

**PUBLIC DISCLOSURE COPY**

# TAX RETURN FILING INSTRUCTIONS

FORM 990

**FOR THE YEAR ENDING**

December 31, 2020

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**Prepared For:**

Freeman Regional Health Services  
P.O. Box 370  
Freeman, SD 57029

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**Prepared By:**

Eide Bailly LLP  
200 E. 10th St., Ste. 500  
Sioux Falls, SD 57104-6375

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**Amount Due or Refund:**

Not applicable

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**Make Check Payable To:**

Not applicable

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**Mail Tax Return and Check (if applicable) To:**

Not applicable

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**Return Must be Mailed On or Before:**

Not applicable

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**Special Instructions:**

This copy of the return is provided ONLY for Public Disclosure purposes. Any confidential information regarding large donors has been removed.

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

OMB No. 1545-0047

► **File a separate application for each return.**  
► **Go to [www.irs.gov/Form8868](http://www.irs.gov/Form8868) for the latest information.**

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

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

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

<b>Type or print</b>  File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions.  <b>FREEMAN REGIONAL HEALTH SERVICES</b>	Taxpayer identification number (TIN)  <b>46-0232450</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>P.O. BOX 370</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>FREEMAN, SD 57029</b>	

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

0	1
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Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**PHIL HUSHER**

- The books are in the care of ► **510 EAST 8TH STREET - FREEMAN, SD 57029**  
Telephone No. ► **605-925-4000** Fax No. ► \_\_\_\_\_

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

- 1 I request an automatic 6-month extension of time until **NOVEMBER 15, 2021**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
► ☒ calendar year **2020** or  
► ☐ tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_.

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

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

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

Form **990**

Department of the Treasury  
Internal Revenue Service

# Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

**2020**

Open to Public Inspection

<b>A</b> For the <b>2020</b> calendar year, or tax year beginning and ending																							
<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2"><b>C</b> Name of organization <b>FREEMAN REGIONAL HEALTH SERVICES</b></td> <td><b>D</b> Employer identification number <b>46-0232450</b></td> </tr> <tr> <td colspan="2">Doing business as</td> <td rowspan="3"><b>E</b> Telephone number <b>605-925-4000</b></td> </tr> <tr> <td>Number and street (or P.O. box if mail is not delivered to street address)</td> <td>Room/suite</td> </tr> <tr> <td colspan="2"><b>P.O. BOX 370</b></td> </tr> <tr> <td colspan="2">City or town, state or province, country, and ZIP or foreign postal code <b>FREEMAN, SD 57029</b></td> <td><b>G</b> Gross receipts \$ <b>15,179,652.</b></td> </tr> <tr> <td colspan="2"><b>F</b> Name and address of principal officer: <b>COURTNEY UNRUH</b> <b>SAME AS C ABOVE</b></td> <td> <b>H(a)</b> Is this a group return for subordinates? ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No            If "No," attach a list. See instructions  <b>H(c)</b> Group exemption number ▶         </td> </tr> <tr> <td colspan="3"> <b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527  <b>J</b> Website: ▶ <b>WWW.FREEMANREGIONAL.COM</b> </td> </tr> <tr> <td colspan="2"> <b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶         </td> <td> <b>L</b> Year of formation: <b>1944</b> <b>M</b> State of legal domicile: <b>SD</b> </td> </tr> </table>	<b>C</b> Name of organization <b>FREEMAN REGIONAL HEALTH SERVICES</b>		<b>D</b> Employer identification number <b>46-0232450</b>	Doing business as		<b>E</b> Telephone number <b>605-925-4000</b>	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	<b>P.O. BOX 370</b>		City or town, state or province, country, and ZIP or foreign postal code <b>FREEMAN, SD 57029</b>		<b>G</b> Gross receipts \$ <b>15,179,652.</b>	<b>F</b> Name and address of principal officer: <b>COURTNEY UNRUH</b> <b>SAME AS C ABOVE</b>		<b>H(a)</b> Is this a group return for subordinates? ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions <b>H(c)</b> Group exemption number ▶	<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 <b>J</b> Website: ▶ <b>WWW.FREEMANREGIONAL.COM</b>			<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>1944</b> <b>M</b> State of legal domicile: <b>SD</b>
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<b>Part I Summary</b>				
<b>Activities &amp; Governance</b>	1	Briefly describe the organization's mission or most significant activities: <b>PROVIDE ACCESSIBLE, COMMUNITY BASED QUALITY CARE THAT IS COMPETENT, CREATIVE AND COMPASSIONATE.</b>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	9	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	9	
	5	Total number of individuals employed in calendar year 2020 (Part V, line 2a)	200	
	6	Total number of volunteers (estimate if necessary)	5	
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0.	
	7b	Net unrelated business taxable income from Form 990-T, Part I, line 11	0.	
<b>Revenue</b>	8	Contributions and grants (Part VIII, line 1h)	421,965.	1,299,846.
	9	Program service revenue (Part VIII, line 2g)	11,280,803.	13,565,259.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	76,473.	62,270.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	134,234.	124,357.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	11,913,475.	15,051,732.
	<b>Expenses</b>	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.
14		Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	6,374,691.	6,793,432.
16a		Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b		Total fundraising expenses (Part IX, column (D), line 25) ▶	3,218.	
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	5,157,944.	5,579,344.
18		Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	11,532,635.	12,372,776.
	19	Revenue less expenses. Subtract line 18 from line 12	380,840.	2,678,956.
<b>Net Assets or Fund Balances</b>	20	Total assets (Part X, line 16)	13,046,971.	19,632,360.
	21	Total liabilities (Part X, line 26)	2,366,020.	6,147,800.
	22	Net assets or fund balances. Subtract line 21 from line 20	10,680,951.	13,484,560.

<b>Part II Signature Block</b>					
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.					
<b>Sign Here</b>	▶ Signature of officer		Date		
	▶ <b>COURTNEY UNRUH, CEO</b> Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<b>LAURIE HANSON, CPA</b>	<b>LAURIE HANSON, CPA</b>	<b>11/09/21</b>		<b>P00851848</b>
	Firm's name ▶	Firm's EIN ▶			
	<b>EIDE BAILLY LLP</b>	<b>45-0250958</b>			
	Firm's address ▶	Phone no.			
	<b>200 E. 10TH ST., STE. 500</b> <b>SIOUX FALLS, SD 57104-6375</b>	<b>605-339-1999</b>			

**Part III** Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐**1** Briefly describe the organization's mission:

**THE MISSION OF FREEMAN REGIONAL HEALTH SERVICES IS TO PROVIDE ACCESSIBLE, COMMUNITY-BASED QUALITY CARE THAT IS COMPETENT, CREATIVE AND COMPASSIONATE.**

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

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

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

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

Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a** (Code: ) (Expenses \$ 10,901,972. including grants of \$ ) (Revenue \$ 13,565,259. )

**FRHS IS COMPRISED OF A 49 BED NURSING HOME AND A 25 BED CRITICAL ACCESS HOSPITAL WITH A 24/7 EMERGENCY ROOM. THE EMERGENCY ROOM HAS LOCAL PROVIDERS ON CALL AND TELEMEDICINE CAPABILITIES WITH A REGIONAL TRAUMA CENTER. HOSPITAL ACUTE PATIENT DAYS= 335, SWING BED DAYS=293, NURSING HOME RESIDENT DAYS= 16,768.**

**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 **10,901,972.**

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> 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>	<b>1</b> X	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	<b>2</b> X	
<b>3</b> 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>	<b>3</b>	X
<b>4</b> <b>Section 501(c)(3) organizations.</b> 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>	<b>4</b>	X
<b>5</b> 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 Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	<b>5</b>	X
<b>6</b> 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>	<b>6</b>	X
<b>7</b> 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>	<b>7</b>	X
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<b>8</b>	X
<b>9</b> 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>	<b>9</b> X	
<b>10</b> 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>	<b>10</b>	X
<b>11</b> 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.		
<b>a</b> 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>	<b>11a</b> X	
<b>b</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>	<b>11b</b>	X
<b>c</b> 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>	<b>11c</b>	X
<b>d</b> 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>	<b>11d</b>	X
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<b>11e</b> X	
<b>f</b> 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>	<b>11f</b> X	
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	<b>12a</b> X	
<b>b</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>	<b>12b</b>	X
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<b>13</b>	X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?	<b>14a</b>	X
<b>b</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>	<b>14b</b>	X
<b>15</b> 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>	<b>15</b>	X
<b>16</b> 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>	<b>16</b>	X
<b>17</b> 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>	<b>17</b>	X
<b>18</b> 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>	<b>18</b> X	
<b>19</b> 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>	<b>19</b>	X
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	<b>20a</b> X	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<b>20b</b> X	
<b>21</b> 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>	<b>21</b>	X

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>22</b> 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> .....	<b>22</b>	X
<b>23</b> 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> .....	<b>23</b>	X
<b>24a</b> 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> .....	<b>24a</b>	X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....	<b>24b</b>	X
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....	<b>24c</b>	X
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....	<b>24d</b>	X
<b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> 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> .....	<b>25a</b>	X
<b>b</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> .....	<b>25b</b>	X
<b>26</b> 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> .....	<b>26</b>	X
<b>27</b> 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> .....	<b>27</b>	X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions, for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i> .....	<b>28a</b>	X
<b>b</b> A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i> .....	<b>28b</b>	X
<b>c</b> A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i> .....	<b>28c</b>	X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....	<b>29</b>	X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....	<b>30</b>	X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....	<b>31</b>	X
<b>32</b> 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> .....	<b>32</b>	X
<b>33</b> 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> .....	<b>33</b>	X
<b>34</b> 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> .....	<b>34</b>	X
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....	<b>35a</b>	X
<b>b</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> .....	<b>35b</b>	
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....	<b>36</b>	X
<b>37</b> 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> .....	<b>37</b>	X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note:</b> All Form 990 filers are required to complete Schedule O .....	<b>38</b>	X

**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable .....	<b>1a</b>	40
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable .....	<b>1b</b>	0
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? .....	<b>1c</b>	X

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

	Yes	No
<b>2a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
<b>2a</b> 200		
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	<b>2b</b> X	
<b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b> X	
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	<b>3b</b> X	
<b>4a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>4a</b>	X
<b>b</b> If "Yes," enter the name of the foreign country		
See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	X
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	X
<b>c</b> If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>	
<b>6a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	<b>6a</b>	X
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>	
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	<b>7a</b> X	
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b> X	
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>	X
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year	<b>7d</b>	
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>	X
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>	X
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>	
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>	
<b>8 Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	<b>8</b>	
<b>9 Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b> Did the sponsoring organization make any taxable distributions under section 4966?	<b>9a</b>	
<b>b</b> Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>	
<b>10 Section 501(c)(7) organizations.</b> Enter:		
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12	<b>10a</b>	
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b>	
<b>11 Section 501(c)(12) organizations.</b> Enter:		
<b>a</b> Gross income from members or shareholders	<b>11a</b>	
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>11b</b>	
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>	
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state?	<b>13a</b>	
<b>Note:</b> See the instructions for additional information the organization must report on Schedule O.		
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	<b>13b</b>	
<b>c</b> Enter the amount of reserves on hand	<b>13c</b>	
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>	X
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	<b>14b</b>	
<b>15</b> Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?	<b>15</b>	X
If "Yes," see instructions and file Form 4720, Schedule N.		
<b>16</b> Is the organization an educational institution subject to the section 4968 excise tax on net investment income?	<b>16</b>	X
If "Yes," complete Form 4720, Schedule O.		



**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**

	1a	1b	2	3	4	5	6	7a	7b	8a	8b	9	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year	9													
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.														
<b>b</b> Enter the number of voting members included on line 1a, above, who are independent		9												
<b>2</b> 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?			2											X
<b>3</b> 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?				3										X
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?					4									X
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets?						5								X
<b>6</b> Did the organization have members or stockholders?							6							X
<b>7a</b> 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?								7a						X
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?									7b					X
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:														
<b>a</b> The governing body?										8a	X			
<b>b</b> Each committee with authority to act on behalf of the governing body?											8b			X
<b>9</b> 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												9		X

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

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

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed **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 **PHIL HUSHER - 605-925-4000**  
**510 EAST 8TH STREET, FREEMAN, SD 57029**



**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)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
<b>1b Subtotal</b>								404,148.	0.	18,337.
<b>c Total from continuation sheets to Part VII, Section A</b>								0.	0.	0.
<b>d Total (add lines 1b and 1c)</b>								404,148.	0.	18,337.

**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 **3**

- 3** Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*
- 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? *If "Yes," complete Schedule J for such individual*
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*

	Yes	No
3		X
4	X	
5		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
AVERA MCKENNAN HOSPITAL 800 E 21ST ST, SIOUX FALLS, SD 57105	PHYSICIAN SERVICES	2,032,726.
AVERA SACRED HEART HOSPITAL 501 SUMMIT, YANKTON, SD 57078	IT SUPPORT	509,523.
G&R CONTROLS INC PO BOX 85661, SIOUX FALLS, SD 57118	HVAC	116,690.
AVERA THERAPY MITCHELL PO BOX 1284, MITCHELL, SD 57301	THERAPY SERVICES	113,347.
AGILITI HEALTH INC, 6625 W 78TH ST STE 300, MINNEAPOLIS, MN 55439	FACILITY EQUIPMENT	112,008.

**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 **5**

**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
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b>	Federated campaigns .....	<b>1a</b>				
	<b>b</b>	Membership dues .....	<b>1b</b>				
	<b>c</b>	Fundraising events .....	<b>1c</b>	15,052.			
	<b>d</b>	Related organizations .....	<b>1d</b>				
	<b>e</b>	Government grants (contributions) .....	<b>1e</b>	1,251,745.			
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above ...	<b>1f</b>	33,049.			
	<b>g</b>	Noncash contributions included in lines 1a-1f	<b>1g</b>	\$			
	<b>h</b>	<b>Total.</b> Add lines 1a-1f .....		1,299,846.			
<b>Program Service Revenue</b>	<b>2 a</b>	PATIENT SERVICE REVENUE	Business Code				
			900099	12,194,272.	12,194,272.		
	<b>b</b>	COLLABORATIVE ARRANGEMENT	900099	249,039.	249,039.		
	<b>c</b>	MEALS ON WHEELS	624210	24,282.	24,282.		
	<b>d</b>						
	<b>e</b>						
	<b>f</b>	All other program service revenue .....	900099	1,097,666.	1,097,666.		
	<b>g</b>	<b>Total.</b> Add lines 2a-2f .....		13,565,259.			
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest, and other similar amounts) .....		62,270.			62,270.
	<b>4</b>	Income from investment of tax-exempt bond proceeds .....					
	<b>5</b>	Royalties .....					
	<b>6 a</b>	Gross rents .....	(i) Real	236,756.			
	<b>b</b>	Less: rental expenses ...	(ii) Personal	119,429.			
	<b>c</b>	Rental income or (loss) .....		117,327.			
	<b>d</b>	Net rental income or (loss) .....		117,327.			117,327.
	<b>7 a</b>	Gross amount from sales of assets other than inventory .....	(i) Securities				
	<b>b</b>	Less: cost or other basis and sales expenses .....	(ii) Other				
	<b>c</b>	Gain or (loss) .....					
	<b>d</b>	Net gain or (loss) .....					
	<b>8 a</b>	Gross income from fundraising events (not including \$ 15,052. of contributions reported on line 1c). See Part IV, line 18 .....		15,521.			
	<b>b</b>	Less: direct expenses .....		8,491.			
	<b>c</b>	Net income or (loss) from fundraising events .....		7,030.			7,030.
	<b>9 a</b>	Gross income from gaming activities. See Part IV, line 19 .....					
<b>b</b>	Less: direct expenses .....						
<b>c</b>	Net income or (loss) from gaming activities .....						
<b>10 a</b>	Gross sales of inventory, less returns and allowances .....						
<b>b</b>	Less: cost of goods sold .....						
<b>c</b>	Net income or (loss) from sales of inventory .....						
<b>Miscellaneous Revenue</b>	<b>11 a</b>		Business Code				
	<b>b</b>						
	<b>c</b>						
	<b>d</b>	All other revenue .....					
	<b>e</b>	<b>Total.</b> Add lines 11a-11d .....					
	<b>12</b>	<b>Total revenue.</b> See instructions .....		15,051,732.	13,565,259.	0.	186,627.

**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

☒

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
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees	289,988.		289,988.	
<b>6</b> Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages	5,346,351.	4,855,519.	490,832.	
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	110,173.	102,084.	8,089.	
<b>9</b> Other employee benefits	639,924.	545,861.	94,063.	
<b>10</b> Payroll taxes	406,996.	351,524.	55,472.	
<b>11</b> Fees for services (nonemployees):				
<b>a</b> Management				
<b>b</b> Legal	13,479.		13,479.	
<b>c</b> Accounting	58,803.		58,803.	
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees				
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	3,220,860.	3,048,205.	172,655.	
<b>12</b> Advertising and promotion	33,783.	22,407.	10,595.	781.
<b>13</b> Office expenses	435,147.	239,035.	193,900.	2,212.
<b>14</b> Information technology				
<b>15</b> Royalties				
<b>16</b> Occupancy	165,005.	165,005.		
<b>17</b> Travel	26,867.	26,755.	112.	
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings	7,920.	7,156.	764.	
<b>20</b> Interest	15,592.	15,592.		
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization	357,002.	357,002.		
<b>23</b> Insurance	70,069.	70,069.		
<b>24</b> 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.)				
<b>a</b> MEDICAL SUPPLIES	802,300.	802,300.		
<b>b</b> EQUIPMENT RENTAL AND MA	208,719.	207,377.	1,342.	
<b>c</b> ALL OTHER EXPENSES	163,798.	86,081.	77,492.	225.
<b>d</b>				
<b>e</b> All other expenses				
<b>25</b> Total functional expenses. Add lines 1 through 24e	12,372,776.	10,901,972.	1,467,586.	3,218.
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....		<b>1</b>	
	<b>2</b> Savings and temporary cash investments .....	3,191,787.	<b>2</b>	4,560,168.
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....	1,608,356.	<b>4</b>	2,155,515.
	<b>5</b> 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 .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....	137,500.	<b>7</b>	87,500.
	<b>8</b> Inventories for sale or use .....	131,001.	<b>8</b>	133,818.
	<b>9</b> Prepaid expenses and deferred charges .....	61,658.	<b>9</b>	41,725.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 16,026,139.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 10,310,269.		
	<b>11</b> Investments - publicly traded securities .....	5,328,881.	<b>10c</b>	5,715,870.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	2,193,144.	<b>11</b>	6,265,608.
	<b>13</b> Investments - program-related. See Part IV, line 11 .....	3,249.	<b>12</b>	
	<b>14</b> Intangible assets .....		<b>13</b>	6,133.
	<b>15</b> Other assets. See Part IV, line 11 .....	391,395.	<b>14</b>	
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 33) .....	13,046,971.	<b>15</b>	666,023.	
<b>17</b> Accounts payable and accrued expenses .....	980,593.	<b>16</b>	19,632,360.	
<b>18</b> Grants payable .....		<b>17</b>	803,511.	
<b>19</b> Deferred revenue .....	2,275.	<b>18</b>		
<b>20</b> Tax-exempt bond liabilities .....	340,002.	<b>19</b>	3,774,912.	
<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....	1,515.	<b>20</b>	296,928.	
<b>22</b> 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 .....		<b>21</b>	3,261.	
<b>23</b> Secured mortgages and notes payable to unrelated third parties .....	394,885.	<b>22</b>		
<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>23</b>	769,870.	
<b>25</b> 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 .....	646,750.	<b>24</b>		
<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 .....	2,366,020.	<b>25</b>	499,318.	
<b>27</b> <b>Organizations that follow FASB ASC 958, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27, 28, 32, and 33.</b>		<b>26</b>	6,147,800.	
<b>28</b> Net assets without donor restrictions .....	10,680,951.	<b>27</b>	13,484,560.	
<b>29</b> Net assets with donor restrictions .....		<b>28</b>		
<b>30</b> <b>Organizations that do not follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 29 through 33.</b>				
<b>31</b> Capital stock or trust principal, or current funds .....		<b>29</b>		
<b>32</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>30</b>		
<b>33</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>31</b>		
<b>34</b> Total net assets or fund balances .....	10,680,951.	<b>32</b>	13,484,560.	
<b>35</b> Total liabilities and net assets/fund balances .....	13,046,971.	<b>33</b>	19,632,360.	

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI ☐

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	15,051,732.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	12,372,776.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	2,678,956.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	<b>4</b>	10,680,951.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	124,653.
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain on Schedule O)	<b>9</b>	0.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	<b>10</b>	13,484,560.

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII ☐

	Yes	No
<b>1</b> 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 in Schedule O.		
<b>2a</b> 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	<b>2a</b>	<b>X</b>
<b>b</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 checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	<b>2b</b>	<b>X</b>
<b>c</b> 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.	<b>2c</b>	<b>X</b>
<b>3a</b> As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____	<b>3a</b>	<b>X</b>
<b>b</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 _____	<b>3b</b>	

Form 990 (2020)

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

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](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2020**

Open to Public  
Inspection

Name of the organization

**FREEMAN REGIONAL HEALTH SERVICES**

Employer identification number

**46-0232450**

**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 or 990-EZ).)
- 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 in 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		
<b>Total</b>						



**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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> 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) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First 5 years.</b> 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 <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2020 (line 6, column (f), divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2019 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2020.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		
<input type="checkbox"/>		
<b>b 33 1/3% support test - 2019.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization .....		
<input type="checkbox"/>		
<b>17a 10% -facts-and-circumstances test - 2020.</b> 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 <b>stop here.</b> 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>b 10% -facts-and-circumstances test - 2019.</b> 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 <b>stop here.</b> 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>18 Private foundation.</b> 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) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> 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 .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</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 .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						
<b>14 First 5 years.</b> 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 <b>stop here</b> .....						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2020 (line 8, column (f), divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2019 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2020 (line 10c, column (f), divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2019 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2020.** 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 - 2019.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .....

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

**Part IV Supporting Organizations**

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

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in <b>Part VI</b> how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> 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 <b>Part VI</b> how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> 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>b</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 <b>Part VI</b> when and how the organization made the determination.</i>		
<b>c</b> 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 <b>Part VI</b> what controls the organization put in place to ensure such use.</i>		
<b>4a</b> 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>b</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 <b>Part VI</b> how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> 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 <b>Part VI</b> 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>		
<b>5a</b> 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 <b>Part VI</b>, 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>b</b> <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c</b> <b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> 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 <b>Part VI</b>.</i>		
<b>7</b> 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 or 990-EZ).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>9a</b> 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 <b>Part VI</b>.</i>		
<b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in <b>Part VI</b>.</i>		
<b>c</b> Did a disqualified person (as defined in 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 <b>Part VI</b>.</i>		
<b>10a</b> 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>b</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
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in lines 11b and 11c below, the governing body of a supported organization?		
<b>11a</b>		
<b>b</b> A family member of a person described in line 11a above?		
<b>11b</b>		
<b>c</b> A 35% controlled entity of a person described in line 11a or 11b above? If "Yes" to line 11a, 11b, or 11c, provide detail in <b>Part VI</b> .		
<b>11c</b>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> 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? If "No," describe in <b>Part VI</b> 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.		
<b>1</b>		
<b>2</b> 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? If "Yes," explain in <b>Part VI</b> how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		
<b>2</b>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> 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)? If "No," describe in <b>Part VI</b> how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		
<b>1</b>		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> 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?		
<b>1</b>		
<b>2</b> 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? If "No," explain in <b>Part VI</b> how the organization maintained a close and continuous working relationship with the supported organization(s).		
<b>2</b>		
<b>3</b> By reason of the relationship described in 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? If "Yes," describe in <b>Part VI</b> the role the organization's supported organizations played in this regard.		
<b>3</b>		

**Section E. Type III Functionally Integrated Supporting Organizations**

	Yes	No
<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in <b>Part VI</b> how you supported a governmental entity (see instructions).		
<b>2</b> Activities Test. Answer lines 2a and 2b below.		
<b>a</b> 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? If "Yes," then in <b>Part VI</b> 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.		
<b>2a</b>		
<b>b</b> Did the activities described in 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? If "Yes," explain in <b>Part VI</b> the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
<b>2b</b>		
<b>3</b> Parent of Supported Organizations. Answer lines 3a and 3b below.		
<b>a</b> 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? If "Yes" or "No" provide details in <b>Part VI</b> .		
<b>3a</b>		
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in <b>Part VI</b> the role played by the organization in this regard.		
<b>3b</b>		

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

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

<b>Section A - Adjusted Net Income</b>		(A) Prior Year	(B) Current Year (optional)
<b>1</b> Net short-term capital gain	<b>1</b>		
<b>2</b> Recoveries of prior-year distributions	<b>2</b>		
<b>3</b> Other gross income (see instructions)	<b>3</b>		
<b>4</b> Add lines 1 through 3.	<b>4</b>		
<b>5</b> Depreciation and depletion	<b>5</b>		
<b>6</b> 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)	<b>6</b>		
<b>7</b> Other expenses (see instructions)	<b>7</b>		
<b>8 Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	<b>8</b>		

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

<b>Section C - Distributable Amount</b>			Current Year
<b>1</b> Adjusted net income for prior year (from Section A, line 8, column A)	<b>1</b>		
<b>2</b> Enter 0.85 of line 1.	<b>2</b>		
<b>3</b> Minimum asset amount for prior year (from Section B, line 8, column A)	<b>3</b>		
<b>4</b> Enter greater of line 2 or line 3.	<b>4</b>		
<b>5</b> Income tax imposed in prior year	<b>5</b>		
<b>6 Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	<b>6</b>		
<b>7</b> <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)

<b>Section D - Distributions</b>		<b>Current Year</b>
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	<b>1</b>	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	<b>2</b>	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	<b>3</b>	
<b>4</b> Amounts paid to acquire exempt-use assets	<b>4</b>	
<b>5</b> Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i> )	<b>5</b>	
<b>6</b> Other distributions ( <i>describe in Part VI</i> ). See instructions.	<b>6</b>	
<b>7</b> <b>Total annual distributions.</b> Add lines 1 through 6.	<b>7</b>	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive ( <i>provide details in Part VI</i> ). See instructions.	<b>8</b>	
<b>9</b> Distributable amount for 2020 from Section C, line 6	<b>9</b>	
<b>10</b> Line 8 amount divided by line 9 amount	<b>10</b>	

<b>Section E - Distribution Allocations</b> (see instructions)	<b>(i) Excess Distributions</b>	<b>(ii) Underdistributions Pre-2020</b>	<b>(iii) Distributable Amount for 2020</b>
<b>1</b> Distributable amount for 2020 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2020 (reasonable cause required - <i>explain in Part VI</i> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2020			
<b>a</b> From 2015			
<b>b</b> From 2016			
<b>c</b> From 2017			
<b>d</b> From 2018			
<b>e</b> From 2019			
<b>f</b> <b>Total</b> of lines 3a through 3e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2020 distributable amount			
<b>i</b> Carryover from 2015 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
<b>4</b> Distributions for 2020 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2020 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from line 4.			
<b>5</b> Remaining underdistributions for years prior to 2020, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
<b>6</b> Remaining underdistributions for 2020. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
<b>7</b> <b>Excess distributions carryover to 2021.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2016			
<b>b</b> Excess from 2017			
<b>c</b> Excess from 2018			
<b>d</b> Excess from 2019			
<b>e</b> Excess from 2020			

## 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.)

**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.)

## Schedule B

(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

## Schedule of Contributors

- ▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

# 2020

Name of the organization

**FREEMAN REGIONAL HEALTH SERVICES**

Employer identification number

**46-0232450**

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 or 990-EZ), 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, 990-EZ, or 990-PF), 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, 990-EZ, or 990-PF).



Name of organization	Employer identification number
<b>FREEMAN REGIONAL HEALTH SERVICES</b>	<b>46-0232450</b>

**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
<u>1</u>		\$ <u>15,000.</u>	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)



Name of organization	Employer identification number
<b>FREEMAN REGIONAL HEALTH SERVICES</b>	<b>46-0232450</b>

**Part III**

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

Use duplicate copies of Part III if additional space is needed.

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

**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](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2020****Open to Public Inspection****Name of the organization**

FREEMAN REGIONAL HEALTH SERVICES

**Employer identification number**

46-0232450

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (for example, recreation or education) ☐ Preservation of a historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

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

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

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

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

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

☐ Yes ☐ No

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

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

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

☐ Yes ☐ No

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

**Part III****Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

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

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

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

▶ \$ .....

(ii) Assets included in Form 990, Part X .....

▶ \$ .....

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

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

▶ \$ .....

b Assets included in Form 990, Part X .....

▶ \$ .....

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

3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):

- a ☐ Public exhibition  
 b ☐ Scholarly research  
 c ☐ Preservation for future generations  
 d ☐ Loan or exchange program  
 e ☐ Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☒ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☒ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☒ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☒

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

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

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment ☐ \_\_\_\_\_ %  
 b Permanent endowment ☐ \_\_\_\_\_ %  
 c Term endowment ☐ \_\_\_\_\_ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) Unrelated organizations  
 (ii) Related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

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		830,059.		830,059.
b Buildings		8,776,911.	5,728,928.	3,047,983.
c Leasehold improvements				
d Equipment		5,354,927.	4,294,890.	1,060,037.
e Other		1,064,242.	286,451.	777,791.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				5,715,870.

**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) .....		
<b>Total.</b> (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) .....		
<b>Total.</b> (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) .....	
<b>Total.</b> (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) APARTMENT DEPOSITS	499,318.
(3) .....	
(4) .....	
(5) .....	
(6) .....	
(7) .....	
(8) .....	
(9) .....	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	499,318.

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.

<b>1</b>	Total revenue, gains, and other support per audited financial statements .....	<b>1</b>	15,304,305.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains (losses) on investments .....	<b>2a</b>	124,653.
<b>b</b>	Donated services and use of facilities .....	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants .....	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.) .....	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> .....	<b>2e</b>	124,653.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> .....	<b>3</b>	15,179,652.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b .....	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.) .....	<b>4b</b>	-127,920.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> .....	<b>4c</b>	-127,920.
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.) .....	<b>5</b>	15,051,732.

**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.

<b>1</b>	Total expenses and losses per audited financial statements .....	<b>1</b>	12,500,696.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities .....	<b>2a</b>	
<b>b</b>	Prior year adjustments .....	<b>2b</b>	
<b>c</b>	Other losses .....	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.) .....	<b>2d</b>	127,920.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> .....	<b>2e</b>	127,920.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> .....	<b>3</b>	12,372,776.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b .....	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.) .....	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> .....	<b>4c</b>	0.
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.) .....	<b>5</b>	12,372,776.

**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 IV, LINE 2B:**

FREEMAN REGIONAL HOLDS ACCOUNTS ON BEHALF OF THE LONG-TERM CARE RESIDENTS.

**PART X, LINE 2:**

THE FACILITY 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 FINANCIAL STATEMENTS. THE FACILITY 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 4B - OTHER ADJUSTMENTS:**

**Part XIII** Supplemental Information *(continued)*

RENTAL EXPENSES RECLASSIFIED	-119,429.
DIRECT FUNDRAISING EXPENSES	-8,491.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	-127,920.

## PART XII, LINE 2D - OTHER ADJUSTMENTS:

RENTAL EXPENSES RECLASSIFIED	119,429.
DIRECT FUNDRAISING EXPENSES	8,491.
TOTAL TO SCHEDULE D, PART XII, LINE 2D	127,920.



Department of the Treasury  
Internal Revenue Service

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

► Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

# 2020

**Open to Public Inspection**

Name of the organization

FREEMAN REGIONAL HEALTH SERVICES

Employer identification number	
--------------------------------	--

46-0232450

## Part I

### **Fundraising Activities.**

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

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

- a** ☐ Mail solicitations

- e** ☐ Solicitation of non-government grants

- b** ☐ Internet and email solicitations

- f** ☐ Solicitation of government grants

- c** ☐ Phone solicitations

- g ☐ Special fundraising events

- d** ☐ In-person solicitations

- 2 a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes☐ No

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

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

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

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

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		<b>GALA</b>		<b>NONE</b>	
		(event type)	(event type)	(total number)	
Revenue	<b>1</b> Gross receipts .....	30,573.			30,573.
	<b>2</b> Less: Contributions .....	15,052.			15,052.
	<b>3</b> Gross income (line 1 minus line 2) .....	15,521.			15,521.
Direct Expenses	<b>4</b> Cash prizes .....	423.			423.
	<b>5</b> Noncash prizes .....				
	<b>6</b> Rent/facility costs .....	655.			655.
	<b>7</b> Food and beverages .....	5,256.			5,256.
	<b>8</b> Entertainment .....	300.			300.
	<b>9</b> Other direct expenses .....	1,857.			1,857.
	<b>10</b> Direct expense summary. Add lines 4 through 9 in column (d) .....				8,491.
<b>11</b> Net income summary. Subtract line 10 from line 3, column (d) .....				7,030.	

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

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

**9** Enter the state(s) in which the organization conducts gaming activities: \_\_\_\_\_**a** Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No**b** If "No," explain: \_\_\_\_\_**10a** Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? ☐ Yes ☐ No**b** If "Yes," explain: \_\_\_\_\_

- 11** Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13** Indicate the percentage of gaming activity conducted in:
- |                                      |            |   |
|--------------------------------------|------------|---|
| <b>a</b> The organization's facility | <b>13a</b> | % |
| <b>b</b> An outside facility         | <b>13b</b> | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

**b** If "Yes," enter the amount of gaming revenue received by the organization ► \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ► \$ \_\_\_\_\_

**c** If "Yes," enter name and address of the third party:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

- 16** Gaming manager information:

Name ► \_\_\_\_\_

Gaming manager compensation ► \$ \_\_\_\_\_

Description of services provided ► \_\_\_\_\_

☐ Director/officer☐ Employee☐ Independent contractor

- 17** Mandatory distributions:

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

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

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

<b>Part IV</b>	<b>Supplemental Information</b> <i>(continued)</i>
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**SCHEDULE H  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Hospitals**

- **Complete if the organization answered "Yes" on Form 990, Part IV, question 20.**  
► **Attach to Form 990.**  
► **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2020**

**Open to Public  
Inspection**

Name of the organization

**FREEMAN REGIONAL HEALTH SERVICES**

Employer identification number

**46-0232450**

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<b>X</b>	
<b>b</b> If "Yes," was it a written policy?	<b>X</b>	
<b>2</b> 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		
<b>3</b> 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.		
<b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<b>X</b>	
<b>b</b> Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<b>X</b>	
<b>c</b> 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.		
<b>4</b> 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"?	<b>X</b>	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<b>X</b>	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	<b>X</b>	
<b>c</b> 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?		<b>X</b>
<b>6a</b> Did the organization prepare a community benefit report during the tax year?		<b>X</b>
<b>b</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
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1)			14,000.		14,000.	.11%
<b>b</b> Medicaid (from Worksheet 3, column a)			1243602.	986,334.	257,268.	2.08%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)						
<b>d Total.</b> Financial Assistance and Means-Tested Government Programs			1257602.	986,334.	271,268.	2.19%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)						
<b>f</b> Health professions education (from Worksheet 5)						
<b>g</b> Subsidized health services (from Worksheet 6)			5982169.	4799215.	1182954.	9.56%
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)						
<b>j Total.</b> Other Benefits			5982169.	4799215.	1182954.	9.56%
<b>k Total.</b> Add lines 7d and 7j			7239771.	5785549.	1454222.	11.75%

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

<b>Part III</b>	<b>Bad Debt, Medicare, &amp; Collection Practices</b>
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### Section A. Bad Debt Expense

Section A. Bad Debt Expense		Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? .....	X	
2	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount .....		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit .....		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.		
Section B. Medicare			
5	Enter total revenue received from Medicare (including DSH and IME) .....		
6	Enter Medicare allowable costs of care relating to payments on line 5 .....		
7	Subtract line 6 from line 5. This is the surplus (or shortfall) .....		
8	Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other		
Section C. Collection Practices			
9a	Did the organization have a written debt collection policy during the tax year? .....	X	
9b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI .....	X	

<b>Part IV</b>	<b>Management Companies and Joint Ventures</b>	(owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)
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[illegible]



**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 FREEMAN REGIONAL HEALTH SERVICESLine number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
<b>Community Health Needs Assessment</b>		
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? .....	1	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 .....	2	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 .....	3	X
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>19</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted .....	5	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 .....	6a	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 .....	6b	X
7 Did the hospital facility make its CHNA report widely available to the public? .....	7	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 LINE 7D</u>		
b <input type="checkbox"/> Other website (list url): .....		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input checked="" type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 .....	8	X
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>19</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website? .....	10	X
a If "Yes," (list url): <u>SEE LINE 7D</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? .....	10b	
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)? .....	12a	X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? .....	12b	
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 **FREEMAN REGIONAL HEALTH SERVICES**

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
<b>13</b> Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? .....	<b>13</b> <input checked="" type="checkbox"/>	
If "Yes," indicate the eligibility criteria explained in the FAP:		
<b>a</b> <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>150</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %		
<b>b</b> <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
<b>c</b> <input checked="" type="checkbox"/> Asset level		
<b>d</b> <input checked="" type="checkbox"/> Medical indigency		
<b>e</b> <input checked="" type="checkbox"/> Insurance status		
<b>f</b> <input checked="" type="checkbox"/> Underinsurance status		
<b>g</b> <input type="checkbox"/> Residency		
<b>h</b> <input checked="" type="checkbox"/> Other (describe in Section C)		
<b>14</b> Explained the basis for calculating amounts charged to patients? .....	<b>14</b> <input checked="" type="checkbox"/>	
<b>15</b> Explained the method for applying for financial assistance? .....	<b>15</b> <input checked="" type="checkbox"/>	
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):		
<b>a</b> <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
<b>b</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		
<b>c</b> <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		
<b>d</b> <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
<b>e</b> <input type="checkbox"/> Other (describe in Section C)		
<b>16</b> Was widely publicized within the community served by the hospital facility? .....	<b>16</b> <input checked="" type="checkbox"/>	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
<b>a</b> <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>WWW.FREEMANREGIONAL.COM/SERVICES/CHARITY-CARE</u>		
<b>b</b> <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>		
<b>c</b> <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>		
<b>d</b> <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>e</b> <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)		
<b>f</b> <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)		
<b>g</b> <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		
<b>h</b> <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
<b>i</b> <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		
<b>j</b> <input type="checkbox"/> Other (describe in Section C)		

Schedule H (Form 990) 2020

**Part V Facility Information** (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group FREEMAN REGIONAL HEALTH SERVICES

	Yes	No	
<b>17</b> 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? .....	<b>17</b>	<b>X</b>	
<b>18</b> 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:			
<b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)			
<b>b</b> <input type="checkbox"/> Selling an individual's debt to another party			
<b>c</b> <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			
<b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)			
<b>f</b> <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted			
<b>19</b> 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? .....	<b>19</b>		<b>X</b>
If "Yes," check all actions in which the hospital facility or a third party engaged:			
<b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)			
<b>b</b> <input type="checkbox"/> Selling an individual's debt to another party			
<b>c</b> <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			
<b>d</b> <input type="checkbox"/> Actions that require a legal or judicial process			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Section C)			
<b>20</b> 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):			
<b>a</b> <input checked="" type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C)			
<b>b</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)			
<b>c</b> <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)			
<b>d</b> <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)			
<b>e</b> <input type="checkbox"/> Other (describe in Section C)			
<b>f</b> <input type="checkbox"/> None of these efforts were made			

**Policy Relating to Emergency Medical Care**

<b>21</b> 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? .....	<b>21</b>	<b>X</b>	
If "No," indicate why:			
<b>a</b> <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions			
<b>b</b> <input type="checkbox"/> The hospital facility's policy was not in writing			
<b>c</b> <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
<b>d</b> <input type="checkbox"/> Other (describe in Section C)			

**Part V Facility Information** *(continued)***Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**Name of hospital facility or letter of facility reporting group **FREEMAN REGIONAL HEALTH SERVICES****22** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a** ☐ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b** ☐ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- c** ☒ The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- d** ☐ The hospital facility used a prospective Medicare or Medicaid method

**23** During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? .....

If "Yes," explain in Section C.

**24** During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? .....

If "Yes," explain in Section C.

	Yes	No
<b>23</b>		<b>X</b>
<b>24</b>		<b>X</b>

Schedule H (Form 990) 2020

**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.

FREEMAN REGIONAL HEALTH SERVICES:

PART V, SECTION B, LINE 5: THE FOCUS GROUPS UTILIZED FOR THE CHNA WERE COMPRISED OF INVITED COMMUNITY/SERVICE AREA RESIDENTS WHO WERE SELECTED BASED ON OBTAINING AN ADEQUATE CROSS SECTION OF GENDER AND OCCUPATION. OTHER CRITERIA CONSIDERED DURING THE PROCESS WERE FINDING INDIVIDUALS THAT REPRESENTED TWO MAIN GROUPS: RETIRED SENIORS AND WORKING ADULTS, AND THE BROAD INTEREST OF OUR SERVICE AREA. THESE GROUPS WERE ALSO KEPT TO A REASONABLE NUMBER TO FACILITATE DISCUSSION. THIS PROCESS WAS FACILITATED WITH THE ASSISTANCE OF A COMMUNITY DEVELOPMENT SPECIALIST WITH THE SOUTH DAKOTA PLANNING AND DEVELOPMENT DISTRICT III.

FREEMAN REGIONAL HEALTH SERVICES:

PART V, SECTION B, LINE 7D: WWW.FREEMANREGIONAL.COM/COMMUNITY-NEEDS

FREEMAN REGIONAL HEALTH SERVICES:

PART V, SECTION B, LINE 11: PURSUANT TO THE 2019 IMPLEMENTATION STRATEGY ADOPTED BY FRHS, THE FOLLOWING NEEDS WERE ADDRESSED AS OF THE END OF THE YEAR FOR THIS 990:

FREEMAN REGIONAL HEALTH SERVICES REMAINS COMMITTED TO PROMOTING HEALTH AND WELLNESS AND WILL CONTINUE EFFORTS ON MEETING THE NEEDS OF THE COMMUNITY. THIS INCLUDES CONTINUING TO PROMOTE COMMUNITY-BASED EDUCATION PROGRAMS WHICH FOCUS ON HEALTH-RELATED TOPICS OF INTEREST AND WHICH TARGET SPECIFIC COMMON INTEREST GROUPS AND THE COMMUNITY AS A WHOLE. TO THIS END, FRHS

**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.

**COMPLETED THE FOLLOWING:**

-FACILITY PROVIDED EDUCATION TO RESIDENTS ABOUT COVID-19 (I.E. SYMPTOMS, HOW TRANSMITTED ETC.). RESIDENT EDUCATION ON SCREENING DONE 2 TIMES PER DAY PER SHIFT. RESIDENT FAMILY MEMBERS ARE EDUCATED/CONTACTED VIA SOCIAL SERVICES LETTER REGARDING ACTIONS THEY CAN TAKE TO PROTECT THEMSELVES.

GROUP ACTIVITIES AND COMMUNAL DINING WAS CANCELLED.

-DR. KIRTON, MEDICAL DIRECTOR, PROVIDED COVID-19 EDUCATION FORUMS/SESSIONS WITH LOCAL BUSINESS AS WELL AS LOCAL FOOD SERVICE BUSINESSES IN FREEMAN AND ITS SURROUNDING COMMUNITIES TO EDUCATE ON COVID-19, SUGGEST PROCESSES, PPE PRACTICES, SOCIAL DISTANCING, AND HAND HYGIENE.

-WORKED WITH LOCAL EMS ON AMBULANCE PROCESS AND THE PROCESSES OF FRHS FOR COVID-19.

-PARTNERED WITH PARKSTON INCIDENT COMMAND AND SHARED EACH OTHER'S SURGE PLANS.

-HELD DAILY CALLS WITH LOCAL SCHOOLS TO STAY INFORMED ON LOCAL COVID-19 CASES, PROCESSES, AND COVID-19 EDUCATION.

FREEMAN REGIONAL HEALTH SERVICES RECOGNIZES THE IMPORTANCE OF COMMUNITY OUTREACH AND THE VALUE OUR ORGANIZATION AND ITS EMPLOYEES BRING TO THE COMMUNITY. TO PROMOTE COMMUNITY OUTREACH AND VOLUNTEERISM, FRHS COMMITS TO THE FOLLOWING ACTION STEPS:

-FRHS WILL CONTINUE TO SUPPORT AND ADVOCATE TO ITS EMPLOYEES THE VALUE AND IMPORTANCE OF BEING INVOLVED WITH THEIR COMMUNITIES.

-THE DIRECTOR OF NURSING IS ON THE BOARD OF THE GROWING DREAMS DAYCARE CENTER AND WORKS TO HELP SUPPORT ACTION STEPS TO HELP EXPAND THE DAYCARE.

-FRHS LEADERSHIP TEAM/TRAUMA WORKS TOGETHER WITH THE CITY OF FREEMAN ON STREET SCAPING ALONG WITH PROMOTING SAFETY FOR THE RESIDENTS OF THE CITY.

**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.

-THE CEO IS A CURRENT MEMBER OF THE FREEMAN COMMUNITY DEVELOPMENT CORPORATION, AN ORGANIZATION DEDICATED TO PROMOTING THE ECONOMIC VITALITY OF THE COMMUNITY AND PROMOTING THE HIGHEST QUALITY OF LIFE FOR RESIDENTS AND THOSE WHO VISIT THE FREEMAN COMMUNITY.

FREEMAN REGIONAL HEALTH SERVICES RECOGNIZES THE CHANGING DYNAMICS OF THE DIVERSE POPULATION WITHIN OUR SERVICE AREA. WE REMAIN COMMITTED TO PROVIDING SERVICES AIMED DIRECTLY AT MEETING THE CHANGING NEEDS OF THE COMMUNITIES WE SERVE. OUR EFFORTS WILL INCLUDE:

-CONTINUE TO UPDATE AND REMODEL OUR FACILITY TO MEET THE NEEDS AND PREFERENCES OF INCOMING PATIENTS AND RESIDENTS.

-ENHANCE OXYGEN STORAGE

-BI-POLARIZATION AIR PURIFICATION SYSTEM

-INCREASING AIR FLOW IN THE HOSPITAL HALLWAYS ALONG WITH MAKING ICU A NEGATIVE PRESSURE ROOM

-BUSINESS OFFICE LOBBY CONSTRUCTION FOR NURSING HOME VISITATIONS

-UPDATED FURNITURE TO BE IN COMPLIANCE WITH INFECTION CONTROL PRACTICES

-FACILITY LOCKDOWN/KEYPAD SYSTEM IMPLEMENTED

FREEMAN REGIONAL HEALTH SERVICES CONTINUES TO WORK WITH THE SALEM MENNONITE HOME ASSISTED LIVING CENTER ON A JOINT PROJECT TO PROVIDE THE AREA WITH A FULL CONTINUUM OF CARE. THE SALEM MENNONITE HOME CURRENTLY PROVIDES ASSISTED LIVING SERVICES. FREEMAN REGIONAL PROVIDES CLINIC, HOSPITAL, AND LONG-TERM CARE SERVICES. THE PLAN FOR THE FUTURE IS TO BUILD ON A NEW SITE TOGETHER TO PROVIDE EASIER ACCESS PHYSICALLY AND OFFER BROADER HEALTHCARE SERVICES FROM ONE LOCATION.

**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.

TO PROVIDE ACCESS TO COMMUNITY-BASED QUALITY CARE. THE MISSION OF FRHS IS TO PROVIDE ACCESSIBLE, COMMUNITY-BASED QUALITY CARE THAT IS COMPETENT, CREATIVE, AND COMPASSIONATE. TO MEET THESE NEEDS, FRHS WILL:

-CONTINUE TO RECRUIT AND EMPLOY QUALITY PROVIDERS WHO ARE COMPETENT AND COMPASSIONATE TO MEET THE HEALTH CARE NEEDS OF THOSE WITHIN OUR SERVICE AREA.

-FREEMAN REGIONAL HEALTH SERVICES HAS RECRUITED AND SUCCESSFULLY ENGAGED TWO PHYSICIANS WITH START DATES OF OCTOBER 2019 AND AUGUST 2020. IN ADDITION, WE HAVE CONTINUED TO EMPLOY TWO PHYSICIANS, ONE PHYSICIAN ASSISTANT, AND FOUR CERTIFIED NURSE PRACTITIONERS TO SERVE THE GREATER FREEMAN AREA AND OUR SATELLITE CLINIC LOCATIONS. THESE PROVIDERS MEET MONTHLY TO REVIEW THE SERVICES THEY PROVIDE TO THE AREAS. THE GOAL OF THE MEETINGS ARE TO ADJUST SERVICES TO MEET THE NEEDS OF THE FREEMAN AREA RURAL COMMUNITIES.

-PROVIDE PRIMARY SERVICES THAT ARE APPROPRIATE FOR OUR RURAL SETTING.

-EPIFIX FOR WOUND CARE

-OI TRIGGER FINGER AND CARPAL TUNNEL

-OUTREACH PROVIDERS

-FOOT CLINIC

-COLONOSCOPIES

FRHS RECOGNIZES THE INCREASING DIFFICULTY IN FINDING THE RESOURCES REQUIRED TO STAFF THE VARIOUS DEPARTMENTS OF THE HOSPITAL, CLINIC, AND NURSING HOME. TO MEET THESE NEEDS FRHS WILL:

-CONTINUE TO WORK WITH LOCAL SCHOOLS AND CHURCHES TO PROMOTE AN INTEREST IN HEALTHCARE CAREERS.

-FRHS HOSTS AN ANNUAL SCRUBS CAMP IN EACH FEBRUARY TO STIMULATE STUDENTS'

**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.

INTEREST IN THE HEALTH CARE FIELD. UNFORTUNATELY, THE CAMP WAS CANCELLED  
IN 2020 DUE TO COVID-19

-PRESENT TO COLLEGES AND TECHNICAL INSTITUTIONS ON CERTAIN HEALTH FIELDS  
TO HELP ASSIST STUDENTS UNDERSTAND WHAT TYPES OF HEALTHCARE CAREERS CAN BE  
EXPLORED.

-ATTEND JOB FAIRS TO HELP RECRUIT NEW NURSING GRADUATES AND ASSIST WITH  
UTILIZING THE RURAL HEALTH GRANT OR BUILD DAKOTA TO HELP THEM RETURN TO  
SCHOOL FOR FURTHER EDUCATION.

-PARTICIPATED IN CAREER FAIRS FOR NURSING AT MITCHELL TECHNICAL INSTITUTE  
(MAY 2020)

-WORK WITH THE BOARD OF NURSING ON THE NURSE INTERN PROGRAM TO ALLOW  
STUDENTS TO EXPERIENCE RURAL HEALTH CARE IN FREEMAN.

-ADVERTISE JOB OPPORTUNITIES TO LOCAL PAPERS, SOCIAL MEDIA, AND UTILIZE  
EXISTING STAFF TO PROMOTE FRHS IN THE PUBLIC.

-FRHS PROMOTES SERVICES THROUGH AVERA HEALTH, LOCAL NEWSPAPERS, AND SOCIAL  
MEDIA, AS WELL AS WITHIN THE OUTREACH PROVIDERS THAT VISIT FRHS.

FREEMAN REGIONAL HEALTH SERVICES:

PART V, SECTION B, LINE 13H: THE FACILITY MAY USE PRESUMPTIVE ELIGIBILITY  
IF ALL OTHER AVENUES HAVE BEEN EXHAUSTED.

FREEMAN REGIONAL HEALTH SERVICES

PART V, LINE 16B, FAP APPLICATION WEBSITE:

WWW.FREEMANREGIONAL.COM/SERVICES/CHARITY-CARE



**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.

FREEMAN REGIONAL HEALTH SERVICES

PART V, LINE 16C, FAP PLAIN LANGUAGE SUMMARY WEBSITE:

WWW.FREEMANREGIONAL.COM/SERVICES/CHARITY-CARE

FREEMAN REGIONAL HEALTH SERVICES:

PART V, SECTION B, LINE 24: THE HOSPITAL FINANCIAL ASSISTANCE POLICY DOES NOT COVER ELECTIVE PROCEDURES. THE HOSPITAL MAY HAVE CHARGED FAP ELIGIBLE PATIENTS GROSS CHARGES FOR SERVICES THAT ARE NOT COVERED UNDER THE FINANCIAL ASSISTANCE POLICY.



**Part VI Supplemental Information**

Provide the following information.

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

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**PART I, LINE 3C:**

FREEMAN REGIONAL HEALTH SERVICES (FRHS) REQUIRES THAT THE PATIENT COMPLETE A FINANCIAL ASSISTANCE APPLICATION SHOWING HIS/HER INCOME AND EXPENSES. THE APPLICATION IS REVIEWED TO SEE WHAT FUNDS AND ASSETS THE PATIENT HAS AND WHETHER THE PATIENT HAS THE RESOURCES TO PAY HIS/HER MEDICAL BILLS. FOR SOME PATIENTS, FRHS USES DOCUMENTATION FROM OTHER GOVERNMENT BASED AGENCIES OF THE PATIENT'S FINANCIAL SITUATION AND RESOURCES AS A WAY TO HELP DETERMINE THE PATIENT'S FINANCIAL SITUATION. THE CHIEF FINANCIAL OFFICER REVIEWS ALL APPLICATIONS AND MAKES THE DETERMINATION OF ASSISTANCE OFFERED.

THE FACILITY MAY USE PRESUMPTIVE ELIGIBILITY IF ALL OTHER AVENUES HAVE BEEN EXHAUSTED.

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**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. LINES 7B AND 7G WERE OBTAINED FROM THE MEDICAID AND MEDICARE COST REPORTS, RESPECTIVELY.

**Part VI** Supplemental Information (Continuation)

## PART I, LINE 7G:

SUBSIDIZED HEALTH SERVICES INCLUDES CLINIC REVENUE OF \$1,723,815 AND  
EXPENSE OF \$2,534,982, FOR A NET LOSS FROM CLINIC OPERATIONS OF \$811,167.

## 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 ESTIMATE AMOUNT OF THE ORGANIZATION'S IMPLICIT PRICE CONCESSION  
ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE  
POLICY IS CALCULATED BASED ON THE PERCENTAGE OF INDIVIDUALS LIVING BELOW  
THE POVERTY LEVEL. 9.57% CAN REASONABLY BE CONSIDERED A COMMUNITY BENEFIT  
AS IT WOULD HAVE BEEN WRITTEN OFF TO CHARITY CARE.

## PART III, LINE 4:

THE FOOTNOTE TO THE ORGANIZATION'S FINANCIAL STATEMENTS THAT DESCRIBES  
IMPLICIT PRICE CONCESSION AND BAD DEBT IS LOCATED IN THE AUDITED FINANCIAL  
STATEMENT REPORT ON PAGES 13-15.

## PART III, LINE 8:

MEDICARE ALLOWABLE COSTS OF CARE WAS CALCULATED FROM THE MEDICARE COST  
REPORT FOR FISCAL YEAR ENDING 12/31/2020.

MEDICAL SERVICES ARE PROVIDED TO PATIENTS WITH MEDICARE COVERAGE  
REGARDLESS OF WHETHER OR NOT A SURPLUS OR DEFICIT IS REALIZED. PROVIDING  
MEDICARE SERVICES PROMOTES ACCESS TO HEALTHCARE SERVICES WHICH ARE VITALLY

**Part VI** Supplemental Information (Continuation)

NEEDED BY OUR COMMUNITY.

THE MEDICARE COST REPORT IS COMPLETED BASED ON THE RULES AND REGULATIONS SET FORTH BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES.

PART III, LINE 9B:

30-DAY NOTICE- OUR STATEMENTS INCLUDING THE FIRST STATEMENT HAVE A CHARITY CARE/FINANCIAL ASSISTANCE WEB SITE LISTED AT THE BOTTOM. THE SITE PROVIDES THE FINANCIAL ASSISTANCE POLICY AND FOLLOWS THE 30-DAY NOTICE GUIDELINES.

120 DAY NOTICE-FREEMAN REGIONAL DOES NOT INITIATE ANY ECA'S UNTIL AFTER THE 4TH MONTHLY STATEMENT. 240 DAY NOTICE-IF THE APPLICATION IS COMPLETE WE MAKE A DETERMINATION BY 240 DAYS. IF THE DETERMINATION IS AVERSE A 30-DAY NOTICE IS AGAIN GIVEN OUT.

PART VI, LINE 2:

ANNUALLY, ON THE 4TH MONDAY OF FEBRUARY, FREEMAN REGIONAL HEALTH SERVICES (FRHS) HAS A COMMUNITY MEETING THAT IS ADVERTISED IN THE LOCAL NEWSPAPERS INVITING THE COMMUNITY TO ATTEND AND PROVIDE INPUT REGARDING ITS NEEDS AND IDEAS ON HOW FRHS CAN IMPROVE ITS SERVICES. ON A QUARTERLY BASIS, FRHS MEETS WITH THE MEDICAL STAFF TO DISCUSS OPERATIONS AND ANY SUGGESTIONS THEY MAY HAVE ON SERVICES PROVIDED BY FRHS AND THE NEEDS OF THE COMMUNITY. FRHS HAS A MONTHLY DEPARTMENT MANAGER MEETING WHERE THE NEEDS OF THE COMMUNITY AND OTHER ISSUES CAN BE DISCUSSED. COMMUNITY MEMBERS ARE ENCOURAGED TO COME TO THE FACILITY AT ANY TIME TO DISCUSS CONCERNS OR ISSUES WITH THE ADMINISTRATION.

IN ADDITION, FRHS PREPARED A COMMUNITY HEALTH NEEDS ASSESSMENT IN 2019. PLEASE SEE PART V, SECTION B, LINE 3 FOR MORE INFORMATION.

**Part VI** Supplemental Information (Continuation)

## PART VI, LINE 3:

FRHS HAS POSTED SIGNAGE ABOUT CHARITY CARE AND FINANCIAL ASSISTANCE PROGRAMS IN ADMISSIONS AREAS, EMERGENCY ROOMS, AND OTHER AREAS OF THE ORGANIZATION'S FACILITIES IN WHICH ELIGIBLE PATIENTS ARE LIKELY TO BE PRESENT. FRHS ADDRESSES THE FINANCIAL ASSISTANCE PROGRAM AND PROVIDES INFORMATION ON HOW TO APPLY FOR ASSISTANCE AT DISCHARGE AND IN PATIENT BILLS. THE BUSINESS OFFICE AND SOCIAL WORKERS ADVISE PATIENTS ON THE AVAILABILITY OF VARIOUS GOVERNMENT BENEFITS, SUCH AS MEDICAID OR STATE PROGRAMS, AND ASSIST THE PATIENT WITH QUALIFICATION FOR SUCH PROGRAMS, WHERE APPLICABLE. A NOTICE RELATED TO AVAILABLE CHARITY CARE IS PRINTED AT THE BOTTOM OF ALL SERVICE STATEMENTS.

## PART VI, LINE 4:

FRHS IS A HEALTHCARE FACILITY THAT PRIMARILY SERVES RESIDENTS IN RURAL HUTCHINSON, MCCOOK AND TURNER COUNTIES IN SOUTHEASTERN SOUTH DAKOTA.

## SERVICE AREA DEMOGRAPHICS

	HUTCHINSON	MCCOOK	TURNER
POPULATION (2019 DATA)	7,291	5,586	8,384
HOUSEHOLDS	2,862	2,209	3,470
AVERAGE HOUSEHOLD SIZE (PEOPLE)	2.43	2.38	2.33
MEDIAN HOUSEHOLD INCOME	\$54,868	\$62,234	\$55,380

**Part VI** Supplemental Information (Continuation)

MEDIAN AGE	43.8	40	43
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% OF POPULATION UNDER 18	25.3%	27.8%	24.4%
--------------------------	-------	-------	-------

% OF POPULATION 19-64	51.8%	53.3%	54.2%
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% OF POPULATION 65+	22.9%	18.9%	21.4%
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% OF POPULATION BELOW

POVERTY INCOME LEVEL	11.5%	9.6%	9.4%
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A MAJORITY OF THE EMPLOYERS IN THESE AREAS ARE SMALL EMPLOYERS WHO OFFER LITTLE TO NO EMPLOYEE BENEFITS. OF THE EMPLOYERS WHO DO OFFER HEALTH INSURANCE TO THEIR EMPLOYEES, DEDUCTIBLES AND CO-PAYS HAVE RISEN FROM 300-500% OVER THE PAST 10 YEARS. MANY EMPLOYERS HAVE PASSED THE INCREASE IN HEALTH INSURANCE PREMIUMS TO THEIR EMPLOYEES MAKING PAYING THE HIGHER DEDUCTIBLES AND CO-PAYS VERY DIFFICULT.

PART VI, LINE 5:

FRHS'S GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN THE ORGANIZATION'S PRIMARY SERVICE AREA WHO ARE NEITHER EMPLOYEES NOR CONTRACTORS OF THE ORGANIZATION, NOR FAMILY MEMBERS THEREOF.

FRHS EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PROVIDERS IN ITS COMMUNITY AND SURROUNDING AREA.

FRHS REINVESTS SURPLUS FUNDS TO IMPROVEMENTS IN PATIENT CARE, INCLUDING BUT NOT LIMITED TO EXPANSION OF SERVICES OFFERED, PATIENT EDUCATION, EMPLOYEE EDUCATION, AND EQUIPMENT AND FACILITY RENOVATIONS.

**Part VI** Supplemental Information (Continuation)

FRHS IS COMPRISED OF A 49 BED NURSING HOME AND A 25 BED CRITICAL ACCESS  
HOSPITAL WITH A 24/7 EMERGENCY ROOM. THE EMERGENCY ROOM HAS LOCAL  
PROVIDERS ON CALL AND TELEMEDICINE CAPABILITIES WITH A REGIONAL TRAUMA  
CENTER.



**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](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2020**

Open to Public  
Inspection

Name of the organization

**FREEMAN REGIONAL HEALTH SERVICES**

Employer identification number

**46-0232450**

**Part I Questions Regarding Compensation**

	Yes	No
<b>1a</b> 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"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (such as maid, chauffeur, chef)		
<b>b</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 .....	<b>1b</b>	
<b>2</b> 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? .....	<b>2</b>	
<b>3</b> 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"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
<b>4</b> 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:		
<b>a</b> Receive a severance payment or change-of-control payment? .....	<b>4a</b>	<b>X</b>
<b>b</b> Participate in or receive payment from a supplemental nonqualified retirement plan? .....	<b>4b</b>	<b>X</b>
<b>c</b> 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.	<b>4c</b>	<b>X</b>
<b>Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</b>		
<b>5</b> 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:		
<b>a</b> The organization? .....	<b>5a</b>	<b>X</b>
<b>b</b> Any related organization? ..... If "Yes" on line 5a or 5b, describe in Part III.	<b>5b</b>	<b>X</b>
<b>6</b> 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:		
<b>a</b> The organization? .....	<b>6a</b>	<b>X</b>
<b>b</b> Any related organization? ..... If "Yes" on line 6a or 6b, describe in Part III.	<b>6b</b>	<b>X</b>
<b>7</b> 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 .....	<b>7</b>	<b>X</b>
<b>8</b> 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 .....	<b>8</b>	<b>X</b>
<b>9</b> If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....	<b>9</b>	

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

Schedule J (Form 990) 2020

**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.

[illegible]

<b>Part III</b>	<b>Supplemental Information</b>
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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.

[illegible]

**Supplemental Information on Tax-Exempt Bonds**

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

OMB No. 1545-0047

**2020**  
**Open to Public Inspection**

Name of the organization

**FREEMAN REGIONAL HEALTH SERVICES**

**Employer identification number**  
**46-0232450**

Part I	SEE PART VI FOR COLUMN (F) CONTINUATIONS											
(a) Issuer name		(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
							Yes	No	Yes	No	Yes	No
A CITY OF FREEMAN		46-6000164	NONE	09/29/06	750,000.	TO HELP FINANCE CONGREGATE LIVING		X		X		X
B												
C												
D												

<b>Part II Proceeds</b>									
		<b>A</b>	<b>B</b>		<b>C</b>		<b>D</b>		
<b>1</b>	Amount of bonds retired .....	<b>453,072.</b>							
<b>2</b>	Amount of bonds legally defeased .....								
<b>3</b>	Total proceeds of issue .....	<b>750,000.</b>							
<b>4</b>	Gross proceeds in reserve funds .....								
<b>5</b>	Capitalized interest from proceeds .....								
<b>6</b>	Proceeds in refunding escrows .....								
<b>7</b>	Issuance costs from proceeds .....								
<b>8</b>	Credit enhancement from proceeds .....								
<b>9</b>	Working capital expenditures from proceeds .....								
<b>10</b>	Capital expenditures from proceeds .....	<b>750,000.</b>							
<b>11</b>	Other spent proceeds .....								
<b>12</b>	Other unspent proceeds .....								
<b>13</b>	Year of substantial completion .....	<b>2006</b>							
		<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>14</b>	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)? .....		<b>X</b>						
<b>15</b>	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)? .....		<b>X</b>						
<b>16</b>	Has the final allocation of proceeds been made? .....	<b>X</b>							
<b>17</b>	Does the organization maintain adequate books and records to support the final allocation of proceeds? .....	<b>X</b>							

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

**Schedule K (Form 990) 2020**

**Part III Private Business Use**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? .....		X						
<b>2</b> Are there any lease arrangements that may result in private business use of bond-financed property? .....		X						
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? .....		X						
<b>b</b> If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? .....		X						
<b>d</b> If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? ...								
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government .....		.00 %		%		%		%
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government .....		.00 %		%		%		%
<b>6</b> Total of lines 4 and 5 .....		.00 %		%		%		%
<b>7</b> Does the bond issue meet the private security or payment test? .....		X						
<b>8a</b> Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X						
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of .....		%		%		%		%
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? .....								
<b>9</b> Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? .....		X						

**Part IV Arbitrage**

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

**Part IV Arbitrage** (continued)

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

**Part V Procedures To Undertake Corrective Action**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation isn't available under applicable regulations? .....		X						

**Part VI Supplemental Information.** Provide additional information for responses to questions on Schedule K. See instructions.**SCHEDULE K, PART I, BOND ISSUES:**

(A) ISSUER NAME: CITY OF FREEMAN

(F) DESCRIPTION OF PURPOSE: TO HELP FINANCE CONGREGATE LIVING UNITS.

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

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 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2020**

Open to Public  
Inspection

Name of the organization

FREEMAN REGIONAL HEALTH SERVICES

Employer identification number

46-0232450

FORM 990, PART VI, SECTION A, LINE 8B:

FREEMAN REGIONAL HEALTH SERVICES DOES NOT UTILIZE COMMITTEES.

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

THE CEO AND CFO REVIEW THE FORM 990 IN DETAIL, IT IS THEN PRESENTED AND  
REVIEWED BY THE BOARD AT A BOARD MEETING PRIOR TO FILING.

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

FRHS REQUIRES ANNUAL COMPLIANCE WITH AND DISCLOSURE OF CONFLICTS IN  
ACCORDANCE WITH THE WRITTEN POLICY. CONFLICTS OF INTEREST OR POTENTIAL  
CONFLICTS OF INTEREST MUST BE REPORTED TO THE COMPLIANCE OFFICER. IF A  
CONFLICT IS DEEMED TO EXIST, APPROPRIATE ACTION IS TAKEN SUCH AS A BOARD  
MEMBER MAY BE REQUIRED TO ABSTAIN FROM DISCUSSION, DELIBERATION, AND VOTING  
ON THE ISSUE AT HAND.

FORM 990, PART VI, SECTION B, LINE 15:

COMPENSATION IS INITIALLY SET BY THE BOARD AND/OR ADMINISTRATION FOLLOWING  
A REVIEW AND ASSESSMENT OF THE SDAHO COMPARABILITY STUDY. THE ANNUAL  
INCREASES ARE SUBJECT TO THE APPROVAL OF THE BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION C, LINE 19:

AVAILABLE UPON REQUEST

FORM 990, PART IX, LINE 11G, OTHER FEES:

COLLECTION FEES:

PROGRAM SERVICE EXPENSES

4,588.

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

Schedule O (Form 990 or 990-EZ) 2020

Name of the organization	Employer identification number
FREEMAN REGIONAL HEALTH SERVICES	46-0232450

MANAGEMENT AND GENERAL EXPENSES 0.

FUNDRAISING EXPENSES 0.

TOTAL EXPENSES 4,588.

PURCHASE OTHER CLINIC:

PROGRAM SERVICE EXPENSES 1,436,333.

MANAGEMENT AND GENERAL EXPENSES 0.

FUNDRAISING EXPENSES 0.

TOTAL EXPENSES 1,436,333.

MEDICAL PROFESSIONAL FEES:

PROGRAM SERVICE EXPENSES 564,728.

MANAGEMENT AND GENERAL EXPENSES 0.

FUNDRAISING EXPENSES 0.

TOTAL EXPENSES 564,728.

PURCHASE COURIER:

PROGRAM SERVICE EXPENSES 17,108.

MANAGEMENT AND GENERAL EXPENSES 0.

FUNDRAISING EXPENSES 0.

TOTAL EXPENSES 17,108.

CONSULTING FEES:

PROGRAM SERVICE EXPENSES 1,703.

MANAGEMENT AND GENERAL EXPENSES 0.

FUNDRAISING EXPENSES 0.

TOTAL EXPENSES 1,703.



Name of the organization

FREEMAN REGIONAL HEALTH SERVICES

Employer identification number

46-0232450

**OTHER PURCHASED SERVICES:**

PROGRAM SERVICE EXPENSES	891,614.
MANAGEMENT AND GENERAL EXPENSES	2,697.
FUNDRAISING EXPENSES	0.
<b>TOTAL EXPENSES</b>	<b>894,311.</b>

**MAINTENANCE CONTRACTS:**

PROGRAM SERVICE EXPENSES	87,129.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
<b>TOTAL EXPENSES</b>	<b>87,129.</b>

**ULTRASOUND AND MRI CONTRACTS:**

PROGRAM SERVICE EXPENSES	45,002.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
<b>TOTAL EXPENSES</b>	<b>45,002.</b>

**PT FINANCIAL SVC COLLECTION FEES:**

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	36,512.
FUNDRAISING EXPENSES	0.
<b>TOTAL EXPENSES</b>	<b>36,512.</b>

**ADMINISTRATION CONSULTING FEES:**

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	133,446.
FUNDRAISING EXPENSES	0.

46-0232450

TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	3,220,860.
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Electronic Filing PDF Attachment



Financial Statements

December 31, 2020 and 2019

## Freeman Regional Health Services

# Freeman Regional Health Services

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December 31, 2020 and 2019

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## Independent Auditor's Report

The Board of Trustees  
Freeman Regional Health Services  
Freeman, South Dakota

### Report on the Financial Statements

We have audited the accompanying financial statements of Freeman Regional Health Services, which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Facility's preparation and fair presentation of the financial statements 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 the Facility's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Freeman Regional Health Services as of December 31, 2020 and 2019, 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sioux Falls, South Dakota  
May 28, 2021

# Freeman Regional Health Services

Balance Sheets

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,560,168	\$ 3,191,787
Receivables		
Patient and resident	2,036,466	1,478,709
Estimated third-party payor settlements	540,000	110,000
Other	169,049	179,647
Supplies	133,818	131,001
Prepaid expenses	41,725	61,658
Total current assets	<u>7,481,226</u>	<u>5,152,802</u>
Assets Limited as to Use		
By Board for capital improvements and debt redemption	6,135,636	2,065,111
Under indenture agreements	129,972	128,033
By Board for scholarships	6,133	3,249
Total assets limited as to use	<u>6,271,741</u>	<u>2,196,393</u>
Property and Equipment, Net	<u>5,715,870</u>	<u>5,328,881</u>
Other Assets		
Amounts receivable under collaborative arrangements	126,023	209,381
Other receivables	37,500	159,514
Total other assets	<u>163,523</u>	<u>368,895</u>
Total assets	<u><u>\$ 19,632,360</u></u>	<u><u>\$ 13,046,971</u></u>



# Freeman Regional Health Services

Balance Sheets

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Liabilities and Net Assets		
Current Liabilities		
Current portion of long-term debt	\$ 411,701	\$ 188,808
Accounts payable	404,959	505,953
Accrued expenses		
Salaries and wages	80,947	158,418
Vacation	277,751	287,624
Payroll taxes and other	45,389	32,387
Refundable advance	<u>3,772,638</u>	<u>-</u>
Total current liabilities	4,993,385	1,173,190
Long-Term Debt, net of current maturities	655,097	546,080
Other Liabilities		
Apartment deposits	<u>499,318</u>	<u>646,750</u>
Total liabilities	6,147,800	2,366,020
Net Assets		
Without donor restrictions	<u>13,484,560</u>	<u>10,680,951</u>
Total liabilities and net assets	<u><u>\$ 19,632,360</u></u>	<u><u>\$ 13,046,971</u></u>

Freeman Regional Health Services  
Statements of Operations and Changes in Net Assets  
Years Ended December 31, 2020 and 2019

	2020	2019
Revenues, Gains, and Other Support Without Donor Restrictions		
Patient and resident service revenue	\$ 12,194,272	\$ 10,905,217
Other revenue	384,715	276,831
Provider Relief Funds and COVID-19 government grants	973,989	-
Total revenues, gains, and other support	<u>13,552,976</u>	<u>11,182,048</u>
Expenses		
Salaries and wages	5,621,737	5,242,446
Employee benefits	1,171,694	1,132,253
Purchased services	3,110,560	2,785,070
Supplies and other expenses	1,781,656	1,799,544
Repairs and maintenance	256,348	71,067
Insurance	86,948	72,553
Interest	29,371	37,871
Depreciation and amortization	442,382	534,518
Total expenses	<u>12,500,696</u>	<u>11,675,322</u>
Operating Income (Loss)	<u>1,052,280</u>	<u>(493,274)</u>
Other Income		
Investment return	62,270	76,473
Unrealized gain on investments	124,653	134,694
Contributions Paycheck Protection Program	1,251,745	-
Unrestricted contributions	63,622	128,735
Income from collaborative arrangements	249,039	330,605
Total other income	<u>1,751,329</u>	<u>670,507</u>
Revenues in Excess of Expenses	2,803,609	177,233
Contributions for Long-Lived Assets	<u>-</u>	<u>338,301</u>
Change in Net Assets Without Donor Restrictions	2,803,609	515,534
Net Assets, Beginning of Year	<u>10,680,951</u>	<u>10,165,417</u>
Net Assets, End of Year	<u><u>\$ 13,484,560</u></u>	<u><u>\$ 10,680,951</u></u>

# Freeman Regional Health Services

## Statements of Cash Flows

Years Ended December 31, 2020 and 2019

	2020	2019
Operating Activities		
Change in net assets	\$ 2,803,609	\$ 515,534
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	442,382	534,518
Amortization of apartment deposits	(11,250)	(11,750)
Unrealized gains on investments	(124,653)	(134,694)
Income from collaborative arrangement	(249,039)	(330,605)
Impairment of debt issuance costs	-	56,241
Changes in assets and liabilities		
Receivables	(855,145)	97,144
Supplies	(2,817)	4,609
Prepaid expenses	19,933	(6,786)
Accounts payable	(100,994)	139,219
Accrued expenses	(74,342)	(47,391)
Refundable advance	3,772,638	-
Net Cash from Operating Activities	5,620,322	816,039
Investing Activities		
Purchase of property and equipment	(309,841)	(475,985)
Purchase of assets limited as to use	(3,772,208)	(67,204)
Sales and maturities of assets limited as to use	171,049	11,336
Net Cash used for Investing Activities	(3,911,000)	(531,853)
Financing Activities		
Principal payments on long-term debt	(187,620)	(227,925)
Apartment deposits received	5,000	8,750
Apartment deposits refunded	(141,182)	(360,000)
Receipts from collaborative arrangements	332,397	379,822
Net Cash provided by (used for) Financing Activities	8,595	(199,353)
Net Change in Cash, Cash Equivalents and Restricted Cash	1,717,917	84,833
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	3,215,608	3,130,775
Cash, Cash Equivalents and Restricted Cash, End of Year	\$ 4,933,525	\$ 3,215,608

# Freeman Regional Health Services

## Statements of Cash Flows

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 4,560,168	\$ 3,191,787
Cash Included in Assets Limited as to Use	<u>373,357</u>	<u>23,821</u>
Total cash, cash equivalents and restricted cash	<u>\$ 4,933,525</u>	<u>\$ 3,215,608</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 29,371</u>	<u>\$ 37,871</u>
Noncash Investing and Financing Activities		
Property acquired with debt financing	<u>\$ 519,530</u>	<u>\$ -</u>

**Note 1 - Organization and Significant Accounting Policies****Organization**

Freeman Regional Health Services ("Facility") operates a 25-bed acute care hospital, a 49-bed nursing home and physician clinics located in Freeman, SD and the surrounding area. The Facility is organized as a South Dakota nonprofit corporation and is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue code.

**Use of Estimates**

The preparation of 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 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.

**Patient and Resident Receivables**

Patient and resident receivables are uncollateralized patient, resident and third-party payor obligations. The Facility reserves the right to assess interest on unpaid patient and resident receivables, excluding amounts due from third-party payors. Payments of patient and resident receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

Patient and resident accounts receivable are stated net of any explicit and implicit price concessions and then further reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Facility analyzes accounts for adverse changes in a patient's or third-party payor's ability to pay that may have occurred subsequent to recognition. Management regularly reviews specific data about receivable balances and its past history with similar cases to estimate explicit and implicit price concessions and any allowances for uncollectible accounts.

The Facility's January 1, 2019 patient and resident and other receivables balances were \$1,687,914 and \$217,100, respectively.

**Physician Notes Receivable**

The Facility provides loans to physicians as part of its recruitment process in the form of notes receivables. These notes are repayable over a four-year period and are issued at market interest rates. The notes are issued with forgiveness provisions over the life of the note to encourage retention. Based on historical analysis, it is anticipated that the balance of the notes will be forgiven.

**Supplies**

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

**Investments and Investment Income**

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheets. Investments in certificates of deposit that are not publicly traded are recorded at cost plus accrued interest. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law.

**Assets Limited as to Use**

Assets limited as to use include assets set aside by the Board of Trustees for future capital improvements, debt redemption, and scholarships, over which the Board retains control and may at its discretion subsequently use for other purposes; and assets restricted under indenture agreements.

**Collaborative Arrangements**

The Facility operates provider-based clinics under joint operating agreements with Avera McKennan, which falls under the scope of Accounting Standard Codification 808, Collaborative Arrangements. The Facility has classified Avera McKennan's economic interest in these provider-based clinics as an asset or liability, as appropriate. The terms of the joint venture agreement provide for the equal allocation of profits and losses amongst the participants. The Facility's statements of operations include the revenues and expenses of the provider-based clinics as it is considered the principal in the operating activity.

**Property and Equipment**

Property and equipment acquisitions in excess of \$3,000 are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Amortization is included in depreciation and amortization in the financial statements. The estimated useful lives of property and equipment are as follows:

Land improvements	7 - 20 years
Buildings and improvements	5 - 50 years
Equipment	3 - 20 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 revenues in excess of expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when donated or acquired long-lived assets are placed in service.

The Facility 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 December 31, 2020 and 2019.

### **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 when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At December 31, 2020 and 2019, the Facility did not have any net assets with donor restrictions.

### **Performance Indicator**

Revenues in excess of 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 Facility 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 net assets without donor restrictions and reported in the statements of operations and changes in net assets as net assets released from restrictions.

### **Patient and Resident Service Revenue**

Patient and resident service revenue is reported at the amount that reflects the consideration to which the Facility expects to be entitled in exchange for providing patient and resident care. These amounts are due from patients or residents, 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 Facility bills the patients or residents and third-party payors several days after the services are performed and/or the patient or resident 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 Facility. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Facility 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 related to patient and resident services are satisfied over time as the patients or residents receive inpatient acute, outpatient, clinic, or nursing care services. The Facility 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. The Facility measures the performance obligation for outpatient and medical clinic services over the patient encounter, which is generally short in duration. The Facility measures the performance obligation associated with residents receiving skilled nursing services from the beginning of the performance period generally admission or the beginning of the month, to the sooner of completion of services to that resident, discharge or the end of the month. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided, and the Facility does not believe it is required to provide additional goods or services to the patient or resident.

The Facility determines the transaction price based on standard charges for goods and services provided, reduced by contractual price concessions provided to third-party payors, discounts provided to uninsured patients and residents in accordance with the Facility's policy, and/or implicit price concessions provided to uninsured patients and residents. The Facility determines its estimates of contractual price concessions and discounts based on contractual agreements, its discount policies and historical experience applied to a portfolio of accounts. The Facility determines its estimate of implicit price concessions based on its historical collection experience with the respective class of patients and residents.

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 Facility'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 Facility's mission, care is provided to patients and residents regardless of their ability to pay. Therefore, the Facility has determined it has provided implicit price concessions to uninsured patients and residents and patients and residents 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 residents and the amounts the Facility expects to collect based on its collection history with those patients and residents.

The Facility provides health care services to patients and residents who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Since the Facility does not pursue collection of these amounts, they are not reported as patient or resident service revenue. The estimated cost of providing these services was \$14,000 and \$25,000 for the years ended December 31, 2020 and 2019, calculated by multiplying the ratio of cost to gross charges for the Facility by the gross uncompensated charges associated with providing charity care to patients or residents.



**Advertising Costs**

Costs incurred for producing and distributing advertising are expensed as incurred. The Facility incurred \$33,782 and \$37,340 for advertising costs for the years ended December 31, 2020 and 2019.

**Income Taxes**

The Facility is organized as a South Dakota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Facility is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Facility is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Facility has determined it is not subject to unrelated business income tax and has not filed an exempt organization business income tax return (Form 990T) with the IRS.

The Facility 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 financial statements. The Facility 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.

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in Note 14, which presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The 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 and amortization, interest and other occupancy costs are allocated to a function based on a square-footage or units-of-service basis. Allocated healthcare services costs not allocated on a units-of-service basis are otherwise allocated based on revenue.

**Subsequent Events**

The Facility has evaluated subsequent events through May 28, 2021, the date which the financial statements were available to be issued.

**Note 2 - 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:

	2020	2019
Cash and cash equivalents	\$ 787,530	\$ 3,191,787
Assets limited as to use by Board	6,141,769	2,068,360
Receivables	2,745,515	1,768,356
	<u>\$ 8,887,284</u>	<u>\$ 3,836,716</u>

Assets limited as to use that are considered available for general expenditure consist of amounts designated by the Board for future capital improvements, debt redemption and scholarships. Although the Facility does not intend to use these funds for general expenditures, these amounts could be made available if necessary.

**Note 3 - Patient and Resident Service Revenue**

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

**Medicare – Hospital and Clinics:** The Facility is licensed as a Critical Access Hospital (CAH). The Facility is reimbursed for most acute care services under a cost-based reimbursement methodology with final settlement determined after submission of annual cost reports by the Facility and are subject to audits thereof by the Medicare Administrative Contractor (MAC). The Facility's Medicare cost reports have been audited by the MAC through the year ended December 31, 2017. Clinical services are paid on a fixed fee schedule or on a cost related basis for rural health clinic services.

**Medicaid – Hospital and Clinics:** Inpatient acute care services rendered to Medicaid program beneficiaries are paid based on a percentage of charge basis. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a percentage of charge or fee schedule methodology. Clinical services are paid on a fixed fee schedule for rural health services.

**Blue Cross:** Inpatient service rendered to Blue Cross subscribers are paid based on a prospectively determined rate per discharge. Outpatient services rendered to Blue Cross subscribers are paid at prospectively determined rates per ambulatory encounter or visit.

**Medicaid and Medicare - Nursing Home:** Routine services rendered to nursing home residents, who are beneficiaries of the Medicaid program are paid according to a schedule of prospectively determined daily rates determined by the South Dakota Medicaid program. A rate is assigned to each nursing home resident based on the residents' ability to perform certain activities of daily living and on certain other clinical factors. Payments are made for each case-mix category. The Facility also participates in the Medicare program for which payment for services is made on a prospectively determined per diem rate that varies based on a case-mix resident classification system.

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

Revenue from Medicare, Medicaid, and from Blue Cross accounted for approximately 37%, 11% and 10% of the Facility's patient service revenue for the year ended December 31, 2020 and 39%, 12% and 11% for the year ended December 31, 2019. Laws and regulations governing Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Laws and regulations governing 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 and residents is contingent on the patient's or resident'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. Patient and resident service revenue for the year ended December 31, 2020 increased approximately \$52,000 and patient and resident service revenue for the year ended December 31, 2019 decreased approximately \$13,000 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, investigations and changes in estimated settlements.

Generally, patients and certain residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Facility also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Facility estimates the transaction price for patients and residents 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 price concessions, 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 and resident 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 or resident'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 and resident's ability to pay are recorded as bad debt expense. Bad debt expense for the years ended December 31, 2020 and 2019 was not significant.

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

- Payors (for example, Medicare, Medicaid, managed care or other insurance, patient and resident) have different reimbursement/payment methodologies
- Length of the patient's and resident'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.)

#### **Note 4 - Provider Relief Funds**

The Facility received \$4,157,967 of Coronavirus Aid, Relief, and Economic Security (CARES) Act Provider Relief Funds administered by the Department of Health and Human Services (HHS). In addition, the Facility also received \$588,660 of CARES act funds from the State of South Dakota. These funds are subject to terms and conditions imposed by HHS and the State. 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. HHS currently has a deadline to incur eligible expenses of June 30, 2021. Unspent funds will be expected to be repaid.

These funds are recorded as a refundable advance when received and are recognized as revenues in the accompanying statements of operations and changes in net assets 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 financial statements were available to be 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 or other COVID-19 government grantors 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 December 31, 2020, the Facility had a total refundable advance balance of \$3,772,638, which is included in current liabilities on the accompanying balance sheets. During the year ended December 31, 2020, the Facility recognized \$973,989 as revenue, included as operating on the statements of operations and changes in net assets.

**Note 5 - Paycheck Protection Program**

The Facility was granted a \$1,251,745 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and was fully guaranteed by the Federal government. The Facility has elected to account for the funding as a conditional contribution by applying ASC 958-605, *Not-for-Profit – Revenue Recognition*. The Facility initially recorded the loan as a refundable advance and subsequently recognized contribution revenue in accordance with guidance for conditional contributions, that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. As the loan was fully forgiven, the Facility has recognized \$1,251,745 as contribution revenue for the year ended December 31, 2020.

**Note 6 - Investments****Assets Limited as to Use**

The composition of assets limited as to use at December 31, 2020 and 2019, is shown in the following table.

	2020	2019
By Board for capital improvements and debt redemption		
Cash and cash equivalents	\$ 367,224	\$ 20,572
Certificates of deposit	4,323,124	757,126
Bond mutual funds	651,423	601,470
Equity mutual funds	793,865	685,943
	<u>\$ 6,135,636</u>	<u>\$ 2,065,111</u>
Under indenture agreements		
Certificates of deposit	<u>\$ 129,972</u>	<u>\$ 128,033</u>
By Board for scholarships		
Cash and cash equivalents	<u>\$ 6,133</u>	<u>\$ 3,249</u>

**Note 7 - Fair Value of Assets**

The Facility has determined the fair value of certain assets in accordance with generally accepted accounting principles, which provides a framework for measuring fair value.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

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.

Assets and liabilities measured at fair value on a recurring basis and the related fair values of these assets and liabilities at December 31, 2020 and 2019, are as follows:

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
<u>December 31, 2020</u>			
Cash equivalents	\$ 13,178	\$ -	\$ -
Bond mutual funds	651,423	-	-
Equity mutual funds	793,865	-	-
	<u>\$ 1,458,466</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2019</u>			
Cash and cash equivalents	\$ 20,572	\$ -	\$ -
Bond mutual funds	601,470	-	-
Equity mutual funds	685,943	-	-
	<u>\$ 1,307,985</u>	<u>\$ -</u>	<u>\$ -</u>

The fair value of these securities is determined by reference to quoted market prices.

**Note 8 - Property and Equipment**

A summary of property and equipment at December 31, 2020 and 2019 is as follows:

	2020		2019	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 830,058	\$ -	\$ 299,251	\$ -
Land improvements	342,464	286,451	337,157	279,277
Buildings	8,776,911	5,728,928	8,675,715	5,522,921
Major moveable equipment	5,354,927	4,294,890	5,162,866	4,065,689
Construction in progress	721,779	-	721,779	-
	<u>\$ 16,026,139</u>	<u>\$ 10,310,269</u>	<u>\$ 15,196,768</u>	<u>\$ 9,867,887</u>
Net property and equipment		<u>\$ 5,715,870</u>		<u>\$ 5,328,881</u>

Construction in progress represents expenditures incurred in connection with a proposed construction project for the Facility's hospital and nursing home building in Freeman, SD.

**Note 9 - Leases**

The Facility leases equipment under various operating leases. Lease expense charged to operations for the years ended December 31, 2020 and 2019 was \$31,412 and \$34,817.

**Note 10 - Long-Term Debt**

Long-term debt consists of the following:

	<u>2020</u>	<u>2019</u>
4.25% Note payable, payments due in monthly installments of \$6,081 including interest, through April 2020, secured by equipment	\$ -	\$ 23,948
5% Note payable, payments due in monthly installments of \$8,310 including interest through July 2025, secured by the real estate	230,084	315,960
4.75% Note payable, payments due in monthly installments of \$4,865 including interest, through October 2026 The interest rate on this note will be adjusted on September 29, 2021, secured by the real estate	296,928	340,002
0%, unsecured, note payable, payments due in monthly installments of \$2,894 through July 2021	20,256	54,978
2.5% Contract for deed, payments due in annual installments of \$217,384 through January 2022	519,530	-
	<u>1,066,798</u>	<u>734,888</u>
Less current maturities	<u>411,701</u>	<u>188,808</u>
Long-term debt, less current maturities	<u><u>\$ 655,097</u></u>	<u><u>\$ 546,080</u></u>

Long-term debt principal maturities are as follows:

<u>Years Ending December 31,</u>	
2021	\$ 411,701
2022	408,317
2023	95,982
2024	53,515
2025	56,113
Thereafter	<u>41,170</u>
	<u><u>\$ 1,066,798</u></u>

Under the terms of certain notes payable the Facility is required to maintain certain deposits on hand. Such deposits are included with assets limited as to use in the financial statements.



**Note 11 - Pension Plan**

The Facility has a defined contribution pension plan under which employees may become participants upon reaching age 21 and completion of one year of service. The Facility will match contributions up to 3% of annual compensation with the plan trustee who invests the plan assets. Total pension plan expense for the years ended December 31, 2020 and 2019 was \$113,130 and \$110,707.

**Note 12 - Related Party Transactions**

During the years ended December 31, 2020 and 2019, the Facility purchased \$40,622 and \$119,374 of supplies and services from a business owned by a Board member.

**Note 13 - Concentration of Credit Risk**

The Facility grants credit, without collateral, to its patients and residents, most of whom are insured under third-party payor agreements. The mix of receivables from third-party payors, patients and residents at December 31, 2020 and 2019 was as follows:

	<u>2020</u>	<u>2019</u>
Medicare	42%	40%
Commercial insurance	44%	40%
Private pay	12%	13%
Medicaid	<u>2%</u>	<u>7%</u>
	<u>100%</u>	<u>100%</u>

The Facility's cash balances are maintained in various bank deposit accounts. At times, the balance of these deposits may be in excess of federally insured limits.

**Note 14 - Functional Expenses**

The Facility provides health care services to patients and residents within its geographic location. Expenses related to providing these services by nature and functional class for the year ended December 31, 2020, are as follows:

	Health Care Services		General and	Total
	Patient Services	Nursing Home Services	Administrative	
Salaries and wages	\$ 2,789,077	\$ 2,066,441	\$ 766,219	\$ 5,621,737
Employee benefits	684,698	324,950	162,046	1,171,694
Purchased services	2,881,990	74,749	153,821	3,110,560
Supplies and other expenses	1,108,304	329,191	344,161	1,781,656
Repairs and maintenance	217,251	19,710	19,387	256,348
Insurance	56,689	22,835	7,424	86,948
Interest	16,817	10,841	1,713	29,371
Depreciation and amortization	262,626	155,232	24,524	442,382
	<u>\$ 8,017,452</u>	<u>\$ 3,003,949</u>	<u>\$ 1,479,295</u>	<u>\$ 12,500,696</u>

Expenses related to providing these services by nature and functional class for the year ended December 31, 2019 are as follows:

	Health Care Services		General and	Total
	Patient Services	Nursing Home Services	Administrative	
Salaries and wages	\$ 2,542,706	\$ 1,918,377	\$ 781,363	\$ 5,242,446
Employee benefits	630,700	320,270	181,283	1,132,253
Purchased services	2,618,445	64,679	101,946	2,785,070
Supplies and other expenses	1,186,726	309,147	303,671	1,799,544
Repairs and maintenance	40,092	13,136	17,839	71,067
Insurance	40,576	24,076	7,901	72,553
Interest	22,653	13,142	2,076	37,871
Depreciation and amortization	317,186	187,681	29,651	534,518
	<u>\$ 7,399,084</u>	<u>\$ 2,850,508</u>	<u>\$ 1,425,730</u>	<u>\$ 11,675,322</u>

**Note 15 - Apartment Deposits**

Apartment deposits represent deposits received from residents of the Facility's apartment complexes. These deposits will be refunded at a reduced amount as indicated in the resident's rental agreement.

**Note 16 - Commitments and Contingencies****Malpractice Insurance**

The Facility has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of one million dollars per claim and an annual aggregate limit of three million dollars. 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.

**Litigations, Claims, and Disputes**

The Facility is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. In the opinion of management, the ultimate settlement of litigations, claims, and disputes in process will not be material to the financial position of the Facility.

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 has increased, with respect to, investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patient and resident services. Management believes that the Facility is in substantial compliance with current laws and regulation.

**COVID-19 Pandemic**

During 2020 and 2021 the world-wide coronavirus pandemic impacted national and global economies. The Hospital is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and future full impact to the Hospital is not known.