

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.

2022

Open to Public Inspection

A For the 2022 calendar year, or tax year beginning JUL 1, 2022 and ending JUN 30, 2023

B Check if applicable: C Name of organization: Livingston Healthcare
D Employer identification number: 81-0378200
E Telephone number: 406-222-3541
G Gross receipts \$: 77,646,185.
H(a) Is this a group return for subordinates?
H(b) Are all subordinates included?
I Tax-exempt status:
J Website: www.livingstonhealthcare.org
K Form of organization:
L Year of formation: 1955
M State of legal domicile: MT

Part I Summary

Table with 3 columns: Line number, Description, and Amount. Rows include: 1 Briefly describe the organization's mission... 2 Check this box... 3-7a Governance metrics... 8-12 Revenue... 13-19 Expenses... 20-22 Net Assets or Fund Balances.

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.

Signature of officer: Bruce Whitfield, CEO
Preparer: Kim Hunwardsen, CPA
Firm: Eide Bailly LLP

May the IRS discuss this return with the preparer shown above? See instructions [X] 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: Excellence in patient-centered care.

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

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

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

4a (Code:) (Expenses \$ 66,076,458. including grants of \$ 32,766.) (Revenue \$ 76,403,542.) Livingston HealthCare (LHC) is a 25-bed critical access hospital located in Livingston, Montana, providing inpatient, outpatient, and emergency services primarily for the residents of Livingston Montana and the surrounding area. It is a multispecialty physician practice that also provides rehabilitation services and home-based services such as home care and hospice care.

LHC provides medical treatment of the sick and injured patients regardless of ability to pay. This includes private payers, insured payers, Medicare, Medicaid and Charity Care.

Continued on Schedule O...

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

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

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

4e Total program service expenses 66,076,458.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

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

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

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

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

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

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
	1a 12		
b	Enter the number of voting members included on line 1a, above, who are independent		
	1b 11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?	X	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O		X

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

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

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed None
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain on Schedule O)
- 19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records
Kris Kester - 406-222-3541
320 Alpenglow Lane, Livingston, MT 59047

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) Vickie Axtell VP of HR/People until Sept 2022	40.00 0.00					X		439,640.	0.	32,795.
(2) Kyle Arnet, MD ER Physician	40.00 0.00					X		412,762.	0.	47,185.
(3) Benjamin Wilkinson ER Physician	40.00 0.00					X		380,383.	0.	55,663.
(4) Brian Guercio ER Physician	40.00 0.00					X		381,810.	0.	52,612.
(5) Raymond Wright ER Physician	40.00 0.00					X		367,606.	0.	54,863.
(6) Kris Kester CFO	40.00 0.00			X				240,920.	0.	24,995.
(7) Stacy Kohler Chief Nursing Officer	40.00 0.00				X			185,504.	0.	46,296.
(8) Kyra Pinango, MD Director, Family Medicine	36.00 0.00	X						182,139.	0.	29,534.
(9) Michael McCormick Chair	15.00 0.00	X		X				0.	0.	0.
(10) Kristen Galbraith Vice Chair	2.00 0.00	X		X				0.	0.	0.
(11) Jeffrey Lindenbaum, MD Treasurer	2.00 0.00	X		X				0.	0.	0.
(12) Liz Lewis Secretary	2.00 0.00	X		X				0.	0.	0.
(13) Lee Kinsey Director	2.00 0.00	X						0.	0.	0.
(14) Justin Roberts, MD Director, Surgery	40.00 0.00	X						0.	0.	0.
(15) Mike Shaer Director	2.00 0.00	X						0.	0.	0.
(16) Russ Smith Director	2.00 0.00	X						0.	0.	0.
(17) Abbie Bandstra Director	2.00 0.00	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Clair Kennamore, MD Director	2.00 0.00	X						0.	0.	0.
(19) Stefanie Lange, MD Director	2.00 0.00	X						0.	0.	0.
(20) Deb Anczak CEO until Sept 2022	40.00 0.00			X				0.	0.	0.
(21) Angela Linden Interim CEO from Sept thru Feb	40.00 0.00			X				0.	0.	0.
(22) Bruce Whitfield CEO starting March 2023	40.00 0.00			X				0.	0.	0.
1b Subtotal								2,590,764.	0.	343,943.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								2,590,764.	0.	343,943.

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 61

	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
Billings Clinic PO Box 30977, Billings, MT 59107-0977	IS & Administration Fees	1,437,439.
Billings Clinic Teleradiology PO Box 30977, Billings, MT 59107-0977	Telerad Services	687,046.
DPHHS PO Box 4369, Helena, MT 59604-4369	Laboratory Services	383,604.
Medical Solutions PO Box 310737, Des Moines, IA 50331-0737	Staffing Services	270,169.
PPR LLC PO Box 310852, Des Moines, IA 50331-0852	Staffing Services	233,515.

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 10

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	502,557.				
	e	Government grants (contributions)	1e	97,723.				
	f	All other contributions, gifts, grants, and similar amounts not included above ...	1f	219,528.				
	g	Noncash contributions included in lines 1a-1f	1g	\$				
	h	Total. Add lines 1a-1f		819,808.				
Program Service Revenue	2 a	Net Patient Service Revenue	Business Code					
			621110	74,533,565.	74533565.			
	b	340B Pharmacy Revenue	456110	1,005,742.	1,005,742.			
	c	Supporting Revenue	621110	864,235.	864,235.			
	d							
	e							
	f	All other program service revenue						
g	Total. Add lines 2a-2f		76,403,542.					
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		351,135.			351,135.	
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross rents	(i) Real	71,700.				
			(ii) Personal					
	b	Less: rental expenses ...	6b	0.				
	c	Rental income or (loss)	6c	71,700.				
	d	Net rental income or (loss)		71,700.			71,700.	
	7 a	Gross amount from sales of assets other than inventory	(i) Securities					
			(ii) Other					
	b	Less: cost or other basis and sales expenses	7b	283,141.				
c	Gain or (loss)	7c	-283,141.					
d	Net gain or (loss)		-283,141.			-283,141.		
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							
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			77,363,044.	76403542.	0.	139,694.	

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 ...	32,766.	32,766.		
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	756,916.	423,675.	333,241.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	367,038.	367,038.		
7 Other salaries and wages	29,436,008.	24,088,735.	5,300,305.	46,968.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,628,814.	1,330,763.	295,491.	2,560.
9 Other employee benefits	4,832,092.	3,938,022.	886,554.	7,516.
10 Payroll taxes	2,120,759.	1,708,799.	408,559.	3,401.
11 Fees for services (nonemployees):				
a Management	411,704.		411,704.	
b Legal	387,081.	38,098.	347,725.	1,258.
c Accounting	99,448.		96,938.	2,510.
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.)	13,341,438.	12,265,830.	1,067,424.	8,184.
12 Advertising and promotion	224,720.	52,371.	149,302.	23,047.
13 Office expenses	1,916,292.	1,586,597.	326,119.	3,576.
14 Information technology	1,273,035.	226,253.	1,043,577.	3,205.
15 Royalties				
16 Occupancy	870,093.	662,969.	207,124.	
17 Travel	303,786.	239,002.	64,523.	261.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	224,089.	133,224.	86,880.	3,985.
20 Interest	1,306,401.	1,306,401.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	3,462,102.	3,462,102.		
23 Insurance	780,574.	439,619.	340,955.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a Medical Supplies	12,285,815.	12,274,422.	11,385.	8.
b Repairs and Maintenance	938,472.	908,094.	30,378.	
c Food	413,779.	411,197.	2,582.	
d _____				
e All other expenses _____	390,622.	180,481.	205,831.	4,310.
25 Total functional expenses. Add lines 1 through 24e	77,803,844.	66,076,458.	11,616,597.	110,789.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

		(A)		(B)		
		Beginning of year		End of year		
Assets	1 Cash - non-interest-bearing	2,163,784.	1	2,326,980.		
	2 Savings and temporary cash investments	2,288,434.	2	1,053,460.		
	3 Pledges and grants receivable, net		3			
	4 Accounts receivable, net	14,166,320.	4	14,542,826.		
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5			
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6			
	7 Notes and loans receivable, net		7			
	8 Inventories for sale or use	1,586,918.	8	1,822,216.		
	9 Prepaid expenses and deferred charges	437,782.	9	670,976.		
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 69,055,697.				
	b Less: accumulated depreciation	10b 26,753,787.	40,795,901.	10c	42,301,910.	
	11 Investments - publicly traded securities	26,935,155.	11	24,446,904.		
	12 Investments - other securities. See Part IV, line 11		12			
	13 Investments - program-related. See Part IV, line 11		13			
	14 Intangible assets		14			
	15 Other assets. See Part IV, line 11	1,890,259.	15	2,233,442.		
16 Total assets. Add lines 1 through 15 (must equal line 33)	90,264,553.	16	89,398,714.			
Liabilities	17 Accounts payable and accrued expenses	6,944,289.	17	5,446,226.		
	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	34,180,923.	23	34,213,451.		
	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	2,094,172.	25	3,064,864.		
	26 Total liabilities. Add lines 17 through 25	43,219,384.	26	42,724,541.		
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	47,045,169.	27	46,674,173.		
	28 Net assets with donor restrictions		28			
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.					
	29 Capital stock or trust principal, or current funds		29			
	30 Paid-in or capital surplus, or land, building, or equipment fund		30			
	31 Retained earnings, endowment, accumulated income, or other funds		31			
	32 Total net assets or fund balances	47,045,169.	32	46,674,173.		
	33 Total liabilities and net assets/fund balances	90,264,553.	33	89,398,714.		

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	77,363,044.
2	Total expenses (must equal Part IX, column (A), line 25)	2	77,803,844.
3	Revenue less expenses. Subtract line 2 from line 1	3	-440,800.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	47,045,169.
5	Net unrealized gains (losses) on investments	5	69,804.
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	46,674,173.

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	

SCHEDULE A
(Form 990)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization Livingston Healthcare	Employer identification number 81-0378200
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Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.

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

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(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) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(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 2022 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2021 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2022. 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 - 2021. 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 - 2022. 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 - 2021. 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) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(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) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(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 2022 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2021 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2022 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2021 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2022. 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 - 2021. 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)

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

Section B. Type I Supporting Organizations

	Yes	No
1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		
1		
2		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		
1		

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

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

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

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

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

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

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

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - provide details in Part VI)	5
6	Other distributions (describe in Part VI). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	8
9	Distributable amount for 2022 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-2022	(iii) Distributable Amount for 2022
1	Distributable amount for 2022 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2022 (reasonable cause required - explain in Part VI). See instructions.		
3	Excess distributions carryover, if any, to 2022		
a	From 2017		
b	From 2018		
c	From 2019		
d	From 2020		
e	From 2021		
f	Total of lines 3a through 3e		
g	Applied to underdistributions of prior years		
h	Applied to 2022 distributable amount		
i	Carryover from 2017 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.		
4	Distributions for 2022 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2022 distributable amount		
c	Remainder. Subtract lines 4a and 4b from line 4.		
5	Remaining underdistributions for years prior to 2022, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.		
6	Remaining underdistributions for 2022. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.		
7	Excess distributions carryover to 2023. Add lines 3j and 4c.		
8	Breakdown of line 7:		
a	Excess from 2018		
b	Excess from 2019		
c	Excess from 2020		
d	Excess from 2021		
e	Excess from 2022		

Part VI

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

Horizontal lines for supplemental information.

Schedule B
(Form 990)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2022

Name of the organization

Livingston Healthcare

Employer identification number

81-0378200

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

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

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

Name of organization Livingston Healthcare	Employer identification number 81-0378200
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/>	\$ <u>502,557.</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>25,000.</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>53,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	<hr/> <hr/> <hr/>	\$ <u>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>52,490.</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>7,782.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization Livingston Healthcare	Employer identification number 81-0378200
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

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

Name of organization Livingston Healthcare	Employer identification number 81-0378200
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) \$ _____
Use duplicate copies of Part III if additional space is needed.

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

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

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

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

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization: Livingston Healthcare; Employer identification number: 81-0378200

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

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two Yes/No questions regarding donor property and grant fund usage.

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

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose(s) of conservation easements, a table for lines 2a-2d (Total number, acreage, certified historic structures, acquired after 2006), and questions 3-9 regarding monitoring, expenses, and reporting.

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

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include questions 1a, 1b, 2, and 3 regarding reporting of art and historical treasures.

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	4,631,565.	5,150,614.	3,021,307.	2,480,033.	1,503,731.
b Contributions	35,258.	3,750.	1,357,828.	570,837.	1,545,780.
c Net investment earnings, gains, and losses	384,615.	-522,799.	771,479.	154,145.	264,106.
d Grants or scholarships					
e Other expenditures for facilities and programs				183,708.	833,584.
f Administrative expenses					
g End of year balance	5,051,438.	4,631,565.	5,150,614.	3,021,307.	2,480,033.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment 58.3800 %
 - b Permanent endowment 41.6200 %
 - c Term endowment .0000 %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|-----------------------------|-----|----|
| (i) Unrelated organizations | | X |
| (ii) Related organizations | X | |
- b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?
- 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		5,951,320.		5,951,320.
b Buildings		36,694,829.	11,520,177.	25,174,652.
c Leasehold improvements				
d Equipment		24,444,116.	14,092,804.	10,351,312.
e Other		1,965,432.	1,140,806.	824,626.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				42,301,910.

Part VII Investments - Other Securities.

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

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

Part VIII Investments - Program Related.

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

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

Part IX Other Assets.

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

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

Part X Other Liabilities.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Professional Liability Claims	66,000.
(3) Deferred Compensation Liability	2,515,492.
(4) Operating Lease Liability	483,372.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	

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

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

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

1	Total revenue, gains, and other support per audited financial statements	1	77,649,423.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	69,804.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	719,132.
e	Add lines 2a through 2d	2e	788,936.
3	Subtract line 2e from line 1	3	76,860,487.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	502,557.
c	Add lines 4a and 4b	4c	502,557.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	77,363,044.

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

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

1	Total expenses and losses per audited financial statements	1	77,803,844.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	77,803,844.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	77,803,844.

Part XIII Supplemental Information.

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

Part V, line 4:

The organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds.

Part X, Line 2:

The Hospital believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such,

Part XIII Supplemental Information *(continued)*

does not have any uncertain tax positions that are material to the consolidated financial statements. The Hospital would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Part XI, Line 2d - Other Adjustments:

Foundation Revenue Reported on a Separate Form 990 719,132.

Part XI, Line 4b - Other Adjustments:

Foundation Contribution to Hospital that is Eliminated on Audited Financials 502,557.

**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

2022

Open to Public Inspection

Name of the organization Livingston Healthcare	Employer identification number 81-0378200
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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 checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:		<input checked="" type="checkbox"/>
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
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"/>	
<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 _____ %		
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?		

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)			436,000.		436,000.	.56%
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			436,000.		436,000.	.56%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	20	1,412	90,466.		90,466.	.12%
f Health professions education (from Worksheet 5)	8	35	105,039.		105,039.	.14%
g Subsidized health services (from Worksheet 6)			15803990.	10098725.	5705265.	7.33%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			39,640.	1,810.	37,830.	.05%
j Total. Other Benefits	28	1,447	16039135.	10100535.	5938600.	7.64%
k Total. Add lines 7d and 7j	28	1,447	16475135.	10100535.	6374600.	8.20%

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

Table with 7 columns: (a) Number of activities or programs (optional), (b) Persons served (optional), (c) Total community building expense, (d) Direct offsetting revenue, (e) Net community building expense, (f) Percent of total expense. Rows include Physical improvements and housing, Economic development, Community support, Environmental improvements, Leadership development and training for community members, Coalition building, Community health improvement advocacy, Workforce development, Other, and Total.

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

Table with 3 columns: Question number, Amount, and Yes/No status. Includes questions 1-4 regarding bad debt reporting, methodology, and footnotes.

Section B. Medicare

Table with 3 columns: Question number, Amount, and Yes/No status. Includes questions 5-7 regarding Medicare revenue and costs, and question 8 regarding shortfall methodology.

Section C. Collection Practices

Table with 3 columns: Question number, Description, and Yes/No status. Includes questions 9a and 9b regarding debt collection policy.

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

Table with 5 columns: (a) Name of entity, (b) Description of primary activity of entity, (c) Organization's profit % or stock ownership %, (d) Officers, directors, trustees, or key employees' profit % or stock ownership %, (e) Physicians' profit % or stock ownership %.

Part V Facility Information

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 Livingston Healthcare
320 Alpenglow Ln
Livingston, MT 59047
www.livingstonhealthcare.org
12556

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 contains 'X' marks in the first four columns.

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: Livingston Healthcare

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>See Part V, Supplement Information</u>		
b <input type="checkbox"/> Other website (list url):		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 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>See Part V, Supplement Information</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: Livingston Healthcare

	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>0</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 checked="" type="checkbox"/> Asset level		
d <input checked="" type="checkbox"/> Medical indigency		
e <input type="checkbox"/> Insurance status		
f <input type="checkbox"/> Underinsurance status		
g <input checked="" type="checkbox"/> Residency		
h <input checked="" type="checkbox"/> Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	X	
15 Explained the method for applying for financial assistance?	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):		
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e <input type="checkbox"/> Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>See Part V, Page 8</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>See Part V, Page 8</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>See Part V, Page 8</u>		
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input 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)		

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group: Livingston Healthcare

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

Policy Relating to Emergency Medical Care

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

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

Name of hospital facility or letter of facility reporting group: Livingston Healthcare

	Yes	No
<p>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:</p> <p>a <input checked="" 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</p> <p>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</p> <p>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</p> <p>d <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method</p>		
<p>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?</p> <p>If "Yes," explain in Section C.</p>	23	X
<p>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?</p> <p>If "Yes," explain in Section C.</p>	24	X

Part V Facility Information *(continued)*

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

Livingston Healthcare:

Part V, Section B, Line 5: During the latest Community Health Needs

Assessment (CHNA), conducted in collaboration with the Park County Health Department, input from a diverse range of community partners was not just collected but actively integrated into the report using the CASPER system. CASPER, carried out through face-to-face interviews in the field during the summer of 2022, proved invaluable. Conducting interviews in person offered several advantages, including a high response rate and the opportunity to disseminate health information and resource lists directly to the community.

Following the collection of surveys, a collaborative effort ensued, involving 22 stakeholders from the community. This group, which included representatives serving the most vulnerable populations, came together to provide crucial feedback on priority areas. This inclusive approach ensures that the insights of various stakeholders, including low-income residents and public health professionals, are woven into the fabric of our community health initiatives.

Livingston Healthcare:

Part V, Section B, Line 6b: Park County, Park County Health Department, and Community Health Partners

Livingston Healthcare:

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 11: In response to findings from the 2022

Community Health Needs Assessment, the CHIP leadership team identified three priority areas, all of which they will address:

- 1) Behavioral Health,
- 2) Community Wellness: Children and Families, Housing and Income Inequality
- 3) Access to Care

While our current implementation plan may not explicitly target income inequality, at Livingston HealthCare, we are fully committed to mitigating its impact. We do this by providing competitive wages and comprehensive benefits to our team, recognizing our substantial role as one of Park County's major employers. Moving forward, Livingston HealthCare will persist in collaborating with community partners to address this intricate community challenge.

Livingston HealthCare, in partnership with the Park County Health Department and other stakeholders, facilitated a CHNA in the Summer/Fall of 2022. Since then, LHC has been able to address the needs of the community in the following ways

- a. Improved patient access to behavioral health services for students through onsite services at the Park County Ranger Clinic, thereby expanding availability for adolescents in Park County.
- b. Implemented School-Based Outpatient Treatment (SBOT) for behavioral health services, addressing the specific needs of students.
- c. Applied and secured a position on the Park County Housing Coalition to proactively tackle the increasing housing needs and challenges faced by

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.

Park County residents.

d. Enhanced collaboration with community partners through a signed charter for the Park County Behavioral Health Crisis Response Coalition, emphasizing a unified approach to addressing behavioral health challenges.

e. Improved access to preventative services and enhanced self-management by introducing virtual fitness and Diabetes Prevention Programs, open to all community members.

f. Incorporated Adverse Childhood Experiences (ACEs) presentations into the bi-monthly new employee orientation, emphasizing the importance of understanding and addressing childhood trauma

g. Actively supported and participated in the LiveWell49 Coalition, aligning efforts to improve overall health and wellbeing in the county, particularly in mental health and suicide prevention.

h. Increased awareness of suicide prevention resources and tools through LiveWell49 Coalition initiatives. LiveWell49 employees were trained in QPR to offer these vital trainings county-wide.

i. Strengthened collaboration with community partners focused on early childhood, including Community Health Partner, Park County Early Childhood Education, and Childcare Connections, to address the unique needs of young children and their families.

j. Hospital leadership team joined multiple community boards that work towards addressing needs of the community including children and families through serving on the LINK advisory board.

Livingston Healthcare:

Part V, Section B, Line 13h: Presumptive eligibility is used. If a patient

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.

is a Medicaid patient, the Hospital writes off to charity care any portion of charges that is denied by Medicaid.

Livingston Healthcare:

Part V, Section B, Line 24: The Hospital does not provide elective services under the financial assistance policy.

Schedule H, Part V, Section B, Line 16a-c:

The FAP, FAP application, and plain language summary of the FAP can be found at:

<https://www.livingstonhealthcare.org/Patients-Visitors/Patient-Financial-Services.aspx>

Schedule H, Part V, Section B, Line 7a and 10a:

CHNA and Implementation Strategy:

<https://www.livingstonhealthcare.org/About-Us/Community-Health-Needs-Assessment.aspx>

Part V Facility Information (continued)

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

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

How many non-hospital health care facilities did the organization operate during the tax year? 4

Name and address	Type of facility (describe)
1 LHC Clinic 320 Aplenglow Ln Livingston, MT 59047	Rural Health Clinic
2 Livingston Healthcare Urgent Care 104 Centennial Dr, #103 Livingston, MT 59047	Clinic
3 Livingston Healthcare Home Care/Hospic 320 Aplenglow Ln Livingston, MT 59047	Home Care
4 Livingston Clinic, Shields Valley 309 Elliot St N Livingston, MT 59047	Rural Health Clinic

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 3c:

Presumptive eligibility is used. If a patient is a Medicaid patient, the Hospital writes off to charity care any portion of charges that is denied by Medicaid.

Part I, Line 7:

Charity care expense was converted to cost on line 7a based on an overall cost-to-charge ratio addressing all patient segments. Community health improvement services on line 7e, health professions education on line 7f, and cash and in-kind contributions on Line 7i were determined using actual costs. Subsidized health services on line 7g are determined based on costing methods used to prepare the cost report.

Part II, Community Building Activities:

Livingston HealthCare is a key player in community health through strategic initiatives and collaboration. Our critical access hospital takes a central role in county-level crisis care coordination by funding the crucial crisis care coordinator position. This effort directly impacts

Part VI Supplemental Information (Continuation)

our most vulnerable populations. Additionally, our community health coordinator ensures alignment with partners to address pressing needs in Park County.

Our community-building activities include virtual fitness classes and a complimentary diabetes prevention program, enhancing accessibility to preventive healthcare. Recognizing the early childhood crisis, we've partnered with organizations to address challenges faced by the youngest community members. Addressing housing challenges aligns with priorities identified in the recent community health needs assessment. Livingston HealthCare's proactive involvement underscores our commitment to fostering a resilient, healthier community where our patients live.

Part III, Line 2:

The amount on line 2 represents implicit price concessions. The Organization determines its estimate of implicit price concession based on its historical collection experience with this class of patients.

Part III, Line 3:

The estimated amount of implicit price concessions attributable to patients that would be eligible under the Organization's charity care policy was calculated by applying the 11% of the Park County population noted to be below the Federal Poverty Guidelines (FPG) to the total implicit price concessions for the year. It is estimated that half the individuals under the FPG would be eligible for charity care. In the fiscal year it was estimated that 5.5% of the implicit price concessions would be charity care if applications were completed.

Part VI Supplemental Information (Continuation)

Part III, Line 4:

The footnote to the Organization's financial statements can be found on pages 14-15 of the attached audited financial statements.

Part III, Line 8:

LHC provides services to patients under the Medicare program knowing they will not recover all the costs associated with providing these services.

Providing these services is essential to these patients and the community and increases their access to healthcare services. Therefore, the entire Medicare shortfall, if any, is considered a community benefit. The Organization reported only those allowable costs and Medicare reimbursements reported in the Medicare cost report for the year.

Total revenue received from Medicare is the gross reimbursement plus settlement. Both total revenue received from Medicare and the Medicare allowable costs are reported from the Medicare Cost Report. The Medicare Cost Report is completed based on the rules and regulations set forth by Centers for Medicare Services.

Part III, Line 9b:

Once a patient is approved for financial assistance, it is expected the patient continue to meet his/her financial commitments to Livingston Healthcare. If a patient is approved for a percentage allowance due to financial hardship and the patient does not make the required initial payment within 60 days toward their part of the bill, the financial assistance allowance will be reversed and the patient will owe the entire amount. The organization recommends that the patient make a good faith

Part VI Supplemental Information (Continuation)

payment at the beginning of the financial assistance period.

LHC sends notification to the patients 30 days prior to sending to collections. LHC does not send patient accounts to collections until 180 days from the date of the invoice. If the patient applies for financial assistance within 240 days of the date of the invoice, LHC will cease extraordinary collection actions and process the application.

Part VI, Line 2:

The hospital Leadership meets often with city, county, and school leadership to discuss and plan shared needs within Livingston/Park County boundaries. Most recently these shared need discussions have been around building a new community pool/community center, expansion of medical services within the school (Park Clinic) system, and joint efforts toward bringing additional mental health services to students in the Park County school district.

Part VI, Line 3:

Financial assistance will be provided to Livingston Healthcare patients who meet specified financial criteria and request such assistance. A notice of availability of financial assistance program will be posted at patient registration sites within each facility and presented to patients upon request. Schedule H, Part V, Section B, line 16a-16i list other ways the organization informs and educates patients and person who may be eligible for financial assistance.

Part VI, Line 4:

Livingston is a city in and the county seat of Park County, Montana,

Part VI Supplemental Information (Continuation)

United States. The population was approximately 7,784 people in 2018.

Livingston is located in southwestern Montana, on the Yellowstone River, north of Yellowstone National Park. The median income for a household in Livingston in 2018 was about \$42,635.

Part VI, Line 5:

Livingston HealthCare's governing body is comprised of persons who reside in the organization's primary service area. The majority of the governing body are neither employees nor contractors of the organization, nor family members thereof.

Livingston HealthCare extends medical staff privileges to all qualified physicians in its community for some or all of its departments.

Livingston HealthCare applies surplus funds to improvements in patient care, medical education, and expansion of needed services.

Part VI, Line 6:

Livingston HealthCare is an affiliate of the Billings Clinic health system. Livingston HealthCare provides healthcare coverage to patients within its geographic area, while the Billings Clinic provides resources and expertise, as well as a higher level of care when appropriate.

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.
Attach to Form 990.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2022

**Open to Public
Inspection**

Name of the organization **Livingston Healthcare** Employer identification number **81-0378200**

Part I General Information on Grants and Assistance

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

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of noncash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
Livingston Roundup Association PO Box 800 Livingston, MT 59047	81-0421528	501(c)(4)	5,250.	0.			Sponsorship
Park County Community Foundation PO Box 2199 Livingston, MT 59047	20-5581763	501(c)(3)	16,250.	0.			Give a Hoot donation campaign to Park Cty nonprofit org

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

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

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

Schedule I (Form 990) 2022

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance

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

Part I, Line 2:

Any donation made by LHC is to another non-profit organization. The majority of LHC donations exceeding \$5,000 are made through Park County Community Foundation, through their Give a Hoot annual campaign. All monies dispursed through Give a Hoot are given to other local non-profit organizations.

**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

2022

Open to Public
Inspection

Name of the organization

Livingston Healthcare

Employer identification number

81-0378200

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		

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

Schedule J (Form 990) 2022

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) Vickie Axtell VP of HR/People until Sept 2022	(i)	155,026.	0.	284,614.	19,489.	15,177.	474,306.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) Kyle Arnet, MD ER Physician	(i)	412,762.	0.	0.	33,189.	17,330.	463,281.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) Benjamin Wilkinson ER Physician	(i)	380,383.	0.	0.	30,999.	27,998.	439,380.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) Brian Guercio ER Physician	(i)	381,810.	0.	0.	32,154.	23,792.	437,756.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) Raymond Wright ER Physician	(i)	367,606.	0.	0.	33,170.	25,026.	425,802.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) Kris Kester CFO	(i)	240,920.	0.	0.	16,000.	11,551.	268,471.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) Stacy Kohler Chief Nursing Officer	(i)	185,504.	0.	0.	24,847.	23,988.	234,339.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) Kyra Pinango, MD Director, Family Medicine	(i)	182,139.	0.	0.	14,400.	17,781.	214,320.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

Part I, Line 3:

The CEO is paid by an unrelated management company, Billings Clinic. LHC paid Billings Clinic a total of \$368,112 for all CEO services for calendar year 2022. LHC paid for for services of Deb Anczak \$285,538 in compensation, \$23,207 retirement benefits and \$20,317 other health benefits. LHC paid for for services of Angela Linden \$39,050 for compensation, retirement and health benefits.

Billings Clinic uses methods in Part I, line 3 to establish reasonable compensation. The LHC Board of Directors reviews and approves the contract annually.

Part I, Line 4a:

Vicki Axtell - Severance amount \$284,614

SCHEDULE L (Form 990)

Transactions With Interested Persons

OMB No. 1545-0047

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.

2022

Attach to Form 990 or Form 990-EZ.

Open To Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization

Livingston Healthcare

Employer identification number

81-0378200

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and section 501(c)(29) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

Table with 4 columns: (a) Name of disqualified person, (b) Relationship between disqualified person and organization, (c) Description of transaction, (d) Corrected? (Yes/No)

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 \$
3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization \$

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

Table with columns: (a) Name of interested person, (b) Relationship with organization, (c) Purpose of loan, (d) Loan to or from the organization? (To/From), (e) Original principal amount, (f) Balance due, (g) In default? (Yes/No), (h) Approved by board or committee? (Yes/No), (i) Written agreement? (Yes/No)

Total \$

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

Table with 5 columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of assistance, (d) Type of assistance, (e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Henry Pinango	Spouse of Board Mem	367,038.	Employee Co		X

Part V Supplemental Information.

Provide additional information for responses to questions on Schedule L (see instructions).

Sch L, Part IV, Business Transactions Involving Interested Persons:

(a) Name of Person: Henry Pinango

(b) Relationship Between Interested Person and Organization:

Spouse of Board Member

(d) Description of Transaction: Employee Compensation

**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

2022

Open to Public
Inspection

Name of the organization

Livingston Healthcare

Employer identification number

81-0378200

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

services, and home-based services.

Form 990, Part III, Line 2, New Program Services:

LHC started a Spine Orthopedic program in fiscal year 2023. This activity furthers their exempt purpose.

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

Livingston HealthCare is proud to support Windrider Transit, a vital service that enhances the well-being of our community. In the fiscal year 2023, we contributed \$10,000 to sustain and expand this free, efficient fixed-route transportation system benefiting citizens and disabled individuals in Park County, Montana.

Windrider has made significant strides, extending its operations from Monday through Friday to now include half-day Saturdays. Moreover, the service has expanded to offer free rides for medical appointments within Livingston city limits and to and from Bozeman, MT. All vehicles are ADA accessible and equipped with lifts, ensuring accessibility for everyone.

What sets Windrider apart is its commitment to fostering connections within our community. Recognizing the crucial role drivers play in being a touch point for some of the most vulnerable in the community, plans are underway to train them in QPR suicide prevention. This initiative aims to not only provide transportation but also create a

Name of the organization

Livingston Healthcare

Employer identification number

81-0378200

supportive environment. The buses will soon be equipped with a list of resources, offering valuable assistance to those in need.

Livingston HealthCare's Fall Health Festival is a cornerstone in our ongoing commitment to community health and public well-being in Park County. Held annually on a Saturday from 7-11 am, this event serves as a crucial platform for various organizations, including the Park County Health Department, LiveWell49, the Recreation Department, The Cancer Alliance, The Phoenix, and ASPEN, to disseminate information about available resources and services.

At the heart of the festival are Livingston HealthCare providers, volunteering their expertise to address critical health topics, from diabetes prevention and behavioral health to combating loneliness. In FY2023, the event served 500 individuals, incurring direct expenses of \$16,245 and staff costs totaling \$25,000, amounting to a total expenditure of \$41,245. This financial commitment reflects our dedication to community benefit and underscores the importance of providing accessible health information and services to our residents.

The anticoagulation clinic is where LHC pharmacists manage and monitor warfarin dosing for patients under a collaborative practice agreement with the LHC clinic physicians. Warfarin is used to treat patients who have had a blood clot or have certain conditions that put them at risk of developing a clot. It has a narrow therapeutic window, meaning that there is just a small range between too little and too much drug.

Warfarin must be closely monitored and titrated to keep it in range. Adding to the complication is the fact that warfarin has many drug interactions and food interactions that can impact the levels. This

Name of the organization

Livingston Healthcare

Employer identification number

81-0378200

clinic served 1,114 patients in FY2023.

Form 990, Part VI, Section A, line 1a:

The Board shall have as a standing committee an Executive Committee. The Executive Committee shall consist of up to four members of the Board, which shall include the Chairperson, Vice Chairperson, Secretary, and Treasurer. The Executive Committee may consist of additional members of the Board at the discretion of the Board. Action of the Executive Committee shall be subject to approval by the Board, except to the extent provided otherwise in a resolution of the Board pertaining to a particular matter, transaction, or undertaking.

Form 990, Part VI, Section A, line 3:

The CEO was paid by an unrelated management company, Billings Clinic. LHC paid Billings Clinic \$411,704 for CEO services for the June 30, 2023 year end, and \$368,112 for the calendar year 2022.

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

Through an affiliations agreement Billings Clinic has the authority to approve up to 25% of the total number of board members.

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

The finance committee reviews the 990 prior to its issuing. The governing board is provided a copy prior to filing.

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

This policy applies to all employees of Livingston HealthCare (LHC), volunteers, medical staff, contracted workforce, or other individuals that

Name of the organization

Livingston Healthcare

Employer identification number

81-0378200

have a financial interest and are authorized to conduct business on behalf of LHC. Conflicts are reviewed by the Conflict of Interest Review Panel, chaired by the Compliance Officer. Communication will direct the interested person to discontinue the outside relationship/activity, discontinue relationship with outside organization, or establish management plan to monitor relationship/activities.

Policy is monitored through open communication and review of the policy.

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

The CEO was paid by an unrelated management company, Billings Clinic. Billings Clinic reviews and establishes the compensation package for the CEO, and the full governing board of Livingston Healthcare then must approve the CEO compensation initially, as well as annually as a part of the budget process. The governing board of Livingston Healthcare has final authority on employment of the CEO through Billings Clinic.

Executive compensation is reviewed by the board of directors, as well as an external third party.

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

The organization made its governing documents, conflict of interest policy, and financial statements available to the public upon request. The organization also has an annual report available on its website.

Form 990, Part VII, Physicians Serving on Board of Directors:

Four board members are physicians that are paid by unrelated management companies for their physician services. They are not paid for their

Name of the organization Livingston Healthcare	Employer identification number 81-0378200
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service on the Board of Directors, and thus, no compensation is reported on Part VII for the following individuals: Jeffrey Lindenbaum, MD, Justin Roberts, MD, Claire Kennamore, MD, or Stefanie Lange, MD.

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

Contracted Services:

Program service expenses	10,003,739.
Management and general expenses	971,727.
Fundraising expenses	6,454.
Total expenses	10,981,920.

Licenses, Fees, and Taxes:

Program service expenses	1,028,188.
Management and general expenses	431.
Fundraising expenses	20.
Total expenses	1,028,639.

Other Fees:

Program service expenses	1,233,903.
Management and general expenses	95,266.
Fundraising expenses	1,710.
Total expenses	1,330,879.
Total Other Fees on Form 990, Part IX, line 11g, Col A	13,341,438.

**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

2022

**Open to Public
Inspection**

Name of the organization **Livingston Healthcare** Employer identification number **81-0378200**

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
Livingston Healthcare Foundation - 81-0621997, 320 Alpenglow Ln, Livingston, MT 59047	To Support Livingston Healthcare Programs	Montana	501(c)(3)	Line 7	N/A		X

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

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

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

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

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

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

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

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

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

Part VI Unrelated Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

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

Table with 11 columns: (a) Name, address, and EIN of entity; (b) Primary activity; (c) Legal domicile (state or foreign country); (d) Predominant income (related, unrelated, excluded from tax under sections 512-514); (e) Are all partners sec. 501(c)(3) orgs.? (Yes/No); (f) Share of total income; (g) Share of end-of-year assets; (h) Disproportionate allocations? (Yes/No); (i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065); (j) General or managing partner? (Yes/No); (k) Percentage ownership.

Part VII Supplemental Information

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

Lined area for supplemental information.

Electronic Filing PDF Attachment



Consolidated Financial Statements
June 30, 2023 and 2022

Livingston HealthCare and Subsidiary

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Section I



Independent Auditor's Report

To the Board of Directors
Livingston HealthCare and Subsidiary
Livingston, Montana

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Livingston HealthCare and Subsidiary, which comprise the balance sheets as of June 30, 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 accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Livingston HealthCare and Subsidiary as of June 30, 2023 and 2022, and the results of its operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). The 2022 audit was not required to be conducted in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Livingston HealthCare and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Livingston HealthCare and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Livingston HealthCare and Subsidiary'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 Livingston HealthCare and Subsidiary'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.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, Livingston HealthCare and Subsidiary has adopted the provisions of FASB Accounting Standards Codification Topic 842, *Leases*, as of July 1, 2022 using the modified retrospective approach. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2023, on our consideration of Livingston HealthCare and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Livingston HealthCare and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Livingston HealthCare and Subsidiary's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Billings, Montana
November 30, 2023

Livingston HealthCare and Subsidiary

Consolidated Balance Sheets

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,380,440	\$ 4,452,218
Investments	4,636,814	6,645,729
Receivables		
Patient	12,275,067	12,248,921
Contributions, net	260,100	41,456
Insurance recoveries	6,000	6,000
Other	2,267,759	1,917,399
Estimated third-party payor settlements	1,635,482	1,650,611
Supplies	1,822,216	1,586,918
Prepaid expenses and other	670,976	437,782
Total current assets	<u>26,954,854</u>	<u>28,987,034</u>
Assets Limited as to Use		
By Board for deferred compensation plan	2,515,492	2,028,172
By Board for designated purposes	725,073	1,766,266
By donors and Board for endowment funds	5,051,438	4,631,565
Total assets limited as to use	<u>8,292,003</u>	<u>8,426,003</u>
Long-Term Investments	<u>17,513,032</u>	<u>17,807,182</u>
Property and Equipment, Net	<u>42,301,910</u>	<u>40,795,901</u>
Other Assets		
Operating lease right-of-use assets	473,723	-
Contributions receivable	9,730	101,437
Other assets	118,237	233,648
Total other assets	<u>601,690</u>	<u>335,085</u>
Total assets	<u>\$ 95,663,489</u>	<u>\$ 96,351,205</u>

Livingston HealthCare and Subsidiary

Consolidated Balance Sheets

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 1,885,209	\$ 1,728,717
Current maturities of operating lease liabilities	148,315	-
Accounts payable	2,758,831	2,196,366
Accrued expenses		
Salaries and wages	582,341	1,519,692
Vacation	1,147,285	942,083
Professional liability claims	66,000	66,000
Self-insurance claims	668,297	285,655
Interest	51,277	69,313
Payroll taxes and other	238,195	172,733
Total current liabilities	<u>7,545,750</u>	<u>6,980,559</u>
Long-Term Liabilities		
Long-term debt, net of current maturities, and unamortized debt issuance costs	32,328,242	34,210,653
Operating lease liabilities, less current maturities	335,057	-
Estimated liability to annuity beneficiary	-	38,452
Deferred compensation liability	2,515,492	2,028,172
Total long-term liabilities	<u>35,178,791</u>	<u>36,277,277</u>
Total liabilities	<u>42,724,541</u>	<u>43,257,836</u>
Net Assets		
Without donor restrictions	47,836,603	48,111,723
With donor restrictions	5,102,345	4,981,646
Total net assets	<u>52,938,948</u>	<u>53,093,369</u>
Total liabilities and net assets	<u>\$ 95,663,489</u>	<u>\$ 96,351,205</u>

Livingston HealthCare and Subsidiary
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2023 and 2022

	2023	2022
Revenues, Gains, and Other Support Without Donor Restrictions		
Patient service revenue	\$ 74,533,565	\$ 64,834,906
Other revenue	1,795,314	3,650,457
Net assets released from restrictions for operations	43,069	72,927
	76,371,948	68,558,290
Expenses		
Salaries and benefits	39,141,803	35,001,693
Purchased services	13,679,601	10,931,022
Supplies	14,582,153	10,762,355
Depreciation and amortization	3,462,102	3,251,774
Other	3,009,244	2,256,684
Interest	1,291,172	1,319,421
Repairs and maintenance	939,247	892,559
Rent and utilities	917,948	725,369
Insurance	780,574	758,826
	77,803,844	65,899,703
Operating Income (Loss)	(1,431,896)	2,658,587
Other Income (Loss)		
Other income	346,125	285,888
Investment income (loss)	310,507	(1,652,572)
	656,632	(1,366,684)
Revenues in Excess of (Less Than) Expenses	(775,264)	1,291,903
Net Assets Released from Restrictions for Capital Acquisition	500,144	10,000
Change in Net Assets Without Donor Restrictions	\$ (275,120)	\$ 1,301,903

Livingston HealthCare and Subsidiary
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Net Assets Without Donor Restrictions		
Revenues in excess of (less than) expenses	\$ (775,264)	\$ 1,291,903
Net assets released from restrictions for capital acquisition	500,144	10,000
	<u>(275,120)</u>	<u>1,301,903</u>
Change in net assets without donor restrictions		
Net Assets With Donor Restrictions		
Contributions and grants	452,006	646,390
Investment income (loss)	250,358	(298,777)
Change in value of split-interest agreement	(38,452)	(2,799)
Net assets released from restrictions	(543,213)	(82,927)
	<u>120,699</u>	<u>261,887</u>
Change in net assets with donor restrictions		
Change in Net Assets	(154,421)	1,563,790
Net Assets, Beginning of Year	<u>53,093,369</u>	<u>51,529,579</u>
Net Assets, End of Year	<u>\$ 52,938,948</u>	<u>\$ 53,093,369</u>

Livingston HealthCare and Subsidiary

Consolidated Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Operating Activities		
Change in net assets	\$ (154,421)	\$ 1,563,790
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	3,462,102	3,251,774
Interest expense attributable to amortization of debt issuance costs	5,349	5,350
Change in value of split-interest agreement	(38,452)	2,799
Net realized and unrealized losses on investments	12,806	2,386,096
Changes in assets and liabilities		
Receivables	(503,443)	(3,722,277)
Supplies	(235,298)	41,496
Estimated third-party payor settlements	15,129	(3,356,730)
Prepaid expenses and other	(117,783)	(107,197)
Operating lease assets and liabilities	9,649	-
Accounts payable	562,465	125,912
Refundable advance - provider relief funds	-	(2,425,767)
Accrued expenses and deferred compensation	185,239	20,538
Net Cash from (used for) Operating Activities	<u>3,203,342</u>	<u>(2,214,216)</u>
Investing Activities		
Purchases of investments and assets limited as to use	(15,580,947)	(9,710,128)
Sales and maturities of investments and assets limited as to use	16,988,874	9,347,000
Purchase of property and equipment	(4,968,111)	(4,162,213)
Net Cash used for Investing Activities	<u>(3,560,184)</u>	<u>(4,525,341)</u>
Financing Activities		
Proceeds from long-term debt	-	1,758,447
Repayment of long-term debt	(1,731,268)	(1,418,952)
Net Cash from (used for) Financing Activities	<u>(1,731,268)</u>	<u>339,495</u>
Net Change in Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents	(2,088,110)	(6,400,062)
Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents, Beginning of Year	<u>6,871,286</u>	<u>13,271,348</u>
Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents, End of Year	<u>\$ 4,783,176</u>	<u>\$ 6,871,286</u>

Livingston HealthCare and Subsidiary
Consolidated Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Reconciliation of Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents to the Balance Sheets		
Cash and cash equivalents in current assets	\$ 3,380,440	\$ 4,452,218
Restricted cash and cash equivalents in assets limited as to use	1,402,736	2,419,068
Total cash, cash equivalents, and restricted cash and cash equivalents	\$ 4,783,176	\$ 6,871,286
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 1,303,859	\$ 1,330,389
Supplemental Disclosure of Non-cash Investing and Financing Activities		
Right-of-use assets recognized in exchange for lease liabilities		
Operating leases	\$ 54,382	\$ -

Note 1 - Organization and Significant Accounting Policies

Organization and Principles of Consolidation

Livingston Memorial Hospital, Inc. dba Livingston HealthCare (the Hospital) is a 25-bed critical access hospital located in Livingston, Montana, providing inpatient, outpatient, and emergency services primarily for the residents of Livingston, Montana and the surrounding area. Livingston HealthCare Foundation (the Foundation) was established exclusively for the benefit of, to perform the functions of, or to carry out the purposes of the Hospital.

The consolidated financial statements include the accounts of the Hospital and the Foundation, collectively referred to as (the Organization). The Hospital is the sole corporate member of the Foundation. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Income Taxes

The Hospital and the Foundation are organized as Montana nonprofit corporations and have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. Management has determined that each entity is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding assets limited as to use.

Restricted Cash and Cash Equivalents

Amounts included in restricted cash and cash equivalents represent funds limited as to use by the Board of Directors for designated purposes, and funds limited as to use by the Board of Directors and donors within the endowment funds.

Investments and Investment Income

Short-term investments include certificates of deposit with an original maturity of three to twelve months, government securities, equity securities, accrued interest, and cash and cash equivalents, excluding assets limited as to use. Long-term investments include certificates of deposit with an original maturity greater than twelve months, excluding assets limited as to use. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the performance indicator unless the income or loss is restricted by donor or law.

Patient Receivables

Patient receivables are uncollateralized patient and third-party payor obligations. The Organization does not charge interest on past due accounts. Payments of patient receivables are allocated to the specific claims identified in the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

Patient accounts receivable are reduced by an allowance for estimated uncollectible accounts. In evaluating the collectability of accounts receivable, the Organization analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

The Organization has elected to not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financial 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 third-party payor pays for that service will be one year or less. However, the Organization does, in certain instances, enter into payment arrangements 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.

The Organization's patient receivables balance as of July 1, 2021 was \$8,629,476.

Contributions Receivable

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of operations. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible.

Supplies

Supplies are stated at lower of cost (first-in, first-out) or net realizable value.

Assets Limited as to Use

Assets limited as to use include assets set aside by the Board of Directors for designated purposes, over which the Board retains control and may at its discretion subsequently use for other purposes. Assets limited as to use also includes assets to fund deferred compensation liabilities, and assets in an endowment. Assets limited as to use that are available for obligations classified as current liabilities are reported in current assets.

Property and Equipment

Property and equipment acquisitions in excess of \$5,000 are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. The estimated useful lives of property and equipment are as follows:

Land improvements	5-40 years
Buildings and improvements	5-40 years
Equipment	3-10 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to net assets without donor restrictions, and are excluded from the performance indicator, 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 restricted net assets. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when donated or when acquired long-lived assets are placed in service.

The Organization considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying values of assets are appropriate. No impairment was identified for the years ended June 30, 2023 and 2022.

Professional Liability Claims

The Organization insures for professional liability claims under a claims-made policy. Under the policy, insurance premiums cover only those claims actually reported during the policy term, up to \$1 million of coverage for each occurrence and \$6.5 million in the aggregate. The first \$20,000 is retained by the Organization. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims related to occurrences during their terms but reported subsequent to their termination may be uninsured. An estimate of losses from the insurer for reported and unreported incidents has been used by management to record a liability.

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which does not differ materially from results that would be produced under the effective interest method. Debt issuance costs are included within long-term debt on the consolidated balance sheets. Amortization of debt issuance costs is included in interest expense in the accompanying consolidated financial statements.

Net Assets with Donor Restrictions

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Liabilities Under Split-Interest Agreements

Charitable Gift Annuities

Under charitable gift annuity contracts, the Foundation receives immediate title to contributed assets and agrees to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the annuity liability is recorded as a contribution with donor restrictions. In subsequent years, the liability for future annuity payments is reduced by payments made to the specified beneficiaries and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year. Upon termination of the annuity contract, the remaining liability is removed and recognized as income.

Patient Service Revenue

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 and/or the patient is discharged from the facilities. Revenue is recognized as performance obligations are satisfied.

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

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/or implicit price concessions provided to uninsured patients. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

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

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

The Organization provides health care services to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Since the Organization does not pursue collection of these amounts, they are not reported as patient service revenue. The estimated cost of providing these services was \$436,000 and \$208,000 for the years ended June 30, 2023 and 2022, respectively, calculated by multiplying the ratio of cost to gross charges for the Organization by the gross uncompensated charges associated with providing charity care to its patients. The Organization does not receive funds to offset or subsidize charity care services.

Performance Indicator

Revenues in excess of (less than) expenses is the performance indicator and excludes transfers of assets to and from related parties for other than goods and services, and contributions of long-lived assets, including assets acquired using contributions which were restricted by donors.

Donor-Restricted Gifts

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to assets without donor restrictions and reported in the consolidated statements of operations and the consolidated statements of changes in net assets as net assets released from restrictions.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in Note 16, which presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as depreciation, interest and other occupancy costs, are allocated to a function based on a square footage or units-of-service basis. Allocated healthcare service costs not allocated on a units-of-service basis are otherwise allocated based on revenue.

Advertising Costs

Costs incurred for producing and distributing advertising are expensed as incurred. The Organization incurred \$224,721 and \$147,360 for advertising costs for the years ended June 30, 2023 and 2022, respectively.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts and investments with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Subsequent Events

Subsequent events have been evaluated through November 30, 2023, the date the consolidated financial statements were available to be issued.

Adoption of Accounting Standards Codification Topic 842

Effective July 01, 2022, the Organization adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases* (Topic 842). The Organization elected to apply the guidance as of July 01, 2022, the beginning of the adoption period. The standard requires the recognition of right-of-use assets and lease liabilities for lease contracts with terms greater than 12 months. Operating lease costs are recognized in the income statement as a single lease cost and finance lease costs are recognized in two components, interest expense and amortization expense. The Organization has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Organization accounted for its existing leases as either finance or operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022, the beginning of the adoption period, no cumulative effect adjustment to net assets, an operating lease liability of \$633,764, and an operating right-of-use asset of \$622,115. The adoption of the new standard did not materially impact the Organization's statements of operations or statements of cash flows. See Note 8 for further disclosure of the Organization's lease contracts.

Note 2 - Net Patient Service Revenue

The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. Payments from third-party payors and patients received in advance are deferred to the applicable period in which the related services are performed. A summary of the payment arrangements with major third-party payors follows:

Medicare – The Organization is licensed as a Critical Access Hospital (CAH). The Organization is reimbursed for most inpatient and outpatient services under a cost reimbursement methodology with final settlement determined after submission of annual cost reports by the Organization and are subject to audits thereof by the Medicare intermediary. The Organization’s Medicare cost reports have been audited by the Medicare Administrative Contractor through the year ended June 30, 2021. Clinical services are paid on a cost basis or fixed fee schedule.

Medicaid – Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Outpatient services related to Medicaid program beneficiaries are based on the lower of customary charges, allowable costs as determined through the Organization’s Medicare cost report, or rates as established by the Medicaid program. The Organization is based at a tentative rate with final settlement determined by the program based on the Organization’s Medicaid cost report. The Organization’s final Medicaid settlements have been processed through the year ended June 30, 2019.

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

Concentration of gross revenues by major payor accounted for the following percentages of the Organization’s patient service revenues for the years ended June 30, 2023 and 2022:

	2023	2022
Medicare	49%	47%
Medicaid	14%	15%
Commercial insurance and other third-party payors	32%	34%
Patients	5%	4%
	100%	100%

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. In addition, the ability to estimate the collectability of uninsured and other self-pay patients is contingent on the patient’s ability or willingness to pay for the services provided. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The net patient service revenue for the years ended June 30, 2023 and 2022 increased approximately \$45,000 and \$93,000, respectively, due to removal of allowances previously estimated that are no longer necessary as a result of final settlements and years that are no longer likely subject to audits, reviews, and investigations and changes in estimated settlements.

CMS has implemented a Recovery Audit Contractor (RAC) program under which claims are reviewed by contractors for validity, accuracy, and proper documentation. If selected for audit, the potential exists that the Organization may incur a liability for a claims overpayment at a future date. The Organization is unable to determine if it will be audited and, if so, the extent of liability of overpayments, if any. As the outcome of such potential reviews are unknown and cannot be reasonably estimated, it is the Organization's policy to adjust revenue for deductions from overpayment amounts or additions from underpayment amounts determined under the RAC audits at the time a change in reimbursement is agreed upon between the Organization and CMS.

The Organization's estimated third-party payor settlement liability balance as of July 1, 2021 was \$1,706,119.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Organization estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts and implicit price concessions based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. The ability to estimate the collectability of uninsured and other self-pay patients or residents is contingent on the patient's ability or willingness to pay for the services provided. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. Bad debt expense for the years ended June 30, 2023 and 2022 was not significant.

The nature, amount, timing and uncertainty of revenue and cash flows are affected by several factors that the Organization considers in its recognition of revenue. Following are some of the factors considered:

- Payors (for example, Medicare, Medicaid, managed care or other insurance, have different reimbursement/payment methodologies
- Length of the patient's service/episode of care
- Geography of the service location
- Organization's line of businesses that provided the service (for example, hospital, physician services, etc.)

For the years ended June 30, 2023 and 2022, the Organization recognized revenue of \$-0- at the time the services were provided and \$74,533,565 and \$64,834,906, respectively, from services and goods provided over time.

Other revenue is recognized at an amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing goods and services. The amounts recognized reflect consideration due from customers, third-party payors, and others. Primary categories of other revenue include recognition of Provider Relief Fund revenue, 340b program revenue and other.

Note 3 - Covid-19 Programs

The Organization received \$5,506,721 of Coronavirus Aid, Relief, and Economic Security (CARES) Act Provider Relief Funds administered by the Department of Health and Human Services (HHS). The funds are subject to terms and conditions imposed by HHS. Among the terms and conditions is a provision that payments will only be used to prevent, prepare for, and respond to coronavirus and shall reimburse the recipient only for healthcare-related expenses or lost revenues that are attributable to coronavirus. Recipients may not use the payments to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse. Unspent funds will be expected to be repaid.

The Organization also received \$298,923 through the Paycheck Protection Program and Health Care Enhancement Act (PPHCEA) for its rural health clinics to conduct Covid-19 testing. This funding may only be used for conducting Covid-19 testing and related expenses, including building or construction of temporary structures, leasing of properties, and retrofitting facilities as necessary to support Covid-19 testing.

The Organization also received \$1,326,533 through the American Rescue Plan Act (ARP) administered by the Department of Health and Human Services (HHS). The funds are subject to terms and conditions imposed by HHS.

These funds are recorded as a refundable advance when received and are recognized as revenues in the accompanying consolidated statements of operations as all terms and conditions are considered met. The terms and conditions are subject to interpretation, changes and future clarification, the most recent of which have been considered through the date that the consolidated financial statements were issued. In addition, this program may be subject to oversight, monitoring and audit. Failure by a provider that received a payment from the Provider Relief Fund to comply with any term or condition can subject the provider to recoupment of some or all of the payment. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

As of June 30, 2023 and 2022, the Organization had refundable advance balances of \$-0-. During the years ended June 30, 2023 and 2022, the Organization recognized \$-0- and \$1,795,699 as revenue, respectively, included in other revenue on the consolidated statements of operations. The Organization returned the remaining \$2,111,846 to HHS during the year ended June 30, 2022.

Note 4 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2023	2022
Cash and cash equivalents	\$ 3,380,440	\$ 4,452,218
Investments	4,636,814	6,645,729
Receivables	14,808,926	14,213,776
Assets limited to use		
Board designated cash and investments	725,073	1,766,266
	\$ 23,551,253	\$ 27,077,989

Assets limited to use that are considered available for general expenditure consist of amounts designated by the board to function as capital improvement funds. Although the Organization does not intend to spend from the capital improvement reserves, these amounts could be made available if necessary.

Included in long-term investments in the consolidated balance sheet are endowment funds consisting of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor restricted endowment funds are not available for general expenditure.

The Organization has a board-designated endowment, considered available for general expenditure, of \$2,948,787 as of June 30, 2023. Although the Organization does not currently intend to spend from the board-designated endowment, these amounts could be made available if necessary.

As part of the liquidity management plan, cash in excess of daily requirements is periodically invested in certificates of deposit. This fund established by the Board of Directors may be drawn upon, if necessary, to meet unexpected liquidity needs. Additionally, the Organization maintains a line of credit, as discussed in Note 9. As of June 30, 2023, \$500,000 remained available on the Organization's line of credit.

Note 5 - Contributions Receivable

Contributions receivable are unconditional promises to give that the Organization has received from organizations and individuals in the community. Certain promises are receivable over a period of time.

The following is a summary of contributions receivable:

	2023	2022
Within one year	\$ 386,356	\$ 41,456
In one to five years	10,100	128,300
	396,456	169,756
Less discount to net present value - 3.8%	(370)	(1,400)
Less allowance for uncollectible amounts	(126,256)	(25,463)
Contributions receivable, net	269,830	142,893
Less current portion of promises to give	(260,100)	(41,456)
Long term promises to give, net	\$ 9,730	\$ 101,437

The following schedule sets forth expected future collections on contributions receivable as of June 30, 2023:

Year Ending June 30,	Amount
2024	\$ 386,356
2025	10,100
	\$ 396,456

Note 6 - Investments and Fair Value Measurements

The composition of investments and assets limited as to use at June 30, 2023 and 2022 is shown in the following table. Cash and cash equivalents are stated at historical cost and all other investments are stated at fair value.

	2023	2022
Investments		
Certificates of deposit	\$ 18,394,169	\$ 21,248,825
Corporate bonds	112,451	1,892,789
Mutual funds	2,040,023	772,949
Cash and cash equivalents	96,282	502,024
Equity securities	1,066,763	660
US Treasuries	416,621	-
Accrued interest	23,537	35,664
	22,149,846	24,452,911
Less current portion	(4,636,814)	(6,645,729)
	\$ 17,513,032	\$ 17,807,182
Assets Limited as to Use		
By Board for deferred compensation plan		
Mutual funds	\$ 2,515,492	\$ 2,028,172
By Board for designated purposes		
Cash and cash equivalents	\$ 725,073	\$ 1,766,266
By donors and Board for Endowment fund		
Mutual funds	\$ 3,904,803	\$ 3,557,851
Cash and cash equivalents	677,663	652,802
Equity securities	462,257	414,044
Corporate bonds	6,715	6,868
	\$ 5,051,438	\$ 4,631,565

Fair Value Measurements

The Organization reports certain assets and liabilities at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk or liquidity profile of the asset or liability.

Certain investments are classified within Level 1 because they are comprised of equity securities and mutual funds with readily determinable fair values based on daily redemption values. Certificates of deposit are considered invested and traded in the financial markets. Certificates of deposit, corporate bonds and government securities are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and are classified within Level 2.

Livingston HealthCare and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2023 and 2022

The following table presents assets measured at fair value on a recurring basis, except those measured at cost, as identified in the following at June 30, 2023:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Certificates of deposit - traded	\$ 17,794,169	\$ -	\$ 17,794,169	\$ -
Certificates of deposit (at cost)	600,000	-	-	\$ -
Corporate bonds	112,451	-	112,451	-
Mutual funds	2,040,023	2,040,023	-	-
Cash and cash equivalents (at cost)	96,282	-	-	-
US Treasuries	416,621	-	416,621	-
Equity securities	1,066,763	1,066,763	-	-
Accrued interest	23,537	-	-	-
	<u>22,149,846</u>	<u>\$ 3,106,786</u>	<u>\$ 18,323,241</u>	<u>\$ -</u>
Less amount shown as current	<u>(4,636,814)</u>			
	<u>\$ 17,513,032</u>			
Assets Limited as to Use				
By Board for deferred compensation plan				
Mutual funds	\$ 2,515,492	\$ 2,515,492	\$ -	\$ -
By Board for designated purposes				
Cash and cash equivalents (at cost)	\$ 725,073	\$ -	\$ -	\$ -
By donors and Board for Endowment funds				
Mutual funds	\$ 3,904,803	\$ 3,904,803	\$ -	\$ -
Cash and cash equivalents (at cost)	677,663	-	-	-
Equity securities	462,257	462,257	-	-
Corporate bonds	6,715	-	6,715	-
	<u>\$ 5,051,438</u>	<u>\$ 4,367,060</u>	<u>\$ 6,715</u>	<u>\$ -</u>

Livingston HealthCare and Subsidiary
Notes to Consolidated Financial Statements
June 30, 2023 and 2022

The following table presents assets measured at fair value on a recurring basis, except those measured at cost, as identified in the following at June 30, 2022:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Certificates of deposit - traded	\$ 21,248,825	\$ -	\$ 21,248,825	\$ -
Corporate bonds	1,892,789	-	1,892,789	-
Mutual Funds	772,949	772,949	-	-
Cash and cash equivalents (at cost)	502,024	-	-	-
Equity securities	660	660	-	-
Accrued interest	35,664	-	-	-
	<u>24,452,911</u>	<u>\$ 773,609</u>	<u>\$ 23,141,614</u>	<u>\$ -</u>
Less amount shown as current	<u>(6,645,729)</u>			
	<u>\$ 17,807,182</u>			
Assets Limited as to Use				
By Board for deferred compensation plan				
Mutual funds	<u>\$ 2,028,172</u>	<u>\$ 2,028,172</u>	<u>\$ -</u>	<u>\$ -</u>
By Board for designated purposes				
Cash and cash equivalents (at cost)	<u>\$ 1,766,266</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
By donors and Board for Endowment funds				
Mutual funds	\$ 3,557,851	\$ 3,557,851	\$ -	\$ -
Cash and cash equivalents (at cost)	652,802	-	-	-
Equities	414,044	414,044	-	-
Corporate bonds	6,868	-	6,868	-
	<u>\$ 4,631,565</u>	<u>\$ 3,971,895</u>	<u>\$ 6,868</u>	<u>\$ -</u>

Note 7 - Property and Equipment

A summary of property and equipment at June 30, 2023 and 2022 follows:

	2023	2022
Land	\$ 5,951,320	\$ 5,951,320
Land improvements	1,540,700	1,540,700
Buildings and improvements	36,694,829	35,765,431
Equipment	22,920,129	18,869,527
Finance lease right-of-use assets	1,523,987	-
Construction in progress	424,732	1,960,608
	69,055,697	64,087,586
Less accumulated depreciation	(26,753,787)	(23,291,685)
Property and equipment, net	\$ 42,301,910	\$ 40,795,901

Construction in progress consists of various projects not yet placed in service. The estimated costs to complete the projects are not significant.

Note 8 - Leases

The Organization leases certain office leases and equipment for various terms under non-cancelable, long-term operating and finance lease agreements. The leases expire at various dates through 2035 and provide for renewal options ranging from one to four years. The Organization included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised.

The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to the operating right-of-use assets.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The consolidated balance sheet classification of lease assets and lease liabilities at June 30, 2023 is as follows:

Balance Sheet Classification

Lease Assets	Classification	2023
Operating lease right-of-use asset	Other assets	\$ 473,723
Finance lease right-of-use assets	Property, plant, and equipment	<u>1,523,987</u>
Total leased assets		<u><u>\$ 1,997,710</u></u>
Lease Liabilities	Classification	2023
Current:		
Operating lease liabilities	Current operating lease liabilities	\$ 148,315
Finance lease liabilities	Current maturities of long-term debt	<u>337,571</u>
Total current lease liabilities		<u>485,886</u>
Noncurrent:		
Operating lease liabilities	Operating lease liabilities	335,057
Finance lease liabilities	Long-term debt	<u>1,174,685</u>
Total noncurrent lease liabilities		<u>1,509,742</u>
Total lease liabilities		<u><u>\$ 1,995,628</u></u>

Operations Items	2023
Operating lease cost	\$ 163,621
Short-term lease cost	127,992
Finance lease cost:	
Interest expense	39,593
Amortization of right-of-use assets	58,615
Cash Flows Items	
	2023
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 165,341
Operating cash flows from finance leases	39,593
Financing cash flows from finance leases	246,191
Right-of-use assets obtained in exchange for liabilities	
Operating leases	\$ 54,382
Financing leases	-
Weighted-Average Information	
	2023
Weighted-average remaining lease term:	
Operating leases	6.30 Years
Financing leases	4.25 Years
Weighted-average discount rate:	
Operating leases	2.88%
Financing leases	3.20%

Future Minimum Lease Payments

Year Ending June 30,	Operating	Finance
2024	\$ 159,836	\$ 381,046
2025	125,761	381,046
2026	45,148	381,046
2027	30,688	381,046
2028	23,812	95,262
Thereafter	144,146	-
Total lease payments	529,391	1,619,446
Less interest	(46,019)	(107,190)
Present value of lease liabilities	<u>\$ 483,372</u>	<u>\$ 1,512,256</u>

Future Minimum Lease Payments

Year Ending June 30,	Determined under Topic 840 June 30, 2022	
	Operating	Capital
2023	\$ 165,341	\$ 285,784
2024	159,836	381,046
2025	125,761	381,046
2026	45,148	381,046
2027	30,688	381,046
Thereafter	166,238	95,262
Total lease payments	693,012	1,905,230
Less interest	-	(146,783)
Present value of lease liabilities	<u>\$ 693,012</u>	<u>\$ 1,758,447</u>

As of June 30, 2021, equipment under capital lease had a net book value of \$-0-

Note 9 - Line of Credit

The Organization has a \$500,000 variable rate (6.25% at June 30, 2023) revolving line of credit with a bank, which expires in August 2024. The line of credit is secured by supplies, patient receivables, and equipment. The Organization had no amounts outstanding under this line of credit as of June 30, 2023 and 2022.

Note 10 - Long-Term Debt

Long-term debt at June 30, 2023 and 2022 consists of the following:

	2023	2022
3.62% term loan payable to bank, due in monthly installments of \$152,120, including interest through January 2050, secured by a mortgage on real estate	\$ 31,125,037	\$ 31,812,015
5.0% contract for deed, due in annual installments of \$923,899, including interest through February 2025, secured by real estate	1,717,908	2,516,007
Unamortized debt issuance costs	(141,750)	(147,099)
Finance lease obligation (effective interest rate of 3.2%) - See Note 9	1,512,256	1,758,447
Less current maturities	34,213,451 (1,885,209)	35,939,370 (1,728,717)
Long-term debt, net of current maturities and unamortized debt issuance costs	\$ 32,328,242	\$ 34,210,653

Long-term debt maturities are as follows:

Year Ending June 30,	Amount
2024	\$ 1,885,209
2025	1,964,208
2026	1,122,722
2027	1,162,506
2028	914,851
Thereafter	27,305,705
Unamortized debt issuance costs	(141,750)
	\$ 34,213,451

The term loan agreement places limits on the incurrence of additional borrowings and requires that the Organization satisfy certain measures of financial performance. Management believes all of these requirements were complied with or waived as of June 30, 2023 and 2022.

Note 11 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at June 30, 2023 and 2022:

	2023	2022
Subject to expenditure for a specified purpose		
Various projects and programs	\$ 2,651,470	\$ 2,766,057
Building	193,034	193,034
3D Mammography	61,706	61,706
Hospice	91,556	68,176
Behavioral health	1,928	1,928
	2,999,694	3,090,901
Endowments		
Subject to endowment spending policy and appropriation		
Education and equipment	1,631,811	1,419,905
Gateway Hospice	470,840	470,840
	2,102,651	1,890,745
	\$ 5,102,345	\$ 4,981,646

During 2023 and 2022, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes and the expiration of time restrictions in the amounts of \$581,665 and \$82,927, respectively. These amounts are included in net assets released from restrictions in the accompanying consolidated financial statements.

Note 12 - Endowment Funds

The Organization's endowment (the Endowment) consists of numerous individual funds established by donors to provide annual funding for specific activities and general operations. The Endowment also includes certain net assets without donor restrictions designated for quasi-endowment by the Board of Directors. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's Board of Directors has interpreted the Montana 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, unless there are explicit donor stipulations to the contrary. At June 30, 2023 and 2022, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts (including contributions receivable net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of UPMIFA.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

At June 30, 2023 and 2022, the Organization had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
At June 30, 2023:			
Board-designated quasi-endowment	\$ 2,948,787	\$ -	\$ 2,948,787
Donor-restricted for permanent Endowment	-	2,102,651	2,102,651
	\$ 2,948,787	\$ 2,102,651	\$ 5,051,438
At June 30, 2022:			
Board-designated quasi-endowment	\$ 2,740,820	\$ -	\$ 2,740,820
Donor-restricted for permanent Endowment	-	1,890,745	1,890,745
	\$ 2,740,820	\$ 1,890,745	\$ 4,631,565

Changes in endowment net assets for the years ended June 30, 2023 and 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2021	\$ 2,959,397	\$ 2,191,217	\$ 5,150,614
Contributions	2,646	1,104	3,750
Investment loss, net	(221,223)	(298,777)	(520,000)
Other changes			
Change in value of split interest agreement	-	(2,799)	(2,799)
Endowment net assets, June 30, 2022	<u>2,740,820</u>	<u>1,890,745</u>	<u>4,631,565</u>
Contributions	35,258	-	35,258
Investment return, net	172,709	250,358	423,067
Other changes			
Change in value of split interest agreement	-	(38,452)	(38,452)
Endowment net assets, June 30, 2023	<u>\$ 2,948,787</u>	<u>\$ 2,102,651</u>	<u>\$ 5,051,438</u>

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or the UPMIFA requires the Organization to maintain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets without restrictions. There were no such deficiencies as of June 30, 2023 and 2022.

Investment and Spending Policies

The Organization has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policies, and to cover the costs of managing the Endowment investments. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to preserve endowment capital. Funds shall be invested such that no less than 30%, and no more than 70% of such funds shall be invested in equities, with the balance invested in fixed income securities, while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide a reasonable rate of return.

Ough Charitable Trust – The Organization’s Board of Directors, based on recommendations by a committee comprised of Hospital and community members, approves appropriations for distribution limited to the accumulated income of the fund.

Stafford Hospice Endowment – The Hospital's Board of Directors, based on recommendations by Hospital administration, approves appropriations for distribution limited to 7% of the total fund value in any given year.

In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Note 13 - Retirement Plan and Deferred Compensation Plan

The Organization has established a defined contribution retirement plan under which employees become participants upon reaching a certain age and length of service. Employer contributions are discretionary. Total retirement plan expense for the years ended June 30, 2023 and 2022, was \$1,664,599 and \$2,003,170, respectively.

The Organization has a deferred compensation plan, as described in section 457(b) of the Internal Revenue Code, for certain employees. The funding of the deferred amounts is invested by the Organization in investments designated by the employees. At June 30, 2023 and 2022, the deferred compensation liability was \$2,515,492 and \$2,028,172, respectively.

Note 14 - Other Revenue

Other revenue consists of the following for the years ended June 30, 2023 and 2022:

	2023	2022
340b pharmacy program	\$ 1,005,742	\$ 1,105,873
Miscellaneous	717,872	688,545
Rental revenue	71,700	60,340
Provider relief funds	-	1,795,699
	<u>\$ 1,795,314</u>	<u>\$ 3,650,457</u>

Note 15 - Related Party Transactions

The Organization entered into physician employment agreements with three members of the Board.

On June 20, 2002, the Organization entered into a management services agreement with Billings Clinic (BC) for a period of three years, and renewable annually after June 19, 2005, unless terminated by either party. The agreement authorizes BC to operate and manage Livingston Healthcare subject to certain conditions and limitations.

The Organization also entered into an affiliation agreement with BC on March 26, 2013. The purpose of the transaction is for BC to assume a 25% minority role in the governance of the Organization, with certain defined rights and obligations. It is the objective of the parties, among other things, to work cooperatively in the development and operation of the hospital and clinic facility in Livingston, Montana.

On October 7, 2020, the Organization entered into a Master Services Agreement (MSA) with BC for an initial term of five years, and renewable in successive three-year terms, unless terminated by either party, subject to conditions contained within the agreement. The agreement authorizes BC to operate and manage Livingston Healthcare subject to certain conditions and limitations. BC is compensated for a chief executive officer and a general management fee for its services. The MSA supersedes and replaces the affiliation agreement in all respects.

The Organization is insured for general and professional liability through Montana Healthcare Indemnity, LLC, a captive insurance company of which BC is the sole member.

Included in accounts payable, as of June 30, 2023 and 2022, was amounts due BC of \$200,957 and \$195,178, respectively.

The following is a summary of related party fees paid for the years ended June 30, 2023 and 2022:

	2023	2022
Teleradiology	\$ 845,692	\$ 795,393
Management fees	565,523	371,269
Physician salary and benefits	555,228	525,127
CEO reimbursement	411,704	377,811
Other	241,629	181,617
Provider reimbursement	226,544	223,668
Software	221,068	208,449
CIS project	210,694	210,694
340b pharmacy fees	71,391	81,928
Radiology administration fee	40,200	40,200
360 project	7,150	6,600
	\$ 3,396,823	\$ 3,022,756

Note 16 - Functional Expenses

The Organization provides health care services to residents within its geographic location. Expenses related to providing these services by functional class for the year ended June 30, 2023 are as follows:

	Health Care Services		General and Administrative	Fundraising	Total
	Hospital	Medical Clinics			
Salaries and benefits	\$ 26,181,217	\$ 6,894,704	\$ 6,015,513	\$ 50,369	\$ 39,141,803
Purchased services	9,877,327	1,352,859	2,439,756	9,659	13,679,601
Supplies	13,696,145	711,642	171,131	3,235	14,582,153
Depreciation and amortization	3,462,102	-	-	-	3,462,102
Other	1,525,154	209,873	1,236,767	37,450	3,009,244
Interest	1,291,172	-	-	-	1,291,172
Repairs and maintenance	903,764	5,105	30,378	-	939,247
Rent and utilities	654,459	57,263	206,226	-	917,948
Insurance	439,619	-	340,955	-	780,574
	<u>\$ 58,030,959</u>	<u>\$ 9,231,446</u>	<u>\$ 10,440,726</u>	<u>\$ 100,713</u>	<u>\$ 77,803,844</u>

Expenses related to providing these services by functional class for the year ended June 30, 2022 are as follows:

	Health Care Services		General and Administrative	Fundraising	Total
	Hospital	Medical Clinics			
Salaries and benefits	\$ 23,081,394	\$ 6,876,394	\$ 5,003,378	\$ 40,527	\$ 35,001,693
Supplies	7,616,271	881,965	2,425,924	6,862	10,931,022
Purchased services	9,943,998	671,184	145,788	1,385	10,762,355
Depreciation and amortization	3,251,774	-	-	-	3,251,774
Other	1,209,089	176,003	815,251	56,341	2,256,684
Interest	1,319,421	-	-	-	1,319,421
Insurance	862,723	7,721	22,115	-	892,559
Rent and utilities	428,479	-	330,347	-	758,826
Repairs and maintenance	466,702	90,587	168,080	-	725,369
	<u>\$ 48,179,851</u>	<u>\$ 8,703,854</u>	<u>\$ 8,910,883</u>	<u>\$ 105,115</u>	<u>\$ 65,899,703</u>

Note 17 - Contingencies

Professional Liability

The Organization has professional liability coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of \$1 million per claim and an annual aggregate limit of \$6.5 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The Organization has accrued a professional liability reserve of \$66,000 June 30, 2023 and 2022. As of June 30, 2023 and 2022, receivable balances of \$6,000, have been recorded for expected insurance recoveries related to the professional liability claims.

Employee Health Self-Insured Plan

The Organization is self-insured for health insurance. The claims under this plan continue to be accrued as the incidents that give rise to them occur. Unpaid claim accruals are based on the estimated ultimate costs of the claims, including claims administration expenses, in accordance with the Organization's past experience and its losses on claims for health insurance.

The Organization has entered into reinsurance agreements with insurance companies to limit losses on claims for health insurance. Reserves for self-insured plans were \$668,297 and \$285,655 as of June 30, 2023 and 2022, respectively, and are included in accrued expenses in the accompanying consolidated financial statements.

Litigation, Claims, and Disputes

The Organization is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. Management assesses the ultimate settlement of any litigations, claims, and disputes in process in determining whether a liability should be recorded, or a disclosure should be presented.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity with respect to investigations and allegations concerning possible violations by health care providers of regulations could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patient services.

Note 18 - Concentrations of Credit Risk

The Organization grants credit without collateral to its patient, most of whom are insured under third-party payor agreements. The mix of receivables from third-party payors and patients at June 30, 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Medicare	32%	32%
Blue Cross	7%	7%
Medicaid	12%	11%
Commercial insurance	18%	18%
Patients	31%	32%
	<u>100%</u>	<u>100%</u>

The Organization maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2023, the Organization had approximately \$3,845,000 in excess of FDIC-insured limits and amounts collateralized by the bank.

Note 19 - Livingston Healthcare Foundation

The financial statements of Livingston Healthcare Foundation, which are included in the consolidated financial statements for the years ended June 30, 2023 and 2022, are summarized as follows:

	<u>2023</u>	<u>2022</u>
Assets	<u>\$ 6,264,775</u>	<u>\$ 6,086,652</u>
Liabilities	<u>\$ -</u>	<u>\$ 38,452</u>
Total net assets	<u>\$ 6,264,775</u>	<u>\$ 6,048,200</u>
Revenue		
Contributions	\$ 510,649	\$ 715,038
Other revenue (expense)	307,648	(518,153)
Total revenues	<u>818,297</u>	<u>196,885</u>
Total expenses	<u>101,578</u>	<u>101,582</u>
Revenues in excess of expenses	<u>\$ 716,719</u>	<u>\$ 95,303</u>

Section II



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Livingston HealthCare and Subsidiary
Livingston, Montana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Livingston HealthCare and Subsidiary (the Organization) which comprise the consolidated balance sheet as of June 30, 2023, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001, 2023-002, and 2023-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Organization's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Organization's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Billings, Montana
November 30, 2023



Independent Auditor’s Report on Compliance for Its Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Board of Directors
Livingston HealthCare and Subsidiary
Livingston, Montana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Livingston HealthCare and Subsidiary’s (the Organization) compliance with the types of compliance requirements identified as subject to the audit in the OMB Compliance Supplement that could have a direct and material effect on the Organization’s major federal program for the year ended June 30, 2023. The Organization’s major federal program is identified in the summary of independent auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Hospital and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Livingston HealthCare and Subsidiary’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, regulations, rules and provisions of contracts or grant agreements applicable to the Organization’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of its major federal program as whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise Professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Livingston HealthCare and Subsidiary's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Livingston HealthCare and Subsidiary's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Livingston HealthCare and Subsidiary's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Livingston HealthCare and Subsidiary as of and for the year ended June 30, 2023, and have issued our report thereon dated November 30, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 audit 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.



Billings, Montana
November 30, 2023

Livingston HealthCare and Subsidiary
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures
Department of Health and Human Services			
COVID-19 Provider Relief Funds and American Rescue Plan Rural Distribution	93.498	N/A	\$ 1,481,778
Passed through Montana State University Small Hospital Improvement Grant Program	93.301	H3HRH00013	<u>11,100</u>
Total Department of Health and Human Services			<u>1,492,878</u>
Total Federal Financial Assistance			<u>\$ 1,492,878</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Livingston HealthCare and Subsidiary (the Organization) under programs of the federal government for the year ended June 30, 2023. The information is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2 - Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

The Organization does not draw for indirect administrative expenses and has not elected to use the 10% de minimis indirect cost rate.

Note 4 - Donated Personal Protective Equipment (PPE) (Unaudited)

Nonmonetary assistance of PPE received during the emergency period of the COVID-19 pandemic was \$-0-

Note 5 - Provider Relief Funds

The Organization received amounts from the U.S. Department of Health and Human Services (HHS) through the Provider Relief Fund and American Rescue Plan Rural Distribution (PRF) program (Federal Financial Assistance Listing #93.498) during the years ended June 30, 2023 and 2022. In accordance with the 2023 compliance supplement, the PRF expenditures recognized on the Schedule are based on reporting to HHS for Period 4, defined as payments received between July 1, 2021 and December 31, 2021, as required under the PRF program.

The following summarizes the Provider Relief Funds and American Rescue Plan distribution receipts and the timing of when the amounts were recognized in the financial statements.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Amounts Recognized in Accordance with GAAP for the Year Ended June 30, 2021	Amounts Recognized in Accordance with GAAP for the Year Ended June 30, 2022	Amounts Recognized in Accordance with GAAP for the Year Ended June 30, 2023
Department of Health and Human Services Health Resources and Services Administration COVID-19 Provider Relief Fund and American Rescue Plan Rural Distribution - Period 1 (not included in 2023 schedule)	93.498	\$ 3,239,631	\$ 313,921	\$ -
COVID-19 Provider Relief Fund and American Rescue Plan Rural Distribution - Period 4 (included in 2023 schedule)	93.498	\$ -	\$ 1,481,778	\$ -
Total COVID-19 Provider Relief Fund and American Rescue Plan Rural Distributions		<u>\$ 3,239,631</u>	<u>\$ 1,795,699</u>	<u>\$ -</u>

Part I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiency identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiency identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of Major Programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
COVID-19 Provider Relief Fund	93.498
Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000
Auditee qualified as low-risk auditee?	No

Part II –Financial Statement Findings

2023-001 - Year Ended June 30, 2023:

Material Weakness – Auditor Preparation of Annual Financial Statements and Schedule of Expenditures of Federal Awards

Criteria – A properly designed system of internal control over financial reporting includes preparation of an entity’s financial statements and accompanying notes by internal personnel of the entity. Management is responsible for establishing and maintaining internal control over financial reporting and procedures related to the fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles (GAAP).

Condition – Livingston HealthCare and Subsidiary does not have an internal control system designed to provide for the preparation of financial statements being audited, including related disclosures in accordance with GAAP. As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements.

Cause – This deficiency is partially due to the limited resources in the financial reporting process due to budgetary constraints.

Effect– The effect of this condition is that the year-end financial reporting is prepared by a party outside the entity. The outside party does not have constant contact with the ongoing financial transactions that internal staff have. Furthermore, it is possible that new standards may not be adopted and applied timely to the interim financial reporting, which could result in a material misstatement of the interim financial statements. It is the responsibility of Livingston HealthCare and Subsidiary’s management and those charged with governance to make a decision whether to accept the degree of risk associated with these conditions because of cost or other considerations.

Recommendation – We recommend that management continue reviewing operating procedures in order to obtain the maximum internal control over financial reporting possible under the circumstances to enable staff to draft the financial statements internally.

Views of Responsible Officials – Management agrees with the finding.

2023-002 – Year Ended June 30, 2023:

Material Weakness – Limited Size of Office Staff

Criteria – A good system of internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to completion.

Condition – The limited number of staff of Livingston HealthCare and Subsidiary, does not facilitate the segregation of duties necessary to achieve a low level of control risk.

Cause – Livingston HealthCare and Subsidiary’s size and budget constraints limit the number of personnel and does not facilitate the segregation of duties necessary to adequately separate procedures.

Effect – Inadequate segregation of duties could adversely affect Livingston HealthCare and Subsidiary’s ability to detect and correct unintentional or intentional misstatements in a timely period by employees in the normal course of performing their assigned functions.

Recommendation – We recognize your staff may not be large enough to permit complete segregation of duties in all respects for an effective system of internal control. However, Livingston HealthCare and Subsidiary should continually review its internal control procedures, other compensating controls, and monitoring procedures to obtain the maximum internal control possible under the circumstances. Furthermore, Livingston HealthCare and Subsidiary should periodically evaluate its procedures to identify potential areas where the benefits of further segregation of duties or addition of other compensating controls and monitoring procedures exceed the related costs. In addition, active involvement of the Board of Directors and the Board’s knowledge of the operations is an effective control.

Views of Responsible Officials – Management agrees with the finding.

2023-003 – Year Ended June 30, 2023:

Material Weakness – Material Audit Adjustment

Criteria – A good system of internal control involves consideration of underlying data when calculating significant estimates.

Condition – We proposed a material adjusting journal entry as a result of our audit procedures. The entry may not have been identified as a result of the Organization’s existing internal controls. With inaccurate financial statements, it is difficult to make changes in the operations on a timely basis in response to financial performance and make appropriate decisions for the future.

Cause – The estimated allowance for doubtful accounts for patient accounts receivable did not include consideration of subsequent receipt write off percentages, which were higher than expected. The increased subsequent receipt write off percentages indicated the allowance for doubtful accounts estimate and contractual adjustments to be materially understated.

Effect – During the course of our engagement, we proposed a material audit adjustment to the Organization’s recorded account balances, which if not recorded, would have resulted in a material misstatement of the Organization’s financial statements. The need for this adjustment indicates that the Organization’s interim financial information is not materially correct, which may affect management decisions made during the course of the year.

Recommendation – We recommend management considers subsequent receipts when calculating the estimated allowance for doubtful accounts for patient accounts receivable.

Views of Responsible Officials – Management agrees with the finding.

Part III – Federal Award Findings and Questioned Costs

There were no current year findings applicable to major federal award programs.