

Form **990**  
(Rev. January 2020)  
Department of the Treasury  
Internal Revenue Service

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

OMB No. 1545-0047

**2019**  
Open to Public Inspection

**A** For the 2019 calendar year, or tax year beginning **JUL 1, 2019** and ending **JUN 30, 2020**

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>Livingston Healthcare</b>		<b>D</b> Employer identification number <b>81-0378200</b>
	Doing business as		<b>E</b> Telephone number <b>406-222-3541</b>
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	<b>320 Alpenglow Lane</b>		<b>G</b> Gross receipts \$ <b>57,886,186.</b>
	City or town, state or province, country, and ZIP or foreign postal code <b>Livingston, MT 59047</b>		<b>H(a)</b> Is this a group return for subordinates? ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>F</b> Name and address of principal officer: <b>Deb Anczak same as C above</b>		<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
<b>J</b> Website: ▶ <b>www.livingstonhealthcare.org</b>		<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	<b>L</b> Year of formation: <b>1955</b> <b>M</b> State of legal domicile: <b>MT</b>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>A 25-bed critical access hospital, a multispecialty physician practice, rehabilitation</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>13</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>10</b>
	<b>5</b> Total number of individuals employed in calendar year 2019 (Part V, line 2a)	<b>5</b>	<b>496</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>15</b>
	<b>7 a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 39	<b>7b</b>	<b>0.</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b> 432,481.	<b>Current Year</b> 509,854.
	<b>9</b> Program service revenue (Part VIII, line 2g)	57,629,777.	57,582,056.
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	288,581.	391,768.
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	87,012.	-597,492.
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	58,437,851.	57,886,186.
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	13,740.	13,930.
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	27,410,660.	29,508,339.
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>326,344.</b>		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	27,387,406.	26,980,639.
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	54,811,806.	56,502,908.	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	3,626,045.	1,383,278.	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b> 72,583,735.	<b>End of Year</b> 99,491,073.
	<b>21</b> Total liabilities (Part X, line 26)	39,085,239.	64,162,588.
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	33,498,496.	35,328,485.

**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.

<b>Sign Here</b>	Signature of officer		Date		
	<b>Deb Anczak, CEO</b> Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<b>Kim Hunwardsen, CPA</b>	<b>Kim Hunwardsen, CPA</b>	<b>04/08/21</b>	<input type="checkbox"/>	<b>P00484560</b>
Firm's name ▶ <b>Eide Bailly LLP</b>			Firm's EIN ▶ <b>45-0250958</b>		
Firm's address ▶ <b>800 Nicollet Mall, Ste. 1300 Minneapolis, MN 55402-7033</b>			Phone no. <b>612-253-6500</b>		

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: Excellence in patient-centered care.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] 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 \$ 47,622,432. including grants of \$ 13,930. ) (Revenue \$ 56,897,531. ) Livingston HealthCare (LHC) is a 25-bed acute care hospital located in Livingston, Montana, providing inpatient, outpatient, and emergency services primarily for the residents of Livingston Montana and the surrounding area. It is a multispecialty physician practice that also provides rehabilitation services and home-based services such as home care and hospice care.

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

LHC provided funding for Windrider Transit in the amount of \$10,150 in

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 47,622,432.

**Part IV Checklist of Required Schedules**

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

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

	Yes	No
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
<b>25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>26</b> Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i> .....		X
<b>27</b> Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions, for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</b> A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i> .....	X	
<b>c</b> A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....	X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....		X
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		
<b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
<b>38</b> Did the organization complete Schedule O and provide explanations in 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
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable .....		
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable .....		
<b>c</b> 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)

		Yes	No
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a		496
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O		
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
<b>b</b>	If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds.</b> Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the sponsoring organization make any taxable distributions under section 4966?		
<b>b</b>	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	10a	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>a</b>	Gross income from members or shareholders	11a	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note:</b> See the instructions for additional information the organization must report on Schedule O.	13a	
<b>b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
<b>c</b>	Enter the amount of reserves on hand	13c	
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?		X
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	14b	
<b>15</b>	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.	15	X
<b>16</b>	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16	X

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

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

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
	<b>1a</b> 13		
<b>b</b>	Enter the number of voting members included on line 1a, above, who are independent		
	<b>1b</b> 10		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?	X	
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Did the organization have members or stockholders?		X
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
<b>b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b>	The governing body?	X	
<b>b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O		X

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

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

**Section C. Disclosure**

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

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See 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 and/or Box 7 of Form 1099-MISC) 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 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)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Krista Arnet, MD ER Physician	40.00				X		356,348.	0.	16,469.	
(2) Kyle Arnet, MD ER Physician	40.00				X		336,323.	0.	15,669.	
(3) Douglas P Wadle, MD Director, Internal Medicine	40.00	X					327,791.	0.	22,388.	
(4) Michael Briggs, MD ER Physician	40.00				X		325,308.	0.	15,864.	
(5) Henry Pinango, MD Internal Medicine	40.00				X		316,319.	0.	16,264.	
(6) Raymond Wright, MD ER Physician	40.00				X		299,098.	0.	26,290.	
(7) D. Scott Coleman, MD Director, Family Medicine	40.00 1.00	X					283,316.	0.	16,000.	
(8) Ryan Speas Former CFO	40.00					X	240,677.	0.	2,019.	
(9) Kris Kester CFO starting July 2019	40.00			X			103,555.	0.	264.	
(10) Denis Prager President	15.00 1.00	X		X			0.	0.	0.	
(11) Shiell Anderson Vice President	2.00	X		X			0.	0.	0.	
(12) Kristen Galbraith Secretary	2.00	X		X			0.	0.	0.	
(13) Dan Kaul Treasurer	2.00	X		X			0.	0.	0.	
(14) David Stanley Director	2.00	X					0.	0.	0.	
(15) Joseph Swindlehurst Director	2.00	X					0.	0.	0.	
(16) Mary Ann Bearden Director	2.00 4.00	X					0.	0.	0.	
(17) Michael Schaer Director	2.00	X					0.	0.	0.	

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Jeffrey Lindenbaum, MD Director	2.00	X						0.	0.	0.
(19) Michelle Becker Director	2.00	X						0.	0.	0.
(20) Laurie Smith Director	2.00	X						0.	0.	0.
(21) Deb Anczak CEO	40.00 1.00			X				0.	0.	0.
<b>1b Subtotal</b>							2,588,735.	0.	131,227.	
<b>c Total from continuation sheets to Part VII, Section A</b>							0.	0.	0.	
<b>d Total (add lines 1b and 1c)</b>							2,588,735.	0.	131,227.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **34**

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

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
Billings Clinic Laboratory PO Box 30977, Billings, MT 59107	Lab Services	1,660,663.
Billings Clinic PO Box 30977, Billings, MT 59107	IT Tech Support Fees	821,122.
Medical Solutions PO Box 310737, Des Moines, IA 50331	Contract Staffing	269,455.
PPR, INC. PO Box 674009, Dallas, TX 75267-4009	Contract Staffing	205,943.
Christopher Lee, MD 1516 NW 60th St, Seattle, WA 98107	Surgery Locum	164,108.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **7**



**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	<b>1 a</b> Federated campaigns .....	<b>1a</b>					
	<b>b</b> Membership dues .....	<b>1b</b>					
	<b>c</b> Fundraising events .....	<b>1c</b>					
	<b>d</b> Related organizations .....	<b>1d</b>	496,354.				
	<b>e</b> Government grants (contributions) .....	<b>1e</b>	7,500.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above ...	<b>1f</b>	6,000.				
	<b>g</b> Noncash contributions included in lines 1a-1f	<b>1g</b>	\$				
	<b>h Total.</b> Add lines 1a-1f .....			509,854.			
Program Service Revenue	<b>2 a</b> Net Patient Service Revenue	Business Code					
		621110	55,768,740.	55,768,740.			
	<b>b</b> Pharmacy Revenue	446110	1,177,010.	1,177,010.			
	<b>c</b> Supporting Revenue	621110	636,306.	636,306.			
	<b>d</b> _____						
	<b>e</b> _____						
	<b>f</b> All other program service revenue .....						
<b>g Total.</b> Add lines 2a-2f .....			57,582,056.				
Other Revenue	<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....		389,205.			389,205.	
	<b>4</b> Income from investment of tax-exempt bond proceeds .....						
	<b>5</b> Royalties .....						
	<b>6 a</b> Gross rents .....	<b>6a</b>	(i) Real	87,033.			
			(ii) Personal				
	<b>b</b> Less: rental expenses ...	<b>6b</b>	0.				
	<b>c</b> Rental income or (loss)	<b>6c</b>	87,033.				
	<b>d</b> Net rental income or (loss) .....			87,033.		87,033.	
	<b>7 a</b> Gross amount from sales of assets other than inventory	<b>7a</b>	(i) Securities	2,563.			
			(ii) Other				
<b>b</b> Less: cost or other basis and sales expenses .....	<b>7b</b>	0.					
<b>c</b> Gain or (loss) .....	<b>7c</b>	2,563.					
<b>d</b> Net gain or (loss) .....			2,563.		2,563.		
<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....	<b>8a</b>						
<b>b</b> Less: direct expenses .....	<b>8b</b>						
<b>c</b> Net income or (loss) from fundraising events .....							
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....	<b>9a</b>						
<b>b</b> Less: direct expenses .....	<b>9b</b>						
<b>c</b> Net income or (loss) from gaming activities .....							
<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>10a</b>						
<b>b</b> Less: cost of goods sold .....	<b>10b</b>						
<b>c</b> Net income or (loss) from sales of inventory .....							
Miscellaneous Revenue	<b>11 a</b> Loss on Debt Refinancng	Business Code					
		900099	-684,525.	-684,525.			
	<b>b</b> _____						
	<b>c</b> _____						
	<b>d</b> All other revenue .....						
<b>e Total.</b> Add lines 11a-11d .....			-684,525.				
<b>12 Total revenue.</b> See instructions .....			57,886,186.	56,897,531.	0.	478,801.	

**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
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...	13,930.	13,930.		
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22 .....				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 .....				
<b>4</b> Benefits paid to or for members .....				
<b>5</b> Compensation of current officers, directors, trustees, and key employees .....	774,219.	577,735.	196,484.	
<b>6</b> Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....	177,584.	51,645.		125,939.
<b>7</b> Other salaries and wages .....	23,159,523.	19,058,886.	4,011,183.	89,454.
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) .....	903,707.	742,056.	157,204.	4,447.
<b>9</b> Other employee benefits .....	2,916,481.	2,400,046.	504,074.	12,361.
<b>10</b> Payroll taxes .....	1,576,825.	1,254,867.	307,604.	14,354.
<b>11</b> Fees for services (nonemployees):				
<b>a</b> Management .....	289,127.		289,127.	
<b>b</b> Legal .....	122,535.	1,504.	115,913.	5,118.
<b>c</b> Accounting .....	100,365.		90,845.	9,520.
<b>d</b> Lobbying .....				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees .....				
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	6,355,683.	5,527,695.	824,263.	3,725.
<b>12</b> Advertising and promotion .....	144,206.	6,012.	131,420.	6,774.
<b>13</b> Office expenses .....	1,514,772.	1,133,785.	370,109.	10,878.
<b>14</b> Information technology .....	998,919.	128,523.	870,396.	
<b>15</b> Royalties .....				
<b>16</b> Occupancy .....	591,805.	441,385.	150,420.	
<b>17</b> Travel .....	159,672.	126,067.	28,788.	4,817.
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
<b>19</b> Conferences, conventions, and meetings .....	127,655.	84,973.	32,492.	10,190.
<b>20</b> Interest .....	1,225,196.	1,225,196.		
<b>21</b> Payments to affiliates .....				
<b>22</b> Depreciation, depletion, and amortization .....	3,422,441.	3,422,441.		
<b>23</b> Insurance .....	741,151.	454,824.	286,327.	
<b>24</b> Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a</b> <b>Medical Supplies</b> .....	7,092,831.	7,080,568.	12,256.	7.
<b>b</b> <b>Bad Debt</b> .....	2,826,279.	2,826,279.		
<b>c</b> <b>Repairs and Maintenance</b> .....	600,016.	589,732.	10,284.	
<b>d</b> <b>Food</b> .....	368,738.	359,258.	9,480.	
<b>e</b> All other expenses .....	299,248.	115,025.	155,463.	28,760.
<b>25</b> <b>Total functional expenses.</b> Add lines 1 through 24e	56,502,908.	47,622,432.	8,554,132.	326,344.
<b>26</b> <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				
Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

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

		(A)		(B)	
		Beginning of year		End of year	
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	3,222,722.	<b>1</b>	8,502,458.	
	<b>2</b> Savings and temporary cash investments .....	2,554,464.	<b>2</b>	9,860,367.	
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>		
	<b>4</b> Accounts receivable, net .....	11,262,943.	<b>4</b>	9,084,894.	
	<b>5</b> Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		<b>5</b>		
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) .....		<b>6</b>		
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>		
	<b>8</b> Inventories for sale or use .....	1,576,548.	<b>8</b>	1,576,215.	
	<b>9</b> Prepaid expenses and deferred charges .....	171,140.	<b>9</b>	203,721.	
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 58,804,053.			
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 16,721,687.			
	<b>11</b> Investments - publicly traded securities .....	38,818,948.	<b>10c</b>	42,082,366.	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	14,027,583.	<b>11</b>	27,912,045.	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....	681,050.	<b>12</b>		
	<b>14</b> Intangible assets .....		<b>13</b>		
	<b>15</b> Other assets. See Part IV, line 11 .....	268,337.	<b>14</b>		
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 33) .....	72,583,735.	<b>15</b>	269,007.		
		<b>16</b>	99,491,073.		
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	3,686,014.	<b>17</b>	3,992,460.	
	<b>18</b> Grants payable .....		<b>18</b>		
	<b>19</b> Deferred revenue .....		<b>19</b>	16,156,070.	
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>		
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>		
	<b>22</b> Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		<b>22</b>		
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....	33,869,071.	<b>23</b>	36,956,774.	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	4,984,920.	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	1,530,154.	<b>25</b>	2,072,364.	
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 .....	39,085,239.	<b>26</b>	64,162,588.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow FASB ASC 958, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27, 28, 32, and 33.</b>				
	<b>27</b> Net assets without donor restrictions .....	33,498,496.	<b>27</b>	35,328,485.	
	<b>28</b> Net assets with donor restrictions .....		<b>28</b>		
	<b>Organizations that do not follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 29 through 33.</b>				
	<b>29</b> Capital stock or trust principal, or current funds .....		<b>29</b>		
	<b>30</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>30</b>		
	<b>31</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>31</b>		
	<b>32</b> Total net assets or fund balances .....	33,498,496.	<b>32</b>	35,328,485.	
	<b>33</b> Total liabilities and net assets/fund balances .....	72,583,735.	<b>33</b>	99,491,073.	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	57,886,186.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	56,502,908.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	1,383,278.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	<b>4</b>	33,498,496.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	231,075.
<b>6</b>	Donated services and use of facilities	<b>6</b>	215,636.
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain on Schedule O)	<b>9</b>	0.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	<b>10</b>	35,328,485.

**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 in 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 Single Audit Act and OMB Circular A-133? .....
- 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
<b>2a</b>		X
<b>2b</b>	X	
<b>2c</b>	X	
<b>3a</b>		X
<b>3b</b>		

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

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

**2019**

**Open to Public Inspection**

<b>Name of the organization</b> <p style="text-align: center;">Livingston Healthcare</p>	<b>Employer identification number</b> <p style="text-align: center;">81-0378200</p>
---------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

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

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

**g** Provide the following information about the supported organization(s).

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

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

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

<b>14</b> Public support percentage for 2019 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2018 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2019.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 33 1/3% support test - 2018.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2019.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2018.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five 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**

<b>15</b> Public support percentage for 2019 (line 8, column (f), divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2018 Schedule A, Part III, line 15 .....	<b>16</b>	%

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

<b>17</b> Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2018 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2019.** 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 - 2018.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

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

**Part IV Supporting Organizations**

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

**Section A. All Supporting Organizations**

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



**Part IV Supporting Organizations** (continued)

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

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's 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 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>		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <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>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <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>		

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

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

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

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
<b>2</b> Activities Test. Answer (a) and (b) below.		
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <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>b</b> Did the activities described in (a) 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>		
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
<b>b</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>		

**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	<b>Adjusted Net Income</b> (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	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
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 1-1/2% 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 .035.	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

Section C - Distributable Amount		(A) Prior Year	Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 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	<b>Distributable Amount.</b> 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).		

Schedule A (Form 990 or 990-EZ) 2019

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

<b>Section D - Distributions</b>	<b>Current Year</b>
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7 Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b> Distributable amount for 2019 from Section C, line 6	
<b>10</b> Line 8 amount divided by line 9 amount	

<b>Section E - Distribution Allocations</b> (see instructions)	<b>(i) Excess Distributions</b>	<b>(ii) Underdistributions Pre-2019</b>	<b>(iii) Distributable Amount for 2019</b>
<b>1</b> Distributable amount for 2019 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in <b>Part VI</b> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2019			
<b>a</b> From 2014			
<b>b</b> From 2015			
<b>c</b> From 2016			
<b>d</b> From 2017			
<b>e</b> From 2018			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2019 distributable amount			
<b>i</b> Carryover from 2014 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2019 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2019 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>6</b> Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>7 Excess distributions carryover to 2020.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2015			
<b>b</b> Excess from 2016			
<b>c</b> Excess from 2017			
<b>d</b> Excess from 2018			
<b>e</b> Excess from 2019			



Schedule B

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

Department of the Treasury Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2019

Name of the organization

Livingston Healthcare

Employer identification number

81-0378200

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

[X] 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

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

Special Rules

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

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

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

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

Name of organization  <b>Livingston Healthcare</b>	Employer identification number  <b>81-0378200</b>
----------------------------------------------------------	---------------------------------------------------------

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/>	\$ <u>496,354.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization  <b>Livingston Healthcare</b>	Employer identification number  <b>81-0378200</b>
----------------------------------------------------------	---------------------------------------------------------

**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
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____
	<div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div> <div style="border-bottom: 1px solid black; margin-bottom: 2px;"> </div>	\$ _____	_____

Name of organization  <b>Livingston Healthcare</b>	Employer identification number  <b>81-0378200</b>
----------------------------------------------------------	---------------------------------------------------------

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

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

2019 Open to Public Inspection

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

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

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

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

Form with multiple sections: 1. Purpose(s) of conservation easements (checkboxes for land, habitat, open space, historic area, structure); 2. Conservation contribution details (table with 2a-2d); 3-9. Monitoring and enforcement questions (checkboxes for Yes/No).

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.

Form with questions 1a-1b and 2 regarding art and historical treasures, including revenue and asset inclusion amounts.

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	2,480,033.	1,503,731.	1,432,806.	436,740.	350,332.
b Contributions	570,837.	1,545,780.		907,288.	
c Net investment earnings, gains, and losses	154,145.	264,106.	101,575.	88,778.	86,408.
d Grants or scholarships					
e Other expenditures for facilities and programs	183,708.	833,584.	30,650.		
f Administrative expenses					
g End of year balance	3,021,307.	2,480,033.	1,503,731.	1,432,806.	436,740.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment  39.15 %
  - b Permanent endowment  60.85 %
  - c Term endowment  .00 %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |                                                                                                                                | Yes | No |
|--------------------------------------------------------------------------------------------------------------------------------|-----|----|
| (i) Unrelated organizations                                                                                                    |     | X  |
| (ii) Related organizations                                                                                                     | X   |    |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? <input checked="" type="checkbox"/> | X   |    |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		5,951,320.		5,951,320.
b Buildings		37,275,195.	7,920,950.	29,354,245.
c Leasehold improvements				
d Equipment		15,577,538.	8,800,737.	6,776,801.
e Other				

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)  42,082,366.

**Part VII Investments - Other Securities.**

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

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

**Part VIII Investments - Program Related.**

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

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

**Part IX Other Assets.**

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

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

**Part X Other Liabilities.**

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) <b>Professional Liability Claims</b>	117,500.
(3) <b>Deferred Compensation Liability</b>	1,489,111.
(4) <b>Estimated Third-Party Payor</b>	
(5) <b>Settlements</b>	465,753.
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	2,072,364.

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

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

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

<b>1</b>	Total revenue, gains, and other support per audited financial statements	<b>1</b>	56,339,142.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains (losses) on investments	<b>2a</b>	231,075.
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	-1,281,765.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	-1,050,690.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	57,389,832.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	496,354.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	496,354.
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)	<b>5</b>	57,886,186.

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

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

<b>1</b>	Total expenses and losses per audited financial statements	<b>1</b>	53,786,286.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Other losses	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	109,657.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	109,657.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	53,676,629.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	2,826,279.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	2,826,279.
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)	<b>5</b>	56,502,908.

**Part XIII Supplemental Information.**

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

**Part V, line 4:**

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

A portion of the endowment fund is held by the Ough Charitable Trust, a trust established to make charitable contributions to Livingston HealthCare Foundation, which further benefits Livingston Healthcare. The

**Part XIII** Supplemental Information (continued)

Foundation is the sole trustee of The Ough Charitable Trust. A separate portion of the endowment fund relates to the Stafford Hospice endowment held directly by the Foundation.

## Part X, Line 2:

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

## Part XI, Line 2d - Other Adjustments:

## Livingston Foundation Revenue Reported on a Separate Form

990	1,495,564.
Ough Trust Revenues Reported on Separate Tax Return	48,950.
Provision for Bad Debts Reported in Expense on Form 990	-2,826,279.
Total to Schedule D, Part XI, Line 2d	-1,281,765.

## Part XI, Line 4b - Other Adjustments:

## Foundation Contribution to Hospital that is Eliminated on

Audited Financials	496,354.
--------------------	----------

## Part XII, Line 2d - Other Adjustments:

## Livingston Foundation Expenses Reported on a Separate Form

990	109,657.
-----	----------



**SCHEDULE H  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Hospitals**

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

OMB No. 1545-0047

**2019**

Open to Public Inspection

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

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

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

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

**7 Financial Assistance and Certain Other Community Benefits at Cost**

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1)			660,000.		660,000.	1.23%
<b>b</b> Medicaid (from Worksheet 3, column a)						
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)						
<b>d Total.</b> Financial Assistance and Means-Tested Government Programs			660,000.		660,000.	1.23%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)			155,497.		155,497.	.29%
<b>f</b> Health professions education (from Worksheet 5)			28,800.		28,800.	.05%
<b>g</b> Subsidized health services (from Worksheet 6)			1414633.	642,583.	772,050.	1.44%
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)			27,524.		27,524.	.05%
<b>j Total.</b> Other Benefits			1626454.	642,583.	983,871.	1.83%
<b>k Total.</b> Add lines 7d and 7j			2286454.	642,583.	1643871.	3.06%





**Part V Facility Information**

**Section A. Hospital Facilities**

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

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

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

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

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

**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices**

(complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

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

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

	Yes	No
<b>Community Health Needs Assessment</b>		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year? .....		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C .....		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 .....	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>19</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted .....	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C .....	X	
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C .....	X	
7 Did the hospital facility make its CHNA report widely available to the public? .....	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>See Part V, Supplement Information</u>		
b <input type="checkbox"/> Other website (list url): .....		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 .....	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>19</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website? .....	X	
a If "Yes," (list url): <u>See Part V, Supplement Information</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? .....		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? .....		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? .....		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

**Part V Facility Information** (continued)

**Financial Assistance Policy (FAP)**

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

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
<b>13</b>	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? .....	<b>X</b>	
If "Yes," indicate the eligibility criteria explained in the FAP:			
<b>a</b>	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>0</u> % and FPG family income limit for eligibility for discounted care of <u>200</u> %		
<b>b</b>	<input type="checkbox"/> Income level other than FPG (describe in Section C)		
<b>c</b>	<input checked="" type="checkbox"/> Asset level		
<b>d</b>	<input checked="" type="checkbox"/> Medical indigency		
<b>e</b>	<input type="checkbox"/> Insurance status		
<b>f</b>	<input type="checkbox"/> Underinsurance status		
<b>g</b>	<input checked="" type="checkbox"/> Residency		
<b>h</b>	<input checked="" type="checkbox"/> Other (describe in Section C)		
<b>14</b>	Explained the basis for calculating amounts charged to patients? .....	<b>X</b>	
<b>15</b>	Explained the method for applying for financial assistance? .....	<b>X</b>	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):			
<b>a</b>	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
<b>b</b>	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
<b>c</b>	<input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
<b>d</b>	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
<b>e</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>16</b>	Was widely publicized within the community served by the hospital facility? .....	<b>X</b>	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
<b>a</b>	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>See Part V, Supplement Information</u>		
<b>b</b>	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>See Part V, Supplement Information</u>		
<b>c</b>	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>See Part V, Page 8</u>		
<b>d</b>	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>e</b>	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>f</b>	<input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>g</b>	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
<b>h</b>	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
<b>i</b>	<input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
<b>j</b>	<input type="checkbox"/> Other (describe in Section C)		

**Part V Facility Information** (continued)

**Billing and Collections**

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

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

**Policy Relating to Emergency Medical Care**

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

**Part V Facility Information** *(continued)*

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

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

		Yes	No
<b>22</b>	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.		
	<b>a</b> <input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period		
	<b>b</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		
	<b>c</b> <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period		
<b>d</b> <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method			
<b>23</b>	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? .....		<b>X</b>
	If "Yes," explain in Section C.		
<b>24</b>	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? .....	<b>X</b>	
	If "Yes," explain in Section C.		

**Part V Facility Information** *(continued)*

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

Livingston Healthcare:

Part V, Section B, Line 5: To solicit input from key informants, those individuals who have a broad interest in the health of the community, an Online Key Informant Survey also was implemented as part of this process. A list of recommended participants was provided by Park County Health Department and Livingston HealthCare; this list included names and contact information for physicians, public health representatives, other health professionals, social service providers, and a variety of other community leaders. Potential participants were chosen because of their ability to identify primary concerns of the populations with whom they work, as well as of the community overall. Key informants were contacted by email, introducing the purpose of the survey and providing a link to take the survey online; reminder emails were sent as needed to increase participation. In all, 53 community stakeholders took part in the Online Key Informant Survey. Through this process, input was gathered from several individuals whose organizations work with low-income, minority, or other medically underserved populations.

Livingston Healthcare:

Part V, Section B, Line 6a: Bozeman Health

Livingston Healthcare:

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

**Part V Facility Information** *(continued)*

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

Livingston Healthcare:

Part V, Section B, Line 11: In the most recent CHNA, the following needs were identified and prioritized: (1) Behavioral Health, (2) Nutrition, Physical Activity & Weight, (3) Oral Health, (4) Dementia/Alzheimer's Disease, (5) Injury and Violence, (6) Heart Disease and Stroke, (7) Respiratory Diseases, (8) Cancer, (9) Access to Health Services, and (10) Infant Health and Family Planning. These are considered needs in both the town of Livingston and surrounding areas of Park county. Livingston HealthCare took these needs and developed an implementation plan which focuses on behavioral health, community wellness, and access to care.

Due to limited staff time and resources, the following items will not be addressed by the facility, but will be addressed at a future time as they relate to community wellness: Oral Health, Dementia/Alzheimer's Disease, Cancer, Infant Health and Family Planning, Heart Disease and Stroke, as well as Injury and Violence.

In the current fiscal year, Livingston HealthCare has taken a number steps to address some of the needs identified in the CHNA.

Regarding behavioral health, in conjunction with the Livingston School District, Livingston HealthCare has implemented a school-based outpatient treatment for behavioral health, broadening access to pediatric and adolescent behavior health. To that end, Livingston HealthCare has also recruited and hired a clinical psychiatrist to provide these services.

**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.

Regarding community benefit, Livingston HealthCare continues to increase the usage and participation in Connect Referral by providing continued education and further collaborating with community providers. Livingston HealthCare also hosted a community flu clinic to further increase community wellness.

Regarding access to care, Livingston HealthCare has taken several actions. First, Livingston HealthCare recruited and hired an internal patient experience manager. The patient experience manager has created and implemented a patient experience program that provides training and education to staff as well as obtains data and feedback from patients to further improve experience. Livingston HealthCare has also worked to expand services and evaluated and improved access to providers by hiring additional family practice and internal medicine providers. Livingston HealthCare continues to evaluate and recruit for additional service lines that will provide needed access to care in the community.

Livingston Healthcare:

Part V, Section B, Line 13h: Presumptive eligibility is used. If a patient is a Medicaid patient, the Hospital writes off to charity care any portion of charges that is denied by Medicaid.

Livingston Healthcare

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

See Part V, Supplement Information



**Part V Facility Information** *(continued)*

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

Livingston Healthcare:

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

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

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

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

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

CHNA:

[https://www.livingstonhealthcare.org/documents/2019-PRC-CHNA-Report-Park-County-MT\\_FINAL.pdf](https://www.livingstonhealthcare.org/documents/2019-PRC-CHNA-Report-Park-County-MT_FINAL.pdf)

Implementation Strategy:

[https://www.livingstonhealthcare.org/documents/CHNA-Implementation-Plan\\_2019.pdf](https://www.livingstonhealthcare.org/documents/CHNA-Implementation-Plan_2019.pdf)

**Part V Facility Information** *(continued)*

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

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

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

Name and address	Type of Facility (describe)
1 LHC Clinic 320 Aplenglow Ln Livingston, MT 59047	Clinic
2 Livingston Healthcare Home Care/Hospic 320 Aplenglow Ln Livingston, MT 59047	Home Care
3 Livingston Urgent Care 104 Centennial Dr, #103 Livingston, MT 59047	Clinic
4 Livingston Clinic, Shields Valley 309 Elliot St N Wilsall, MT 59086	Clinic

**Part VI Supplemental Information**

Provide the following information.

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

---

Part I, Line 7:

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

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Part I, Line 7, Column (f):

The Bad Debt expense included on Form 990, Part IX, Line 25(A), but subtracted for purposes of calculating the percentage in this column is \$ 2,826,279.

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Part III, Line 2:

Bad debt is based on charges.

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Part III, Line 4:

The footnote to the Organization's financial statements can be found on

**Part VI** Supplemental Information (Continuation)

page 10 of the attached audited financial statements.

Part III, Line 8:

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

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

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

Part III, Line 9b:

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

**Part VI** Supplemental Information (Continuation)

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

Part VI, Line 2:

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

Part VI, Line 3:

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

Part VI, Line 4:

Livingston is a city in and the county seat of Park County, Montana, United States. The population was approximately 7,784 people in 2018. Livingston is located in southwestern Montana, on the Yellowstone River,

**Part VI** Supplemental Information (Continuation)

north of Yellowstone National Park. The median income for a household in Livingston in 2018 was about \$42,635.

Part VI, Line 5:

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

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

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

In FY 2020, the hospital continued programs and events that focus on community health and wellness, including family-centered prenatal education classes, Strong People, Strong Bones classes, Dine with a Dietician Lunch and Learns, the Livingston Trails Rx 5K Race, Community Health Day at the local farmers market and Fall Health Festival at the hospital.

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2019**

Open to Public Inspection

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

Department of the Treasury  
Internal Revenue Service

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

**Part I Questions Regarding Compensation**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Schedule J (Form 990) 2019

**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 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) Krista Arnet, MD ER Physician	(i)	356,348.	0.	0.	16,000.	469.	372,817.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) Kyle Arnet, MD ER Physician	(i)	336,323.	0.	0.	15,200.	469.	351,992.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) Douglas P Wadle, MD Director, Internal Medicine	(i)	327,791.	0.	0.	16,000.	6,388.	350,179.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) Michael Briggs, MD ER Physician	(i)	325,308.	0.	0.	15,600.	264.	341,172.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) Henry Pinango, MD Internal Medicine	(i)	316,319.	0.	0.	16,000.	264.	332,583.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) Raymond Wright, MD ER Physician	(i)	299,098.	0.	0.	16,000.	10,290.	325,388.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) D. Scott Coleman, MD Director, Family Medicine	(i)	283,316.	0.	0.	16,000.	0.	299,316.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) Ryan Speas Former CFO	(i)	240,677.	0.	0.	0.	2,019.	242,696.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							



**Part III** Supplemental Information

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

Part I, Line 3:

The CEO is paid by an unrelated management company, Billings Clinic. LHC paid Billings Clinic \$289,127 for CEO services. LHC relies on Billings Clinic to establish compensation.

Part I, Line 4a:

Ryan Speas received a severance payment in the amount of \$150,409 for fiscal year ending June 30, 2019. This payment was received during the 2019 calendar year.



**Part IV Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Babs Brandfass	Spouse of Board Mem	125,939.	Employee Co		X
Paula Coleman	Spouse of Board Mem	51,645.	Employee Co		X

**Part V Supplemental Information.**

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

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

(a) Name of Person: Babs Brandfass

(b) Relationship Between Interested Person and Organization:

Spouse of Board Member

(d) Description of Transaction: Employee Compensation

(a) Name of Person: Paula Coleman

(b) Relationship Between Interested Person and Organization:

Spouse of Board Member

(d) Description of Transaction: Employee Compensation

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

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

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

▶ Attach to Form 990 or 990-EZ.

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

OMB No. 1545-0047

**2019**

Open to Public  
Inspection

Name of the organization

Livingston Healthcare

Employer identification number

81-0378200

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

services, and home-based services.

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

FY 2020. Windrider provides a free, efficient fixed-route transportation system to citizens and disabled persons in Park County, Montana; it operates Monday through Friday from 6:15 AM-6:15 PM. All vehicles are ADA accessible and equipped with lifts. The Windrider bus makes seven stops each day at Livingston HealthCare, and includes multiple daily stops at 14 other locations in Livingston, including to the public library and a local grocery store. In FY 2020, the Windrider bus picked up 3,104 passengers and was driven 232 days, with an average of 13.379 passengers each day. 350 passengers received a ride from Livingston HealthCare via the Windrider bus in FY 2020.

The anticoagulation clinic is where LHC pharmacists manage and monitor warfarin dosing for patients under a collaborative practice agreement with the LHC clinic physicians. Warfarin is used to treat patients who have had a blood clot or have certain conditions that put them at risk of developing a clot. It has a narrow therapeutic window, meaning that there is just a small range between too little and too much drug. Warfarin has to be closely monitored and titrated to keep it in range. Adding to the complication is the fact that warfarin has many drug interactions and food interactions that can impact the levels.

Face-to-face visits are a billable encounter and LHC does not bill for

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

the anticoagulation clinic visits. All the face-to-face visits are through March 2020. At the end of March, we transitioned to phone management. Lab has a charge for the lab draw, but LHC doesn't charge for the visit. For charity purposes, we've counted the missed billing opportunities for face-to-face visits and staff time (whether the visit was billable or not) to manage the patients.

FY2020 totals

Number of patients: 210

Number of visits total (phone and face-to-face): 3,179

Pharmacist time (approximately 20 minutes per visit): 1,059 hrs

Charity staff wages = \$59,304

Number of Face to Face visits: 1,066

Charity , = \$62,580

Total charity for anticoagulation clinic FY20: \$121,884

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

The Board shall have as a standing committee an Executive Committee. The Executive Committee shall consist of at least four members of the Board, which shall include the Chairperson, Vice Chairperson, Secretary, and Treasurer. If none of the officers named in the previous sentence is a Class B Director, a Class B Director shall be the fifth member of the Executive Committee. The Executive Committee may consist of additional members of the Board at the discretion of the Board. Action of the Executive Committee shall be subject to approval by the Board, except to the extent provided otherwise in a resolution of the Board pertaining to a particular matter, transaction, or undertaking. The Executive Committee did

Name of the organization

Livingston Healthcare

Employer identification number

81-0378200

not meet in the fiscal year.

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

The CEO was paid by an unrelated management company, Billings Clinic. LHC paid Billings Clinic \$289,127 for CEO services.

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

Through an affiliations agreement Billings Clinic has the authority to approve three of the board members.

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

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

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

This policy applies to all employees of Livingston HealthCare (LHC), volunteers, medical staff, contracted workforce, or other individuals that have a financial interest and are authorized to conduct business on behalf of LHC. Conflicts are reviewed by the Conflict of Interest Review Panel, chaired by the Compliance Officer. Communication will direct the interested person to discontinue the outside relationship/activity, discontinue relationship with outside organization, or establish management plan to monitor relationship/activities.

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

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

The CEO was paid by an unrelated management company, Billings Clinic.

Name of the organization <b>Livingston Healthcare</b>	Employer identification number <b>81-0378200</b>
----------------------------------------------------------	-----------------------------------------------------

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

The CFO compensation is reviewed and approved by the CEO.

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

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

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

Contracted Services:

Program service expenses	4,584,044.
Management and general expenses	689,241.
Fundraising expenses	3,725.
Total expenses	5,277,010.

Licenses, Fees, and Taxes:

Program service expenses	731,512.
Management and general expenses	20.
Fundraising expenses	0.
Total expenses	731,532.

Other Fees:

Program service expenses	212,139.
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**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

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

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

OMB No. 1545-0047

**2019**

Open to Public Inspection

Name of the organization

Livingston Healthcare

Employer identification number

81-0378200

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
Livingston Healthcare Foundation - 81-0621997, 320 Alpenglow Ln, Livingston, MT 59047	To Support Livingston Healthcare Programs	Montana	501(c)(3)	Line 7	N/A		X
The Ough Charitable Trust - 81-6080844 320 Alpenglow Ln Livingston, MT 59047	To Support Livingston Healthcare Programs	Montana	501(c)(3)	Line 12c, III-FI	Livingston Healthcare Foundation		X

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

Schedule R (Form 990) 2019

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

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

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

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

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

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

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

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

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

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





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

Department of the Treasury  
Internal Revenue Service

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

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

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

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

<b>Type or print</b>	Name of exempt organization or other filer, see instructions. <b>Livingston Healthcare</b>	Taxpayer identification number (TIN) <b>81-0378200</b>
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. <b>320 Alpenglow Lane</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Livingston, MT 59047</b>	

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

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

**Kris Kester**

- The books are in the care of ▶ **320 Alpenglow Lane - Livingston, MT 59047**  
Telephone No. ▶ **406-222-3541** 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 May 17, 2021, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
 ▶  calendar year \_\_\_\_\_ or  
 ▶  tax year beginning JUL 1, 2019, and ending JUN 30, 2020.

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

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

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

Electronic Filing PDF Attachment



Consolidated Financial Statements  
June 30, 2020 and 2019

# Livingston HealthCare and Subsidiary



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Consolidated Financial Statements	
Consolidated Balance Sheets .....	3
Consolidated Statements of Operations and Changes in Net Assets .....	5
Consolidated Statements of Cash Flows .....	7
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## Independent Auditor's Report

The Board of Directors  
Livingston HealthCare and Subsidiary  
Livingston, Montana

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Livingston HealthCare and Subsidiary, which comprise the consolidated balance sheets as of June 30, 2020 and 2019, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Livingston HealthCare and Subsidiary as of June 30, 2020 and 2019, 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.

**Emphasis of Matter**

As discussed in Note 21 to the financial statements, Livingston HealthCare and Subsidiary has adopted the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. Accordingly, the June 30, 2019 consolidated statement of cash flows has been restated to adopt this standard. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned in the lower-left quadrant of the page.

Billings, Montana  
February 8, 2021

Livingston HealthCare and Subsidiary

Consolidated Balance Sheets

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 18,362,825	\$ 5,777,186
Investments	7,220,936	6,003,206
Assets limited as to use	-	239,374
Receivables		
Patient, net of estimated uncollectibles		
of \$2,701,200 in 2020 and \$2,331,500 in 2019	7,255,834	8,968,534
Contributions, net	244,445	347,194
Insurance recoveries	37,500	46,010
Other	1,829,060	2,294,409
Supplies	1,576,215	1,576,548
Prepaid expenses and other	203,721	171,140
Total current assets	<u>36,730,536</u>	<u>25,423,601</u>
Assets Limited as to Use		
By Board for deferred compensation plan	1,489,111	1,120,129
By Board for designated purposes	1,632,862	614,199
By donors and Board for endowment fund	3,021,307	2,480,033
Under bond indenture agreements	-	706,373
Total assets limited as to use	<u>6,143,280</u>	<u>4,920,734</u>
Long-Term Investments	<u>18,567,860</u>	<u>6,639,553</u>
Property and Equipment, Net	<u>42,082,366</u>	<u>38,818,948</u>
Other Assets		
Contributions receivable	46,880	130,762
Other assets	231,507	222,327
Total other assets	<u>278,387</u>	<u>353,089</u>
Total assets	<u>\$ 103,802,429</u>	<u>\$ 76,155,925</u>

Livingston HealthCare and Subsidiary

Consolidated Balance Sheets

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 1,366,341	\$ 666,105
Accounts payable	1,464,951	1,523,457
Estimated third-party payor settlements	465,753	299,015
Refundable Advance - Paycheck Protection Program	4,984,920	-
Refundable Advance - Provider Relief Funds	5,450,400	-
CMS Advanced Payments	10,705,670	-
Accrued expenses		
Salaries and wages	1,274,310	1,159,736
Vacation	924,973	742,567
Professional liability claims	117,500	111,010
Self-insurance claims	237,177	202,462
Interest	90,022	46,527
Payroll taxes and other	1,027	11,265
Total current liabilities	<u>27,083,044</u>	<u>4,762,144</u>
Long-Term Liabilities		
Long-term debt, net of current maturities, debt issuance costs and bond discount	35,590,433	33,202,966
Estimated liability to beneficiary	16,299	-
Deferred compensation liability	1,489,111	1,120,129
Total long-term liabilities	<u>37,095,843</u>	<u>34,323,095</u>
Total liabilities	<u>64,178,887</u>	<u>39,085,239</u>
Net Assets		
Without donor restrictions	36,154,303	34,476,360
With donor restrictions	3,469,239	2,594,326
Total net assets	<u>39,623,542</u>	<u>37,070,686</u>
Total liabilities and net assets	<u>\$ 103,802,429</u>	<u>\$ 76,155,925</u>

Livingston HealthCare and Subsidiary  
Consolidated Statements of Operations and Changes in Net Assets  
Years Ended June 30, 2020 and 2019

	2020	2019
<b>Revenues, Gains, and Other Support Without Donor Restrictions</b>		
Net patient service revenue, net of contractual allowance and discounts	\$ 55,768,740	\$ 55,781,531
Provision for bad debts	(2,826,279)	(3,381,957)
Net patient service revenue less provision for bad debts	52,942,461	52,399,574
Other revenue	1,613,643	1,376,512
Net assets release from restrictions for operations	446,709	334,587
	55,002,813	54,110,673
<b>Expenses</b>		
Salaries and benefits	29,508,340	28,072,413
Supplies	8,899,715	8,532,646
Purchased services	6,779,035	6,778,117
Depreciation and amortization	3,422,441	3,246,029
Other	1,973,411	1,755,470
Interest	1,225,196	1,094,260
Rent and utilities	636,981	622,441
Repairs and maintenance	600,016	655,149
Insurance	741,151	702,298
	53,786,286	51,458,823
Operating Income	1,216,527	2,651,850
<b>Other Income</b>		
Other income	303,009	580,885
Loss on refinancing of debt	(684,525)	-
Investment income	711,079	562,587
	329,563	1,143,472
Revenues in Excess of Expenses	1,546,090	3,795,322
Net Assets Released from Restrictions for Capital Acquisition	131,853	341,720
Change in Net Assets Without Donor Restrictions	\$ 1,677,943	\$ 4,137,042

Livingston HealthCare and Subsidiary  
Consolidated Statements of Operations and Changes in Net Assets  
Years Ended June 30, 2020 and 2019

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	2020	2019
Net Assets Without Donor Restrictions		
Revenues in excess of expenses	\$ 1,546,090	\$ 3,795,322
Net assets released from restrictions for capital acquisition	131,853	341,720
Change in net assets without donor restrictions	1,677,943	4,137,042
Net Assets With Donor Restrictions		
Contributions and grants	1,393,566	525,979
Investment income	82,208	136,724
Change in value of split-interest agreement	(16,299)	-
Net assets released from restrictions	(584,562)	(676,307)
Change in net assets with donor restrictions	874,913	(13,604)
Change in Net Assets	2,552,856	4,123,438
Net Assets, Beginning of Year	37,070,686	32,947,248
Net Assets, End of Year	\$ 39,623,542	\$ 37,070,686

Livingston HealthCare and Subsidiary

Consolidated Statements of Cash Flows

Years Ended June 30, 2020 and 2019

	2020	Restated 2019
Operating Activities		
Change in net assets	\$ 2,552,856	\$ 4,123,438
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	3,422,441	3,246,029
Interest expense attributable to amortization of debt issuance costs and bond discount	12,874	20,400
Provision for bad debts	2,826,279	3,381,957
Loss on refinancing of debt	684,525	-
Change in value of split-interest agreement	16,299	-
Net realized and unrealized gains on investments	(334,066)	(302,796)
Changes in assets and liabilities		
Receivables	(453,089)	(4,377,831)
Supplies	333	(91,685)
Estimated third-party payor settlements	166,738	1,386,395
Prepaid expenses and other	(41,761)	(79,186)
Accounts payable	(58,506)	336,014
Refundable Advance - Paycheck Protection Program	4,984,920	-
Refundable Advance - Provider Relief Funds	5,450,400	-
CMS Advanced Payments	10,705,670	-
Accrued expenses and deferred compensation	740,424	(387,265)
Net Cash from Operating Activities	<u>30,676,337</u>	<u>7,255,470</u>
Investing Activities		
Purchases of investments and assets limited as to use	(19,832,012)	(9,743,715)
Sales and maturities of investments and assets limited as to use	6,555,390	5,633,089
Purchase of property and equipment	(2,685,859)	(1,090,220)
Net Cash used for Investing Activities	<u>(15,962,481)</u>	<u>(5,200,846)</u>
Financing Activities		
Proceeds from long-term debt	33,367,353	-
Payment of debt issue costs	(160,472)	-
Repayment of long-term debt	(34,816,577)	(643,796)
Net Cash from (used for) Financing Activities	<u>(1,609,696)</u>	<u>(643,796)</u>
Net Change in Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents	13,104,160	1,410,828
Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents, Beginning of Year	<u>7,497,210</u>	<u>6,086,382</u>
Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents, End of Year	<u>\$ 20,601,370</u>	<u>\$ 7,497,210</u>



Livingston HealthCare and Subsidiary  
Consolidated Statements of Cash Flows  
Years Ended June 30, 2020 and 2019

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	<u>2020</u>	<u>Restated 2019</u>
Reconciliation of Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents to the Balance Sheets		
Cash and cash equivalents in current assets	\$ 18,362,825	\$ 5,777,186
Restricted cash and cash equivalents in assets limited as to use	<u>2,238,545</u>	<u>1,720,024</u>
Total cash, cash equivalents, and restricted cash and cash equivalents	<u>\$ 20,601,370</u>	<u>\$ 7,497,210</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 1,161,301</u>	<u>\$ 1,079,456</u>
Supplemental Disclosure of Non-cash Investing and Financing Activity		
Land financed through contract for deed	<u>\$ 4,000,000</u>	<u>\$ -</u>

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

### **Organization and Principles of Consolidation**

Livingston Memorial Hospital, Inc. dba Livingston HealthCare (the Hospital) is a 25-bed acute care hospital located in Livingston, Montana, providing inpatient, outpatient, and emergency services primarily for the residents of Livingston Montana and the surrounding area. Livingston HealthCare Foundation (the Foundation) was established exclusively for the benefit of, to perform the functions of, or to carry out the purposes of the Hospital. The Foundation is organized as a Montana nonprofit corporation and is exempt from federal income taxes.

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

### **Income Taxes**

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

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

### **Use of Estimates**

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

### **Cash and Cash Equivalents**

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

### **Restricted Cash and Cash Equivalents**

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

### **Investments**

Short-term investments include certificates of deposit with an original maturity of three to twelve months, government securities, equity securities, accrued interest, and cash and cash equivalents, excluding assets limited as to use. Long-term investments include certificates of deposit with an original maturity greater than twelve months, excluding assets limited as to use.

### **Patient Receivables**

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

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

For receivables associated with services provided to patients who have third party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Organization records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Organization's process for calculating the allowance for estimated uncollectible accounts for self-pay patients has not significantly changed from June 30, 2019 to June 30, 2020. The Organization does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write offs from third-party payors. The Organization has not significantly changed its charity care or uninsured discount policies during fiscal years 2019 or 2020.

### **Contributions Receivable**

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

### **Supplies**

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

### **Assets Limited as to Use**

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

### **Property and Equipment**

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

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

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

The Organization considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying values of assets are appropriate. No impairment was identified for the years ended June 30, 2020 and 2019.

### **Investments and Investment Income**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at fair value. 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. All investments are classified as trading securities.

### **Employee Health Claims**

The Organization provides for self-insurance reserves for estimated incurred but not reported claims for its employee health plan. These gross liabilities, prior to insurance coverage, are reflected as self-insured claims on the consolidated balance sheets. These reserves are estimated based upon historical submission and payment data, cost trends, utilization history, and other relevant factors. Adjustments to reserves are reflected in the operating results in the period in which the change in estimate is identified.

### **Professional Liability Claims**

The Organization insures for professional liability claims under a claims-made policy. Under the policy, insurance premiums cover only those claims actually reported during the policy term, up to \$1 million of coverage for each occurrence and \$6.5 million in the aggregate. The first \$10,000 is retained by the Organization. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims related to occurrences during their terms but reported subsequent to their termination may be uninsured. An estimate of losses from the insurer for reported and unreported incidents has been used by management to record a liability.

### **Debt Issuance Costs**

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

### **Net Assets with Donor Restrictions**

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

## Assets Held and Liabilities under Split-Interest Agreements

### *Charitable Gift Annuities*

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

### Net Patient Service Revenue

The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The Organization recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered, as noted above. For uninsured patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Organization's uninsured and other self-pay patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a significant provision for bad debts related to uninsured and other self-pay patients in the period the services are provided.

Net patient service revenue, but before the provision for bad debts, recognized for the years ended June 30, 2020 and 2019 from these major payor sources, is as follows:

	<u>2020</u>	<u>2019</u>
Net patient service revenue		
Third-party payors	\$ 52,029,783	\$ 52,196,682
Uninsured	<u>3,738,957</u>	<u>3,584,849</u>
Total all payors	<u>\$ 55,768,740</u>	<u>\$ 55,781,531</u>

### **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.

### **Charity Care**

The Organization provides health care services to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Since the Organization does not pursue collection of these amounts, they are not reported as patient service revenue. The estimated cost of providing these services was \$660,000 and \$426,000 for the years ended June 30, 2020 and 2019, respectively, calculated by multiplying the ratio of cost to gross charges for the Organization by the gross uncompensated charges associated with providing charity care to its patients.

### **Donor-Restricted Gifts**

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

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

### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in Note 17, which presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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

### **Advertising Costs**

Costs incurred for producing and distributing advertising are expensed as incurred. The Organization incurred \$151,791 and \$194,031 for advertising costs for the years ended June 30, 2020 and 2019, respectively.

### **Financial Instruments and Credit Risk**

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

### **New Accounting Pronouncements**

#### **Accounting Standards Update 2016-18 *Statement of Cash Flows (Topic 230): Restricted Cash***

In November 2016, the FASB issued Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* (ASU 2016-18). ASU 2016-18 requires that the statement of cash flows include restricted cash in the beginning and end-of-period total amounts shown and that the statement of cash flows explain the changes in cash, cash equivalents, and restricted cash during the period. Retrospective application is required. The Organization has adopted this standard as management believes this presentation eliminates a diversity in practice in the presentation of restricted cash and restricted cash equivalents in the statement of cash flows.

The Organization has adopted this standard as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

### **Subsequent Events**

Subsequent events have been evaluated through February 8, 2021, the date the consolidated financial statements were available to be issued.



**Note 2 - Net Patient Service Revenue**

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

**Medicare:** The Organization is licensed as a Critical Access Hospital (CAH). The Organization is reimbursed for most inpatient and outpatient services under a cost reimbursement methodology with final settlement determined after submission of annual cost reports by the Organization and are subject to audits thereof by the Medicare intermediary. The Organization's Medicare cost reports have been audited by the Medicare Administrative Contractor through the year ended June 30, 2018. Clinical services are paid on a cost basis or fixed fee schedule.

**Medicaid:** Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Outpatient services related to Medicaid program beneficiaries are based on the lower of customary charges, allowable costs as determined through the Organization's Medicare cost report, or rates as established by the Medicaid program. The Organization is based at a tentative rate with final settlement determined by the program based on the Organization's Medicaid cost report. The Organization's final Medicaid settlements have been processed through the year ended June 30, 2016.

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

Concentration of gross revenues by major payor accounted for the following percentages of the Organization's patient service revenues for the years ended June 30, 2020 and 2019:

	2020	2019
Medicare	49%	47%
Medicaid	16%	17%
Commercial insurance and other third-party payors	30%	31%
Patients	5%	5%
	100%	100%

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. In addition, the ability to estimate the collectability of uninsured and other self-pay patients is contingent on the patient's ability or willingness to pay for the services provided. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The net patient service revenue for the years ended June 30, 2020 and 2019 decreased approximately \$365,753 and \$57,900, respectively, due to removal of allowances previously estimated that are no longer necessary as a result of final settlements and years that are no longer likely subject to audits, reviews, and investigations and changes in estimated settlements.

The Centers for Medicare and Medicaid Services (CMS) Advanced Payments liability balance consists of the remaining unpaid advanced payments received from CMS, in order to increase cash flow for Medicare Part A providers who were impacted by the COVID-19 pandemic. The Organization received \$10,705,670 in advanced payments during April 2020. While the balance may be recouped through the Medicare claims processed beginning 365 days after the date of issuance of the advanced payments, the Organization repaid the entire balance in August 2020.

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

### **Note 3 - Provider Relief Funds**

The Organization received \$5,450,400 of Coronavirus Aid, Relief, and Economic Security (CARES) Act Provider Relief Funds administered by the Department of Health and Human Services (HHS). The funds are subject to terms and conditions imposed by HHS. Among the terms and conditions is a provision that payments will only be used to prevent, prepare for, and respond to coronavirus and shall reimburse the recipient only for healthcare-related expenses or lost revenues that are attributable to coronavirus. Recipients may not use the payments to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse. HHS currently has a deadline to incur eligible expenses of June 30, 2021. Unspent funds will be expected to be repaid.

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

As of June 30, 2020, the Organization had a total refundable advance balance of \$5,450,400, which was included in current liabilities on the accompanying consolidated balance sheet.

**Note 4 - Paycheck Protection Program**

The Organization was granted a \$4,984,920 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Organization has initially recorded the loan as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan. Proceeds from the loan are eligible for forgiveness if they are used for certain payroll, rent, and utility expenses. No contribution revenue has been recorded for the year ended June 30, 2020. The Organization will be required to repay any remaining balance, plus interest accrued at 1%, in monthly payments commencing upon notification of forgiveness or partial forgiveness.

**Note 5 - Liquidity and Availability**

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

	2020	2019
Cash and cash equivalents	\$ 18,362,825	\$ 5,777,186
Short-term investments	7,220,936	6,003,206
Receivables	9,366,839	11,656,147
Assets limited to use		
Board designated cash and investments	1,366,341	666,105
	\$ 36,316,941	\$ 24,102,644

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

Included in long-term investments in the consolidated balance sheet are endowment funds consisting of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor restricted endowment funds are not available for general expenditure. The Organization has a board-designated endowment, considered available for general expenditure, of \$1,166,593 as of June 30, 2020. Although the Organization does not currently intend to spend from the board-designated endowment, these amounts could be made available if necessary.

As part of the liquidity management plan, cash in excess of daily requirements is periodically invested in certificates of deposit. This fund established by the Board of Directors may be drawn upon, if necessary, to meet unexpected liquidity needs. Additionally, the Organization maintains a line of credit, as discussed in Note 9. As of June 30, 2020, \$500,000 remained available on the Organization's line of credit.

**Note 6 - Contributions Receivable**

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

The following is a summary of contributions receivable:

	2020	2019
Within one year	\$ 287,579	\$ 408,460
In one to five years	60,400	155,500
Over five years	-	10,000
	347,979	573,960
Less discount to net present value - 3.8%	(4,460)	(9,914)
Less allowance for uncollectible amounts	(52,194)	(86,090)
	\$ 291,325	\$ 477,956

The following schedule sets forth expected future collections on contributions receivable as of June 30, 2020:

Year Ending June 30,	Amount
2021	\$ 287,579
2022	25,200
2023	15,200
2024	10,000
2025	10,000
Thereafter	-
	\$ 347,979

**Note 7 - Investments and Fair Value Measurements**

The composition of investments and assets limited as to use at June 30, 2020 and 2019 is shown in the following table. Cash and cash equivalents are stated at historical cost and all other investments are stated at fair value.

	<u>2020</u>	<u>2019</u>
Investments		
Certificates of deposit	\$ 24,755,963	\$ 12,576,032
Government securities	805,750	-
Cash and cash equivalents	165,058	10,408
Equity securities	716	733
Accrued interest	61,309	55,586
	<u>25,788,796</u>	<u>12,642,759</u>
Less current portion	<u>(7,220,936)</u>	<u>(6,003,206)</u>
	<u>\$ 18,567,860</u>	<u>\$ 6,639,553</u>
Assets Limited as to Use		
By Board for deferred compensation plan		
Mutual funds	<u>\$ 1,489,111</u>	<u>\$ 1,120,129</u>
By Board for designated purposes		
Cash and cash equivalents	<u>\$ 1,632,862</u>	<u>\$ 614,199</u>
By donors and Board for Endowment fund		
Cash and cash equivalents	\$ 605,683	\$ 160,078
Mutual funds	2,407,817	1,786,621
Corporate bonds	7,807	215,363
Equity securities	-	114,040
Government securities	-	203,931
	<u>\$ 3,021,307</u>	<u>\$ 2,480,033</u>
Under bond indenture agreements		
Cash and cash equivalents	\$ -	\$ 945,747
Less current portion	-	(239,374)
	<u>\$ -</u>	<u>\$ 706,373</u>

## Fair Value Measurements

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

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

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

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

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

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

Livingston HealthCare and Subsidiary  
Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

The following table presents assets measured at fair value on a recurring basis, except those measured at cost, as identified in the following at June 30, 2020:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments</b>				
Certificates of deposit - traded	\$ 24,755,963	\$ -	\$ 24,755,963	\$ -
Government securities	805,750	-	805,750	-
Cash and cash equivalents (at cost)	165,058	-	-	-
Equity securities	716	716	-	-
Accrued interest	61,309	-	-	-
	<u>25,788,796</u>	<u>\$ 716</u>	<u>\$ 25,561,713</u>	<u>\$ -</u>
Less amount shown as current	<u>(7,220,936)</u>			
	<u>\$ 18,567,860</u>			
<b>Assets Limited as to Use</b>				
By Board for deferred compensation plan				
Mutual funds	\$ 1,489,111	\$ 1,489,111	\$ -	\$ -
By Board for designated purposes				
Cash and cash equivalents (at cost)	\$ 1,632,862	\$ -	\$ -	\$ -
By donors and Board for Endowment fund				
Cash and cash equivalents (at cost)	\$ 605,683	\$ -	\$ -	\$ -
Mutual funds	2,407,817	2,407,817	-	-
Corporate bonds	7,807	-	7,807	-
Government securities	-	-	-	-
	<u>\$ 3,021,307</u>	<u>\$ 2,407,817</u>	<u>\$ 7,807</u>	<u>\$ -</u>

The following table presents assets measured at fair value on a recurring basis, except those measured at cost, as identified in the following at June 30, 2019:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments</b>				
Certificates of deposit - traded	\$ 12,576,032	\$ -	\$ 12,576,032	\$ -
Cash and cash equivalents (at cost)	10,408	-	-	-
Equity securities	733	733	-	-
Accrued interest	55,586	-	-	-
	<u>12,642,759</u>	<u>\$ 733</u>	<u>\$ 12,576,032</u>	<u>\$ -</u>
Less amount shown as current	<u>(6,003,206)</u>			
	<u>\$ 6,639,553</u>			
<b>Assets Limited as to Use</b>				
By Board for deferred compensation plan				
Mutual funds	\$ 1,120,129	\$ 1,120,129	\$ -	\$ -
By Board for designated purposes				
Cash and cash equivalents (at cost)	\$ 614,199	\$ -	\$ -	\$ -
By donors and Board for Endowment fund				
Cash and cash equivalents (at cost)	\$ 160,078	\$ -	\$ -	\$ -
Equity securities	114,040	114,040	-	-
Mutual funds	1,786,621	1,786,621	-	-
Corporate bonds	215,363	-	215,363	-
Government securities	203,931	-	203,931	-
	<u>\$ 2,480,033</u>	<u>\$ 1,900,661</u>	<u>\$ 419,294</u>	<u>\$ -</u>
Under bond indenture agreements				
Cash and cash equivalents (at cost)	\$ 945,747	\$ 706,373	\$ -	\$ -
Less amount shown as current	<u>(239,374)</u>			
	<u>\$ 706,373</u>			



**Note 8 - Property and Equipment**

A summary of property and equipment at June 30, 2020 and 2019 follows:

	2020	2019
Land	\$ 5,951,320	\$ 951,320
Land improvements	1,515,044	1,515,044
Buildings and improvements	35,760,151	35,572,852
Equipment	15,577,538	14,054,472
Construction in progress	-	24,506
	58,804,053	52,118,194
Less accumulated depreciation	(16,721,687)	(13,299,246)
Property and equipment, net	\$ 42,082,366	\$ 38,818,948

**Note 9 - Line of Credit**

The Organization has a \$500,000 variable rate (4.00% at June 30, 2020) revolving line of credit with a bank, which expires in September 2021. The line of credit is secured by inventory, chattel paper, accounts, equipment and general intangibles. The Organization had no amounts outstanding under this line of credit as of June 30, 2020 and 2019.

**Note 10 - Long-Term Debt**

Long-term debt at June 30, 2020 and 2019 consists of the following:

	2020	2019
3.62% term loan to bank, due in monthly installments of \$152,120, including interest through January 2050, secured by a mortgage on real estate	\$ 33,108,797	\$ -
5.0% contract for deed, due in annual installments of \$923,899, including interest through February 2025, secured by real estate	4,000,000	-
2.375% USDA Rural Development Direct Loan	-	25,156,602
4.9% Taxable Hospital Revenue Bonds, Series 2013A	-	8,406,944
5.85% Taxable Hospital Revenue Bonds, Series 2013B	-	961,684
Unamortized debt issue costs	(157,798)	(599,500)
Unamortized bond discount	-	(95,225)
Capitalized lease obligation - Note 11	5,775	38,566
	36,956,774	33,869,071
Less current maturities	(1,366,341)	(666,105)
Long-term debt, net of current maturities, unamortized debt issuance costs and bond discount	\$ 35,590,433	\$ 33,202,966

Long-term debt maturities are as follows:

Year Ending June 30,	Amount
2021	\$ 1,366,341
2022	1,420,209
2023	1,482,526
2024	1,547,638
2025	1,615,674
Thereafter	29,682,184
Unamortized debt issue costs	(157,798)
	\$ 36,956,774

During 2020, the Organization refinanced the 2.375% USDA Rural Development Direct Loan and 4.9% Taxable Hospital Revenue Bonds, Series 2013A with a 3.62% term loan to a bank. The Organization paid off its 5.85% Taxable Hospital Revenue Bonds, Series 2013B with operating cash reserves. The Organization incurred a loss on the refinancing of debt of \$684,525 due to a write down of debt issue costs associated with the refinanced debt.

For the year ended June 30, 2019, under the terms of the revenue bonds indenture agreements, the Organization is required to maintain certain deposits with a trustee. Such deposits are included with assets limited as to use in the consolidated financial statements.

The term loan agreement and the bond indenture agreements each place limits on the incurrence of additional borrowings and requires that the Organization satisfy certain measures of financial performance. Management believes all of these requirements were complied with or waived as of June 30, 2020 and 2019.

#### Note 11 - Leases

The Organization leases certain equipment and real property under short-term or month-to-month lease agreements. Certain leases have been recorded as capitalized leases and others as operating leases. Total lease expense for the years ended June 30, 2020 and 2019, for all operating leases, was \$104,142 and \$110,300, respectively.

Minimum future lease payments for the capital leases are as follows:

Year Ending June 30,	Capital Leases
2021	\$ 5,815
2022	-
Total minimum lease payments	5,815
Less interest	(40)
Present value of minimum lease payments - Note 10	<u>\$ 5,775</u>

Assets under capital lease agreements consist of:

	2020	2019
Major movable equipment	\$ 150,799	\$ 150,799
Less accumulated amortization	(140,746)	(118,126)
	<u>\$ 10,053</u>	<u>\$ 32,673</u>

**Note 12 - Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes at June 30, 2020 and 2019:

	2020	2019
Subject to expenditure for a specified purpose		
Various projects and programs	\$ 1,229,209	\$ 707,561
Building	285,034	416,886
Hospice	32,631	61,420
Behavioral health	22,244	62,876
3D Mammography	61,706	61,706
	1,630,824	1,310,449
Endowments		
Subject to endowment spending policy and appropriation		
Education and equipment	1,367,575	813,037
Gateway Hospice	470,840	470,840
	1,838,415	1,283,877
	\$ 3,469,239	\$ 2,594,326

During 2020 and 2019, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes and the expiration of time restrictions in the amounts of \$584,562 and \$676,307, respectively. These amounts are included in net assets released from restrictions in the accompanying consolidated financial statements.

**Note 13 - Endowment Funds**

The Organization's endowment (the Endowment) consists of numerous individual funds established by donors to provide annual funding for specific activities and general operations. The Endowment also includes certain net assets without donor restrictions designated for quasi-endowment by the Board of Directors. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's Board of Directors has interpreted the Montana Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2020 and 2019, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts (including contributions receivable net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of UPMIFA. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

At June 30, 2020 and 2019, the Organization had the following endowment net asset composition by fund:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2020			
Board-Designated Quasi-Endowment	\$ 1,182,892	\$ -	\$ 1,182,892
Donor-Restricted for Permanent Endowment	-	1,838,415	1,838,415
	\$ 1,182,892	\$ 1,838,415	\$ 3,021,307
June 30, 2019			
Board-Designated Quasi-Endowment	\$ 1,196,156	\$ -	\$ 1,196,156
Donor-Restricted for Permanent Endowment	-	1,283,877	1,283,877
	\$ 1,196,156	\$ 1,283,877	\$ 2,480,033

Changes in Endowment net assets for the years ended June 30, 2020 and 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, June 30, 2018	\$ 148,929	\$ 1,354,802	\$ 1,503,731
Contributions	1,545,780	-	1,545,780
Investment Return, Net	127,382	136,724	264,106
Distributions			
Appropriation of endowment assets pursuant to spending rate policy	-	(207,649)	(207,649)
Undesignation of board-designated quasi-endowment assets	(625,935)	-	(625,935)
Endowment Net Assets, June 30, 2019	1,196,156	1,283,877	2,480,033
Contributions	-	570,837	570,837
Investment Return, Net	88,236	82,208	170,444
Distributions			
Appropriation of endowment assets pursuant to spending rate policy	-	(82,208)	(82,208)
Undesignation of board-designated quasi-endowment assets	(101,500)	-	(101,500)
Other changes			
Change in value of split interest agreement	-	(16,299)	(16,299)
Endowment Net Assets, June 30, 2020	\$ 1,182,892	\$ 1,838,415	\$ 3,021,307

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or the UPMIFA requires the Organization to maintain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets without restrictions. There were no such deficiencies as of June 30, 2020 and 2019.

### Investment and Spending Policies

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

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

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

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

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

#### **Note 14 - Retirement Plan and Deferred Compensation Plan**

The Organization has established a defined contribution retirement plan under which employees become participants upon reaching a certain age and length of service. Employer contributions are discretionary. Total retirement plan expense for the years ended June 30, 2020 and 2019, was \$932,522 and \$675,432, respectively.

The Organization has a deferred compensation plan, as described in section 457(b) of the Internal Revenue Code, for certain employees. The funding of the deferred amounts is invested by the Organization in investments designated by the employees. At June 30, 2020 and 2019, the deferred compensation liability was \$1,489,111 and \$1,120,129, respectively.

#### **Note 15 - Other Revenue**

Other revenue consists of the following for the years ended June 30, 2020 and 2019:

	2020	2019
340b pharmacy program	\$ 1,177,010	\$ 766,889
Rental revenue	87,033	87,012
Grants for operations	7,500	-
Miscellaneous	342,100	522,611
	\$ 1,613,643	\$ 1,376,512

**Note 16 - Related Party Transactions**

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

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

The Organization also entered into an affiliation agreement with BC on March 26, 2014. The purpose of the transaction is for BC to assume a 25% minority role in the governance of the Organization, with certain defined rights and obligations. It is the objective of the parties, among other things, to work cooperatively in the development and operation of the hospital and clinic facility in Livingston, Montana.

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

Included in accounts payable, as of June 30, 2020 and 2019, was an amount due BC of \$139,000 and \$211,000, respectively.

The following is a summary of related party fees paid for the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Teleradiology	\$ 656,217	\$ 683,439
Physician salary and benefits	440,710	531,428
CEO reimbursement	289,127	137,268
Software	234,848	157,584
CIS project	207,057	195,094
Provider reimbursement	175,447	104,637
340b pharmacy fees	81,108	-
Management fees	65,514	62,163
Radiology administration fee	40,200	40,200
Transcription	38,879	79,005
Other	15,680	43,760
360 project	6,600	6,600
Meaningful use fee	2,663	2,663
Cerner implementation	-	131,588
Clinic lab consulting	-	3,300
Case management fees	-	2,040
	<u>\$ 2,254,050</u>	<u>\$ 2,180,769</u>



**Note 17 - Functional Expenses**

The Organization provides health care services to residents within its geographic location. Expenses related to providing these services by functional class for the year ended June 30, 2020 are as follows:

	Health Care Services		General and Administrative	Fundraising	Total
	Hospital	Medical Clinics			
Salaries and Benefits	\$ 19,053,780	\$ 5,741,374	\$ 4,498,945	\$ 214,241	\$ 29,508,340
Supplies	8,115,445	488,329	284,358	11,583	8,899,715
Purchased services	3,594,824	1,224,126	1,955,737	4,348	6,779,035
Depreciation and amortization	3,422,441	-	-	-	3,422,441
Other	911,695	180,307	707,895	173,514	1,973,411
Interest	1,225,196	-	-	-	1,225,196
Rent and utilities	430,054	60,016	146,911	-	636,981
Repairs and maintenance	582,978	6,753	10,285	-	600,016
Insurance	454,824	-	286,327	-	741,151
	<u>\$ 37,791,237</u>	<u>\$ 7,700,905</u>	<u>\$ 7,890,458</u>	<u>\$ 403,686</u>	<u>\$ 53,786,286</u>

Expenses related to providing these services by functional class for the year ended June 30, 2019 are as follows:

	Health Care Services		General and Administrative	Fundraising	Total
	Hospital	Medical Clinics			
Salaries and Benefits	\$ 17,418,958	\$ 5,903,506	\$ 4,581,442	\$ 168,507	\$ 28,072,413
Supplies	7,872,421	529,427	122,540	8,258	8,532,646
Purchased services	2,927,642	1,401,385	2,435,212	13,878	6,778,117
Depreciation and amortization	3,246,029	-	-	-	3,246,029
Other	332,649	170,911	1,202,974	48,936	1,755,470
Interest	1,094,260	-	-	-	1,094,260
Rent and utilities	425,587	63,517	133,337	-	622,441
Repairs and maintenance	628,807	10,345	15,815	182	655,149
Insurance	447,763	-	254,535	-	702,298
	<u>\$ 34,394,116</u>	<u>\$ 8,079,091</u>	<u>\$ 8,745,855</u>	<u>\$ 239,761</u>	<u>\$ 51,458,823</u>

## **Note 18 - Contingencies**

### **Professional Liability**

The Organization has professional liability coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of \$1 million per claim and an annual aggregate limit of \$6.5 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The Organization has accrued professional liability reserves of \$117,500 and \$111,010 at June 30, 2020 and 2019, respectively. As of June 30, 2020 and 2019, receivables of \$37,500 and \$46,010, respectively, have been recorded for expected insurance recoveries related to the professional liability claims.

### **Employee Health Self-Insured Plan**

Effective July 1, 2017, the Organization is self-insured for health insurance. The claims under this plan continue to be accrued as the incidents that give rise to them occur. Unpaid claim accruals are based on the estimated ultimate costs of the claims, including claims administration expenses, in accordance with the Organization's past experience and its losses on claims for health insurance.

The Organization has entered into reinsurance agreements with insurance companies to limit losses on claims for health insurance. Reserves for self-insured plans were \$237,177 and \$202,462 as of June 30, 2020 and 2019, respectively, and are included in accrued expenses in the accompanying consolidated financial statements.

### **Litigation, Claims, and Disputes**

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

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

### **COVID-19 Pandemic**

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

**Note 19 - Concentrations of Credit Risk**

The Organization grants credit without collateral to its patient, most of whom are insured under third-party payor agreements. The mix of receivables from third-party payors and patients at June 30, 2020 and 2019 was as follows:

	2020	2019
Medicare	31%	37%
Blue Cross	7%	7%
Medicaid	10%	11%
Commercial insurance	20%	23%
Patients	32%	22%
	100%	100%

**Note 20 - Livingston Healthcare Foundation**

The financial statements of Livingston Healthcare Foundation, which are included in the consolidated financial statements for the years ended June 30, 2020 and 2019, are summarized as follows:

	2020	2019
Assets	\$ 4,311,356	\$ 3,572,190
Liabilities	\$ 16,299	\$ -
Total net assets	\$ 4,295,057	\$ 3,572,190
Revenue		
Contributions	\$ 1,449,663	\$ 525,979
Other revenue	173,245	272,412
Total revenues	1,622,908	798,391
Total expenses	403,687	239,760
Revenues in excess of expenses	\$ 1,219,221	\$ 558,631

**Note 21 - Restatement Resulting from Change in Accounting Principle**

As disclosed in Note 1, the Organization adopted the provisions of Accounting Standards Update (ASU) 2016-18 *Statement of Cash Flows (Topic 230): Restricted Cash*. Following is a summary of the effects of the change in accounting policy on the Organization's June 30, 2019 consolidated financial statements:

	<u>As Previously Reported</u>	<u>Change in Accounting Principle</u>	<u>As Restated</u>
Consolidated Statement of Cash Flows			
Investing Activities			
Sales and maturities of investments and assets limited as to use	\$ 6,024,696	\$ (391,607)	\$ 5,633,089
Net Cash used for Investing Activities	(4,809,239)	(391,607)	(5,200,846)
Net Change in Cash, Cash Equivalents and Restricted Cash and Cash Equivalents	1,802,435	(391,607)	1,410,828
Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents, Beginning of Year	3,974,751	2,111,631	6,086,382
Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents, End of Year	5,777,186	1,720,024	7,497,210