

Public Disclosure Copy

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CLIENT'S COPY



CPAs & BUSINESS ADVISORS

November 4, 2024

Freeman Regional Health Services
P.O. Box 370
Freeman, SD 57029
Attention: Courtney Unruh

Dear Courtney,

Enclosed is the 2023 Exempt Organization return, as follows...

2023 Form 990

Please review the return for completeness and accuracy.

In addition, we have included a separate public disclosure copy of the Form 990 and Form 990-T (if applicable) on our secure portal site. All exempt organizations are required to have a copy of their current year Form 990 and two prior year returns available for public inspection. If the Form 990 includes a Schedule of Contributors (Schedule B), we have removed the names and addresses of contributors from this return, as this information is not open to public inspection. Only organizations exempt under 501(c)(3) must make the current year Form 990-T and two prior year returns available. Please print and sign the public disclosure copy(ies) and keep them available at your primary office location.

South Dakota nonprofit organizations receiving grants, pass-through grants, or any other awards granted by a state agency after July 1, 2016, are required to display their public disclosure Form 990 on the organization's website immediately following filing of the Form 990 with the IRS. Please make sure the public disclosure copy of the organizations' Form 990 is posted to your website, if applicable. This is a requirement under South Dakota Codified Law Chapter 1-56 Paragraph 10.

We prepared the return from information you furnished us without verification. Upon examination of the return by tax authorities, requests may be made for underlying data. We therefore recommend that you preserve all records which you may be called upon to produce in connection with such possible examinations.

Many states require legal entities to register with them in order to do business in their state. Please remember to keep your registration active and current for each state where you have business activities.

We sincerely appreciate the opportunity to serve you. Please contact us if you have any questions concerning the tax return.

Sincerely,

Laurie Hanson, CPA

TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING

December 31, 2023

Prepared For:

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

Prepared By:

Eide Bailly LLP
345 N. Reid Pl., Ste. 400
Sioux Falls, SD 57103-7034

Amount Due or Refund:

Not applicable

Make Check Payable To:

Not applicable

Mail Tax Return and Check (if applicable) To:

Not applicable

Return Must be Mailed On or Before:

Not applicable

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

Department of the Treasury
Internal Revenue Service

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

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

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

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

Part I - Identification

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

Enter the Return Code for the return that this application is for (file a separate application for each return) 01

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

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

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

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

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

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

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

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

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

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Form 990

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

2023

Do not enter social security numbers on this form as it may be made public.

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization FREEMAN REGIONAL HEALTH SERVICES		D Employer identification number 46-0232450
	Doing business as		E Telephone number 605-925-4000
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	P.O. BOX 370		G Gross receipts \$ 20,606,677.
	City or town, state or province, country, and ZIP or foreign postal code FREEMAN, SD 57029		
F Name and address of principal officer: COURTNEY UNRUH SAME AS C ABOVE		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions	

I Tax-exempt status: 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527

J Website: **WWW.FREEMANREGIONAL.COM**

K Form of organization: Corporation Trust Association Other

L Year of formation: **1944** **M** State of legal domicile: **SD**

Part I Summary		Prior Year	Current Year
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: PROVIDE ACCESSIBLE, COMMUNITY BASED QUALITY CARE THAT IS COMPETENT, CREATIVE AND COMPASSIONATE.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	9
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5 Total number of individuals employed in calendar year 2023 (Part V, line 2a)	5	270
	6 Total number of volunteers (estimate if necessary)	6	11
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	707,638.	2,322,260.
	9 Program service revenue (Part VIII, line 2g)	14,203,011.	17,516,020.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	67,809.	396,975.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	185,184.	192,475.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	15,163,642.	20,427,730.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	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)	7,711,628.	9,539,195.
	16 a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) 10,733.		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	6,575,950.	7,214,097.	
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	14,287,578.	16,753,292.	
19 Revenue less expenses. Subtract line 18 from line 12	876,064.	3,674,438.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 20,364,343.	End of Year 23,866,310.
	21 Total liabilities (Part X, line 26)	1,859,675.	1,652,938.
	22 Net assets or fund balances. Subtract line 21 from line 20	18,504,668.	22,213,372.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer COURTNEY UNRUH, CEO		Date	
	Type or print name and title			
Paid Preparer Use Only	Print/Type preparer's name LAURIE HANSON, CPA	Preparer's signature LAURIE HANSON, CPA	Date 11/04/24	Check if self-employed <input type="checkbox"/> PTIN P00851848
	Firm's name EIDE BAILLY LLP	Firm's EIN 45-0250958	Phone no. 605-339-1999	
	Firm's address 345 N. REID PL., STE. 400 SIOUX FALLS, SD 57103-7034			

Part III Statement of Program Service Accomplishments

Check 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 [X] No

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

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

4a (Code:) (Expenses \$ 15,066,192. including grants of \$) (Revenue \$ 17,516,020.) FREEMAN REGIONAL HEALTH SERVICES (THE FACILITY) OPERATES A 25-BED CRITICAL ACCESS HOSPITAL, A 49-BED NURSING FACILITY, A 52-UNIT ASSISTED LIVING FACILITY, A SENIOR HOUSING FACILITY, AND PHYSICIAN CLINICS LOCATED IN FREEMAN, SD AND THE SURROUNDING AREA. THE EMERGENCY ROOM HAS LOCAL PROVIDERS ON CALL AND TELEMEDICINE CAPABILITIES WITH A REGIONAL TRAUMA CENTER. THE FACILITY HAD 752 ER VISITS. SURGERIES=113 HOSPITAL ACUTE PATIENT DAYS= 525, SWING BED DAYS= 501, NURSING HOME RESIDENT DAYS= 14,551 AND ASSISTED LIVING=11,852.

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 15,066,192.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

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

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

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

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

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

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

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

Section A. Governing Body and Management

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

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

Table with 3 columns: Question, Yes, No. Rows include 10a, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 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.
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 Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See the instructions for the order in which to list the persons above.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) COURTNEY UNRUH CEO	40.00			X			156,166.	0.	44,368.	
(2) PHILLIP HUSHER CFO	40.00			X			136,293.	0.	19,184.	
(3) ANTHONY MILLER THERAPY MANAGER	40.00				X		132,555.	0.	6,628.	
(4) LORI UECKER PRESIDENT	2.00	X		X			0.	0.	0.	
(5) STEVE FUHRMANN VICE PRESIDENT	2.00	X		X			0.	0.	0.	
(6) CYNTHIA MUTCHELKNAUS SECRETARY	2.00	X		X			0.	0.	0.	
(7) JASON AANENSON TREASURER	2.00	X		X			0.	0.	0.	
(8) CAMERON BECKER TRUSTEE	2.00	X					0.	0.	0.	
(9) JAMES JULSON TRUSTEE	2.00	X					0.	0.	0.	
(10) DAN CRICK TRUSTEE UNTIL 03/2023	2.00	X					0.	0.	0.	
(11) GLENN ROTH TRUSTEE	2.00	X					0.	0.	0.	
(12) CORY SCHRAG TRUSTEE UNTIL 03/2023	2.00	X					0.	0.	0.	
(13) STEVE SCHMEICHEL TRUSTEE FROM 03/2023	2.00	X					0.	0.	0.	
(14) SHANE VETCH TRUSTEE FROM 03/2023	2.00	X					0.	0.	0.	

Part VIII Statement of Revenue

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c	2,108.				
	d Related organizations	1d					
	e Government grants (contributions)	1e	31,061.				
	f All other contributions, gifts, grants, and similar amounts not included above ...	1f	2,289,091.				
	g Noncash contributions included in lines 1a-1f	1g	\$ 1,339,250.				
	h Total. Add lines 1a-1f		2,322,260.				
Program Service Revenue	2 a PATIENT SERVICE REVENUE	Business Code					
		621110	16,037,990.	16037990.			
	b PHARMACY	621400	1,184,194.	1,184,194.			
	c COLLABORATIVE ARRANGEMENT	621300	163,932.	163,932.			
	d MEALS ON WHEELS	624210	27,452.	27,452.			
	e _____						
	f All other program service revenue	812900	102,452.	102,452.			
g Total. Add lines 2a-2f		17,516,020.					
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		393,657.			393,657.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	6a	(i) Real				
				276,540.			
			(ii) Personal				
	b Less: rental expenses ...	6b	103,003.				
	c Rental income or (loss)	6c	173,537.				
	d Net rental income or (loss)		173,537.			173,537.	
	7 a Gross amount from sales of assets other than inventory	7a	(i) Securities				
					74,598.		
			(ii) Other				
	b Less: cost or other basis and sales expenses	7b	71,280.				
	c Gain or (loss)	7c	3,318.				
	d Net gain or (loss)		3,318.			3,318.	
8 a Gross income from fundraising events (not including \$ 2,108. of contributions reported on line 1c). See Part IV, line 18	8a						
			20,562.				
		b Less: direct expenses	8b	4,664.			
c Net income or (loss) from fundraising events		15,898.			15,898.		
9 a Gross income from gaming activities. See Part IV, line 19	9a						
			3,040.				
		b Less: direct expenses	9b	0.			
c Net income or (loss) from gaming activities		3,040.			3,040.		
10 a Gross sales of inventory, less returns and allowances	10a						
		b Less: cost of goods sold	10b				
		c Net income or (loss) from sales of inventory					
Miscellaneous Revenue	11 a _____	Business Code					
	b _____						
	c _____						
	d All other revenue						
	e Total. Add lines 11a-11d						
12 Total revenue. See instructions		20,427,730.	17516020.	0.	589,450.		

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	356,011.		356,011.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	7,250,280.	6,932,477.	317,803.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	244,116.	238,037.	6,079.	
9 Other employee benefits	1,128,404.	1,017,587.	110,817.	
10 Payroll taxes	560,384.	513,948.	46,436.	
11 Fees for services (nonemployees):				
a Management				
b Legal	6,155.		6,155.	
c Accounting	122,672.		122,672.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	3,455,101.	3,086,467.	368,634.	
12 Advertising and promotion	32,089.	13,611.	17,419.	1,059.
13 Office expenses	592,898.	467,858.	116,841.	8,199.
14 Information technology				
15 Royalties				
16 Occupancy	256,919.	256,919.		
17 Travel	12,343.	10,959.	1,384.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	38,014.	33,771.	4,243.	
20 Interest	1,473.	1,418.	55.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	671,105.	635,954.	35,151.	
23 Insurance	130,345.	125,209.	5,136.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	1,244,119.	1,244,119.		
b EQUIPMENT RENTAL AND MA	386,829.	384,638.	2,191.	
c EMPLOYEE RECOGNITION	34,371.	10,335.	24,036.	
d				
e All other expenses	229,664.	92,885.	135,304.	1,475.
25 Total functional expenses. Add lines 1 through 24e	16,753,292.	15,066,192.	1,676,367.	10,733.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	4,934,871.	2	6,680,484.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	2,810,808.	4	2,054,570.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	158,770.	8	169,052.
	9 Prepaid expenses and deferred charges	85,017.	9	162,904.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 16,894,423.		
	b Less: accumulated depreciation	10b 9,394,053.	10c	7,500,370.
	11 Investments - publicly traded securities	5,459,920.	11	5,890,292.
	12 Investments - other securities. See Part IV, line 11	101,274.	12	1,082,710.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	1,005,523.	15	325,928.
16 Total assets. Add lines 1 through 15 (must equal line 33)	20,364,343.	16	23,866,310.	
Liabilities	17 Accounts payable and accrued expenses	1,035,581.	17	1,021,525.
	18 Grants payable		18	
	19 Deferred revenue	2,275.	19	2,275.
	20 Tax-exempt bond liabilities	204,217.	20	154,456.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	2,156.	21	3,098.
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties	44,927.	23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	570,519.	25	471,584.
	26 Total liabilities. Add lines 17 through 25	1,859,675.	26	1,652,938.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	18,504,668.	27	21,635,982.
	28 Net assets with donor restrictions		28	577,390.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	18,504,668.	32	22,213,372.
	33 Total liabilities and net assets/fund balances	20,364,343.	33	23,866,310.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	20,427,730.
2	Total expenses (must equal Part IX, column (A), line 25)	2	16,753,292.
3	Revenue less expenses. Subtract line 2 from line 1	3	3,674,438.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	18,504,668.
5	Net unrealized gains (losses) on investments	5	34,266.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	22,213,372.

Part XII Financial Statements and Reporting

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

- 1 Accounting method used to prepare the Form 990: Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ...						
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2023 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2022 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2023. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2022. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2023. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2022. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ...						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2023 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2022 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

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

19a 33 1/3% support tests - 2023. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2022. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

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

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

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

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

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

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

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5
6	Other distributions (<i>describe in Part VI</i>). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8
9	Distributable amount for 2023 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2023	(iii) Distributable Amount for 2023
1 Distributable amount for 2023 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2023 (reasonable cause required - <i>explain in Part VI</i>). See instructions.			
3 Excess distributions carryover, if any, to 2023			
a From 2018			
b From 2019			
c From 2020			
d From 2021			
e From 2022			
f Total of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2023 distributable amount			
i Carryover from 2018 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2023 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2023 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2023, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
6 Remaining underdistributions for 2023. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
7 Excess distributions carryover to 2024. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2019			
b Excess from 2020			
c Excess from 2021			
d Excess from 2022			
e Excess from 2023			

Schedule B
(Form 990)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2023

Name of the organization

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), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

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

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

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

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

Schedule B (Form 990) (2023)

Name of organization FREEMAN REGIONAL HEALTH SERVICES	Employer identification number 46-0232450
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/>	\$ 17,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	<hr/> <hr/> <hr/>	\$ 271,309.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	<hr/> <hr/> <hr/>	\$ 17,203.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	<hr/> <hr/> <hr/>	\$ 1,560,929.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization FREEMAN REGIONAL HEALTH SERVICES	Employer identification number 46-0232450
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
<u>4</u>	LONG-LIVED ASSET _____ _____ _____	\$ <u>1,339,250.</u>	<u>01/01/23</u>
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

Name of organization FREEMAN REGIONAL HEALTH SERVICES	Employer identification number 46-0232450
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) \$ _____
Use duplicate copies of Part III if additional space is needed.

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

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

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

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

OMB No. 1545-0047

2023

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.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate values, and yes/no questions about donor property and grant fund usage.

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

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

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

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include questions about reporting art and historical treasures and required amounts for revenue and assets.

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

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

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

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

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

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

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____%
 - b Permanent endowment _____%
 - c Term endowment _____%
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|--|--------|----|
| (i) Unrelated organizations? | 3a(i) | |
| (ii) Related organizations? | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,286,716.		1,286,716.
b Buildings		9,709,365.	6,095,242.	3,614,123.
c Leasehold improvements				
d Equipment		5,415,304.	3,008,479.	2,406,825.
e Other		483,038.	290,332.	192,706.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, line 10c, column (B))				7,500,370.

Part VII Investments - Other Securities

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

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

Part VIII Investments - Program Related.

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

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

Part IX Other Assets

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

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

Part X Other Liabilities

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) APARTMENT DEPOSITS	354,415.
(3) OPERATING LEASE LIABILITY	117,169.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, line 25, col. (B))	471,584.

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

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

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

1	Total revenue, gains, and other support per audited financial statements	1	20,569,662.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	34,266.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	34,266.
3	Subtract line 2e from line 1	3	20,535,396.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	-107,666.
c	Add lines 4a and 4b	4c	-107,666.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	20,427,730.

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

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

1	Total expenses and losses per audited financial statements	1	16,860,958.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	107,666.
e	Add lines 2a through 2d	2e	107,666.
3	Subtract line 2e from line 1	3	16,753,292.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	16,753,292.

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 -103,002.

DIRECT FUNDRAISING EXPENSES -4,664.

TOTAL TO SCHEDULE D, PART XI, LINE 4B -107,666.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

RENTAL EXPENSES RECLASSIFIED 103,002.

DIRECT FUNDRAISING EXPENSES 4,664.

TOTAL TO SCHEDULE D, PART XII, LINE 2D 107,666.

Multiple horizontal lines for additional entries.

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))
		GOLF (event type)	(event type)	NONE (total number)	
Revenue	1 Gross receipts	22,670.			22,670.
	2 Less: Contributions	2,108.			2,108.
	3 Gross income (line 1 minus line 2)	20,562.			20,562.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes	867.			867.
	6 Rent/facility costs	1,900.			1,900.
	7 Food and beverages	1,352.			1,352.
	8 Entertainment				
	9 Other direct expenses	545.			545.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				4,664.
11 Net income summary. Subtract line 10 from line 3, column (d)				15,898.	

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))
		1 Gross revenue			
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 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	
7 Direct expense summary. Add lines 2 through 5 in column (d)					
8 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: _____

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

Complete if the organization answered "Yes" on Form 990, Part IV, question 20a.
Attach to Form 990.

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

OMB No. 1545-0047

2023

Open to Public
Inspection

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

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year: <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:	<input checked="" type="checkbox"/>	
<input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:	<input checked="" type="checkbox"/>	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	<input checked="" type="checkbox"/>	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		<input checked="" type="checkbox"/>
6a Did the organization prepare a community benefit report during the tax year?		<input checked="" type="checkbox"/>
b If "Yes," did the organization make it available to the public?		

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

7 Financial Assistance and Certain Other Community Benefits at Cost

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			103,000.		103,000.	.61%
b Medicaid (from Worksheet 3, column a)			1599912.	1485346.	114,566.	.68%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			1702912.	1485346.	217,566.	1.29%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			6141164.	4527306.	1613858.	9.63%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits			6141164.	4527306.	1613858.	9.63%
k Total. Add lines 7d and 7j			7844076.	6012652.	1831424.	10.92%

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 SERVICES

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>22</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C		X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C		X
7 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>SEE 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	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>22</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>SEE LINE 7D</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information *(continued)*

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group: FREEMAN REGIONAL HEALTH SERVICES

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	X	
If "Yes," indicate the eligibility criteria explained in the FAP:		
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>150</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %		
b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input checked="" type="checkbox"/> Asset level		
d <input checked="" type="checkbox"/> Medical indigency		
e <input checked="" type="checkbox"/> Insurance status		
f <input checked="" type="checkbox"/> Underinsurance status		
g <input type="checkbox"/> Residency		
h <input checked="" type="checkbox"/> Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	X	
15 Explained the method for applying for financial assistance?	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):		
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of their application		
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of their application		
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e <input type="checkbox"/> Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART V, PAGE 8</u>		
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j <input type="checkbox"/> Other (describe in Section C)		

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group: FREEMAN REGIONAL HEALTH SERVICES

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

Policy Relating to Emergency Medical Care

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

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group: FREEMAN REGIONAL HEALTH SERVICES

		Yes	No
22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care:		
a	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
b	<input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
c	<input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
d	<input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method		
23	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C.	23	X
24	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.	24	X

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 AGE, 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. THE GROUPS HAD KNOWLEDGE OF AND PROVIDED INPUT ON COMMUNITY HEALTH AND MEDICALLY UNDERSERVED OR LOW-INCOME INDIVIDUALS IN THE 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: FRHS CONDUCTED A CHNA IN 2022 AND IDENTIFIED THE FOLLOWING NEEDS: ACCESS TO HEALTH CARE SERVICES AND COMMUNITY EDUCATION, AND MENTAL HEALTH SERVICES. FRHS WILL FOCUS ON ACCESS TO HEALTH CARE SERVICES AND COMMUNITY EDUCATION. FRHS WILL NOT DIRECTLY FOCUS ON MENTAL HEALTH SERVICES BUT WILL WORK IN PARTNERSHIP WITH OTHER ORGANIZATIONS IN THIS AREA.

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 FOLLOWING ACTIONS WERE TAKEN TO ADDRESS THE IDENTIFIED NEEDS IN 2023:

ACCESS TO HEALTH CARE SERVICES

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, INCLUDING PROVIDING THE AREA WITH A FULL CONTINUUM OF CARE THROUGH THE INDEPENDENT LIVING, ASSISTANT LIVING, NURSING HOME, 4 CLINICS AND A HOSPITAL WITH ER, AND STRATEGICALLY PLANNING FUTURE PROJECTS.

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

-UPDATED CT MACHINE.

-PHYSICIANS, THE PHYSICIAN ASSISTANT, AND OUR CERTIFIED NURSE PRACTITIONERS MEET REGULARLY TO REVIEW THE SERVICES PROVIDED TO THE AREA AND ADJUST SERVICES AS NEEDED TO MEET THE NEEDS OF THE FREEMAN AREA RURAL COMMUNITIES, INCLUDING:

-FOOT CLINIC OFFERED IN FREEMAN, MARION, BRIDGEWATER, AND MENNO.

-DENTAL SERVICES OFFERED WITHIN THE NURSING HOME.

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

FRHS RECOGNIZES THE INCREASING DIFFICULTY IN FINDING THE RESOURCES REQUIRED TO STAFF THE VARIOUS DEPARTMENTS OF THE HOSPITAL, CLINIC, AND

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.

NURSING HOME. TO MEET THESE NEEDS FRHS COMPLETED THE FOLLOWING:

-CONTINUED TO WORK WITH LOCAL SCHOOLS, COLLEGES AND CHURCHES TO PROMOTE AN INTEREST IN HEALTHCARE CAREERS

-PARTNERED WITH LAKE AREA TECH, DEPARTMENT OF LABOR, AND FREEMAN HIGH SCHOOL TO PROMOTE AN APPRENTICESHIP PROGRAM FOR STUDENTS.

-PARTNERED WITH USD ON HRSA GRANT OPPORTUNITY FOR THE WORKFORCE EXPANSION PROGRAM.

-ATTENDED JOB FAIRS (UNIVERSITY OF SOUTH DAKOTA, MITCHELL TECH, SOUTHEAST TECH) 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.

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

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

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

-PARTNERED WITH LOCAL HIGH SCHOOL SENIORS ON THEIR SENIOR PROJECTS (MENTAL HEALTH) AND INTERNSHIPS THROUGHOUT THE YEAR IN DIFFERENT DEPARTMENTS.

COMMUNITY EDUCATION

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.

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.

-PROVIDED A DAY AT FREEMAN PUBLIC SCHOOL OF SCRUB CAMP WITH 29 STUDENTS PARTICIPATING WITH A SPECIFIC SESSION ON BEHAVIORAL HEALTH.

-PARTNERED WITH FREEMAN PUBLIC SCHOOL SENIORS ON DOING AN EDUCATIONAL PRESENTATION ON HEART HEALTH TO SCHOOL CHILDREN.

-PARTNERED WITH FREEMAN PUBLIC SCHOOL ON SPONSORING FRHS VOLLEYBALL AND AWARENESS FOR BREAST CANCER

-PARTNERED WITH FREEMAN PUBLIC SCHOOL ON BRINGING AWARENESS TO DOMESTIC VIOLENCE DAY.

-HAD A 2-DAY COURSE FOR BABYSITTING CLINIC (CHILD SAFETY AND CPR CERTIFICATIONS).

-PROMOTED THE IMPORTANCE OF ANNUAL CHECKUPS AND WELL CHILD CHECKS.

-HOSTED A BOOTH AT FARMER'S MARKET AND RURAL CLINIC PROVIDED FARM SAFETY EVENT.

-HELD A BIKE RODEO TO PROVIDE SAFE BIKING AND EDUCATION ON HELMETS.

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 16A, FAP WEBSITE:

[HTTPS://WWW.FREEMANREGIONAL.COM/FINANCIAL-ASSISTANCE/](https://www.freemanregional.com/financial-assistance/)

FREEMAN REGIONAL HEALTH SERVICES

PART V, LINE 16B, FAP APPLICATION WEBSITE:

Part V Facility Information *(continued)*

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

HTTPS://WWW.FREEMANREGIONAL.COM/FINANCIAL-ASSISTANCE/

FREEMAN REGIONAL HEALTH SERVICES

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

HTTPS://WWW.FREEMANREGIONAL.COM/FINANCIAL-ASSISTANCE/

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 V Facility Information *(continued)*

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

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

How many non-hospital health care facilities did the organization operate during the tax year? 5

Name and address	Type of facility (describe)
1 OAKVIEW TERRACE 510 E. 8TH STREET FREEMAN, SD 57029	LONG TERM CARE FACILITY
2 MENNO CLINIC 301 SOUTH HIGH STREET MENNO, SD 57045	RURAL MEDICAL CLINIC
3 MARION CLINIC 307 STATE MARION, SD 57043	RURAL MEDICAL CLINIC
4 BRIDGEWATER CLINIC 209 N MAIN BRIDGEWATER, SD 57319	RURAL MEDICAL CLINIC
5 FREEMAN REGIONAL ASSISTED LIVING 106 W 7TH ST FREEMAN, SD 57029	ASSISTED LIVING

Part VI Supplemental Information

Provide the following information.

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

PART I, LINE 3C:

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.

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 \$1,528,709 AND EXPENSE OF \$2,213,410, FOR A NET LOSS FROM CLINIC OPERATIONS OF \$684,701.

PART III, LINE 2:

THE AMOUNT ON LINE 2 REPRESENTS IMPLICIT PRICE CONCESSIONS. THE ORGANIZATION DETERMINES ITS ESTIMATE OF IMPLICIT PRICE CONCESSION BASED ON ITS HISTORICAL COLLECTION EXPERIENCE WITH THIS CLASS OF PATIENTS.

PART III, LINE 3:

THE ESTIMATED AMOUNT OF 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 IN 2023. 10.20% 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 IS LOCATED IN THE AUDITED FINANCIAL STATEMENT REPORT ON PAGES 13-14.

PART III, LINE 8:

MEDICARE ALLOWABLE COSTS OF CARE WAS CALCULATED FROM THE MEDICARE COST REPORT FOR FISCAL YEAR ENDING 12/31/2023.

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 PATIENT QUALIFIES FOR CHARITY CARE/FINANCIAL ASSISTANCE NO FURTHER COLLECTION ACTIVITY IS PERFORMED AND THE PATIENT'S ACCOUNT IS ADJUSTED. IF THE DETERMINATION IS ADVERSE ANOTHER 30-DAY NOTICE IS AGAIN GIVEN OUT.

PART VI, LINE 2:

ON A QUARTERLY BASIS, FREEMAN REGIONAL HEALTH SERVICES (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 2022.

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 (2022 DATA)	7,368	5,778	8,856
HOUSEHOLDS	3,247	2,484	3,908
AVERAGE HOUSEHOLD SIZE (PEOPLE)	2.47	2.50	2.44
MEDIAN HOUSEHOLD INCOME	\$62,448	\$72,063	\$66,199

Part VI Supplemental Information (Continuation)

MEDIAN AGE	42.9	39.4	41.9
% OF POPULATION UNDER 18	26.1%	28.2%	24.7%
% OF POPULATION 19-64	52.1%	53.6%	53.9%
% OF POPULATION 65+	21.8%	18.2%	21.4%
% OF POPULATION BELOW			
POVERTY INCOME LEVEL	12.8%	9.2%	9.7%

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 45 LICENSED 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.

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 COMPLETED THE FOLLOWING:

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

-THE ADMINISTRATIVE ASSISTANT SERVES ON THE BOARD OF THE GROWING DREAMS DAYCARE CENTER AND WORKS TO HELP SUPPORT ACTION STEPS TO HELP EXPAND THE DAYCARE.

-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.

-THE CEO IS A CURRENT MEMBER OF FREEMAN COMMUNITY FOUNDATION WHICH OFFERS GRANTS TO NON-PROFITS.

-FRHS SPONSORED A FAMILY FRIENDLY ROOM AT THE SD CHISLIC FESTIVAL IN THE PRAIRIE ARBORETUM INTERPRETIVE CENTER.

-PARTICIPATES IN LOCAL COMMUNITY PARADES

-FRHS PARTICIPATED IN COMMUNITY EVENTS SUCH AS THE HALLOWEEN PASSPORT/COMMUNITY TRICK OR TREAT SCAVENGER HUNT.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

OMB No. 1545-0047

2023

Open to Public
Inspection

Name of the organization

FREEMAN REGIONAL HEALTH SERVICES

Employer identification number

46-0232450

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

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

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

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

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

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

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

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

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

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

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

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

Schedule J (Form 990) 2023

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) COURTNEY UNRUH CEO	(i)	156,166.	0.	0.	8,452.	35,917.	200,535.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) PHILLIP HUSHER CFO	(i)	136,293.	0.	0.	6,976.	12,208.	155,477.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Supplemental Information on Tax-Exempt Bonds
Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions,
explanations, and any additional information in Part VI.
Attach to Form 990. Go to www.irs.gov/Form990 for instructions and the latest information.

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

Part I	Bond Issues	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													

Part II	Proceeds								
		A		B		C		D	
1	Amount of bonds retired	595,544.							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	750,000.							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds								
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	750,000.							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2006							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?		X						
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

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

Part III Private Business Use								
	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X						
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? ...								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government00 %		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government00 %		%		%		%
6 Total of lines 4 and 500 %		%		%		%
7 Does the bond issue meet the private security or payment test?		X						
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X						

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

Part IV Arbitrage (continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X						
7 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 M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2023

Open to Public Inspection

Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
Attach to Form 990.

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

Department of the Treasury
Internal Revenue Service

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

Part I	Types of Property	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded				
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other (SALEM HOME ASSE)	X	1	1,339,250.	FMV
26	Other ()				
27	Other ()				
28	Other ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part V, Donee Acknowledgement **29**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least 3 years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?		X
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		X
b If "Yes," describe in Part II.		
33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE M, PART I, COLUMN (B):

COLUMN B REPRESENTS THE NUMBER OF CONTRIBUTIONS. THE DONATION CONSISTED OF LAND, BUILDING, AND EQUIPMENT TALLING \$1,339,250.

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2023

Open to Public
Inspection

Name of the organization

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

3,484.

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

Schedule O (Form 990) 2023

Name of the organization FREEMAN REGIONAL HEALTH SERVICES	Employer identification number 46-0232450
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MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	3,484.

PURCHASE OTHER CLINIC:

PROGRAM SERVICE EXPENSES	655,824.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	655,824.

MEDICAL PROFESSIONAL FEES:

PROGRAM SERVICE EXPENSES	807,012.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	807,012.

PURCHASE COURIER:

PROGRAM SERVICE EXPENSES	15,334.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	15,334.

CONSULTING FEES:

PROGRAM SERVICE EXPENSES	11,134.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	11,134.

Name of the organization

FREEMAN REGIONAL HEALTH SERVICES

Employer identification number

46-0232450

OTHER PURCHASED SERVICES:

PROGRAM SERVICE EXPENSES	1,270,789.
--------------------------	------------

MANAGEMENT AND GENERAL EXPENSES	3,700.
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FUNDRAISING EXPENSES	0.
----------------------	----

TOTAL EXPENSES	1,274,489.
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MAINTENANCE CONTRACTS:

PROGRAM SERVICE EXPENSES	197,693.
--------------------------	----------

MANAGEMENT AND GENERAL EXPENSES	0.
---------------------------------	----

FUNDRAISING EXPENSES	0.
----------------------	----

TOTAL EXPENSES	197,693.
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ULTRASOUND AND MRI CONTRACTS:

PROGRAM SERVICE EXPENSES	125,197.
--------------------------	----------

MANAGEMENT AND GENERAL EXPENSES	0.
---------------------------------	----

FUNDRAISING EXPENSES	0.
----------------------	----

TOTAL EXPENSES	125,197.
----------------	----------

PT FINANCIAL SVC COLLECTION FEES:

PROGRAM SERVICE EXPENSES	0.
--------------------------	----

MANAGEMENT AND GENERAL EXPENSES	25,763.
---------------------------------	---------

FUNDRAISING EXPENSES	0.
----------------------	----

TOTAL EXPENSES	25,763.
----------------	---------

ADMINISTRATION CONSULTING FEES:

PROGRAM SERVICE EXPENSES	0.
--------------------------	----

MANAGEMENT AND GENERAL EXPENSES	333,287.
---------------------------------	----------

FUNDRAISING EXPENSES	0.
----------------------	----

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

TOTAL EXPENSES	333,287.
-----------------------	-----------------

FOUNDATION PURCHASE OTHER:

PROGRAM SERVICE EXPENSES	0.
--------------------------	----

MANAGEMENT AND GENERAL EXPENSES	5,684.
---------------------------------	--------

FUNDRAISING EXPENSES	0.
----------------------	----

TOTAL EXPENSES	5,684.
-----------------------	---------------

MARKETING PURCHASE:

PROGRAM SERVICE EXPENSES	0.
--------------------------	----

MANAGEMENT AND GENERAL EXPENSES	200.
---------------------------------	------

FUNDRAISING EXPENSES	0.
----------------------	----

TOTAL EXPENSES	200.
-----------------------	-------------

TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	3,455,101.
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Electronic Filing PDF Attachment



Financial Statements
December 31, 2023 and 2022
Freeman Regional Health Services

Independent Auditor’s Report 1

Financial Statements

 Balance Sheets 4

 Statements of Operations 6

 Statements of Changes in Net Assets 7

 Statements of Cash Flows 8

 Notes to Financial Statements10



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Freeman Regional Health Services, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Freeman Regional Health Services as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Freeman Regional Health Services and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Correction of Error

As discussed in Note 16 to the financial statements, an error resulting in an understatement of amounts previously reported for property and equipment and accounts payable as of December 31, 2022, was discovered by management of Freeman Regional Health Services during the current year. Accordingly, amounts reported for property and equipment and accounts payable have been restated in the 2022 financial statements now presented to correct the error. Our opinion is not modified with respect to that matter.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Freeman Regional Health Services' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Freeman Regional Health Services' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Freeman Regional Health Services' ability to continue as a going concern for a reasonable period of time.

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

Eide Bailly LLP

Sioux Falls, South Dakota
June 4, 2024

Freeman Regional Health Services

Balance Sheets

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>Restated 2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 6,680,484	\$ 4,934,871
Receivables		
Patient and resident	1,841,503	1,931,553
Estimated third-party payor settlements	192,000	170,000
Other	175,100	585,351
Insurance recoveries	37,967	293,904
Supplies	169,052	158,770
Prepaid expenses and other current assets	162,904	85,017
Total current assets	<u>9,259,010</u>	<u>8,159,466</u>
Assets Limited as to Use		
By Board for capital improvements and debt redemption	5,883,502	5,320,808
Under indenture agreements	-	132,322
Interest in net assets of foundation	1,082,710	101,274
By Board for scholarships	6,790	6,790
Total assets limited as to use	<u>6,973,002</u>	<u>5,561,194</u>
Property and Equipment, net	<u>7,240,370</u>	<u>6,011,342</u>
Property Held for Sale, net	<u>260,000</u>	<u>-</u>
Operating Lease Right-of-Use Asset	<u>115,981</u>	<u>163,500</u>
Amounts Receivable Under Collaborative Arrangements	<u>17,947</u>	<u>672,023</u>
Total assets	<u>\$ 23,866,310</u>	<u>\$ 20,567,525</u>

Freeman Regional Health Services

Balance Sheets

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>Restated 2022</u>
Liabilities and Net Assets		
Current Liabilities		
Current portion of long-term debt	\$ 52,167	\$ 94,674
Current portion of operating lease liability	47,644	47,000
Accounts payable	391,154	504,520
Accrued expenses		
Salaries and wages	166,126	112,991
Vacation	350,554	279,996
Payroll taxes and other	81,097	51,781
Claims reserves	37,967	293,904
Total current liabilities	<u>1,126,709</u>	<u>1,384,866</u>
Long-term Liabilities		
Long-term debt, net of current portion	102,289	154,472
Operating lease liability, net of current portion	69,525	117,169
Apartment deposits	354,415	406,350
Total liabilities	<u>1,652,938</u>	<u>2,062,857</u>
Net Assets		
Without donor restrictions	21,635,982	18,504,668
With donor restrictions	577,390	-
Total net assets	<u>22,213,372</u>	<u>18,504,668</u>
Total liabilities and net assets	<u>\$ 23,866,310</u>	<u>\$ 20,567,525</u>

Freeman Regional Health Services
Statements of Operations
Years Ended December 31, 2023 and 2022

	2023	2022
Revenues, Gains, and Other Support Without Donor Restrictions		
Patient and resident service revenue	\$ 16,037,990	\$ 13,199,369
Other revenue	1,625,016	689,388
Provider Relief Funds and COVID-19 government grants	-	623,761
	17,663,006	14,512,518
Expenses		
Salaries and wages	7,558,835	6,189,483
Employee benefits	1,980,361	1,510,341
Purchased services	3,212,206	3,581,879
Supplies and other expenses	2,656,668	2,246,508
Repairs and maintenance	577,874	237,886
Insurance	130,345	96,516
Interest	9,234	15,763
Depreciation and amortization	735,435	522,788
	16,860,958	14,401,164
Operating Income	802,048	111,354
Other Income (Expense)		
Investment return	393,657	66,409
Unrealized gain (loss) on investments	34,266	(256,143)
Unrestricted contributions	234,515	125,828
Salem Mennonite Home contribution	163,646	-
Income from collaborative arrangements	163,932	572,473
	990,016	508,567
Revenue in Excess of Expenses	1,792,064	619,921
Contribution of Salem Mennonite Home Long-lived Assets	1,339,250	-
Change in Net Assets Without Donor Restrictions	\$ 3,131,314	\$ 619,921

Freeman Regional Health Services
 Statements of Changes in Net Assets
 Years Ended December 31, 2023 and 2022

	2023	2022
Net Assets Without Donor Restrictions		
Revenues in excess of expenses	\$ 1,792,064	\$ 619,921
Contribution of Salem Mennonite Home long-lived assets	1,339,250	-
Change in net assets without donor restrictions	3,131,314	619,921
Net Assets With Donor Restrictions		
Restricted contributions and investment returns	244,962	-
Contribution of Salem Mennonite Home assets with donor restrictions	332,428	-
Change in net assets with donor restrictions	577,390	-
Change in Net Assets	3,708,704	619,921
Net Assets, Beginning of Year	18,504,668	17,884,747
Net Assets, End of Year	\$ 22,213,372	\$ 18,504,668

Freeman Regional Health Services

Statements of Cash Flows

Years Ended December 31, 2023 and 2022

	2023	Restated 2022
Operating Activities		
Change in net assets	\$ 3,708,704	\$ 619,921
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	735,435	522,788
Amortization of apartment deposits	-	(3,750)
Net realized and unrealized gains and losses on investments	(427,923)	256,143
Income from collaborative arrangement	(163,932)	(572,473)
Gain on disposal of equipment	(3,318)	-
Contributions and change in value of contributions by donors restricted for a specific purpose	(244,962)	-
Contribution of Salem Mennonite Home	(1,835,324)	-
Changes in assets and liabilities		
Receivables	478,301	512,319
Supplies	1,609	7,502
Prepaid expenses and other current assets	(77,887)	(9,902)
Operating lease assets and liabilities	519	669
Accounts payable	(10,184)	(118,539)
Accrued expenses	153,009	20,822
Refundable advance	-	(365,385)
Net Cash from Operating Activities	2,314,047	870,115
Investing Activities		
Cash from contribution of Salem Mennonite Home	221,679	-
Purchase of property and equipment	(1,159,675)	(825,073)
Proceeds from sale of property and equipment	74,598	-
Purchase of assets limited as to use	(8,087,890)	(433,394)
Proceeds from sales and maturities of assets limited as to use	4,113,582	253,671
Net Cash used for Investing Activities	(4,837,706)	(1,004,796)
Financing Activities		
Principal payments on long-term debt	(94,690)	(407,106)
Apartment deposits received	2,565	2,600
Apartment deposits refunded	(56,250)	(3,750)
Restricted contributions and change in value of restricted contributions received	244,962	-
Receipts from collaborative arrangements	818,008	395,243
Net Cash from (used for) Financing Activities	914,595	(13,013)
Net Change in Cash, Cash Equivalents, and Restricted Cash	(1,609,064)	(147,694)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	8,315,955	8,463,649
Cash, Cash Equivalents, and Restricted Cash, End of Year	\$ 6,706,891	\$ 8,315,955

Freeman Regional Health Services

Statements of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>Restated 2022</u>
Cash and Cash Equivalents	\$ 6,680,484	\$ 4,934,871
Cash Included in Assets Limited as to Use	26,407	3,381,084
	<u>\$ 6,706,891</u>	<u>\$ 8,315,955</u>
 Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 9,234	\$ 15,763
 Supplemental Schedule of Non-cash Investing Activities		
Property and equipment purchases included in accounts payable	\$ -	\$ 203,182
Conversion of property and equipment to assets held for sale	260,000	-
 Supplemental Schedule of Investing Activities		
Contribution of Salem Mennonite Home		
Inventory	\$ (11,891)	
Assets limited as to use	(364,254)	
Property and equipment	(1,339,250)	
Transferor's holdback liability	100,000	
Apartment desposits	1,750	
Contribution of Salem Mennonite Home		
Salem Mennonite Home contribution	163,646	
Contribution of Salem Mennonite Home long-lived assets	1,339,250	
Contribution of Salem Mennonite Home assets with donor restrictions	<u>332,428</u>	
Net cash received	<u>\$ 221,679</u>	

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

Freeman Regional Health Services (the Facility) operates a 25-bed critical access hospital, a 49-bed nursing facility, a 52-unit assisted living facility, a senior housing facility, 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.

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.

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 credit losses. 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 credit losses.

The Facility's January 1, 2022 patient and resident, estimated third-party settlements, and other receivables balances were \$2,744,667, \$291,000, and \$163,556.

Insurance Recoveries and Claims Reserves

The Facility has workers' compensation insurance coverage to provide protection for workers' compensation claims losses. The Facility accrued workers' compensation insurance reserves of approximately \$38,000 and \$294,000 for the years ended December 31, 2023 and 2022. As of December 31, 2023 and 2022, receivables of approximately \$38,000 and \$294,000 have been recorded for expected insurance recoveries related to the workers' compensation insurance claims.

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 the performance indicator unless the income or loss is restricted by donor or law.

Assets Limited as to Use

Assets limited as to use include restricted cash and 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.

Interest in Net Assets of Foundation

Avera Health Foundation (Foundation), an affiliate of the Facility, solicits contributions and holds funds on behalf of the Facility. The Facility's interest in these funds is recorded as assets limited as to use in the accompanying financial statements as net assets with donor restrictions if donors have placed restrictions on the use of the funds. Changes in the funds held by the Foundation are recorded as changes in net assets of foundation in the accompanying financial statements.

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. The income or loss resulting from these joint operating agreements is included in other income in the accompanying statements of operations and changes in net assets. Receipts and contributions from these joint operating agreements are included in financing activities in the accompanying statements of cash flows.

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 finance lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. 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	5 - 50 years
Major moveable 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 the performance indicator, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as 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, 2023 and 2022, except related to the property that was held for sale as of December 31, 2023.

Property Held for Sale

Property held for sale consists of an apartment building that was held for sale as of December 31, 2023. The building is carried at cost. The property was tested for indicators of impairment as of December 31, 2023 and an impairment loss of \$57,958 was recognized, which represents the amount by which the carrying amount of the property exceeded its fair value at December 31, 2023. The property was sold in January 2024.

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, 2022, the Facility did not have any net assets with donor restrictions. As of December 31, 2023, the Facility had \$577,391 of net assets with donor restrictions, which are restricted for the specified purpose of future capital projects.

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 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 \$103,000 and \$4,000 for the years ended December 31, 2023 and 2022, 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.

Other Revenue

The Facility participates in the 340B Drug Pricing Program (340B Program) enabling the Facility to receive discounted prices from drug manufacturers on outpatient pharmaceutical purchases and enter into certain contracts with unrelated pharmacies who provide certain prescription drugs to Facility patients who receive rural health clinic and outpatient services. This program is overseen by the Health Resources and Services Administration (HRSA) and Office of Pharmacy Affairs (OPA). HRSA conducts routine audits of these programs at health care organizations and monitors program compliance. Laws and regulations governing the 340B Program are complex and subject to interpretation and changes. During the years ended December 31, 2023 and 2022, the Facility recognized \$1,184,194 and \$291,233 of other revenue from operations related to its 340B Program contract with unrelated pharmacies. Other revenue also includes income from independent living rentals, cafeteria and meals sales, operating grants, and other operating transactions.

Other revenue is recognized when obligations under the terms of each contract are satisfied. Revenues from these services are measured as the amount of consideration the Facility expects to receive in exchange for those services.

Advertising Costs

Costs incurred for producing and distributing advertising are expensed as incurred. The Facility incurred \$32,089 and \$30,866 for advertising costs for the years ended December 31, 2023 and 2022.

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 13, 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 June 4, 2024, 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, are comprised of the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 6,680,484	\$ 4,934,871
Receivables	2,208,603	2,686,904
Assets limited as to use by Board	<u>5,883,502</u>	<u>5,320,808</u>
	<u>\$ 14,772,589</u>	<u>\$ 12,942,583</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 is as 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, 2019. 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 41%, 10% and 14% of the Facility's patient service revenue for the year ended December 31, 2023 and 46%, 9% and 14% for the year ended December 31, 2022. 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 years ended December 31, 2023 and 2022 increased by approximately \$27,000 and \$3,000 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. In addition, patient and resident service revenue for the year ended December 31, 2022 increased by approximately \$83,000 as a result of a one-time payment increase approved by the South Dakota Joint Committee on Appropriations, during 2022, for Medicaid nursing home services provided in South Dakota, from July 1, 2021 through December 31, 2021.

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 credit loss expense. Credit loss expense for the years ended December 31, 2023 and 2022 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 and COVID-19 Government Grants

Provider Relief Funds

Through December 31, 2023, the Facility received \$4,786,211 of Coronavirus Aid, Relief, and Economic Security (CARES) Act Provider Relief Funds administered by the Department of Health and Human Services (HHS). Among the terms and conditions of funds previously received 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.

These funds are recorded as a refundable advance when received and are recognized as revenues in the accompanying statements of operations as all terms and conditions are considered met. The terms and conditions are subject to interpretation, changes and future clarification, the most recent of which have been considered through the date that the 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, 2023 and 2022, the Facility had total refundable advance balances of \$-0-. During the years ended December 31, 2023 and 2022, the Facility recognized \$-0- and \$365,385 as Provider Relief Funds and COVID-19 government grants revenue, included as operating revenues on the statements of operations.

COVID-19 & Other Government Grants

The Facility also received \$-0- and \$258,376 for the years ended December 31, 2023 and 2022, from the Small Rural Hospital Improvement Program (SHIP) and the South Dakota Bureau of Finance and Management. These funds are subject to terms and conditions imposed by the grantor. The Facility recognized Provider Relief Funds and COVID-19 government grants revenue from these funds of \$-0- and \$258,376 during the years ended December 31, 2023 and 2022.

Note 5 - Investments

Assets Limited as to Use

The composition of assets limited as to use at December 31, 2023 and 2022, is shown in the following table.

	2023	2022
By Board for capital improvements and debt redemption		
Cash and cash equivalents	\$ 19,617	\$ 3,374,294
Certificates of deposit	4,358,296	596,982
Bond mutual funds	673,433	642,733
Equity mutual funds	832,156	706,799
	\$ 5,883,502	\$ 5,320,808
Under indenture agreements		
Certificates of deposit	\$ -	\$ 132,322
By Board for scholarships		
Cash and cash equivalents	\$ 6,790	\$ 6,790

Note 6 - 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.

Freeman Regional Health Services

Notes to Financial Statements

December 31, 2023 and 2022

Assets and liabilities measured at fair value on a recurring basis and the related fair values of these assets and liabilities at December 31, 2023 and 2022, are as follows:

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
<u>December 31, 2023</u>			
Bond mutual funds	\$ 673,433	\$ -	\$ -
Equity mutual funds	832,156	-	-
	<u>\$ 1,505,589</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2022</u>			
Bond mutual funds	\$ 642,733	\$ -	\$ -
Equity mutual funds	706,799	-	-
	<u>\$ 1,349,532</u>	<u>\$ -</u>	<u>\$ -</u>

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

Note 7 - Property and Equipment

A summary of property and equipment at December 31, 2023 and 2022 is as follows:

	2023		2022	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 1,266,336	\$ -	\$ 898,820	\$ -
Land improvements	385,201	290,332	363,108	280,506
Buildings	9,469,745	6,095,242	8,921,480	5,802,388
Major moveable equipment	5,415,304	3,008,479	4,854,381	3,075,208
Construction in progress	97,837	-	131,655	-
	<u>\$ 16,634,423</u>	<u>\$ 9,394,053</u>	<u>\$ 15,169,444</u>	<u>\$ 9,158,102</u>
Net property and equipment		<u>\$ 7,240,370</u>		<u>\$ 6,011,342</u>

Construction in progress represents architectural costs incurred for a prospective building project. There were no significant outstanding contractual commitments relating to these assets at year-end.

Note 8 - Leases

The Facility leases equipment under various operating leases. The weighted-average discount rate is based on the discount rate implicit in the lease, or if the implicit rate is not readily determinable from the lease, then the Facility has elected the option to use the risk-free rate determined using a period comparable to the lease term as the discount rate.

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

Total lease costs for the years ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Operating lease cost	\$ 49,419	\$ 49,419
Short-term lease cost	38,633	35,920

The following table summarizes the supplemental cash flow information for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flow from operating leases	\$ 48,900	\$ 48,900

The following summarizes the weighted-average remaining lease term and weighted-average discount rate at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Weighted-average remaining lease term		
Operating leases	2.44 years	3.42 years
Weighted-average discount rate		
Operating leases	1.37%	1.37%

The future minimum lease payments under noncancelable operating leases with terms greater than on year are listed below as of December 31, 2023:

<u>Years Ending December 31,</u>	
2024	\$ 48,900
2025	48,900
2026	<u>21,305</u>
Total lease payments	119,105
Less interest	<u>(1,936)</u>
Present value of lease liabilities	<u><u>\$ 117,169</u></u>

Note 9 - Long-Term Debt

Long-term debt consists of the following:

	<u>2023</u>	<u>2022</u>
5.00% note payable, payments due in monthly installments of \$8,310, paid in full in May 2023,	\$ -	\$ 44,929
4.75% note payable, payments due in monthly installments of \$4,865 including interest, through October 2026 secured by the real estate	<u>154,456</u>	<u>204,217</u>
	154,456	249,146
Less current maturities	<u>52,167</u>	<u>94,674</u>
Long-term debt, less current maturities	<u><u>\$ 102,289</u></u>	<u><u>\$ 154,472</u></u>

Long-term debt principal maturities are as follows:

<u>Years Ending December 31,</u>	
2024	\$ 52,167
2025	54,699
2026	<u>47,590</u>
	<u><u>\$ 154,456</u></u>

Note 10 - 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 5% of annual compensation with the plan trustee who invests the plan assets. Total pension plan expense for the years ended December 31, 2023 and 2022 was \$252,430 and \$215,199.

Note 11 - Related Party Transactions

During the years ended December 31, 2023 and 2022, the Facility purchased \$47,547 and \$60,802 of supplies and services from a business owned by a Board member.

Note 12 - 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, 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Medicare	45%	48%
Blue Cross	10%	14%
Commercial and other third-party payors	28%	25%
Medicaid	7%	6%
Private pay	<u>10%</u>	<u>7%</u>
	<u>100%</u>	<u>100%</u>

The Facility maintains is cash and certificates of deposit in bank deposit accounts which exceed Federal Deposit Insurance Corporation (FDIC) limits. Accounts are guaranteed by the FDIC up to \$250,000 per depositor, per insured bank, for each account ownership category. The total exposure on these cash and certificates of deposit balances as of December 31, 2023 and 2022 was \$7,864,308 and \$7,758,821. The Facility has not experienced losses on these accounts and management believes the Facility is not exposed to significant risks on such accounts.

Note 13 - 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, 2023, are as follows:

	Health Care Services		General and Administrative	Total
	Patient Services	Long-term Care		
Salaries and wages	\$ 3,349,720	\$ 3,582,757	\$ 626,358	\$ 7,558,835
Employee benefits	874,244	895,329	210,788	1,980,361
Purchased services	2,517,881	224,758	469,567	3,212,206
Supplies and other expenses	1,456,771	912,713	287,184	2,656,668
Repairs and maintenance	391,669	128,680	57,525	577,874
Insurance	48,013	77,196	5,136	130,345
Interest	1,184	7,995	55	9,234
Depreciation and amortization	442,485	257,799	35,151	735,435
	<u>\$ 9,081,967</u>	<u>\$ 6,087,227</u>	<u>\$ 1,691,764</u>	<u>\$ 16,860,958</u>

Expenses related to providing these services by nature and functional class for the year ended December 31, 2022 are as follows:

	Health Care Services		General and Administrative	Total
	Patient Services	Long-term Care		
Salaries and wages	\$ 3,056,064	\$ 2,557,998	\$ 575,421	\$ 6,189,483
Employee benefits	794,133	594,205	122,003	1,510,341
Purchased services	3,041,194	120,413	420,272	3,581,879
Supplies and other expenses	1,271,789	739,029	235,690	2,246,508
Repairs and maintenance	185,543	33,603	18,740	237,886
Insurance	42,403	49,347	4,766	96,516
Interest	3,638	11,688	437	15,763
Depreciation and amortization	327,031	170,275	25,482	522,788
	<u>\$ 8,721,795</u>	<u>\$ 4,276,558</u>	<u>\$ 1,402,811</u>	<u>\$ 14,401,164</u>

Note 14 - 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 15 - 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 \$1 million per claim and an annual aggregate limit of \$3 million. The Facility is also insured under an excess umbrella liability claims-made policy with a limit of \$40 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured.

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.

Note 16 - Restatement

During 2023, subsequent to the issuance of the Facility's 2022 financial statements, it was discovered that the Facility had not appropriately accrued for property and equipment acquired during the year ended December 31, 2022. It was determined that property and equipment and accounts payable were understated by \$203,000 as of December 31, 2023.

The following is a summary of the effects of the restatement in the Facility's December 31, 2022 balance sheet:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
Balance Sheet			
Property and Equipment, net	\$ 5,808,160	\$ 203,182	\$ 6,011,342
Total assets	20,364,343	203,182	20,567,525
Accounts payable	301,338	203,182	504,520
Total current liabilities	1,181,684	203,182	1,384,866
Total liabilities	1,859,675	203,182	2,062,857
Total liabilities and net assets	20,364,343	203,182	20,567,525

The restatement had no effect on the Facility's December 31, 2022 statement of operations and changes in net assets.

The following is a summary of the effects of the restatement on the Facility's December 31, 2022 statement of cash flows:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
Statement of Cash Flows			
Supplemental Disclosure of Cash Flow Information			
Property and equipment purchases included in accounts payable	\$ -	\$ 203,182	\$ 203,182

Note 17 - Contribution of Salem Mennonite Home

On January 1, 2023, the Facility acquired the Salem Mennonite Home (the Home), an assisted living facility and senior housing facility in Freeman, South Dakota, through a donative transfer agreement. The donative transfer agreement transferred title of substantially all asset of the Home to the Facility, net of certain deposit liabilities and a transferor's holdback, to be utilized by the Home to pay reasonable and necessary costs and expenses of continuing the Home as a corporate entity for as long as the Home deems necessary. The assets acquired are reported at fair value. Since the fair value of assets acquired significantly exceeded the fair value of the liabilities assumed, an inherent contribution on business combination of \$1,835,324 has been recorded for this excess amount.

The following table summarizes the fair value of the assets acquired and liabilities assumed at the acquisition date:

Cash	\$ 221,679
Inventory	11,891
Assets limited as to use	364,254
Property and equipment	<u>1,339,250</u>
Total identifiable assets acquired	1,937,074
Transferor's holdback liability	(100,000)
Apartment deposits	<u>(1,750)</u>
Net assets acquired and inherent contribution on business combination	<u><u>\$ 1,835,324</u></u>

The estimates of the fair values of assets acquired and liabilities assumed are based on Level 3 inputs which have been determined by management based on broker opinion of value for similar properties in the area and desktop appraisals based on market data. The acquired assets limited as to use balance included \$332,428 of assets with donor-imposed restrictions. The inherent contribution related to these assets are reflected as an increase in net assets with donor restrictions in the accompanying statements of changes in net assets.