input type="checkbox"/>
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		<input type="checkbox"/>
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.		<input type="checkbox"/>
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.		<input type="checkbox"/>
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		<input type="checkbox"/>

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 in 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)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?		
b A family member of a person described on line 11a above?		
c A 35% controlled entity of a person described on line 11a or 11b above? <i>If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI.</i>		

Section B. Type I Supporting Organizations

	Yes	No
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? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
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? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		

Section C. Type II Supporting Organizations

	Yes	No
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)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

Section D. All Type III Supporting Organizations

	Yes	No
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?		
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? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
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? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).			
2 Activities Test. Answer lines 2a and 2b below.		Yes	No
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>			
b Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>			
3 Parent of Supported Organizations. Answer lines 3a and 3b below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>If "Yes" or "No," provide details in Part VI.</i>			
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>			

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 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 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

Employer identification number

NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.

03-0185556

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

[X] 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

[X] 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 <p style="text-align: center;">NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.</p>	Employer identification number <p style="text-align: center;">03-0185556</p>
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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	N/A <hr/> <hr/> <hr/>	\$ 92,574.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	N/A <hr/> <hr/> <hr/>	\$ 18,116.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	N/A <hr/> <hr/> <hr/>	\$ 289,290.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	N/A <hr/> <hr/> <hr/>	\$ 493,839.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization <p style="text-align: center;">NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.</p>	Employer identification number <p style="text-align: center;">03-0185556</p>
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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 NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.	Employer identification number 03-0185556
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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 information once. See instructions.) ► \$ _____
 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	
_____ _____ _____		_____ _____ _____	
_____	_____ _____ _____	_____ _____ _____	_____ _____ _____

**SCHEDULE C
(Form 990)**

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2021

Open to Public Inspection

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.**

Department of the Treasury
Internal Revenue Service

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 NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.	Employer identification number 03-0185556
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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. See instructions for definition of "political campaign activities."
- 2 Political campaign activity expenditures. See instructions ▶ \$ _____
- 3 Volunteer hours for political campaign activities. See instructions

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-.
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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"> <thead> <tr> <th>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)).

Table with 3 main columns: (a) Yes/No, (b) Amount. Rows include: 1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation...; a Volunteers?; b Paid staff or management...; c Media advertisements?; d Mailings to members...; e Publications...; f Grants to other organizations...; g Direct contact with legislators...; h Rallies, demonstrations...; i Other activities?; j Total. Add lines 1c through 1i; 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?; 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).

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

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."

Table with 2 main columns: Question, Amount. Rows include: 1 Dues, assessments and similar amounts from members; 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; b Carryover from last year; c Total; 3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues; 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?; 5 Taxable amount of lobbying and political expenditures. See instructions.

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.

SEE PAGE 4

Blank lines for supplemental information.

Part IV Supplemental Information (continued)

SCHEDULE C, PART II-B, LINE 1(I)

OTHER LOBBYING ACTIVITIES:

THE ORGANIZATION PAYS DUES TO THE VERMONT HOSPITAL ASSOCIATION, WHICH HAS REPORTED THAT APPROXIMATELY 8.52% OF DUES SUPPORT LOBBYING EFFORTS. IN ADDITION, THE ORGANIZATION PAYS DUES TO THE AMERICAN HOSPITAL ASSOCIATION, WHICH HAS REPORTED THAT APPROXIMATELY 26.47% OF DUES SUPPORT LOBBYING EFFORTS.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

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.

2021

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Attach to Form 990.

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

Name of the organization

Employer identification number

NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.

03-0185556

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.

Table with 3 columns: Line number, Description, (a) Donor advised funds, (b) Funds and other accounts. Includes rows for total number at end of year, aggregate values, and yes/no questions about donor advisement.

Part II Conservation Easements.

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

Table with 3 columns: Line number, Description, and Held at the End of the Tax Year. Includes rows for purpose(s) of easements, total number, acreage, and monitoring expenses.

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.

Table with 3 columns: Line number, Description, and Amount. Includes rows for art collections, revenue included, and assets included.

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

Schedule D (Form 990) 2021

JSA 1E1268 1.000

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	4,511,361.	3,761,813.	3,509,533.	3,458,184.	3,247,829.
b Contributions		749,548.	252,280.	51,349.	210,355.
c Net investment earnings, gains, and losses	-604,040.				
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	3,907,321.	4,511,361.	3,761,813.	3,509,533.	3,458,184.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____ %
 - b Permanent endowment 22.9800 %
 - c Term endowment 77.0200 %
- 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 | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (ii) Related organizations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | <input type="checkbox"/> | <input type="checkbox"/> |
- 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		405,921.		405,921.
b Buildings		46,242,252.	34,246,512.	11,995,740.
c Leasehold improvements		185,772.	185,772.	
d Equipment		28,697,150.	20,384,061.	8,313,089.
e Other		3,650,564.	1,692,764.	1,957,800.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				22,672,550.

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. (Column (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. (Column (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) DUE TO 3RD PARTY PAYER	255,212.
(3) INTEREST RATE SWAP	12,068.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	
	267,280.

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	85,244,800.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	-11,472,518.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	1,331,404.
e	Add lines 2a through 2d	2e	-10,141,114.
3	Subtract line 2e from line 1	3	95,385,914.
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	77,705.
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	77,705.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	95,463,619.

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	100,396,858.
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	
3	Subtract line 2e from line 1	3	100,396,858.
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	77,705.
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	77,705.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	100,474,563.

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.

SEE SUPPLEMENTAL PAGE

Part XIII Supplemental Information (continued)

SCHEDULE D, PART V, LINE 4

ENDOWMENT FUNDS:

NORTH COUNTRY HEALTH SYSTEMS (NCHS), A RELATED ORGANIZATION, HAS ADOPTED INVESTMENT AND SPENDING POLICIES FOR ENDOWMENT ASSETS THAT ATTEMPT TO PROVIDE A PREDICTABLE STREAM OF FUNDING TO PROGRAMS AND OTHER ITEMS SUPPORTED BY ITS ENDOWMENT WHILE SEEKING TO MAINTAIN THE PURCHASING POWER OF THE ENDOWMENT. UNDER NCHS'S POLICIES, THE PRIMARY INVESTMENT GOAL IS GROWTH IN THE ENDOWMENT ACCOUNTS. NCHS EXPECTS ITS ENDOWMENT FUNDS TO PROVIDE AN AVERAGE RATE OF RETURN THAT EXCEEDS BENCHMARK RETURNS INDICATED FOR VARIOUS ASSET CLASSES.

SCHEDULE D, PART X, LINE 2

UNCERTAIN TAX POSITIONS:

MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740. BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS.

Part XIII Supplemental Information (continued)

SCHEDULE D, PART XI, LINE 2D

AMOUNTS INCLUDED ON LINE 1, BUT NOT ON FORM 990, PART VIII, LINE 12:

\$ 1,331,404 CHANGE IN FAIR VALUE OF INTEREST RATE SWAP AGREEMENTS

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2021

Open to Public Inspection

▶ **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.**

Department of the Treasury
Internal Revenue Service

Name of the organization

NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.

Employer identification number

03-0185556

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	
1b 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 checked="" 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>300.0000</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 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	
5b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
5c 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	
6b If "Yes," did the organization make it available to the public?	X	

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(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
a Financial Assistance at cost (from Worksheet 1)			756,853.		756,853.	0.75
b Medicaid (from Worksheet 3, column a)			35,473,446.	23,252,057.	12,221,389.	12.16
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			36,230,299.	23,252,057.	12,978,242.	12.91
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			48,370.		48,370.	0.05
f Health professions education (from Worksheet 5)			137,029.		137,029.	0.14
g Subsidized health services (from Worksheet 6)			12,872.		12,872.	0.01
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			107,891.		107,891.	0.11
j Total. Other Benefits			306,162.		306,162.	0.31
k Total. Add lines 7d and 7j			36,536,461.	23,252,057.	13,284,404.	13.22

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

Schedule H (Form 990) 2021

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

	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		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.		
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		
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	35,749,967.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	39,772,045.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-4,022,078.
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: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> 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 %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, from largest to smallest - see instructions)
 How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1	832									
NORTH COUNTRY HOSPITAL 189 PROUTY DRIVE NEWPORT VT 05855 NCHSI.ORG										
2	X	X			X		X			
3										
4										
5										
6										
7										
8										
9										
10										

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 NORTH COUNTRY HOSPITAL

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 If "Yes," indicate what the CHNA report describes (check all that apply):	X	
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: <u>2021</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
6b	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? If "Yes," indicate how the CHNA report was made widely available (check all that apply):	X	
a	<input checked="" type="checkbox"/> Hospital facility's website (list url): <u>SEE PART V, SECTION C</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 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: <u>20 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, SECTION C</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 NORTH COUNTRY HOSPITAL

		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? If "Yes," indicate the eligibility criteria explained in the FAP:	X	
a	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>300.0000</u> % and FPG family income limit for eligibility for discounted care of _____ %		
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 checked="" 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? 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):	X	
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 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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	X	
a	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART V, SECTION C</u>		
b	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, SECTION C</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, SECTION C</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 NORTH COUNTRY HOSPITAL

		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? If "Yes," check all actions in which the hospital facility or a third party engaged:		X
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 type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)		
e	<input checked="" 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? If "No," indicate why:	X	
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 NORTH COUNTRY HOSPITAL

		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 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 checked="" 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? If "Yes," explain in Section C.		X
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? If "Yes," explain in Section C.		X

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.

SCHEDULE H, PART V, SECTION B, LINE 5

COMMUNITY INPUT:

IN KEEPING WITH THE GUIDELINES FOR A COMPREHENSIVE CHNA, A NUMBER OF KEY COMMUNITY STAKEHOLDERS WHO REPRESENT THE BROAD INTEREST OF THE NEWPORT HOSPITAL SERVICE AREA, INCLUDING LEADERS AND REPRESENTATIVES OF ORGANIZATIONS THAT SERVE VARIOUS SEGMENTS OF THE POPULATION IN THE NCH SERVICE AREA WERE INVITED TO PARTICIPATE ON THE CHNA ADVISORY TEAM. WITH THE NCH CORE TEAM AS A SUBGROUP OF THE CHNA ADVISORY TEAM, CHNA ADVISORY TEAM MEMBERS PLAYED AN INTEGRAL ROLE IN DISTRIBUTING THE QUANTITATIVE SURVEY, RECRUITING PARTICIPANTS IN FOCUS GROUP DISCUSSIONS AND TOWN HALLS, AND CREATING AWARENESS FOR THE COMMUNITY HEALTH NEEDS ASSESSMENT WITHIN THE COMMUNITY.

ADVISORY TEAM MEMBERS WILL ALSO PLAY A CRITICAL ROLE IN THE FINAL IMPLEMENTATION PLAN AND ACTIONS, USING EACH OTHER'S EXPERTISE TO ACHIEVE GOALS OF COMMUNITY HEALTH IMPROVEMENT.

SCHEDULE H, PART V, SECTION B, LINE 7A & 10

WEBSITE URL FOR CHNA REPORT/IMPLEMENTATION STRATEGY:

[HTTPS://WWW.NORTHCOUNTRYHOSPITAL.ORG/COMMUNITY-HEALTH-NEEDS-ASSESSMENT/](https://www.northcountryhospital.org/community-health-needs-assessment/)

SCHEDULE H, PART V, SECTION B, LINE 11

ADDRESSING IDENTIFIED NEEDS:

AFTER REVIEW OF THE COMBINATION OF DATA AND THE RESULTS OF THE COMMUNITY SURVEY AND FOCUS GROUP PROCESSES, THE ADVISORY TEAM PRIORITIZED THE FOLLOWING AS KEY HEALTH CONCERNS RECOMMENDED FOR DEVELOPMENT OF IMPLEMENTATION STRATEGIES FOR THE 2021 NCH COMMUNITY HEALTH NEEDS ASSESSMENT:

- AFFORDABLE HOUSING
- EMPLOYMENT
- REGULAR MEDICAL CARE
- MENTAL HEALTH SERVICES
- THE USE OF ILLEGAL DRUGS OR PRESCRIPTION DRUGS TAKEN IN A WAY NOT RECOMMENDED BY A DOCTOR
- STRESS, ANXIETY, OR DEPRESSION
- URGENT CARE/WALK IN CLINIC
- EMERGENCY MENTAL HEALTH SERVICES

THE RESULTS OF THE QUANTITATIVE SURVEY PROVIDE A CLEAR PICTURE OF THE NEEDS AND PRIORITIES OF THE COMMUNITY SERVED BY NCH. ADDITIONAL CONCERNS

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.

EMERGED THROUGH THIS PROCESS THAT IMPACT THE IDENTIFIED PRIORITY AREAS.
THESE INCLUDE:

- THE PERCEIVED ASSOCIATION BETWEEN MENTAL HEALTH AND SUBSTANCE ABUSE
- FINANCIAL HARDSHIP AND THE TRICKLE DOWN IMPACTS (CHILD CARE, TRANSPORTATION, ETC.)
- LIMITED EMPLOYMENT OPPORTUNITIES
- BARRIERS TO CARE CAUSED BY THE ABOVE CHALLENGES

SCHEDULE H, PART V, SECTION B, LINE 16A

WEBSITE URL FOR FAP:

[HTTPS://WWW.NORTHCOUNTRYHOSPITAL.ORG/FINANCIAL-SERVICES/](https://www.northcountryhospital.org/financial-services/)

SCHEDULE H, PART V, SECTION B, LINE 16B

WEBSITE URL FOR FAP APPLICATION:

[HTTPS://WWW.NORTHCOUNTRYHOSPITAL.ORG/FINANCIAL-SERVICES/](https://www.northcountryhospital.org/financial-services/)

SCHEDULE H, PART V, SECTION B, LINE 16C

WEBSITE URL FOR PLAIN LANGUAGE FAP SUMMARY:

[HTTPS://WWW.NORTHCOUNTRYHOSPITAL.ORG/FINANCIAL-SERVICES/](https://www.northcountryhospital.org/financial-services/)

SCHEDULE H, PART V, SECTION B, LINE 20E

EFFORTS INITIATED BY THE HOSPITAL:

EVERY PATIENT THAT IS FLAGGED FOR COLLECTION IS INVITED TO A FINANCIAL AID APPOINTMENT.

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? 7

Name and address	Type of Facility (describe)
1 NORTH COUNTRY PRIMARY CARE BARTON 488 ELM ST BARTON VT 05822	FAMILY MED, NEWBORN CARE, PEDIATRICS, GERIATRICS, ETC
2 NORTH COUNTRY PRIMARY CARE NEWPORT 186 MEDICAL VILLAGE DRIVE NEWPORT VT 05855	FAMILY CARE, NEWBORN CARE, PEDIATRICS, GERIATRICS, ETC.
3 NORTH COUNTRY HOSPITAL OB/GYN SERVICES 81 MEDICAL VILLAGE DRIVE, SUITE 2 NEWPORT VT 05855	OB/GYN SERVICES
4 NORTH COUNTRY SURGICAL SERVICES 41 MEDICAL VILLAGE DR NEWPORT VT 05855	SURGERY
5 NORTH COUNTRY ORTHOPEDICS 81 MEDICAL VILLAGE DR, SUITE 1 NEWPORT VT 05855	ORTHOPEDICS
6 NORTH COUNTRY NEUROLOGY SERVICES MEDICAL ARTS BLDG, 2ND FLOOR, 189 PROUTY NEWPORT VT 05855	NEUROLOGY
7 NORTH COUNTRY PEDIATRICS 121 MEDICAL VILLAGE DR NEWPORT VT 05855	NEWBORN CARE, PEDIATRICS
8	
9	
10	

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.

SCHEDULE H, PART I, LINE 7

COSTING METHODOLOGY:

THE COST TO CHARGE RATIO CALCULATED ON IRS WORKSHEET 2 WAS USED IN THE
CALCULATION OF COST ON IRS WORKSHEETS 1, 3, AND 6.

SCHEDULE H, PART I, LINE 7, COLUMN F

PERCENT OF TOTAL EXPENSE:

TO ARRIVE AT THE PERCENT OF TOTAL EXPENSES, THE DENOMINATOR EQUALS
TOTAL OPERATING EXPENSES PER PART IX, LINE 25, OF THE FORM 990.

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.

SCHEDULE H, PART I, LINE 7G

SUBSIDIZED SERVICES:

AMOUNTS USED IN THE CALCULATION OF SUBSIDIZED SERVICES ON LINE 7G

PRIMARILY CAME FROM COSTS ASSOCIATED WITH RURAL HEALTH CENTERS (RHCS).

NORTH COUNTRY HOSPITAL PROVIDES PRIMARY CARE SERVICES TO THE SURROUNDING

COMMUNITIES AT THE CENTERS. THESE SERVICES ARE PROVIDED IN RURAL AREAS

WHERE THERE WOULD BE A SHORTAGE OF QUALITY MEDICAL CARE WITHOUT THE

SERVICES. NORTH COUNTRY HOSPITAL CONTINUES TO PROVIDE THESE SERVICES AS A

BENEFIT TO THE COMMUNITY DESPITE KNOWING THAT FINANCIAL SHORTFALLS WILL

BE SUSTAINED.

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.

SCHEDULE H, PART II

COMMUNITY BUILDING ACTIVITIES:

OUR ORGANIZATION'S COMMUNITY-BUILDING ACTIVITIES INCLUDE ACTIVE PARTICIPATION BY HOSPITAL STAFF ON A NUMBER OF ECONOMIC-BUILDING COLLABORATIONS SUCH AS THE LOCAL ROTARY AND CHAMBER OF COMMERCE AS WELL AS ON LOCAL PARTNERSHIPS SUCH AS THOSE THAT FOCUS ON PREVENTION AND REDUCTION OF DOMESTIC VIOLENCE, PREVENTION/REDUCTION OF ALCOHOL, DRUGS AND TOBACCO, PROMOTION OF PHYSICAL ACTIVITY AND HEALTHY LIFESTYLE CHOICES. THE HOSPITAL ALSO PROVIDES MEETING SPACE AT NO CHARGE FOR NUMEROUS AGENCIES AND GROUPS THAT TARGET VARIOUS ASPECTS OF COMMUNITY HEALTH SUCH AS ALCOHOLICS ANONYMOUS, EARLY CHILDHOOD DEVELOPMENT, GRIEVING SUPPORT GROUPS, DRIVING SAFETY COURSES, YOUTH BEHAVIOR SUPPORT TEAMS AND YOUTH COURT DIVERSION TEAMS.

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.

SCHEDULE H, PART III, SECTION A, LINE 2

BAD DEBT EXPENSE:

THE HOSPITAL HAS ADOPTED THE NEW REVENUE RECOGNITION STANDARD ASU 2014-09. UNDER ASU 2014-09, THE ESTIMATED AMOUNTS DUE FROM PATIENTS FOR WHICH THE HOSPITAL DOES NOT EXPECT TO BE ENTITLED OR COLLECT FROM THE PATIENTS ARE CONSIDERED IMPLICIT PRICE CONCESSIONS AND EXCLUDED FROM THE HOSPITAL'S ESTIMATION OF THE TRANSACTION PRICE OR REVENUE RECORDED. BAD DEBT EXPENSE WAS NOT SIGNIFICANT TO THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2022. HOWEVER, THE HOSPITAL INTERNALLY TRACKS BAD DEBT EXPENSE CONSISTENT WITH HISTORICAL PRACTICES AND THAT AMOUNT HAS BEEN REPORTED ON SCHEDULE H, PART III, SECTION A, LINE 2.

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.

SCHEDULE H, PART III, SECTION A, LINE 3

BAD DEBT EXPENSE ATTRIBUTABLE TO FINANCIAL ASSISTANCE:

THE ORGANIZATION HAS ESTIMATED THE AMOUNT OF BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY FOR LINE 3 BY UTILIZING DATA FROM THE U.S. CENSUS BUREAU. THE ORGANIZATION ESTIMATED THE PERCENTAGE BY OBTAINING THE PERCENT OF THE POPULATION IN ITS SERVICE AREA FALLING BELOW THE FEDERAL POVERTY GUIDELINES.

SCHEDULE H, PART III, SECTION A, LINE 4

BAD DEBT EXPENSE FOOTNOTE:

THE AUDITED FINANCIAL STATEMENTS DO NOT CONTAIN A FOOTNOTE THAT DESCRIBES BAD DEBT EXPENSE. THEY DO, HOWEVER, CONTAIN A FOOTNOTE THAT DESCRIBES PATIENT ACCOUNTS RECEIVABLE, THAT NOTE CAN BE FOUND ON PAGE 13 OF THE ATTACHED AUDITED FINANCIAL STATEMENTS.

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.

SCHEDULE H, PART III, SECTION B, LINE 8

COMMUNITY BENEFIT:

THE COMMUNITY IS BETTER SERVED WITH PROVIDERS AVAILABLE IN THE ORGANIZATION'S REMOTE REGION. THE ENTIRETY OF ANY SHORTFALL REPORTED SHOULD BE TREATED AS COMMUNITY BENEFIT. THE ORGANIZATION ACCEPTS ALL MEDICARE PATIENTS KNOWING THAT THERE WILL LIKELY BE SHORTFALLS. ADDITIONALLY, TREATING MEDICARE PATIENTS IS A COMPONENT OF THE COMMUNITY BENEFIT STANDARD THAT TAX-EXEMPT HOSPITALS ARE HELD TO.

SCHEDULE H, PART III, SECTION C, LINE 9B

COLLECTION POLICY:

WHEN IDENTIFIED AS A POSSIBLE WRITE OFF TO MEDICARE BAD DEBT, AN ACCOUNT MUST MEET MEDICARE'S CRITERIA FOR REPORTING ON THE COST REPORT. AN ACCOUNT FOR A MEDICARE PATIENT MUST UNDERGO HOSPITAL COLLECTION EFFORTS FOR AT LEAST 120 DAYS FROM THE INITIAL DATE OF BILLING TO THE PATIENT BEFORE BEING CONSIDERED FOR WRITE-OFF TO A THIRD PARTY AGENCY. THESE

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.

MEDICARE ACCOUNTS WILL BE CLOSED AND RETURNED BY THE AGENCIES AFTER 120
DAYS FROM PLACEMENT IF COLLECTION EFFORTS FAIL AND THEY ARE DEEMED
UNCOLLECTIBLE.

IF A MEDICARE PATIENT IS DECEASED AND NO ESTATE CAN BE IDENTIFIED, IT
WILL BE DEEMED UNCOLLECTIBLE AND MAY BE DIRECTLY CONSIDERED FOR WRITE-OFF
RATHER THAN TURNED OVER TO A THIRD PARTY AGENCY. IF A MEDICARE PATIENT
FILES FOR BANKRUPTCY, THE ACCOUNTS WILL BE DEEMED UNCOLLECTIBLE AND WILL
BE DIRECTLY CONSIDERED FOR WRITE-OFF. IF A MEDICARE PATIENT QUALIFIES FOR
FREE CARE UNDER THE HOSPITAL'S GUIDELINES, THE ACCOUNT(S) WILL BE DEEMED
UNCOLLECTIBLE AND WILL BE WRITTEN OFF TO THE APPROPRIATE PAT CODE(S).

WHEN A MEDICARE ACCOUNT IS DEEMED UNCOLLECTIBLE, THE DEDUCTIBLE AND/OR
COINSURANCE AMOUNTS WILL BE WRITTEN OFF USING THE APPROPRIATE PAT
CODE(S). NON COVERED AMOUNTS DO NOT QUALIFY FOR MEDICARE BAD DEBT. ALL
SUPPORTING DOCUMENTATION REGARDING DEDUCTIBLE AND COINSURANCE AMOUNTS
WILL BE COLLECTED AND FILED FOR COST REPORTING PURPOSES.

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.
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- 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.

THE HOSPITAL ALSO COMPLETED A COMMUNITY HEALTH NEEDS ASSESSMENT TO COMPLY WITH IRS 501(R) REQUIREMENTS.

SCHEDULE H, PART VI, LINE 2

NEEDS ASSESSMENT:

THE HOSPITAL ACTIVELY PARTICIPATES IN A NUMBER OF COMMUNITY PARTNERSHIPS THAT FOCUS ON VARIOUS ASPECTS OF LOCAL HEALTH NEEDS - INCLUDING, FOR EXAMPLE, HEALTH DISPARITIES, ALCOHOL, DRUG AND TOBACCO PREVENTION, PROMOTING HEALTHY EATING AND PHYSICAL ACTIVITY. THE VT DEPARTMENT OF HEALTH REMAINS AN EXCELLENT AND VERY THOROUGH DATA SOURCE, WITH DATA AVAILABLE STATEWIDE, BY COUNTY AND BY SCHOOL SUPERVISORY DISTRICTS. DATA IS AVAILABLE ACROSS THE LIFESPAN AND INCLUDES, FOR EXAMPLE TOPICS SUCH AS COMMUNICABLE DISEASE, CHRONIC DISEASE, OCCUPATIONAL HEALTH DATA, RISK FACTORS SUCH AS ALCOHOL, DRUG AND TOBACCO USE, OBESITY, LIFESTYLE CHOICES. DATA REGARDING SOCIOECONOMIC STATUS AND EDUCATION LEVEL IS ALSO READILY AVAILABLE, AGAIN FOR THE STATE AS WELL AS BY COUNTY AND SCHOOL DISTRICT. ALL DATA IS EASILY ACCESSIBLE ONLINE AT WWW.HEALTHVERMONT.GOV

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.

AND AT HUMANSERVICES.VERMONT.GOV.

THE HOSPITAL ALSO COMPLETED A COMMUNITY HEALTH NEEDS ASSESSMENT TO COMPLY WITH NEW IRS 501(R) REQUIREMENTS.

SCHEDULE H, PART VI, LINE 3

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

FOR BALANCES OVER \$500.00 A HELP IS AVAILABLE LETTER IS MAILED WITH THE INITIAL BILL, REGARDLESS OF WHETHER THE BALANCE IS SELF-PAY, PRIMARY OR AFTER INSURANCE. IN ADDITION, OUR COLLECTION LETTERS ALL REFER TO OUR FREE CARE PROGRAM ASKING THE PATIENT TO CALL TO DISCUSS THIS AND OTHER OPTIONS. WHEN FREE CARE IS DISCUSSED WITH THE PATIENT, IT IS EXPLAINED THAT THEY ARE REQUIRED TO APPLY FOR OTHER ASSISTANCE AND WE OFFER OUR HELP IN THE APPLICATION PROCESS. FOR SELF-PAY PATIENTS THAT ARE IP, ONE OF THE FINANCIAL COUNSELORS ATTEMPTS TO DISCUSS MEDICAID AS WELL AS FREE CARE.

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.

SCHEDULE H, PART VI, LINE 4

COMMUNITY INFORMATION:

WE SERVE TWO OF THE MOST ECONOMICALLY CHALLENGED COUNTIES IN VERMONT. WITH A TOTAL OF APPROXIMATELY 30,000 RESIDENTS IN OUR SERVICE AREA, OUR POPULATION, AS COMPARED TO VT AND THE US, HAS A SIGNIFICANTLY HIGHER PERCENTAGE OF PERSONS LIVING UNDER THE FEDERAL POVERTY LEVEL AND A VERY HIGH RATE OF ADULTS AGE 25+ WITHOUT A HIGH SCHOOL EDUCATION, WHILE THE MEDIAN HOUSEHOLD INCOME IS SIGNIFICANTLY LOWER, AGAIN AS COMPARED TO VT AND THE US. OUR REGION CONSISTENTLY HAS ONE OF THE HIGHEST RATES OF UNEMPLOYMENT IN THE STATE. THIS PRIMARILY WHITE POPULATION IS FOUND IN VERY SMALL COMMUNITIES SCATTERED OVER A RURAL, MOUNTAINOUS, AND LAKE-DOTTED AREA, MAKING TRAVELING AND NETWORKING A CHALLENGE, PARTICULARLY IN THE HARSH WINTER MONTHS.

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.

SCHEDULE H, PART VI, LINE 5

PROMOTION OF COMMUNITY HEALTH:

IN ADDITION TO THE COMMUNITY BUILDING ACTIVITIES LISTED ON PART II, OTHER COMMUNITY BENEFITS INCLUDE ACTIVITIES SUCH AS PROVIDING SKILLED NURSING SERVICES WHILE ACUTELY ILL PATIENTS ARE TRANSFERRED BY AMBULANCE TO A TERTIARY CARE CENTER, PROVIDING SUPPORT AND SUPERVISION IN THE EDUCATION OF STUDENT NURSES AND MEDICAL STUDENTS, DONATING SUPPLIES AND EQUIPMENT TO OTHER NON-PROFIT ORGANIZATIONS FOR THEIR CONTINUED USE, ACTIVE PARTICIPATION ON THE BOARDS OF SEVERAL HEALTH RELATED AGENCIES SUCH AS THE VISITING NURSE ASSOCIATION, THE DOMESTIC VIOLENCE TASK FORCE, AND THE AREA AGENCY ON AGING. THE ORGANIZATION ALSO IMPLEMENTS A HELP LINE FOR THE HOMEBOUND OR FRAIL INDIVIDUALS WHO LIVE ALONE. A NUMBER OF LOCAL RESIDENTS RECEIVE THIS SERVICE AT NO COST TO THEM.

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.
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- 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.

SCHEDULE H, PART VI, LINE 6

AFFILIATED HEALTH CARE SYSTEM ROLES:

NORTH COUNTRY HEALTH SYSTEMS, INC. AND ITS SUBSIDIARY COLLECTIVELY DO BUSINESS AS NORTH COUNTRY HEALTH SYSTEM (NCHS).

NORTH COUNTRY HEALTH SYSTEMS, INC. (HEALTH SYSTEM) IS THE PARENT HOLDING COMPANY FOR ITS WHOLLY OWNED SUBSIDIARY, NORTH COUNTRY HOSPITAL AND HEALTH CENTER, INC. (HOSPITAL).

NORTH COUNTRY HOSPITAL AND HEALTH CENTER, INC. OPERATES A 25-BED ACUTE CARE HOSPITAL FACILITY IN NEWPORT, VERMONT. THE HOSPITAL PRIMARILY EARNS REVENUES BY PROVIDING INPATIENT, OUTPATIENT AND EMERGENCY CARE SERVICES TO PATIENTS IN NEWPORT, VERMONT, AND THE SURROUNDING AREA. THE HOSPITAL ALSO OPERATES A NUMBER OF PHYSICIAN CLINICS IN THE SAME GEOGRAPHIC AREA.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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.

OMB No. 1545-0047

2021

**Open to Public
Inspection**

Name of the organization

NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.

Employer identification number

03-0185556

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 type="checkbox"/> Compensation committee | <input checked="" 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
1a		
1b		
2		
3		
4a		X
4b		X
4c		X
5a	X	
5b		X
6a		X
6b		X
7	X	
8		X
9		

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 DWIGHT BRIAN NALL PRESIDENT & CEO	(i)	343,135.	61,570.	24,700.	10,430.	22,695.	462,530.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
2 TRACEY PAUL CFO & COO	(i)	214,721.	25,259.	2,467.	16,513.	33,827.	292,787.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
3 GREGORY WALKER, MD MEDICAL STAFF PRESIDENT	(i)	493,315.	26,358.	62,220.	21,750.	27,826.	631,469.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
4 PETER STUART, MD MEDICAL STAFF VICE PRESIDENT	(i)	414,361.	150,524.	38,201.	21,750.	5,501.	630,337.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
5 PETER SCHROER, MD PHYSICIAN	(i)	455,135.	239,436.	48,370.	9,739.	33,420.	786,100.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
6 STEPHANE MULLIGAN, MD PHYSICIAN	(i)	624,420.	12,237.	74,430.	10,169.	34,731.	755,987.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
7 MATTHEW KELLEY, MD PHYSICIAN	(i)	433,095.	122,580.	19,350.	7,250.	34,311.	616,586.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
8 ALBERTO PEREZ, MD PHYSICIAN	(i)	510,700.	10,000.	30,639.	10,921.	34,238.	596,498.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
9 PATRICK KEITH, MD PHYSICIAN	(i)	518,709.	22,087.	NONE	11,030.	2,856.	554,682.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
10 MEGAN SARGENT VP PATIENT CARE SERVICES	(i)	159,352.	18,233.	9,229.	7,247.	33,115.	227,176.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
11 PAUL GIORDANO VP OF HUMAN RESOURCES	(i)	164,627.	26,251.	NONE	3,625.	11,549.	206,052.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
12 JENNIFER LADD, MD TRUSTEE END 01/22	(i)	438,153.	10,233.	1,688.	20,040.	24,670.	494,784.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(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.

SCHEDULE J, PART I, LINE 5A

COMPENSATION CONTINGENT ON THE REVENUES OF THE ORGANIZATION:

PHYSICIANS EARN COMPENSATION BASED UPON THEIR PRODUCTIVITY AGAINST

ESTABLISHED TARGETS. INCREASED PRODUCTIVITY IS DIRECTLY RELATED TO

INCREASED REVENUES FOR THE ORGANIZATION. VP/DIRECTOR INCENTIVES ARE ALSO

BASED ON REVENUES AND PERFORMANCE.

SCHEDULE J, PART I, LINE 7

NON FIXED PAYMENTS:

THE SENIOR TEAM AND CERTAIN DOCTORS ARE GIVEN BONUSES BASED ON SPECIFIC

PROGRAM PERFORMANCE.

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

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.

OMB No. 1545-0047

2021

**Open to Public
Inspection**

Name of the organization

NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.

Employer identification number

03-0185556

Part I Bond Issues

(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 AND HLTH BLDGS FINANCING AGENCY	23-7154467		06/01/2016	18,743,131.	BOND REFUNDING- NORTH COUNTRY HOSP		X		X		X
B											
C											
D											

Part II Proceeds

	A		B		C		D	
1 Amount of bonds retired	6,038,855.							
2 Amount of bonds legally defeased								
3 Total proceeds of issue	18,743,131.							
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds	222,402.							
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds								
11 Other spent proceeds								
12 Other unspent proceeds								
13 Year of substantial completion								
	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							

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

Schedule K (Form 990) 2021

Part III Private Business Use

GROUP 1

	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?								
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 nongovernmental 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							

Part VI **Supplemental Information.** Provide additional information for responses to questions on Schedule K (see instructions) *(Continued)*

SCHEDULE K, PART IV, LINE 2C

DATE OF REBATE COMPUTATION: A REBATE CALCULATION WAS PERFORMED FOR THE
BONDS AS OF 6/7/2017. NO REBATE DUE.

**SCHEDULE O
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

Name of the organization

NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.

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 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2021

**Open to Public
Inspection**

Employer identification number

03-0185556

FORM 990, PART III, LINE 1

ORGANIZATION'S MISSION:

OUR MISSION: OUR MISSION IS TO PROVIDE EXCEPTIONAL CARE THAT MAKES A
DIFFERENCE IN THE LIVES OF OUR PATIENTS AND COMMUNITY.

VISION: WE WILL BE REGARDED AS AN EXCEPTIONAL COMMUNITY RESOURCE THAT HAS
SIGNIFICANTLY IMPROVED THE HEALTH OF THE COMMUNITY.

OUR VALUES:

- QUALITY PATIENT CARE IS OUR GREATEST COMMITMENT
- EMPLOYEES ARE OUR GREATEST ASSETS
- EXCELLENT PATIENT EXPERIENCE IS OUR GREATEST ACCOMPLISHMENT
- THE HEALTH OF THE COMMUNITY IS OUR GREATEST RESPONSIBILITY

FORM 990, PART VI, SECTION A, LINES 6, 7A, & 7B

MEMBERS/STOCKHOLDERS/OTHER PERSONS:

THE SOLE MEMBER OF THE HOSPITAL SHALL BE NORTH COUNTRY HEALTH SYSTEMS,
INC., A VERMONT NOT-FOR-PROFIT CORPORATION, ACTING THROUGH ITS BOARD OF
TRUSTEES AND HEREINAFTER REFERRED TO AS THE MEMBER WHEN ACTING IN ITS
CAPACITY AS SUCH. THE MEMBER SHALL HAVE THE EXCLUSIVE RIGHT TO ENJOY AND
EXERCISE ALL RIGHTS AND POWERS CONFERRED ON MEMBERS OF NON-PROFIT
CORPORATIONS UNDER THE LAWS OF THE STATE OF VERMONT, SUBJECT TO THE TERMS
AND CONDITIONS OF THE AFFILIATION. THE MEMBER SHALL HAVE SUCH OTHER
POWERS AS ARE SPECIFIED IN THE ARTICLES OF ASSOCIATION AND IN THESE
BYLAWS, INCLUDING, WITHOUT THE POWER TO ELECT AND REMOVE TRUSTEES AND TO

**SCHEDULE O
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

Name of the organization

NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.

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 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2021

**Open to Public
Inspection**

Employer identification number

03-0185556

AMEND AND RESTATE THE ARTICLES OF ASSOCIATION. TWELVE OF THE TRUSTEES SHALL BE ELECTED BY THE MEMBER. THE AUTHORITY OF THE BOARD OF TRUSTEES TO EXERCISE THE FOLLOWING POWERS IS CONDITIONED ON THE PRIOR APPROVAL OF THE MEMBER:

- (1) THE ADOPTION OF ANNUAL OPERATING BUDGETS;
- (2) THE ADOPTION OF CAPITAL BUDGETS;
- (3) ANY VOLUNTARY DISSOLUTION, MERGER, OR CONSOLIDATION OF THE HOSPITAL OR THE SALE OR TRANSFER OF ALL OR SUBSTANTIALLY ALL OF THE HOSPITAL'S ASSETS, OR THE CREATION OR ACQUISITION OF ANY SUBSIDIARY OR AFFILIATE CORPORATION OF THE HOSPITAL;
- (4) ANY AGREEMENT OR TRANSACTION, EITHER OF WHICH IS OF A MATERIAL NATURE, WITH ANOTHER CORPORATION CONTROLLED DIRECTLY BY OR AFFILIATED WITH THE MEMBER; AND
- (5) THE BORROWING OF ANY SUM IN EXCESS OF \$100,000 WHICH HAS A STATED TERM GREATER THAN ONE YEAR OR WHICH IS SECURED BY A MORTGAGE OF ALL OR ANY PORTION OF THE HOSPITAL'S REAL PROPERTY OR BY A SECURITY INTEREST IN THE HOSPITAL'S ASSETS OR REVENUES, BUT NOT INCLUDING ANY BORROWING OF LESS THAN \$ 100,000 TO PURCHASE OR LEASE EQUIPMENT OR OTHER PERSONAL PROPERTY THAT IS SECURED SOLELY BY A PURCHASE MONEY TITLE RETENTION OR OTHER FORM OF SECURITY INSTRUMENT OR AGREEMENT IN THE EQUIPMENT OR PERSONAL PROPERTY BEING ACQUIRED.

FORM 990, PART VI, SECTION B, LINE 11B

FORM 990 REVIEW PROCESS:

THE FORM 990 IS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM BASED ON THE

**SCHEDULE O
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

Name of the organization

NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.

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OMB No. 1545-0047

2021

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03-0185556

AUDITED FINANCIAL STATEMENTS AND INFORMATION PROVIDED BY THE ACCOUNTING DEPARTMENT OF THE ORGANIZATION. THE FORM 990 IS REVIEWED BY THE ORGANIZATION'S MANAGEMENT AND FINANCE TEAM IN DETAIL. AFTER IT HAS BEEN REVIEWED, IT IS THEN PROVIDED TO THE FULL BOARD.

FORM 990, PART VI, SECTION B, LINE 12C

MONITORING COMPLIANCE WITH CONFLICT OF INTEREST POLICY:

IN CONNECTION WITH ANY ACTUAL OR POSSIBLE CONFLICTS OF INTEREST, AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE OF HIS OR HER FINANCIAL INTEREST AND MUST BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE BOARD, COMMITTEE, OR OTHER INDIVIDUALS WHO, ON BEHALF OF THE CORPORATION, ARE CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT.

IN THE EVENT THAT A TRUSTEE, OFFICER, COMMITTEE MEMBER OR MEMBER OF THE CORPORATION'S LEADERSHIP GROUP BECOMES CONCERNED THAT ANOTHER INTERESTED PERSON HAS AN UNDISCLOSED FINANCIAL INTEREST OR IS EXERTING INAPPROPRIATE INFLUENCE RELATED TO A FINANCIAL INTEREST, THIS CONCERN SHOULD BE RAISED WITH THE CHAIR OF THE APPROPRIATE BOARD OR COMMITTEE OR, IF INVOLVING THE LEADERSHIP GROUP, AN APPROPRIATE CORPORATE OFFICER.

AFTER DISCLOSURE OF THE FINANCIAL INTEREST AND ALL MATERIAL FACTS, AND AFTER ANY DISCUSSION WITH THE INTERESTED PERSON, HE/SHE SHALL LEAVE THE BOARD OR COMMITTEE MEETING WHILE THE DETERMINATION OF A CONFLICT OF INTEREST IS DISCUSSED AND VOTED UPON BY THE REMAINING BOARD OR COMMITTEE MEMBERS.

**SCHEDULE O
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

Name of the organization

NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.

Supplemental Information to Form 990 or 990-EZ

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OMB No. 1545-0047

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IT SHALL BE THE RESPONSIBILITY OF THE CHAIR OF THE BOARD OR COMMITTEE TO INSTRUCT AN INTERESTED PERSON ON THE RESTRICTIONS ON HIS OR HER PARTICIPATION PURSUANT TO THIS POLICY IN ANY FURTHER CONSIDERATION OF THE SUBJECT MATTER OF THE CONFLICT OF INTEREST AND TO ENFORCE THESE RESTRICTIONS.

AWARENESS/COMPLIANCE WITH POLICY EACH INTERESTED PERSON SHALL ANNUALLY SIGN A STATEMENT WHICH AFFIRMS THAT SUCH PERSON HAS RECEIVED A COPY OF THE CONFLICTS OF INTEREST POLICY, HAS READ AND UNDERSTANDS THE POLICY, HAS AGREED TO COMPLY WITH THE POLICY, AND UNDERSTANDS THAT THE CORPORATION IS A CHARITABLE ORGANIZATION AND THAT, IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION, IT MUST ENGAGE PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE OF ITS TAX-EXEMPT PURPOSES.

EACH INTERESTED PERSON SHALL DISCLOSE ON AN ANNUAL SURVEY FORM POTENTIAL CONFLICTS OF INTEREST AND FINANCIAL INTERESTS RELEVANT TO THIS POLICY.

EACH INTERESTED PERSON SHALL ALSO PROVIDE ON AN ANNUAL SURVEY FORM A LIST OF IMMEDIATE FAMILY MEMBERS, INCLUDING SPOUSE, CHILDREN, GRANDCHILDREN, PARENTS, SIBLINGS AND ANY OTHER PERSON WHO LIVES IN HIS/HER HOUSEHOLD, IN ORDER THAT THE CORPORATION MAY HAVE A RECORD OF ALL INDIVIDUALS WHO MAY BE CONSIDERED DISQUALIFIED PERSONS UNDER INTERNAL REVENUE SERVICE REGULATIONS FOR THE PURPOSE OF ENSURING COMPLIANCE WITH TAX EXEMPT STATUS REQUIREMENTS FOR CHARITABLE ORGANIZATIONS.

**SCHEDULE O
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

Name of the organization

NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.

Supplemental Information to Form 990 or 990-EZ

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PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST AN INTERESTED PERSON
MAY MAKE A PRESENTATION AT THE BOARD OR COMMITTEE MEETING, BUT AFTER SUCH
PRESENTATION, HE/SHE SHALL LEAVE THE MEETING DURING THE DISCUSSION OF,
AND THE VOTE ON, THE TRANSACTION OR ARRANGEMENT THAT INVOLVES THE
CONFLICT OF INTEREST. THE CHAIR OF THE BOARD OR COMMITTEE SHALL, IF
APPROPRIATE, APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE
ALTERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT. AFTER EXERCISING
DUE DILIGENCE, INCLUDING A CONSIDERATION OF INDEPENDENT COMPARABILITY
DATA, VALUATIONS OR APPRAISALS, THE BOARD OR COMMITTEE SHALL DETERMINE
WHETHER THE CORPORATION CAN OBTAIN A MORE ADVANTAGEOUS TRANSACTION OR
ARRANGEMENT WITH REASONABLE EFFORT FROM A PERSON OR ENTITY THAT WOULD NOT
GIVE RISE TO A CONFLICT OF INTEREST. IF A MORE ADVANTAGEOUS TRANSACTION
OR ARRANGEMENT IS NOT REASONABLY ATTAINABLE UNDER CIRCUMSTANCES THAT
WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST, THE BOARD OR COMMITTEE
SHALL DETERMINE BY A MAJORITY VOTE (OR QUORUM) OF ALL OF THE
DISINTERESTED TRUSTEES OR COMMITTEE MEMBERS (REGARDLESS OF THE NUMBER
PRESENT AT A MEETING): (I) WHETHER THE TRANSACTION OR ARRANGEMENT IS IN
THE CORPORATION'S BEST INTEREST AND FOR ITS OWN BENEFIT, (II) WHETHER THE
TRANSACTION IS FAIR AND REASONABLE TO THE CORPORATION, AND (III) WHETHER
TO ENTER INTO THE TRANSACTION OR ARRANGEMENT IN CONFORMITY WITH SUCH
DETERMINATIONS.

FORM 990, PART VI, SECTION B, LINES 15A & 15B

COMPENSATION REVIEW:

THE BOARD ANNUALLY REVIEWS THE CEO AND SENIOR TEAM SALARIES USING

**SCHEDULE O
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

Name of the organization

NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.

Supplemental Information to Form 990 or 990-EZ

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OMB No. 1545-0047

2021

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03-0185556

COMPARABILITY DATA. THE REVIEW PROCESS IS DOCUMENTED IN THE BOARD
MINUTES.

FORM 990, PART VI, SECTION C, LINE 19

DOCUMENT DISCLOSURE:

THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND
FINANCIAL STATEMENTS ARE AVAILABLE TO BE VIEWED BY THE PUBLIC UPON AN
APPOINTMENT WITH THE ORGANIZATION'S CHIEF EXECUTIVE OFFICER OR ASSISTANT.

FORM 990, PART VII, SECTION A

BOARD OF DIRECTORS:

NORTH COUNTRY HOSPITAL AND HEALTH CENTER, NORTH COUNTRY HEALTH SERVICES,
AND NORTH COUNTRY HEALTH SYSTEMS SHARE A BOARD OF DIRECTORS.

NO BOARD MEMBERS RECEIVE COMPENSATION FOR THEIR DUTIES AS DIRECTORS.

DWIGHT NALL, CEO, AND TRACEY PAUL, CFO & COO, EACH WORK APPROXIMATELY 40
HOURS PER WEEK BETWEEN NORTH COUNTRY HOSPITAL AND HEALTH CENTER AND NORTH
COUNTRY HEALTH SYSTEMS. THEY ARE COMPENSATED FOR THEIR DUTIES IN THAT
CAPACITY.

PETER STUART, GREGORY WALKER, AND JENNIFER LADD ARE COMPENSATED AS
EMPLOYEES OF NORTH COUNTRY HOSPITAL. THEY DO NOT RECEIVE ANY COMPENSATION
FOR THEIR DUTIES AS BOARD OF DIRECTORS MEMBERS.

**SCHEDULE O
(Form 990 or 990-EZ)**

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

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▶ Attach to Form 990 or 990-EZ.

2021

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Department of the Treasury
Internal Revenue Service

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization

Employer identification number

NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.

03-0185556

FORM 990, PART XI, LINE 9

OTHER CHANGES IN NET ASSETS:

\$ 1,331,404 CHANGE IN FAIR VALUE OF INTEREST RATE SWAP

\$ 112,730 CHANGE IN INTEREST IN NET ASSETS OF NCHS

\$ 1,444,134

Name of the organization

Employer identification number

NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.

03-0185556

FORM 990, PART VII-COMPENSATION OF THE 5 HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
MEDEFIS PO BOX 5068 NEW YORK, NY 10087-5068	TRAVELING STAFF	2,092,597.
NORTH COUNTRY RADIOLOGY PC PO BOX 906 NEWPORT, VT 05855	RADIOLOGIST	974,391.
AVANT PO BOX 744554 ATLANTA, GA 30374-4554	TRAVELING STAFF	618,908.
GOLDFISH LOCUM TENENS 6865 WINDCREST DRIVE STE 300 PLANO, TX 75024	TRAVELING STAFF	433,970.
COMPHEALTH PO BOX 972651 DALLAS, TX 75397-2651	TRAVELING STAFF	421,506.

Name of the organization

Employer identification number

NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.

03-0185556

FORM 990, PART IX - OTHER FEES

=====

DESCRIPTION	(A) TOTAL FEES	(B) PROGRAM SERVICE EXP.	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING EXPENSES
-----	-----	-----	-----	-----
PHYSICIAN SERVICES	8,350,330.	8,350,330.		
CONTRACT SERVICES	7,923,880.	7,923,880.		
PURCHASED SERVICES	1,830,238.	1,798,293.	31,945.	
CONSULTING SERVICES	280,639.	280,639.		
COLLECTION SERVICES	794.		794.	
 TOTALS	 ----- 18,385,881. =====	 ----- 18,353,142. =====	 ----- 32,739. =====	 ----- ----- =====

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

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**

Employer identification number

03-0185556

NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.

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
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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
(1) NORTH COUNTRY HEALTH SYSTEMS 22-2566964 189 PROUTY DRIVE NEWPORT, VT 05829	PARENT/FUNDRS	VT	501(C)(3)	12B II	N/A		X
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

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

Schedule R (Form 990) 2021

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512 - 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) NORTHEAST KINGDOM HLTHCARE COL 03-0185556 NEWPORT, VT 05855	SLEEP LAB SVC	VT	N/A	RELATED	-28,800.	688,812.		X	NONE	X		60.0000
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

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.

	Yes	No
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?		
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 VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512 - 514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

North Country Health Systems, Inc.

Independent Auditor's Report and Consolidated Financial Statements

September 30, 2022 and 2021



North Country Health Systems, Inc.
September 30, 2022 and 2021

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Independent Auditor's Report

Board of Trustees
North Country Health Systems, Inc.
Newport, Vermont

Opinion

We have audited the consolidated financial statements of North Country Health Systems, Inc. and its Subsidiaries (the "Health System"), which comprise the consolidated balance sheets as of September 30, 2022 and 2021, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of North Country Health Systems, Inc. and its Subsidiaries as of September 30, 2022 and 2021, and the consolidated results of its operations, changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the consolidated Financial Statements" section of our report. We are required to be independent of North Country Health Systems, Inc. and its Subsidiaries 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North Country Health Systems, Inc. and its subsidiaries' ability to continue as a going concern within one year after the date that these consolidated 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 consolidated 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 North Country Health Systems, Inc. and its Subsidiaries' 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 North Country Health Systems, Inc. and its Subsidiaries' ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

FORVIS,LLP

Springfield, Missouri
March 2, 2023

North Country Health Systems, Inc.
Consolidated Balance Sheets
September 30, 2022 and 2021

Assets

	2022	2021
Current Assets		
Cash and cash equivalents	\$ 4,045,992	\$ 18,929,533
Patient accounts receivable	12,880,727	8,869,936
Other receivables	14,069,086	1,275,328
Supplies	2,753,147	2,940,529
Estimated amounts due from third-party payors	180,614	155,663
Prepaid expenses and other	1,118,282	1,048,414
Total current assets	35,047,848	33,219,403
 Assets Limited As To Use		
Internally designated	48,583,854	56,105,563
Externally restricted by donors	4,939,042	5,601,956
Held by trustee	3,130,049	3,470,737
Under deferred compensation arrangements	3,130,049	3,470,737
	56,652,945	65,178,256
 Property and Equipment, At Cost		
Less accumulated depreciation	80,018,979	77,987,481
	56,660,447	54,565,059
	23,358,532	23,422,422
 Assets Held for Sale		
	-	337,058
 Other Assets		
	299,839	48,606
Total assets	\$ 115,359,164	\$ 122,205,745

Liabilities and Net Assets

	<u>2022</u>	<u>2021</u>
Current Liabilities		
Line of credit	\$ 3,500,000	\$ -
Current maturities of long-term debt	1,240,777	1,152,534
Accounts payable	6,732,212	3,822,916
Accrued expenses	18,911,278	7,177,414
Due to affiliate	13,745	13,111
Contract liabilities	3,711,257	7,563,249
Estimated amounts due to third-party payors	255,212	2,163,838
	<hr/>	<hr/>
Total current liabilities	34,364,481	21,893,062
Deferred Compensation and Other	3,246,542	3,580,636
Contract Liabilities	-	948,255
Long-Term Debt	13,317,996	14,173,257
Interest Rate Swap Agreements	12,068	1,343,472
	<hr/>	<hr/>
Total liabilities	50,941,087	41,938,682
Net Assets		
Without donor restrictions		
Health System	59,164,112	74,538,194
Noncontrolling interest	356,259	339,853
	<hr/>	<hr/>
Total net assets without donor restrictions	59,520,371	74,878,047
With donor restrictions	4,897,706	5,389,016
	<hr/>	<hr/>
Total net assets	64,418,077	80,267,063
	<hr/>	<hr/>
Total liabilities and net assets	\$ 115,359,164	\$ 122,205,745
	<hr/> <hr/>	<hr/> <hr/>

North Country Health Systems, Inc.
Consolidated Statements of Operations
Years Ended September 30, 2022 and 2021

	2022	2021
Revenues, Gains, and Other Support Without Donor Restrictions		
Patient service revenue and fixed payment revenue	\$ 84,467,365	89,496,727
Other revenue	7,533,560	9,400,388
Net assets released from restriction used for operations	114,166	70,003
Total revenues, gains, and other support without donor restrictions	92,115,091	98,967,118
Expenses and Losses		
Salaries	40,567,934	42,303,385
Employee benefits	12,460,604	13,266,062
Supplies and other	44,391,129	34,900,732
Depreciation	3,524,334	3,492,994
Interest	499,362	506,473
Total expenses and losses	101,443,363	94,469,646
Operating Income (Loss)	(9,328,272)	4,497,472
Other Income (Expense)		
Contributions received	72,351	431,173
Investment return, net	(7,740,631)	9,592,899
Investment return – change in fair value of investments accounted for under the fair value option of FASB ASC Topic 825	32,823	(22,033)
Other	(188,031)	(6,607)
Total other income (expense)	(7,823,488)	9,995,432
Excess (Deficiency) of Revenues Over Expenses	(17,151,760)	14,492,904
Change in fair value of interest rate swap agreements	1,331,404	186,707
Contributions from noncontrolling interest	-	75,000
Grants for acquisition of property and equipment	462,680	47,393
Increase (Decrease) in Net Assets Without Donor Restrictions	\$ (15,357,676)	\$ 14,802,004

North Country Health Systems, Inc.
Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2022 and 2021

	2022	2021
Net Assets Without Donor Restrictions Attributable to the Health System		
Excess (deficiency) of revenues over expenses	\$ (17,168,166)	\$ 14,553,707
Change in fair value of interest rate swap agreements	1,331,404	186,707
Grants for acquisition of property and equipment	462,680	47,393
Increase (decrease) in net assets without donor restrictions attributable to the Health System	(15,374,082)	14,787,807
Net Assets Without Donor Restrictions Attributable to Noncontrolling Interest		
Deficiency of revenues over expenses	16,406	(60,803)
Contributions from noncontrolling interest	-	75,000
Increase in net assets without donor restrictions attributable to noncontrolling interest	16,406	14,197
Increase (decrease) in net assets without donor restrictions	(15,357,676)	14,802,004
Net Assets With Donor Restrictions		
Contributions received	395,859	37,189
Investment return – change in unrealized gains and losses on other than trading securities	(773,003)	853,824
Net assets released from restriction	(114,166)	(70,003)
Increase (decrease) in net assets with donor restrictions	(491,310)	821,010
Change in Net Assets	(15,848,986)	15,623,014
Net Assets, Beginning of Year	80,267,063	64,644,049
Net Assets, End of Year	\$ 64,418,077	\$ 80,267,063

North Country Health Systems, Inc.
Consolidated Statements of Cash Flows
Years Ended September 30, 2022 and 2021

	2022	2021
Operating Activities		
Change in net assets	\$ (15,848,986)	\$ 15,623,014
Items not requiring (providing) cash		
Loss on disposal of property and equipment	-	17,891
Gain on disposal of property and equipment held for sale	(397,061)	-
Depreciation	3,524,334	3,492,994
Net unrealized and realized (gains) losses on investments	9,222,559	(9,629,732)
Change in fair value of interest rate swap agreements	(1,331,404)	(186,707)
Restricted contributions received	(395,859)	(37,189)
Contributions to noncontrolling interest	-	(75,000)
Changes in		
Patient accounts receivable	(4,010,791)	(2,264,679)
Estimated amounts due from and to third-party payors	(1,933,577)	501,371
Accounts payable and accrued expenses	14,746,197	1,000,763
Other assets and liabilities	(17,664,234)	(5,473,043)
	(14,088,822)	2,969,683
Investing Activities		
Proceeds from disposition of assets limited as to use	28,287,457	3,392,438
Purchase of assets limited as to use	(16,209,590)	(4,206,458)
Purchase of property and equipment	(3,169,213)	(3,726,424)
Proceeds from sale of property and equipment	-	18,550
Proceeds from sale of property and equipment held for sale	699,594	-
	9,608,248	(4,521,894)
Financing Activities		
Distributions from noncontrolling interest	-	75,000
Proceeds from restricted contributions	395,859	37,189
Proceeds from draw on line of credit	3,500,000	-
Principal payments on long-term debt	(1,183,023)	(1,470,290)
	2,712,836	(1,358,101)
Decrease in Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents	(1,767,738)	(2,910,312)
Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents, Beginning of Year	21,860,642	24,770,954
Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents, End of Year	\$ 20,092,904	\$ 21,860,642

North Country Health Systems, Inc.
Consolidated Statements of Cash Flows
Years Ended September 30, 2022 and 2021

	2022	2021
Reconciliation of Cash, Cash Equivalents, and Restricted Cash Equivalents to the Consolidated Balance Sheets		
Cash and cash equivalents	\$ 4,045,992	\$ 18,929,533
Assets limited as to use	16,046,912	2,931,109
Total cash and cash equivalents shown in the statements of cash flows	\$ 20,092,904	\$ 21,860,642
Supplemental Cash Flows Information		
Interest paid	\$ 499,362	\$ 506,473
Accounts payable incurred for property and equipment	114,938	11,901
Capital lease obligations incurred for property and equipment	394,268	242,841

North Country Health Systems, Inc.
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

North Country Health Systems, Inc. and its subsidiaries collectively do business as North Country Health System.

North Country Health Systems, Inc. (Health System or NCHS) is the parent holding company for its wholly owned subsidiary, North Country Hospital and Health Center, Inc. (Hospital).

North Country Hospital and Health Center, Inc. operates a 25-bed acute care hospital facility in Newport, Vermont. The Hospital primarily earns revenues by providing inpatient, outpatient, and emergency care services to patients in Newport, Vermont, and the surrounding area. The Hospital also operates a number of physician clinics in the same geographic area.

North Country Hospital and Health Center, Inc. is the majority general shareholder of Northeast Kingdom Healthcare Collaborative, LLC (NEK), which is a limited liability corporation. The Hospital controls Northeast Kingdom Healthcare Collaborative, LLC through its 60 percent majority interest of the general partnership membership units. The noncontrolling interest represents the proportionate share of Northeast Kingdom Healthcare Collaborative, LLC equity owned by a third party.

Principles of Consolidation

The consolidated financial statements include the financial statements of North Country Health Systems, Inc., its wholly owned subsidiaries, North Country Hospital and Health Center, Inc., and the majority owned Northeast Kingdom Healthcare Collaborative, LLC (collectively, NCHS). All material intercompany accounts and transactions have been eliminated in consolidation.

Noncontrolling Interest

Noncontrolling interest represents the third-party member's equity contribution and the proportionate share of income or loss in NEK. Income passes through to its members and any associated income taxes are paid by the members under their respective income tax status.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

North Country Health Systems, Inc.
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

Cash and Cash Equivalents

NCHS considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts, including endowment accounts and assets limited as to use, excluding deferred compensation arrangements, are considered to be cash and cash equivalents. At September 30, 2022 and 2021, cash equivalents consisted primarily of repurchase agreements in sweep accounts with financial institutions.

At September 30, 2022, NCHS's cash accounts exceeded federally insured limits by approximately \$88,000 and approximately \$416,000 in overnight sweep accounts which are not insured or guaranteed by the FDIC.

Debt Investments

Debt securities held by the Health System generally are classified and recorded in the consolidated financial statements as follows:

Classified as	Description	Recorded at
Trading	Securities that are bought and held principally for the purpose of selling in the near term and, therefore, held for only a short period of time	Fair value, with changes in fair value included in excess (deficiency) revenues over expenses

Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Equity Investments

The Health System measures equity securities, other than investments that qualify for the equity method of accounting, at fair value with changes recognized in excess (deficiency) revenues over expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Assets Held for Sale

Assets held for sale are measured at the lower of their carrying amount or fair value, less the cost to sell. These transactions are expected to be complete within one year and the Health System had classified \$337,058 of land, buildings, and equipment as held for sale on the consolidated balance sheets at September 30, 2021. During the year ended September 30, 2022, these assets were sold and a gain of approximately \$365,000 was recognized with the statement of operations. As of September 30, 2022, the Health System had no assets held for sale.

North Country Health Systems, Inc.
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

Net Investment Return

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the consolidated statements of operations and changes in net assets as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Assets Limited As To Use

Assets limited as to use include (1) assets held by trustees under deferred compensation agreements, (2) assets restricted by donors, and (3) assets set aside by the Board of Trustees for future capital improvements and debt service over which the Board retains control and may at its discretion subsequently use for other purposes. Amounts required to meet current liabilities of the Health System are included in current assets.

Patient Accounts Receivable

Patient accounts receivable reflects the outstanding amount of consideration to which the Health System 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. As a service to the patient, the Health System bills third-party payors directly and bills the patient when the patient's responsibility for copays, coinsurance, and deductibles is determined. Patient accounts receivable are due in full when billed, unless the patient has previously been approved for an alternative payment plan or for patient financial assistance.

Contract Assets and Liabilities

Amounts related to health care services provided to patients which have not been billed and that do not meet the conditions of an unconditional right to payment at the end of the reporting period are contract assets. Contract asset balances consist primarily of health care services provided to patients who are still receiving inpatient care in the Health System at the end of the year. Contract assets are included in patient accounts receivable at September 30, 2022 and 2021.

Amounts received related to health care services that have not yet been provided to patients are contract liabilities. Contract liabilities consist of Medicare advanced payments received in April 2020 under the provisions of the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act). In general, advanced amounts will be recouped from remittances starting 12 months after the advance was made, see *Note 21*.

North Country Health Systems, Inc.
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

Supplies

Supply inventories are stated at the lower of cost or net realizable value. Costs are determined using the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment acquisitions over \$5,000 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Land improvements	5 – 25 years
Buildings	10 – 40 years
Fixed equipment	5 – 20 years
Moveable equipment	2 – 20 years
Vehicles	4 years
Equipment under capital lease	4 – 5 years

Donations of property and equipment are reported at fair value as an increase in net assets without donor restrictions unless use of the assets is restricted by the donor. Monetary gifts that must be used to acquire property and equipment are reported as restricted support. The expiration of such restrictions is reported as an increase in net assets without donor restrictions when the donated asset is placed in service.

Long-Lived Asset Impairment

NCHS evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended September 30, 2022 and 2021.

North Country Health Systems, Inc.
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

Debt Issuance Costs

Debt issuance costs represent costs incurred in connection with the issuance of long-term debt. The Health System records these costs as direct deductions from the related debt. Such costs are being amortized over the term of the respective debt using the straight-line method, which approximates the effective interest method.

Net Assets With Donor Restrictions

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor or certain grantor restrictions, net assets for an operating reserve and board-designated endowment.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Patient Service Revenue

Patient service revenue is recognized as the Health System satisfies performance obligations under its contracts with patients. Patient service revenue is reported at the estimated transaction price or amount that reflects the consideration to which the Health System expects to be entitled in exchange for providing patient care. The Health System 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 Health System's policies, and implicit price concessions provided to uninsured patients.

The Health System determines its estimates of explicit price concessions which represent adjustments and discounts based on contractual agreements, its discount policies, and historical experience by payor groups. The Health System determines its estimate of implicit price concessions based on its historical collection experience by classes of patients. The estimated amounts also include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations by third-party payors.

North Country Health Systems, Inc.
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

Fixed Prospective Revenue

Beginning January 1, 2018, the Hospital began to receive monthly fixed prospective payments for services provided by the Hospital and Hospital-owned physician practices participating in the Vermont Medicaid Next Generation Accountable Care Organization (ACO) Pilot Program, and beginning January 1, 2019, expanded the program to include some commercial payors in addition to Medicaid. This is a monthly, per member payment received in advance of the services being performed and is recognized as revenue in the month to which it relates. Revenues recorded under these arrangements represent the fixed, agreed-upon amounts as a result of the Hospital's stand-ready performance obligation to provide health care services to qualified beneficiaries.

Fee-for-service (FFS) payments continue for all providers and payors who are not a part of the ACO, and for all services that are not included in the fixed prospective payment (FPP).

The Hospital recognizes its share of annual contract settlements as an increase or decrease to fixed prospective revenue. Medicaid fee-for-service payments continue for all other nonhospital providers in the ACO, for all providers who are not part of the ACO, and for all services that are not in the fixed prospective payment. The ACO is responsible for both the cost and the quality of care for each attributed member, regardless of individual member's utilization. The Hospital is subject to an annual contracted maximum risk corridor, however, due to the COVID-19 pandemic and the public health emergency, the risk corridor was waived for both calendar 2021 and 2021. Therefore, as of September 30, 2022 and 2021, the Hospital has recorded a liability related to this risk corridor of \$0 for both years.

Charity Care

The Health System provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the Health System does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as patient service revenue.

The Health System's direct and indirect costs for services furnished under its charity care policy aggregated approximately \$571,000 and \$874,000 during the years ending September 30, 2022 and 2021, respectively.

North Country Health Systems, Inc.
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

Contributions

Contributions are provided to NCHS either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of Gift	Value Recognized
<i>Conditional gifts, with or without restrictions</i>	
Gifts that depend on NCHS overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations as net assets released from restrictions. Absent explicit donor restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

North Country Health Systems, Inc.
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

Professional Liability Claims

The Hospital recognizes an accrual for claim liabilities based on estimated ultimate losses and costs associated with settling claims and a receivable to reflect the estimated insurance recoveries, if any. Professional liability claims are described more fully in *Note 6*.

Estimated Self-Insurance Costs

NCHS accrues estimated liabilities for self-insurance losses associated with employee health insurance, employee unemployment claims, and workers' compensation claims by estimating the ultimate costs for both reported claims, and claims incurred but not reported. NCHS has purchased insurance that limits its exposure for individual claims.

Income Taxes

NCHS and its subsidiaries have been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, NCHS and its subsidiaries are subject to federal income tax on any unrelated business taxable income.

NCHS files tax returns in the U.S. federal jurisdiction. With a few exceptions, NCHS is no longer subject to U.S. federal examinations by tax authorities for years before 2019.

Excess (Deficiency) of Revenues Over Expenses

The consolidated statements of operations include excess (deficiency) of revenues over expenses. Changes in net assets without donor restrictions which are excluded from excess (deficiency) of revenues over expenses, consistent with industry practice, include the change in fair value of interest rate swap agreements, and distributions to (from) noncontrolling interest.

Contract Pharmacy Program

NCHS participates in the 340B outpatient drug discount program administered by the Office of Pharmacy Affairs of the Health Resources and Services Administration (HRSA). NCHS contracts with local retail pharmacies under the program, which resulted in significant additional revenues and discounts of outpatient pharmaceuticals. In 2022 and 2021, net revenue from this program was approximately \$1,715,000 and \$2,820,000, respectively, greater than the direct cost of operating the program. The benefits from this program allow NCHS to continue to provide, improve, and expand access to health care services in the surrounding communities. Laws and regulations surrounding the 340B drug program are complex and are subject to interpretation and change.

Revisions

Certain revisions have been made to the 2021 notes to the financial statements for revenues rendered over time. This revision did not have an impact on the financial statements.

North Country Health Systems, Inc.
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

Note 2: Patient Service Revenue

Patient service revenue is reported at the amount that reflects the consideration to which the Health System 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 Health System bills the patients and third-party payors several days after the services are performed or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance Obligations

Performance obligations are determined based on the nature of the services provided by the Health System. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected or actual charges. The Health System 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 the Health System receiving inpatient acute care services or patients receiving services in its outpatient. The Health System measures the performance obligation from inpatient admission, 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 for performance obligations satisfied at a point in time is generally recognized when goods are provided to its patients and customers in a retail setting (for example, pharmaceuticals and medical equipment) and the Health System does not believe it is required to provide additional goods related to the patient.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Health System 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.

Transaction Price

The Health System 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 Health System's policy, and implicit price concessions provided to uninsured patients. The Health System determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Health System determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

North Country Health Systems, Inc.
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

Third-Party Payors

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicare. The Hospital is designated as a critical access hospital and is paid based on cost formulas for most inpatient and outpatient services from the Medicare program.

The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare Administrative Contractor. The most recent Hospital cost report audited by the Medicare Administrative Contractor is for the period ended September 30, 2017.

Medicaid. Reimbursements for Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service, or per covered member.

Other. Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care 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 Health System'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 Health System. In addition, the contracts the Health System has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive 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 Health System's historical settlement activity, including an assessment to ensure that 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 based on newly available information or as years are settled or are no longer subject to such audits, reviews, and investigations.

North Country Health Systems, Inc.

Notes to Consolidated Financial Statements

September 30, 2022 and 2021

Refund Liabilities

From time to time the Health System will receive overpayments of patient balances from third-party payors or patients resulting in amounts owed back to either the patients or third-party payors. These amounts are excluded from revenues and are recorded as liabilities until they are refunded. As of September 30, 2022 and 2021, the Health System has a liability for refunds to third-party payors and patients recorded of approximately \$193,000 and \$149,000, respectively, and it is included in accrued expenses on the consolidated balance sheet.

Patient and Uninsured Payors

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

Patients who meet the Health System'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.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Health System also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. The Health System 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. For the years ended September 30, 2022 and 2021, changes in its estimates of implicit price concessions, discounts, and contractual adjustments for performance obligations satisfied in prior years was not significant. 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.

Revenue Composition

The Health System 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
- Health System's line of business that provided the service (for example, hospital inpatient, hospital outpatient, etc.)

North Country Health Systems, Inc.
Notes to Consolidated Financial Statements
September 30, 2022 and 2021

The composition of patient care service revenue by primary payor for the years ended September 30, 2022 and 2021, is as follows:

	2022	2021
Medicare	\$ 25,230,744	\$ 30,910,602
Medicaid	19,897,661	13,376,107
Other third-party payors	17,202,592	22,301,607
Blue Cross	20,154,045	21,698,306
Self-pay	<u>1,982,323</u>	<u>1,210,105</u>
Total	<u>\$ 84,467,365</u>	<u>\$ 89,496,727</u>

The composition of patient care service revenue based on lines of business for the years ended September 30, 2022 and 2021, is as follows:

	2022	2021
Hospital inpatient	\$ 13,639,016	\$ 13,110,146
Hospital outpatient	58,071,776	62,810,415
Physician services	<u>12,756,573</u>	<u>13,576,166</u>
Total	<u>\$ 84,467,365</u>	<u>\$ 89,496,727</u>

The composition of patient care service revenue and fixed payment revenue based on method of reimbursement for the years ended September 30, 2022 and 2021, is as follows:

	2022	2021
Fee for service	\$ 73,875,512	\$ 78,351,748
Fixed payment revenue and risk sharing through OneCare Vermont	<u>10,591,853</u>	<u>11,144,979</u>
Total	<u>\$ 84,467,365</u>	<u>\$ 89,496,727</u>

The composition of the Health System's method of reimbursement is primarily fee for service. Nearly all revenue is related to health care services which are transferred and rendered over time, except for pharmacy revenue of \$2,691,120 and \$3,714,149 for the years ended September 30, 2022 and 2021, respectively, which is point in time.

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Contract Assets and Liabilities

Contract assets consist primarily of health care services provided to patients who are still receiving inpatient care in the Health System at the end of the year. Contract assets are transferred to receivables when the rights become unconditional. Contract liabilities represent the Health System's obligation to provide services to patients when consideration has already been received from the patient or a third-party payor. During the year ended September 30, 2020, the Health System received \$9,613,000 in advanced payments from Medicare (*Note 20*). These funds were recouped from monthly remittances beginning in April 2021.

The following table provides information about the Medical Center's receivables, contract assets, and contract liabilities from contracts with customers:

	2022	2021
Accounts receivable, beginning of year	\$ 8,869,936	\$ 6,605,257
Accounts receivable, end of year	12,880,727	8,869,936
Contract liabilities, beginning of year	\$ 8,511,504	\$ 13,097,159
Contract liabilities, end of year	3,711,257	8,511,504

Financing Costs

The Health System has applied the practical expedient provided by FASB ASC 340-40-25-4 and incremental customer contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that the Health System otherwise would have recognized is one year or less in duration.

Note 3: Concentration of Credit Risk

NCHS grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payor agreements. The mix of net receivables from patients and third-party payors at September 30, 2022 and 2021, is:

	2022	2021
Medicare	38%	34%
Medicaid	6%	9%
Other third-party payors	21%	17%
Blue Cross	22%	22%
Self-pay	13%	18%
	<u>100%</u>	<u>100%</u>

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Note 4: Investments and Investment Return

Assets Limited As To Use

Assets limited as to use, at September 30, 2022 and 2021, include:

	2022	2021
Internally designated		
Cash and cash equivalents	\$ 14,869,069	\$ 2,735,438
Equities	352,305	439,080
Exchange traded and mutual funds	32,601,222	52,200,200
Alternative investments	761,258	730,845
	<u>\$ 48,583,854</u>	<u>\$ 56,105,563</u>

The alternative investments were acquired to balance the investment portfolio risks associated with the volatility of fluctuations in the financial market through diversification and, as such, are subject to varying degrees of market and credit risks.

	2022	2021
Externally restricted by donors		
Cash and cash equivalents	\$ 1,177,843	\$ 195,671
Equities	27,908	33,112
Exchange traded and mutual funds	3,672,988	5,315,280
Alternative investments	60,303	57,893
	<u>\$ 4,939,042</u>	<u>\$ 5,601,956</u>

	2022	2021
Held by trustee under indenture agreements		
Life insurance policies and deferred compensation arrangements	\$ 2,386,167	\$ 2,726,855
Mutual funds	743,882	743,882
	<u>\$ 3,130,049</u>	<u>\$ 3,470,737</u>

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Investment Return

Total investment return is comprised of the following:

	2022	2021
Interest and dividend income	\$ 741,748	\$ 794,958
Realized and unrealized gains on other than trading securities	(9,222,559)	9,629,732
	\$ (8,480,811)	\$ 10,424,690

Total investment return is reflected in the consolidated statements of operations and changes in net assets as follows:

	2022	2021
Net assets without donor restrictions		
Investment return, net	\$ (7,740,631)	\$ 9,592,899
Change in fair value of investments accounted for under the fair value option of FASB ASC Topic 825	32,823	(22,033)
Net assets with donor restrictions		
Investment return, net	(773,003)	853,824
	\$ (8,480,811)	\$ 10,424,690

Alternative Investments

The fair value of alternative investments that have been estimated using the net asset value per share as a practical expedient consist of the following at September 30:

	September 30, 2022 Fair Value	September 30, 2021 Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multistrategy hedge funds (A)	\$ 821,561	\$ 788,738	\$ -	Quarterly	65 days' written notice

(A) This category includes investments in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. For the investment, the Funds' primary investment objective is to provide capital appreciation consistent with the return characteristics of alternative investment portfolios of larger endowments through investments in the six asset classes of Opportunistic Equity, Enhanced Fixed Income, Absolute Return, Real Estate, Private Equity, and Energy and Natural Resources.

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Note 5: Property and Equipment

Property and equipment are stated at cost. A summary of cost by category follows:

	2022	2021
Land	\$ 405,921	\$ 405,921
Land improvements	2,178,311	2,178,311
Buildings	47,217,565	46,535,522
Fixed equipment	6,532,875	4,359,517
Moveable equipment	19,811,295	20,568,932
Vehicles	45,790	45,790
Equipment under capital lease	2,354,969	2,633,301
Construction in progress	1,472,253	1,260,187
	<u>\$ 80,018,979</u>	<u>\$ 77,987,481</u>

Construction in progress at September 30, 2022, consisting of various projects with approximately \$415,000 of anticipated future costs to complete. All projects are anticipated to be completed during fiscal year 2023.

Note 6: Contingent Liabilities

Professional Liability Claims

NCHS purchases medical malpractice insurance under a claims made policy. Under such a policy, only claims made and reported to the insurer during the policy term, regardless of when the incidents giving rise to the claims occurred, are covered. NCHS also purchases excess umbrella liability coverage, which provides additional coverage above the basic policy limits up to the amount specified in the umbrella policy.

Based upon the claims experience, approximately \$13,500,000 and \$0 had been accrued for NCHS' estimated medical malpractice costs, including costs associated with litigating or settling claims, under its malpractice insurance policy, as of September 30, 2022 and 2021, respectively. These amounts are recorded within the balance sheet as accrued expenses with the related receivable from commercial coverage presented as offer securities other receivables. It is reasonably possible that this estimate could change materially in the near term.

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Self-Insurance

NCHS is self-insured for employee health claims and has accrued an estimate of the ultimate costs for reported claims and claims incurred but not reported. Actual results could differ from these estimates. NCHS has entered into a stop-loss insurance contract to protect assets against significant claims expense. Specific stop-loss insurance provides coverage on individual claims incurred in excess of \$175,000 at September 30, 2022 and 2021.

NCHS is self-insured for employee unemployment insurance benefits. The accrual for self-insurance is evaluated periodically throughout the fiscal year for adequacy based on staffing changes. Actual results could differ from these estimates.

NCHS is effectively self-insured for workers' compensation claims under a high-deductible policy and has accrued an estimate of the ultimate costs for reported claims and claims incurred but not reported. The policy provides a \$250,000 deductible for individual claims and \$600,000 for aggregate claims at September 30, 2022 and 2021.

Note 7: Line of Credit

The Hospital has a revolving bank line of credit with maximum borrowings of \$5,000,000, due in May 2022. This line was extended in May 2022 through May 1, 2026, for twelve months, or the maturity of the loan, whichever is earlier. At September 30, 2022 and 2021, there was \$3,500,000 and \$0, respectively, borrowed against this line. The line is collateralized by substantially all of the Hospital's assets. Interest varies with the bank's prime rate, with a 0.75 percent margin subtracted from the prime rate, with a minimum rate of 4 percent. The rate was 4.75 percent and 4.00 percent at September 30, 2022 and 2021, respectively.

Note 8: Long-Term Debt

	2022	2021
Hospital Revenue Bonds, Series 2016 (A)	\$ 13,629,572	\$ 14,523,533
Note payable (B)	118,007	142,054
Capital lease obligations (C)	892,711	763,458
	<u>14,640,290</u>	<u>15,429,045</u>
Less unamortized debt issuance costs	81,517	103,254
Less current maturities	<u>1,240,777</u>	<u>1,152,534</u>
	<u><u>\$ 13,317,996</u></u>	<u><u>\$ 14,173,257</u></u>

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- (A) Vermont Educational and Health Buildings Financing Agency Revenue Refunding Bonds (North Country Hospital Project), Series 2016 A in the original amount of \$18,743,131 dated June 1, 2016, which bear interest at a variable rate equal to the sum of 68 percent of one-month LIBOR plus 78.2 basis points per annum (2.50 percent and .84 percent at September 30, 2022 and 2021, respectively), and are due in graduated installments through October 2034, with a due on demand clause June 1, 2026, and thereafter. Proceeds from the bonds were used to repay the outstanding debt from the Series 2007 bonds. The Bonds are collateralized by equipment, personal property, hardware, supplies, and inventory of the Hospital. The Hospital is subject to certain financial covenants related to this bond issue. Unamortized debt issuance costs associated with the borrowing are \$81,517 and \$103,254 at September 30, 2022 and 2021, respectively.

Note payable to Vermont Economic Development Authority for assistance with development of renal dialysis services. Principal on the note is due annually through June 2027 in the amount of \$24,047 and the rate of interest on this loan is 0 percent. The note is collateralized by an interest in the gross receipts of the Hospital.

- (B) Capital lease obligations at varying rates of imputed interest from 0.0 percent to 12.4 percent, collateralized by leased equipment expiring at various dates through 2028. Property and equipment include the following equipment under capital leases:

The Hospital has restrictive covenant requirements that must be met annually and in interim periods. The Hospital did not meet the required debt service coverage ratio required by the covenant at September 30, 2022, and therefore, in order to comply with the master trust indenture requirements and future covenant requirements has hired a consultant.

	2022	2021
Moveable equipment	\$ 2,354,969	\$ 2,633,301
Less accumulated depreciation	<u>1,472,202</u>	<u>1,892,210</u>
	<u>\$ 882,767</u>	<u>\$ 741,091</u>

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Aggregate annual maturities and sinking fund requirements of long-term debt and payments on capital lease obligations at September 30, 2022, are:

	Long-Term Debt Excluding Capital Lease Obligations	Capital Lease Obligations
	Obligations	Obligations
2023	\$ 949,546	\$ 278,522
2024	981,463	245,561
2025	1,015,999	170,113
2026	10,800,571	80,517
2027	-	56,324
Thereafter	-	82,915
	\$ 13,747,579	913,952
Less amount representing interest		21,241
Present value of future minimum lease payments		892,711
Less current maturities		291,231
Noncurrent portion		\$ 601,480

Note 9: Derivative Financial Instruments

2007 Interest Rate Swap

As a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, NCHS entered into an interest rate swap agreement for \$15,466,750 of the outstanding Hospital Revenue Bonds, Series 2007, in December 2007. During the year ended September 30, 2016, the Hospital paid in full the Hospital Revenue Bonds, Series 2007 and entered into a new financing arrangement with the issuance of the Hospital Revenue Bonds, Series 2016 A. Upon execution of the Hospital Revenue Bonds, Series 2016 A, the Hospital elected to continue its strategy to limit its exposure to interest rate risk by applying this swap agreement to the 2016 debt.

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The agreement provides for NCHS to receive interest from the counterparty of 68 percent of LIBOR and to pay interest to the counterparty at a fixed rate of 3.285 percent on notional amounts of \$9,282,000 and \$9,837,750 at September 30, 2022 and 2021, respectively. Under the agreement, NCHS pays or receives the net interest amount monthly, with the monthly settlements included in interest expense. The interest rate swap agreement terminates on November 1, 2027. This swap is valued at \$(229,403) and \$(1,513,477) at September 30, 2022 and 2021, respectively.

2016 Interest Rate Swap

As a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, NCHS entered into an interest rate swap agreement for \$6,396,381 of the outstanding Hospital Revenue Bonds, Series 2016, in June 2016.

The agreement provides for NCHS to receive interest from the counterparty of 68 percent of LIBOR and to pay interest to the counterparty at a fixed rate of 1.12 percent on a notional amount of \$4,347,572 and \$4,685,783 at September 30, 2022 and 2021, respectively. Under the agreement, NCHS pays or receives the net interest amount monthly, with the monthly settlements included in interest expense. The interest rate swap agreement terminates on June 1, 2026. The swap is valued at \$217,575 and \$(110,005) at September 30, 2022 and 2021, respectively.

Management has designated the interest rate swap agreements as cash flow hedging instruments. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of net assets without donor restrictions and reclassified into excess revenues over expenses in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current excess revenues over expenses.

The table below presents certain information regarding NCHS's interest rate swap agreements designated as cash flow hedges. NCHS did not have any derivative instruments at September 30, 2022 and 2021, that were not designated as hedging instruments.

	2022	2021
Other Liabilities		
Fair value of interest rate swap agreements	\$ (12,068)	\$ (1,343,472)
Changes in Net Assets Without Donor Restrictions		
Change in interest rate swap agreements	1,331,404	186,707
Interest Expense		
Loss reclassified from net assets without donor restrictions into excess (deficiency) of revenues over expenses	306,778	371,031

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Note 10: Deferred Compensation

During the year ended September 30, 2002, the Hospital established the North Country Hospital Executive and Physician Stock Option Plan. This plan provides options as a form of compensation for a select group of management, physicians, or highly compensated employees of the Hospital and its affiliates. The balance in this plan was \$743,882 at September 30, 2022 and 2021. At September 30, 2003, this plan was frozen and no more employee contributions will be put into the plan.

During the year ended September 30, 2003, the Hospital established the Split Dollar Insurance and Death Benefit Only Programs to certain key employees of the Hospital and its affiliates. Eligible employees may elect to have a minimum of \$10,000 withheld from their compensation, up to a maximum of 75 percent of annual gross compensation. At September 30, 2022 and 2021, one employee was participating in this plan with a balance of \$174,838 for both years.

The Hospital has established a 457(b) deferred compensation plan eligible to certain key employees of the Hospital and its affiliates. At September 30, 2022 and 2021, 28 employees were participating in this plan with a balance of \$2,211,329 and \$2,552,017, respectively.

Note 11: Net Assets With Donor Restrictions

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

	2022	2021
Subject to expenditure for a specified purpose		
Healthcare services	\$ 749,040	\$ 617,839
Purchase of equipment	92,235	86,114
Nursing scholarships	149,110	173,702
	<u>990,385</u>	<u>877,655</u>
Endowments		
Subject to spending policies and appropriation		
Investments to be held in perpetuity, the income		
is expendable for operations	3,907,321	4,511,361
	<u>3,907,321</u>	<u>4,511,361</u>
	<u>\$ 4,897,706</u>	<u>\$ 5,389,016</u>

During 2022 and 2021, net assets of \$114,166 and \$70,003, respectively, were released from donor restriction by incurring expenses satisfying the restricted operating purposes or by occurrence of other events specified by donors. During both 2022 and 2021, net assets of \$0 were released to purchase equipment.

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Note 12: Liquidity and Availability

NCHS's financial assets available within one year of the balance sheet date for general expenditure are:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 4,045,992	\$ 18,929,533
Patient accounts receivable	12,880,727	8,869,936
Other receivables	14,069,086	1,275,328
Estimated amounts due from third-party payors	180,614	155,663
Assets limited as to use	<u>56,652,945</u>	<u>65,178,256</u>
Total financial assets	<u>87,829,364</u>	<u>94,408,716</u>
Less amounts not available to be used within one year		
Assets limited as to use		
Externally restricted by donors	4,939,042	5,601,956
Held by trustees	<u>3,130,049</u>	<u>3,470,737</u>
Financial assets not available to be used within one year	<u>8,069,091</u>	<u>9,072,693</u>
Financial assets available to meet general expenditures within one year	<u>\$ 79,760,273</u>	<u>\$ 85,336,023</u>

NCHS has certain internally designated assets limited as to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included above for financial assets to meet general expenditures within one year, as the Board could make them available, if necessary.

As part of NCHS's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, NCHS has committed lines of credit which are more fully described in *Note 7*.

Note 13: Endowments

NCHS's endowment consists of various individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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NCHS' governing body has interpreted the State of Vermont Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, NCHS classifies as net assets with donor restrictions the original value of gifts donated to the endowment. The donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the NCHS in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the remaining portion of donor-restricted endowment funds is classified as net assets without donor restrictions as those assets have been appropriated for expenditure by NCHS in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of NCHS and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the NCHS
7. Investment policies of the NCHS

The composition of net assets by type of endowment fund and changes in net assets for the years ended September 30, 2022 and 2021, were:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds			
Endowment net assets, beginning of the year	\$ -	\$ 4,511,361	\$ 4,511,361
Investment return	-	(604,040)	(604,040)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 3,907,321</u>	<u>\$ 3,907,321</u>
	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds			
Endowment net assets, beginning of the year	\$ -	\$ 3,761,813	\$ 3,761,813
Investment return	-	749,548	749,548
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 4,511,361</u>	<u>\$ 4,511,361</u>

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NCHS has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Under NCHS's policies, the primary investment goal is growth in the endowment accounts. NCHS expects its endowment funds to provide an average rate of return that exceeds benchmark returns indicated for various asset classes. Actual returns in any given year may vary.

To satisfy its long-term rate of return objectives, the NCHS relies on a strategy in which investment returns are achieved through both current yield and capital appreciation (both realized and unrealized). NCHS invests in a variety of securities to achieve its long-term return objectives within prudent risk constraints.

Note 14: Functional Expenses

The Hospital provides general health care services to residents within its geographic area. Certain costs attributable to more than one function have been allocated among the health care services and general and administrative functional expense classifications based on the direct assignment, expenses, and other methods. The following schedule presents the natural classification of expenses by function as follows:

	Health Care Program Services	2022 General and Administrative	Total
Salaries	\$ 31,791,318	\$ 8,776,616	\$ 40,567,934
Employee benefits	9,764,753	2,695,851	12,460,604
Supplies and other	41,927,413	2,463,716	44,391,129
Depreciation	3,144,935	379,399	3,524,334
Interest	445,605	53,757	499,362
	<u>\$ 87,074,024</u>	<u>\$ 14,369,339</u>	<u>\$ 101,443,363</u>
		2021	
	Health Care Program Services	General and Administrative	Total
Salaries	\$ 31,898,423	\$ 10,404,962	\$ 42,303,385
Employee benefits	11,648,575	1,617,487	13,266,062
Supplies and other	32,971,117	1,929,615	34,900,732
Depreciation	3,116,969	376,025	3,492,994
Interest	451,951	54,522	506,473
	<u>\$ 80,087,035</u>	<u>\$ 14,382,611</u>	<u>\$ 94,469,646</u>

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Note 15: Pension Plan

The Hospital has a 403(b) defined contribution pension plan covering substantially all employees. Employee contributions, which are at the discretion of the employee, are matched by NCHS at a maximum of 50 percent of the employee's contributions not exceeding 5 percent of an employee's gross salary. Additional contributions are made to the plan based on amounts determined annually by the Board of Trustees. Pension expense was \$1,370,000 and \$1,350,000 for 2022 and 2021, respectively.

Note 16: Disclosures About Fair Value of Financial Instruments

Fair value 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 measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2022 and 2021:

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	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
September 30, 2022				
Investments				
Money market funds	\$ 16,046,912	\$ 16,046,912	\$ -	\$ -
Mutual funds – equity	36,738,794	36,738,794	-	-
Equity securities	380,213	380,213	-	-
Exchange traded funds	279,298	279,298	-	-
Alternative investment measured at net asset value (A)	<u>821,561</u>			
Total investments	54,266,778			
Life insurance policies and deferred compensation arrangements (B)	2,386,167	-	-	-
Interest rate swap agreements	<u>(12,068)</u>	-	(12,068)	-
Total fair value of recurring measurements	<u>\$ 56,640,877</u>			
September 30, 2021				
Investments				
Money market funds	\$ 2,931,109	\$ 2,931,109	\$ -	\$ -
Mutual funds – equity	58,162,099	58,162,099	-	-
Equity securities	451,118	451,118	-	-
Exchange traded funds	118,337	118,337	-	-
Alternative investment measured at net asset value (A)	<u>788,738</u>	-	-	-
Total investments	62,451,401			
Life insurance policies and deferred compensation arrangements (B)	2,726,855	-	-	-
Interest rate swap agreements	<u>(1,343,472)</u>	-	(1,343,472)	-
Total fair value of recurring measurements	<u>\$ 63,834,784</u>			

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the balance sheets.

(B) Certain assets limited as to use that are recorded at other than fair value (as fair value is described in ASC 820) are included above to permit reconciliation of the fair value hierarchy to the total investments presented in the consolidated balance sheets. As these assets are carried at other than fair value, they have not been classified in the fair value hierarchy.

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Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended September 30, 2022.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. At September 30, 2022 and 2021, there were no securities classified as Level 3 within the hierarchy.

Interest Rate Swap Agreements

The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

Note 17: The Fair Value Option

As permitted by Topic 825, NCHS has elected to measure its hedge fund investment at fair value. Management has elected the fair value option for these items because it more accurately reflects the portfolio returns and financial position of NCHS. The fair value of the hedge investments at September 30, 2022 and 2021, is \$821,561 and \$788,738, respectively.

See *Note 4* for additional disclosures regarding fair value of the hedge fund listed in the preceding paragraph.

Changes in Fair Value

Changes in fair value for items for which the fair value option has been elected are reported as investment return in other income (expense) in the consolidated financial statements. The change for 2022 and 2021 was an increase of \$32,823 and \$22,033, respectively, which reflects all investment return from the hedge fund investment.

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Note 18: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Variable Consideration

Estimates of variable consideration in determining transaction price for patient service revenue are described in *Notes 1* and *2*.

Contingencies

Estimates related to the accrual for medical malpractice claims, employee health insurance, workers' compensation, and employee unemployment insurance are described in *Notes 1* and *6*.

Litigation

In the normal course of business, NCHS is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the NCHS's self-insurance program (discussed elsewhere in these notes) or by commercial insurance; for example, allegations regarding employment practices or performance of contracts. NCHS evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Interest Rate Swap Agreements

As discussed in *Note 9*, NCHS has recorded a liability representing estimated fair value of the interest rate swap agreement.

Asset Retirement Obligation

As discussed in *Note 19*, NCHS has recorded a liability for its conditional asset retirement obligations related to asbestos abatement.

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Investments

The Hospital invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated balance sheets.

Note 19: Asset Retirement Obligation

Accounting principles generally accepted in the United States of America require that an asset retirement obligation (ARO) associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred or becomes determinable (as defined by the standard). NCHS's conditional asset retirement obligations primarily relate to asbestos contained in buildings that NCHS owns. Environmental regulations exist that require NCHS to handle and dispose of asbestos in a special manner if a building undergoes major renovations or is demolished. A liability of \$116,492 and \$109,898 has been recognized in the accompanying 2022 and 2021 consolidated financial statements, respectively, for the portion of the liability that can be reasonably estimated.

Note 20: Other Information

Contractual Obligation

NCHS entered into a one-year agreement, with automatic optional renewal provisions, with a national information technology vendor to provide electronic medical records, billing, and clinical information systems. NCHS has agreed to pay a 2.67 percent service fee based on total net patient service revenue. For the years ended September 30, 2022 and 2021, the Hospital paid \$1,588,000 and \$1,989,000 related to this agreement, respectively.

NCHS also entered into a strategic information technology service agreement with Cerner Corporation (Cerner). Cerner has assumed operational and administrative responsibilities for NCHS's information technology environment and services, including remote hosting, monitoring, and system performance capabilities. The agreement is effective from March 24, 2021, through April 30, 2029. At the end of the initial term, the agreement will renew in seven-year increments. The payments on this agreement are recognized as expense when incurred.

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Future minimum payments required under this agreement at September 30, 2022, are summarized as follows:

2023	\$ 1,242,288
2024	1,242,288
2025	1,242,288
2026	1,242,288
2027	1,242,288
Thereafter	1,656,384
Future minimum information technology commitments	\$ 7,867,824

Expenses under this agreement totaled \$755,758 and \$904 for the years ended September 30, 2022 and 2021, respectively.

Note 21: COVID-19

On March 11, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incidence of COVID-19 (COVID-19) as a global pandemic. Patient volumes and the related revenues were significantly affected by COVID-19 as various policies were implemented by federal, state, and local governments in response to the pandemic that led many people to remain at home and forced the closure of or limitations on certain businesses, as well as suspended elective procedures by health care facilities.

The Health System has taken steps to enhance its operational and financial flexibility and react to the risks the COVID-19 pandemic presents to its business, including implementation of targeted cost reduction initiatives.

The extent of the COVID-19 pandemic’s adverse effect on the Health System’s operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond the Health System’s control and ability to forecast.

Because of these and other uncertainties, the Health System cannot estimate the length or severity of the effect of the pandemic on the Health System’s business. Decreases in cash flows and results of operations may have an effect on debt covenant compliance and on the inputs and assumptions used in significant accounting estimates, including estimated implicit price concessions related to uninsured patient accounts, and potential impairments of goodwill and long-lived assets.

On March 27, 2020, the *Coronavirus Aid, Relief and Economic Security (CARES) Act* was signed into law. The Health System has been a recipient of various funds made available by the CARES Act as follows:

North Country Health Systems, Inc.

Notes to Consolidated Financial Statements

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Provider Relief Funds

During the years ended September 30, 2022 and 2021, the Health System received \$0 and \$400,000, respectively, of distributions from the CARES Act Provider Relief Fund (collectively, the “Provider Relief Fund”). These distributions from the Provider Relief Fund are not subject to repayment, provided the Health System is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by the Department of Health and Human Services (HHS).

The Health System has elected to account for such payments as conditional contributions in accordance with ASC Topic 958-605 – *Revenue Recognition*. Payments are recognized as contribution revenue once the applicable terms and conditions required to retain the funds have been substantially met. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and the effect of the pandemic on the Health System’s revenues and expenses through year-end, the Health System recognized \$0 and \$2,167,705, respectively, during the years ended September 30, 2022 and 2021, related to the distributions from the Provider Relief Fund, and these payments are recorded as other revenue in the accompanying consolidated statements of operations. The unrecognized amount of distributions from the Provider Relief Fund are recorded as deferred grant revenue in the accompanying consolidated balance sheets.

The Health System has recognized revenue from the Provider Relief Fund based on guidance issued by HHS as of September 30, 2022, and any clarifications issued by HHS subsequent to year-end, including any referenced above as recognized subsequent events. The Health System will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and the effect of the pandemic on the Health System’s revenues and expenses. The terms and conditions governing the Provider Relief Fund are complex and subject to interpretation and change. If the Health System is unable to attest to or comply with current or future terms and conditions, its ability to retain some or all of the distributions received may be affected. Additionally, the amounts recorded in the consolidated financial statements compared to the Health System’s Provider Relief Fund reporting could differ. Provider Relief Fund payments are subject to government oversight, including potential audits.

Medicare Accelerated and Advanced Payment Program

During the year ended September 30, 2020, the Health System requested accelerated Medicare payments as provided for in the CARES Act, which allows for eligible health care facilities to request up to six months of advance Medicare payments for acute care Health Systems or up to three months of advance Medicare payments for other health care providers. These amounts are expected to be recaptured by CMS according to the payback provisions.

Effective September 30, 2020, the payback provisions were revised and extended the payback period to begin one year after the issuance of the advance payment through a phased payback period approach. The first 11 months of the payback period will be at 25 percent of the remittance advice payment followed by a six-month payback period at 50 percent of the remittance advice payment. After 29 months, CMS expects any amount not paid back through the withhold amounts to be paid back in a lump sum or interest will begin to accrue subsequent to the 29th month at a rate of 4 percent.

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During the year ended September 30, 2020, the Health System received approximately \$9,613,000 from these accelerated Medicare payment requests. During the years ended September 30, 2022 and 2021, Medicare has applied approximately \$3,898,300 and \$1,525,000 from these accelerated Medicare payment requests against filed claims. At September 30, 2022 and 2021, the unapplied amount of accelerated Medicare payment requests are recorded under contract liabilities in the accompanying consolidated balance sheet. As of September 30, 2022, \$3,579,000 had not been recouped by Medicare. The Health System has entered into a repayment agreement with Medicare starting November 1, 2022, ending September 30, 2023, with an interest rate of 3.5 percent. Medicare will withhold the payment of \$330,137 from the Health System's Medicare remittance advices monthly.

Note 22: Future Changes in Accounting Principles

Accounting for Leases

The Financial Accounting Standards Board amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for the Health System's fiscal year ending September 30, 2023. The Health System is evaluating the impact the standard will have on the consolidated financial statements.

Accounting for Financial Instruments – Credit Losses

The Financial Accounting Standards Board amended its standards related to the accounting for credit losses on financial instruments. This amendment introduces new guidance for accounting for credit losses on instruments including trade receivables and finance receivables. The new standard is effective for the Health System's fiscal year ending September 30, 2023. The Health System is in the process of evaluating the impact the amendment will have on the consolidated financial statements.

Note 23: Subsequent Events

Subsequent events have been evaluated through March 2, 2023, which is the date the consolidated financials were available to be issued.

Supplementary Information

North Country Health Systems, Inc.
Consolidating Schedule – Balance Sheet Information
September 30, 2022

	North Country Hospital and Health Center	Northeast Kingdom Healthcare Collaborative, LLC	Eliminations	Consolidated North Country Hospital and Health Center	North Country Health Systems	Eliminations	Consolidated Total
Current Assets							
Cash and cash equivalents	\$ 3,769,743	\$ 114,883	\$ -	\$ 3,884,626	\$ 161,366	\$ -	\$ 4,045,992
Patient accounts receivable	12,456,427	424,300	-	12,880,727	-	-	12,880,727
Other receivables	14,309,304	-	(240,218)	14,069,086	-	-	14,069,086
Due from affiliate	101,315	-	-	101,315	-	(101,315)	-
Supplies	2,753,147	-	-	2,753,147	-	-	2,753,147
Estimated amounts due from third-party payors	180,614	-	-	180,614	-	-	180,614
Prepaid expenses and other	1,107,266	10,516	-	1,117,782	500	-	1,118,282
Total current assets	<u>34,677,816</u>	<u>549,699</u>	<u>(240,218)</u>	<u>34,987,297</u>	<u>161,866</u>	<u>(101,315)</u>	<u>35,047,848</u>
Assets Limited As To Use							
Internally designated	48,134,498	-	-	48,134,498	449,356	-	48,583,854
Externally restricted by donors Held by trustee	3,814,209	-	-	3,814,209	1,124,833	-	4,939,042
Under deferred compensation arrangements	3,130,049	-	-	3,130,049	-	-	3,130,049
	<u>55,078,756</u>	<u>-</u>	<u>-</u>	<u>55,078,756</u>	<u>1,574,189</u>	<u>-</u>	<u>56,652,945</u>
Property and Equipment, At Cost							
Property and Equipment, At Cost	79,181,659	837,320	-	80,018,979	-	-	80,018,979
Less accumulated depreciation	56,509,109	151,338	-	56,660,447	-	-	56,660,447
	<u>22,672,550</u>	<u>685,982</u>	<u>-</u>	<u>23,358,532</u>	<u>-</u>	<u>-</u>	<u>23,358,532</u>
Assets Held for Sale							
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Assets							
Interest in net assets of North Country Health Systems, Inc.	990,416	-	-	990,416	-	(990,416)	-
Other	752,727	-	(496,888)	255,839	44,000	-	299,839
	<u>1,743,143</u>	<u>-</u>	<u>(496,888)</u>	<u>1,246,255</u>	<u>44,000</u>	<u>(990,416)</u>	<u>299,839</u>
Total assets	<u>\$ 114,172,265</u>	<u>\$ 1,235,681</u>	<u>\$ (737,106)</u>	<u>\$ 114,670,840</u>	<u>\$ 1,780,055</u>	<u>\$ (1,091,731)</u>	<u>\$ 115,359,164</u>

North Country Health Systems, Inc.
Consolidating Schedule – Balance Sheet Information
September 30, 2022

	North Country Hospital and Health Center	Northeast Kingdom Healthcare Collaborative, LLC	Eliminations	Consolidated North Country Hospital and Health Center	North Country Health Systems	Eliminations	Consolidated Total
Current Liabilities							
Line of credit	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000
Current maturities of long-term debt	1,240,777	-	-	1,240,777	-	-	1,240,777
Accounts payable	6,705,538	262,653	(240,218)	6,727,973	4,239	-	6,732,212
Accrued expenses	18,899,673	11,605	-	18,911,278	-	-	18,911,278
Due to affiliate	-	108,276	-	108,276	6,784	(101,315)	13,745
Contract liabilities and deferred revenue	3,711,257	-	-	3,711,257	-	-	3,711,257
Estimated amounts due to third-party payors	255,212	-	-	255,212	-	-	255,212
Total current liabilities	34,312,457	382,534	(240,218)	34,454,773	11,023	(101,315)	34,364,481
Deferred Compensation and Other	3,246,542	-	-	3,246,542	-	-	3,246,542
Long-Term Debt	13,317,996	-	-	13,317,996	-	-	13,317,996
Interest Rate Swap Agreements	12,068	-	-	12,068	-	-	12,068
Total liabilities	50,889,063	382,534	(240,218)	51,031,379	11,023	(101,315)	50,941,087
Net Assets							
Without donor restrictions							
Health System	58,385,496	496,888	(496,888)	58,385,496	778,616	-	59,164,112
Noncontrolling interest	-	356,259	-	356,259	-	-	356,259
Total net assets without donor restrictions	58,385,496	853,147	(496,888)	58,741,755	778,616	-	59,520,371
With donor restrictions	4,897,706	-	-	4,897,706	990,416	(990,416)	4,897,706
Total net assets	63,283,202	853,147	(496,888)	63,639,461	1,769,032	(990,416)	64,418,077
Total liabilities and net assets	\$ 114,172,265	\$ 1,235,681	\$ (737,106)	\$ 114,670,840	\$ 1,780,055	\$ (1,091,731)	\$ 115,359,164

North Country Health Systems, Inc.
Consolidating Schedule – Statement of Operations Information
Year Ended September 30, 2022

	North Country Hospital and Health Center	Northeast Kingdom Healthcare Collaborative, LLC	Eliminations	Consolidated North Country Hospital and Health Center	North Country Health Systems	Eliminations	Consolidated Total
Revenues, Gains, and Other Support Without Donor Restrictions							
Patient service revenue and fixed payment revenue	\$ 83,480,083	\$ 982,282	\$ -	\$ 84,462,365	\$ 5,000	\$ -	\$ 84,467,365
Other revenue	7,533,560	-	-	7,533,560	-	-	7,533,560
Net assets released from restriction used for operations	-	-	-	-	114,166	-	114,166
Total revenues, gains, and other support without donor restrictions	<u>91,013,643</u>	<u>982,282</u>	<u>-</u>	<u>91,995,925</u>	<u>119,166</u>	<u>-</u>	<u>92,115,091</u>
Expenses and Losses							
Salaries	40,567,934	-	-	40,567,934	-	-	40,567,934
Employee benefits	12,460,189	415	-	12,460,604	-	-	12,460,604
Supplies and other	43,379,524	906,367	-	44,285,891	105,238	-	44,391,129
Depreciation	3,489,849	34,485	-	3,524,334	-	-	3,524,334
Interest	499,362	-	-	499,362	-	-	499,362
Total expenses and losses	<u>100,396,858</u>	<u>941,267</u>	<u>-</u>	<u>101,338,125</u>	<u>105,238</u>	<u>-</u>	<u>101,443,363</u>
Operating Income (Loss)	<u>(9,383,215)</u>	<u>41,015</u>	<u>-</u>	<u>(9,342,200)</u>	<u>13,928</u>	<u>-</u>	<u>(9,328,272)</u>
Other Income (Expense)							
Contributions received	-	-	-	-	72,351	-	72,351
Investment return, net	(7,645,335)	-	-	(7,645,335)	(95,296)	-	(7,740,631)
Investment return – change in fair value of investments accounted for under the fair value option of FASB ASC Topic 825	32,823	-	-	32,823	-	-	32,823
Gain (loss) on investments in equity investee	24,609	-	(24,609)	-	-	-	-
Other	24,976	-	-	24,976	(213,007)	-	(188,031)
Total other income	<u>(7,562,927)</u>	<u>-</u>	<u>(24,609)</u>	<u>(7,587,536)</u>	<u>(235,952)</u>	<u>-</u>	<u>(7,823,488)</u>
Excess (Deficiency) of Revenues Over Expenses	<u>(16,946,142)</u>	<u>41,015</u>	<u>(24,609)</u>	<u>(16,929,736)</u>	<u>(222,024)</u>	<u>-</u>	<u>(17,151,760)</u>
Change in fair value of interest rate swap agreements	1,331,404	-	-	1,331,404	-	-	1,331,404
Grants for acquisition of property and equipment	462,680	-	-	462,680	-	-	462,680
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>\$ (15,152,058)</u>	<u>\$ 41,015</u>	<u>\$ (24,609)</u>	<u>\$ (15,135,652)</u>	<u>\$ (222,024)</u>	<u>\$ -</u>	<u>\$ (15,357,676)</u>

North Country Health Systems, Inc.
Consolidating Schedule – Statement of Changes in Net Assets Information
Year Ended September 30, 2022

	North Country Hospital and Health Center	Northeast Kingdom Healthcare Collaborative, LLC	Eliminations	Consolidated North Country Hospital and Health Center	North Country Health Systems	Eliminations	Consolidated Total
Net Assets Without Donor Restrictions Attributable to the Health System							
Excess (deficiency) of revenues over expenses	\$ (16,946,142)	\$ 24,609	\$ (24,609)	\$ (16,946,142)	\$ (222,024)	\$ -	\$ (17,168,166)
Change in fair value of interest rate swap agreements	1,331,404	-	-	1,331,404	-	-	1,331,404
Contributions from controlling interest	-	-	-	-	-	-	-
Grants for acquisition of property and equipment	462,680	-	-	462,680	-	-	462,680
Increase (decrease) in net assets without donor restrictions attributable to the Health System	<u>(15,152,058)</u>	<u>24,609</u>	<u>(24,609)</u>	<u>(15,152,058)</u>	<u>(222,024)</u>	<u>-</u>	<u>(15,374,082)</u>
Net Assets Without Donor Restrictions Attributable to Noncontrolling Interest							
Excess of revenues over expenses	-	16,406	-	16,406	-	-	16,406
Contributions from controlling interest	-	-	-	-	-	-	-
Increase in net assets without donor restrictions attributable to noncontrolling interest	<u>-</u>	<u>16,406</u>	<u>-</u>	<u>16,406</u>	<u>-</u>	<u>-</u>	<u>16,406</u>
Increase (decrease) in net assets without donor restrictions	<u>(15,152,058)</u>	<u>41,015</u>	<u>(24,609)</u>	<u>(15,135,652)</u>	<u>(222,024)</u>	<u>-</u>	<u>(15,357,676)</u>
Net Assets With Donor Restrictions							
Contributions received	-	-	-	-	395,859	-	395,859
Change in interest in net assets of North Country Health Systems, Inc.	112,730	-	-	112,730	-	(112,730)	-
Investment return – change in unrealized gains and losses on other than trading securities	(604,040)	-	-	(604,040)	(168,963)	-	(773,003)
Net assets released from restriction	-	-	-	-	(114,166)	-	(114,166)
Increase (decrease) in net assets with donor restrictions	<u>(491,310)</u>	<u>-</u>	<u>-</u>	<u>(491,310)</u>	<u>112,730</u>	<u>(112,730)</u>	<u>(491,310)</u>
Change in Net Assets	(15,643,368)	41,015	(24,609)	(15,626,962)	(109,294)	(112,730)	(15,848,986)
Net Assets, Beginning of Year	78,926,570	812,132	(472,279)	79,266,423	1,878,326	(877,686)	80,267,063
Net Assets, End of Year	\$ 63,283,202	\$ 853,147	\$ (496,888)	\$ 63,639,461	\$ 1,769,032	\$ (990,416)	\$ 64,418,077

North Country Health Systems, Inc.
Consolidating Schedule – Balance Sheet Information
September 30, 2021

	North Country Hospital and Health Center	Northeast Kingdom Healthcare Collaborative, LLC	Eliminations	Consolidated North Country Hospital and Health Center	North Country Health Systems	Eliminations	Consolidated Total
Current Assets							
Cash and cash equivalents	\$ 18,444,388	\$ 148,583	\$ -	\$ 18,592,971	\$ 336,562	\$ -	\$ 18,929,533
Patient accounts receivable	8,712,558	157,378	-	8,869,936	-	-	8,869,936
Other receivables	1,275,328	-	-	1,275,328	-	-	1,275,328
Due from affiliate	70,734	-	-	70,734	-	(70,734)	-
Supplies	2,940,529	-	-	2,940,529	-	-	2,940,529
Estimated amounts due from third-party payors	155,663	-	-	155,663	-	-	155,663
Prepaid expenses and other	1,047,914	-	-	1,047,914	500	-	1,048,414
Total current assets	<u>32,647,114</u>	<u>305,961</u>	<u>-</u>	<u>32,953,075</u>	<u>337,062</u>	<u>(70,734)</u>	<u>33,219,403</u>
Assets Limited As To Use							
Internally designated	55,760,912	-	-	55,760,912	344,651	-	56,105,563
Externally restricted by donors	4,418,531	-	-	4,418,531	1,183,425	-	5,601,956
Held by trustee							
Under deferred compensation arrangements	3,470,737	-	-	3,470,737	-	-	3,470,737
	<u>63,650,180</u>	<u>-</u>	<u>-</u>	<u>63,650,180</u>	<u>1,528,076</u>	<u>-</u>	<u>65,178,256</u>
Property and Equipment, At Cost							
	77,150,161	837,320	-	77,987,481	-	-	77,987,481
Less accumulated depreciation	54,448,206	116,853	-	54,565,059	-	-	54,565,059
	<u>22,701,955</u>	<u>720,467</u>	<u>-</u>	<u>23,422,422</u>	<u>-</u>	<u>-</u>	<u>23,422,422</u>
Assets Held for Sale							
	<u>337,058</u>	<u>-</u>	<u>-</u>	<u>337,058</u>	<u>-</u>	<u>-</u>	<u>337,058</u>
Other Assets							
Interest in net assets of North Country Health Systems, Inc.	877,686	-	-	877,686	-	(877,686)	-
Other	502,885	-	(472,279)	30,606	18,000	-	48,606
	<u>1,380,571</u>	<u>-</u>	<u>(472,279)</u>	<u>908,292</u>	<u>18,000</u>	<u>(877,686)</u>	<u>48,606</u>
Total assets	<u>\$ 120,716,878</u>	<u>\$ 1,026,428</u>	<u>\$ (472,279)</u>	<u>\$ 121,271,027</u>	<u>\$ 1,883,138</u>	<u>\$ (948,420)</u>	<u>\$ 122,205,745</u>

North Country Health Systems, Inc.
Consolidating Schedule – Balance Sheet Information
September 30, 2021

	North Country Hospital and Health Center	Northeast Kingdom Healthcare Collaborative, LLC	Eliminations	Consolidated North Country Hospital and Health Center	North Country Health Systems	Eliminations	Consolidated Total
Current Liabilities							
Current maturities of long-term debt	\$ 1,152,534	\$ -	\$ -	\$ 1,152,534	\$ -	\$ -	\$ 1,152,534
Accounts payable	3,697,487	123,799	-	3,821,286	1,630	-	3,822,916
Accrued expenses	7,167,580	9,834	-	7,177,414	-	-	7,177,414
Due to affiliate	-	80,663	-	80,663	3,182	(70,734)	13,111
Contract liabilities and deferred revenue	7,563,249	-	-	7,563,249	-	-	7,563,249
Estimated amounts due to third-party payors	2,163,838	-	-	2,163,838	-	-	2,163,838
Total current liabilities	21,744,688	214,296	-	21,958,984	4,812	(70,734)	21,893,062
Deferred Compensation and Other	3,580,636	-	-	3,580,636	-	-	3,580,636
Contract Liabilities	948,255	-	-	948,255	-	-	948,255
Long-Term Debt	14,173,257	-	-	14,173,257	-	-	14,173,257
Interest Rate Swap Agreements	1,343,472	-	-	1,343,472	-	-	1,343,472
Total liabilities	41,790,308	214,296	-	42,004,604	4,812	(70,734)	41,938,682
Net Assets							
Without donor restrictions							
Health System	73,537,554	472,279	(472,279)	73,537,554	1,000,640	-	74,538,194
Noncontrolling interest	-	339,853	-	339,853	-	-	339,853
Total net assets without donor restrictions	73,537,554	812,132	(472,279)	73,877,407	1,000,640	-	74,878,047
With donor restrictions	5,389,016	-	-	5,389,016	877,686	(877,686)	5,389,016
Total net assets	78,926,570	812,132	(472,279)	79,266,423	1,878,326	(877,686)	80,267,063
Total liabilities and net assets	\$ 120,716,878	\$ 1,026,428	\$ (472,279)	\$ 121,271,027	\$ 1,883,138	\$ (948,420)	\$ 122,205,745

North Country Health Systems, Inc.
Consolidating Schedule – Statement of Operations Information
Year Ended September 30, 2021

	North Country Hospital and Health Center	Northeast Kingdom Healthcare Collaborative, LLC	Eliminations	Consolidated North Country Hospital and Health Center	North Country Health Systems	Eliminations	Consolidated Total
Revenues, Gains, and Other Support Without Donor Restrictions							
Patient service revenue and fixed payment revenue	\$ 88,678,603	\$ 818,124	\$ -	\$ 89,496,727	\$ -	\$ -	\$ 89,496,727
Other	9,400,154	234	-	9,400,388	-	-	9,400,388
Net assets released from restriction used for operations	-	-	-	-	70,003	-	70,003
Total revenues, gains, and other support without donor restrictions	<u>98,078,757</u>	<u>818,358</u>	<u>-</u>	<u>98,897,115</u>	<u>70,003</u>	<u>-</u>	<u>98,967,118</u>
Expenses and Losses							
Salaries	42,303,385	-	-	42,303,385	-	-	42,303,385
Employee benefits	13,266,062	-	-	13,266,062	-	-	13,266,062
Supplies and other	33,883,712	939,195	-	34,822,907	77,825	-	34,900,732
Depreciation	3,461,824	31,170	-	3,492,994	-	-	3,492,994
Interest	506,434	-	-	506,434	39	-	506,473
Total expenses and losses	<u>93,421,417</u>	<u>970,365</u>	<u>-</u>	<u>94,391,782</u>	<u>77,864</u>	<u>-</u>	<u>94,469,646</u>
Operating Income (Loss)	<u>4,657,340</u>	<u>(152,007)</u>	<u>-</u>	<u>4,505,333</u>	<u>(7,861)</u>	<u>-</u>	<u>4,497,472</u>
Other Income (Expense)							
Contributions received	-	-	-	-	431,173	-	431,173
Investment return, net	9,544,005	-	-	9,544,005	48,894	-	9,592,899
Investment return – change in fair value of investments accounted for under the fair value option of FASB ASC Topic 825	(22,033)	-	-	(22,033)	-	-	(22,033)
Gain (loss) on investments in equity investee	(16,204)	-	16,204	-	-	-	-
Other	(81,607)	-	75,000	(6,607)	-	-	(6,607)
Total other income	<u>9,424,161</u>	<u>-</u>	<u>91,204</u>	<u>9,515,365</u>	<u>480,067</u>	<u>-</u>	<u>9,995,432</u>
Excess (Deficiency) of Revenues Over Expenses	14,081,501	(152,007)	91,204	14,020,698	472,206	-	14,492,904
Change in fair value of interest rate swap agreements	186,707	-	-	186,707	-	-	186,707
Contributions from noncontrolling interest	-	75,000	-	75,000	-	-	75,000
Grants for acquisition of property and equipment	47,393	-	-	47,393	-	-	47,393
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>\$ 14,315,601</u>	<u>\$ (77,007)</u>	<u>\$ 91,204</u>	<u>\$ 14,329,798</u>	<u>\$ 472,206</u>	<u>\$ -</u>	<u>\$ 14,802,004</u>

North Country Health Systems, Inc.
Consolidating Schedule – Statement of Changes in Net Assets Information
Year Ended September 30, 2021

	North Country Hospital and Health Center	Northeast Kingdom Healthcare Collaborative, LLC	Eliminations	Consolidated North Country Hospital and Health Center	North Country Health Systems	Eliminations	Consolidated Total
Net Assets Without Donor Restrictions							
Attributable to the Health System							
Excess (deficiency) of revenues over expenses	\$ 14,081,501	\$ (91,204)	\$ 91,204	\$ 14,081,501	\$ 472,206	\$ -	\$ 14,553,707
Change in fair value of interest rate swap agreements	186,707	-	-	186,707	-	-	186,707
Contributions from controlling interest	-	75,000	(75,000)	-	-	-	-
Grants for acquisition of property and equipment	47,393	-	-	47,393	-	-	47,393
Increase (decrease) in net assets without donor restrictions attributable to the Health System	<u>14,315,601</u>	<u>(16,204)</u>	<u>16,204</u>	<u>14,315,601</u>	<u>472,206</u>	<u>-</u>	<u>14,787,807</u>
Net Assets Without Donor Restrictions							
Attributable to Noncontrolling Interest							
Excess of revenues over expenses	-	(60,803)	-	(60,803)	-	-	(60,803)
Contributions from noncontrolling interest	-	75,000	-	75,000	-	-	75,000
Increase in net assets without donor restrictions attributable to noncontrolling interest	<u>-</u>	<u>14,197</u>	<u>-</u>	<u>14,197</u>	<u>-</u>	<u>-</u>	<u>14,197</u>
Increase (decrease) in net assets without donor restrictions	<u>14,315,601</u>	<u>(2,007)</u>	<u>16,204</u>	<u>14,329,798</u>	<u>472,206</u>	<u>-</u>	<u>14,802,004</u>
Net Assets With Donor Restrictions							
Contributions received	-	-	-	-	37,189	-	37,189
Change in interest in net assets of North Country Health Systems, Inc.	71,493	-	-	71,493	-	(71,493)	-
Investment return – change in unrealized gains and losses on other than trading securities	749,517	-	-	749,517	104,307	-	853,824
Net assets released from restriction	-	-	-	-	(70,003)	-	(70,003)
Increase (decrease) in net assets with donor restrictions	<u>821,010</u>	<u>-</u>	<u>-</u>	<u>821,010</u>	<u>71,493</u>	<u>(71,493)</u>	<u>821,010</u>
Change in Net Assets	<u>15,136,611</u>	<u>(2,007)</u>	<u>16,204</u>	<u>15,150,808</u>	<u>543,699</u>	<u>(71,493)</u>	<u>15,623,014</u>
Net Assets, Beginning of Year	<u>63,789,959</u>	<u>814,139</u>	<u>(488,483)</u>	<u>64,115,615</u>	<u>1,334,627</u>	<u>(806,193)</u>	<u>64,644,049</u>
Net Assets, End of Year	<u>\$ 78,926,570</u>	<u>\$ 812,132</u>	<u>\$ (472,279)</u>	<u>\$ 79,266,423</u>	<u>\$ 1,878,326</u>	<u>\$ (877,686)</u>	<u>\$ 80,267,063</u>

ESTIMATED TAX WORKSHEET FOR FORM 990-W

A. 2022 Estimated Tax		A	
B. Enter 100 % of Line A	B		
C. Enter 100 % of tax on 2021 FORM 990-T	C	2,627.	
D. Required Annual Payment (Smaller of lines B or C)	D		2,627.
E. Income tax withheld (if applicable)	E		
F. Balance (As rounded to the nearest multiple of)	F		2,800.

Record of Estimated Tax Payments

Payment number	(a) Date	(b) Amount	(c) 2021 overpayment credit applied	(d) Total amount paid and credited (add (b) and (c))
1	01/15/2023			
2	03/15/2023			
3	06/15/2023			
4	09/15/2023	2,800.		2,800.
Total		2,800.		2,800.

ESTIMATED PAYMENTS MUST BE MADE USING THE ELECTRONIC FEDERAL TAX PAYMENTS SYSTEM (EFTPS). THIS WORKSHEET MERELY PROVIDES THE AMOUNTS WHICH NEED TO BE PAID VIA THE ABOVE METHOD.

**Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))**

2021

For calendar year 2021 or other tax year beginning 10/01, 2021, and ending 09/30, 2022

Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form990T for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for
501(c)(3) Organizations Only

A <input type="checkbox"/> Check box if address changed.		Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.	D Employer identification number 03-0185556
B Exempt under section	Print or Type	Number, street, and room or suite no. If a P.O. box, see instructions. 189 PROUTY DR	E Group exemption number (see instructions)
<input checked="" type="checkbox"/> 501(C)(3)		City or town, state or province, country, and ZIP or foreign postal code NEWPORT, VT 05855	F <input type="checkbox"/> Check box if an amended return.
<input type="checkbox"/> 408(e) 220(e) <input type="checkbox"/> 408A 530(a) <input type="checkbox"/> 529(a) 529A		C Book value of all assets at end of year ▶ 114172265	
G Check organization type ▶	<input checked="" type="checkbox"/> 501(c) corporation	<input type="checkbox"/> 501(c) trust	<input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust
H Check if filing only to ▶	<input type="checkbox"/> Claim credit from Form 8941	<input type="checkbox"/> Claim a refund shown on Form 2439	
I Check if a 501(c)(3) organization filing a consolidated return with a 501(c)(2) titleholding corporation ▶	<input type="checkbox"/>		
J Enter the number of attached Schedules A (Form 990-T) ▶	2		
K During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
If "Yes," enter the name and identifying number of the parent corporation ▶ SEE STATEMENT 1			
L The books are in care of ▶	TRACEY PAUL		Telephone number ▶ 802-334-7331
	189 PROUTY DRIVE		
	NEWPORT, VT 05855		

Part I Total Unrelated Business Taxable Income

1 Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	1	13,508.
2 Reserved	2	
3 Add lines 1 and 2	3	13,508.
4 Charitable contributions (see instructions for limitation rules)	4	
5 Total unrelated business taxable income before net operating losses. Subtract line 4 from line 3	5	13,508.
6 Deduction for net operating loss. See instructions	6	
7 Total of unrelated business taxable income before specific deduction and section 199A deduction. Subtract line 6 from line 5	7	13,508.
8 Specific deduction (generally \$1,000, but see instructions for exceptions)	8	1,000.
9 Trusts. Section 199A deduction. See instructions	9	
10 Total deductions. Add lines 8 and 9	10	1,000.
11 Unrelated business taxable income. Subtract line 10 from line 7. If line 10 is greater than line 7, enter zero	11	12,508.

Part II Tax Computation

1 Organizations taxable as corporations. Multiply Part I, line 11 by 21% (0.21) ▶	1	2,627.
2 Trusts taxable at trust rates. See instructions for tax computation. Income tax on the amount on Part I, line 11 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) ▶	2	
3 Proxy tax. See instructions ▶	3	
4 Other tax amounts. See instructions	4	
5 Alternative minimum tax (trusts only)	5	
6 Tax on noncompliant facility income. See instructions	6	
7 Total. Add lines 3 through 6 to line 1 or 2, whichever applies	7	2,627.

For Paperwork Reduction Act Notice, see instructions.

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

► **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.	Taxpayer identification number (TIN)
	NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.	03-0185556
	Number, street, and room or suite no. If a P.O. box, see instructions.	
	189 PROUTY DR	
File by the due date for filing your return. See instructions.	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	NEWPORT, VT 05855	

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

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		

- The books are in the care of ► TRACEY PAUL
189 PROUTY DRIVE NEWPORT VT 05855
Telephone No. ► 802 334-7331 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 08/15, 2023, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

► calendar year 20 ____ or
 ► tax year beginning 10/01, 2021, and ending 09/30, 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 \$	NONE
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 \$	NONE
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 \$	NONE

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.

Part III Tax and Payments

1 a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	1a			
b Other credits (see instructions)	1b			
c General business credit. Attach Form 3800 (see instructions)	1c			
d Credit for prior year minimum tax (attach Form 8801 or 8827)	1d			
e Total credits. Add lines 1a through 1d	1e			
2 Subtract line 1e from Part II, line 7	2			2,627.
3 Other amounts due. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach statement)	3			
4 Total tax. Add lines 2 and 3 (see instructions). <input type="checkbox"/> Check if includes tax previously deferred under section 1294. Enter tax amount here	4			2,627.
5 Current net 965 tax liability paid from Form 965-A, Part II, column (k)	5			
6 a Payments: A 2020 overpayment credited to 2021	6a			
b 2021 estimated tax payments. Check if section 643(g) election applies <input type="checkbox"/>	6b			
c Tax deposited with Form 8868	6c		2,100.	
d Foreign organizations: Tax paid or withheld at source (see instructions)	6d			
e Backup withholding (see instructions)	6e			
f Credit for small employer health insurance premiums (attach Form 8941)	6f			
g Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 _____ <input type="checkbox"/> Form 4136 _____ <input type="checkbox"/> Other _____ Total ▶	6g			
7 Total payments. Add lines 6a through 6g	7			2,100.
8 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	8			
9 Tax due. If line 7 is smaller than the total of lines 4, 5, and 8, enter amount owed ▶	9			527.
10 Overpayment. If line 7 is larger than the total of lines 4, 5, and 8, enter amount overpaid ▶	10			
11 Enter the amount of line 10 you want: Credited to 2022 estimated tax ▶ _____ Refunded ▶ _____	11			

Part IV Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2021 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here ▶ _____	Yes		No	
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.				X
3 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____				
4 Enter available pre-2018 NOL carryovers here ▶ \$ _____ . Do not include any post-2017 NOL carryover shown on Schedule A (Form 990-T). Don't reduce the NOL carryover shown here by any deduction reported on Part I, line 6.				
5 Post-2017 NOL carryovers. Enter available Business Activity Code and post-2017 NOL carryovers. Don't reduce the amounts shown below by any NOL claimed on any Schedule A, Part II, line 17 for the tax year. See instructions.				
Business Activity Code		Available post-2017 NOL carryover		
812900		\$ NONE		
561000		\$ NONE		
_____		\$ _____		
_____		\$ _____		
6a Did the organization change its method of accounting? (see instructions)				
b If 6a is "Yes," has the organization described the change on Form 990, 990-EZ, 990-PF, or Form 1122? If "No," explain in Part V.				

Part V Supplemental Information

Provide the explanation required by Part IV, line 6b. Also, provide any other additional information. See instructions.

Sign Here ▶	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 taxpayer) is based on all information of which preparer has any knowledge.			May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	Signature of officer	Date	Title		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	BRIAN D TODD				P00422601
	Firm's name ▶ FORVIS, LLP	Firm's EIN ▶ 44-0160260		Phone no. 417-865-8701	
Firm's address ▶ 910 E ST LOUIS #200/PO BOX 1190, SPRINGFIELD, MO 6					

ITEM K - NAME AND FEIN OF PARENT CORPORATION
=====

NORTH COUNTRY HEALTH SYSTEMS, INC
22-2566964

**SCHEDULE A
(Form 990-T)**

**Unrelated Business Taxable Income
From an Unrelated Trade or Business**

OMB No. 1545-0074

2021

Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form990T for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

**Open to Public Inspection for
501(c)(3) Organizations Only**

A Name of the organization NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.	B Employer identification number 03-0185556
C Unrelated business activity code (see instructions) ▶ 812900	D Sequence: 1 of 2

E Describe the unrelated trade or business ▶ WATER TESTING SERVICES OFFERED TO THE COMMUNITY

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales <u>8,902.</u>			
b Less returns and allowances _____ c Balance ▶			
1c	8,902.		
2 Cost of goods sold (Part III, line 8)	2		
3 Gross profit. Subtract line 2 from line 1c	3 8,902.		8,902.
4a Capital gain net income (attach Sch D (Form 1041 or Form 1120)). See instructions	4a		
b Net gain (loss) (Form 4797) (attach Form 4797). See instructions	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from a partnership or an S corporation (attach statement)	5		
6 Rent income (Part IV)	6		
7 Unrelated debt-financed income (Part V)	7		
8 Interest, annuities, royalties, and rents from a controlled organization (Part VI)	8		
9 Investment income of section 501(c)(7), (9), or (17) organizations (Part VII)	9		
10 Exploited exempt activity income (Part VIII)	10		
11 Advertising income (Part IX)	11		
12 Other income (see instructions; attach statement)	12		
13 Total. Combine lines 3 through 12	13 8,902.		8,902.

Part II Deductions Not Taken Elsewhere See instructions for limitations on deductions. Deductions must be directly connected with the unrelated business income			
1 Compensation of officers, directors, and trustees (Part X)	1		
2 Salaries and wages	2		
3 Repairs and maintenance	3		
4 Bad debts	4		
5 Interest (attach statement). See instructions	5		
6 Taxes and licenses	6		834.
7 Depreciation (attach Form 4562). See instructions	7		
8 Less depreciation claimed in Part III and elsewhere on return	8a		
9 Depletion	9		
10 Contributions to deferred compensation plans	10		
11 Employee benefit programs	11		
12 Excess exempt expenses (Part VIII)	12		
13 Excess readership costs (Part IX)	13		
14 Other deductions (attach statement)	14		
15 Total deductions. Add lines 1 through 14	15		834.
16 Unrelated business income before net operating loss deduction. Subtract line 15 from Part I, line 13, column (C)	16		8,068.
17 Deduction for net operating loss. See instructions	17		
18 Unrelated business taxable income. Subtract line 17 from line 16.	18		8,068.

For Paperwork Reduction Act Notice, see instructions. Schedule A (Form 990-T) 2021

Part III Cost of Goods Sold

Enter method of inventory valuation

Table with 8 rows for Cost of Goods Sold: 1 Inventory at beginning of year, 2 Purchases, 3 Cost of labor, 4 Additional section 263A costs, 5 Other costs, 6 Total, 7 Inventory at end of year, 8 Cost of goods sold.

9 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? Yes No

Part IV Rent Income (From Real Property and Personal Property Leased with Real Property)

1 Description of property (property street address, city, state, ZIP code). Check if a dual-use. See instructions. A B C D

Table for Rent Income with columns A, B, C, D and rows 2a, 2b, 2c.

3 Total rents received or accrued. Add line 2c columns A through D. Enter here and on Part I, line 6, column (A)

4 Deductions directly connected with the income in lines 2(a) and 2(b) (attach statement)

5 Total deductions. Add line 4 columns A through D. Enter here and on Part I, line 6, column (B)

Part V Unrelated Debt-Financed Income (see instructions)

1 Description of debt-financed property (street address, city, state, ZIP code). Check if a dual-use. See instructions. A B C D

Table for Unrelated Debt-Financed Income with columns A, B, C, D and rows 2 through 7.

8 Total gross income (add line 7, columns A through D). Enter here and on Part I, line 7, column (A)

9 Allocable deductions. Multiply line 3c by line 6

10 Total allocable deductions. Add line 9, columns A through D. Enter here and on Part I, line 7, column (B)

11 Total dividends-received deductions included in line 10.

Part VI Interest, Annuities, Royalties, and Rents from Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
Totals			Add columns 5 and 10. Enter here and on Part I, line 8, column (A)	Add columns 6 and 11. Enter here and on Part I, line 8, column (B)

Part VII Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (add columns 3 and 4)
(1)				
(2)				
(3)				
(4)				
Totals		Add amounts in column 2. Enter here and on Part I, line 9, column (A)		Add amounts in column 5. Enter here and on Part I, line 9, column (B)

Part VIII Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1	Description of exploited activity: _____	
2	Gross unrelated business income from trade or business. Enter here and on Part I, line 10, column (A)	2
3	Expenses directly connected with production of unrelated business income. Enter here and on Part I, line 10, column (B)	3
4	Net income (loss) from unrelated trade or business. Subtract line 3 from line 2. If a gain, complete lines 5 through 7.	4
5	Gross income from activity that is not unrelated business income.	5
6	Expenses attributable to income entered on line 5	6
7	Excess exempt expenses. Subtract line 5 from line 6, but do not enter more than the amount on line 4. Enter here and on Part II, line 12	7

**SCHEDULE A
(Form 990-T)**

**Unrelated Business Taxable Income
From an Unrelated Trade or Business**

OMB No. 1545-0074

2021

Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form990T for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

**Open to Public Inspection for
501(c)(3) Organizations Only**

A Name of the organization NORTH COUNTRY HOSPITAL & HEALTH CENTER, INC.	B Employer identification number 03-0185556
C Unrelated business activity code (see instructions) ▶ 561000	D Sequence: 2 of 2

E Describe the unrelated trade or business ▶ HOUSEKEEPING SERVICES TO PRIVATE PHYSICIAN PRACTICE

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales <u>5,440.</u>			
b Less returns and allowances _____ c Balance ▶			
1c	5,440.		
2 Cost of goods sold (Part III, line 8)	2		
3 Gross profit. Subtract line 2 from line 1c	3	5,440.	5,440.
4a Capital gain net income (attach Sch D (Form 1041 or Form 1120)). See instructions	4a		
b Net gain (loss) (Form 4797) (attach Form 4797). See instructions	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from a partnership or an S corporation (attach statement)	5		
6 Rent income (Part IV)	6		
7 Unrelated debt-financed income (Part V)	7		
8 Interest, annuities, royalties, and rents from a controlled organization (Part VI)	8		
9 Investment income of section 501(c)(7), (9), or (17) organizations (Part VII)	9		
10 Exploited exempt activity income (Part VIII)	10		
11 Advertising income (Part IX)	11		
12 Other income (see instructions; attach statement)	12		
13 Total. Combine lines 3 through 12	13	5,440.	5,440.

Part II Deductions Not Taken Elsewhere See instructions for limitations on deductions. Deductions must be directly connected with the unrelated business income			
1 Compensation of officers, directors, and trustees (Part X)	1		
2 Salaries and wages	2		
3 Repairs and maintenance	3		
4 Bad debts	4		
5 Interest (attach statement). See instructions	5		
6 Taxes and licenses	6		
7 Depreciation (attach Form 4562). See instructions	7		
8 Less depreciation claimed in Part III and elsewhere on return	8a		8b
9 Depletion	9		
10 Contributions to deferred compensation plans	10		
11 Employee benefit programs	11		
12 Excess exempt expenses (Part VIII)	12		
13 Excess readership costs (Part IX)	13		
14 Other deductions (attach statement)	14		
15 Total deductions. Add lines 1 through 14	15		
16 Unrelated business income before net operating loss deduction. Subtract line 15 from Part I, line 13, column (C)	16		5,440.
17 Deduction for net operating loss. See instructions	17		
18 Unrelated business taxable income. Subtract line 17 from line 16.	18		5,440.

For Paperwork Reduction Act Notice, see instructions. Schedule A (Form 990-T) 2021

Part III Cost of Goods Sold

Enter method of inventory valuation

Table with 8 rows for Cost of Goods Sold: 1 Inventory at beginning of year, 2 Purchases, 3 Cost of labor, 4 Additional section 263A costs, 5 Other costs, 6 Total, 7 Inventory at end of year, 8 Cost of goods sold.

9 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? Yes No

Part IV Rent Income (From Real Property and Personal Property Leased with Real Property)

1 Description of property (property street address, city, state, ZIP code). Check if a dual-use. See instructions. A B C D

Table for Rent Income with columns A, B, C, D and rows for 2a, 2b, 2c.

3 Total rents received or accrued. Add line 2c columns A through D. Enter here and on Part I, line 6, column (A)

4 Deductions directly connected with the income in lines 2(a) and 2(b) (attach statement)

5 Total deductions. Add line 4 columns A through D. Enter here and on Part I, line 6, column (B)

Part V Unrelated Debt-Financed Income (see instructions)

1 Description of debt-financed property (street address, city, state, ZIP code). Check if a dual-use. See instructions. A B C D

Table for Unrelated Debt-Financed Income with columns A, B, C, D and rows for 2, 3, 4, 5, 6, 7.

8 Total gross income (add line 7, columns A through D). Enter here and on Part I, line 7, column (A)

9 Allocable deductions. Multiply line 3c by line 6

10 Total allocable deductions. Add line 9, columns A through D. Enter here and on Part I, line 7, column (B)

11 Total dividends-received deductions included in line 10.

Part VI Interest, Annuities, Royalties, and Rents from Controlled Organizations (see instructions)

		Exempt Controlled Organizations			
1. Name of controlled organization	2. Employer identification number	3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations				
7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
Totals			Add columns 5 and 10. Enter here and on Part I, line 8, column (A)	Add columns 6 and 11. Enter here and on Part I, line 8, column (B)

Part VII Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (add columns 3 and 4)
(1)				
(2)				
(3)				
(4)				
Totals		Add amounts in column 2. Enter here and on Part I, line 9, column (A)		Add amounts in column 5. Enter here and on Part I, line 9, column (B)

Part VIII Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1	Description of exploited activity: _____	
2	Gross unrelated business income from trade or business. Enter here and on Part I, line 10, column (A)	2
3	Expenses directly connected with production of unrelated business income. Enter here and on Part I, line 10, column (B)	3
4	Net income (loss) from unrelated trade or business. Subtract line 3 from line 2. If a gain, complete lines 5 through 7.	4
5	Gross income from activity that is not unrelated business income.	5
6	Expenses attributable to income entered on line 5	6
7	Excess exempt expenses. Subtract line 5 from line 6, but do not enter more than the amount on line 4. Enter here and on Part II, line 12	7

