

Public Disclosure Copy

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

OMB No. 1545-0047

- **File a separate application for each return.**
 ► **Go to www.irs.gov/Form8868 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.

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.

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. FAULKTON AREA MEDICAL CENTER	Taxpayer identification number (TIN) 36-3317416
	Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 100	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. FAULKTON, SD 57438	

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 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
Form 990-T (corporation)	07		

SUSAN MILLER

- The books are in the care of ► **PO BOX 100 - FAULKTON, SD 57438**

Telephone No. ► **605.598.6262**Fax No. ► **605.598.4186**

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

- 1 I request an automatic 6-month extension of time until **NOVEMBER 15, 2022**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

► ☒ calendar year **2021** or► ☐ tax year beginning _____, and ending _____.

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

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

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

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

2021

Open to Public Inspection

A For the **2021** calendar year, or tax year beginning and ending

B Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization

FAULKTON AREA MEDICAL CENTER

Doing business as

Number and street (or P.O. box if mail is not delivered to street address)

PO BOX 100

Room/suite

City or town, state or province, country, and ZIP or foreign postal code

FAULKTON, SD 57438

F Name and address of principal officer: **HEATHER BODE**

SAME AS C ABOVE

D Employer identification number

36-3317416

E Telephone number

605.598.6262

G Gross receipts \$

14,267,647.

H(a) Is this a group return

for subordinates? ☐ Yes ☒ No

H(b) Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. See instructions

H(c) Group exemption number ▶

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

J Website: ▶ **WWW.FAULKTONMEDICAL.ORG**

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: **1952**

M State of legal domicile: **SD**

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TO PROVIDE HEALTH CARE SERVICES FOR FAULK COUNTY.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	8
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	5
	5 Total number of individuals employed in calendar year 2021 (Part V, line 2a)	5	103
	6 Total number of volunteers (estimate if necessary)	6	9
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	2,334,013.	2,937,841.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	10,960,891.	11,298,422.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	16,430.	-14,703.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	11,412.	16,406.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	13,322,746.	14,237,966.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	6,767,710.	6,978,205.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.	0.	0.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	4,349,963.	4,262,860.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	11,117,673.	11,241,065.
19 Revenue less expenses. Subtract line 18 from line 12	2,205,073.	2,996,901.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	18,225,239.	14,342,591.
	22 Net assets or fund balances. Subtract line 21 from line 20	14,649,259.	7,747,439.
		3,575,980.	6,595,152.

Part II Signature Block

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

Sign Here	Signature of officer	Date
	HEATHER BODE, CEO Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name LAURIE HANSON, CPA	Preparer's signature LAURIE HANSON, CPA
	Date 08/25/22	Check if self-employed <input type="checkbox"/> PTIN P00851848
	Firm's name ▶ EIDE BAILLY LLP	Firm's EIN ▶ 45-0250958
	Firm's address ▶ 200 E. 10TH ST., STE. 500 SIOUX FALLS, SD 57104-6375	Phone no. 605-339-1999

May the IRS discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No

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

THE GOAL OF FAMC IS TO PROVIDE THE APPROPRIATE LEVEL OF HEALTH CARE ON THE CONTINUUM, FROM CLINIC AND OUTPATIENT/OUTREACH CARE, EMERGENCY CARE, ROUTINE INPATIENT CARE, SKILLED SWING-BED, AND INTERMEDIATE SWING-BED. FAMC IS DEDICATED TO BEST SERVING THE MEDICAL NEEDS OF THE

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

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

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

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

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

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

4a (Code:) (Expenses \$ 9,281,504. including grants of \$ 0.) (Revenue \$ 11,298,422.)

FAULKTON AREA MEDICAL CENTER (FAMC) OPERATES A 12-BED CRITICAL ACCESS HOSPITAL AND RURAL HEALTH CLINIC IN FAULKTON, SOUTH DAKOTA. IN FISCAL YEAR 2021, FAMC HAD 131 ACUTE ADMISSIONS AND 68 SWINGBED ADMISSIONS, WITH 372 AND 608 PATIENT DAYS, RESPECTIVELY. THE FAMC RHC HAD 5,972 CLINIC VISITS IN THE FISCAL YEAR.

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 **9,281,504.**

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

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

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

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable	1a	21
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable	1b	0
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X

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

	Yes	No
2a 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	103
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X
Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. See instructions.		
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	3b	
4a 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)?	4a	X
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).		
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a 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?	6a	X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7 Organizations that may receive deductible contributions under section 170(c).		
a 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?	7a	X
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
d If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8	
9 Sponsoring organizations maintaining donor advised funds.		
a Did the sponsoring organization make any taxable distributions under section 4966?	9a	
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b	
10 Section 501(c)(7) organizations. Enter:		
a Initiation fees and capital contributions included on Part VIII, line 12	10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11 Section 501(c)(12) organizations. Enter:		
a Gross income from members or shareholders	11a	
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.		
a Is the organization licensed to issue qualified health plans in more than one state?	13a	
Note: See the instructions for additional information the organization must report on Schedule O.		
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	
c Enter the amount of reserves on hand	13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	14b	
15 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?	15	X
If "Yes," see the instructions and file Form 4720, Schedule N.		
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income?	16	X
If "Yes," complete Form 4720, Schedule O.		
17 Section 501(c)(21) organizations. Did the trust, any disqualified person, or mine operator engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953?	17	
If "Yes," complete Form 6069.		

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

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

Section A. Governing Body and Management

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

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **NONE**

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☒ Own website ☐ Another's website ☒ Upon request ☐ Other (explain on Schedule O)

19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records **SUSAN MILLER - 605.598.6262**
PO BOX 100, FAULKTON, SD 57438

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

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

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) SYLVIA ANDERSON DIRECTOR; PHYSICIAN	24.00 0.00	X						236,721.	0.	55,207.
(2) JESSECA KAST CNP	40.00 0.00				X			145,066.	0.	49,619.
(3) PAULA WINTHER PHARMACIST	40.00 0.00				X			142,877.	0.	22,382.
(4) TIM QUINN PHYSICIAN ASSISTANT	40.00 0.00				X			155,059.	0.	9,304.
(5) HEATHER BODE CEO	40.00 0.50			X				144,747.	0.	8,777.
(6) JENNIFER BAUER PHYSICAL THERAPIST	40.00 0.00				X			131,321.	0.	21,688.
(7) JEAN MITCHELL OCCUPATIONAL THERAPIST	40.00 0.00				X			129,153.	0.	21,558.
(8) SUSAN MILLER CFO	40.00 0.00			X				88,048.	0.	33,690.
(9) VERNE HANSEN CHAIR - LEFT 2/2021	1.00 1.00	X		X				0.	0.	0.
(10) SANDY BOWAR VICE CHAIR/CHAIR	1.00 0.00	X		X				0.	0.	0.
(11) RYAN MELIUS DIRECTOR/VICE CHAIR	1.00 0.00	X		X				0.	0.	0.
(12) BEVERLY FISCHER SECRETARY/TREASURER	1.00 1.00	X		X				0.	0.	0.
(13) JOHN MILLER DIRECTOR	1.00 0.00	X						0.	0.	0.
(14) LINDA BARTHOLOMEW DIRECTOR	1.00 0.00	X						0.	0.	0.
(15) MAKENZIE SINDELAR DIRECTOR	1.00 1.00	X						0.	0.	0.
(16) JAMES SLUNECKA DIRECTOR - JOINED 3/2021	1.00 0.00	X						0.	0.	0.
(17) GRADY JOLLEY DIRECTOR - LEFT 10/2021	1.00 1.00	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Subtotal								1,172,992.	0.	222,225.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								1,172,992.	0.	222,225.

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 **11**

- 3** Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? *If "Yes," complete Schedule J for such individual*
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*

	Yes	No
3		X
4	X	
5		X

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
KENNETH BARTHOLOMEW, MD 3404 N FRONTIER ROAD, FORT PIERRE, SD 57532	MEDICAL DIRECTOR	168,125.

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 **1**

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d	27,828.				
	e Government grants (contributions)	1e	2,910,013.				
	f All other contributions, gifts, grants, and similar amounts not included above ...	1f					
	g Noncash contributions included in lines 1a-1f	1g	\$ 27,828.				
	h Total. Add lines 1a-1f						
Program Service Revenue	2 a PATIENT SERVICE REVENUE	Business Code	622110	11,243,400.	11243400.		
	b OTHER REVENUE		900099	55,022.	55,022.		
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			11,298,422.			
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			7,478.		
4 Income from investment of tax-exempt bond proceeds							
5 Royalties							
6 a Gross rents		(i) Real	(ii) Personal				
6a		16,406.					
6b Less: rental expenses ...		0.					
c Rental income or (loss)		6c	16,406.				
d Net rental income or (loss)				16,406.			16,406.
7 a Gross amount from sales of assets other than inventory		(i) Securities	(ii) Other				
7a			7,500.				
7b Less: cost or other basis and sales expenses			29,681.				
c Gain or (loss)		7c	-22,181.				
d Net gain or (loss)				-22,181.			-22,181.
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18		8a					
b Less: direct expenses	8b						
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19	9a						
b Less: direct expenses	9b						
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	10a						
b Less: cost of goods sold	10b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a	Business Code					
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d						
	12 Total revenue. See instructions			14,237,966.	11298422.	0.	1,703.

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	569,230.	291,928.	277,302.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	168,125.	168,125.		
7 Other salaries and wages	4,735,659.	4,229,387.	506,272.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	279,261.	249,577.	29,684.	
9 Other employee benefits	805,602.	695,024.	110,578.	
10 Payroll taxes	420,328.	359,557.	60,771.	
11 Fees for services (nonemployees):				
a Management				
b Legal	56,262.		56,262.	
c Accounting	50,138.		50,138.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	1,008,710.	554,283.	454,427.	
12 Advertising and promotion	22,998.	159.	22,839.	
13 Office expenses	86,694.	357.	86,337.	
14 Information technology				
15 Royalties				
16 Occupancy	304,410.	285,140.	19,270.	
17 Travel	55,718.	43,606.	12,112.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	523.	49.	474.	
20 Interest	280,743.	254,293.	26,450.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,071,815.	970,834.	100,981.	
23 Insurance	56,523.	51,199.	5,324.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	780,025.	688,854.	91,171.	
b OTHER SUPPLIES	240,323.	240,323.		
c REPAIRS & MAINTENANCE	229,922.	189,193.	40,729.	
d DUES & SUBSCRIPTIONS	12,481.	4,041.	8,440.	
e All other expenses	5,575.	5,575.		
25 Total functional expenses. Add lines 1 through 24e	11,241,065.	9,281,504.	1,959,561.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

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

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	8,191,095.	2	3,880,052.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	1,757,644.	4	1,764,106.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	269,011.	8	227,335.
	9 Prepaid expenses and deferred charges	114,859.	9	144,533.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 17,202,034.		
	b Less: accumulated depreciation	10b 9,704,703.	10c	7,497,331.
	11 Investments - publicly traded securities	430,651.	11	446,210.
	12 Investments - other securities. See Part IV, line 11	346,168.	12	368,439.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	0.	15	14,585.
16 Total assets. Add lines 1 through 15 (must equal line 33)	18,225,239.	16	14,342,591.	
Liabilities	17 Accounts payable and accrued expenses	580,602.	17	778,320.
	18 Grants payable		18	
	19 Deferred revenue	5,747,203.	19	0.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties	7,440,995.	23	6,243,089.
	24 Unsecured notes and loans payable to unrelated third parties	387,673.	24	224,170.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	492,786.	25	501,860.
	26 Total liabilities. Add lines 17 through 25	14,649,259.	26	7,747,439.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	3,229,812.	27	6,226,713.
	28 Net assets with donor restrictions	346,168.	28	368,439.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	3,575,980.	32	6,595,152.
	33 Total liabilities and net assets/fund balances	18,225,239.	33	14,342,591.

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	14,237,966.
2	Total expenses (must equal Part IX, column (A), line 25)	2	11,241,065.
3	Revenue less expenses. Subtract line 2 from line 1	3	2,996,901.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	3,575,980.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	22,271.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	6,595,152.

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

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits _____		

Form 990 (2021)

SCHEDULE A
(Form 990)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2021

Open to Public
Inspection

Name of the organization

FAULKTON AREA MEDICAL CENTER

Employer identification number

36-3317416

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

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

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

f Enter the number of supported organizations _____

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2021 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2020 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2021. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
b 33 1/3% support test - 2020. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
17a 10% -facts-and-circumstances test - 2021. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		
b 10% -facts-and-circumstances test - 2020. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		

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) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2021 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2020 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2021 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2020 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2021. 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 - 2020. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

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

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

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

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

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

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

		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5
6	Other distributions (<i>describe in Part VI</i>). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8
9	Distributable amount for 2021 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2021	(iii) Distributable Amount for 2021
1 Distributable amount for 2021 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2021 (reasonable cause required - <i>explain in Part VI</i>). See instructions.			
3 Excess distributions carryover, if any, to 2021			
a From 2016			
b From 2017			
c From 2018			
d From 2019			
e From 2020			
f Total of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2021 distributable amount			
i Carryover from 2016 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2021 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2021 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2021, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
6 Remaining underdistributions for 2021. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
7 Excess distributions carryover to 2022. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2017			
b Excess from 2018			
c Excess from 2019			
d Excess from 2020			
e Excess from 2021			

Supplemental Information.

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

Schedule B
(Form 990)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2021

Name of the organization

FAULKTON AREA MEDICAL CENTER

Employer identification number

36-3317416

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

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

☐ 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

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

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

Name of organization	Employer identification number
FAULKTON AREA MEDICAL CENTER	36-3317416

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<u>1</u>		\$ <u>27,828.</u>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Employer identification number

36-3317416

Part II

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
1	VACCINE REFRIGERATOR & FREEZER, SYRINGE PUMP, WHIRLPOOL TUB, BEDS, SCOTTCARE TELEREHAB SYSTEM	\$ 27,828.	04/30/21
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$	

Name of organization	Employer identification number
FAULKTON AREA MEDICAL CENTER	36-3317416

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

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

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

SCHEDULE 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

2021**Open to Public Inspection****Name of the organization****FAULKTON AREA MEDICAL CENTER****Employer identification number****36-3317416****Part I****Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

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

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

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

<input type="checkbox"/> Preservation of land for public use (for example, recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

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

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

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

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

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

☐ Yes ☐ No

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

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

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

☐ Yes ☐ No

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

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

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

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

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

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

(ii) Assets included in Form 990, Part X

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

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

b Assets included in Form 990, Part X

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

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

a ☐ Public exhibition

d ☐ Loan or exchange program

b ☐ Scholarly research

e ☐ Other _____

c ☐ Preservation for future generations

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:

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	
1d	
1e	
1f	

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

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

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

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

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

a Board designated or quasi-endowment ☐ %

b Permanent endowment ☐ %

c Term endowment ☐ %

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

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

(i) Unrelated organizations

(ii) Related organizations

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

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? ☐

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		51,160.		51,160.
b Buildings		11,541,633.	5,497,908.	6,043,725.
c Leasehold improvements				
d Equipment		4,946,396.	3,780,934.	1,165,462.
e Other		662,845.	425,861.	236,984.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				7,497,331.

Part VII Investments - Other Securities.

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

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

Part VIII Investments - Program Related.

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

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

Part IX Other Assets.

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

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

Part X Other Liabilities.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) CAPITAL LEASE	501,860.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	501,860.

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

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

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

1	Total revenue, gains, and other support per audited financial statements	1	14,237,966.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	14,237,966.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	14,237,966.

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

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

1	Total expenses and losses per audited financial statements	1	11,241,065.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	11,241,065.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	11,241,065.

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 X, LINE 2:

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 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 WERE INCURRED.

**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 for instructions and the latest information.**

OMB No. 1545-0047

2021

**Open to Public
Inspection**

Name of the organization

FAULKTON AREA MEDICAL CENTER

Employer identification number

36-3317416

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

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

7 Financial Assistance and Certain Other Community Benefits at Cost

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			43,000.		43,000.	.38%
b Medicaid (from Worksheet 3, column a)			359,022.	283,577.	75,445.	.67%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			402,022.	283,577.	118,445.	1.05%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			221,743.	11,076.	210,667.	1.87%
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			2449320.	1076609.	1372711.	12.21%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits			2671063.	1087685.	1583378.	14.08%
k Total. Add lines 7d and 7j			3073085.	1371262.	1701823.	15.13%

Part III	Bad Debt, Medicare, & Collection Practices
-----------------	---

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

[illegible]

Part V Facility Information (continued)**Section B. Facility Policies and Practices**

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

Name of hospital facility or letter of facility reporting group FAULKTON AREA MEDICAL CENTERLine number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1	X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	3	X
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>20</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	X
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	X
7 Did the hospital facility make its CHNA report widely available to the public?	7	X
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>FAULKTONMEDICAL.ORG</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	8	X
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>20</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X
a If "Yes," (list url): <u>FAULKTONMEDICAL.ORG</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a	X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)**Financial Assistance Policy (FAP)**Name of hospital facility or letter of facility reporting group **FAULKTON AREA MEDICAL CENTER**

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	13 <input checked="" type="checkbox"/>	
If "Yes," indicate the eligibility criteria explained in the FAP:		
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>100</u> % and FPG family income limit for eligibility for discounted care of <u>200</u> %		
b <input type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input type="checkbox"/> Asset level		
d <input checked="" type="checkbox"/> Medical indigency		
e <input checked="" type="checkbox"/> Insurance status		
f <input checked="" type="checkbox"/> Underinsurance status		
g <input type="checkbox"/> Residency		
h <input checked="" type="checkbox"/> Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	14 <input checked="" type="checkbox"/>	
15 Explained the method for applying for financial assistance?	15 <input checked="" type="checkbox"/>	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):		
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e <input type="checkbox"/> Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility?	16 <input checked="" type="checkbox"/>	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>FAULKTONMEDICAL.ORG</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>FAULKTONMEDICAL.ORG</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>FAULKTONMEDICAL.ORG</u>		
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j <input checked="" type="checkbox"/> Other (describe in Section C)		

Schedule H (Form 990) 2021

Part V Facility Information (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group FAULKTON AREA MEDICAL CENTER

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

Policy Relating to Emergency Medical Care

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

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

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

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

If "Yes," explain in Section C.

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

If "Yes," explain in Section C.

	Yes	No
23		X
24		X

Schedule H (Form 990) 2021

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.

FAULKTON AREA MEDICAL CENTER:

PART V, SECTION B, LINE 5: INFORMATION OBTAINED IN VARIOUS FORMATS WAS USED IN THE ANALYSIS AND IMPLEMENTATION STRATEGY TO IDENTIFY THE MOST CRITICAL HEALTH NEEDS. OUTSIDE ENTITIES INVOLVED WERE:

FAULK COUNTY CANCER SUPPORT GROUP

FAULK COUNTY HEALTH OFFICE

FAULKTON AREA SCHOOL DISTRICT

FOCUS GROUPS AND INDIVIDUAL INTERVIEWS WERE ALSO CONDUCTED.

IN ADDITION, THE GENERAL PUBLIC COMPLETED BOTH ONLINE AND/OR PAPER SURVEYS.

FAULKTON AREA MEDICAL CENTER:

PART V, SECTION B, LINE 11: OUR 2020 IMPLEMENTATION STRATEGY FOCUSED ON ALL ASPECTS OF THE HIGHEST PRIORITY OF NEEDS THAT BEST ACCOMMODATE OUR COMMUNITY. FAMC ADDRESSED THE NEEDS IDENTIFIED IN THE 2020 IMPLEMENTATION STRATEGY IN THE FOLLOWING WAYS.

1) HOME HEALTH CARE/HOSPICE: THE CENTER'S GOAL IS TO DEVELOP A VISITING NURSE PROGRAM. IMPLEMENTATION OF THE VISITING NURSE PROGRAM WAS PUT ON HOLD DUE TO THE COVID-19 PANDEMIC.

2) COST/BILLING: PATIENTS ARE ENCOURAGED TO APPLY FOR FINANCIAL ASSISTANCE. THE APPLICATION IS VERY BRIEF.

3) TELEHEALTH/OUTREACH SERVICES: TELEHEALTH OPPORTUNITIES HAVE IMPROVED AND EXPANDED DUE TO THE PANDEMIC AND TECHNOLOGY ADVANCES. VIRTUAL VISIT

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.

OPTIONS HAVE INCREASED.

4) EDUCATION: FAMC HAS ENTERED INTO A HEALTH EDUCATION CONTRACT WITH THE SCHOOL. A NEWSLETTER HAS BEEN INSTIGATED FOR MAILING TO THE PUBLIC, AND FAMC'S ONLINE AND SOCIAL MEDIA PRESENCE HAS EXPANDED WITH EDUCATIONAL ARTICLES AND INFORMATION.

AS THE NEEDS OF OUR COMMUNITY CHANGE, WE WILL REVIEW OUR METHODS OF EDUCATION, PROGRAMS AND SERVICES TO RAISE AWARENESS AND FULFILL THE NEEDS OF THE COMMUNITY.

2021 UPDATE: IMPLEMENTATION OF THE VISITING NURSE PROGRAM IS ON HOLD DUE TO THE CONTINUING COVID-19 PANDEMIC AND THE DIFFICULTY MAINTAINING ADEQUATE PROFESSIONAL STAFF FOR ON SITE OPERATIONS, WITHOUT CONSIDERING ANY EXPANSION TO OFF SITE PATIENT CARE.

FAULKTON AREA MEDICAL CENTER:

PART V, SECTION B, LINE 13H: PATIENTS WHOSE FAMILY INCOME EXCEEDS 200% OF THE FPL MAY BE ELIGIBLE TO RECEIVE DISCOUNTED RATES ON A CASE-BY-CASE BASIS BASED ON THEIR SPECIFIC CIRCUMSTANCES, SUCH AS CATASTROPHIC ILLNESS OR MEDICAL INDIGENCE, AT THE DISCRETION OF FAULKTON AREA MEDICAL CENTER. A DETERMINATION BASED ON PRESUMPTIVE ELIGIBILITY MAY BE MADE IF ALL OTHER AVENUES HAVE BEEN EXHAUSTED.

FAULKTON AREA MEDICAL CENTER:

Part V Facility Information *(continued)*

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

PART V, SECTION B, LINE 16J: A SUMMARY OF THE POLICY WAS ATTACHED TO
BILLING INVOICES, POSTED IN THE ER AND/OR WAITING ROOMS, AND MADE
AVAILABLE UPON REQUEST.

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 3C:

PATIENTS WHOSE FAMILY INCOME EXCEEDS 200% OF THE FPL MAY BE ELIGIBLE TO RECEIVE DISCOUNTED RATES ON A CASE-BY-CASE BASIS BASED ON THEIR SPECIFIC CIRCUMSTANCES, SUCH AS CATASTROPHIC ILLNESS OR MEDICAL INDIGENCE, AT THE DISCRETION OF FAULKTON AREA MEDICAL CENTER. A DETERMINATION BASED ON PRESUMPTIVE ELIGIBILITY MAY BE MADE IF ALL OTHER AVENUES HAVE BEEN EXHAUSTED.

PART I, LINE 7:

CHARITY CARE EXPENSE WAS CONVERTED TO COST ON LINE 7A BASED ON AN OVERALL COST-TO-CHARGE RATIO ADDRESSING ALL PATIENT SEGMENTS. LINE 7B, MEDICAID, WAS DETERMINED BASED ON THE COSTING METHODS USED TO PREPARE THE COST REPORTS. LINE 7E WAS OBTAINED UTILIZING THE ACTUAL GENERAL LEDGER SYSTEM. LINE 7G WAS OBTAINED FROM THE MEDICARE COST REPORT.

PART I, LINE 7G:

RURAL HEALTH CLINIC NET REVENUES OF \$967,341 AND COSTS OF \$2,159,740 WERE INCLUDED ON LINE 7G FOR A NET COMMUNITY BENEFIT OF \$1,192,399.

Part VI Supplemental Information (Continuation)

PART III, LINE 2:

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

PART III, LINE 3:

THE ESTIMATED AMOUNT OF FAMC'S IMPLICIT PRICE CONCESSIONS ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE CHARITY CARE POLICY IS CALCULATED BASED ON THE US CENSUS BUREAU REPORT OF THE PERCENTAGE OF INDIVIDUALS LIVING BELOW THE POVERTY LEVEL IN 2020. 18.7% CAN REASONABLY BE CONSIDERED A COMMUNITY BENEFIT AS IT WOULD HAVE BEEN WRITTEN OFF TO CHARITY IF APPLICATIONS WERE PRESENTED.

PART III, LINE 4:

FOOTNOTE FROM FINANCIAL STATEMENT: PLEASE SEE FINANCIAL STATEMENT NOTE 1 - PATIENT SERVICE REVENUE ON PAGES 11-12 OF THE ATTACHED FINANCIAL STATEMENTS.

PART III, LINE 8:

MEDICARE ALLOWABLE COST OF CARE WAS CALCULATED FROM THE MEDICARE COST REPORT FOR FISCAL YEAR ENDING 12/31/2021. MEDICAL SERVICES ARE PROVIDED TO PATIENTS WITH MEDICARE COVERAGE REGARDLESS OF WHETHER OR NOT A SURPLUS OR DEFICIT IS REALIZED. PROVIDING MEDICARE SERVICES PROMOTES ACCESS TO HEALTHCARE SERVICES WHICH ARE VITALLY NEEDED BY OUR COMMUNITY.

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

Part VI Supplemental Information (Continuation)

PART III, LINE 9B:

PATIENTS WHO ARE KNOWN TO QUALIFY FOR FINANCIAL ASSISTANCE DO NOT ENTER INTO COLLECTIONS UNLESS THE AMOUNT THAT IS OWED AFTER FINANCIAL ASSISTANCE IS NOT PAID. IF, DURING THE COLLECTION PROCESS, IT IS DETERMINED THAT SOMEONE MAY QUALIFY FOR FINANCIAL ASSISTANCE, THE COLLECTION PROCESS IS STOPPED AND THE FINANCIAL ASSISTANCE APPLICATION PROCESS BEGINS. COLLECTION ACTIVITY IS HALTED UNTIL THE FINANCIAL ASSISTANCE APPLICATION IS REVIEWED AND QUALIFICATION IS DETERMINED. TIME PARAMETERS ARE REVIEWED PRIOR TO EACH STEP IN THE COLLECTION PROCESS.

PART VI, LINE 2:

IN ADDITION TO THE PROCESS UNDERTAKEN TO COMPLETE THE COMMUNITY HEALTH NEEDS ASSESSMENT, COMMUNITY HEALTH NEEDS ARE DETERMINED BY PROVIDERS IN DISCUSSION WITH THEIR PATIENTS, AS WELL AS IN COMMUNICATION WITH AREA ORGANIZATIONS (SCHOOL, COMMUNITY HEALTH NURSE, SENIOR CITIZENS CENTER, LOCAL NURSING HOME).

PART VI, LINE 3:

FINANCIAL ASSISTANCE APPLICATIONS ARE CLEARLY LABELED AND PROVIDED AT THE PATIENT REGISTRATION AREA, CLINIC WAITING ROOM, ER WAITING ROOM AND IN EACH OF THE TWO EMERGENCY ROOMS. THERE IS ALSO A LINK ON THE FACILITY WEBSITE, INCLUDING ALL POLICIES AND APPLICATION FORMS. A FINANCIAL ASSISTANCE POLICY SUMMARY IS INCLUDED WITH EVERY PATIENT ACCOUNTS RECEIVABLE STATEMENT.

PART VI, LINE 4:

FAMC'S SERVICE AREA INCLUDES MOST OF FAULK COUNTY. ACCORDING TO THE UNITED

Part VI Supplemental Information (Continuation)

STATES CENSUS BUREAU, FAULK COUNTY'S ESTIMATED POPULATION IN 2020 WAS 2,125 AND THE MEDIAN HOUSEHOLD INCOME WAS \$49,400. FAMC IS THE ONLY HEALTHCARE FACILITY WITHIN A 40 MILE RADIUS, AND IS DESIGNATED AS A CRITICAL ACCESS HOSPITAL WITH AN ATTACHED RURAL HEALTH CLINIC. FAULK COUNTY IS DESIGNATED AS A MEDICALLY UNDERSERVED AREA AND IS A HEALTHCARE PROVIDER SHORTAGE AREA.

PART VI, LINE 5:

THE ENTIRE BOARD RESIDES WITHIN THE FAMC SERVICE AREA. ONE BOARD MEMBER IS A PHYSICIAN ON STAFF AT FAMC. MEDICAL STAFF PRIVILEGES ARE OFFERED TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY. ANY SURPLUS FUNDS ARE USED TO UPGRADE EQUIPMENT AND FACILITIES, AS WELL AS RECRUIT AND RETAIN QUALIFIED STAFF. FAMC'S EMERGENCY ROOM IS AVAILABLE TO ALL PATIENTS, REGARDLESS OF THEIR ABILITY TO PAY. FAMC HOSTS MANY STUDENTS AS PART OF THEIR EDUCATION PROCESS. MD STUDENTS, NP/PA STUDENTS, RN CANDIDATES, PT CANDIDATES, AND DIETETICS STUDENTS ARE SOME OF THE PREVIOUS PARTICIPANTS IN SHADOWING OUR PROVIDERS/STAFF. FAMC ALSO PROVIDES A HIGH SCHOOL INTERN PROGRAM FOR LOCAL STUDENTS WHO MAY BE INTERESTED IN PURSUING A CAREER IN HEALTHCARE.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

OMB No. 1545-0047

2021

Open to Public
Inspection

Name of the organization

FAULKTON AREA MEDICAL CENTER

Employer identification number

36-3317416

Part I Questions Regarding Compensation

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

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

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

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

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

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

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

a Receive a severance payment or change-of-control payment?

b Participate in or receive payment from a supplemental nonqualified retirement plan?

c Participate in or receive payment from an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

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

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

a The organization?

b Any related organization?

If "Yes" on line 5a or 5b, describe in Part III.

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

a The organization?

b Any related organization?

If "Yes" on line 6a or 6b, describe in Part III.

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

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

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

Yes No

1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

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

Schedule J (Form 990) 2021

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) SYLVIA ANDERSON	(i)	236,721.	0.	0.	14,292.	40,915.	291,928.	0.
DIRECTOR; PHYSICIAN	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) JESSECA KAST	(i)	145,066.	0.	0.	8,704.	40,915.	194,685.	0.
CNP	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) PAULA WINTHER	(i)	142,877.	0.	0.	8,573.	13,809.	165,259.	0.
PHARMACIST	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) TIM QUINN	(i)	155,059.	0.	0.	9,304.	0.	164,363.	0.
PHYSICIAN ASSISTANT	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) HEATHER BODE	(i)	144,747.	0.	0.	8,777.	0.	153,524.	0.
CEO	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) JENNIFER BAUER	(i)	131,321.	0.	0.	7,879.	13,809.	153,009.	0.
PHYSICAL THERAPIST	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) JEAN MITCHELL	(i)	129,153.	0.	0.	7,749.	13,809.	150,711.	0.
OCCUPATIONAL THERAPIST	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(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.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

SCHEDULE L
(Form 990)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

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

▶ **Attach to Form 990 or Form 990-EZ.**

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

OMB No. 1545-0047

2021

**Open To Public
Inspection**

Name of the organization

FAULKTON AREA MEDICAL CENTER

Employer identification number

36-3317416

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

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

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
			Yes	No

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$

Part II Loans to and/or From Interested Persons.

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

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

Total ▶ \$

Part III Grants or Assistance Benefiting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
DR. KEN BARTHOLOMEW	FAMILY RELATIONSHIP	168,125.	INDEPENDENT		X
SUSAN MILLER	FAMILY RELATIONSHIP	122,246.	EMPLOYMENT		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: DR. KEN BARTHOLOMEW

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY RELATIONSHIP WITH LINDA BARTHOLOMEW, BOARD MEMBER

(D) DESCRIPTION OF TRANSACTION: INDEPENDENT CONTRACTOR

(A) NAME OF PERSON: SUSAN MILLER

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

FAMILY RELATIONSHIP WITH JOHN MILLER, BOARD MEMBER

**SCHEDULE M
(Form 990)**

Department of the Treasury
Internal Revenue Service

Noncash Contributions

OMB No. 1545-0047

2021

Open to Public
Inspection

- ▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
▶ **Attach to Form 990.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Name of the organization

FAULKTON AREA MEDICAL CENTER

Employer identification number

36-3317416

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded				
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other ...				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (MEDICAL EQUIP)	X	6	27,828 . COST	
26 Other ▶ ()				
27 Other ▶ ()				
28 Other ▶ ()				

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

29

0

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it
must hold for at least three years from the date of the initial contribution, and which isn't required to be used for
exempt purposes for the entire holding period?

b If "Yes," describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash
contributions?

b If "Yes," describe in Part II.

33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked,
describe in Part II.

	Yes	No
30a		X
31		X
32a		X
33		

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

Schedule M (Form 990) 2021

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

SCHEDULE M, PART I, COLUMN (B):

COLUMN B REPRESENTS NUMBER OF CONTRIBUTIONS.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

2021

Open to Public
Inspection

Name of the organization

FAULKTON AREA MEDICAL CENTER

Employer identification number

36-3317416

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

COMMUNITY WITH THE RESOURCES AVAILABLE TO THE FACILITY.

FORM 990, PART III, LINE 3, CHANGES IN PROGRAM SERVICES:

DURING THE YEAR ENDED DECEMBER 31, 2021, THE ORGANIZATION CEASED

OPERATING DR. WESTBROOK'S PAIN MANAGEMENT CLINIC.

FORM 990, PART VI, SECTION A, LINE 1A:

THE EXECUTIVE COMMITTEE IS COMPRISED OF THE CHAIR, VICE CHAIR,

SECRETARY/TREASURER AND ONE BOARD MEMBER. THE EXECUTIVE COMMITTEE SHALL

HAVE POWER TO TRANSACT ALL REGULAR BUSINESS OF THE FACILITY DURING THE

INTERIM BETWEEN THE MEETINGS OF THE BOARD OF DIRECTORS, PROVIDED ANY ACTION

TAKEN SHALL NOT CONFLICT WITH THE POLICIES AND EXPRESSED WISHES OF THE

BOARD OF DIRECTORS AND THAT IT SHALL REFER ALL MATTERS OF MAJOR IMPORTANCE

TO THE BOARD OF DIRECTORS. ANY ACTION TAKEN BY THE EXECUTIVE COMMITTEE IS

LATER PRESENTED TO THE BOARD OF DIRECTORS AND THEY CAN ELECT TO EITHER

CONDONE OR REVERSE THE ACTIONS.

FORM 990, PART VI, SECTION A, LINE 2:

SUSAN MILLER AND JOHN MILLER HAVE A FAMILY AND BUSINESS RELATIONSHIP.

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

THE CEO AND CFO COMPLETED A DETAILED REVIEW OF THE FORM 990 AND PRESENTED

IT TO THE BOARD FOR DISCUSSION AND REVIEW AT A REGULAR BOARD MEETING.

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

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

Schedule O (Form 990) 2021

Name of the organization

FAULKTON AREA MEDICAL CENTER

Employer identification number

36-3317416

FAULKTON AREA MEDICAL CENTER (FAMC) REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THEIR CONFLICT OF INTEREST POLICY. ANY OFFICER, DIRECTOR, EMPLOYEE OR COMMITTEE MEMBER OF FAMC IS CONSIDERED A COVERED INDIVIDUAL UNDER THE CURRENT CONFLICT OF INTEREST POLICY. THE DETERMINATION OF WHETHER A CONFLICT EXISTS IS MADE BY MAJORITY VOTE BY THE BODY, USUALLY THE BOARD, TO WHICH SUCH DISCLOSURE WAS MADE. CONFLICTS ARE REVIEWED ON TWO LEVELS DEPENDING ON THE INDIVIDUAL(S) INVOLVED. THE BOARD SETTLES DISPUTES REGARDING CONFLICTS INVOLVING ANY BOARD MEMBER. FAMC ADMINISTRATION SETTLES ALL OTHER CONFLICTS. AFTER A CONFLICT IS DEEMED TO EXIST, THE INDIVIDUAL(S) INVOLVED IS NOT ALLOWED TO CAST A VOTE; HOWEVER, HE/SHE IS COUNTED FOR THE PURPOSES OF A QUORUM.

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

ANNUALLY, FAULKTON AREA MEDICAL CENTER (FAMC) REVIEWS SDAHO SALARY SURVEY INFORMATION AND CONDUCTS AN INDIVIDUAL INTERVIEW AND/OR DISCUSSION BETWEEN THE CEO AND THE BOARD OF DIRECTORS TO DETERMINE THE COMPENSATION OF THE CEO.

THE PROCESS FOR DETERMINING THE COMPENSATION FOR THE CFO IN 2021 WAS BASED SOLELY ON THE CEO'S EVALUATION, TAKING INTO CONSIDERATION THE SDAHO SALARY SURVEY.

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

DOCUMENTS ARE MADE AVAILABLE UPON REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CHANGE IN NET INTEREST OF THE FOUNDATION

22,271.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2021

**Open to Public
Inspection**

Name of the organization

FAULKTON AREA MEDICAL CENTER

Employer identification number

36-3317416

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
FAULKTON AREA MEDICAL CENTER FOUNDATION - 90-0190828, 1300 OAK STREET, FAULKTON, SD 57438	HOSPITAL SUPPORT	SOUTH DAKOTA	501(C)(3)	LINE 7	N/A		X

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

Schedule R (Form 990) 2021

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.

	Yes	No
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?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a	X
b Gift, grant, or capital contribution to related organization(s)	1b	X
c Gift, grant, or capital contribution from related organization(s)	1c	X
d Loans or loan guarantees to or for related organization(s)	1d	X
e Loans or loan guarantees by related organization(s)	1e	X
f Dividends from related organization(s)	1f	X
g Sale of assets to related organization(s)	1g	X
h Purchase of assets from related organization(s)	1h	X
i Exchange of assets with related organization(s)	1i	X
j Lease of facilities, equipment, or other assets to related organization(s)	1j	X
k Lease of facilities, equipment, or other assets from related organization(s)	1k	X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	X
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X
o Sharing of paid employees with related organization(s)	1o	X
p Reimbursement paid to related organization(s) for expenses	1p	X
q Reimbursement paid by related organization(s) for expenses	1q	X
r Other transfer of cash or property to related organization(s)	1r	X
s Other transfer of cash or property from related organization(s)	1s	X
2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.		

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

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

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

[illegible]

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

Electronic Filing PDF Attachment



Financial Statements

December 31, 2021 and 2020

Faulkton Area Medical Center

Faulkton Area Medical Center

Table of Contents

December 31, 2021 and 2020

Independent Auditor's Report	1
Financial Statements	
Balance Sheets	4
Statements of Operations	5
Statements of Changes in Net Assets	6
Statements of Cash Flows	7
Notes to Financial Statements	9
Independent Auditor's Report on Supplementary Information	24
Supplementary Information	
Schedules of Patient Service Revenue	25
Schedules of Other Revenue	26
Schedules of Expenses	27
Operational, Statistical, and Financial Highlights - Unaudited	31
Schedule of Findings and Responses	34



Independent Auditor's Report

The Board of Directors
Faulkton Area Medical Center
Faulkton, South Dakota

Report on the Financial Statements

Opinion

We have audited the financial statements of Faulkton Area Medical Center (the Organization), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Faulkton Area Medical Center as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and our 2021 audit in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The 2020 audit was not required to be conducted in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Faulkton Area Medical Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2022 on our consideration of Faulkton Area Medical Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Faulkton Area Medical Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Faulkton Area Medical Center's internal control over financial reporting and compliance.

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

Sioux Falls, South Dakota
July 20, 2022

Faulkton Area Medical Center

Balance Sheets

December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,880,052	\$ 8,191,095
Receivables		
Patient	1,761,501	1,642,894
Estimated third-party payor settlements	14,585	-
Other	2,605	114,750
Supplies	227,335	269,011
Prepaid expenses	144,533	114,859
Total current assets	6,030,611	10,332,609
Assets Limited as to Use		
Under loan agreement	259,294	243,838
By Board for capital improvements and debt redemption	186,916	186,813
Total assets limited as to use	446,210	430,651
Property and Equipment, Net	7,497,331	7,115,811
Interest in Net Assets of Faulkton Area Medical Center Foundation	368,439	346,168
Total assets	\$ 14,342,591	\$ 18,225,239
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 697,128	\$ 679,081
Accounts payable		
Trade	292,825	84,874
Estimated third-party payor settlements	-	459,000
CMS advance payments	-	2,788,525
Accrued expenses		
Salaries and wages	85,476	68,251
Vacation	278,493	242,588
Interest	13,853	17,454
Payroll taxes and other	107,673	167,435
Refundable advance	-	2,958,678
Total current liabilities	1,475,448	7,465,886
Long-Term Debt, Less Current Maturities	6,271,991	7,183,373
Total liabilities	7,747,439	14,649,259
Net Assets		
Without donor restrictions	6,226,713	3,229,812
With donor restrictions	368,439	346,168
Total net assets	6,595,152	3,575,980
Total liabilities and net assets	\$ 14,342,591	\$ 18,225,239

See Notes to Financial Statements

Faulkton Area Medical Center
Statements of Operations
Years Ended December 31, 2021 and 2020

	2021	2020
Revenues, Gains, and Other Support without Donor Restriction		
Patient service revenue	\$ 11,243,400	\$ 10,909,372
Grant income - COVID-19	2,869,886	948,437
Other revenue	111,555	229,237
Total revenues, gains, and other support	<u>14,224,841</u>	<u>12,087,046</u>
Expenses		
Salaries and wages	5,220,957	5,019,118
Employee benefits	1,589,123	1,622,593
Purchased services	1,084,504	1,013,174
Supplies	780,025	710,072
Repairs and maintenance	229,922	276,200
Other expenses	799,191	839,440
Insurance	56,523	53,253
Utilities and communication	128,262	130,364
Depreciation and amortization	1,071,815	1,131,616
Interest	280,743	321,843
Total expenses	<u>11,241,065</u>	<u>11,117,673</u>
Operating Income	<u>2,983,776</u>	<u>969,373</u>
Other Income (Expense)		
Contribution income - PPP loan forgiveness	-	1,219,270
Loss on disposal	(22,181)	-
Investment income	7,478	16,430
Total other income (expense), net	<u>(14,703)</u>	<u>1,235,700</u>
Revenues in Excess of Expenses	2,969,073	2,205,073
Net Assets Released from Restrictions for Equipment - Foundation	<u>27,828</u>	<u>36,307</u>
Change in Net Assets Without Donor Restrictions	<u><u>\$ 2,996,901</u></u>	<u><u>\$ 2,241,380</u></u>

Faulkton Area Medical Center
Statements of Changes in Net Assets
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net Assets Without Donor Restrictions		
Revenues in excess of expenses	\$ 2,969,073	\$ 2,205,073
Released from restrictions for equipment - foundation	<u>27,828</u>	<u>36,307</u>
Change in net assets without donor restrictions	<u>2,996,901</u>	<u>2,241,380</u>
Net Assets With Donor Restrictions		
Net assets released from restrictions - Foundation	(27,828)	(36,307)
Change in interest in net assets of foundation	<u>50,099</u>	<u>97,458</u>
Change in net assets with donor restrictions	<u>22,271</u>	<u>61,151</u>
Change in Net Assets	3,019,172	2,302,531
Net Assets, Beginning of Year	<u>3,575,980</u>	<u>1,273,449</u>
Net Assets, End of Year	<u><u>\$ 6,595,152</u></u>	<u><u>\$ 3,575,980</u></u>

Faulkton Area Medical Center
Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Operating Activities		
Change in net assets	\$ 3,019,172	\$ 2,302,531
Adjustments to reconcile change in net assets to net cash (used for) from operating activities		
Depreciation and amortization	1,071,815	1,131,616
Loss on disposal	22,181	-
Undistributed portion of change in interest in net assets of Faulkton Area Medical Center Foundation	(50,099)	(97,458)
Paycheck Protection Program loan forgiveness	-	(1,212,500)
Changes in net assets and liabilities		
Receivables	(6,462)	(446,388)
Estimated third-party payor settlements	(473,585)	464,500
CMS advanced payments	(2,788,525)	2,788,525
Supplies	41,676	(109,660)
Prepaid expenses	(29,674)	5,069
Trade accounts payable	207,951	(127,121)
Accrued expenses and other	(10,233)	26,523
Refundable advance	(2,958,678)	2,958,678
Net Cash (used for) from Operating Activities	<u>(1,954,461)</u>	<u>7,684,315</u>
Investing Activity		
Proceeds from sales of property and equipment	7,500	-
Purchase of property and equipment	(729,554)	(393,567)
Net Cash used for Investing Activities	<u>(722,054)</u>	<u>(393,567)</u>
Financing Activities		
Principal payments on long-term debt	(1,475,431)	(606,914)
Principal payments on capital lease obligations	(171,516)	(166,192)
Proceeds from Paycheck Protection Program loan	-	1,212,500
Proceeds from advances on long-term debt	150	-
Distributions from foundation	27,828	36,307
Net Cash (used for) from Financing Activities	<u>(1,618,969)</u>	<u>475,701</u>
Net Change in Cash, Cash Equivalents, and Designated Cash	(4,295,484)	7,766,449
Cash, Cash Equivalents, and Designated Cash, Beginning of Year	<u>8,621,746</u>	<u>855,297</u>
Cash, Cash Equivalents, and Designated Cash, End of Year	<u><u>\$ 4,326,262</u></u>	<u><u>\$ 8,621,746</u></u>

Faulkton Area Medical Center
Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of Cash, Cash Equivalents, and Designated Cash to the Balance Sheets		
Cash and Cash Equivalents	\$ 3,880,052	\$ 8,191,095
Assets Limited as to Use Under Loan Agreement	259,294	243,838
Assets Limited as to Use by Board for Capital Improvements and Debt Redemption	<u>186,916</u>	<u>186,813</u>
Total cash, cash equivalents, and designated cash	<u><u>\$ 4,326,262</u></u>	<u><u>\$ 8,621,746</u></u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u><u>\$ 284,344</u></u>	<u><u>\$ 323,171</u></u>
Supplemental Disclosure of Noncash Investing and Financing Activities		
Equipment financed through capital lease arrangement	\$ 639,591	\$ -
Equipment financed through debt	113,873	-

Note 1 - Organization and Significant Accounting Policies

Organization

Faulkton Area Medical Center (Organization) operates a 12-bed critical access hospital and a rural health clinic in Faulkton, South Dakota. The Organization is organized as a nonprofit corporation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue 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 and exclude cash and cash equivalents that are included in assets limited as to use. Assets limited as to use include cash and cash equivalents held in board-designated funds and in funds restricted under a loan agreement. For the statements of cash flows, the Organization considers all cash and cash equivalents with an original maturity of three months or less to be cash and cash equivalents.

Patient Receivables

Patient receivables are uncollateralized customer and third-party obligations. Payments for services are generally required partly in advance and partly upon receipt of the bill after payment by insurance, if any. There is no interest charged on delinquent 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 stated net of any explicit and implicit price concessions and then further reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Organization analyzes accounts for adverse changes in a patient's or third-party payor's ability to pay that may have occurred subsequent to recognition. Management regularly reviews specific data about receivable balances and its past history with similar cases to estimate explicit and implicit price concessions, and any allowances for uncollectible accounts.

The Organization's January 1, 2020 patient and resident receivables, third-party payor receivables, and other receivables balances were \$1,307,854, \$5,500, and \$3,402, respectively.

Supplies

Supplies are valued 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 future capital improvements and debt redemption, over which the Board retains control and may at its discretion subsequently use for other purposes and assets held under loan agreements.

Interest in Net Assets of Foundation

Faulkton Area Medical Center Foundation, an affiliate of the Organization, solicits contributions and holds funds on behalf of the Organization. Changes in the funds held by the Foundation are recorded as changes in interest in net assets of the Foundation in the Organization's financial statements.

Investments and Investment Income

Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in revenues less than expenses unless the income or loss is restricted by donor or law.

Property and Equipment

Property and equipment acquisitions in excess of \$5,000 are capitalized and recorded at cost. Equipment under capital lease obligations, if any, is amortized on the straight-line method over the shorter period of the lease term or estimated life of the equipment. Amortization is included in depreciation and amortization in the financial statements. The estimated useful lives of property and equipment are as follows:

Land improvements	3 - 20 years
Buildings and improvements	5 - 40 years
Equipment	3 - 15 years

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

Impairment of Long-lived Assets

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 December 31, 2021 and 2020.

Net Assets with Donor Restrictions

Net assets with donor restrictions are those whose use by the Organization has been limited by donors to a specific time period or purpose. Net assets with donor restrictions as of December 31, 2021 and 2020, are comprised of net assets held by the Faulkton Area Medical Center Foundation. The net assets are reflected as with donor restrictions as there is an implied time restriction on access to the funds as distributions from the Foundation are subject to approval from the Foundation board.

Patient Service Revenue

Patient service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the patients and third-party payors several days after the services are performed and/or the patient is discharged from the facilities. Revenue is recognized as performance obligations are satisfied.

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

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

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

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

The Organization provides health care services to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Since the Organization does not pursue collection of these amounts, they are not reported as patient service revenue. The estimated cost of providing these services was \$43,000 and \$27,000 for the years ended December 31, 2021 and 2020, 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 patients.

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.

Income Taxes

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

The 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 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 were incurred.

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 net assets without donor restrictions and reported in the statement of changes in net assets as net assets released from restrictions.

Advertising Costs

The Organization expenses advertising costs as incurred. The Organization incurred \$22,999 and \$13,662 for advertising costs for the years ended December 31, 2021 and 2020, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in Note 13, which presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as depreciation, 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.

Note 2 - Liquidity and Availability

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

	2021	2020
Cash and cash equivalents	\$ 3,880,052	\$ 8,191,095
Assets limited as to use		
By board	186,916	186,813
Receivables		
Patient	1,761,501	1,642,894
Estimated third-party payor settlements	14,585	-
Other	2,605	114,750
	<u>\$ 5,845,659</u>	<u>\$ 10,135,552</u>

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

Note 3 - 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. 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 acute care services under a cost-based methodology with final settlement determined after submission of annual cost reports by the Organization subject to audits thereof by the Medicare Administrative Contractor (MAC). The Organization's Medicare cost reports have been audited by the MAC through the year ended February 28, 2018. Clinical services are paid on a fixed fee schedule or on a cost related basis for rural health clinic services.

Medicaid: Inpatient acute care services rendered to Medicaid program beneficiaries are paid on a percentage of charges basis. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a percentage of charges or fee schedule methodology. Clinical services are paid on a fixed fee schedule for rural health clinic services.

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

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.

Concentrations of patient service revenues, disaggregated by major payor, were as follows for the years ended December 31, 2021 and 2020:

	2021	2020
Medicare	70%	74%
Medicaid	3%	4%
Blue Cross	16%	12%
Commercial insurance and other	11%	10%
	<u>100%</u>	<u>100%</u>

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Patient service revenue for the years ended December 31, 2021 and 2020 decreased by approximately \$19,200 and increased by approximately \$21,900, 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.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Organization estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual price concessions, discounts and implicit price concessions based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. 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. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

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

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

A summary of patient service revenue and price concessions for the years ended December 31, 2021 and 2020 is as follows:

	2021	2020
Patient service revenue	\$ 12,958,494	\$ 13,049,813
Explicit price concessions (previously contractual adjustments / charity)	(1,623,094)	(2,014,441)
Implicit price concessions (previously provision for bad debts)	(92,000)	(126,000)
	<u>\$ 11,243,400</u>	<u>\$ 10,909,372</u>

CMS Advanced Payments

The CMS Advanced Payments liability balance consists of the remaining unpaid advanced payments received from the Centers for Medicare & Medicaid Services (CMS), in order to increase cash flow for Medicare Part A providers who were impacted by the COVID-19 pandemic. The Organization received \$2,788,525 in advanced payments during 2020 and no additional payments in 2021. 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 expects to repay the balance prior to recoupments. After 29 months from the date that the advanced payments were issued, any remaining unpaid balance is due. The advanced payments balance is non-interest bearing through the 29-month repayment period. During 2021, the entire balance of CMS advanced payments was repaid.

Note 4 - Provider Relief Funds

The Organization received \$330,892 and \$3,775,116 of Coronavirus Aid, Relief, and Economic Security (CARES) Act Provider Relief Funds administered by the Department of Health and Human Services (HHS) and \$0 and \$132,000 of funds passed through by programs of the State of South Dakota during the years ended December 31, 2021 and 2020. 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 through December 31, 2022. Unspent funds will be expected to be repaid.

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

As of December 31, 2021 and 2020, the Organization had a total refundable advance balance of \$0 and \$2,958,678, respectively, which was included in current liabilities on the accompanying balance sheets. During the year ended December 31, 2021 and 2020, the Organization recognized \$2,869,886 and \$816,437 from provider relief funds and \$0 and \$132,000 from the State of South Dakota as revenue, included as COVID-19 grant income on the statements of operations. During 2021, the Organization repaid unspent Phase One provider relief funds in the amount of \$403,831 plus accrued interest of \$15,853.

Note 5 - Investments and Investment Income

Assets Limited as to Use

The composition of assets limited as to use at December 31, 2021 and 2020 is set forth in the following table.

	2021	2020
Cash and cash equivalents	\$ 446,210	\$ 430,651

Investment Income

Investment income and gains and losses on assets limited as to use and cash equivalents consist of the following for the years ended December 31, 2021 and 2020:

	2021	2020
Interest income	\$ 7,478	\$ 16,430

Note 6 - Property and Equipment

A summary of property and equipment at December 31, 2021 and 2020 is as follows:

	2021		2020	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 51,160	\$ -	\$ 51,160	\$ -
Land improvements	631,932	425,861	506,847	400,100
Buildings and improvements	11,541,633	5,497,908	10,973,967	5,022,076
Equipment	4,946,396	3,780,934	4,727,529	3,899,577
Construction in progress	30,913	-	178,061	-
	<u>\$ 17,202,034</u>	<u>\$ 9,704,703</u>	<u>\$ 16,437,564</u>	<u>\$ 9,321,753</u>
Net property and equipment		<u>\$ 7,497,331</u>		<u>\$ 7,115,811</u>

There are no contract commitments in connection with the construction in progress as of December 31, 2021.

Note 7 - Long-Term Debt

Long-term debt consists of:

	2021	2020
USDA Rural Development mortgage notes payable		
4.25%, due in monthly installments of \$37,280 through February 1, 2027	\$ 2,034,229	\$ 2,151,623
3.75%, due through February 17, 2052		
\$907 due monthly	195,753	199,247
\$4,443 due monthly	957,191	974,252
3.25%, due in monthly installments of \$1,865 through May 21, 2055	446,038	453,827
2.375%, due in monthly installments of \$9,526 through November 7, 2056	2,609,878	2,661,912
Mortgage notes payable, 4.70%, paid in full as of December 31, 2021	-	1,000,134
Cerner financing payable, 5.745%, due in quarterly installments of \$67,890 through July 1, 2022	132,922	387,573
Stryker financing payable, 0.00%, due in annual installments of \$22,775 through October 31, 2025	91,098	-
Dacotah Bank revolving operating note payable (maximum available - \$500,000), 3.750% fixed interest, balance plus accrued interest due October 5, 2022	150	100
Capital lease obligations - Note 8	501,860	33,786
	6,969,119	7,862,454
Less current maturities	(697,128)	(679,081)
Long-term debt, less current maturities	<u>\$ 6,271,991</u>	<u>\$ 7,183,373</u>

Long-term debt principal maturities are as follows:

Years Ending December 31,	
2022	\$ 697,128
2023	595,171
2024	617,369
2025	640,456
2026	579,997
Thereafter	3,838,998
	<u>\$ 6,969,119</u>

Substantially all of the Organization's assets are pledged as collateral for the USDA and mortgage notes payable. The USDA loan agreements require funding a debt service reserve account with monthly payments of \$1,288 until the account reaches \$331,782. A deficiency in the debt service reserve account is allowable provided account funds are expended for payments on the notes payable. The reserve account balance requirement as of December 31, 2021 and 2020 was \$259,294 and \$243,838, respectively.

Note 8 - Leases

The Organization leases certain equipment under non-cancelable long-term lease agreements. Certain leases have been recorded as capital leases and others as operating leases. Total lease expense for the years ended December 31, 2021 and 2020 for all operating leases was \$249,146 and \$213,431, respectively.

Minimum future lease payments are as follows:

<u>Years Ending December 31,</u>	<u>Capital Leases</u>	<u>Operating Leases</u>
2022	\$ 135,624	\$ 44,860
2023	115,297	3,780
2024	115,297	-
2025	115,297	-
2026	54,086	-
Total minimum lease payments	535,601	\$ 48,640
Less portion representing interest	(33,741)	
Present value of minimum lease payments - Note 7	<u>\$ 501,860</u>	

Leased property under capital leases at December 31, 2021 and 2020 includes medical equipment with a total cost of \$1,386,017 and \$1,132,234, accumulated depreciation of \$803,536 and \$1,039,775, respectively, and net book value of \$582,481 and \$92,459, respectively.

Note 9 - Paycheck Protection Program

The Organization was granted a \$1,212,500 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 initially recorded a note payable, and subsequently recorded forgiveness when the loan obligation was legally released by the SBA and lender. The Organization recognized \$1,219,270 of loan forgiveness income for the year ended December 31, 2020.

Note 10 - Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to passage of time / appropriation by Foundation board		
Interest in net assets of Foundation - funds held		
by Foundation for health care programs and services	<u>\$ 368,439</u>	<u>\$ 346,168</u>

In 2021 and 2020, net assets were released in the amount of \$27,828 and \$36,307, respectively. These amounts are included in net assets released from restrictions in the accompanying financial statements.

Note 11 - Pension Plan

Qualified employees of Faulkton Area Medical Center are covered by the South Dakota Retirement System (SDRS) which is a cost-sharing, multiple employer defined benefit pension plan administered by the State of South Dakota. The SDRS is considered part of the State of South Dakota financial reporting entity and is included in the state's financial report as a component unit. The tax ID number for the South Dakota Retirement System plan is 46-6000364 and their plan number is 001. Employees are required by state statute to contribute 6% of their salary to the plan. State statute also requires the employer to contribute an amount equal to the employee's contributions. Faulkton Area Medical Center contributes less than 5% of the total contributions made to the plan from all employees. As of June 30, 2021 and 2020, the SDRS plan had a fiduciary net position of approximately 100% of the total actuarial accrued net pension liability. Contributions to SDRS are deposited monthly with the plan trustee who invests the plan assets. Total pension expense for the years ended December 31, 2021 and 2020 was \$308,468 and \$300,103, respectively.

Note 12 - Concentrations of Credit Risk

The Organization grants credit without collateral to its patients, most of which are insured under third-party payor agreements. The mix of receivables from third-party payors and patients at December 31, 2021 and 2020, was as follows:

	<u>2021</u>	<u>2020</u>
Medicare	53%	46%
Medicaid	3%	4%
Blue Cross	15%	12%
Commercial insurance	6%	13%
Self Pay and Other	23%	25%
	<u>100%</u>	<u>100%</u>

The Organization's cash balances are maintained in various bank deposit accounts. At times, amounts on deposit may exceed federally-insured limits. To date, the Organization has not experienced losses in these accounts.

Note 13 - Functional Expenses

The Organization provides health care services to patients within its geographic location. Expenses related to providing these services by functional class for the year ended December 31, 2021 are as follows:

	Patient Services	General and Administrative	Total
Salaries and wages	\$ 4,466,107	\$ 754,850	\$ 5,220,957
Employee benefits	1,359,366	229,757	1,589,123
Supplies and other	2,230,904	847,523	3,078,427
Depreciation	970,834	100,981	1,071,815
Interest	254,293	26,450	280,743
	<u>\$ 9,281,504</u>	<u>\$ 1,959,561</u>	<u>\$ 11,241,065</u>

Expenses related to providing these services by functional class for the year ended December 31, 2020 is as follows:

	Patient Services	General and Administrative	Total
Salaries and wages	\$ 4,326,165	\$ 692,953	\$ 5,019,118
Employee benefits	1,398,573	224,020	1,622,593
Supplies and other	2,243,801	778,702	3,022,503
Depreciation	986,973	144,643	1,131,616
Interest	280,705	41,138	321,843
	<u>\$ 9,236,217</u>	<u>\$ 1,881,456</u>	<u>\$ 11,117,673</u>

Note 14 - Related Party Transactions

Faulkton Area Medical Foundation, Inc. (Foundation) is organized as a 501(c)(3) organization under IRS code regulations, and the Foundation's stated purpose is to hold and solicit funds for the Organization. Funds are distributed to the Organization as determined by the Foundation's Board of Directors. The Organization's interest in the net assets of the Foundation is reported as a noncurrent asset in the balance sheets. The amount recorded in the balance sheet is equal to the net assets held by the Foundation that are for the benefit of the Organization. During the years ended December 31, 2021 and 2020, the Organization received distributions from the Foundation of \$27,828 and \$36,307, respectively.

Note 15 - Contingencies**Malpractice Insurance**

The Organization has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of \$1 million per claim and \$3 million annual aggregate. 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.

Litigation, Claims, and Disputes

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

COVID-19 Pandemic

During 2020 and 2021, 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 financial statements, the current and future full impact to the Organization is not known.

Note 16 - Commitments

The Organization has entered into certain long-term non-cancelable contracts resulting in purchase commitments for software maintenance and licensing and other maintenance contracts.

A summary of outstanding purchase commitments is as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2022	\$ 494,598
2023	481,947
2024	395,268
2025	36,065
	<u>\$ 1,407,878</u>

Note 17 - Subsequent Events

Subsequent to December 31, 2021, the USDA debt was refinanced with \$6,215,000 City of Faulkton Economic Development Revenue Bond Series 2022. The bonds are payable in monthly payments of \$54,644, including interest at 2.75% beginning April 10, 2022 through maturity in April 2029.

Subsequent to year end, the Organization entered into an agreement to purchase an MRI scanner for \$1,384,515, which is financed by a loan through the seller of the equipment.

The Organization has evaluated subsequent events through July 20, 2022, the date which the financial statements were available to be issued.



Supplementary Information
December 31, 2021 and 2020

Faulkton Area Medical Center



Independent Auditor's Report on Supplementary Information

The Board of Directors
Faulkton Area Medical Center
Faulkton, South Dakota

We have audited the financial statements of Faulkton Area Medical Center as of and for the years ended December 31, 2021 and 2020, and our report thereon dated July 20, 2022, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 25 through 30 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Operational, Statistical, and Financial Highlights on page 31, which is the responsibility of management, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Sioux Falls, South Dakota
July 20, 2022

Faulkton Area Medical Center
Schedules of Patient Service Revenue
Years Ended December 31, 2021 and 2020

	2021	2020
Patient Service Revenue - By Department		
Routine services	\$ 2,351,436	\$ 2,177,359
Laboratory	3,026,058	2,873,129
Radiology	2,052,009	2,090,897
Clinic	1,395,855	1,201,244
Pharmacy	2,796,522	3,525,506
Physical therapy	667,925	446,023
Central services and supply	61,666	59,739
Emergency room	274,696	421,700
Occupational therapy	185,250	124,489
Electrocardiology	62,343	66,274
Respiratory therapy	24,000	32,000
Speech therapy	60,734	31,453
	<u>\$ 12,958,494</u>	<u>\$ 13,049,813</u>
Patient Service Revenue - By Patient Classification		
Inpatient	\$ 1,664,855	\$ 2,066,150
Outpatient	8,743,861	8,531,263
Clinic	1,395,855	1,201,244
Swingbed	1,153,923	1,251,156
	<u>12,958,494</u>	<u>13,049,813</u>
Total patient service revenue	<u>12,958,494</u>	<u>13,049,813</u>
Price concessions		
Contractual Adjustments		
Medicare	(322,066)	(746,017)
Medicaid	(161,765)	(101,655)
Blue Cross and other insurers	(1,070,999)	(1,131,019)
Other	(1,800)	(2,075)
Charity care (at charges)	(66,464)	(33,675)
Implicit price concessions (bad debt)	(92,000)	(126,000)
	<u>(1,715,094)</u>	<u>(2,140,441)</u>
Total price concessions	<u>(1,715,094)</u>	<u>(2,140,441)</u>
Patient Service Revenue	<u>\$ 11,243,400</u>	<u>\$ 10,909,372</u>

Faulkton Area Medical Center
Schedules of Other Revenue
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Other Revenue		
Grant income	\$ 40,127	\$ 166,306
Rent	16,406	11,412
Ambulance	24,000	24,000
Education and wellness	996	1,127
Meals	21,913	21,368
Other	<u>8,113</u>	<u>5,024</u>
Total other revenue	<u><u>\$ 111,555</u></u>	<u><u>\$ 229,237</u></u>

Faulkton Area Medical Center
Schedules of Expenses
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Routine Services		
Salaries	\$ 1,640,142	\$ 1,658,805
Supplies	80,089	68,312
Purchased services	268,105	233,779
Rental	65,811	47,988
Other	6,485	13,380
	<u>2,060,632</u>	<u>2,022,264</u>
Radiology		
Salaries	216,037	200,548
Supplies	11,927	11,511
Purchased services	161,000	137,349
Repairs & maintenance	78,929	124,985
Lease	21,077	13,877
Other	2,439	3,314
	<u>491,409</u>	<u>491,584</u>
Laboratory		
Salaries	328,526	328,125
Supplies	155,646	144,617
Purchased services	141,903	135,414
Repairs & maintenance	22,937	28,887
Lease	27,338	36,526
Blood	14,564	12,514
Other	7,156	9,775
	<u>698,070</u>	<u>695,858</u>
Physical Therapy		
Salaries	273,053	215,701
Supplies	10,557	15,171
Lease	15,120	15,120
Other	463	99
	<u>299,193</u>	<u>246,091</u>
Occupational Therapy		
Salaries	133,106	116,365
Supplies	5,275	3,113
Other	-	543
	<u>138,381</u>	<u>120,021</u>

Faulkton Area Medical Center
Schedules of Expenses
Years Ended December 31, 2021 and 2020

	2021	2020
Speech Therapy		
Purchased services	\$ 26,974	\$ 8,938
Other	5,970	3,082
	<u>32,944</u>	<u>12,020</u>
Electrocardiology		
Salaries	2,335	2,282
Other	213	118
	<u>2,548</u>	<u>2,400</u>
Emergency Room		
Salaries	198,886	201,083
Supplies	7,611	9,090
Purchased services	57,636	62,145
Other	4,079	1,496
	<u>268,212</u>	<u>273,814</u>
Central Services		
Salaries	49,478	43,051
Supplies	23,875	20,587
Other	501	182
	<u>73,854</u>	<u>63,820</u>
Pharmacy		
Salaries	146,208	139,646
Supplies	247,663	227,932
Purchased services	41,407	43,352
Other	268,216	352,274
	<u>703,494</u>	<u>763,204</u>
Operation of Plant		
Salaries	96,370	78,055
Supplies	27,980	18,334
Repairs & maintenance	84,054	96,945
Utilities	128,262	130,364
Other	1,449	630
	<u>338,115</u>	<u>324,328</u>
Laundry and Linen		
Salaries	19,206	30,208
Supplies	3,424	3,421
	<u>22,630</u>	<u>33,629</u>

Faulkton Area Medical Center
Schedules of Expenses
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Housekeeping		
Salaries	\$ 117,837	\$ 113,409
Supplies	25,559	19,062
Other	-	400
	<u>143,396</u>	<u>132,871</u>
Dietary		
Salaries	170,274	168,396
Food	34,431	35,982
Supplies	9,723	19,143
Other	773	737
	<u>215,201</u>	<u>224,258</u>
Medical Records		
Salaries	108,131	115,281
Supplies	1,181	2,224
Repairs & maintenance	11,191	10,860
	<u>120,503</u>	<u>128,365</u>
Clinic		
Salaries	986,699	939,683
Supplies	34,392	25,921
Other	61,505	81,828
	<u>1,082,596</u>	<u>1,047,432</u>
General and Administrative		
Salaries	734,669	668,480
Supplies	86,128	73,138
Purchased services	387,479	391,797
Repairs & maintenance	32,811	14,523
Rent/Lease	7,188	7,188
Other	303,408	251,283
	<u>1,551,683</u>	<u>1,406,409</u>

Faulkton Area Medical Center
Schedules of Expenses
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Unassigned Expenses		
Depreciation and amortization	\$ 1,071,815	\$ 1,131,616
Insurance	56,523	53,253
Employee benefits	1,589,123	1,622,593
Interest	<u>280,743</u>	<u>321,843</u>
	<u>2,998,204</u>	<u>3,129,305</u>
 Total expenses	 <u><u>\$ 11,241,065</u></u>	 <u><u>\$ 11,117,673</u></u>

Faulkton Area Medical Center
Operational, Statistical, and Financial Highlights - Unaudited
Years Ended December 31, 2021, December 31, 2020, and December 31, 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Patient Days			
Acute	372	435	428
Swing bed	<u>608</u>	<u>627</u>	<u>606</u>
Total	<u><u>980</u></u>	<u><u>1,062</u></u>	<u><u>1,034</u></u>
Admissions			
Acute	131	151	163
Swing bed	<u>68</u>	<u>72</u>	<u>84</u>
Total	<u><u>199</u></u>	<u><u>223</u></u>	<u><u>247</u></u>
Outpatient visits	10,156	9,277	9,191
Average length of stay	2.84	2.88	2.63
Occupancy percent	22.4%	24.2%	23.6%
Gross patient service revenue per calendar day	\$ 35,503	\$ 35,655	\$ 35,496
Number of days patient service revenue in patient receivables at end of year	57	55	46



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

To the Board of Directors
Faulkton Area Medical Center
Faulkton, South Dakota

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Faulkton Area Medical Center, which comprise the Faulkton Area Medical Center's balance sheet as of December 31, 2021, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated July 20, 2022.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2021-001 and 2021-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

Faulkton Area Medical Center's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Faulkton Area Medical Center's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Faulkton Area Medical Center's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

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

Sioux Falls, South Dakota
July 20, 2022

Finding 2021-001 – Preparation of Financial Statements and Financial Statement Adjustments

Criteria: Proper controls over financial reporting include the ability to prepare financial statements and accompanying notes to the financial statements that are materially correct and include all required disclosures.

Condition: The Organization does not have an internal control system designed to provide for the preparation of the financial statements being audited. As auditors, we proposed audit adjustments that would not have been identified as a result of the Organization's existing internal controls, and therefore could have resulted in misstatements to the financial statements. We were also requested to draft the financial statements and accompanying notes to the financial statements.

Cause: The Organization has limited staff. They cannot justify incurring the costs necessary for preparing the financial statements with accompanying notes to the financial statements.

Effect: There is a reasonable possibility that the Organization would not be able to draft the financial statements and accompanying notes to the financial statements that are correct without the assistance of the auditors.

Recommendation: While we recognize that this condition is not unusual for an organization with limited staffing, it is important that the Organization is aware of this condition for financial reporting purposes. Management and the Board of Directors should continually be aware of the financial accounting and reporting of the Organization and changes in the accounting and reporting requirements.

Management's Response: Since it is not cost effective for an organization of our size to prepare audit ready financial statements, we have chosen to hire Eide Bailly, a public accounting firm, to prepare our financial statements as part of the annual audit. We have designated a member of management to review the propriety of the draft financial statements and accompanying notes to the financial statements. We will review journal entries proposed and identify controls to help mitigate the risks of errors to the financial statements.

Finding 2021-002 – Segregation of Duties

Criteria: In order to achieve a high level of internal control, the functions of executing transactions, recording transactions and maintaining accountability for assets should be performed by different employees or be maintained under dual control.

Condition: The Organization does not have an internal control system designed to allow for proper segregation of duties in certain areas of the accounting function.

Cause: The Organization has limited staff. They cannot justify incurring the costs necessary of hiring additional individuals in order to better segregate accounting duties.

Effect: Inadequate segregation of duties could adversely affect the Organization's ability to detect and correct misstatements that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

Recommendation: Due to the small size of the office, the Organization is limited in the options available to them. Under this situation, the most effective control is management and the board's oversight and knowledge of matters related to the operations of the Organization.

Management's Response: We have evaluated the segregation of duties and have segregated duties to the extent possible with our available staff. Management and the Board of Directors will continue to exercise oversight of the accounting functions, which we believe mitigates the risk of material misstatement. Due to the Organization's size and other cost considerations, we believe the cost of any further controls would outweigh the related benefits.