

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Form 990

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
Do not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990 for instructions and the latest information.

2023

Open to Public Inspection

A For the **2023** calendar year, or tax year beginning and ending

| | | | |
|--|---|--|--|
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | C Name of organization Calais Community Hospital | | D Employer identification number 86-2728785 |
| | Doing business as | | E Telephone number 207-454-7521 |
| | Number and street (or P.O. box if mail is not delivered to street address) | Room/suite | G Gross receipts \$ 27,373,260. |
| | 24 Hospital Lane | | H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| | City or town, state or province, country, and ZIP or foreign postal code Calais, ME 04619 | | H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| F Name and address of principal officer: Steven Lail same as C above | | If "No," attach a list. See instructions | |
| I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | | |
| J Website: www.calaishospital.org | | | |
| K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other | | | L Year of formation: 2021 |
| M State of legal domicile: ME | | | |

Part I Summary

| | |
|---|--|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: Critical Access Hospital |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. |
| | 3 Number of voting members of the governing body (Part VI, line 1a) 3 14 |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 11 |
| | 5 Total number of individuals employed in calendar year 2023 (Part V, line 2a) 5 222 |
| | 6 Total number of volunteers (estimate if necessary) 6 15 |
| | 7 a Total unrelated business revenue from Part VIII, column (C), line 12 7a 0. |
| b Net unrelated business taxable income from Form 990-T, Part I, line 11 7b 0. | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) 1,298,036. 588,924. |
| | 9 Program service revenue (Part VIII, line 2g) 24,995,916. 26,697,757. |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 19,022. 86,579. |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 0. 0. |
| | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 26,312,974. 27,373,260. |
| | Expenses |
| 14 Benefits paid to or for members (Part IX, column (A), line 4) 0. 0. | |
| 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 11,839,049. 12,612,695. | |
| 16a Professional fundraising fees (Part IX, column (A), line 11e) 0. 0. | |
| b Total fundraising expenses (Part IX, column (D), line 25) 0. | |
| 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 13,446,950. 14,530,416. | |
| 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 25,285,999. 27,143,111. | |
| 19 Revenue less expenses. Subtract line 18 from line 12 1,026,975. 230,149. | |
| Net Assets or Fund Balances | 20 Total assets (Part X, line 16) 13,924,708. 14,120,745. |
| | 21 Total liabilities (Part X, line 26) 10,053,241. 10,019,129. |
| | 22 Net assets or fund balances. Subtract line 21 from line 20 3,871,467. 4,101,616. |

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 | | | | |
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | Joseph R. Byrne | Joseph R. Byrne | 11/12/24 | <input type="checkbox"/> | P01289281 |
| Preparer Use Only | Firm's name | Firm's EIN | | Phone no. | |
| | Berry Dunn McNeil & Parker, LLC | 01-0523282 | | (207) 775-2387 | |
| | Firm's address | | | | |
| | 2211 Congress St | | | | |
| | Portland, ME 04102 | | | | |

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 \$ 4,181,232. including grants of \$) (Revenue \$ 4,895,479.) Emergency Services- Total visits for calendar year 2023 = 7,604

4b (Code:) (Expenses \$ 859,247. including grants of \$) (Revenue \$ 2,863,547.) Laboratory services - Performed 70,507 laboratory tests for inpatients and outpatients for calendar year 2023.

4c (Code:) (Expenses \$ 1,309,464. including grants of \$) (Revenue \$ 7,546,868.) Imaging Services to inpatients and outpatients. 13,383 radiological exams were provided to the inpatients and outpatients for calendar year 2023.

4d Other program services (Describe on Schedule O.) (Expenses \$ 16,514,697. including grants of \$) (Revenue \$ 11,391,863.)

4e Total program service expenses 22,864,640.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

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

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

| | Yes | No |
|---|-----------|----|
| 1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable | 1a | 36 |
| b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable | 1b | 0 |
| c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | 1c | X |

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

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

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 [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members... 14; 1b Enter the number of voting members included... 11; 2 Did any officer, director, trustee, or key employee have a family relationship... X; 3 Did the organization delegate control over management duties... X; 4 Did the organization make any significant changes to its governing documents... 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; 7b 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.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates... X; 10b 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; 11b 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; 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? X; 12c 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... 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; 16b 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 [X] 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, box 6 of 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. | 550,632. | 46,599. | |
| (2) John Gluscic Physician | 40.00 0.00 | | | | X | | 558,132. | 0. | 11,058. | |
| (3) Christian Inegbenijie, M.D. Trustee | 1.25 38.75 | X | | | | | 0. | 473,624. | 40,093. | |
| (4) Steven Lail CEO | 1.25 38.75 | X | | X | | | 0. | 388,393. | 33,913. | |
| (5) Lynnette Parr CFO | 1.25 38.75 | | | X | | | 0. | 286,901. | 38,146. | |
| (6) Nima Moghaddas, DPM Physician | 32.00 0.00 | | | | X | | 306,132. | 0. | 13,599. | |
| (7) Elizabeth Eliacin, MD Physician | 40.00 0.00 | | | | X | | 239,090. | 0. | 9,174. | |
| (8) James Eshleman Physician | 20.00 0.00 | | | | X | | 195,463. | 0. | 590. | |
| (9) Ausaf Tak Pharmacist | 40.00 0.00 | | | | X | | 172,507. | 0. | 387. | |
| (10) Jacqueline O'Clair Chair | 1.25 2.25 | X | | X | | | 0. | 0. | 0. | |
| (11) Judd Bragg Vice Chair | 1.25 2.25 | X | | X | | | 0. | 0. | 0. | |
| (12) Ian Pratt Treasurer | 1.25 2.25 | X | | X | | | 0. | 0. | 0. | |
| (13) Nate Martel Secretary/Past Board Chair | 1.25 2.25 | X | | X | | | 0. | 0. | 0. | |
| (14) Jack Corrigan Trustee | 1.25 2.25 | X | | | | | 0. | 0. | 0. | |
| (15) Jody Dennison Trustee | 1.25 2.25 | X | | | | | 0. | 0. | 0. | |
| (16) Michael Hennessey Trustee | 1.25 2.25 | X | | | | | 0. | 0. | 0. | |
| (17) Julie Jordan Trustee | 1.25 2.25 | 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) Betty Marshall Trustee | 1.25 2.25 | X | | | | | | 0. | 0. | 0. |
| (19) Tom Moholland Trustee | 1.25 2.25 | X | | | | | | 0. | 0. | 0. |
| (20) Corey Schwinn Trustee | 1.25 2.25 | X | | | | | | 0. | 0. | 0. |
| (21) Lisa Carlisle Past Chair | 1.25 2.25 | X | | X | | | | 0. | 0. | 0. |
| (22) Gwendolyn Jones Past Trustee | 1.25 2.25 | X | | | | | | 0. | 0. | 0. |
| 1b Subtotal | | | | | | | | 1,471,324. | 1,699,550. | 193,559. |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | 0. | 0. | 0. |
| d Total (add lines 1b and 1c) | | | | | | | | 1,471,324. | 1,699,550. | 193,559. |

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 16

| | 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 |
|---|--------------------------------|---------------------|
| EPA PO Box 634850, Cincinnati, OH 45263-4850 | ER Physicians | 2,555,755. |
| Medefis Consolidated PO Box 5068, New York, NY 10087-5068 | Traveling Staffing | 2,318,393. |
| Cody Davis DO LLC, 7322 Manatee Ave West #220, Bradenton, FL 34209 | Hospitalist | 457,434. |
| Trubridge PO Box 11407, Birmingham, AL 35246-6448 | Information System | 335,302. |
| Triage, LLC PO Box 773328, Chicago, IL 60677-3328 | Traveling Staffing | 213,560. |

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 13

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 | 508,193. | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | 80,731. | | | | |
| | g Noncash contributions included in lines 1a-1f | 1g | \$ | | | | |
| | h Total. Add lines 1a-1f | | | 588,924. | | | |
| Program Service Revenue | 2 a Patient Services | Business Code | | | | | |
| | | 621400 | 46,194,507. | 46,194,507. | | | |
| | b Other Revenue | 900099 | 1,191,186. | 1,141,888. | | 49,298. | |
| | c Contractual/Char. Adj. | 621400 | -206,879.36. | -206,879.36. | | | |
| | d | | | | | | |
| | e | | | | | | |
| | f All other program service revenue | | | | | | |
| g Total. Add lines 2a-2f | | | 26,697,757. | | | | |
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) | | 86,579. | | | 86,579. | |
| | 4 Income from investment of tax-exempt bond proceeds | | | | | | |
| | 5 Royalties | | | | | | |
| | 6 a Gross rents | 6a | (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 | 7a | (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 | 8a | | | | | | |
| | | | | | | | |
| 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 | 9a | | | | | | |
| | | | | | | | |
| b Less: direct expenses | 9b | | | | | | |
| c Net income or (loss) from gaming activities | | | | | | | |
| 10 a Gross sales of inventory, less returns and allowances | 10a | | | | | | |
| | | | | | | | |
| 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 | | | 27,373,260. | 26,648,459. | 0. | 135,877. | |

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 | 10,642,566. | 9,064,133. | 1,578,433. | |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | | | | |
| 9 Other employee benefits | 1,203,802. | 1,019,159. | 184,643. | |
| 10 Payroll taxes | 766,327. | 628,388. | 137,939. | |
| 11 Fees for services (nonemployees): | | | | |
| a Management | | | | |
| b Legal | 6,787. | | 6,787. | |
| c Accounting | 83,245. | | 83,245. | |
| 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.) | 8,460,658. | 7,398,451. | 1,062,207. | |
| 12 Advertising and promotion | 37,087. | | 37,087. | |
| 13 Office expenses | 72,568. | 20,119. | 52,449. | |
| 14 Information technology | | | | |
| 15 Royalties | | | | |
| 16 Occupancy | 1,481,683. | 1,053,120. | 428,563. | |
| 17 Travel | 10,226. | 8,344. | 1,882. | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials ... | | | | |
| 19 Conferences, conventions, and meetings | | | | |
| 20 Interest | 200,603. | 200,603. | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 618,995. | 618,995. | | |
| 23 Insurance | 325,985. | 296,904. | 29,081. | |
| 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 | 1,850,512. | 1,830,238. | 20,274. | |
| b Service Provider Tax | 613,854. | 613,854. | | |
| c Miscellaneous Expense | 591,090. | 31,661. | 559,429. | |
| d Dues and Subscriptions | 177,123. | 80,671. | 96,452. | |
| e All other expenses | | | | |
| 25 Total functional expenses. Add lines 1 through 24e | 27,143,111. | 22,864,640. | 4,278,471. | 0. |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) | | | | |

Part X Balance Sheet

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

| | | (A) Beginning of year | | (B) End of year |
|--|--|--------------------------|-------------|--------------------|
| Assets | 1 Cash - non-interest-bearing | 349,305. | 1 | 430,029. |
| | 2 Savings and temporary cash investments | 4,453,864. | 2 | 4,837,572. |
| | 3 Pledges and grants receivable, net | | 3 | |
| | 4 Accounts receivable, net | 1,464,567. | 4 | 1,234,253. |
| | 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 | 313,149. | 8 | 352,801. |
| | 9 Prepaid expenses and deferred charges | 244,419. | 9 | 205,787. |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 7,635,597. | | |
| | b Less: accumulated depreciation | 10b 1,177,931. | | |
| | 11 Investments - publicly traded securities | 5,947,135. | 10c | 6,457,666. |
| | 12 Investments - other securities. See Part IV, line 11 | 37,725. | 11 | |
| | 13 Investments - program-related. See Part IV, line 11 | | 12 | |
| | 14 Intangible assets | | 13 | |
| | 15 Other assets. See Part IV, line 11 | 1,114,544. | 14 | |
| 16 Total assets. Add lines 1 through 15 (must equal line 33) | 13,924,708. | 15 | 602,637. | |
| | | 16 | 14,120,745. | |
| Liabilities | 17 Accounts payable and accrued expenses | 2,475,549. | 17 | 2,549,674. |
| | 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 | 7,392,788. | 23 | 7,469,455. |
| | 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 | 184,904. | 25 | 0. |
| | 26 Total liabilities. Add lines 17 through 25 | 10,053,241. | 26 | 10,019,129. |
| 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 | 3,833,742. | 27 | 4,101,616. |
| | 28 Net assets with donor restrictions | 37,725. | 28 | 0. |
| | 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 | 3,871,467. | 32 | 4,101,616. |
| | 33 Total liabilities and net assets/fund balances | 13,924,708. | 33 | 14,120,745. |

Part XI Reconciliation of Net Assets

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

| | | | |
|----|--|----|-------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 27,373,260. |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 27,143,111. |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | 230,149. |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A)) | 4 | 3,871,467. |
| 5 | Net unrealized gains (losses) on investments | 5 | |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain on Schedule O) | 9 | 0. |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B)) | 10 | 4,101,616. |

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? _____ 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 | | X |
| b | Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | X | |
| c | If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O. | X | |
| 3a | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F? _____ | 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 (2023)

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) 2019 | (b) 2020 | (c) 2021 | (d) 2022 | (e) 2023 | (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) 2019 | (b) 2020 | (c) 2021 | (d) 2022 | (e) 2023 | (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 2023 (line 6, column (f), divided by line 11, column (f)) | 14 | % |
| 15 Public support percentage from 2022 Schedule A, Part II, line 14 | 15 | % |
| 16a 33 1/3% support test - 2023. 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 - 2022. 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 - 2023. 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 - 2022. 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) 2019 | (b) 2020 | (c) 2021 | (d) 2022 | (e) 2023 | (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) 2019 | (b) 2020 | (c) 2021 | (d) 2022 | (e) 2023 | (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 2023 (line 8, column (f), divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2022 Schedule A, Part III, line 15 | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|--|-----------|---|
| 17 Investment income percentage for 2023 (line 10c, column (f), divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from 2022 Schedule A, Part III, line 17 | 18 | % |

19a 33 1/3% support tests - 2023. 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 - 2022. 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 on line 12 of Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

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

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

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

| Section B - Minimum Asset Amount | | (A) Prior Year | (B) Current Year (optional) |
|----------------------------------|---|----------------|-----------------------------|
| 1 | Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year): | | |
| a | Average monthly value of securities | 1a | |
| b | Average monthly cash balances | 1b | |
| c | Fair market value of other non-exempt-use assets | 1c | |
| d | Total (add lines 1a, 1b, and 1c) | 1d | |
| e | Discount claimed for blockage or other factors (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 2023 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-2023 | (iii) Distributable Amount for 2023 |
|--|-------------------------------------|---|--|
| 1 Distributable amount for 2023 from Section C, line 6 | | | |
| 2 Underdistributions, if any, for years prior to 2023 (reasonable cause required - <i>explain in Part VI</i>). See instructions. | | | |
| 3 Excess distributions carryover, if any, to 2023 | | | |
| a From 2018 | | | |
| b From 2019 | | | |
| c From 2020 | | | |
| d From 2021 | | | |
| e From 2022 | | | |
| f Total of lines 3a through 3e | | | |
| g Applied to underdistributions of prior years | | | |
| h Applied to 2023 distributable amount | | | |
| i Carryover from 2018 not applied (see instructions) | | | |
| j Remainder. Subtract lines 3g, 3h, and 3i from line 3f. | | | |
| 4 Distributions for 2023 from Section D, line 7: \$ | | | |
| a Applied to underdistributions of prior years | | | |
| b Applied to 2023 distributable amount | | | |
| c Remainder. Subtract lines 4a and 4b from line 4. | | | |
| 5 Remaining underdistributions for years prior to 2023, 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 2023. 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 2024. Add lines 3j and 4c. | | | |
| 8 Breakdown of line 7: | | | |
| a Excess from 2019 | | | |
| b Excess from 2020 | | | |
| c Excess from 2021 | | | |
| d Excess from 2022 | | | |
| e Excess from 2023 | | | |

Schedule A (Form 990) 2023

Schedule B
(Form 990)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2023

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).

For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990) (2023)

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

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>184,904.</u> | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 2 | <hr/> <hr/> <hr/> | \$ <u>40,000.</u> | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 3 | <hr/> <hr/> <hr/> | \$ <u>273,289.</u> | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 4 | <hr/> <hr/> <hr/> | \$ <u>10,000.</u> | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 5 | <hr/> <hr/> <hr/> | \$ <u>10,000.</u> | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 6 | <hr/> <hr/> <hr/> | \$ <u>5,000.</u> | Person <input checked="" 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 |
|--|---|

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|------------|-----------------------------------|----------------------------|---|
| 7 | <hr/> <hr/> <hr/> | \$ <u>50,000.</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 |
|--|---|

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

SCHEDULE C
(Form 990)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2023

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

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

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

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

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

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

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

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

- 2 Political campaign activity expenditures \$ _____
- 3 Volunteer hours for political campaign activities _____

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

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

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

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

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

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

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

| Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) | (a) Filing organization's totals | (b) Affiliated group totals | | | | | | | | | | | | |
|--|--|------------------------------------|---------------------|-------------------------------|--|--|--|--|---|---|--------------------|--------------|--|--|
| 1a Total lobbying expenditures to influence public opinion (grassroots lobbying) | | | | | | | | | | | | | | |
| b Total lobbying expenditures to influence a legislative body (direct lobbying) | | | | | | | | | | | | | | |
| c Total lobbying expenditures (add lines 1a and 1b) | | | | | | | | | | | | | | |
| d Other exempt purpose expenditures | | | | | | | | | | | | | | |
| e Total exempt purpose expenditures (add lines 1c and 1d) | | | | | | | | | | | | | | |
| f Lobbying nontaxable amount. Enter the amount from the following table in both columns. | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 70%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>not over \$500,000,</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>over \$500,000 but not over \$1,000,000,</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>over \$1,000,000 but not over \$1,500,000,</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>over \$1,500,000 but not over \$17,000,000,</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>over \$17,000,000,</td> <td>\$1,000,000.</td> </tr> </tbody> </table> | If the amount on line 1e, column (a) or (b) is: | The lobbying nontaxable amount is: | not over \$500,000, | 20% of the amount on line 1e. | over \$500,000 but not over \$1,000,000, | \$100,000 plus 15% of the excess over \$500,000. | over \$1,000,000 but not over \$1,500,000, | \$175,000 plus 10% of the excess over \$1,000,000. | over \$1,500,000 but not over \$17,000,000, | \$225,000 plus 5% of the excess over \$1,500,000. | over \$17,000,000, | \$1,000,000. | | |
| If the amount on line 1e, column (a) or (b) is: | The lobbying nontaxable amount is: | | | | | | | | | | | | | |
| not over \$500,000, | 20% of the amount on line 1e. | | | | | | | | | | | | | |
| over \$500,000 but not over \$1,000,000, | \$100,000 plus 15% of the excess over \$500,000. | | | | | | | | | | | | | |
| over \$1,000,000 but not over \$1,500,000, | \$175,000 plus 10% of the excess over \$1,000,000. | | | | | | | | | | | | | |
| over \$1,500,000 but not over \$17,000,000, | \$225,000 plus 5% of the excess over \$1,500,000. | | | | | | | | | | | | | |
| over \$17,000,000, | \$1,000,000. | | | | | | | | | | | | | |
| g Grassroots nontaxable amount (enter 25% of line 1f) | | | | | | | | | | | | | | |
| h Subtract line 1g from line 1a. If zero or less, enter -0- | | | | | | | | | | | | | | |
| i Subtract line 1f from line 1c. If zero or less, enter -0- | | | | | | | | | | | | | | |
| j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | | | | | | | | | | | |

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

| Lobbying Expenditures During 4-Year Averaging Period | | | | | |
|---|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) | (a) 2020 | (b) 2021 | (c) 2022 | (d) 2023 | (e) Total |
| 2a Lobbying nontaxable amount | | | | | |
| b Lobbying ceiling amount (150% of line 2a, column(e)) | | | | | |
| c Total lobbying expenditures | | | | | |
| d Grassroots nontaxable amount | | | | | |
| e Grassroots ceiling amount (150% of line 2d, column (e)) | | | | | |
| f Grassroots lobbying expenditures | | | | | |

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

| For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity. | (a) | | (b) |
|---|-----|----|--------|
| | Yes | No | Amount |
| 1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of: | | | |
| a Volunteers? | | X | |
| b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? .. | | X | |
| c Media advertisements? | | X | |
| d Mailings to members, legislators, or the public? | | X | |
| e Publications, or published or broadcast statements? | | X | |
| f Grants to other organizations for lobbying purposes? | | X | |
| g Direct contact with legislators, their staffs, government officials, or a legislative body? | | X | |
| h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? | | X | |
| i Other activities? | X | | 1,102. |
| j Total. Add lines 1c through 1i | | | 1,102. |
| 2a Did the activities in line 1 cause the organization to not be described in section 501(c)(3)? | | X | |
| b If "Yes," enter the amount of any tax incurred under section 4912 | | | |
| c If "Yes," enter the amount of any tax incurred by organization managers under section 4912 | | | |
| d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? | | | |

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

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

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

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

Part IV Supplemental Information

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

Part II-B, Line 1, Lobbying Activities:

The Organization pays dues to local associations, a portion of which is attributable to lobbying activities.

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

2023

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 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?, 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?

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

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 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, 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 2d 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.

Table with 2 columns: \$. Rows include: 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) 2023

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 in 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? | 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 | | 293,536. | | 293,536. |
| b Buildings | | 4,521,662. | 498,758. | 4,022,904. |
| c Leasehold improvements | | | | |
| d Equipment | | 2,791,580. | 676,980. | 2,114,600. |
| e Other | | 28,819. | 2,193. | 26,626. |
| Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, line 10c, column (B)) | | | | 6,457,666. |

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, line 12, col. (B)) | | |

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, line 13, col. (B)) | | |

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, line 15, col. (B)) | |

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) | |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, line 25, col. (B)) | |

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 20a.
Attach to Form 990.

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

OMB No. 1545-0047

2023

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) | | | 29,939. | | 29,939. | .11% |
| b Medicaid (from Worksheet 3, column a) | | | 6253222. | 6015270. | 237,952. | .88% |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | | | | |
| d Total. Financial Assistance and Means-Tested Government Programs | | | 6283161. | 6015270. | 267,891. | .99% |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | | | 12,993. | | 12,993. | .05% |
| f Health professions education (from Worksheet 5) | | | 36,274. | | 36,274. | .13% |
| g Subsidized health services (from Worksheet 6) | | | 767,204. | | 767,204. | 2.83% |
| h Research (from Worksheet 7) | | | | | | |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | | | | | |
| j Total. Other Benefits | | | 816,471. | | 816,471. | 3.01% |
| k Total. Add lines 7d and 7j | | | 7099632. | 6015270. | 1084362. | 4.00% |

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 1

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

1 Calais Community Hospital
24 Hospital Lane
Calais, ME 04619
www.calaishospital.org
39606

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, , Other (describe), .

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>22</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>22</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 their application | | |
| b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of their 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) 2023

Part V Facility Information (continued)

Billing and Collections

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

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

Policy Relating to Emergency Medical Care

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

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group: 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? | 23 | X |
| If "Yes," explain in Section C. | | |
| 24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? | 24 | X |
| If "Yes," explain in Section C. | | |

Schedule H (Form 990) 2023

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 2022 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; Seabasticook 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 Community Health Needs Assessment (Maine Shared CHNA) is a collaboration between Central Maine Healthcare (CMHC), Maine Center for Disease Control and Prevention (Maine CDC), MaineGeneral Health (MGH), MaineHealth (MH), and Northern Light Health (NLH). The vision of the Maine Shared CHNA is to turn health data into action so that Maine will become the healthiest state in the U.S. Down East Community Hospital was an active participant in the process.

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 Community Hospital City of Calais
- Community Caring Collaborative Community Health & Counseling
- Services/Mental and Behavioral Health Community Health & Counseling
- Services/Home Health & Hospice Community members Comprehensive Cancer
- Control Program Down East Community Hospital Downeast Public Health
- District University of Maine Downeast Rural Health Collaborative Institute
- Eastern Area Agency on Aging Eastport Health Care Harrington Family Health
- Center Healthy Acadia Maine Community Foundation Maine Department of
- Health and Human Services Maine Hospice Council Maine Mobile Health
- Program Maine Seacoast Mission Maine Senator Marianne Moore Maine State
- Police NextStep Domestic Violence Project Northern Light Health Office of
- Aging and Disability Services, Department of Health and Human Services
- Penobscot Community Health Care Public Health Nursing Maine Center for
- Disease Control and Prevention St. Croix Regional Family Health Center
- Strategic Wisdom Partners Sunrise County Economic Council UMaine Center on
- Aging Senior Companion Program The University of Maine at Machias US
- Senator Susan Collins' Office Washington County Community College.

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

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.

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. CCH's detailed implementation strategy can be found on the hospital website.

Calais Community Hospital

Part V, line 16b, FAP Application website:

calaishospital.org/financial-assistance/

Calais Community Hospital

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

calaishospital.org/financial-assistance/

Calais Community Hospital:

Part V, Section B, Line 16j: Notices of the Free Care program are posted at the front desk in the main lobby, in the registration areas, patient billing department, Surgical Services department, Orthopedic Department, Baileyville Clinic, and Rural Health Care Clinic. Applications are available at all of these points. Assistance in completing the applications is provided by the Patient Financial Advocate.

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 (for example, 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 11-13 of the attached audited financial statements for footnote disclosure.

Part III, Line 8:

Down East Community Hospital is paid by Medicare as a critical access hospitals (CAH). Most inpatient and outpatient services are reimbursed at 101% of reasonable costs. Beginning in 2013, Critical Access Hospitals reimbursement was reduced by 2% due to a Federal sequestration. Physician and practitioner bills are paid for professional Medicare services using the Physician Fee Schedule (PFS). The amount to provide services to Medicare costs more than the revenue generated from services to Medicare

Part VI Supplemental Information (Continuation)

patients. We consider direct shortfall the organization sustains for providing these services a community benefit.

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.

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

Part VI Supplemental Information (Continuation)

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 31,491 and 30.8% of the population is 65 years of age or older. The population is predominantly white (90.8%); 2.4% are Hispanic, and 2.1% are two or more races. The median household income is \$41,347, over \$15,000 less than the state average. The high school graduation rate (84.4%) was lower than the state (87.4%). The percentage of the population with an associate degree or higher was (31.2%) which was lower than the state (41.9%).

Quantitative Evidence:

In Washington County:

The percentage of the population that was uninsured was higher than the state overall (12.9% vs. 7.9%) in 2015-2019.

The percentage of the population who reported an inability to access healthcare due to cost was higher than the state overall (13.0% vs. 10.6%) from 2015-2017.

The percentage of the population with a usual primary care provider was

Part VI Supplemental Information (Continuation)

significantly lower than the state overall (82.4% vs. 87.9%) in 2015-2017.

The percentage of the population with a primary care visit to any provider in the past year was significantly lower than the state overall (82.4% vs. 87.9%) in 2015-2017.

The percentage of individuals living in poverty was higher than the state (18% vs. 11.8%) and the percentage of children living in poverty was significantly higher than the state (24.6% vs. 13.8%)

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)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

OMB No. 1545-0047

2023

Open to Public
Inspection

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

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

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

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

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

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

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

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

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

| | Yes | No |
|----|-----|----|
| 1a | | |
| 1b | | |
| 2 | | |
| 3 | | |
| 4a | | X |
| 4b | | X |
| 4c | | X |
| 5a | | X |
| 5b | | X |
| 6a | | X |
| 6b | | X |
| 7 | X | |
| 8 | | X |
| 9 | | |

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

Schedule J (Form 990) 2023

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) | 550,632. | 0. | 0. | 16,500. | 30,099. | 597,231. | 0. |
| (2) John Gluscic Physician | (i) | 472,586. | 71,146. | 14,400. | 0. | 11,058. | 569,190. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (3) Christian Inegbenijie, M.D. Trustee | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 463,624. | 10,000. | 0. | 16,500. | 23,593. | 513,717. | 0. |
| (4) Steven Lail CEO | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 380,893. | 7,500. | 0. | 13,200. | 20,713. | 422,306. | 0. |
| (5) Lynnette Parr CFO | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 286,901. | 0. | 0. | 17,424. | 20,722. | 325,047. | 0. |
| (6) Nima Moghaddas, DPM Physician | (i) | 246,209. | 59,923. | 0. | 0. | 13,599. | 319,731. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (7) Elizabeth Eliacin, MD Physician | (i) | 239,090. | 0. | 0. | 0. | 9,174. | 248,264. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (8) James Eshleman Physician | (i) | 174,222. | 21,241. | 0. | 0. | 590. | 196,053. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (9) Ausaf Tak Pharmacist | (i) | 172,507. | 0. | 0. | 0. | 387. | 172,894. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
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| | (ii) | | | | | | | |
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| | (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:

Physician bonuses are based on three categories: Retention, RVU, or minimum base salary levels.

**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

2023

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 \$ 16,514,697. including grants of \$ 0. Revenue \$ 11,391,863.

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:

The Corporators shall elect the Trustees of this Corporation from a slate
of nominees presented by the Nominating Committee in accordance with the
provisions of the Bylaws.

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 financial viability of this Corporation

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

Schedule O (Form 990) 2023

LHA 332211 11-14-23

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

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 Trustee serving on the Board of Trustees of this Corporation.

9. Approving the operational structure of this Corporation

10. Approving the sale or substantially all 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 adoption of new health services.

2. Unbudgeted debt instruments, notes, guarantees, mortgages, or pledges in excess of such limits as the Members shall specify from time to time.

3. Authorization or material amendment of contracts for sale, lease,

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

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.

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:

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 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.

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

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

The Organization has a CEO Compensation committee. This committee is responsible for 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 IX, Line 11g, Other Fees:

Purchased Services:

| | |
|---------------------------------|------------|
| Program service expenses | 608,497. |
| Management and general expenses | 1,062,207. |
| Fundraising expenses | 0. |
| Total expenses | 1,670,704. |

Temporary Personnel:

| | |
|---------------------------------|------------|
| Program service expenses | 3,012,965. |
| Management and general expenses | 0. |
| Fundraising expenses | 0. |
| Total expenses | 3,012,965. |

Physician Fees:

| | |
|---------------------------------|------------|
| Program service expenses | 3,776,989. |
| Management and general expenses | 0. |

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

Fundraising expenses 0.

Total expenses 3,776,989.

Total Other Fees on Form 990, Part IX, line 11g, Col A 8,460,658.

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

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

Calais Community Hospital

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).

**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

2023

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

Schedule R (Form 990) 2023

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 | |
| | | | | | | | | | | | | |
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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 |
| | | | | | | | | | |
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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) | | | |

**Application for Extension of Time To File an Exempt Organization
Return or Excise Taxes Related to Employee Benefit Plans**

OMB No. 1545-0047

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

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.

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.

Part I - Identification

| | | |
|--|---|---|
| Type or Print | Name of exempt organization, employer, 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) 01

| Application Is For | Return Code | Application Is For | Return Code |
|--|-------------|-----------------------------------|-------------|
| Form 990 or Form 990-EZ | 01 | Form 4720 (other than individual) | 09 |
| Form 4720 (individual) | 03 | Form 5227 | 10 |
| Form 990-PF | 04 | Form 6069 | 11 |
| Form 990-T (sec. 401(a) or 408(a) trust) | 05 | Form 8870 | 12 |
| Form 990-T (trust other than above) | 06 | Form 5330 (individual) | 13 |
| Form 990-T (corporation) | 07 | Form 5330 (other than individual) | 14 |
| Form 1041-A | 08 | | |

• After you enter your Return Code, complete either Part II or Part III. Part III, including signature, is applicable only for an extension of time to file Form 5330.

• If this application is for an extension of time to file Form 5330, you must enter the following information.

Plan Name _____
 Plan Number _____
 Plan Year Ending (MM/DD/YYYY) _____

Part II - Automatic Extension of Time To File for Exempt Organizations (see instructions)

The books are in the care of **Lynnette Parr**
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**, 20 **24**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 calendar year 20 **23** or
 tax year beginning _____, 20 _____, and ending _____, 20 _____

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. |

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8868** (Rev. 1-2024)



Down East Community Hospital and Subsidiaries

FINANCIAL STATEMENTS

with

SUPPLEMENTARY INFORMATION

December 31, 2023 and 2022

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, 2023 and 2022, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the 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, 2023 and 2022, 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 (U.S. GAAP).

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards (U.S. GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of 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. GAAP, 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. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

The Board of Trustees
Down East Community Hospital and Subsidiaries

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. GAAS, 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.

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
April 22, 2024

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

ASSETS

| | <u>2023</u> | <u>2022</u> |
|---|-----------------------------|-----------------------------|
| Current assets | | |
| Cash and cash equivalents | \$ 19,825,674 | \$ 19,526,133 |
| Patient accounts receivable | 5,556,878 | 4,832,727 |
| Assets limited as to use, net of current portion | 541,920 | 520,739 |
| Estimated third-party payor settlements | 1,252,584 | 3,153,190 |
| Other receivables | 687,992 | 906,241 |
| Supplies | 995,762 | 1,108,564 |
| Prepaid expenses and other assets | <u>471,515</u> | <u>673,602</u> |
| Total current assets | 29,332,325 | 30,721,196 |
| Assets limited as to use, excluding current portion | 4,193,005 | 4,010,526 |
| Property and equipment, net | 27,994,356 | 29,652,907 |
| Right-of-use assets - operating leases | <u>317,445</u> | <u>467,924</u> |
| Total assets | <u>\$ 61,837,131</u> | <u>\$ 64,852,553</u> |

LIABILITIES AND NET ASSETS

| | | |
|--|-----------------------------|-----------------------------|
| Current liabilities | | |
| Current portion of long-term debt and finance leases | \$ 1,354,505 | \$ 1,302,794 |
| Current portion of lease liabilities - operating | 125,336 | 154,648 |
| Accounts payable and accrued expenses | 4,568,610 | 4,161,992 |
| Accrued payroll and amounts withheld | 3,066,604 | 2,705,549 |
| Borrowing collateralized by patient accounts receivable | 403,448 | 621,484 |
| Deferred stimulus revenue | <u>-</u> | <u>337,878</u> |
| Total current liabilities | 9,518,503 | 9,284,345 |
| Unfunded pension liability | - | 1,642,503 |
| Lease liabilities - operating, net of current portion | 197,361 | 322,697 |
| Long-term debt and finance leases, excluding current portion | <u>16,831,964</u> | <u>17,801,802</u> |
| Total liabilities | <u>26,547,828</u> | <u>29,051,347</u> |
| Net assets | | |
| Without donor restrictions | 33,621,844 | 34,117,386 |
| With donor restrictions | <u>1,667,459</u> | <u>1,683,820</u> |
| Total net assets | <u>35,289,303</u> | <u>35,801,206</u> |
| Total liabilities and net assets | <u>\$ 61,837,131</u> | <u>\$ 64,852,553</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, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|--|----------------------------|---------------------|
| Revenues, gains, and other support | | |
| Net patient service revenue | \$ 85,537,396 | \$ 81,793,996 |
| Other revenue | 3,149,138 | 2,348,966 |
| Provider Relief Funds and other stimulus funds | <u>1,067,975</u> | <u>2,698,733</u> |
| Total revenues, gains, and other support | <u>89,754,509</u> | <u>86,841,695</u> |
| Expenses | | |
| Salaries | 34,724,208 | 32,730,654 |
| Employee benefits | 9,100,406 | 8,879,346 |
| Purchased services | 5,775,126 | 4,703,832 |
| Temporary personnel | 9,102,562 | 10,342,031 |
| Professional fees | 10,130,129 | 9,263,549 |
| Supplies | 9,602,429 | 9,282,417 |
| Other | 8,537,915 | 7,635,674 |
| Depreciation and amortization | 3,160,596 | 2,520,368 |
| Interest | <u>596,365</u> | <u>502,416</u> |
| Total expenses | <u>90,729,736</u> | <u>85,860,287</u> |
| Operating (losses) gains | <u>(975,227)</u> | <u>981,408</u> |
| Non-operating gains (losses) | | |
| Investment income | 507,577 | 275,318 |
| Net unrealized gains (losses) on investments | 100,529 | (225,643) |
| Contribution received in the acquisition of Calais Community Hospital | - | 99,077 |
| Pension plan net income | <u>-</u> | <u>34,053</u> |
| Non-operating gains, net | <u>608,106</u> | <u>182,805</u> |
| (Deficiency) excess of revenues, gains, and other support over expenses and losses | (367,121) | 1,164,213 |
| Net unrealized losses on non-equity investments | (44,078) | (69,755) |
| Net assets released from restrictions for capital expenditures | 117,672 | 9,011 |
| Provider Relief Funds used for purchase of capital | - | 1,769,798 |
| Unfunded pension liability adjustment | <u>(202,015)</u> | <u>152,506</u> |
| (Decrease) increase in net assets without donor restrictions | <u>\$ (495,542)</u> | <u>\$ 3,025,773</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, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|--|-----------------------------|----------------------|
| Net assets without donor restrictions | | |
| (Deficiency) excess of revenues, gains, and other support over expenses | \$ (367,121) | \$ 1,164,213 |
| Change in net unrealized losses on non-equity investments | (44,078) | (69,755) |
| Net assets released from restrictions for capital expenditures | 117,672 | 9,011 |
| Provider Relief Funds used for the purchase of capital | - | 1,769,798 |
| Unfunded pension liability adjustment | <u>(202,015)</u> | <u>152,506</u> |
| (Decrease) increase in net assets without donor restrictions | <u>(495,542)</u> | <u>3,025,773</u> |
| Net assets with donor restrictions | | |
| Contributions, net | 58,580 | 109,631 |
| Change in net unrealized (losses) gains on investments | 42,731 | (106,812) |
| Net assets released from restrictions | <u>(117,672)</u> | <u>(9,011)</u> |
| Decrease in net assets with donor restrictions | <u>(16,361)</u> | <u>(6,192)</u> |
| (Decrease) increase in net assets | (511,903) | 3,019,581 |
| Net assets, beginning of year | <u>35,801,206</u> | <u>32,781,625</u> |
| Net assets, end of year | <u>\$ 35,289,303</u> | <u>\$ 35,801,206</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, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|--|----------------------|----------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ (511,903) | \$ 3,019,581 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Unfunded pension liability adjustment | 202,015 | (152,506) |
| Depreciation and amortization | 3,160,596 | 2,520,368 |
| Change in right-of-use assets and lease liability - operating leases | (4,169) | 9,422 |
| Net realized and unrealized losses (gains) on investments | (148,203) | 253,557 |
| Restricted contributions and income | (69,728) | (106,073) |
| Amortization of debt premium and issuance costs | (59,487) | (59,487) |
| Changes in assets and liabilities | | |
| Patient accounts receivable | (724,151) | 148,424 |
| Estimated third-party payor settlements | 1,900,606 | (3,694,273) |
| Other receivables | 218,249 | 71,056 |
| Other current assets | 314,889 | (58,655) |
| Accounts payable and accrued expenses | 767,673 | (56,961) |
| Provider Relief Funds and other stimulus revenue | (337,878) | (3,533,274) |
| Refundable advances | - | (258,376) |
| Medicare accelerated payments | - | (3,876,420) |
| Unfunded pension liability | (1,844,518) | (208,223) |
| Net cash provided (used) by operating activities | <u>2,863,991</u> | <u>(5,981,840)</u> |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (990,685) | (4,806,691) |
| Purchase of assets limited as to use | (60,415) | (1,746,219) |
| Proceeds from sale of assets limited as to use | 20,666 | 1,671,427 |
| Net cash used by investing activities | <u>(1,030,434)</u> | <u>(4,881,483)</u> |
| Cash flows from financing activities | | |
| Proceeds from restricted contributions, net of pledges | 69,728 | 106,073 |
| Increase (decrease) in borrowing collateralized by patient accounts receivable | (218,036) | 55,438 |
| Repayment of long-term debt | (842,938) | (686,326) |
| Payments on finance leases | (527,062) | (537,877) |
| Net cash used by financing activities | <u>(1,518,308)</u> | <u>(1,062,692)</u> |
| Net increase (decrease) in cash and cash equivalents | 315,249 | (11,926,015) |
| Cash, cash equivalents, and restricted cash, beginning of year | <u>19,995,594</u> | <u>31,921,609</u> |
| Cash, cash equivalents, and restricted cash, end of year | <u>\$ 20,310,843</u> | <u>\$ 19,995,594</u> |
| Composition of cash, cash equivalents, and restricted cash, end of year: | | |
| Cash and cash equivalents | \$ 19,825,674 | \$ 19,526,133 |
| Restricted cash included in assets limited as to use | 485,169 | 469,461 |
| | <u>\$ 20,310,843</u> | <u>\$ 19,995,594</u> |

Noncash transaction:

During 2023, the organization acquired \$511,360 of equipment with long-term debt. During 2022, the Organization entered into finance lease obligations acquiring assets with a value of \$151,587. During 2022, the Organization also implemented ASC 842 including noncash transactions of \$625,375 for the recognition of operating leases.

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, 2023 and 2022

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. Calais Community Hospital (CCH), is a not-for-profit acute care hospital in Calais, Maine. CCH is a wholly owned subsidiary, acquired June 30, 2021. 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.

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.

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 (U.S. 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.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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, 2023, 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, 2023 and 2022, the Organization had advances under this arrangement of \$403,448 and \$621,484, respectively, collateralized by patient accounts receivable.

Supplies

Supplies are carried at average cost.

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, 2023 and 2022, fair value exceeded historical costs for substantially all investments.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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 finance 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 (deficiency) 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.

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.

COVID-19 Relief Funding

As a response to the COVID-19 pandemic, the U.S. government responded with relief legislation called the Coronavirus Aid, Relief, and Economic Security (CARES) Act, among other subsequent legislation, to address the economic impact of the COVID-19 outbreak.

Revenue for COVID-19 relief funding is recognized when management believes the Organization met the conditions necessary to recognize the revenue. COVID-19 relief funding received, but not yet earned, is recorded as deferred revenue. Due to the complexity of the reporting requirements for COVID-19 relief funding and the continued issuance of clarifying guidance, there is at least a reasonable possibility the amount of income recognized from the COVID-19 relief funding may change by a material amount. Any difference between amounts previously estimated and amounts subsequently determined to be recoverable or payable will be included in income in the year that such amounts become known.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

The CARES Act's Provider Relief Fund (PRF) and the American Rescue Plan (ARP) provide reimbursements to healthcare providers for COVID-19-related expenses or lost revenues. The Organization has received \$10,315,291 of HHS Provider Relief and American Rescue Plan Funds (the funds). During 2021 and 2020, the Organization recognized collectively \$6,702,515 in revenue from the funds. For the year ended December 31, 2022, the Organization recognized the remaining \$75,000 in revenue from the funds.

Right-of-Use Assets and Lease Liabilities

Effective January 1, 2022, the Organization adopted FASB ASC Topic 842, *Leases* (Topic 842). The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Organization determines these assets are leased because the Organization has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because the Organization determines it does not have the right to control and direct the use of the identified asset. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating its contracts, the Organization separately identifies lease and non-lease components, such as maintenance costs, in calculating the right-of-use (ROU) assets and lease liabilities for its facility and equipment leases. The Organization has elected the practical expedient to not separate lease and non-lease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the non-lease agreement.

Leases result in the recognition of ROU assets and lease liabilities on the consolidated balance sheet. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date. Finance leases are reported with long-term debt in Note 8 and costs and accumulated amortization of finance leases are disclosed in Note 7, property and equipment.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. Topic 842 requires the use of the implicit rate in the lease when readily determinable. As the leases do not provide an implicit rate, the Organization elected to use their incremental borrowing rate when the rate of the lease is not implicit in the lease agreement.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

The Organization has elected not to record leases with an initial term of 12 months or less on the balance sheet. Lease expense on such leases is recognized on a straight-line basis over the lease term.

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.

Effective January 1, 2023, the Organization adopted Financial Accounting Standards Board Accounting Standards Update (ASU) 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected claims and credit losses on certain financial instruments. Topic 326 requires measurement and recognition of expected versus incurred losses for financial assets held. Financial assets held by the Organization that are subject to ASU 2016-13 include patient accounts receivable. The adoption of this ASU did not have a material impact on the Organization's financial statements.

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management estimates implicit price concessions based on its historical collection experience with patients. No additional valuation allowance is necessary for possible credit losses based on historical experience, current conditions, and reasonable and supportable forecasts. U.S. GAAP requires disclosure of opening balances of contracts receivable which amounted to \$4,981,151 at January 1, 2022.

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

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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.

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. Due to a federally mandated sequestration Medicare payments were reduced by 2% beginning July 1, 2022.
- MaineCare – As a CAH, services rendered to MaineCare recipients are reimbursed at 109% of allowable cost.

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.

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

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

The following table summarizes the Organization's settlements and settlement activity with its significant third-party payors:

As of December 31, 2023:

| | Beginning of Year Settlement Balance | Fiscal Year Estimate | Prior Year Settlements and Adjustments | Current Year Receipts, Net | End of Year Settlement Balance | Open Settlement Years |
|----------|---|----------------------------|--|----------------------------------|--------------------------------------|-----------------------------|
| Medicare | \$ 1,949,201 | \$ (272,000) | \$ (176,438) | \$ (2,068,404) | \$ (567,641) | 2019 - 2023 |
| Medicaid | 954,193 | 592,000 | 819,779 | (619,676) | 1,746,296 | 2018 - 2023 |
| Anthem | 249,796 | (181,000) | 5,133 | - | 73,929 | 2021 - 2023 |
| Total | <u>\$ 3,153,190</u> | <u>\$ 139,000</u> | <u>\$ 648,474</u> | <u>\$ (2,688,080)</u> | <u>\$ 1,252,584</u> | |

As of December 31, 2022:

| | Beginning of Year Settlement Balance | Fiscal Year Estimate | Prior Year Settlements and Adjustments | Current Year Payments | End of Year Settlement Balance | Open Settlement Years |
|----------|---|----------------------------|--|-----------------------------|--------------------------------------|-----------------------------|
| Medicare | \$ (873,459) | \$ 2,188,150 | \$ 893,269 | \$ (258,759) | \$ 1,949,201 | 2019 - 2022 |
| Medicaid | (417,624) | 891,856 | 1,147,074 | (667,113) | 954,193 | 2017 - 2022 |
| Anthem | 750,000 | (82,000) | (90,151) | (328,053) | 249,796 | 2021 - 2022 |
| Total | <u>\$ (541,083)</u> | <u>\$ 2,998,006</u> | <u>\$ 1,950,192</u> | <u>\$ (1,253,925)</u> | <u>\$ 3,153,190</u> | |

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 payor class.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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.

(Deficiency) 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 April 22, 2024, 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 \$19,813,822 and \$21,436,851 at December 31, 2023 and 2022, respectively. The Organization had average days (based on normal expenditures) cash and cash equivalents on hand of 83 and 86 at December 31, 2023 and 2022, 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>2023</u> | <u>2022</u> |
|--|----------------------|----------------------|
| Cash and cash equivalents | \$ 19,825,674 | \$ 19,526,133 |
| Patient accounts receivable, net | 5,556,878 | 4,832,727 |
| Assets limited as to use, under debt agreement | 485,169 | 466,353 |
| Other receivables, net | <u>687,992</u> | <u>906,241</u> |
| Financial assets available at year end for current use | <u>\$ 26,555,713</u> | <u>\$ 25,731,454</u> |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

The Organization has other long-term investments of \$2,575,546 and \$2,325,148 at December 31, 2023 and 2022, 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 \$1,000,000 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, 2023 and 2022.

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>2023</u> | <u>2022</u> |
|---------------------------------------|----------------------|----------------------|
| Gross patient service revenue | | |
| Inpatient | \$ 20,273,332 | \$ 16,921,350 |
| Outpatient | <u>147,486,101</u> | <u>140,705,487</u> |
| Gross patient service revenue | <u>167,759,433</u> | <u>157,626,837</u> |
| Less contractals and other allowances | <u>82,222,037</u> | <u>75,832,841</u> |
| | <u>82,222,037</u> | <u>75,832,841</u> |
| Net patient service revenue | <u>\$ 85,537,396</u> | <u>\$ 81,793,996</u> |

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.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

The composition of patient care service revenue based on its method of reimbursement for the years ended December 31, 2023 and 2022 was as follows:

| | <u>2023</u> | <u>2022</u> |
|--------------------------------|----------------------|----------------------|
| Payor: | | |
| Medicare and MaineCare revenue | \$ 43,114,831 | \$ 43,410,666 |
| Commercial insured revenue | 40,237,769 | 35,818,492 |
| Uninsured revenue | <u>2,184,796</u> | <u>2,564,838</u> |
| Total | <u>\$ 85,537,396</u> | <u>\$ 81,793,996</u> |

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>2023</u> | <u>2022</u> |
|---|-------------------|-------------------|
| Charges forgone, based on established rates | <u>\$ 290,500</u> | <u>\$ 527,500</u> |
| Estimated costs and expenses incurred to provide charity care | <u>\$ 151,000</u> | <u>\$ 268,000</u> |
| Equivalent percentage of charity care charges to all Organization patient charges | 0.17% | 0.33% |

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

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>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| Under Board designation for capital improvements, endowment, and operating purposes | \$ 2,575,546 | \$ 2,325,148 |
| Funds held for others | 56,751 | 54,386 |
| Under debt agreements – held by trustee | 485,169 | 466,353 |
| Construction funds – held by trustee | - | 3,108 |
| With donor restriction | <u>1,617,459</u> | <u>1,682,270</u> |
| | 4,734,925 | 4,531,265 |
| Less current portion | <u>541,920</u> | <u>520,739</u> |
| | <u>\$ 4,193,005</u> | <u>\$ 4,010,526</u> |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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

| | <u>2023</u> | <u>2022</u> |
|------------------------------------|-------------------|-------------------|
| Interest and dividend income | \$ 286,151 | \$ 145,992 |
| Interest earned on operating funds | 129,674 | 87,485 |
| Realized gain on investments | <u>91,752</u> | <u>41,841</u> |
| | <u>\$ 507,577</u> | <u>\$ 275,318</u> |

6. Net Assets

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

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Perpetual in nature, income without donor restrictions | \$ 1,402,530 | \$ 1,402,530 |
| Purpose restricted | | |
| Medical equipment and supplies | 82,510 | 102,326 |
| Calais mammogram equipment | - | 39,276 |
| Time restricted - endowment earnings | <u>182,419</u> | <u>139,688</u> |
| | <u>\$ 1,667,459</u> | <u>\$ 1,683,820</u> |

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

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Under Board designation for capital improvements, endowment, and operating purposes | \$ 2,575,546 | \$ 2,325,148 |
| Undesignated | <u>31,046,298</u> | <u>31,792,238</u> |
| | <u>\$33,621,844</u> | <u>\$34,117,386</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.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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, 2023 and 2022, there were no funds with deficiencies.

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% |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

Endowment Net Asset Composition by Type of Fund

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

| <u>2023</u> | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|--|---|---------------------|
| Board-designated endowment funds | \$ 1,762,714 | \$ - | \$ 1,762,714 |
| 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 | <u>-</u> | <u>182,419</u> | <u>182,419</u> |
| Total funds | <u>\$ 1,762,714</u> | <u>\$ 1,584,949</u> | <u>\$ 3,347,663</u> |
| | Without Donor Restrictions | With Donor Restrictions | <u>Total</u> |
| <u>2022</u> | | | |
| Board-designated endowment funds | \$ 1,569,545 | \$ - | \$ 1,569,545 |
| 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 | <u>-</u> | <u>139,688</u> | <u>139,688</u> |
| Total funds | <u>\$ 1,569,545</u> | <u>\$ 1,542,218</u> | <u>\$ 3,111,763</u> |

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, 2021 | \$ 1,699,715 | \$ 1,649,030 | \$ 3,348,745 |
| Investment loss | (130,170) | (106,812) | (236,982) |
| Endowment net assets, December 31, 2022 | 1,569,545 | 1,542,218 | 3,111,763 |
| Investment gain | 137,068 | 98,832 | 235,900 |
| Appropriated for expenditure | <u>56,101</u> | <u>(56,101)</u> | <u>-</u> |
| Endowment net assets, December 31, 2023 | <u>\$ 1,762,714</u> | <u>\$ 1,584,949</u> | <u>\$ 3,347,663</u> |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

7. Property and Equipment

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

| | <u>2023</u> | <u>2022</u> |
|-------------------------------|----------------------------|----------------------------|
| Land and improvements | \$ 1,583,235 | \$ 1,583,235 |
| Building | 30,167,977 | 29,934,148 |
| Equipment | 26,953,850 | 25,659,997 |
| Construction in progress | <u>124,717</u> | <u>139,786</u> |
| | 58,829,779 | 57,317,166 |
| Less accumulated depreciation | <u>30,835,423</u> | <u>27,664,259</u> |
| Property and equipment, net | <u>\$27,994,356</u> | <u>\$29,652,907</u> |

8. Borrowings

Long-term debt and finance leases consists of:

| | <u>2023</u> | <u>2022</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 \$155,000 in 2024 to \$265,000 in 2040. | \$ 3,251,900 | \$ 3,401,900 |
| Plus original issue premium, net accumulated amortization of \$44,498 and \$30,446 at December 31, 2023 and 2022, respectively. | 231,845 | 245,897 |
| MHHEFA Revenue Bonds, Series 2019B, interest rates varying from 4.0% to 5.0%, principal due in amounts ranging from \$265,000 in 2024 to \$500,000 in 2038. | 5,106,950 | 5,361,950 |
| Plus original issue premium, net of accumulated amortization of \$232,600 and \$176,776 at December 31, 2023 and 2022, respectively. | 809,396 | 865,220 |
| 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. | 6,459,007 | 6,630,125 |
| Notes payable to Machias Savings Bank with interest rates ranging from 4.75% - 6.75%, with monthly payments of \$9,949 through May 2028; collateralized by equipment. | 449,440 | - |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Finance lease obligation at 3.25% with monthly payments of \$2,735 through December 2056; collateralized by leased building. | 659,508 | 668,419 |
| Finance lease obligations with interest rates ranging from 0.98% to 5.945% with maturity dates ranging from June 2024 through December 2026; collateralized by leased equipment. | <u>1,352,582</u> | <u>2,073,764</u> |
| Total long-term debt before unamortized debt issuance costs | 18,320,628 | 19,247,275 |
| Less: unamortized debt issuance costs | <u>(134,159)</u> | <u>(142,679)</u> |
| Total long-term debt | 18,186,469 | 19,104,596 |
| Less current portion | <u>(1,354,505)</u> | <u>(1,302,794)</u> |
| Long-term debt, excluding current installments | <u>\$16,831,964</u> | <u>\$17,801,802</u> |

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, 2023 and 2022, the balance was \$75,000 and \$43,965, respectively.

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 \$3,108 were held by the Trustee at December 31, 2022. There were no unspent funds at December 31, 2023.

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 \$410,169 and \$422,388 at December 31, 2023 and 2022, respectively, which are to be used to make future principal and interest payments.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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

| | <u>Long-Term Obligations</u> | <u>Finance Lease Obligations</u> |
|------------------------------------|----------------------------------|--|
| 2024 | \$ 688,541 | \$ 723,145 |
| 2025 | 723,617 | 475,547 |
| 2026 | 748,785 | 259,288 |
| 2027 | 779,446 | 47,868 |
| 2028 | 725,567 | 30,420 |
| Thereafter | <u>12,508,423</u> | <u>851,760</u> |
| | <u>\$ 16,174,379</u> | 2,388,028 |
| Less amounts representing interest | | <u>(375,938)</u> |
| | | <u>\$ 2,012,090</u> |

The Organization has available \$1,000,000 in an unsecured line of credit with a bank with an interest rate at the Wall Street Journal prime rate adjusted daily (8.50% at December 31, 2023). The line is automatically renewed annually. As of December 31, 2023 and 2022, there was no balance outstanding on the line.

9. Lease Obligations

The Organization has entered the following lease arrangements:

Finance Leases

The Organization has a building lease and various equipment leases used for operations. Termination of the leases generally are prohibited unless there is a violation under the lease agreements.

Operating Leases

The Organization has one facility lease and one equipment lease that expires from 2024 through 2027. These leases generally, contain renewal options and annual escalating clauses. Termination of the leases is generally prohibited unless there is a violation under the lease agreements.

Short-Term Leases

The Organization has certain leases that are for a period of 12 months or less or contain renewals for periods of 12 months or less. The Organization does not include short-term leases within the balance sheet since it has elected the practical expedient not to include these leases within the recognized operating lease right-of-use assets and lease liabilities.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

Lease Cost

Operating and short term lease cost for the years ended December 31, 2023 and 2022 are \$172,570 and \$214,264.

Other Information

| | <u>2023</u> | <u>2022</u> |
|----------------------------------|-------------|-------------|
| Operating Lease: | | |
| Weighted average remaining term: | 2.98 years | 3.67 years |
| Weighted average discount rate: | 3.25% | 3.25% |

Future Minimum Operating Lease Payments and Reconciliation to the Balance Sheet

| | | |
|--|--|-----------------------|
| 2024 | | \$ 133,109 |
| 2025 | | 85,320 |
| 2026 | | 85,320 |
| 2027 | | <u>33,813</u> |
| | | |
| Total minimum lease payments | | 337,562 |
| Amounts representing interest | | <u>14,865</u> |
| | | |
| Present value of future minimum lease payments | | 322,697 |
| Less: current portion | | <u>(125,336)</u> |
| | | <u>\$ 197,361</u> |

10. Commitments

The Organization has entered into an agreement with Cerner Business to provide a new clinical system vendor. The agreement includes maintenance and support for the licensed software and hardware. Payment for the services are due within 30 days of receipt of invoice, and the term will expire when all protected health information provided by the Organization, is destroyed or returned.

The following is a schedule by year of annual payments for the license agreement and hardware agreement existing at December 31, 2023:

| | | |
|------------|--|-------------------------|
| 2024 | | \$ 610,156 |
| 2025 | | 610,156 |
| 2026 | | 610,156 |
| 2027 | | 610,156 |
| 2028 | | 610,156 |
| Thereafter | | <u>1,220,312</u> |
| | | <u>\$ 4,271,092</u> |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

11. 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.

12. Employee Benefit Plans

Defined Benefit Pension Plan

Obligations and Funded Status

DECH sponsored a non-contributory defined benefit pension plan. 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 was primarily due to the elimination of deferred losses. In March 2023, the Board of Trustees voted to terminate the defined benefit pension plan. The plan was fully funded and settled in July 2023.

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

| | <u>2023</u> | <u>2022</u> |
|---|--------------------|---------------------|
| Change in benefit obligation | | |
| Benefit obligation at beginning of year | \$ 7,793,540 | \$ 10,002,340 |
| Interest cost | 221,008 | 278,446 |
| Actuarial loss (gain) | 30,094 | (1,969,668) |
| Benefits paid | (270,345) | (517,578) |
| Plan settlement | <u>(7,774,297)</u> | <u>-</u> |
| Benefit obligation at end of year | <u>\$ -</u> | <u>\$ 7,793,540</u> |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|--|--------------------|-----------------------|
| Change in plan assets | | |
| Fair value of plan assets at beginning of year | \$ 6,151,037 | \$ 7,999,108 |
| Actual return on plan assets | 49,087 | (1,504,663) |
| Employer contributions | 1,844,518 | 174,170 |
| Benefits paid | (270,345) | (517,578) |
| Plan settlement | <u>(7,774,297)</u> | <u>-</u> |
| Fair value of plan assets at end of year | \$ <u>-</u> | \$ <u>6,151,037</u> |
| Funded status | | |
| Benefit obligation | \$ - | \$ (7,793,540) |
| Fair value of plan assets | <u>-</u> | <u>6,151,037</u> |
| Unfunded pension liability | \$ <u>-</u> | \$ <u>(1,642,503)</u> |
| Components of net periodic pension cost | | |
| Interest cost | \$ 221,008 | \$ 278,446 |
| Expected return on plan assets | (230,825) | (527,178) |
| Amortization of net loss | <u>133,296</u> | <u>214,679</u> |
| Net periodic pension cost | \$ <u>123,479</u> | \$ <u>(34,053)</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, 2022 is actuarial losses of \$2,867,658 which were not recognized in net periodic pension cost. Amounts recognized in unfunded pension liability for the year ended December 31, 2023 was a loss of \$78,536 and gain from the plan settlement of \$2,946,194. Amounts recognized in the unfunded pension liability for the year ended December 31, 2022 was a gain of \$152,506.

Assumptions

The weighted average assumptions used in the measurement of the net periodic benefit cost for the year ended December 31, 2022 is shown in the following table:

| | <u>2022</u> |
|--|-------------|
| Discount rate | 2.83 % |
| Expected long-term return on plan assets | 6.75 % |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

401(k) Plan

DECH has 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 \$789,228 and \$979,600 in 2023 and 2022, 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, 2023 and 2022.

13. 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 \$225,000 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 \$1,239,000 and \$1,201,000 at December 31, 2023 and 2022, respectively. The aggregate cost of the Plan was approximately \$5,694,284 and \$5,545,000 in 2023 and 2022, respectively.

14. 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>2023</u> | <u>2022</u> |
|--------------------|--------------|--------------|
| Medicare | 23 % | 30 % |
| MaineCare | 11 | 13 |
| Blue Cross | 9 | 12 |
| Commercial | 41 | 35 |
| Patients and other | <u>16</u> | <u>10</u> |
| | <u>100 %</u> | <u>100 %</u> |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

Labor Force

DECH's unionized labor workforce are members of the Maine State Nurses Association Local Unit #124 and Local Unit #210 and represents approximately 15% of the workforce as of December 31, 2023. The union contracts expired October 2023 and DECH is currently negotiating terms of a new contract.

CCH's unionized labor workforce are members of the Maine State Nurses Association Local Unit #116. The union contract has been negotiated through May 2024 and represents approximately 21% of the workforce as of December 31, 2023.

15. 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.

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.

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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

| <u>Fair Value Measurements at December 31, 2023, 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 | \$ 1,702,633 | \$ 1,702,633 | \$ - | \$ - |
| Marketable equity securities | 1,717,073 | 1,717,073 | - | - |
| Corporate bonds | <u>1,315,219</u> | - | <u>1,315,219</u> | - |
| Total | <u>\$ 4,734,925</u> | <u>\$ 3,419,706</u> | <u>\$ 1,315,219</u> | <u>\$ -</u> |
| <u>Fair Value Measurements at December 31, 2022, 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 | \$ 1,737,797 | \$ 1,737,797 | \$ - | \$ - |
| Marketable equity securities | 1,581,871 | 1,581,871 | - | - |
| Corporate bonds | <u>1,211,597</u> | - | <u>1,211,597</u> | - |
| Total | <u>\$ 4,531,265</u> | <u>\$ 3,319,668</u> | <u>\$ 1,211,597</u> | <u>\$ -</u> |
| Investments – held by defined benefit pension plan (Note 10) | | | | |
| Fixed income | <u>\$ 6,151,037</u> | - | <u>\$ 6,151,037</u> | - |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

16. 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>2023</u> | <u>Healthcare Services</u> | <u>Support Services</u> | <u>Total</u> |
|-------------------------------|--------------------------------|-----------------------------|----------------------|
| Salaries | \$ 29,652,253 | \$ 5,071,955 | \$ 34,724,208 |
| Employee benefits | 7,679,864 | 1,420,542 | 9,100,406 |
| Purchased services | 3,296,333 | 2,478,793 | 5,775,126 |
| Temporary personnel | 9,102,562 | - | 9,102,562 |
| Professional fees | 10,102,473 | 27,656 | 10,130,129 |
| Supplies | 9,466,824 | 135,605 | 9,602,429 |
| Other | 6,748,119 | 1,789,796 | 8,537,915 |
| Depreciation and amortization | 3,160,596 | - | 3,160,596 |
| Interest | <u>596,365</u> | <u>-</u> | <u>596,365</u> |
| | <u>\$ 79,805,389</u> | <u>\$ 10,924,347</u> | <u>\$ 90,729,736</u> |
| | | | |
| <u>2022</u> | <u>Healthcare Services</u> | <u>Support Services</u> | <u>Total</u> |
| Salaries | \$ 28,028,548 | \$ 4,702,106 | \$ 32,730,654 |
| Employee benefits | 7,492,417 | 1,386,929 | 8,879,346 |
| Purchased services | 2,632,862 | 2,070,970 | 4,703,832 |
| Temporary personnel | 10,299,700 | 42,331 | 10,342,031 |
| Professional fees | 9,263,549 | - | 9,263,549 |
| Supplies | 9,101,100 | 181,317 | 9,282,417 |
| Other | 4,787,137 | 2,848,537 | 7,635,674 |
| Depreciation and amortization | 2,501,142 | 19,226 | 2,520,368 |
| Interest | <u>480,622</u> | <u>21,794</u> | <u>502,416</u> |
| | <u>\$ 74,587,077</u> | <u>\$ 11,273,210</u> | <u>\$ 85,860,287</u> |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidating Balance Sheet

December 31, 2023

ASSETS

| | Down East Community Hospital | Calais Community Hospital | Sunrise Healthcare | Eliminations | Consolidated |
|---|------------------------------------|---------------------------------|-----------------------|---------------------|----------------------|
| Current assets | | | | | |
| Cash and cash equivalents | \$ 14,562,015 | \$ 5,192,601 | \$ 71,058 | \$ - | \$ 19,825,674 |
| Patient accounts receivable | 4,420,007 | 1,136,871 | - | - | 5,556,878 |
| Assets limited as to use, current portion | 466,920 | 75,000 | - | - | 541,920 |
| Estimated third-party payor settlements | 649,947 | 602,637 | - | - | 1,252,584 |
| Other receivables | 1,001,829 | 97,382 | 163,401 | (574,620) | 687,992 |
| Supplies | 642,961 | 352,801 | - | - | 995,762 |
| Prepaid expenses and other assets | <u>264,078</u> | <u>205,787</u> | <u>1,650</u> | <u>-</u> | <u>471,515</u> |
| Total current assets | 22,007,757 | 7,663,079 | 236,109 | (574,620) | 29,332,325 |
| Assets limited as to use, excluding current portion | 4,193,005 | - | - | - | 4,193,005 |
| Property and equipment, net | 21,536,690 | 6,457,666 | - | - | 27,994,356 |
| Right-of-use assets - operating leases | <u>317,445</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>317,445</u> |
| Total assets | <u>\$ 48,054,897</u> | <u>\$ 14,120,745</u> | <u>\$ 236,109</u> | <u>\$ (574,620)</u> | <u>\$ 61,837,131</u> |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidating Balance Sheet (Concluded)

December 31, 2023

LIABILITIES AND NET ASSETS

| | Down East Community Hospital | Calais Community Hospital | Sunrise Healthcare | Eliminations | Consolidated |
|--|------------------------------------|---------------------------------|-----------------------|---------------------|-----------------------------|
| Current liabilities | | | | | |
| Current portion of long-term debt and finance leases | 893,804 | 460,701 | - | - | 1,354,505 |
| Current portion of lease liabilities - operating | 125,336 | - | - | - | 125,336 |
| Accounts payable and accrued expenses | 3,468,216 | 1,669,663 | 5,351 | (574,620) | 4,568,610 |
| Accrued payroll and amounts withheld | 2,152,649 | 880,011 | 33,944 | - | 3,066,604 |
| Borrowing collateralized by patient accounts receivable | <u>403,448</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>403,448</u> |
| Total current liabilities | 7,043,453 | 3,010,375 | 39,295 | (574,620) | 9,518,503 |
| Lease liabilities - operating, net of current portion | 197,361 | - | - | - | 197,361 |
| Long-term debt and finance leases, excluding current portion | <u>9,823,210</u> | <u>7,008,754</u> | <u>-</u> | <u>-</u> | <u>16,831,964</u> |
| Total liabilities | <u>17,064,024</u> | <u>10,019,129</u> | <u>39,295</u> | <u>(574,620)</u> | <u>26,547,828</u> |
| Net assets | | | | | |
| Without donor restrictions | 29,323,414 | 4,101,616 | 196,814 | - | 33,621,844 |
| With donor restrictions | <u>1,667,459</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,667,459</u> |
| Total net assets | <u>30,990,873</u> | <u>4,101,616</u> | <u>196,814</u> | <u>-</u> | <u>35,289,303</u> |
| Total liabilities and net assets | <u>\$ 48,054,897</u> | <u>\$ 14,120,745</u> | <u>\$ 236,109</u> | <u>\$ (574,620)</u> | <u>\$ 61,837,131</u> |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidating Balance Sheet

December 31, 2022

ASSETS

| | Down East Community Hospital | Calais Community Hospital | Sunrise Healthcare | Eliminations | Consolidated |
|---|------------------------------------|---------------------------------|-----------------------|---------------------|----------------------|
| Current assets | | | | | |
| Cash and cash equivalents | \$ 14,733,471 | \$ 4,759,204 | \$ 33,458 | \$ - | \$ 19,526,133 |
| Patient accounts receivable | 3,369,242 | 1,463,485 | - | - | 4,832,727 |
| Assets limited as to use, current portion | 476,774 | 43,965 | - | - | 520,739 |
| Estimated third-party payor settlements | 2,038,646 | 1,114,544 | - | - | 3,153,190 |
| Other receivables | 996,182 | 1,082 | 151,230 | (242,253) | 906,241 |
| Supplies | 795,415 | 313,149 | - | - | 1,108,564 |
| Prepaid expenses and other assets | <u>427,533</u> | <u>244,419</u> | <u>1,650</u> | <u>-</u> | <u>673,602</u> |
| Total current assets | 22,837,263 | 7,939,848 | 186,338 | (242,253) | 30,721,196 |
| Assets limited as to use, excluding current portion | 3,972,801 | 37,725 | - | - | 4,010,526 |
| Property and equipment, net | 23,705,772 | 5,947,135 | - | - | 29,652,907 |
| Right-of-use assets - operating leases | <u>467,924</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>467,924</u> |
| | | | | | |
| Total assets | <u>\$ 50,983,760</u> | <u>\$ 13,924,708</u> | <u>\$ 186,338</u> | <u>\$ (242,253)</u> | <u>\$ 64,852,553</u> |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidating Balance Sheet (Concluded)

December 31, 2022

LIABILITIES AND NET ASSETS

| | Down East Community Hospital | Calais Community Hospital | Sunrise Healthcare | Eliminations | Consolidated |
|---|------------------------------------|---------------------------------|-----------------------|---------------------|----------------------|
| Current liabilities | | | | | |
| Current portion of long-term debt | \$ 930,957 | \$ 371,837 | \$ - | \$ - | \$ 1,302,794 |
| Current portion of lease liabilities - operating | 154,648 | - | - | - | 154,648 |
| Accounts payable and accrued expenses | 2,725,782 | 1,674,160 | 4,303 | (242,253) | 4,161,992 |
| Accrued payroll and amounts withheld | 1,872,218 | 801,389 | 31,942 | - | 2,705,549 |
| Borrowing collateralized by patient accounts | 621,484 | - | - | - | 621,484 |
| Deferred stimulus revenue | <u>152,974</u> | <u>184,904</u> | <u>-</u> | <u>-</u> | <u>337,878</u> |
| Total current liabilities | 6,458,063 | 3,032,290 | 36,245 | (242,253) | 9,284,345 |
| Unfunded pension liability | 1,642,503 | - | - | - | 1,642,503 |
| Lease liabilities - operating, net of current portion | 322,697 | - | - | - | 322,697 |
| Long-term debt, excluding current portion | <u>10,780,851</u> | <u>7,020,951</u> | <u>-</u> | <u>-</u> | <u>17,801,802</u> |
| Total liabilities | <u>19,204,114</u> | <u>10,053,241</u> | <u>36,245</u> | <u>(242,253)</u> | <u>29,051,347</u> |
| Net assets | | | | | |
| Without donor restrictions | 30,133,551 | 3,833,742 | 150,093 | - | 34,117,386 |
| With donor restrictions | <u>1,646,095</u> | <u>37,725</u> | <u>-</u> | <u>-</u> | <u>1,683,820</u> |
| Total net assets | <u>31,779,646</u> | <u>3,871,467</u> | <u>150,093</u> | <u>-</u> | <u>35,801,206</u> |
| Total liabilities and net assets | <u>\$ 50,983,760</u> | <u>\$ 13,924,708</u> | <u>\$ 186,338</u> | <u>\$ (242,253)</u> | <u>\$ 64,852,553</u> |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidating Statement of Operations

Year Ended December 31, 2023

| | Down East Community Hospital | Calais Community Hospital | Sunrise Healthcare | Consolidated |
|--|------------------------------------|---------------------------------|-----------------------|---------------------|
| Revenues, gains, and other support | | | | |
| Net patient service revenue | \$ 60,030,825 | \$ 25,506,571 | \$ - | \$ 85,537,396 |
| Other revenue | 1,101,685 | 1,358,496 | 688,957 | 3,149,138 |
| Provider Relief Funds and other stimulus funds | <u>559,782</u> | <u>508,193</u> | <u>-</u> | <u>1,067,975</u> |
| Total revenues, gains, and other support | <u>61,692,292</u> | <u>27,373,260</u> | <u>688,957</u> | <u>89,754,509</u> |
| Expenses | | | | |
| Salaries | 23,660,887 | 10,642,566 | 420,755 | 34,724,208 |
| Employee benefits | 7,025,889 | 1,970,129 | 104,388 | 9,100,406 |
| Purchased services | 3,993,819 | 1,760,736 | 20,571 | 5,775,126 |
| Temporary personnel | 6,089,597 | 3,012,965 | - | 9,102,562 |
| Professional fees | 6,353,140 | 3,776,989 | - | 10,130,129 |
| Supplies | 7,526,554 | 2,036,272 | 39,603 | 9,602,429 |
| Other | 5,357,140 | 3,123,856 | 56,919 | 8,537,915 |
| Depreciation and amortization | 2,541,601 | 618,995 | - | 3,160,596 |
| Interest | <u>395,762</u> | <u>200,603</u> | <u>-</u> | <u>596,365</u> |
| Total expenses | <u>62,944,389</u> | <u>27,143,111</u> | <u>642,236</u> | <u>90,729,736</u> |
| Operating (losses) gains | <u>(1,252,097)</u> | <u>230,149</u> | <u>46,721</u> | <u>(975,227)</u> |
| Non-operating gains | | | | |
| Investment income | 507,577 | - | - | 507,577 |
| Net unrealized gains on investments | <u>100,529</u> | <u>-</u> | <u>-</u> | <u>100,529</u> |
| Non-operating gains, net | <u>608,106</u> | <u>-</u> | <u>-</u> | <u>608,106</u> |
| (Deficiency) excess of revenues, gains, and other support over expenses and losses | (643,991) | 230,149 | 46,721 | (367,121) |
| Net unrealized losses on non-equity investments | (44,078) | - | - | (44,078) |
| Net assets released from restrictions for capital expenditures | 79,947 | 37,725 | - | 117,672 |
| Unfunded pension liability adjustment | <u>(202,015)</u> | <u>-</u> | <u>-</u> | <u>(202,015)</u> |
| (Decrease) (increase) in net assets without donor restrictions | <u>\$ (810,137)</u> | <u>\$ 267,874</u> | <u>\$ 46,721</u> | <u>\$ (495,542)</u> |

DOWN EAST COMMUNITY HOSPITAL AND SUBSIDIARIES

Consolidating Statement of Operations

Year Ended December 31, 2022

| | Down East Community Hospital | Calais Community Hospital | Sunrise Healthcare | Consolidated |
|---|------------------------------------|------------------------------|-----------------------|---------------------|
| Revenues, gains, and other support | | | | |
| Net patient service revenue | \$ 57,181,118 | \$ 24,612,878 | \$ - | \$ 81,793,996 |
| Other revenue | 1,343,208 | 405,185 | 600,573 | 2,348,966 |
| Provider Relief Funds and other stimulus funds | <u>1,507,931</u> | <u>1,190,802</u> | <u>-</u> | <u>2,698,733</u> |
| Total revenues, gains, and other support | <u>60,032,257</u> | <u>26,208,865</u> | <u>600,573</u> | <u>86,841,695</u> |
| Expenses | | | | |
| Salaries | 22,443,867 | 9,901,149 | 385,638 | 32,730,654 |
| Employee benefits | 6,851,860 | 1,937,901 | 89,585 | 8,879,346 |
| Purchased services | 2,899,371 | 1,784,983 | 19,478 | 4,703,832 |
| Temporary personnel | 6,671,633 | 3,670,398 | - | 10,342,031 |
| Professional fees | 6,355,087 | 2,908,462 | - | 9,263,549 |
| Supplies | 7,439,081 | 1,804,264 | 39,072 | 9,282,417 |
| Other | 4,899,535 | 2,698,375 | 37,764 | 7,635,674 |
| Depreciation and amortization | 2,080,430 | 439,938 | - | 2,520,368 |
| Interest | 361,887 | 140,529 | - | 502,416 |
| Total expenses | <u>60,002,751</u> | <u>25,285,999</u> | <u>571,537</u> | <u>85,860,287</u> |
| Operating gains | <u>29,506</u> | <u>922,866</u> | <u>29,036</u> | <u>981,408</u> |
| Non-operating gains (losses) | | | | |
| Investment income | 275,318 | - | - | 275,318 |
| Net unrealized losses on investments | (225,643) | - | - | (225,643) |
| Contribution received in the acquisition of Calais Community Hospital | - | 99,077 | - | 99,077 |
| Pension plan costs | <u>34,053</u> | <u>-</u> | <u>-</u> | <u>34,053</u> |
| Non-operating gains, net | <u>83,728</u> | <u>99,077</u> | <u>-</u> | <u>182,805</u> |
| Excess of revenues, gains, and other support over expenses and losses | 113,234 | 1,021,943 | 29,036 | 1,164,213 |
| Net unrealized losses on non-equity investments | (69,755) | - | - | (69,755) |
| Net assets released from restrictions for capital expenditures | 9,011 | - | - | 9,011 |
| Provider Relief Funds used for the purchase of capital | 1,703,414 | 66,384 | - | 1,769,798 |
| Unfunded pension liability adjustment | <u>152,506</u> | <u>-</u> | <u>-</u> | <u>152,506</u> |
| Increase in net assets without donor restrictions | <u>\$ 1,908,410</u> | <u>\$ 1,088,327</u> | <u>\$ 29,036</u> | <u>\$ 3,025,773</u> |