

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

Department of the Treasury
Internal Revenue Service

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

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

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

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

Type or print	Name of exempt organization or other filer, see instructions. Calais Community Hospital	Taxpayer identification number (TIN) 86-2728785
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 24 Hospital Lane	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Calais, ME 04619	

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

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

Lynnette Parr

- The books are in the care of ▶ **24 Hospital Lane - Calais, ME 04619**

Telephone No. ▶ **207-255-0269** 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 **November 15, 2022**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ calendar year _____ or
- ▶ tax year beginning **MAR 3, 2021**, and ending **DEC 31, 2021**.

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

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

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

Form **990**

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2021

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2021 calendar year, or tax year beginning **MAR 3, 2021** and ending **DEC 31, 2021**

B Check if applicable:	C Name of organization Calais Community Hospital	D Employer identification number 86-2728785
<input type="checkbox"/> Address change	Doing business as	E Telephone number 207-454-7521
<input type="checkbox"/> Name change	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 24 Hospital Lane	
<input checked="" type="checkbox"/> Initial return	City or town, state or province, country, and ZIP or foreign postal code Calais, ME 04619	G Gross receipts \$ 11,332,836.
<input type="checkbox"/> Final return/terminated	F Name and address of principal officer: Steven Lail same as C above	H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Amended return		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions
<input type="checkbox"/> Application pending	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	H(c) Group exemption number ▶
J Website: ▶ www.calaishospital.org		L Year of formation: 2021 M State of legal domicile: ME
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		

Part I Summary		
	1 Briefly describe the organization's mission or most significant activities: Critical Access Hospital	
Activities & Governance	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 16
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 13
	5 Total number of individuals employed in calendar year 2021 (Part V, line 2a)	5 201
	6 Total number of volunteers (estimate if necessary)	6 21
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a 0.
	7b Net unrelated business taxable income from Form 990-T, Part I, line 11	7b 0.
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year: Current Year: 509,612.
	9 Program service revenue (Part VIII, line 2g)	10,821,581.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,643.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	11,332,836.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	5,543,339.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.	
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	5,153,561.	
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	10,696,900.	
19 Revenue less expenses. Subtract line 18 from line 12	635,936.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year: End of Year: 13,954,869.
	21 Total liabilities (Part X, line 26)	11,209,454.
	22 Net assets or fund balances. Subtract line 21 from line 20	2,745,415.

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		
	▶ Lynnette Parr, CFO Type or print name and title	11/11/2022		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/> PTIN
	Joseph R. Byrne	Joseph R. Byrne	11/11/22	<input type="checkbox"/> P01289281
	Firm's name ▶ Berry Dunn McNeil & Parker, LLC	Firm's EIN ▶ 01-0523282		
	Firm's address ▶ 2211 Congress St Portland, ME 04102	Phone no. (207) 775-2387		

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: Provide access to quality healthcare and promote community wellness through the delivery of primary, emergency and ancillary inpatient and outpatient healthcare. The Hospital strives to improve the overall health of the communities we serve while exceeding customer

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 If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No If "Yes," describe these changes on Schedule O.

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 \$ 217,801. including grants of \$) (Revenue \$ 1,608,785.) Emergency Services - Total visits July to Dec 2021 = 4,012

4b (Code:) (Expenses \$ 120,682. including grants of \$) (Revenue \$ 1,529,742.) Laboratory services- performed 37,070 laboratory tests to inpatients and outpatients from July-December 2021

4c (Code:) (Expenses \$ 118,259. including grants of \$) (Revenue \$ 3,187,656.) Imaging Services to inpatients and outpatients. 5,378 radiological exams were provided to inpatients and outpatients from July to December 2021.

4d Other program services (Describe on Schedule O.) (Expenses \$ 8,169,315. including grants of \$) (Revenue \$ 4,495,668.)

4e Total program service expenses 8,626,057.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		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
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
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
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		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):		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>		X
c A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>		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
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
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?	X	

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable		
c 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)

Table with columns for question number, question text, and Yes/No checkboxes. Includes questions 2a through 17 regarding employee counts, tax filings, and organizational compliance.

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
	1a 16		
b	Enter the number of voting members included on line 1a, above, who are independent		
	1b 13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O		X

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

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

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **ME**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain on Schedule O)
- 19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records **Lynnette Parr - 207-255-0269**
24 Hospital Lane, Calais, ME 04619

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

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

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

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

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

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Rita Ten, M.D. Trustee	1.25 38.75	X						0.	514,986.	36,797.
(2) Christian Inegbenijie, M.D. Trustee	1.25 38.75	X						0.	406,310.	31,067.
(3) Steven Lail CEO	1.25 38.75	X		X				0.	350,299.	24,787.
(4) Lynnette Parr CFO	1.25 38.75			X				0.	251,902.	27,393.
(5) Peter Wilkinson, DO Physician	40.00 0.00					X		170,772.	0.	88.
(6) Luis Santiago-Rosado Physician	40.00 0.00					X		159,008.	0.	5,657.
(7) Nima Moghaddas, DPM Physician	40.00 0.00					X		117,941.	0.	6,607.
(8) Elizabeth Eliacin, MD Physician	40.00 0.00					X		117,519.	0.	5,028.
(9) Kathryn Land Chair	1.25 1.75	X		X				0.	0.	0.
(10) Lisa Carlisle Vice Chair	1.25 1.75	X		X				0.	0.	0.
(11) Michael Hennessey Treasurer	1.25 1.75	X		X				0.	0.	0.
(12) Nate Martel Secretary	1.25 1.75	X		X				0.	0.	0.
(13) Betty Marshall Trustee	1.25 1.75	X						0.	0.	0.
(14) Corey Schwinn Trustee	1.25 1.75	X						0.	0.	0.
(15) Gwendolyn Jones Trustee	1.25 1.75	X						0.	0.	0.
(16) Ian Pratt Trustee	1.25 1.75	X						0.	0.	0.
(17) Jacqueline O'Clair Trustee	1.25 1.75	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Jack Corrigan Trustee	1.25 1.75	X						0.	0.	0.
(19) Judd Bragg Trustee	1.25 1.75	X						0.	0.	0.
(20) Karen Eldridge Trustee	1.25 1.75	X						0.	0.	0.
(21) Rose St. Louis Trustee	1.25 1.75	X						0.	0.	0.
(22) Eric Burke, M.D. Past Trustee	1.25 1.75	X						0.	0.	0.
(23) Wayne Peters Past Trustee	1.25 1.75	X						0.	0.	0.
1b Subtotal								565,240.	1,523,497.	137,424.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								565,240.	1,523,497.	137,424.

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 **4**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Emcare Physician Services, 7032 Collection Center Drive, Chicago, IL 60693	Physician Services	511,252.
Medefis Consolidated PO Box 5068, New York, NY 10087-5068	Locum Staffing Services	426,171.
Cody Davis DO LLC, 7322 Manatee Ave West #220, Bradenton, FL 34209	Physician Services	218,400.
Evident PO Box 11407, Birmingham, AL 35246	EMR Software & Support	217,745.
Weatherby Locums, Inc 3400 Red Lion Rd, Philadelphia, PA 19114	Physician Locum Staffing	104,894.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **6**

Part VIII Statement of Revenue

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	506,785.			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,827.			
	g	Noncash contributions included in lines 1a-1f	1g	\$			
	h	Total. Add lines 1a-1f		509,612.			
Program Service Revenue	2 a	Patient Services	Business Code 622100	18,312,402.	18312402.		
	b	Other Revenue	622100	358,847.	355,230.	3,617.	
	c	Contractual/Char. Adj.	622100	-7,849,668.	-7849668.		
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		10,821,581.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,643.		1,643.	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross rents	(i) Real				
			(ii) Personal				
	b	Less: rental expenses	6b				
	c	Rental income or (loss)	6c				
	d	Net rental income or (loss)					
	7 a	Gross amount from sales of assets other than inventory	(i) Securities				
			(ii) Other				
	b	Less: cost or other basis and sales expenses	7b				
c	Gain or (loss)	7c					
d	Net gain or (loss)						
8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18						
b	Less: direct expenses	8b					
c	Net income or (loss) from fundraising events						
9 a	Gross income from gaming activities. See Part IV, line 19						
b	Less: direct expenses	9b					
c	Net income or (loss) from gaming activities						
10 a	Gross sales of inventory, less returns and allowances						
b	Less: cost of goods sold	10b					
c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue	11 a		Business Code				
	b						
	c						
	d	All other revenue					
	e	Total. Add lines 11a-11d					
12	Total revenue. See instructions		11,332,836.	10817964.	0.	5,260.	

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	4,606,497.	3,799,984.	806,513.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	598,633.	490,888.	107,745.	
10 Payroll taxes	338,209.	277,331.	60,878.	
11 Fees for services (nonemployees):				
a Management				
b Legal	16,832.		16,832.	
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	2,783,079.	2,282,847.	500,232.	
12 Advertising and promotion	355.		355.	
13 Office expenses	22,149.	8,974.	13,175.	
14 Information technology				
15 Royalties				
16 Occupancy	676,937.	431,496.	245,441.	
17 Travel	198.	148.	50.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings				
20 Interest	31,075.	31,075.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	127,658.	127,658.		
23 Insurance	260,747.	229,873.	30,874.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a Supplies	599,512.	585,136.	14,376.	
b Miscellaneous Expense	328,092.	53,720.	274,372.	
c Service Provider Tax	306,927.	306,927.		
d _____				
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	10,696,900.	8,626,057.	2,070,843.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here 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	1	658,166.
	2 Savings and temporary cash investments	2	5,614,190.
	3 Pledges and grants receivable, net	3	
	4 Accounts receivable, net	4	1,669,576.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons	5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)	6	
	7 Notes and loans receivable, net	7	
	8 Inventories for sale or use	8	366,124.
	9 Prepaid expenses and deferred charges	9	166,856.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	5,607,615.
	b Less: accumulated depreciation	10b	127,658.
	11 Investments - publicly traded securities	11	
	12 Investments - other securities. See Part IV, line 11	12	
	13 Investments - program-related. See Part IV, line 11	13	
	14 Intangible assets	14	
	15 Other assets. See Part IV, line 11	15	
16 Total assets. Add lines 1 through 15 (must equal line 33)	0 . 16	13,954,869.	
Liabilities	17 Accounts payable and accrued expenses	17	2,439,147.
	18 Grants payable	18	
	19 Deferred revenue	19	
	20 Tax-exempt bond liabilities	20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons	22	
	23 Secured mortgages and notes payable to unrelated third parties	23	7,537,527.
	24 Unsecured notes and loans payable to unrelated third parties	24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	0 . 25	1,232,780.
	26 Total liabilities. Add lines 17 through 25	0 . 26	11,209,454.
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	27	2,745,415.
	28 Net assets with donor restrictions	28	
	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	0 . 32	2,745,415.
	33 Total liabilities and net assets/fund balances	0 . 33	13,954,869.

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)	11,332,836.
2	Total expenses (must equal Part IX, column (A), line 25)	10,696,900.
3	Revenue less expenses. Subtract line 2 from line 1	635,936.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	0.
5	Net unrealized gains (losses) on investments	
6	Donated services and use of facilities	
7	Investment expenses	
8	Prior period adjustments	
9	Other changes in net assets or fund balances (explain on Schedule O)	2,109,479.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	2,745,415.

Part XII Financial Statements and Reporting

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

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:		
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
b Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:		
<input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
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?	X	
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
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	X	

Form 990 (2021)

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

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

Section A. Public Support

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 on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

	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>		
11a		
11b		
11c		

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>		
1		
2		

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>		
1		

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>		
1		
2		
3		

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.		
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>	Yes	No
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>		
2a		
2b		
3a		
3b		

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 (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

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

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

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5
6	Other distributions (<i>describe in Part VI</i>). 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 (<i>provide details in Part VI</i>). 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 - <i>explain in Part VI</i>). 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, <i>explain in Part VI</i> . See instructions.			
6 Remaining underdistributions for 2021. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
7 Excess distributions carryover to 2022. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2017			
b Excess from 2018			
c Excess from 2019			
d Excess from 2020			
e Excess from 2021			

Schedule A (Form 990) 2021

Part VI

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

Horizontal lines for supplemental information input.

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

Calais Community Hospital

Employer identification number

86-2728785

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

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

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

Name of organization Calais Community Hospital	Employer identification number 86-2728785
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/>	\$ <u>506,785.</u>	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.)
	<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.)
	<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 Calais Community Hospital	Employer identification number 86-2728785
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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 Calais Community Hospital	Employer identification number 86-2728785
--	---

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

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(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

(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

(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

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

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

OMB No. 1545-0047

2021

Open to Public Inspection

Name of the organization **Calais Community Hospital** Employer identification number **86-2728785**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) Assets included in Form 990, Part X

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

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

b Assets included in Form 990, Part X

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 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 _____%
 - c Term endowment _____%
- 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 | 3a(i) | |
| (ii) Related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? <input type="checkbox"/> | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		205,517.		205,517.
b Buildings		4,194,483.	98,242.	4,096,241.
c Leasehold improvements				
d Equipment		1,191,115.	29,416.	1,161,699.
e Other		16,500.		16,500.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				5,479,957.

Part VII Investments - Other Securities.

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

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

Part VIII Investments - Program Related.

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

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

Part IX Other Assets.

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

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

Part X Other Liabilities.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Estimated Third-Party Payor	
(3) Settlements	62,687.
(4) CARES Act Funding	1,170,093.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	1,232,780.

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.

Table with 5 main rows and sub-rows (a-e) for adjustments. Columns include descriptions, sub-headers (2a-2d, 4a-4b), and totals (1, 2e, 3, 4c, 5).

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.

Table with 5 main rows and sub-rows (a-e) for adjustments. Columns include descriptions, sub-headers (2a-2d, 4a-4b), and totals (1, 2e, 3, 4c, 5).

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.

Multiple horizontal lines provided for entering supplemental information.

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No. 1545-0047

2021

Open to Public Inspection

Name of the organization **Calais Community Hospital** Employer identification number **86-2728785**

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	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
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 checked="" type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
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"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		<input checked="" type="checkbox"/>
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a Did the organization prepare a community benefit report during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization make it available to the public?	<input checked="" type="checkbox"/>	

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

7 Financial Assistance and Certain Other Community Benefits at Cost

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			5,010.		5,010.	.05%
b Medicaid (from Worksheet 3, column a)			2469081.	2137858.	331,223.	3.10%
c Costs of other means-tested government programs (from Worksheet 3, column b)			3378730.	3370890.	7,840.	.07%
d Total. Financial Assistance and Means-Tested Government Programs			5852821.	5508748.	344,073.	3.22%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			4,598.		4,598.	.04%
f Health professions education (from Worksheet 5)			36,467.		36,467.	.34%
g Subsidized health services (from Worksheet 6)			324,794.		324,794.	3.04%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits			365,859.		365,859.	3.42%
k Total. Add lines 7d and 7j			6218680.	5508748.	709,932.	6.64%

Part V Facility Information

Section A. Hospital Facilities

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

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)

1 Calais Community Hospital
24 Hospital Lane
Calais, ME 04619
www.calaishospital.org
39454

Table with columns: Licensed hospital, gen. medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER-24 hours, ER-other, Other (describe), Facility reporting group. Row 1: X, X, , , X, , X, , , , .

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 Calais Community 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	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>19</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	X	
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	X	
7 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>calaishospital.org/community-health-needs</u>		
b <input checked="" type="checkbox"/> Other website (list url): <u>http://www.mainechna.org</u>		
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: 20 <u>19</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>calaishospital.org/community-health-needs-assessment</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 Calais Community 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?	X	
If "Yes," indicate the eligibility criteria explained in the FAP:		
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>150</u> % and FPG family income limit for eligibility for discounted care of <u>200</u> %		
b <input type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input type="checkbox"/> Asset level		
d <input type="checkbox"/> Medical indigency		
e <input type="checkbox"/> Insurance status		
f <input type="checkbox"/> Underinsurance status		
g <input checked="" type="checkbox"/> Residency		
h <input type="checkbox"/> Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	X	
15 Explained the method for applying for financial assistance?	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):		
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e <input type="checkbox"/> Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>calaishospital.org/financial-assistance/</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>See Part V, Page 8</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>See Part V, Page 8</u>		
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input checked="" 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)		

Schedule H (Form 990) 2021

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group Calais Community Hospital

	Yes	No
<p>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?</p>	X	
<p>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:</p> <p>a <input type="checkbox"/> Reporting to credit agency(ies)</p> <p>b <input type="checkbox"/> Selling an individual's debt to another party</p> <p>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</p> <p>d <input type="checkbox"/> Actions that require a legal or judicial process</p> <p>e <input type="checkbox"/> Other similar actions (describe in Section C)</p> <p>f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted</p>		
<p>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?</p> <p>If "Yes," check all actions in which the hospital facility or a third party engaged:</p> <p>a <input type="checkbox"/> Reporting to credit agency(ies)</p> <p>b <input type="checkbox"/> Selling an individual's debt to another party</p> <p>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</p> <p>d <input type="checkbox"/> Actions that require a legal or judicial process</p> <p>e <input type="checkbox"/> Other similar actions (describe in Section C)</p>		X
<p>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):</p> <p>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)</p> <p>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)</p> <p>c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)</p> <p>d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)</p> <p>e <input type="checkbox"/> Other (describe in Section C)</p> <p>f <input type="checkbox"/> None of these efforts were made</p>		

Policy Relating to Emergency Medical Care

<p>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?</p> <p>If "No," indicate why:</p> <p>a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions</p> <p>b <input type="checkbox"/> The hospital facility's policy was not in writing</p> <p>c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)</p> <p>d <input type="checkbox"/> Other (describe in Section C)</p>	X	
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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 Calais Community 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 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 checked="" 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.	23	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.	24	X

Schedule H (Form 990) 2021

Part V Facility Information (continued)

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

Calais Community Hospital:

Part V, Section B, Line 5: The 2019 Maine Shared Community Health Needs Assessment was born out of a unique public-private partnership. The partnership began as the OneMaine Health Collaborative in 2007, involving Northern Light Health (formerly Eastern Maine Healthcare Systems), MaineGeneral Health, and MaineHealth. After conversations with the Statewide Coordinating Council for Public Health, the Maine Center for Disease Control and Prevention, an office of the Department of Health and Human Services joined in 2012. In 2013, Central Maine Healthcare joined the group and in 2014 a charter was drafted by all five partners to guide a statewide assessment process. The shared CHNA includes a large set of statistics on health status and risk factors from existing surveillance and health data sets.

This 2019 CHNA includes input from a broad set of stakeholders from across the state as facilitated by the Steering Committee, Metrics Committee & Community Engagement Committee. Community outreach and engagement for the Maine Shared CHNA included coordination at the statewide, public health district & county level. In addition to the state-level Community Engagement Committee, a local community engagement planning committee for Washington County planned and implemented the logistics of community forums within the county. The committee was comprised of hospitals, public health district liaisons and a variety of additional partners.

Calais Community Hospital:

Part V Facility Information (continued)

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

Part V, Section B, Line 6a: The Hospital participated in the statewide community health needs assessment along with the following Maine hospitals:

Northern Light Health Member Organizations: Acadia Hospital; Blue Hill Memorial Hospital; Charles A Dean Memorial Hospital; Eastern Maine Medical Center, Inland Hospital, Mercy Hospital; Sebasticook Valley Hospital, Maine Coast Hospital, AR Gould Hospital; Maine Health Affiliated: Southern Maine Healthcare, Maine Medical Center, Spring Harbor, Stephens Memorial Hospital, Franklin Memorial Hospital, Lincoln Health, Waldo County General Hospital, Pen Bay Medical Center; CMHC Affiliated: Bridgton Hospital, Central Maine Medical Center, Rumford Hospital; York Hospital; NE Rehabilitation; St. Mary's Regional Medical Center; Mid Coast Hospital; Maine General Health; Reddington-Fairview General Hospital; Millinocket Regional Hospital; Penobscot Valley Hospital; St. Joseph Hospital; Mayo Regional Hospital; Calais Regional Hospital; Mt. Desert Island Hospital; Cary Medical Center; Houlton Regional Hospital and Northern Maine Medical Center

The Maine Shared Health Needs Assessment and Planning Process (SHNAPP) Project is a collaborative effort among Maine's four largest healthcare systems - Central Maine HealthCare, Northern Light Health, Maine General Health, and Maine Health - as well as the Maine Center for Disease Control and Prevention (Maine CDC), an office of the Maine Department of Health and Human Services (Maine DHHS). CCH's Parent company was an active participant representing Washington County. CCH is an active participant in current planning.

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.

Calais Community Hospital:

Part V, Section B, Line 6b: The Hospital's CHNA was conducted with the following community non-hospital organizations:

Aroostook Mental Health Center; Calais Regional Medical Services; City of Calais; City of Eastport; Community Health & Counseling Services; County of Washington; Downeast Hospice; Downeast Public Health District; Eastern Area Agency on Aging; Eastern Maine Development Corp.; Eastport Healthcare; Healthways Regional Medical Center Lubec; Healthy Acadia; I Care; Maine CDC; Public Health Nursing; Maine Seacoast Mission; Maine State Legislature; Maine Veterans Homes; Marshall Healthcare Facility; National Alliance of Mental Illness (NAMI); Next Step Domestic Violence Project; Northern Light Health; Office of Aging & Disability Services, DHHS; St. Croix Regional Family Health Center; Sunrise County Economic Council; Sunrise Opportunities; Sunrise Senior College; The Quoddy Tides; Town of Baileyville, Town of Machias; United Way of Eastern Maine, Washington County Emergency Management.

Calais Community Hospital:

Part V, Section B, Line 2: On February 19, 2021, Down East Community Hospital (DECH) filed a motion with the United States Bankruptcy Court District of Maine, together with the creditors' committee, to allow DECH to purchase substantially all of the assets of Calais Regional Hospital (CRH) a not-for-profit acute care hospital in Calais, Maine. A formal plan

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.

was filed on February 24, 2021 and at a hearing on March 24, 2021, the plan was approved. The purpose of the acquisition is to maintain and improve access to quality health care services in Washington County. A Plan Officer was appointed and authorized to take all actions necessary to implement the approved plan. In anticipation of the purchase, DECH formed Calais Community Hospital (CCH), a wholly owned subsidiary, to hold the purchased assets. On March 25, 2021, DECH took over management at CRH. Calais Community Hospital began services effective July 1, 2021. Closing of the transaction was subject to various approvals, including the receipt of an approved Emergency Certificate of Need from the State of Maine Department of Health and Human Services. The closing occurred on June 30, 2021.

Calais Community Hospital:

Part V, Section B, Line 11: CCH addressed the needs of the most recent CHNA by preparing and adopting an implementation strategy. CCH plans to address all priorities identified through the management and budget of community benefit activities. In addition, CCH also takes advantage of partnering with other community plans by participating, supporting or promoting programs which support community health needs. No needs are not addressed. CCH's detailed implementation strategy can be found on the hospital website.

Calais Community Hospital

Part V, line 16b, FAP Application website:

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.

calaishospital.org/financial-assistance/

Calais Community Hospital

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

calaishospital.org/financial-assistance/

Part VI Supplemental Information

Provide the following information.

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

Part I, Line 6a:

The senior leadership team, with approval by the board of trustees, manages the community benefit activities of the Hospital. An expense budget is identified annually for community benefit activities. Community benefit activities are reported each year in the Hospital's annual report.

Part III, Line 4:

See Pages 13-14 of the attached audited financial statements for footnote disclosure.

In 2019, the Hospital adopted FASB ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), and related guidance, which supersedes accounting standards that previously existed under GAAP and provides a single revenue model to address revenue recognition to be applied by all companies. Under the new standard, companies recognize revenue when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. As a result of the adoption, the

Part VI Supplemental Information (Continuation)

Hospital is recording \$0 of bad debt expense for 2021. In 2021, \$575,672 was estimated to be uncollectible from patients at the time services were rendered utilizing the adopted method of revenue recognition.

Part III, Line 8:

The Organization used the Hospital's as-filed cost reports to obtain Medicare and Medicaid costs and expected reimbursement.

Part III, Line 9b:

The financial assistance policy that is referred to in the billing & collection policy states that based on the financial assistance level approved, an eligible individual will not be billed for services or any amount not paid by an insurer or medical assistance program if the person has been qualified for financial assistance.

Part VI, Line 2:

See Schedule H, Part V, Section C.

Part VI, Line 3:

CCH has a financial assistance policy that outlines all the discounted cost opportunities that the Hospital has to offer. The complete financial assistance policy, plain language summary, and free care application is located on the Hospital's website at www.calaishospital.org. Copies of the plain language summary is also posted in all main waiting areas of the facility and satellite locations and full copies of the policy can be obtained per request and without charge. Annually, CCH also advertises its plain language summary in local media outlets.

Part VI Supplemental Information (Continuation)

Each patient is given the Hospital's financial assistance policy plain language summary prior to the commencement of each date of service. The summary and contact information to obtain a free care application is also listed on the patient's bill. At every opportunity, the Hospital's billing specialists and financial counselors will communicate our policies to patients after billing and encourage patients to apply for financial assistance. During discussions, if patients are identified to be eligible for other governmental insurances, CCH will assist the patient with the application process if requested by the patient.

Part VI, Line 4:

Demographics:

Washington County is one of two counties in the Downeast Public Health District. The population of Washington County is 31,925 and 21.9% of the population is 65 years of age or older. The population is predominantly white (91.4%); 1.8% are Hispanic, and 2.6% are two or more races. The median household income is \$39,469, over \$10,000 less than the state average. The high school graduation rate (87.7%) is higher than the state overall, while the percent of the population with an associates' degree or higher (29.1%) is lower.

Quantitative Evidence:

In Washington County:

The percentage of the population that was uninsured was higher than the state overall (12.7% vs. 9.5%) in 2012-2016.

Part VI Supplemental Information (Continuation)

The percentage of the population who reported an inability to access healthcare due to cost was higher than the state overall (12.1% vs. 10.3%) from 2014-2016.

The percentage of the population with a usual primary care provider was significantly lower than the state overall (81.6% vs. 87.6%) in 2014-2016.

The percentage of the population with a primary care visit to any provider in the past year was significantly lower than the state overall (65.8% vs. 71.8%) in 2014-2016.

Part VI, Line 5:

The Hospital furthers its exempt purpose by promoting the health of the community. The board consists of volunteer community members that are elected by the Corporators of the Hospital.

The Hospital has an open medical staff where all applicants have the opportunity to obtain membership as long as the guidelines as determined by the medical staff bylaws are met.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2021

Open to Public Inspection

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.

Department of the Treasury
Internal Revenue Service

Name of the organization: **Calais Community Hospital**
 Employer identification number: **86-2728785**

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 type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input 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? **4a**
- b** Participate in or receive payment from a supplemental nonqualified retirement plan? **4b**
- c** Participate in or receive payment from an equity-based compensation arrangement? **4c**
- 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? **5a**
- b** Any related organization? **5b**
- 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? **6a**
- b** Any related organization? **6b**
- If "Yes" on line 6a or 6b, describe in Part III.

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

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

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

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

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

Schedule J (Form 990) 2021

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Rita Ten, M.D. Trustee	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	514,361.	625.	0.	14,500.	22,297.	551,783.	0.
(2) Christian Inegbenijie, M.D. Trustee	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	405,685.	625.	0.	14,500.	16,567.	437,377.	0.
(3) Steven Lail CEO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	315,657.	25,625.	9,017.	11,600.	13,187.	375,086.	0.
(4) Lynnette Parr CFO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	241,953.	5,625.	4,324.	15,273.	12,120.	279,295.	0.
(5) Peter Wilkinson, DO Physician	(i)	155,879.	14,893.	0.	0.	88.	170,860.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) Luis Santiagoo-Rosado Physician	(i)	67,133.	91,875.	0.	0.	5,657.	164,665.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

Part I, Line 3:

The Organization's CEO is compensated by Down East Community Hospital, a related organization. The Hospital uses the following to establish the compensation for the CEO:

- 1. Compensation committee
- 2. Written employment contract
- 3. Compensation survey or study
- 4. Approval by the board or compensation committee

Part I, Line 7:

Peter Wilkinson & Nima Moghaddas, physicians, received WRVU based incentive bonuses and a retention bonus during 2021.

The Organization also paid bonuses to all full-time employees during 2021.

Part I, Line 8:

Luis Santiago-Rosado, general surgeon, received a sign on bonus during 2021.

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2021

Open to Public
Inspection

Name of the organization

Calais Community Hospital

Employer identification number

86-2728785

Form 990, Part III, Line 1, Description of Organization Mission:

expectations.

Form 990, Part III, Line 4d, Other Program Services:

Various other medical services supplied to patients.

Expenses \$ 8,169,315. including grants of \$ 0. Revenue \$ 4,495,668.

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

The sole Member of the Organization is Down East Community Hospital.

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

Down East Community Hospital, the sole member of the Organization, has the sole power to appoint and remove Trustees serving on the Board of Trustees of the Organization.

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

Down East Community Hospital, the sole member of the Organization, has the sole power to take any necessary actions related to the following:

1. Adopting and implementing a system-wide strategic plan for this Corporation and its affiliates, as well as preparing any annual or other reports required to update that plan;

2. Ensuring the financial viability of this Corporation;

3. Overseeing the development of a continuum of integrated health care

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

Schedule O (Form 990) 2021

Name of the organization Calais Community Hospital	Employer identification number 86-2728785
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services;

4. Approving plans with respect to the development of any new programs and/or consolidation of existing programs;

5. Approving plans for clinical initiatives that involve any capital expenditure or the development of any new facility;

6. Amending the Articles of Incorporation or Bylaws of this Corporation;

7. Employing a Chief Executive Officer;

8. Appointing and removing Trustees serving on the Board of Trustees of this Corporation;

9. Approving the operational structure of this Corporation; and

10. Approving the sale of all or substantially all of the assets of this Corporation.

The following actions, when taken by the Board of Trustees of this Corporation, shall require the approval of the Member, and any such action shall not be effective until such approval is granted:

1. Adoption of annual operating and capital budgets, or substantial changes thereto, including but not limited to the addition of new health services;

2. Unbudgeted debt instruments, notes, guarantees, mortgages, or pledges in

Name of the organization Calais Community Hospital	Employer identification number 86-2728785
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excess of such limits as the Member shall specify from time to time;

3. Authorization or material amendment of contracts for the sale, lease, exchange, or other disposition or acquisition or divestiture of real property or other substantial corporate assets in excess of such amounts as the Member shall specify from time to time;

4. The filing of any petition for voluntary dissolution;

5. The filing of any petition for voluntary bankruptcy;

6. Affiliation, consolidation, or merger with, or acquisition of, any other organization;

7. Establishment, termination, or relocation of any major clinical service; and

8. Selection of any outside auditor or legal counsel.

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

The 990 is reviewed by the CEO and CFO and a copy is provided to the full board before filing.

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

In order to monitor compliance with the conflict of interest policy for the Organization, each member of the board of trustees is required annually to submit a conflict of interest document and the compliance officer verifies the receipt of these documents. The compliance officer also reviews

Name of the organization

Calais Community Hospital

Employer identification number

86-2728785

payments issued to the board of trustees and any contracts in effect with board members. All new employees sign a conflict of interest statement at the time of hire.

Form 990, Part VI, Section B, Line 15a:

The Organization has a CEO Search & Compensation committee to recruit and hire the CEO. This committee is responsible for organizing a search, interviewing prospective candidates & evaluating compensation. Committee meetings are documented with minutes. The CEO for the Organization is determined by a vote of the full Board of Trustees and the existence of a legal contract.

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

The financial statements and annual report are made available to the public upon request. The annual report is also available on the hospital website. The Organization's governing documents and conflict of interest policy are not made available to the public.

Form 990, Part VII:

The compensation reported on Part VII and Schedule J, Part II of the 990 for the Highest Compensated Employees represents July - Decmeber of 2021. This is the total compensation paid to these employees by Calais Community Hospital, after the sale of the Hospital was completed on June 30th, 2021.

The Directors and Officers listed on Part VII of the 990 were compensated by Down East Community Hospital, a related organization.

The compensation reported for these officers and directors on Part VII

Name of the organization Calais Community Hospital	Employer identification number 86-2728785
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and Schedule J, Part II of the 990 represents all of Calendar Year
2021.

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

Purchased Services:

Program service expenses	479,398.
Management and general expenses	500,232.
Fundraising expenses	0.
Total expenses	979,630.

Temporary Personnel:

Program service expenses	677,113.
Management and general expenses	0.
Fundraising expenses	0.
Total expenses	677,113.

Physician Fees:

Program service expenses	1,126,336.
Management and general expenses	0.
Fundraising expenses	0.
Total expenses	1,126,336.

Total Other Fees on Form 990, Part IX, line 11g, Col A 2,783,079.

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

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

Calais Community Hospital

Name of the organization Calais Community Hospital	Employer identification number 86-2728785
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24 Hospital Lane

Calais, ME 04619

EIN: 86-2728785

Calais Community Hospital is electing to capitalize repair and maintenance costs under Regulation Section 1.263(a)-3(n).

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

Net Assets acquired in Purchase of Calais Regional Hospital	2,109,479.
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**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2021

Open to Public Inspection

Name of the organization

Calais Community Hospital

Employer identification number

86-2728785

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

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
Sunrise Healthcare - 22-2582949 11 Hospital Drive Machias, ME 04645	Community Healthcare	Maine	501(c)(3)	Line 7	Down East Community Hospital		X
Down East Community Hospital - 01-0263198 11 Hospital Drive Machias, ME 04645	Hospital	Maine	501(c)(3)	Line 3	N/A		X

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	

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

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

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

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

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

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

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



Down East Community Hospital and Subsidiaries

FINANCIAL STATEMENTS

with

SUPPLEMENTARY INFORMATION

December 31, 2021 and 2020

With Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Down East Community Hospital and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Down East Community Hospital and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2021 and 2020, 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 financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Down East Community Hospital and Subsidiaries as of December 31, 2021 and 2020, and the consolidated results of their operations, changes in their net assets, and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Down East Community Hospital and 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 these consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated 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 U.S. generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with U.S. generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Down East Community Hospital and Subsidiaries's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Down East Community Hospital and Subsidiaries's ability to continue as a going concern for a reasonable period of time.

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

The Board of Trustees
Down East Community Hospital and Subsidiaries

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary consolidating information is presented for additional analysis rather than to present the financial position and results of operations of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
June 27, 2022

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 28,508,257	\$ 18,571,006
Patient accounts receivable	4,981,151	3,423,722
Assets limited as to use, net of current portion	456,702	1,266,348
Estimated third-party payor settlements	-	1,189,949
Other receivables	501,668	462,116
Supplies	1,073,043	673,521
Prepaid expenses and other assets	<u>650,468</u>	<u>413,629</u>
Total current assets	36,171,289	26,000,291
Assets limited as to use, excluding current portion	7,197,219	9,023,030
Property and equipment, net	<u>26,540,487</u>	<u>15,259,067</u>
Total assets	<u>\$ 69,908,995</u>	<u>\$ 50,282,388</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Current portion of long-term debt	\$ 1,179,559	\$ 891,500
Accounts payable and accrued expenses	4,042,143	2,703,345
Accrued payroll and amounts withheld	2,406,730	1,604,523
Borrowing collateralized by patient accounts receivable	566,046	518,605
Provider Relief Funds	3,871,152	3,323,025
Refundable advances	258,376	-
Paycheck Protection Program funds	-	3,345,152
Medicare accelerated payments	3,876,420	2,810,000
Estimated third-party payor settlements	<u>541,083</u>	<u>-</u>
Total current liabilities	16,741,509	15,196,150
Unfunded pension liability	2,003,232	2,896,114
Medicare accelerated payments	-	2,690,000
Long-term debt, excluding current portion	<u>18,382,629</u>	<u>11,815,766</u>
Total liabilities	<u>37,127,370</u>	<u>32,598,030</u>
Net assets		
Without donor restrictions	31,091,613	15,907,031
With donor restrictions	<u>1,690,012</u>	<u>1,579,481</u>
Total net assets	<u>32,781,625</u>	<u>17,486,512</u>
Total liabilities and net assets	<u>\$ 69,908,995</u>	<u>\$ 50,084,542</u>

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

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Operations

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues, gains, and other support		
Net patient service revenue	\$ 63,568,836	\$ 46,923,549
Other revenue	2,865,225	2,486,907
Provider Relief Funds and other stimulus funds	4,721,030	1,566,141
Paycheck Protection Program funds	<u>3,345,152</u>	<u>-</u>
Total revenues, gains, and other support	<u>74,500,243</u>	<u>50,976,597</u>
Expenses		
Salaries	26,923,425	21,330,612
Employee benefits	7,637,631	5,933,275
Purchased services	4,086,037	2,800,869
Temporary personnel	2,388,211	913,241
Professional fees	6,258,242	4,653,176
Supplies	7,583,669	6,200,343
Other	6,256,708	4,622,307
Depreciation and amortization	1,815,093	1,505,649
Interest	<u>331,084</u>	<u>316,804</u>
Total expenses	<u>63,280,100</u>	<u>48,276,276</u>
Operating gains	<u>11,220,143</u>	<u>2,700,321</u>
Non-operating gains (losses)		
Investment income	333,368	378,944
Net unrealized gains (losses) on investments	174,933	(78,617)
Contribution received in the acquisition of Calais Community Hospital	2,109,479	-
Pension plan costs	<u>(14,994)</u>	<u>(65,787)</u>
Non-operating gains, net	<u>2,602,786</u>	<u>234,540</u>
Excess of revenues, gains, and other support over expenses and losses	13,822,929	2,934,861
Net unrealized (losses) gains on non-equity investments	(8,366)	29,563
Net assets released from restrictions for capital expenditures	128,911	139,768
Provider Relief Funds used for purchase of capital	514,267	-
Unfunded pension liability adjustment	<u>726,841</u>	<u>(308,259)</u>
Increase in net assets without donor restrictions	<u>\$ 15,184,582</u>	<u>\$ 2,795,933</u>

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

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Changes in Net Assets

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net assets without donor restrictions		
Excess of revenues, gains, and other support over expenses	\$ 13,822,929	\$ 2,934,861
Change in net unrealized (losses) gains on non-equity investments	(8,366)	29,563
Net assets released from restrictions for capital expenditures	128,911	139,768
Provider Relief Funds used for the purchase of capital	514,267	-
Unfunded pension liability adjustment	<u>726,841</u>	<u>(308,259)</u>
Increase in net assets without donor restrictions	<u>15,184,582</u>	<u>2,795,933</u>
Net assets with donor restrictions		
Contributions, net	123,442	13,262
Change in net unrealized gains on investments	116,000	-
Net assets released from restrictions	<u>(128,911)</u>	<u>(139,768)</u>
Increase (decrease) in net assets with donor restrictions	<u>110,531</u>	<u>(126,506)</u>
Increase in net assets	15,295,113	2,669,427
Net assets, beginning of year	<u>17,486,512</u>	<u>14,817,085</u>
Net assets, end of year	<u>\$ 32,781,625</u>	<u>\$ 17,486,512</u>

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

Down East Community Hospital and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 15,295,113	\$ 2,669,427
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contribution received in the acquisition of Calais Community Hospital	(2,109,479)	-
Unfunded pension liability adjustment	(726,841)	308,259
Depreciation	1,815,093	1,505,649
Net realized and unrealized gains on investments	(286,019)	(124,535)
Restricted contributions and income	(11,840)	(13,262)
Amortization of debt premium and issuance costs	(59,755)	(88,286)
Changes in assets and liabilities		
Patient accounts receivable	(1,557,429)	1,609,982
Estimated third-party payor settlements	1,731,032	(2,117,786)
Other receivables	861	(279,517)
Other current assets	(636,361)	(19,719)
Accounts payable and accrued expenses	2,141,005	536,445
Provider Relief Funds	449,204	3,421,948
Refundable advances	258,376	-
Paycheck Protection Program Funds	(3,444,075)	3,444,075
Medicare accelerated payments	(1,623,580)	5,500,000
Unfunded pension liability	(166,041)	(140,281)
Net cash provided by operating activities	<u>11,069,264</u>	<u>16,212,399</u>
Cash flows from investing activities		
Purchase of property and equipment	(9,944,002)	(904,894)
Purchase of assets limited as to use	(1,077,531)	(1,519,879)
Proceeds from sale of assets limited as to use	849,205	1,464,952
Net cash used by investing activities	<u>(10,172,328)</u>	<u>(959,821)</u>
Cash flows from financing activities		
Proceeds from restricted contributions, net of pledges	131,466	144,443
Increase (decrease) in borrowing collateralized by patient accounts receivable	47,441	(93,260)
Proceeds from issuance of long-term debt	6,700,000	-
Proceeds from bond issuance and premium	-	3,950,743
Repayment of long-term debt - USDA from bond proceeds	-	(3,830,832)
Repayment of long-term debt	(437,409)	(296,240)
Payments on capital leases	(550,985)	(372,271)
Payment of deferred financing fees	-	(82,411)
Net cash provided (used) by financing activities	<u>5,890,513</u>	<u>(579,828)</u>
Net increase in cash and cash equivalents	6,787,449	14,672,750
Cash, cash equivalents, and restricted cash, beginning of year	<u>25,134,160</u>	<u>10,461,410</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 31,921,609</u>	<u>\$ 25,134,160</u>
Composition of cash, cash equivalents, and restricted cash, end of year:		
Cash and cash equivalents	\$ 28,508,257	\$ 18,571,006
Restricted cash included in assets limited as to use	3,413,352	6,563,154
	<u>\$ 31,921,609</u>	<u>\$ 25,134,160</u>

Noncash transaction:

During 2021 and 2020, the Organization entered into capital lease obligations acquiring assets with a value of \$1,203,072 and \$1,325,258, respectively.

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

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Nature of Operations

Down East Community Hospital (DECH) is a not-for-profit entity located in Machias, Maine, established to provide healthcare services through its acute care facility to residents of Washington County in the Eastern Maine area. Sunrise Healthcare (Sunrise) provides education and support to new families in Washington County, Maine through funds received from the Maine Families grant program. Sunrise is a wholly-owned subsidiary of DECH. DECH and Sunrise are exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code.

On February 19, 2021, DECH filed a motion with the United States Bankruptcy Court District of Maine, together with the creditors' committee, to allow DECH to purchase substantially all of the assets of Calais Regional Hospital (CRH) a not-for-profit acute care hospital in Calais, Maine. A formal plan was filed on February 24, 2021 and at a hearing on March 24, 2021, the plan was approved. The purpose of the acquisition is to maintain and improve access to quality health care services in Washington County. A Plan Officer was appointed and authorized to take all actions necessary to implement the approved plan. In anticipation of the purchase, DECH formed Calais Community Hospital (CCH), a wholly owned subsidiary, to hold the purchased assets. On March 25, 2021, DECH took over management at CCH. Closing of the transaction was subject to various approvals, including the receipt of an approved Emergency Certificate of Need from the State of Maine Department of Health and Human Services. The closing occurred on June 30, 2021.

The purchase price of the acquired assets was the assumption of a \$2 million obligation currently owed to the United States Department of Agriculture (USDA) and the cost of cure amounts relating to assumed and assigned contracts and leases. At the date of closing, the USDA made available to the Hospital up to \$2.5 million in cash as initial start-up funding, which is to be added to the balance of the note. The asset purchase excludes accounts receivable and amounts due from Medicare and MaineCare. The amounts subsequently collected are advanced to the Hospital, subject to a cap of \$2.2 million, and also added to the note, capping the total note at \$6.7 million.

The transaction was accounted for as an acquisition in accordance with Accounting Standards Update (ASU) No. 2010-07, Not-for-Profit Entities: Mergers and Acquisitions, which requires the assets and liabilities of CCH to be accounted for at fair value as of the date of the acquisition. The fair value of the net assets at the date of acquisition was recognized as a contribution received in the acquisition of CCH as part of other gains, and net assets with donor restrictions. There was no monetary consideration transferred in connection with the transaction.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

As of July 1, 2021, the effective date of the transaction, the fair value of each major class of assets and liabilities was as follows:

Assets	
Current assets	\$ 279,246
Property and equipment	<u>4,770,543</u>
Total assets	<u>5,049,789</u>
Liabilities	
Current liabilities	(940,310)
Long-term liabilities	<u>(2,000,000)</u>
Total liabilities	<u>(2,940,310)</u>
Unrestricted contribution received in the acquisition of CCH	\$ <u>2,109,479</u>

The fair value of property and equipment is based on the market (comparable sales) approach.

1. Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements represent the parent and subsidiaries activities after the elimination of all material intercompany balances and activity. The consolidated entity will collectively be referred to as "the Organization".

Net assets and revenues, expenses, gains, and losses are classified as follows based on the existence or absence of donor-imposed restrictions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-For-Profit Entities*. Under FASB ASC 958 and FASB ASC 954, *Health Care Entities*, all not-for-profit healthcare organizations are required to provide a balance sheet, a statement of operations, a statement of changes in net assets, and a statement of cash flows. Transactions and balances are presented on the existence or absence of donor-imposed restrictions. In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined into the following categories:

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

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

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

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with original maturities of three months or less. At December 31, 2021, the Organization had cash and money market account balances in financial institutions that exceeded federal depository insurance limits; however, management believes the credit risk related to these investments is minimal. The Organization has not experienced any losses in such accounts.

To mitigate risk, the Organization utilizes a sweep account. On a daily basis, after activity has been posted to the operating account, the bank withdraws excess funds from the account and invests the monies in U.S. government securities. The bank then repurchases the securities at the beginning of the next banking day.

Assets Pledged as Collateral and Related Borrowings

The Organization has a borrowing agreement collateralized by patient accounts receivable. Eligible patients enter into an arrangement with a third party and repayment terms range from 6 to 36 months based on the patient account balances. At that time, the Organization receives payment for the account less a discount ranging from Wall Street Journal prime plus 8.5% to 17.5%, depending on the length of the patient loan. If the patient loan balance to the third party becomes 90 days past due, the Organization is required to repay the related borrowing. At December 31, 2021 and 2020, the Organization had advances under this arrangement of \$566,046 and \$518,605, respectively, collateralized by patient accounts receivable.

Supplies

Supplies are carried at average cost.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

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Assets Limited As To Use

Assets limited as to use are primarily cash, equity securities, and debt securities. Investments in equity securities with readily determinable fair values, and all investments in debt securities, are recorded at fair value. Realized gains or losses on the sale of investments are determined by use of average cost.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheets. Debt investments are annually reviewed for impairment to determine if such declines are other than temporary. At December 31, 2021 and 2020, fair value exceeded historical costs for substantially all investments.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation in the financial statements. Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from the excess of revenues, gains, and other support over expenses and losses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Accounting for Defined Benefit Pension Plan

The Organization recognizes the underfunded status of its defined benefit plan as a liability in the consolidated balance sheets. Certain changes in the funded status of the plan are reported as changes in net assets without donor restrictions presented below the excess of revenues, gains, and other support over expenses and losses in the consolidated statements of operations and changes in net assets in the year in which the changes occur.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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Debt Issuance Costs and Premiums

Debt issuance costs represent expenses incurred in obtaining long-term financing and are being amortized over the life of the related bonds using the straight-line method. Original issue premiums on the Organization's bonds are also being amortized over the life of the related bonds using the straight-line method.

Paycheck Protection Program (PPP) Refundable Advance

During 2020, DECH qualified for and received a loan pursuant to the PPP, a program implemented by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, in the amount of \$3,444,075. The PPP provides funds to pay up to 24 weeks of payroll and other specified costs, and forgiveness of the loan is dependent upon compliance with this and other terms and conditions of the CARES Act. During 2021, DECH applied for forgiveness under the provisions of the CARES Act and subsequently received the approval of the lending institution and the SBA in June 2021. DECH chose to follow the conditional contribution model for the loan. The full amount forgiven is reported as revenue in the statement of operations for the year ended December 31, 2021. The loan forgiveness is subject to audit by the SBA for a period of six years from the date the loan was forgiven.

Medicare Accelerated Payments

In response to COVID-19, the Centers for Medicare & Medicaid Services (CMS) made available an accelerated and advance payment program to Medicare providers. DECH received \$5,500,000 in April 2020. Beginning in April 2021, 25% of Medicare payments due to DECH were withheld to offset the liability. If amounts are not fully repaid by March 2022, the withheld amount will raise to 50%. All amounts are expected to be repaid by September 2022, the current deadline established by CMS. Amounts to be repaid of \$3,876,420 are included in current liabilities on the balance sheet.

CARES Act Provider Relief Stimulus Funds

The Organization received distributions from the Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution which are funds to support healthcare providers in responding to the COVID-19 outbreak. The PRF and ARP Rural Distribution is being administered by the U.S. Department of Health and Human Services (HHS). These funds are to be used for qualifying expenses and to cover lost revenue due to COVID-19. The PRF are considered conditional contributions and are recognized as income when qualifying expenditures or lost revenues have been incurred. The following table outlines the distributions received, period of availability and revenue recognized during the years ended December 31, 2021 and 2020.

<u>Distribution Period</u>	<u>Distribution Amount</u>	<u>Funds Available for Use Through</u>	<u>Revenue Recognized in 2021</u>	<u>Revenue Recognized in 2020</u>
Period 1 (4/10/2020 to 6/30/2020)	\$ 4,488,428	6/30/2021	\$ 2,922,287	\$ 1,566,141
Period 4 (7/1/2021 to 12/31/2021)	<u>5,669,895</u>	12/31/2022	<u>1,798,743</u>	<u>-</u>
Total	<u>\$ 10,158,323</u>		<u>\$ 4,721,030</u>	<u>\$ 1,566,141</u>

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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Unexpended funds are reported as a current liability in the balance sheet.

Revenue Recognition and Patient Accounts Receivable

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

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. U.S. GAAP requires disclosure of opening balances of contracts receivable which amounted to \$3,423,722 at January 1, 2020.

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

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in hospitals receiving inpatient acute care services or patients receiving services in outpatient centers or in their homes. The Organization measures the performance obligation from admission into the Organization 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.

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

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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The Organization 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 Organization's policy, and implicit price concessions provided to uninsured patients.

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

- Medicare – DECH and CCH were granted Critical Access Hospital (CAH) status. Under CAH designation, they are reimbursed 101% of allowable cost for inpatient and outpatient services rendered to Medicare patients. Medicare payments were being reduced by 2% due to federally mandated sequestration; however, as of May 1, 2020, sequestration was suspended until April 1, 2022 when it was reinstated at 1%. DECH's Medicare cost reports have been audited and interim settled by the Medicare administrative contractor through December 31, 2017, and final settlements completed through December 31, 2016.
- MaineCare – As a CAH, services rendered to MaineCare recipients are reimbursed at 109% of allowable cost. DECH's MaineCare cost reports have been interim settled through December 31, 2017, and final settlements have been completed through December 31, 2014.

Laws and regulations governing the Medicare and MaineCare programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. CCH filed its initial cost reports for the six month period ending December 31, 2021.

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

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

For uninsured patients who do not qualify for free care, the Organization recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). Based on historical experience, a significant portion of uninsured patients will be unable or unwilling to pay for the services provided. The self-pay allowance included in estimating the transaction price represents the difference between amounts billed to patients and the amounts the Organization expects to collect based on its collection history with this payer class.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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Donor-Restricted Gifts

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

Excess of Revenues, Gains, and Other Support Over Expenses and Losses

The consolidated statements of operations include excess of revenues, gains, and other support over expenses and losses. Changes in net assets without donor restrictions which are excluded from this measure include temporary unrealized gains and losses on debt securities, contributions for capital expenditures, and unfunded pension liability adjustments.

Subsequent Events

The Organization has considered transactions or events occurring through June 27, 2022, which was the date the consolidated financial statements were available to be issued.

2. Availability and Liquidity of Financial Assets

The Organization had working capital of \$19,429,780 and \$10,804,141 at December 31, 2021 and 2020, respectively. The Organization had average days (based on normal expenditures) cash and cash equivalents on hand of 169 and 145 at December 31, 2021 and 2020, respectively.

Financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, were as follows as of December 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 28,508,257	\$ 18,571,006
Patient accounts receivable, net	4,981,151	3,423,722
Assets limited as to use, under debt agreement	411,331	413,804
Other receivables, net	<u>501,668</u>	<u>462,116</u>
Financial assets available at year end for current use	<u>\$ 34,402,407</u>	<u>\$ 22,870,648</u>

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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The Organization has other long-term investments of \$2,517,788 and \$2,123,689 at December 31, 2021 and 2020, respectively, that are designated for future capital expenditures and operating reserves that have not been included in the qualitative information above. These assets limited to use are not available for general expenditure within the next year; however, the Board-designated amounts could be made available, if necessary.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to optimize the investment of its available funds. The Organization reports monthly to the Finance Committee and Board of Trustees the days cash on hand, estimated cost report settlements to Medicare and MaineCare, and estimated settlement due to a third-party payor who pays the Organization under a Prospective Interim Payment system. The Organization's goal is generally to maintain financial assets to meet 30 days of operating expenses.

As part of its liquidity plan, cash is maintained in insured cash sweep accounts with excess cash invested in U.S. government securities. Additionally, the Organization maintains a \$750,000 line of credit, as disclosed in Note 8, that has only been used for short-term financing. The Organization maintained a zero balance on the line of credit at December 31, 2021 and 2020.

3. Net Patient Service Revenue

The Organization's patient service revenue and contractual and other allowances consisted of the following for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Gross patient service revenue		
Inpatient	\$ 15,127,150	\$ 13,125,749
Outpatient	<u>115,359,157</u>	<u>87,586,112</u>
Gross patient service revenue	<u>130,486,307</u>	<u>100,711,861</u>
Less Medicare/Medicaid allowances	35,134,943	32,192,829
Less other allowances	<u>31,793,773</u>	<u>21,595,483</u>
	<u>66,928,716</u>	<u>53,788,312</u>
Net patient service revenue	<u>\$ 63,568,836</u>	<u>\$ 46,923,549</u>

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

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

The composition of patient care service revenue based on its method of reimbursement for the years ended December 31, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Payor:		
Medicare and MaineCare revenue	\$ 35,729,473	\$ 29,516,977
Commercial insured revenue	25,691,977	15,590,863
Uninsured revenue	<u>2,147,386</u>	<u>1,815,709</u>
Total	<u>\$ 63,568,836</u>	<u>\$ 46,923,549</u>

Net patient service revenue increased approximately \$631,000 and \$504,500 in 2021 and 2020, respectively, due to adjustments to previously estimated settlements as a result of final settlements and years that are no longer subject to audits, reviews, and investigations.

4. Charity Care

The Organization maintains records to identify the amount of charges foregone for services and supplies furnished under its charity care policy, as well as the estimated cost of those services and supplies and equivalent service statistics. The following information measures the level of charity care provided during the years ended December 31:

	<u>2021</u>	<u>2020</u>
Charges forgone, based on established rates	\$ <u>418,250</u>	\$ <u>875,000</u>
Estimated costs and expenses incurred to provide charity care	\$ <u>189,000</u>	\$ <u>403,000</u>
Equivalent percentage of charity care charges to all Organization patient charges	0.33%	0.87%

Costs of providing charity care services have been estimated based on an overall ratio of costs to charges for cost report preparation purposes.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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5. Assets Limited As to Use

Assets limited as to use are cash and investments stated at fair value and restricted for the following purposes:

	<u>2021</u>	<u>2020</u>
Under Board designation for capital improvements, endowment, and operating purposes	\$ 2,517,788	\$ 2,123,689
Funds held for others	45,371	43,679
Under debt agreements – held by trustee	411,331	413,803
Construction funds – held by trustee	3,002,021	6,149,351
With donor restriction	<u>1,677,410</u>	<u>1,558,856</u>
	7,653,921	10,289,378
Less current portion	<u>456,702</u>	<u>1,266,348</u>
	<u>\$ 7,197,219</u>	<u>\$ 9,023,030</u>

Investment income for the years ended December 31 was as follows:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 115,018	\$ 129,797
Interest earned on operating funds	98,898	75,558
Realized gain on investments	<u>119,452</u>	<u>173,589</u>
	<u>\$ 333,368</u>	<u>\$ 378,944</u>

6. Net Assets

Net assets with donor restrictions are available for the following purposes at December 31:

	<u>2021</u>	<u>2020</u>
Perpetual in nature, income without donor restrictions	\$ 1,402,530	\$ 1,402,530
Purpose restricted		
Emergency department expansion	12,602	20,626
Medical equipment and supplies	28,380	25,825
Time restricted - endowment earnings	<u>246,500</u>	<u>130,500</u>
	<u>\$ 1,690,012</u>	<u>\$ 1,579,481</u>

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

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Net assets without donor restrictions are available for the following purposes at December 31:

	<u>2021</u>	<u>2020</u>
Under Board designation for capital improvements, endowment, and operating purposes	\$ 2,517,788	\$ 2,123,689
Undesignated	<u>28,573,825</u>	<u>13,783,342</u>
	<u>\$31,091,613</u>	<u>\$15,907,031</u>

Endowments

Interpretation of Relevant Law

The Organization's endowments primarily consist of an investment portfolio managed by the Board of Directors. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the 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, the Organization classifies as a donor-restricted endowment (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent donor-restricted endowment gifts, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund, if any, is classified as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

Spending Policy

The Organization has a policy of appropriating for expenditure an amount equal to between 3% and 5% of the endowment fund's average fair market value over the prior twelve quarters. The earnings on the endowment fund are to be used for charitable work of the organization, including operational and capital needs.

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the historical gift amount. The Organization has a policy that does not allow spending from underwater endowments. At December 31, 2021 and 2020, there were no funds with deficiencies.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

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Return Objectives and Risk Parameters

The primary objective of the endowment fund is to provide a predictable source of supplemental annual income to support the charitable work of the organization and realize a long-term return that is equal to, or greater than, the real rate of inflation. The Organization's investment strategy is to keep a diversified portfolio, including equity, fixed income, alternatives, and cash assets likely to archive the endowment objectives. On an annual basis, investments are reviewed to ensure the objectives are being met. The Organization believes the following allocation among major asset classes will produce an average annual total return that, over time, will meet the objectives:

<u>Major asset class</u>	<u>Target</u>	<u>Minimum</u>	<u>Maximum</u>
Equity	65%	50%	70%
Fixed income	30%	20%	40%
Alternative assets	5%	0%	20%
Cash	0%	0%	10%

Endowment Net Asset Composition by Type of Fund

The endowment net asset composition by type of fund is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>2021</u>			
Board-designated endowment funds	\$ 1,699,715	\$ -	\$ 1,699,715
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,402,530	1,402,530
Accumulated investment gains	-	246,500	246,500
Total funds	<u>\$ 1,699,715</u>	<u>\$ 1,649,030</u>	<u>\$ 3,348,745</u>
<u>2020</u>			
Board-designated endowment funds	\$ 1,404,115	\$ -	\$ 1,404,115
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,402,530	1,402,530
Accumulated investment gains	-	130,500	130,500
Total funds	<u>\$ 1,404,115</u>	<u>\$ 1,533,030</u>	<u>\$ 2,937,145</u>

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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The Organization had the following endowment-related activities:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, December 31, 2019	\$ 1,257,167	\$ 1,533,030	\$ 2,790,197
Investment gain	76,778	70,170	146,948
Appropriated for expenditure	<u>70,170</u>	<u>(70,170)</u>	<u>-</u>
Endowment net assets, December 31, 2020	1,404,115	1,533,030	2,937,145
Investment gain	239,212	172,388	411,600
Appropriated for expenditure	<u>56,388</u>	<u>(56,388)</u>	<u>-</u>
Endowment net assets, December 31, 2021	<u>\$ 1,699,715</u>	<u>\$ 1,649,030</u>	<u>\$ 3,348,745</u>

7. Property and Equipment

The details of property and equipment at December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Land and improvements	\$ 1,486,841	\$ 1,214,324
Building	26,973,357	21,494,142
Equipment	18,430,867	15,202,792
Construction in progress	<u>4,891,329</u>	<u>817,399</u>
	51,782,394	38,728,657
Less accumulated depreciation	<u>25,241,907</u>	<u>23,469,590</u>
Property and equipment, net	<u>\$26,540,487</u>	<u>\$15,259,067</u>

At December 31, 2021 and 2020, the Organization had approximately \$4,506,000 and \$3,303,000, respectively, of equipment under capital lease obligations, included in property and equipment. Accumulated depreciation for equipment under capital lease obligations at December 31, 2021 and 2020 was approximately \$1,449,997 and \$957,727, respectively.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

8. Borrowings

Long-term debt consists of:

	<u>2021</u>	<u>2020</u>
Maine Health and Higher Educational Facilities Authority (MHHEFA) Revenue Bonds, Series 2020B, interest rates varying from 2.75% to 4.00%, principal due in amounts ranging from \$145,000 in 2022 to \$265,000 in 2040.	\$ 3,546,900	\$ 3,636,900
Plus original issue premium, net accumulated amortization of \$16,394 and \$2,342 at December 31, 2021 and 2020, respectively.	259,949	274,001
MHHEFA Revenue Bonds, Series 2019B, interest rates varying from 4.0% to 5.0%, principal due in amounts ranging from \$245,000 in 2022 to \$500,000 in 2038.	5,606,950	5,841,950
Plus original issue premium, net of accumulated amortization of \$120,952 and \$65,128 at December 31, 2021 and 2020, respectively.	921,044	976,868
U.S. Department of Agriculture, Rural Development loan at 2.125%, payable in monthly installments of \$25,862, including interest, through July 2051; collateralized by property	6,700,000	-
MHHEFA Revenue Bonds, Series 2007B, interest rates of 4.25%, balance was paid in full 2021.	-	82,005
Plus original issue premium, net accumulated amortization of \$5,241 and \$4,599 at December 31, 2021 and 2020, respectively.	-	642
Capital lease obligations with interest rates ranging from 0% to 5.945% with maturity dates ranging from January 2021 through January 2027.	<u>2,680,414</u>	<u>2,058,731</u>
Total long-term debt before unamortized debt issuance costs	19,715,257	12,871,097
Less: unamortized debt issuance costs	<u>(153,069)</u>	<u>(163,831)</u>
Total long-term debt	19,562,188	12,707,266
Less current portion	<u>(1,179,559)</u>	<u>(891,500)</u>
Long-term debt, excluding current installments	<u>\$18,382,629</u>	<u>\$11,815,766</u>

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

The note agreements with USDA-RD required the Organization to fund monthly payments into a cash reserve account until a balance of \$310,344 is reached. At December 31, 2021, the balance was \$12,931.

The Series 2019B bonds are to be used to invest \$1,500,000 in a medical office building, and the remainder is to be used to pay for a new electronic medical record and billing system. Unspent funds of \$3,002,021 were held by the Trustee at December 31, 2021.

The Series 2019B and 2020B bonds are collateralized by a first mortgage on substantially all of the property and equipment of the Organization and a security interest in the Organization's gross receipts. The revenue bond indentures also place limits on the incurrence of additional borrowings and require that the Organization satisfy certain restrictive covenants as long as the bonds are outstanding.

In connection with the MHHEFA Revenue Bonds, the Organization is required to make deposits of interest and principal of sufficient amounts to make the annual principal and semi-annual interest payments and to retire the bonds when due. Included in assets limited as to use is \$411,331 and \$413,804 at December 31, 2021 and 2020, respectively, which are to be used to make future principal and interest payments.

Scheduled principal payments on long-term debt are as follows:

	<u>Long-Term Obligations</u>	<u>Capital Lease Obligations</u>
2022	\$ 473,771	\$ 813,382
2023	576,427	736,203
2024	594,724	665,992
2025	623,855	465,775
2026	642,692	230,359
Thereafter	<u>14,123,374</u>	<u>14,253</u>
	<u>\$17,034,843</u>	2,925,964
Less amounts representing interest		<u>(245,550)</u>
		<u>\$ 2,680,414</u>

The Organization has available \$750,000 in an unsecured line of credit with a bank with an interest rate at the Wall Street Journal prime rate adjusted daily (3.25% at December 31, 2021). The line is automatically renewed annually. As of December 31, 2021 and 2020, there was no balance outstanding on the line.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

9. Contingencies

Malpractice Insurance

The Organization insures its medical malpractice risks on a claims-made basis under a policy which covers all employees. A claims-made policy provides specified coverage for claims reported during the policy term. The policy contains a provision which allows the Organization to purchase "tail" coverage for an indefinite period of time to avoid any lapse in insurance coverage. The Organization intends to renew coverage on a claims-made basis and anticipates that such coverage will be available.

The Organization is subject to complaints, claims, and litigation due to potential claims which arise in the normal course of doing business. GAAP requires the Organization to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. The Organization has evaluated its exposure to losses arising from potential claims. Amounts accrued under this provision are included in other receivables, accounts payable, and accrued expenses in the balance sheets.

10. Employee Benefit Plans

Defined Benefit Pension Plan

Obligations and Funded Status

DECH sponsors a non-contributory defined benefit pension plan. The benefits are based on years of service and the employees' compensation during employment. DECH's funding policy is to contribute the amount recommended by the actuary to fulfill requirements of the Employee Retirement Income Security Act of 1974.

On July 24, 2006, the Board of Trustees voted to curtail benefits under the plan effective September 30, 2006. All benefits for active employees became fully vested at that time. The projected benefit obligation at December 31, 2006 was adjusted to reflect a curtailment gain of \$635,985, which is primarily due to the elimination of deferred losses. There are no immediate plans to settle the benefit obligation.

FASB ASC 715, *Compensation – Retirement Benefits*, requires an employer to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multi-employer plan) as an asset or liability in its balance sheet and to recognize changes in the funded status in the year in which the changes occur. The funded status of a plan should be measured as of the date of the Organization's year-end balance sheet, with limited exceptions.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

The following table sets forth the funded status of the defined benefit plan and amounts recognized in the Organization's consolidated financial statements:

	<u>2021</u>	<u>2020</u>
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 10,638,379	\$ 9,881,236
Interest cost	256,425	306,298
Actuarial (gain)/loss	(427,963)	881,511
Benefits paid	<u>(464,501)</u>	<u>(430,666)</u>
Benefit obligation at end of year	\$ <u>10,002,340</u>	\$ <u>10,638,379</u>
Change in plan assets		
Fair value of plan assets at beginning of year	\$ 7,742,265	\$ 7,153,100
Actual return on plan assets	540,309	813,763
Employer contributions	181,035	206,068
Benefits paid	<u>(464,501)</u>	<u>(430,666)</u>
Fair value of plan assets at end of year	\$ <u>7,999,108</u>	\$ <u>7,742,265</u>
Funded status		
Benefit obligation	\$ (10,002,340)	\$ (10,638,379)
Fair value of plan assets	<u>7,999,108</u>	<u>7,742,265</u>
Unfunded pension liability	\$ <u>(2,003,232)</u>	\$ <u>(2,896,114)</u>
Components of net periodic pension cost		
Interest cost	\$ 256,425	\$ 306,298
Expected return on plan assets	(510,001)	(472,880)
Amortization of net loss	<u>268,570</u>	<u>232,369</u>
Net periodic pension cost	\$ <u>14,994</u>	\$ <u>65,787</u>

All components of net periodic pension cost are reported in nonoperating gains and losses in the consolidated statements of operations.

Included in net assets without donor restrictions at December 31, 2021 and 2020 are actuarial losses of \$3,020,164 and \$3,747,005, respectively, which have not been recognized in net periodic pension cost. Amounts recognized in unfunded pension liability were a gain of \$726,841 and a loss of \$308,259 for the years ended December 31, 2021 and 2020, respectively. The portion of those expected to be recognized in net periodic pension cost in 2022 is \$184,519.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Assumptions

The weighted average assumptions used in the measurement of the benefit obligation at December 31 are shown in the following table:

	<u>2021</u>	<u>2020</u>
Discount rate	2.83 %	2.47 %

The weighted average assumptions used in the measurement of the net periodic benefit cost for the years ended December 31, 2021 and 2020 are shown in the following table:

	<u>2021</u>	<u>2020</u>
Discount rate	2.47 %	3.18 %
Expected long-term return on plan assets	6.75 %	6.75 %

The Organization considers various factors in estimating the expected long-term rate of return on plan assets. Among the factors considered are the historical long-term returns on plan assets, the current and expected allocation of plan assets, input from actuaries and investment consultants, and long-term inflation assumptions. The expected allocation of plan assets is based on a diversified portfolio consisting of various mutual funds and investments with insurance companies.

Plan Assets

The Organization's investment policy for its pension plan is to balance risk and return using a diversified portfolio consisting primarily of high quality equity and fixed income securities. To accomplish this goal, the plan's assets are actively managed by outside investment managers with the objective of optimizing long-term return while maintaining a high standard of portfolio quality and proper diversification. The Organization monitors the maturities of fixed income securities so that there is sufficient liquidity to meet current payment obligations. The Organization's Finance Committee provides oversight of the plan investments and the performance of the investment managers. The Organization's pension plan asset allocation at December 31 is as follows:

<u>Asset Category</u>	<u>2021</u>	<u>2020</u>	<u>Target Range</u>
Equity securities	38 %	45 %	20 - 80%
International equity securities	12	8	0 - 25%
Cash and fixed income securities	<u>50</u>	<u>47</u>	20 - 80%
Total	<u>100 %</u>	<u>100 %</u>	

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Cash Flows

Contributions

The Organization expects to contribute approximately \$139,336 to its pension plan in 2022.

Estimated Future Benefit Payments

The following benefit payments are expected to be paid in the next ten years:

2022	\$	512,000
2023		524,000
2024		524,000
2025		535,000
2026		536,000
Years 2027 - 2031		2,741,000

401(k) Plan

In October 2006, DECH established a 401(k) Plan (the Plan) which is available to all employees. Employees may participate in the Plan if they are at least 21 years of age, are full-time or part-time employees with 1,000 or more service hours, and have completed one continuous year of service. Employees have full and immediate rights to all funds set aside for them under the Plan. DECH matches 50% of the first 2% of employee contributions. Eligible employees receive a core contribution ranging from 3% to 5% of salary, depending on years of service. A separate Plan was established for Sunrise which also matches 50% of the first 2% of employee deferrals and provides for a 2% base contribution. Employer contribution expense for the Plan was approximately \$798,200 and \$743,800 in 2021 and 2020, respectively.

403(b) Plan

Calais Community Hospital offers a tax sheltered annuity plan to eligible employees. The plan provides that in addition to amounts contributed by employees through salary reduction arrangements, CCH may make contributions equal to a discretionary percentage to be determined each year. All amounts are 100% vested upon entering the plan. There were no discretionary contributions in December 31, 2021 and 2020.

11. Self-Insurance Plan

The Organization is partially self-insured with respect to health benefits of employees. The deductible under the Organization's insurance policy is \$150,000 per individual with an aggregate deductible based on the number of covered lives. The consolidated balance sheet includes an accrual in accounts payable and accrued expenses for management's estimate of claims incurred, but not reported, of approximately \$1,052,900 and \$769,500 at December 31, 2021 and 2020, respectively. The aggregate cost of the Plan was approximately \$4,963,000 and \$3,595,000 in 2021 and 2020, respectively.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

12. Concentrations

Credit Risk

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

	<u>2021</u>	<u>2020</u>
Medicare	33 %	40 %
MaineCare	21	21
Blue Cross	16	15
Commercial	27	21
Patients and other	<u>3</u>	<u>3</u>
	<u>100 %</u>	<u>100 %</u>

Labor Force

DECH's unionized labor workforce are members of the Maine State Nurses Association Local Unit #124 and Local Unit #210. The union contract has been negotiated through October 2023 and represents approximately 15% of the workforce as of December 31, 2021.

CCH's unionized labor workforce are members of the Maine State Nurses Association Local Unit #116. The union contract has been negotiated through June 2024 and represents approximately 20% of the workforce as of December 31, 2021.

13. Fair Value Measurement

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

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

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

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

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

The fair value of corporate bonds and other fixed income securities is primarily based on quoted market prices of comparable securities, interest rates, and credit ratings. Those techniques are significantly affected by the assumptions used, including discount rate and estimates of future cash flows.

Assets measured at fair value on a recurring basis are summarized below:

<u>Fair Value Measurements at December 31, 2021, Using</u>				
	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
Assets:				
Assets limited as to use				
Cash and cash equivalents	\$ 3,780,103	\$ 3,780,103	\$ -	\$ -
Marketable equity securities	2,691,036	2,691,036	-	-
Corporate bonds	<u>1,182,782</u>	-	<u>1,182,782</u>	-
Total	<u>\$ 7,653,921</u>	<u>\$ 6,471,139</u>	<u>\$ 1,182,782</u>	<u>\$ -</u>
Investments – held by defined benefit pension plan (Note 10)				
Fixed income	\$ 3,967,413	\$ -	\$ 3,967,413	\$ -
Mutual funds	<u>4,031,695</u>	<u>4,031,695</u>	-	-
Total	<u>\$ 7,999,108</u>	<u>\$ 4,031,695</u>	<u>\$ 3,967,413</u>	<u>\$ -</u>

<u>Fair Value Measurements at December 31, 2020, Using</u>				
	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
Assets:				
Assets limited as to use				
Cash and cash equivalents	\$ 6,954,834	\$ 6,954,834	\$ -	\$ -
Marketable equity securities	2,285,610	2,285,610	-	-
Corporate bonds	<u>1,048,934</u>	-	<u>1,048,934</u>	-
Total	<u>\$ 10,289,378</u>	<u>\$ 9,240,444</u>	<u>\$ 1,048,934</u>	<u>\$ -</u>
Investments – held by defined benefit pension plan (Note 10)				
Fixed income	\$ 3,606,339	\$ -	\$ 3,606,339	\$ -
Mutual funds	<u>4,135,926</u>	<u>4,135,926</u>	-	-
Total	<u>\$ 7,742,265</u>	<u>\$ 4,135,926</u>	<u>\$ 3,606,339</u>	<u>\$ -</u>

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

14. Functional Expenses

The consolidated statement of operations reports certain expense categories that are attributable to both healthcare services and support functions. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Employee benefits are allocated based on salaries and occupancy costs based on square footage. Expenses related to healthcare and support services for the years ended December 31 are as follows:

<u>2021</u>	<u>Healthcare Services</u>	<u>Support Services</u>	<u>Total</u>
Salaries	\$ 22,783,031	\$ 4,140,394	\$ 26,923,425
Employee benefits	6,470,398	1,167,233	7,637,631
Purchased services	2,274,406	1,811,631	4,086,037
Temporary personnel	2,388,211	-	2,388,211
Professional fees	6,258,242	-	6,258,242
Supplies	7,303,389	280,280	7,583,669
Other	4,790,191	1,466,517	6,256,708
Depreciation and amortization	1,815,093	-	1,815,093
Interest	331,084	-	331,084
	<u>\$ 54,414,045</u>	<u>\$ 8,866,055</u>	<u>\$ 63,280,100</u>
<u>2020</u>	<u>Healthcare Services</u>	<u>Support Services</u>	<u>Total</u>
Salaries	\$ 19,071,445	\$ 2,259,167	\$ 21,330,612
Employee benefits	5,281,659	651,616	5,933,275
Purchased services	1,982,228	818,641	2,800,869
Temporary personnel	913,241	-	913,241
Professional fees	4,653,176	-	4,653,176
Supplies	6,083,241	117,102	6,200,343
Other	3,574,856	1,047,451	4,622,307
Depreciation and amortization	1,505,649	-	1,505,649
Interest	316,804	-	316,804
	<u>\$ 43,382,299</u>	<u>\$ 4,893,977</u>	<u>\$ 48,276,276</u>

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidating Balance Sheet

December 31, 2021

	ASSETS				
	Down East Community Hospital	Calais Community Hospital	Sunrise Healthcare	Eliminations	Consolidated
Current assets					
Cash and cash equivalents	\$ 22,200,627	\$ 6,259,425	\$ 48,205	\$ -	\$ 28,508,257
Patient accounts receivable, net of estimated uncollectibles	3,559,929	1,421,222	-	-	4,981,151
Assets limited as to use, current portion	443,771	12,931	-	-	456,702
Other receivables	628,013	248,354	100,930	(475,629)	501,668
Supplies	706,919	366,124	-	-	1,073,043
Prepaid expenses and other assets	<u>481,962</u>	<u>166,856</u>	<u>1,650</u>	-	<u>650,468</u>
Total current assets	28,021,221	8,474,912	150,785	(475,629)	36,171,289
Assets limited as to use, excluding current portion	7,197,219	-	-	-	7,197,219
Property and equipment, net	<u>21,060,530</u>	<u>5,479,957</u>	-	-	<u>26,540,487</u>
Total assets	<u>\$ 56,278,970</u>	<u>\$ 13,954,869</u>	<u>\$ 150,785</u>	<u>\$ (475,629)</u>	<u>\$ 69,908,995</u>

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidating Balance Sheet (Concluded)

December 31, 2021

LIABILITIES AND NET ASSETS

	Down East Community Hospital	Calais Community Hospital	Sunrise Healthcare	Eliminations	Consolidated
Current liabilities					
Current portion of long-term debt	921,784	257,775	-	-	1,179,559
Accounts payable and accrued expenses	2,807,670	1,709,211	891	(475,629)	4,042,143
Accrued payroll and amounts withheld	1,647,957	729,936	28,837	-	2,406,730
Borrowing collateralized by patient accounts receivable	566,046	-	-	-	566,046
Provider Relief Fund	2,701,059	1,170,093	-	-	3,871,152
Refundable advances	258,376	-	-	-	258,376
Medicare accelerated payments	3,876,420	-	-	-	3,876,420
Estimated third-party payor settlements	<u>478,396</u>	<u>62,687</u>	<u>-</u>	<u>-</u>	<u>541,083</u>
Total current liabilities	13,257,708	3,929,702	29,728	(475,629)	16,741,509
Unfunded pension liability	2,003,232	-	-	-	2,003,232
Long-term debt, excluding current portion	<u>11,102,877</u>	<u>7,279,752</u>	<u>-</u>	<u>-</u>	<u>18,382,629</u>
Total liabilities	<u>26,363,817</u>	<u>11,209,454</u>	<u>29,728</u>	<u>(475,629)</u>	<u>37,127,370</u>
Net assets					
Without donor restrictions	28,225,141	2,745,415	121,057	-	31,091,613
With donor restrictions	<u>1,690,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,690,012</u>
Total net assets	<u>29,915,153</u>	<u>2,745,415</u>	<u>121,057</u>	<u>-</u>	<u>32,781,625</u>
Total liabilities and net assets	<u>\$ 56,278,970</u>	<u>\$ 13,954,869</u>	<u>\$ 150,785</u>	<u>\$ (475,629)</u>	<u>\$ 69,908,995</u>

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidating Balance Sheet

December 31, 2020

ASSETS

	Down East Community <u>Hospital</u>	Sunrise <u>Healthcare</u>	<u>Eliminations</u>	<u>Consolidated</u>
Current assets				
Cash and cash equivalents	\$ 18,458,376	\$ 112,630	\$ -	\$ 18,571,006
Patient accounts receivable, net of estimated uncollectibles	3,423,722	-	-	3,423,722
Assets limited as to use, current portion	1,266,348	-	-	1,266,348
Estimated third-party payor settlements	1,189,949	-	-	1,189,949
Other receivables	469,987	52,129	(60,000)	462,116
Supplies	673,521	-	-	673,521
Prepaid expenses and other assets	<u>411,979</u>	<u>1,650</u>	<u>-</u>	<u>413,629</u>
Total current assets	25,893,882	166,409	(60,000)	26,000,291
Assets limited as to use, excluding current portion	9,023,030	-	-	9,023,030
Property and equipment, net	<u>15,259,067</u>	<u>-</u>	<u>-</u>	<u>15,259,067</u>
Total assets	<u>\$ 50,175,979</u>	<u>\$ 166,409</u>	<u>\$ (60,000)</u>	<u>\$ 50,282,388</u>

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidating Balance Sheet (Concluded)

December 31, 2020

LIABILITIES AND NET ASSETS

	Down East Community Hospital	Sunrise Healthcare	Eliminations	Consolidated
Current liabilities				
Current portion of long-term debt	\$ 891,500	\$ -	\$ -	\$ 891,500
Accounts payable and accrued expenses	2,698,062	65,283	(60,000)	2,703,345
Accrued payroll and amounts withheld	1,572,555	31,968	-	1,604,523
Borrowing collateralized by patient accounts	518,605	-	-	518,605
Provider Relief Funds	3,323,025	-	-	3,323,025
Paycheck Protection Program funds	3,345,152	-	-	3,345,152
Medicare accelerated payments	<u>2,810,000</u>	<u>-</u>	<u>-</u>	<u>2,810,000</u>
Total current liabilities	15,158,899	97,251	(60,000)	15,196,150
Unfunded pension liability	2,896,114	-	-	2,896,114
Medicare accelerated payments, long term	2,690,000	-	-	2,690,000
Long-term debt, excluding current portion	<u>11,815,766</u>	<u>-</u>	<u>-</u>	<u>11,815,766</u>
Total liabilities	<u>32,560,779</u>	<u>97,251</u>	<u>(60,000)</u>	<u>32,598,030</u>
Net assets				
Without donor restrictions	15,837,873	69,158	-	15,907,031
With donor restrictions	<u>1,579,481</u>	<u>-</u>	<u>-</u>	<u>1,579,481</u>
Total net assets	<u>17,417,354</u>	<u>69,158</u>	<u>-</u>	<u>17,486,512</u>
Total liabilities and net assets	<u>\$ 49,978,133</u>	<u>\$ 166,409</u>	<u>\$ (60,000)</u>	<u>\$ 50,084,542</u>

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidating Statement of Operations

Year Ended December 31, 2021

	Down East Community Hospital	Calais Community Hospital	Sunrise Healthcare	Consolidated
Revenues, gains, and other support				
Net patient service revenue	\$ 53,106,102	\$ 10,462,734	\$ -	\$ 63,568,836
Other revenue	1,892,253	363,317	609,655	2,865,225
Provider Relief Funds and other stimulus funds	4,214,245	506,785	-	4,721,030
Paycheck Protection Program funds	<u>3,345,152</u>	<u>-</u>	<u>-</u>	<u>3,345,152</u>
Total revenues, gains, and other support	<u>62,557,752</u>	<u>11,332,836</u>	<u>609,655</u>	<u>74,500,243</u>
Expenses				
Salaries	21,956,529	4,606,497	360,399	26,923,425
Employee benefits	6,573,017	936,842	127,772	7,637,631
Purchased services	3,080,672	996,464	8,901	4,086,037
Temporary personnel	1,711,098	677,113	-	2,388,211
Professional fees	5,131,904	1,126,338	-	6,258,242
Supplies	6,779,422	778,368	25,879	7,583,669
Other	4,805,348	1,416,545	34,815	6,256,708
Depreciation and amortization	1,687,435	127,658	-	1,815,093
Interest	300,009	31,075	-	331,084
Total expenses	<u>52,025,434</u>	<u>10,696,900</u>	<u>557,766</u>	<u>63,280,100</u>
Operating gains	<u>10,532,318</u>	<u>635,936</u>	<u>51,889</u>	<u>11,220,143</u>
Non-operating gains (losses)				
Investment income	333,358	-	10	333,368
Net unrealized gains on investments	174,933	-	-	174,933
Contribution received in the acquisition of Calais Community Hospital	-	2,109,479	-	2,109,479
Pension plan costs	<u>(14,994)</u>	<u>-</u>	<u>-</u>	<u>(14,994)</u>
Non-operating gains, net	<u>493,297</u>	<u>2,109,479</u>	<u>10</u>	<u>2,602,786</u>
Excess of revenues, gains, and other support over expenses and losses	11,025,615	2,745,415	51,899	13,822,929
Net unrealized losses on non-equity investments	(8,366)	-	-	(8,366)
Net assets released from restrictions for capital expenditures	128,911	-	-	128,911
Provider Relief Funds used for the purchase of capital	514,267	-	-	514,267
Unfunded pension liability adjustment	<u>726,841</u>	<u>-</u>	<u>-</u>	<u>726,841</u>
Increase in net assets without donor restrictions	<u>\$ 12,387,268</u>	<u>\$ 2,745,415</u>	<u>\$ 51,899</u>	<u>\$ 15,184,582</u>

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidating Statement of Operations

Year Ended December 31, 2020

	Down East Community Hospital	Sunrise Healthcare	Consolidated
Revenues, gains, and other support			
Net patient service revenue	\$ 46,923,549	\$ -	\$ 46,923,549
Other revenue	1,909,363	577,544	2,486,907
Provider Relief Funds and other stimulus funds	<u>1,566,141</u>	<u>-</u>	<u>1,566,141</u>
Total revenues, gains, and other support	<u>50,399,053</u>	<u>577,544</u>	<u>50,976,597</u>
Expenses			
Salaries	20,965,663	364,949	21,330,612
Employee benefits	5,838,489	94,786	5,933,275
Purchased services	2,797,459	3,410	2,800,869
Temporary personnel	913,241	-	913,241
Professional fees	4,653,176	-	4,653,176
Supplies	6,175,824	24,519	6,200,343
Other	4,576,191	46,116	4,622,307
Depreciation and amortization	1,505,649	-	1,505,649
Interest	<u>316,804</u>	<u>-</u>	<u>316,804</u>
Total expenses	<u>47,742,496</u>	<u>533,780</u>	<u>48,276,276</u>
Operating gains	<u>2,656,557</u>	<u>43,764</u>	<u>2,700,321</u>
Non-operating gains (losses)			
Investment income	378,944	-	378,944
Net unrealized losses on investments	(78,617)	-	(78,617)
Pension plan costs	<u>(65,787)</u>	<u>-</u>	<u>(65,787)</u>
Non-operating gains, net	<u>234,540</u>	<u>-</u>	<u>234,540</u>
Excess of revenues, gains, and other support over expenses and losses	2,891,097	43,764	2,934,861
Net unrealized gains on non-equity investments	29,563	-	29,563
Net assets released from restrictions for capital expenditures	139,768	-	139,768
Unfunded pension liability adjustment	(308,259)	-	(308,259)
Transfers (to) from affiliate	<u>60,000</u>	<u>(60,000)</u>	<u>-</u>
Increase (decrease) in net assets without donor restrictions	<u>\$ 2,812,169</u>	<u>\$ (16,236)</u>	<u>\$ 2,795,933</u>