

# TAX RETURN FILING INSTRUCTIONS

FORM 990

**FOR THE YEAR ENDING**  
SEPTEMBER 30, 2022

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**PREPARED FOR:**

ST. LUKE'S MCCALL, LTD.  
190 E. BANNOCK  
BOISE, ID 83712

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**PREPARED BY:**

DELOITTE TAX LLP  
695 TOWN CENTER DRIVE, SUITE 1200  
COSTA MESA, CA 92626-1924

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**AMOUNT DUE OR REFUND:**

NOT APPLICABLE

---

**MAKE CHECK PAYABLE TO:**

NOT APPLICABLE

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**MAIL TAX RETURN AND CHECK (IF APPLICABLE) TO:**

NOT APPLICABLE

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**RETURN MUST BE MAILED ON OR BEFORE:**

NOT APPLICABLE

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**SPECIAL INSTRUCTIONS:**

THIS COPY OF THE RETURN IS PROVIDED ONLY FOR PUBLIC DISCLOSURE PURPOSES. ANY CONFIDENTIAL INFORMATION REGARDING LARGE DONORS HAS BEEN REMOVED.

\*\* PUBLIC DISCLOSURE COPY \*\*

Extended to August 15, 2023

Return of Organization Exempt From Income Tax

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

OMB No. 1545-0047

Form 990

2021

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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.

A For the 2021 calendar year, or tax year beginning OCT 1, 2021 and ending SEP 30, 2022

Form header section containing organization name (St. Luke's McCall, Ltd.), address (190 E. Bannock, Boise, ID 83712), and identification numbers.

Part I Summary

Summary table with columns for Activities & Governance, Revenue, Expenses, and Net Assets or Fund Balances. Includes rows for mission statement, membership counts, revenue, and expenses.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature block section with fields for officer signature (Kathryn Fowler), preparer name (John Sadoff Jr.), and firm information (Deloitte Tax LLP).

May the IRS discuss this return with the preparer shown above? See instructions. [X] Yes [ ] No

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: To improve the health of people in the communities we serve.

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

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

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

4a (Code: ) (Expenses \$ 36,624,133. including grants of \$ ) (Revenue \$ 42,758,578. ) Medical Surgical In 2010, McCall Memorial Hospital integrated with St. Luke's Health System and became St. Luke's McCall. This 15-bed critical access hospital, founded in 1956, is located in the central Idaho mountains about 100 miles north of Boise. The hospital provides 24-hour emergency services, inpatient and outpatient care, surgical care, maternal and childbirth services, hospice care and more. Its providers and staff have long been on the leading edge of prevention and wellness initiatives and integrative therapies. During Fiscal Year 2022, St. Luke's McCall provided patient care for 529 admissions covering 1,385 patient days. They also provided patient care associated with 31,279 outpatient visits.

4b (Code: ) (Expenses \$ 5,498,538. including grants of \$ ) (Revenue \$ 6,419,529. ) Physician Services St. Luke's McCall has two physician clinics: (1) Payette Lakes Medical Clinic has 10 family medicine physicians, and seven family medicine P.A.s and N.P.s who collectively completed 31,469 clinic visits in fiscal year 2022. (2) McCall Medical Clinic has two internal medicine physicians, one general surgeon, two orthopedic surgeons and four P.A.s and N.P.s who collectively completed 14,678 clinic visits in Fiscal Year 2022.

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 42,122,671.

**Part IV Checklist of Required Schedules**

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

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 22 through 38 regarding organizational reporting, compensation, tax-exempt bonds, and business transactions.

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

X

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 1a, 1b, and 1c regarding Form 1096, Forms W-2G, and backup withholding rules.

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

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

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

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

Section A. Governing Body and Management

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

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates?; 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?; 11b Describe on Schedule O the process, if any, used by the organization to review this Form 990.; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13; 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?; 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done; 13 Did the organization have a written whistleblower policy?; 14 Did the organization have a written document retention and destruction policy?; 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?; 15a The organization's CEO, Executive Director, or top management official; 15b Other officers or key employees of the organization; 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?; 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed None
18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. [X] Own website [ ] Another's website [X] 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 Jared Grant, System Controller - (208) 381-2222 190 E Banonck, Boise, ID 83712

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, 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) Pamela Lindemoen Former COO	0.00 0.00						X	0.	1,569,276.	9,054.
(2) Chris Roth President & CEO	2.00 52.00	X		X				0.	1,218,717.	51,123.
(3) Jeffrey S. Taylor SVP/CFO/Treasurer (End 9/2022)	2.00 50.00			X				0.	819,813.	388,921.
(4) Christine Neuhoff SVP/Chief Legal Officer/Secretary	2.00 50.00			X				0.	770,299.	41,918.
(5) Gregory W. Irvine, MD Physician	40.00 0.00					X		0.	616,233.	43,949.
(6) Timothy Neuschwander, MD Physician	40.00 0.00					X		0.	561,576.	34,280.
(7) Sandee Moore Gehrke SVP, Chief Operating Officer	5.00 35.00			X				0.	543,383.	42,945.
(8) Dennis Mesaros VP, Population Health	10.00 30.00				X			0.	526,467.	36,077.
(9) Adam Weller, MD Physician	40.00 0.00					X		0.	478,043.	44,074.
(10) Patrick Kinney, MD Physician	40.00 0.00					X		0.	405,868.	34,603.
(11) Maureen Ferguson, MD Physician	40.00 0.00					X		0.	414,638.	20,578.
(12) Lucie DiMaggio, MD Director	0.50 2.50	X						0.	427,546.	0.
(13) Kathryn Fowler SVP/CFO/Treasurer (Start 8/2022)	2.00 48.00			X				0.	349,149.	24,101.
(14) Amber Green Chief Nursing/Operating Officer	40.00 0.00				X			0.	175,692.	31,655.
(15) David C. Pate, MD, JD Former CEO & President	0.00 0.00						X	0.	154,684.	0.
(16) Bob Lokken Chair	0.50 2.50	X		X				0.	0.	0.
(17) Alan Korn, MD Director	0.50 2.50	X						0.	0.	0.



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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Andy Scoggin Director	0.50 2.50	X						0.	0.	0.
(19) Arthur F. Oppenheimer Director (End 11/2021)	0.50 4.50	X						0.	0.	0.
(20) Bill Whitacre Director	0.50 2.50	X						0.	0.	0.
(21) Brigette Bilyeu Director	0.50 2.50	X						0.	0.	0.
(22) Dan Krahn Director	0.50 2.50	X						0.	0.	0.
(23) Emily Baker Director (Start 11/2021)	0.50 2.50	X						0.	0.	0.
(24) Jon Miller Director	0.50 2.50	X						0.	0.	0.
(25) Karen Vauk Director (End 7/2022)	0.50 2.50	X						0.	0.	0.
(26) Lisa Grow Director	0.50 2.50	X						0.	0.	0.
<b>1b Subtotal</b>								0.	9,031,384.	803,278.
<b>c Total from continuation sheets to Part VII, Section A</b>								0.	0.	0.
<b>d Total (add lines 1b and 1c)</b>								0.	9,031,384.	803,278.

**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 0

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

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
Hobson Fabricating Corp 6428 Business Way, Boise, ID 83716	Construction Services	1,691,437.
Lea Electric Inc P.O. Box 190130, Boise, ID 83719	Construction Services	1,384,118.
Pointcore Construction LLC 601 SW Water St, Peoria, IL 61602	Construction Services	1,197,638.
Hummell Architechts PLLC 2785 N. Bogus Basin Rd, Boise, ID 83702	Construction Services	876,260.
Rightsourcing Inc 9 Executive Cir #290, Irvine, CA 92614	Medical Staffing	687,663.

**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 17

See Part VII, Section A Continuation sheets

**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 (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) Mark Durcan Director	0.50 2.50	X						0.	0.	0.
(28) Rich Raimondi Director	0.50 4.50	X						0.	0.	0.
(29) Rosa Davila Director	0.50 2.50	X						0.	0.	0.
(30) Tom Corrick Director	0.50 2.50	X						0.	0.	0.
Total to Part VII, Section A, line 1c .....										

**Part VIII Statement of Revenue**

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	<b>1 a</b> Federated campaigns	<b>1a</b>					
	<b>b</b> Membership dues	<b>1b</b>					
	<b>c</b> Fundraising events	<b>1c</b>					
	<b>d</b> Related organizations	<b>1d</b>					
	<b>e</b> Government grants (contributions)	<b>1e</b>	969,456.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	50,000.				
	<b>g</b> Noncash contributions included in lines 1a-1f	<b>1g</b>	\$				
	<b>h Total.</b> Add lines 1a-1f			1,019,456.			
Program Service Revenue	<b>2 a</b> Net patient revenue	<b>Business Code</b>	900099	46,785,585.	46,785,585.		
	<b>b</b> Contract Service Reven		900099	1,193,931.	1,193,931.		
	<b>c</b> Premium Revenue		900099	428,164.	428,164.		
	<b>d</b> Taxing District Revenu		900099	360,000.	360,000.		
	<b>e</b> SLHS Allocated Revenue		900099	312,459.	312,459.		
	<b>f</b> All other program service revenue		900099	97,968.	97,968.		
	<b>g Total.</b> Add lines 2a-2f			49,178,107.			
Other Revenue	<b>3</b> Investment income (including dividends, interest, and other similar amounts)			94,247.		94,247.	
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties						
	<b>6 a</b> Gross rents	<b>6a</b>	(i) Real	80,913.			
			(ii) Personal				
	<b>b</b> Less: rental expenses	<b>6b</b>		115.			
	<b>c</b> Rental income or (loss)	<b>6c</b>		80,798.			
	<b>d</b> Net rental income or (loss)			80,798.		80,798.	
	<b>7 a</b> Gross amount from sales of assets other than inventory	<b>7a</b>	(i) Securities	2,434,682.			
			(ii) Other				
	<b>b</b> Less: cost or other basis and sales expenses	<b>7b</b>		2,431,828.	9,132.		
<b>c</b> Gain or (loss)	<b>7c</b>		2,854.	-9,132.			
<b>d</b> Net gain or (loss)			-6,278.		-6,278.		
<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	<b>8a</b>						
<b>b</b> Less: direct expenses	<b>8b</b>						
<b>c</b> Net income or (loss) from fundraising events							
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>9a</b>						
<b>b</b> Less: direct expenses	<b>9b</b>						
<b>c</b> Net income or (loss) from gaming activities							
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>10a</b>						
<b>b</b> Less: cost of goods sold	<b>10b</b>						
<b>c</b> Net income or (loss) from sales of inventory							
Miscellaneous Revenue	<b>11 a</b> Cafeteria/Catering/Ven	<b>Business Code</b>	722514	70,373.		70,373.	
	<b>b</b>						
	<b>c</b>						
	<b>d</b> All other revenue						
	<b>e Total.</b> Add lines 11a-11d			70,373.			
<b>12 Total revenue.</b> See instructions			50,436,703.	49,178,107.	0.	239,140.	

**Part IX Statement of Functional Expenses**

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22 .....				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 .....				
<b>4</b> Benefits paid to or for members .....				
<b>5</b> Compensation of current officers, directors, trustees, and key employees .....				
<b>6</b> Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....				
<b>7</b> Other salaries and wages .....				
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
<b>9</b> Other employee benefits .....				
<b>10</b> Payroll taxes .....				
<b>11</b> Fees for services (nonemployees):				
<b>a</b> Management .....	1,378,319.	1,378,319.		
<b>b</b> Legal .....				
<b>c</b> Accounting .....	16,500.	16,500.		
<b>d</b> Lobbying .....				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees .....	28,235.	28,235.		
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	2,155,891.	2,155,891.		
<b>12</b> Advertising and promotion .....	11,535.		11,535.	
<b>13</b> Office expenses .....	533,288.	533,010.		278.
<b>14</b> Information technology .....	2,941,210.	2,941,210.		
<b>15</b> Royalties .....				
<b>16</b> Occupancy .....	460,583.	460,468.	115.	
<b>17</b> Travel .....	155,978.	130,470.	25,508.	
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
<b>19</b> Conferences, conventions, and meetings .....				
<b>20</b> Interest .....				
<b>21</b> Payments to affiliates .....				
<b>22</b> Depreciation, depletion, and amortization .....	1,280,944.	1,060,981.	219,963.	
<b>23</b> Insurance .....				
<b>24</b> Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
<b>a</b> Allocated SLHS Wages	24,541,119.	22,272,110.	2,077,704.	191,305.
<b>b</b> Supplies	6,576,926.	6,478,241.	94,728.	3,957.
<b>c</b> Allocated SLHS expense	3,234,310.	3,234,310.		
<b>d</b> Contract Service	956,670.	755,191.	201,479.	
<b>e</b> All other expenses	1,258,976.	677,735.	581,241.	
<b>25</b> Total functional expenses. Add lines 1 through 24e	45,530,484.	42,122,671.	3,212,273.	195,540.
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

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

**Part X Balance Sheet**

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....		<b>1</b>	
	<b>2</b> Savings and temporary cash investments .....	97,233.	<b>2</b>	95,200.
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....	7,267,808.	<b>4</b>	7,466,712.
	<b>5</b> Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....	1,992,895.	<b>8</b>	1,476,074.
	<b>9</b> Prepaid expenses and deferred charges .....	793,100.	<b>9</b>	778,319.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 69,739,809.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 13,427,930.		
	<b>11</b> Investments - publicly traded securities .....	4,573,354.	<b>11</b>	4,281,707.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	23,344,366.	<b>15</b>	0.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 33) .....	67,484,684.	<b>16</b>	70,409,891.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	3,388,976.	<b>17</b>	2,646,281.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	5,535,640.	<b>25</b>	4,610,235.
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	8,924,616.	<b>26</b>	7,256,516.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow FASB ASC 958, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27, 28, 32, and 33.</b>			
	<b>27</b> Net assets without donor restrictions .....	58,560,068.	<b>27</b>	63,153,375.
	<b>28</b> Net assets with donor restrictions .....		<b>28</b>	
	<b>Organizations that do not follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 29 through 33.</b>			
	<b>29</b> Capital stock or trust principal, or current funds .....		<b>29</b>	
	<b>30</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>30</b>	
	<b>31</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>31</b>	
	<b>32</b> Total net assets or fund balances .....	58,560,068.	<b>32</b>	63,153,375.
<b>33</b> Total liabilities and net assets/fund balances .....	67,484,684.	<b>33</b>	70,409,891.	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	50,436,703.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	45,530,484.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	4,906,219.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	<b>4</b>	58,560,068.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	-362,912.
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain on Schedule O)	<b>9</b>	50,000.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	<b>10</b>	63,153,375.

**Part XII Financial Statements and Reporting**

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

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

**SCHEDULE A**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

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

▶ Attach to Form 990 or Form 990-EZ.

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

OMB No. 1545-0047

**2021**

**Open to Public Inspection**

<b>Name of the organization</b> St. Luke's McCall, Ltd.	<b>Employer identification number</b> 27-3311774
------------------------------------------------------------	-----------------------------------------------------

**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		
<b>Total</b>						

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

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

Section A. Public Support

Table with 7 columns: (a) 2017, (b) 2018, (c) 2019, (d) 2020, (e) 2021, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 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

Table with 7 columns: (a) 2017, (b) 2018, (c) 2019, (d) 2020, (e) 2021, (f) Total. Rows include: 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); 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

Table with 2 columns: Line number, Percentage. Rows include: 14 Public support percentage for 2021 (line 6, column (f), divided by line 11, column (f)); 15 Public support percentage from 2020 Schedule A, Part II, line 14; 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

Table with 7 columns: (a) 2017, (b) 2018, (c) 2019, (d) 2020, (e) 2021, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 8 Public support.

Section B. Total Support

Table with 7 columns: (a) 2017, (b) 2018, (c) 2019, (d) 2020, (e) 2021, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources; 10b Unrelated business taxable income; 11 Net income from unrelated business activities not included on line 10b; 12 Other income; 13 Total support.

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

Table with 2 columns: Description, Percentage. Row 15: Public support percentage for 2021 (line 8, column (f), divided by line 13, column (f)) 15%. Row 16: Public support percentage from 2020 Schedule A, Part III, line 15 16%.

Section D. Computation of Investment Income Percentage

Table with 2 columns: Description, Percentage. Row 17: Investment income percentage for 2021 (line 10c, column (f), divided by line 13, column (f)) 17%. Row 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
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer 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>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
<b>8</b> 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>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined 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>		
<b>c</b> 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>		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV Supporting Organizations** (continued)

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

**Section B. Type I Supporting Organizations**

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

**Section C. Type II Supporting Organizations**

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

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

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

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

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

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

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

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

<b>Section B - Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors ( <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	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

<b>Section C - Distributable Amount</b>			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	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Schedule A (Form 990) 2021

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

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

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



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

OMB No. 1545-0047

**2021**

Name of the organization

St. Luke's McCall, Ltd.

Employer identification number

27-3311774

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  St. Luke's McCall, Ltd.	Employer identification number  27-3311774
-----------------------------------------------------	--------------------------------------------------

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/>	\$ 946,188.	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
2	<hr/> <hr/> <hr/>	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
3	<hr/> <hr/> <hr/>	\$ 23,268.	Person <input checked="" type="checkbox"/> Payroll Noncash (Complete Part II for noncash contributions.)
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	\$	Person Payroll Noncash (Complete Part II for noncash contributions.)
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	\$	Person Payroll Noncash (Complete Part II for noncash contributions.)
<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	\$	Person Payroll Noncash (Complete Part II for noncash contributions.)



Name of organization  St. Luke's McCall, Ltd.	Employer identification number  27-3311774
-----------------------------------------------------	--------------------------------------------------

**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

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

Name of organization  St. Luke's McCall, Ltd.	Employer identification number  27-3311774
-----------------------------------------------------	--------------------------------------------------

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

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

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 St. Luke's McCall, Ltd. Employer identification number 27-3311774

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

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

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

Form for Part II Conservation Easements. Includes checkboxes for purposes of easements, a table for lines 2a-2d (Total number, acreage, certified historic structures, and National Register listings), and questions 3-9 regarding monitoring, expenses, and reporting.

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

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions 1a and 1b regarding reporting requirements, and question 2 regarding financial gain reporting with associated dollar amounts.

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	88,407.	995,810.		1,084,217.
b Buildings		11,630,962.	6,541,015.	5,089,947.
c Leasehold improvements				
d Equipment		7,930,441.	6,886,915.	1,043,526.
e Other		49,094,189.		49,094,189.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				56,311,879.

**Part VII Investments - Other Securities.**

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

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

**Part VIII Investments - Program Related.**

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

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

**Part IX Other Assets.**

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

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

**Part X Other Liabilities.**

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) AP Medicare-Medicaid Program	2,121,634.
(3) Operating Leases	539,021.
(4) Due to Related Organization	1,944,817.
(5) Other Liabilities	4,763.
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	4,610,235.

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

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

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

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

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

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

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

**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:

Footnote Disclosure - Uncertain Tax Positions Under ASC 740 (Source:

Consolidated Financial Statements-St. Luke's Health System Fiscal Year

2022)

Income Taxes - The Health System is a not-for-profit corporation and is

recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal

Revenue Code of 1986, as amended. The Health System has activities that

are considered unrelated business taxable income (UBTI), which are subject

to excise tax. The Health System also has two taxable subsidiaries, SLHP

and the Plan whose operations are included in the consolidated financial

statements and as such we have provided for income taxes on this activity

**Part XIII Supplemental Information** (continued)

under the Accounting Standards Codification (ASC) 740.

For the Health System's taxable subsidiary and activities considered UBTI, income taxes are accounted for under the asset and liability method, which requires the recognition of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs) for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, the Health System determines DTAs and DTLs based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on DTAs and DTLs is recognized in results of operations in the period that includes the enactment date of the rate change.

The Health System recognizes DTAs to the extent that these assets are more likely than not to be realized. In making such a determination, the Health System considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Health System determines that DTAs are realizable in the future in excess of their net recorded amount, the Health System would make an adjustment to the DTA valuation allowance, which would reduce the provision for income taxes.

The Health System records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) the Health System determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2)

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

for those tax positions that meet the more-likely-than-not recognition

threshold, the Health System recognizes the largest amount of tax benefit

that is more than 50 percent likely to be realized upon ultimate

settlement with the related tax authority. Management is not aware of any

uncertain tax positions that should be recorded.



**SCHEDULE H  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Hospitals**

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

OMB No. 1545-0047

**2021**

Open to Public Inspection

<b>Name of the organization</b> St. Luke's McCall, Ltd.	<b>Employer identification number</b> 27-3311774
------------------------------------------------------------	-----------------------------------------------------

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

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

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

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1) .....			547,040.		547,040.	1.20%
<b>b</b> Medicaid (from Worksheet 3, column a) .....			5,487,234.	4,323,685.	1,163,549.	2.56%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) .....			28,199.	0.	28,199.	.06%
<b>d Total.</b> Financial Assistance and Means-Tested Government Programs .....			6,062,473.	4,323,685.	1,738,788.	3.82%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) .....			346,530.	58,450.	288,080.	.63%
<b>f</b> Health professions education (from Worksheet 5) .....			189,944.		189,944.	.42%
<b>g</b> Subsidized health services (from Worksheet 6) .....			8,178.		8,178.	.02%
<b>h</b> Research (from Worksheet 7) .....						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) .....			29,955.		29,955.	.07%
<b>j Total.</b> Other Benefits .....			574,607.	58,450.	516,157.	1.14%
<b>k Total.</b> Add lines 7d and 7j .....			6,637,080.	4,382,135.	2,254,945.	4.96%

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

Table for Section A with columns Yes and No. Row 1: Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? (Yes: X). Row 2: Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount (Amount: 708,855.). Row 3: Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit (Amount: 0.). Row 4: Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

Table for Section B. Row 5: Enter total revenue received from Medicare (including DSH and IME) (Amount: 8,798,741.). Row 6: Enter Medicare allowable costs of care relating to payments on line 5 (Amount: 12,076,544.). Row 7: Subtract line 6 from line 5. This is the surplus (or shortfall) (Amount: -3,277,803.). Row 8: Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: [ ] Cost accounting system, [ ] Cost to charge ratio, [X] Other.

Section C. Collection Practices

Table for Section C. Row 9a: Did the organization have a written debt collection policy during the tax year? (Yes: X). Row 9b: If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI (Yes: X).

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

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

**Part V Facility Information**

**Section A. Hospital Facilities**

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

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

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

1 St. Luke's McCall  
 1000 State Street  
 McCall, ID 83638  
 www.stlukesonline.org  
 State of Idaho License #11

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

**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices**

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

Name of hospital facility or letter of facility reporting group St. Luke's McCall

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

	Yes	No
<b>Community Health Needs Assessment</b>		
<b>1</b> Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year? .....		X
<b>2</b> Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C .....		X
<b>3</b> During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 .....	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
<b>a</b> <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b> <input checked="" type="checkbox"/> Demographics of the community		
<b>c</b> <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		
<b>d</b> <input checked="" type="checkbox"/> How data was obtained		
<b>e</b> <input checked="" type="checkbox"/> The significant health needs of the community		
<b>f</b> <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b> <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
<b>h</b> <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b> <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)		
<b>j</b> <input type="checkbox"/> Other (describe in Section C)		
<b>4</b> Indicate the tax year the hospital facility last conducted a CHNA: <u>20 21</u>		
<b>5</b> In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted .....	X	
<b>6a</b> Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C .....		X
<b>6b</b> Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C .....		X
<b>7</b> Did the hospital facility make its CHNA report widely available to the public? .....	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
<b>a</b> <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>See Section V, Part C</u>		
<b>b</b> <input type="checkbox"/> Other website (list url): _____		
<b>c</b> <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
<b>d</b> <input type="checkbox"/> Other (describe in Section C)		
<b>8</b> Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 .....	X	
<b>9</b> Indicate the tax year the hospital facility last adopted an implementation strategy: <u>20 21</u>		
<b>10</b> Is the hospital facility's most recently adopted implementation strategy posted on a website? .....	X	
<b>a</b> If "Yes," (list url): <u>See Section V, Part C</u>		
<b>b</b> If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? .....		
<b>11</b> 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.		
<b>12a</b> Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? .....		X
<b>b</b> If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? .....		
<b>c</b> 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 St. Luke's McCall

		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
<b>13</b>	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? .....	X	
If "Yes," indicate the eligibility criteria explained in the FAP:			
<b>a</b>	<input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %		
<b>b</b>	<input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
<b>c</b>	<input checked="" type="checkbox"/> Asset level		
<b>d</b>	<input checked="" type="checkbox"/> Medical indigency		
<b>e</b>	<input checked="" type="checkbox"/> Insurance status		
<b>f</b>	<input checked="" type="checkbox"/> Underinsurance status		
<b>g</b>	<input checked="" type="checkbox"/> Residency		
<b>h</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>14</b>	Explained the basis for calculating amounts charged to patients? .....	X	
<b>15</b>	Explained the method for applying for financial assistance? .....	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):			
<b>a</b>	<input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
<b>b</b>	<input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
<b>c</b>	<input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
<b>d</b>	<input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
<b>e</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>16</b>	Was widely publicized within the community served by the hospital facility? .....	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
<b>a</b>	<input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>See Part V, Page 8</u>		
<b>b</b>	<input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>See Part V, Page 8</u>		
<b>c</b>	<input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>See Part V, Page 8</u>		
<b>d</b>	<input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>e</b>	<input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>f</b>	<input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>g</b>	<input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
<b>h</b>	<input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
<b>i</b>	<input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
<b>j</b>	<input checked="" type="checkbox"/> Other (describe in Section C)		

**Part V Facility Information** (continued)

**Billing and Collections**

Name of hospital facility or letter of facility reporting group St. Luke's McCall

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

**Policy Relating to Emergency Medical Care**

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

**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 St. Luke's McCall

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

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

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

St. Luke's McCall:

Part V, Section B, Line 5: A series of interviews with people

representing the broad interests of our community are conducted in order

to assist in defining, prioritizing, and understanding our most important

community health needs. Many of the representatives participating in the

process have devoted decades to helping others lead healthier lives. We

sincerely appreciate the time, thought, and valuable input they provide

during our CHNA process. The openness of the community representatives

allow us to better explore a broad range of health needs and issues.

The representatives we interview have significant knowledge of our

community. To ensure they come from distinct and varied backgrounds, we

include multiple representatives from each of the following categories:

Category I: Persons with special knowledge of public health. This includes

persons from state, local, and/or regional governmental public health

departments with knowledge, information, or expertise relevant to the

health needs of our community.

Category II: Individuals or organizations serving or representing the

interests of the medically underserved, low-income, and minority

populations in our community. Medically underserved populations include

populations experiencing health disparities or at risk populations not

receiving adequate medical care as a result of being uninsured or

underinsured or due to geographic, language, financial, or other barriers.



**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.

Category III: Additional people located in or serving our community

including, but not limited to, health care advocates, nonprofit and

community-based organizations, health care providers, community health

centers, local school districts, and private businesses.

Each potential need is scored by the community representatives on a scale

from negative six (-6) to six (6). A high score signifies the

representative believes the health need is both important and needs to be

addressed with additional resources. Lower scores typically mean the

representative believes the need is relatively less important or that it

is already being addressed effectively with the current set of programs

and services available.

Representatives from the following organizations were contacted and

interviewed:

1) Affiliation: Blue Cross of Idaho Foundation

2) Affiliation: Cascade Medical Center

3) Affiliation: Central District Health

4) Affiliation: Central District Health Community Partner

5) Affiliation: Council Area (Trident Holdings employee)

6) Affiliation: Idaho Department of Health and Welfare

7) Affiliation: Idaho Department of Health and Welfare, Region IV Mental

Health

8) Affiliation: Idaho Division of Public Health

9) Affiliation: Idaho Food Bank

10) Affiliation: Idaho Office of the Governor

**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.

11) Affiliation: Local Government

12) Affiliation: McCall Donnelly School District

13) Affiliation: McCall Fire & EMS

14) Affiliation: Southwest District Health

15) Affiliation: Southwest Idaho Area Agency on Aging

16) Affiliation: St. Luke's Health Partners

17) Affiliation: St. Luke's Health System

18) Affiliation: St. Luke's Health System

19) Affiliation: St. Luke's McCall

20) Affiliation: The Speedy Foundation

21) Affiliation: Treasure Valley YMCA

22) Affiliation: United Way of Treasure Valley

23) Affiliation: WICAP Head Start

St. Luke's McCall:

Part V, Section B, Line 11: The following health needs received the highest score within each category, signifying the importance of addressing these needs to improve community health.

**Significant Health Needs**

(1) Health Behaviors - Nutrition Programs/Education/Opportunities

(2) Clinical Care - Availability of Behavioral Health Services

(3) Social and Economic Factors - Housing Stability

(4) Physical Environment - Accessible Modes of Transportation

The following implementation plan illustrates the strategies St. Luke's

**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.

and its community partners will employ in fiscal year 2023 to address the

most significant health needs identified in our 2022 Community Health

Needs Assessment for the McCall area.

(1) Health Behaviors - Nutrition Programs/Education/Opportunities

Most Americans today do not have a healthy diet. The role of nutrition in

chronic disease prevention and management is particularly crucial as diet

is a modifiable risk factor for most chronic conditions.

Improve availability and access to healthy foods.

- Support community health workers and cultural liaisons within local

foodbanks.

- SNAP and WIC promotion and outreach.

Improve understanding, education and skills to utilize healthy foods.

- Deliver and support healthy eating as well as nutrition education and

skill building.

Support sustainable systems to lessen instances and duration of food

insecurity

- Identify and implement advocacy opportunities to address food/nutrition

insecurity.

- Explore value-based-care payment models and benefits designed for

nutrition supports.

(2) Clinical Care - Availability of Behavioral Health Services

According to the National Alliance on Mental Illness, nearly a quarter of

**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.

Idahoans are living with a mental illness. Substance Abuse and Mental

Health Services Administration reports that all Idaho counties have

shortages of mental health professionals.

Awareness, education and skill building.

- Support delivery of gatekeeper trainings.
- Provide and promote mental and behavioral health education.
- Implement Aging in Place survey recommendations.

Population identification and intervention.

- Support the community-school model.

Increase access to mental and behavioral health services.

- Participate and appropriately contribute to Governor's Behavioral Health Council.

- Support implementation of Community Health Worker, Community Health EMS

and Center for Community Health models.

- Build suicide prevention and postvention strategies.

(3) Social and Economic Factors - Housing Stability

Access to stable housing leads to better physical and mental health

outcomes for all. According to a report published by the Idaho Asset

Building Network, "In communities with enough affordable homes, primary

care visits go up by 20%, emergency room visits go down by 18%, and

accumulated medical expenses go down by 12%."

Prevention, identification and outreach.

**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.

- Support development and implementation of social determinants

of health screening tool in the electronic medical record (EPIC) to assess

the housing needs of patients.

- Participate in local housing discussions.

Increase housing availability.

- Identify and engage in advocacy opportunities to address housing

stability.

Increase support services to help people secure and maintain safe, stable

housing.

- Support quality early learning programs.

(4) Physical Environment - Accessible Modes of Transportation

People facing the biggest transportation challenges are often economically

and/or socially marginalized, and include lower income families, children

and older adults. Ensuring access to transportation also improves access

to healthier food options, medical care and employment.

Create and maintain safe walking/biking paths and programs.

- Support local healthy transportation opportunities.

Support infrastructure for public transportation and shared ridership

models.

- Promote the Connecting-U McCall to Riggins bus program.

- Support local transportation discussions to expand the Mountain Valley

Transit route.

**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.

St. Luke's McCall:

Part V, Section B, Line 13b: Financial Care: Eligible applicants will

receive the following assistance:

1. Full Discount: The full amount for eligible services will be covered

under the Financial Care Policy for any patient or guarantor whose income

is at or below 200 percent of the federal poverty level.

2. Partial Discount: A sliding fee schedule will be used to determine the

amount eligible for financial care assistance for any uninsured or

underinsured patient or guarantor. For such applicants, assistance will be

provided based on a combination of household income and assets. Partial

discounts will be provided if the combination of income and assets is

greater than 200 percent but equal to or less than 400 percent of the FPL.

Assistance is granted only after all third-party reimbursement

possibilities available to the applicant have been exhausted.

3. Uninsured and underinsured individuals deemed medically indigent may

qualify for a highly discounted rate.

4. If the patient balance exceeds 30 percent of household income, patients

will qualify for a one-time reduction.

5. Assets for evaluation include, but are not limited to:

a. home equity;

b. IRAs, 403(b) accounts, 401k accounts, stocks/bonds;

c. savings/money market accounts; and

d. other investments (rental properties, etc.).

**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.

St. Luke's McCall

Part V, line 16a, FAP website:

[www.stlukesonline.org/resources/before-your-visit/financial-care](http://www.stlukesonline.org/resources/before-your-visit/financial-care)

St. Luke's McCall

Part V, line 16b, FAP Application website:

[www.stlukesonline.org/resources/before-your-visit/financial-care](http://www.stlukesonline.org/resources/before-your-visit/financial-care)

St. Luke's McCall

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

[www.stlukesonline.org/resources/before-your-visit/financial-care](http://www.stlukesonline.org/resources/before-your-visit/financial-care)

St. Luke's McCall:

Part V, Section B, Line 16j: A Financial Care application is provided to the patient which contains Patient Financial Advocate contact information.

Part V, Section B, Line 7a:

<https://www.stlukesonline.org/about-st-lukes/supporting-the-community/community-health-needs-assessments>

Part V, Section B, Line 10a:

<https://www.stlukesonline.org/about-st-lukes/supporting-the-community/community-health-needs-assessments>

**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.

Multiple horizontal lines for providing descriptions of hospital facilities.



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

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

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

How many non-hospital health care facilities did the organization operate during the tax year? 7

Name and address	Type of Facility (describe)
1 St. Luke's Clinic 209 Forest St. McCall, ID 83638	General Surgery, Internal Medicine, Wound Center
2 St. Luke's Clinic 200 Forest St McCall, ID 83638	Orthopedic Surgery and Sleep medicine
3 St. Luke's Clinic 301 Deinhard Lane McCall, ID 83638	Behavioral Health and Integrative Medicine
4 St. Luke's Clinic 211 Forest St. McCall, ID 83638	Family Medicine, Nephrology
5 St. Luke's Clinic Salmon River 214 N. Main St. Riggins, ID 83549	Family Medicine
6 St. Luke's Meadows Valley Family Med 320 Virginia St. New Meadows, ID 83654	Family Medicine
7 St. Luke's Rehabilitation 1010 State Street McCall, ID 83638	Rehabilitation

**Part VI Supplemental Information**

Provide the following information.

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

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Part I, Line 3c:

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Please refer to the disclosure for Part V, Section B, Line 13b - which describes methods used to determine eligibility for financial assistance.

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Part I, Line 7:

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The cost to charge ratio was used to calculate the financial assistance provided to the community. Other Community benefits come from a data repository maintained by St. Luke's Employees that tracks community benefit costs and hours.

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Part 1, Line 6a:

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St. Luke's McCall, Ltd. is not required under Idaho law to file a community benefit report, since its total licensed beds are less than the minimum 150 bed requirement threshold. (McCall has 15 licensed beds.) Moreover, the activity of St. Luke's McCall, Ltd. is not included in the community benefit report within any of its related organizations within the St. Luke's Health System.

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**Part VI** Supplemental Information (Continuation)

Part 1, Line 7i, Cash and in-kind contributions for community benefit:

During the fiscal year 2022, St. Luke's administrated and dispensed the majority of community grants, cash, and in-kind donations at the system level. Those grants and donations were still awarded and continued to support health initiatives through all the communities we serve and were reported on form 990 for St. Luke's Health System.

Part 1, Line 5a, Discounted Care:

Financial assistance is provided to any qualifying patients, regardless of budget.

Part II, Community Building Activities:

St. Luke's is an active participant in the community, and provides support to address public health issues, and works with coalitions to address local health needs. St. Luke's takes on initiatives as need arises to help the long term development of the community particularly to shape and improve public health and access to medical services.

Part III, Line 2:

The Cost to Charge ratio method was used to calculate bad debt expense at cost.

Part III, Line 3:

St. Luke's has a very robust financial assistance program, therefore, no estimate is made for bad debt attributable to patients eligible under the financial assistance policy.

**Part VI** Supplemental Information (Continuation)

Part III, Line 4:

Per the audited financial statements in footnote three, St. Luke's grants credit without collateral to its patients, most of whom are local residents and many of whom are insured under third-party agreements. The allowance for estimated uncollectible amounts is determined by analyzing both historical information (write-offs by payor classification), as well as current economic conditions.

Part III, Line 8:

The source of the information is the Medicare Cost Report for fiscal year 2022. The amount is calculated by comparing the total Medicare apportioned costs (allowable costs) to payments (including IME and GME) received during FY'22.

St. Luke's provides medical care to all patients eligible for Medicare regardless of the shortfall and thereby relieves the Federal Government of the burden for paying the full cost of Medicare.

Part III, Line 9b:

All subsidiaries within the St. Luke's Health System have policies in place to provide financial assistance to those who meet established criteria and need assistance in paying for the amounts billed for their provided health care services. In addition, the collection policies and practices in place within the St. Luke's Health System provide guidance to patients on how to apply for this assistance. Collection of amounts due may be pursued in cases where the patient is unable to qualify for charity care or financial assistance and the patient has the financial resources to pay for the billed amounts.

**Part VI** Supplemental Information (Continuation)

Part VI, Line 2:

A Community Health Needs Assessment (CHNA) was conducted for the fiscal year ending 9/30/2022. Information related to the CHNA is shown in the responses to questions 3 and 7 of "Part V, Section B, Facility Policies and Practices".

A complete copy of the CHNA assessments for all of the hospitals operating within the St. Luke's Health System can be found at the following website:

<https://www.stlukesonline.org/about-st-lukes/supporting-the-community/communitiy-health-needs-assessments>

Part VI, Line 3:

(A) St. Luke's provides notice of the availability of financial assistance via:

1. Signage
2. Patient brochure
3. Billing Statement
4. Written collection action letter
5. Online at [www.stlukesonline.org/billing](http://www.stlukesonline.org/billing)

(B) Financial assistance policy is translated into the following language:

Spanish

(C) St. Luke's provides individual notice of the availability of financial assistance to a patient expected to incur charges that may not be paid in full by third party coverage, along with an estimate of the patient's

**Part VI** Supplemental Information (Continuation)

liability.

(D) For cases in which St. Luke's independently determines patient eligibility for financial assistance, St. Luke's provides written notice of determination that the patient is or is not eligible within 10 business days of receiving a completed application and the required supporting documentation.

Part VI, Line 4:

Adams and Valley counties represent the geographic area used to define the community we serve, also referred to here as our primary service area or service area. The criteria we use in selecting the service area is the identification of what counties our hospitalized patients reside in. Those counties that make up 70% or greater of the inpatient hospitalizations are identified as our service area. The residents of Adams and Valley counties comprise about 80% of our inpatients with approximately 61% of our inpatients living in Valley County and 19% in Adams County.

Both Idaho and our service area territory are comprised of about a 97% white population while the nation, as a whole, is 76% white. The Hispanic population in Idaho represents 13% of the overall population and about 4% of our defined service area. Adams County is approximately 4% Hispanic, and Valley County is 5% Hispanic.

Idaho experienced a 14% increase in population from 2010 to 2019, ranking it as one of fastest growing states in the country. Adams and Valley Counties have followed that trend, experiencing a 13% increase in population within that timeframe. St. Luke's McCall is

**Part VI** Supplemental Information (Continuation)

working to manage the volume and scope of services to meet the needs of a growing population.

Over the past 10 years the 65 plus year old age group has been the fastest growing segment of our service area. Currently, about 27% of the people in our service area are over the age of 65. According to the U.S. Census, about 16% of the people in the U.S. are over age 65.

The official United States poverty rate has been decreasing since 2012. The poverty rate in Valley County is currently well below the national average at 9% but above the national average in Adams County at 13%. The poverty rate in our service area for children under the age of 18 is again below the national average for Valley County at 12% and above the national average for Adams County at 20%.

Median income in the United States has risen steadily since 2009. Median income in Idaho remains below the national average but continues to grow. Median income in Adams County is well below the national median and lower than Idaho's median income. Median income in Valley County is slightly below than the national median income.

Part VI, Line 5:

The people who serve on the various boards for subsidiaries within the St. Luke's Health System are local citizens who have a vested interest in the health of their communities. These committed leaders volunteer on our boards because they are dedicated to ensuring that the people of southern Idaho and the surrounding area have access to the most advanced, most comprehensive health care possible. St. Luke's believes that locally owned

**Part VI** Supplemental Information (Continuation)

and governed hospitals can take the best measure of community health care needs. We are grateful to our board leadership for giving generously of their time and talents and bringing to the table their unique perspectives and intimate knowledge of their communities. St. Luke's would not be the organization it is today without our volunteer board members. The vision of dedicated community leaders has guided St. Luke's for many decades, and will continue to guide us well into the future.

As a not-for-profit organization, 100% of St. Luke's revenue after expenses is reinvested in the organization to serve the community in the form of staff, buildings, or new technology.

Also, St. Luke's McCall, Ltd. maintains an open medical staff. Any physician can apply for practicing privileges as long as they meet the standards for St. Luke's McCall, Ltd.

Part VI, Line 6:

As the only Idaho-based not-for-profit health system, St. Luke's Health System is part of the communities we serve, with local physicians and boards who further our organization's mission "To improve the health of people in the communities we serve." Working together, we share resources, skills, and knowledge to provide the best possible care, no matter which of our hospitals provide that care. Each St. Luke's Health System hospital is nationally recognized for excellence in patient care, with prestigious awards and designations reflecting the exceptional care that is synonymous with the St. Luke's name.

St. Luke's Health System provides facilities and services across the



**Part VI** Supplemental Information (Continuation)

region, covering a 150-mile radius that encompasses southern and central

Idaho, northern Nevada, and eastern Oregon-bringing care close to home and

family. The following entities are part of the St. Luke's Health System:

(1) St. Luke's Regional Medical Center, Ltd. with the following locations:

--St. Luke's Boise Hospital

--St. Luke's Meridian Hospital

--St. Luke's Children's Hospital

--St. Luke's Boise/Meridian/Caldwell/Fruitland Physician Clinics

--St. Luke's Eagle Urgent Care

--St. Luke's Elmore Hospital with physician clinic

--St. Luke's Fruitland Emergency Department/Urgent Care

(2) St. Luke's Wood River Medical Center, Ltd. which consists of a

critical access hospital located in Ketchum, Idaho as well as various

physician clinics

(3) St. Luke's Magic Valley Regional Medical Center, Ltd. which consists

of the following:

--St. Luke's Magic Valley Hospital-Twin Falls, Idaho

--Various St. Luke's Physician Clinics in Twin Falls

--Canyon View-(Behavioral Health)

--St. Luke's Jerome Hospital-Jerome, Idaho

--Various Physician clinics in Jerome

(4) St. Luke's McCall, Ltd. which consists of a critical access hospital

located in McCall, Idaho as well as various physician clinics.

**Part VI** Supplemental Information (Continuation)

(5) St. Luke's Nampa Medical Center, Ltd. which consists of a critical access hospital located in Nampa, Idaho as well as various physician clinics.

St. Luke's physician clinics and services are provided in partnership with area physicians and other health care professionals. These include:

- Cardiovascular; Child Abuse and Neglect Evaluation; Endocrinology; Ear, Nose, and Throat; Family Medicine;
- Gastroenterology; General Surgery; Hypertensive Disease; Internal Medicine; Maternal/Fetal Medicine; Medical Imaging; Metabolic and Bariatric Surgery; Nephrology; Neurology; Neurosurgery;
- Obstetrics/Gynecology; Occupational Medicine; Orthopedics; Outpatient Rehabilitation; Plastic Surgery; Psychiatry and Addiction; Pulmonary Medicine; Sleep Disorders; and Urology.

In addition, St. Luke's works with other regional facilities, including Weiser Memorial Hospital and Salmon River Clinic, through a combination of management and other contracts for select specified services.

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

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

OMB No. 1545-0047

**2021**

Open to Public Inspection

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
-----------------------------------------------------	----------------------------------------------

**Part I Questions Regarding Compensation**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Yes	No
<b>1a</b>		
<b>1b</b>		
<b>2</b>		
<b>3</b>		
<b>4a</b>	X	
<b>4b</b>	X	
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>		X
<b>8</b>		X
<b>9</b>		

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

Schedule J (Form 990) 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) Pamela Lindemoen Former COO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	335,909.	0.	1,233,367.	6,933.	2,121.	1,578,330.	0.
(2) Chris Roth President & CEO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	1,051,056.	1,158.	166,503.	21,816.	29,307.	1,269,840.	0.
(3) Jeffrey S. Taylor SVP/CFO/Treasurer (End 9/2022)	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	763,131.	1,158.	55,524.	366,723.	22,198.	1,208,734.	0.
(4) Christine Neuhoff SVP/Chief Legal Officer/Secretary	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	683,156.	1,158.	85,985.	21,816.	20,102.	812,217.	0.
(5) Gregory W. Irvine, MD Physician	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	507,995.	55,880.	52,358.	21,816.	22,133.	660,182.	0.
(6) Timothy Neuschwander, MD Physician	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	540,378.	1,158.	20,040.	10,250.	24,030.	595,856.	0.
(7) Sandee Moore Gehrke SVP, Chief Operating Officer	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	467,389.	1,158.	74,836.	17,444.	25,501.	586,328.	0.
(8) Dennis Mesaros VP, Population Health	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	469,260.	1,158.	56,049.	17,444.	18,633.	562,544.	0.
(9) Adam Weller, MD Physician	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	331,224.	126,779.	20,040.	17,444.	26,630.	522,117.	0.
(10) Patrick Kinney, MD Physician	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	283,644.	102,238.	19,986.	17,251.	17,352.	440,471.	0.
(11) Maureen Ferguson, MD Physician	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	257,499.	128,903.	28,236.	16,062.	4,516.	435,216.	0.
(12) Lucie DiMaggio, MD Director	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	427,546.	0.	0.	0.	0.	427,546.	0.
(13) Kathryn Fowler SVP/CFO/Treasurer (Start 8/2022)	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	308,451.	1,158.	39,540.	17,444.	6,657.	373,250.	0.
(14) Amber Green Chief Nursing/Operating Officer	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	168,876.	1,658.	5,158.	4,663.	26,992.	207,347.	0.
(15) David C. Pate, MD, JD Former CEO & President	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	0.	0.	154,684.	0.	0.	154,684.	154,684.
	(i)							
	(ii)							

**Part III Supplemental Information**

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

Part I, Line 3:

Compensation for the organization's CEO is determined by St. Luke's Health

System, Ltd. (System), sole member of St. Luke's McCall, Ltd. The System

board approves the compensation amount per the recommendation of its

compensation committee, and the decision is then reviewed and ratified by

the board of directors for St. Luke's McCall, Ltd.

In determining compensation for the CEO, the System board utilizes the

following criteria:

Compensation Committee

Independent compensation consultant

Compensation survey or study

Approval by the board or compensation committee

Part I, Line 4b:

During CY2021, the following individuals participated in a supplemental

non-qualified executive retirement plan:

**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.

David C. Pate received \$154,684 of taxable and \$372,053 of non-taxable benefits for service in a supplemental retirement plan.

Part I, Line 4b:

During CY2021, Jeffrey S. Taylor was a participant in the supplemental non-qualified executive retirement plan. There were no additional benefits accrued during the calendar year on behalf of the participant.

Part II - Column (B)(III)

The reportable individual, Pamela Lindemoen, is paid by St. Luke's Health System, a related organization recognized by the Internal Revenue Service as exempt as described in Internal Revenue Code Section 501(c)(3). Severance pay is based on length of service. Payments of severance are conditioned upon signing a separation and release agreement.

During the 2021 calendar year, the reportable individual received severance payments in the amount of \$874,994.

**Part III Supplemental Information**

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

Part II-Column (C)

During CY2021 the following individual participated in the basic pension plan. Due to changes in actuarial assumptions, this individual experienced an increase in the vested balance of the plan.

Jeffrey Taylor \$340,535

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

OMB No. 1545-0047

**2021**

Open to Public  
Inspection

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
-----------------------------------------------------	----------------------------------------------

Form 990, Part VI, Section A, line 2:

Andy Scoggin has a business relationship with Dan Krahn.

Form 990, Part VI, Section A, line 6:

St. Luke's Health System, Ltd. is the sole member of St. Luke's McCall,  
Ltd.

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

St. Luke's McCall (Corporation) and St. Luke's Health System, Ltd. (Member)

cooperatively select and employ the CEO of the Corporation. St. Luke's

Health System, Ltd. is the sole member of the Corporation.

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

St. Luke's Health System, Ltd (member) maintains approval and implementation

authority over St. Luke's McCall, Ltd. (SLM).

Actions requiring approval authority may be initiated by either the

Corporation or its Member, but must be approved by both the Corporation (by

action of its Board of Directors) and the Member. Actions requiring approval

authority of the Member include:

(a) Amendment to the Articles of Incorporation;

(b) Amendment to the Bylaws of the Corporation;

(c) Appointment of members of the Corporation's Board of Directors, other



Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
-----------------------------------------------------	----------------------------------------------

than ex officio directors;

(d) Removal of an individual from the Corporation's Board of Directors if

and when removal is requested by the Corporation's Board of Directors,

which request may only be made if the Director is failing to meet the

reasonable expectations for service on the Corporation's Board of

Directors that are established by the Member and are uniform for the

Corporation and for all of the other hospitals for which the Member then

serves as the sole corporate member.

(e) Approval of operating and capital budgets of the Corporation, and

deviations to an approved budget over the amounts established from time to

time by the Member; and

(f) Approval of the strategic/tactical plans and goals and objectives of

the Corporation.

Implementation Authority means those actions which the Member may take

without the approval or recommendation of the Corporation. This authority

will not be utilized until there has been appropriate communication between

the Member and the Corporation's Board of Directors and its Chief Executive

Officer. Actions requiring implementation authority include:

(a) Changes to the Statements of mission, philosophy, and values of the

Corporation;

(b) Removal of an individual from the Corporation's Board of Directors if

and when the Member determines in good faith that the Director is failing

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
-----------------------------------------------------	----------------------------------------------

to meet the Approved Board of Member Expectations. This authority to remove Directors shall not be used merely because there is a difference in business judgment between the Director and the Corporation or the Member, and shall never be used to remove one or more Directors from the Corporation's Board of Directors in order to change a decision made by the Corporation's Board of Directors;

(c) Employment and termination of the Chief Executive Officer of the Corporation;

(d) Appointment of the auditor for the Corporation and the coordination of the Corporation's annual audit;

(e) Sales, lease, exchange, mortgage, pledge, creation of a security interest in or other disposition of real or personal property of the Corporation if such property has a fair market value in excess of a limit set from time to time by the Member and that is not otherwise contained in an Approved Budget;

(f) Sale, merger, consolidation, change of membership, sale of all or substantially all of the assets of the corporation, or closure of any facility operated by the Corporation;

(g) The dissolution of the Corporation;

(h) Incurrence of debt by or for the Corporation in accordance with requirements established from time to time by the Member and that is not otherwise contained in an Approved Budget; and

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
-----------------------------------------------------	----------------------------------------------

(i) Authority to establish policies to promote and develop an integrated, cohesive health care delivery system across all corporations for which the Member serves as the corporate member.

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

The Form 990 (Form) is reviewed by an independent public accounting firm based on audited financial statements of the St. Luke's Health System and with the assistance of the organization's finance and accounting staff. A complete copy of the Form 990 is made available to the Board of Directors prior to filing.

Form 990 Part V, Line 1 & 2

Accounts payable and payroll process are consolidated at the supporting organization level (St. Luke's Health System, Ltd). Therefore, corresponding reporting for 1099's and W-2's occurs at that level.

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

The organization annually reviews the conflict of interest policy with each board member and also with new board members. Persons covered under the policy include officers, directors, senior executives, non-director members of Board committees, and others as identified by a senior executive. At all levels the board is responsible for assessing, reviewing, and resolving any conflicts of interest that have been disclosed by a covered person, or a conflict of interest disclosed by a covered person with respect to a covered person other than himself/herself. Where a conflict exists, the affected parties must recuse themselves from participating in any discussion and/or vote related to the conflict.

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
-----------------------------------------------------	----------------------------------------------

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

Executive compensation is set by St. Luke's Boards of Directors and is reviewed annually. Compensation levels are based on an independent analysis of comparable pay packages offered at similar institutions across the country, with the goal of placing executives in the 50th percentile in aggregate of those surveyed. These surveys are usually done annually.

St. Luke's Health System is committed to providing the highest quality medical care to all people regardless of their ability to pay. To keep that commitment, St. Luke's puts a great deal of time and effort into recruiting and retaining the top physicians in a variety of medical fields. Our relationships with physicians range from having privileges at the hospital to full employment.

For those physicians who choose to be employed, St. Luke's must offer competitive pay and benefits.

Physician compensation is based on a range of criteria and can be influenced by a number of variables including:

- Community need for medical specialty
- Experience
- Productivity
- Geography
- National surveys adjusted for local conditions
- Willingness to serve regardless of patients' ability to pay
- Duration of relationship and contractual terms

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
-----------------------------------------------------	----------------------------------------------

-Performance on quality metrics

To ensure physician compensation and benefits remain within industry

standards and legal requirements for not-for-profit institutions, St.

Luke's has a Physician Arrangements policy that specifies circumstances

requiring a third-party valuation and also periodically uses third-party

consulting firms to review St. Luke's physician compensation arrangements.

Given the growing national shortage of physicians, recruiting and retaining

physicians is more critical than ever to guarantee that people seeking care

at St. Luke's will continue to have access to the physicians and

specialists they need regardless of their insurance status or insurance

provider.

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

The organization's governing documents, conflict of interest policy, and

financial statements are not available to the public. Form 990 is available

for public inspection on our website, which contains financial information.

Form 990 Part VII Section A

Allocation of Compensation and Hours:

The total hours worked and compensation reported for the following

individuals represent services rendered to organizations within the St.

Luke's Health System:

Chris Roth:

St. Luke's Health System, Ltd.

St. Luke's Regional Medical Center, Ltd.

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
-----------------------------------------------------	----------------------------------------------

St. Luke's McCall, Ltd.

St. Luke's Health Foundation, Ltd.

St. Luke's Magic Valley Regional Medical Center, Ltd.

St. Luke's Wood River Medical Center, Ltd.

St. Luke's Clinic Coordinated Care, Ltd.

St. Luke's Nampa Medical Center, Ltd.

Christine Neuhoff:

St. Luke's Health System, Ltd.

St. Luke's Regional Medical Center, Ltd.

St. Luke's McCall, Ltd.

St. Luke's Magic Valley Regional Medical Center, Ltd.

St. Luke's Wood River Medical Center, Ltd.

St. Luke's Clinic Coordinated Care, Ltd.

St. Luke's Nampa Medical Center, Ltd.

Dennis Mesaros:

St. Luke's Health System, Ltd.

St. Luke's Regional Medical Center

St. Luke's McCall, Ltd.

Jeffrey S. Taylor:

St. Luke's Clinic Coordinated Care, Ltd.

St. Luke's Health System, Ltd.

St. Luke's Magic Valley Regional Medical Center, Ltd.

St. Luke's McCall, Ltd.

St. Luke's Nampa Medical Center, Ltd.

St. Luke's Regional Medical Center

Name of the organization St. Luke's McCall, Ltd.	Employer identification number 27-3311774
-----------------------------------------------------	----------------------------------------------

St. Luke's Wood River Medical Center, Ltd.

Kathryn Fowler:

St. Luke's Health System, Ltd.

St. Luke's Magic Valley Regional Medical Center, Ltd.

St. Luke's McCall, Ltd.

St. Luke's Nampa Medical Center, Ltd.

St. Luke's Regional Medical Center

St. Luke's Wood River Medical Center, Ltd.

Sandee Moore Gehrke:

St. Luke's Health System, Ltd.

St. Luke's Magic Valley Regional Medical Center, Ltd.

St. Luke's McCall, Ltd.

St. Luke's Nampa Medical Center, Ltd.

St. Luke's Regional Medical Center

St. Luke's Wood River Medical Center, Ltd.

Also, it should be noted that the hours reported for the officers, key

employees, and highest paid employees are based on a minimum 40 hour

work week. However, due to the demands of their roles within the St.

Luke's Health System, the hours worked by these individuals often

exceed the minimum required 40 hours.

Form 990, Part XI, line 9, Changes in Net Assets:

Capital invested in plant 50,000.





**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

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

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

OMB No. 1545-0047

**2021**

**Open to Public Inspection**

Name of the organization St. Luke's McCall, Ltd. Employer identification number 27-3311774

**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
St. Luke's Clinic-McCall, LLC - 45-2715717 190 E. Bannock Boise, ID 83712	Physician Clinic Services	Idaho	6,779,245.	455,016.	St. Luke's McCall, Ltd.

**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
St. Luke's Clinic Coordinated Care, Ltd. - 45-5195864, 190 E. Bannock, Boise, ID 83712	Accountable Care Organization	Idaho	501(c)(3)	10	St. Luke's Health System, Ltd.		X
St. Luke's Health Foundation, Ltd. - 81-0600973, 190 E. Bannock, Boise, ID 83712	Fundraising	Idaho	501(c)(3)	7	St. Luke's Health System, Ltd.		X
St. Luke's Health System, Ltd. - 56-2570681 190 E. Bannock Boise, ID 83712	Supporting Organization	Idaho	501(c)(3)	12C, III-FI	N/A		X
St. Luke's Magic Valley Regional Medical Center, Ltd. - 56-2570686, 190 E. Bannock, Boise, ID 83712	Healthcare Services	Idaho	501(c)(3)	3	St. Luke's Health System, Ltd.		X

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

Schedule R (Form 990) 2021





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

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

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

- a** Receipt of **(i)** interest, **(ii)** annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity .....
- b** Gift, grant, or capital contribution to related organization(s) .....
- c** Gift, grant, or capital contribution from related organization(s) .....
- d** Loans or loan guarantees to or for related organization(s) .....
- e** Loans or loan guarantees by related organization(s) .....
- f** Dividends from related organization(s) .....
- g** Sale of assets to related organization(s) .....
- h** Purchase of assets from related organization(s) .....
- i** Exchange of assets with related organization(s) .....
- j** Lease of facilities, equipment, or other assets to related organization(s) .....
- k** Lease of facilities, equipment, or other assets from related organization(s) .....
- l** Performance of services or membership or fundraising solicitations for related organization(s) .....
- m** Performance of services or membership or fundraising solicitations by related organization(s) .....
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....
- o** Sharing of paid employees with related organization(s) .....
- p** Reimbursement paid to related organization(s) for expenses .....
- q** Reimbursement paid by related organization(s) for expenses .....
- r** Other transfer of cash or property to related organization(s) .....
- s** Other transfer of cash or property from related organization(s) .....

	Yes	No
<b>1a</b>		X
<b>1b</b>		X
<b>1c</b>		X
<b>1d</b>		X
<b>1e</b>		X
<b>1f</b>		X
<b>1g</b>		X
<b>1h</b>		X
<b>1i</b>		X
<b>1j</b>		X
<b>1k</b>		X
<b>1l</b>		X
<b>1m</b>		X
<b>1n</b>		X
<b>1o</b>	X	
<b>1p</b>	X	
<b>1q</b>		X
<b>1r</b>		X
<b>1s</b>		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
<b>(1)</b>				
<b>(2)</b>				
<b>(3)</b>				
<b>(4)</b>				
<b>(5)</b>				
<b>(6)</b>				





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

Department of the Treasury  
Internal Revenue Service

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

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

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

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

<b>Type or print</b>	Name of exempt organization or other filer, see instructions.  St. Luke's McCall, Ltd.	Taxpayer identification number (TIN)  27-3311774
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 190 E. Bannock	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Boise, ID 83712	

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		

Jared Grant, System Controller

- The books are in the care of ▶ 190 E Banonck - Boise, ID 83712

Telephone No. ▶ (208) 381-2222 Fax No. ▶ \_\_\_\_\_

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

**1** I request an automatic 6-month extension of time until August 15, 2023, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶  calendar year \_\_\_\_\_ or
- ▶  tax year beginning OCT 1, 2021, and ending SEP 30, 2022.

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

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

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

# St. Luke's Health System, Ltd. and Subsidiaries

Consolidated Financial Statements as of and for the  
Years Ended September 30, 2022 and 2021, and  
Independent Auditors' Report



# St. LUKE'S HEALTH SYSTEM, LTD. AND SUBSIDIARIES

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of,  
St. Luke's Health System, Ltd.  
Boise, Idaho

### **Opinion**

We have audited the consolidated financial statements of St. Luke's Health System, Ltd. and subsidiaries (the "Health System"), which comprise the consolidated balance sheets as of September 30, 2022 and 2021, and the related consolidated statements of operations and changes in net assets, and of cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Health System as of September 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Health System 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in

accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

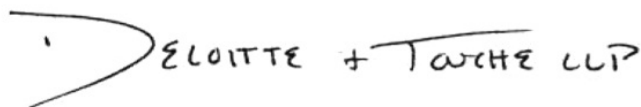
In performing an audit in accordance with GAAS, we:

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

#### **Disclaimer of Opinion on Charity Care Schedule**

The charity care schedule summarized in Note 1, which is the responsibility of the Health System's management, is not a required part of the basic financial statements, and we did not audit or apply limited procedures to such information and we do not express any assurance on such information.

A handwritten signature in black ink that reads "DELOITTE + TOUCHE LLP". The signature is written in a cursive, slightly slanted style.

December 16, 2022

**St. Luke's Health System, Ltd. and Subsidiaries**

**Consolidated Balance Sheets  
As of September 30, 2022 and 2021  
(In thousands)**

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 78,938	\$ 110,532
Receivables—net	505,070	442,061
Inventories	53,136	51,663
Prepaid expenses	41,113	31,037
Current portion of assets whose use is limited	<u>50,751</u>	<u>45,854</u>
<b>Total current assets</b>	<b>729,008</b>	<b>681,147</b>
Assets whose use is limited	989,804	1,320,649
Property, plant, and equipment—net	1,354,627	1,285,806
Operating lease right-of-use assets	110,796	112,941
Other assets	<u>62,774</u>	<u>71,292</u>
<b>Total assets</b>	<b><u>\$ 3,247,009</u></b>	<b><u>\$ 3,471,835</u></b>
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 234,515	\$ 242,356
Compensation and related liabilities	271,636	309,161
Medicare cash advances	1,743	113,133
Estimated payable to medicare and medicaid programs	56,897	76,820
Current portion of operating lease obligations	22,031	19,689
Current portion of long-term debt and finance lease obligations	<u>15,542</u>	<u>14,463</u>
<b>Total current liabilities</b>	<b>602,364</b>	<b>775,622</b>
Long-term debt	897,901	809,710
Operating lease obligations	90,197	93,603
Finance lease obligations	43,917	46,171
Pension liabilities	24,751	58,952
Other liabilities	1,850	19,767
Net assets		
Net assets without donor restrictions	1,533,268	1,618,417
Net assets with donor restrictions	<u>52,761</u>	<u>49,593</u>
<b>Total net assets</b>	<b><u>1,586,029</u></b>	<b><u>1,668,010</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 3,247,009</u></b>	<b><u>\$ 3,471,835</u></b>

See notes to consolidated financial statements.

**St. Luke's Health System, Ltd. and Subsidiaries**

**Consolidated Statements of Operations and Changes in Net Assets  
For the Years Ended September 30, 2022 and 2021  
(In thousands)**

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	<b>2022</b>	<b>2021</b>
<b>Revenues</b>		
Net patient service revenue	\$ 2,339,346	\$ 2,198,909
Capitated revenue	1,158,915	932,064
Other revenue	138,799	177,517
Government assistance	42,684	44,408
Net assets released from restrictions—operating	<u>(4,291)</u>	<u>(5,648)</u>
<b>Total revenues</b>	<b>3,675,453</b>	<b>3,347,250</b>
<b>Expenses</b>		
Employee compensation and benefits	1,785,992	1,494,779
Supplies and drugs	626,737	579,851
Medical claims	628,110	456,592
Other operating expenses	<u>490,843</u>	<u>460,351</u>
<b>Total operating expenses</b>	<b>3,531,682</b>	<b>2,991,573</b>
<b>Earnings before interest, depreciation and amortization</b>	<b>143,771</b>	<b>355,677</b>
Depreciation and amortization	116,120	109,890
Interest	<u>29,499</u>	<u>24,285</u>
<b>Net operating (loss) income</b>	<b>(1,848)</b>	<b>221,502</b>
Investment income	4,537	44,249
Loss on early extinguishment of debt	<u>(144)</u>	<u>-</u>
<b>Revenue in excess of expenses attributable to the Health System</b>	<b><u>\$ 2,545</u></b>	<b><u>\$ 265,751</u></b>

See notes to consolidated financial statements.

(Continued)

**St. Luke's Health System, Ltd. And Subsidiaries**

**Consolidated Statements of Operations and Changes in Net Assets  
For the Years Ended September 30, 2022 and 2021  
(In thousands)**

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	<b>2022</b>	<b>2021</b>
<b>Net assets without donor restrictions</b>		
Revenue in excess of expenses	\$ 2,545	\$ 265,751
Change in net unrealized (loss) gains on investments	(110,172)	37,296
Net assets released from restrictions—capital	1,122	1,113
Other components of net periodic pension cost	(4,228)	(9,068)
Change in funded status of pension plans	<u>25,584</u>	<u>35,194</u>
<b>(Decrease) increase in net assets without donor restrictions</b>	<u>(85,149)</u>	<u>330,286</u>
<b>Net assets with donor restrictions</b>		
Contributions	11,704	9,634
Investment income	66	1,022
Change in net unrealized (loss) gains on investments	(3,189)	3,132
Net assets released from restrictions	<u>(5,413)</u>	<u>(6,761)</u>
<b>Increase in net assets with donor restrictions</b>	<u>3,168</u>	<u>7,027</u>
<b>(Decrease) increase in net assets</b>	(81,981)	337,313
Net assets—Beginning of year	<u>1,668,010</u>	<u>1,330,697</u>
Net assets—End of year	<u>\$ 1,586,029</u>	<u>\$ 1,668,010</u>

See notes to consolidated financial statements.

(Concluded)

**St. Luke's Health System, Ltd. and Subsidiaries**  
**Consolidated Statement of Cash Flows**  
**For the Years Ended September 30, 2022 and 2021**  
**(In thousands)**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
<b>(Decrease) increase in net assets</b>	\$ (81,981)	\$ 337,313
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	116,120	109,890
Net realized loss (gain) on investments	11,547	(28,212)
Unrealized loss (gain) on investments	114,342	(40,100)
Amortization of deferred financing fees	613	338
Restricted contributions received	(11,704)	(9,635)
Gain on disposition of equipment and other assets	(227)	(2,086)
Change in other components of net periodic pension cost	4,228	9,068
Change in funded status of pension plans	(25,584)	(35,194)
Changes in operating assets and liabilities:		
Receivables	(58,989)	(85,342)
Inventories	(1,474)	(6,664)
Prepaid expenses and other current assets	(10,075)	(3,938)
Other assets	10,375	(21,120)
Accounts payable and accrued liabilities	(4,020)	34,916
Compensation and related liabilities	(55,442)	12,786
Medicare cash repayments	(111,364)	(36,466)
Payable to medicare and medicaid programs	(24,168)	4,917
Other liabilities	<u>(12,845)</u>	<u>6,966</u>
<b>Net cash (used in) provided by operating activities</b>	<b>(140,648)</b>	<b>247,437</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant, equipment and land	(185,663)	(141,391)
Proceeds from disposition of equipment and other assets	1,100	6,561
Purchase of investments	(1,221,668)	(1,466,912)
Other changes in investments	2,067	5,716
Proceeds from sale of investments	1,448,601	1,308,288
Distributions from unconsolidated affiliates	<u>1,400</u>	<u>1,110</u>
<b>Net cash provided by (used in) investing activities</b>	<b>45,837</b>	<b>(286,628)</b>

See notes to consolidated financial statements.

(Continued)

**St. Luke's Health System, Ltd. and Subsidiaries**

**Consolidated Statement of Cash Flows**  
**For the Years Ended September 30, 2022 and 2021**  
**(In thousands)**

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	<b>2022</b>	<b>2021</b>
<b>Cash flows from financing activities:</b>		
Repayment of long-term debt	\$ (149,075)	\$ (12,204)
Proceeds from long-term debt issuance	218,595	-
Proceeds from long-term debt issuance premium	23,287	-
Cost of issuance on long-term debt	(1,933)	-
Loss on early extinguishment of debt	(144)	-
Proceeds from contributions for temporarily restricted net assets	11,704	9,634
Payments on notes payable	<u>(2,679)</u>	<u>(2,938)</u>
<b>Net cash provided by (used in) financing activities</b>	99,755	(5,508)
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	4,944	(44,699)
<b>Cash, cash equivalents and restricted cash—Beginning of year</b>	<u>140,452</u>	<u>185,151</u>
<b>Cash, cash equivalents and restricted cash—End of year</b>	<u><u>\$ 145,396</u></u>	<u><u>\$ 140,452</u></u>
<b>Supplemental cash flow information:</b>		
Purchase of property, plant and equipment in accounts payable and accrued liabilities	\$ 5,581	\$ 9,403
Unsettled investment purchases	36,740	72,236
Unsettled investment sales	26,252	35,448

See notes to consolidated financial statements.

(Concluded)



## St. Luke's Health System, Ltd. and Subsidiaries

### Notes to the Consolidated Financial Statements As of and for the Years Ended September 30, 2022 and 2021 (In thousands)

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization**—St. Luke's Health System, Ltd. and subsidiaries (the "Health System") is an Idaho-based not-for-profit organization providing comprehensive integrated healthcare services throughout the communities it serves.

The Health System provides patient services, including outpatient and inpatient, rehabilitation services and physician services. The Health System's primary hospitals and patient service areas are located within the State of Idaho in or surrounding the cities of Boise, Meridian, Nampa, Twin Falls, Mountain Home, McCall, Jerome, and Ketchum and have other facilities and operations throughout Southern Idaho and Eastern Oregon.

St. Luke's Health Partners (SLHP) is a wholly owned not-for-profit, though not tax-exempt, subsidiary of the Health System. SLHP is a financially and clinically-integrated network that allows independent physicians and facilities to partner with the Health System and is organized to assume financial and clinical accountability in capitated arrangements. These arrangements include governmental and commercial payers, as well as self-funded employers. Under these arrangements, SLHP is accountable for the management of health outcomes and medical spend for defined populations through value-based agreements with payers.

St. Luke's Health Plan, Inc. (the "Plan") is a wholly owned not-for-profit, though not tax exempt, subsidiary of the Health System. In early 2022, the Plan became a management care organization when it received a Certificate of Authority from the Idaho Department of Insurance. The Plan will offer a wide range of insurance products, including individual and group lines of business across west central and south-central Idaho counties, with coverage beginning in January 2023. The Plan's purpose "to connect people with affordable, hassle-free health care" seamlessly aligns with St. Luke's long-standing commitment to improving the health of people through coordinated health care while seeking to improve affordability for patients.

The Health System's general offices and corporate functions are located in Boise, Idaho. The Health System is governed by a volunteer Board of Directors ("the Board") made up of local citizens.

**Basis of Presentation**—The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Intercompany transactions have been eliminated.

**Use of Estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates, assumptions and judgments that affect the amounts reported in the consolidated financial statements. The Health System considers critical accounting estimates to be those that require more significant judgments and estimates in the preparation of its consolidated financial statements, including the following: contractual allowances for uncollectible accounts receivable, provisions for self-pay price concessions

and charity care; useful lives of depreciable assets; liabilities associated with employee benefit programs; self-insured professional liability risks not covered by insurance; medical claims incurred but not yet reported; and potential settlements with the Medicare and Medicaid programs.

Changes in estimates are included in results of operations in the period when such amounts are determined, and actual amounts could differ from such estimates.

**Statements of Operations**—Transactions deemed by management to be ongoing, major, or central to the provision of integrated health care services are reported as unrestricted revenues, gains and other support and expenses.

**Net Assets with Donor Restrictions**—Net assets with donor restrictions are those subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature which are met by actions of the Health System or by the passage of time. Other donor restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. These are generally restricted to provide ongoing income for a specific program.

**Donor Restricted Gifts**—Unconditional promises to give cash, pledges receivable and other assets are recorded at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of operations and changes in net assets as net assets released from restrictions. Total pledges receivable, net of allowances, as of September 30 were as follows:

	<b>2022</b>	<b>2021</b>
Less than one year	\$ 2,309	\$ 2,387
One to five years	784	788
More than five years	<u>-</u>	<u>50</u>
	3,093	3,225
Less allowance for estimated uncollectible accounts	<u>95</u>	<u>95</u>
Total pledges receivable	<u>\$ 2,998</u>	<u>\$ 3,130</u>

**Cash, Cash Equivalents and Restricted Cash**—Cash and cash equivalents represents cash on hand and cash in banks, excluding amounts whose use is limited, and consists primarily of cash and highly liquid investments with original maturities of three months or less. As of September 30, 2022 and 2021, the Health System had book overdrafts of \$5,221 and \$13,003, respectively, that is included in accounts payable and accrued liabilities.

The following table reconciles cash, cash equivalents and restricted cash shown in the statement of cash flows to amounts presented within the consolidated balance sheets as of September 30, 2022 and 2021, respectively:

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 78,938	\$ 110,532
Restricted cash included in current portion of assets whose use is limited		
Held by trust under bond indenture	<u>54,882</u>	<u>159</u>
Cash equivalents included in assets whose use is limited	<u>11,576</u>	<u>29,761</u>
Total cash, cash equivalents, and restricted cash shown in statement of cash flows	<u>\$ 145,396</u>	<u>\$ 140,452</u>

**Inventories**—Inventories consist primarily of pharmaceutical, medical, and surgical supplies and are stated at the lower of cost (on a moving-average basis) or net realizable value.

**Assets Whose Use is Limited**—Assets whose use is limited include assets set aside by the Board for future capital purposes over which the Board retains control and may, at its discretion, subsequently be used for debt retirement or other purposes. It also includes assets held by trustee under indenture agreements, assets restricted by donors for specific purposes and permanent endowment funds.

The Health System’s long-term and short-term investment portfolios are managed according to investment policies adopted by the Health System and based on overall investment objectives. Board designated funds are investments established by the Board for strategic future capital or operating expenditures intended to expand or preserve services provided to the communities it serves. All investments are classified as available for sale and recorded at fair value using trade date accounting. Realized gains (losses) on investments whose use has not been restricted by the donor, including unrestricted income from endowment funds, are reported as part of investment income. Investment income and gains (losses) on investments whose income has been restricted by the donor are recorded as increases (decreases) to net assets with donor restrictions.

The Health System’s investments primarily include mutual funds and debt securities that are carried at fair value. The Health System evaluates whether securities are other-than-temporarily impaired (OTTI) based on criteria that include the extent to which cost exceeds market value, the intent to sell, the duration of the market decline, the credit rating of the issuer or security, the failure of the issuer to make scheduled principal or interest payments and the financial health and prospects of the issuer or security. Any declines in the value of investment securities determined to be OTTI are recognized in earnings and reported as OTTI losses. The Health System determined that no securities were OTTI as of September 30, 2022 and 2021.

**Equity Method Investment**—The Health System owns a membership interest of 49.5% in Broadway Park Holdings, LLC (BPH). The Health System accounts for its investment in

BPH using the equity method and records the investment at cost. The Health System’s investment in BPH as of September 30, 2022 and 2021, was \$7,584 and \$8,984, respectively. The Health System’s investment in BPH is increased by additional contributions as well as its proportionate share of earnings. Conversely, the Health System’s investment is decreased by distributions made to the Health System and by its proportionate share of losses. During the year ended September 30, 2022 and 2021, the Health System recognized equity earnings from the investment in BPH of \$1,850 and \$1,690, respectively.

**Property, Plant, and Equipment**—Property, plant, and equipment, including internal use software, are recorded at cost except for donated assets, which are recorded at fair value at the date of donation. Property and equipment donated for Health System operations are recorded as additions to property, plant, and equipment when the assets are placed in service. Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets with depreciation taken in both the year placed in service and the year of disposition.

The estimated useful lives of each asset ranges are as follows:

Buildings	15–40 years
Fixed and major movable equipment	2–20 years
Leasehold improvements	5–15 years
Information technology	3–7 years

Expenditures for maintenance and repairs are charged to expense as incurred and expenditures for renewals and betterments are capitalized. Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation are removed from the records and any gain or loss is reflected in the statement of operations. Periodically, the Health System evaluates the carrying value of property, plant, and equipment for impairment based on undiscounted operating cash flows whenever events or changes occur which might impact recovery of recorded assets.

**Other Assets**—Other assets includes land and buildings held for future investment or future expansion, goodwill and other non-limited use assets.

**Goodwill**—Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. With the adoption of Accounting Standards Update (ASU) 2019-06, the Health System amortizes goodwill on a straight-line basis over a ten-year period. The Health System has elected to test goodwill for impairment at the entity level. Impairment testing is required when a triggering event occurs that indicates that the fair value of the Health System may be below carrying amount. The Health System considered various events and circumstances at the end of each fiscal year to evaluate whether the Health System’s fair value was less than carrying value. Based on the Health System’s assessment of relevant events and circumstances, the Health System has concluded that no triggering events occurred that would require an impairment test. There was no impairment of goodwill for the fiscal years ended September 30, 2022 and 2021.

**Right-of-Use Assets and Lease Obligations**—The Health System determines if an arrangement is a lease at inception of the contract. Right-of-use assets represent the right to use the underlying assets for the lease term and the lease liabilities represent an obligation to make lease payments arising from the leases. Right-of-use assets and lease

liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. When available, the Health System uses the implicit rate stated in the contract. If the implicit rate is not stated, an estimated Incremental Borrowing Rate (IBR) is used. The IBR is estimated based on market rates provided by our banking advisors for similar duration debt issuances at or near the lease commencement date. Operating and financing lease obligations with an initial term of 12 months or less ("short-term leases") are not recorded on the consolidated balance sheet. Expenses for short-term lease obligations are recognized within other operating expenses on the consolidated statements of operations and changes in net assets, over the lease term. The Health System's finance leases are primarily for real estate. Finance lease right-of-use assets are included in plant, property and equipment with the related liabilities listed in current and long-term liabilities on the consolidated balance sheet.

Operating lease right-of-use assets and lease obligations are recorded for all leases that are not considered finance leases or short-term leases. The Health System's operating leases cover medical and office equipment, auto, medical transportation aircraft and real estate inclusive of outpatient facilities, medical office buildings, warehousing, and administrative office space. The Health System's real estate leases typically have an initial term of one to fifteen years. The Health System's equipment lease agreements typically have a term of one to six years. The real estate leases may include one or more options to renew, with renewals that typically can extend the lease term from one to ten years. The exercise of lease renewal options is at the Health System's sole discretion. For accounting purposes, options to extend or terminate the lease are included in the lease term when it is reasonably certain the options will be exercised. Operating lease liabilities represent the obligation to make lease payments arising from the leases and are recognized at the lease commencement date based on the present value of lease payments over the lease term.

Certain lease agreements for real estate include payments based on actual common area maintenance expenses and others include rental payments adjusted periodically for inflation. We have elected to include these non-lease components with lease components for contracts containing real estate leases for the purpose of calculating lease right-of-use assets and liabilities, to the extent that they are fixed. Non-lease components that are not fixed are expensed as incurred as variable lease payments. These variable lease payments are recognized in other operating expenses, net, but are not included in the right-of-use asset or liability balances. The Health System's lease agreements do not contain any material residual value guarantees, restrictions, or covenants.

**Medicare Cash Advances**—The Health System requested accelerated Medicare payments for its acute care and critical access hospitals through the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") and received funds in April 2020 from Centers for Medicare & Medicaid Services (CMS). Guidance released in the H.R. 8337, Continuing Appropriations Act, 2021 and Other Extensions Act of 2020 (passed by the House on September 22, 2020) delayed the recoupment of Medicare Accelerated and Advance Payments due to the COVID-19 pandemic by one year. CMS's recoupment of funds from the Health System began in April 2021. Any unpaid balance after October 30, 2022 will accrue interest at 4%. As of September 30, 2022 the Health System had paid back \$147,830 of the cash advance and the remaining balance of \$1,743 was paid back in October 2022.

**Costs of Borrowing**—Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Financing costs are deferred and amortized over the life of the debt.

**Charity Care**—The Health System provides services to all patients regardless of their ability to pay in accordance with its charity care policy. The estimated cost of providing these services was \$75,736 and \$60,015 in 2022 and 2021, respectively, calculated by multiplying the ratio of cost to gross charges for the Health System by the gross compensated charges associated with providing care to charity patients.

In addition to charity care services, the Health System provides services to patients who are deemed indigent under state Medicaid and county indigency program guidelines. In most cases, the cost of services provided to these patients exceeds the amounts received as compensation from the respective programs. In addition, in response to broader community needs, the Health System also provides many programs such as health screening, patient and health education programs, clinical and biomedical services to outlying hospitals, and serves as a clinical teaching site for higher education programs of health professionals. The following unaudited schedule summarizes the charges forgone in accordance with the Health System’s charity care policy, the unpaid costs associated with services provided under Medicare, Medicaid, and county indigency programs, and the benefit of services provided to support broader community needs:

	<b>Unaudited</b>	
	<b>2022</b>	<b>2021</b>
Estimated unpaid costs of services provided under Medicare, Medicaid, and county indigency programs	\$ 665,760	\$ 361,967
Estimated benefit of services to support broader community needs	27,072	22,553

**Income Taxes**—The Health System is a not-for-profit corporation and is recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Health System has activities that are considered unrelated business taxable income (UBTI), which are subject to excise tax. The Health System also has two taxable subsidiaries, SLHP and the Plan whose operations are included in the consolidated financial statements and as such we have provided for income taxes on this activity under the Accounting Standards Codification (ASC) 740.

For the Health System’s taxable subsidiary and activities considered UBTI, income taxes are accounted for under the asset and liability method, which requires the recognition of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs) for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, the Health System determines DTAs and DTLs based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on DTAs and DTLs is recognized in results of operations in the period that includes the enactment date of the rate change.

The Health System recognizes DTAs to the extent that these assets are more likely than not to be realized. In making such a determination, the Health System considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Health System determines that DTAs are realizable in the future in excess of their net recorded amount, the Health System would make an adjustment to the DTA valuation allowance, which would reduce the provision for income taxes.

The Health System records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) the Health System determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Health System recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. Management is not aware of any uncertain tax positions that should be recorded.

**Net Patient Service Revenue**—Net patient service revenue is reported at the amount that reflects the consideration to which the Health System expects to be entitled in exchange for providing care. These amounts are due from patients, third-party payors, and others, including estimated adjustments under reimbursement agreements with third-party payors when services are rendered. As final settlements are made and estimates are revised, the differences are reflected in current operations.

The Health System records revenue during the period after obligations to provide healthcare services are satisfied. Generally, the Health System bills patients and third-party payors several days after the services are performed or after the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied by transferring services to customers.

Performance obligations are determined based on the nature of the services provided by the Health System. Revenues are recorded during the period obligations to provide health care services are satisfied.

Revenue for the performance obligations satisfied over time is recognized based on actual charges incurred. Generally, performance obligations satisfied over time relate to patients receiving inpatient services. The Health System measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time is generally recognized when goods or services are provided, and the Health System does not believe it is required to provide additional goods or services related to the patient.

Because all its performance obligations relate to contracts with a duration of less than one year, the Health System has elected to apply the optional exemption provided in ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

The Health System determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Health System's policy, or implicit price concessions provided to uninsured patients. The Health System determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policy, and historical experience. The Health System determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

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

**Medicare**—Inpatient acute and certain outpatient care services rendered to Medicare program beneficiaries are paid at prospectively determined rates based upon the service provided. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Inpatient non-acute services, certain other outpatient services, and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology.

The Health System is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Health System and audits thereof by the Medicare Administrative Contractor (MAC). The Health System's classification of patients under the Medicare program, and the appropriateness of their admission are subject to a review by a peer review organization under contract with the MAC.

**Medicaid**—Prior to July 1, 2021, inpatient and outpatient services rendered to Medicaid program beneficiaries were reimbursed under a cost-based reimbursement methodology which was retroactively settled. Effective July 1, 2021, Medicaid transitioned inpatient hospital reimbursement from this cost-based structure to a Diagnosis Related Group (DRG) model, which pays for medical services under a budget, based on the patient's severity of illness. Also, effective July 1, 2021, outpatient hospitals were transitioned to a final prospective payment rate based on a percent of charges multiplied by allowable Medicaid charges. The percent of charges were calculated from the most recent cost settlement used to set payment rates. The prospective payment rate will not be retroactively cost settled. Critical access hospitals were excluded from these reimbursement methodology changes and have continued to receive cost-based reimbursement for inpatient and outpatient services.

Beginning January 1, 2022, SLHP's Value Care Organization (VCO) entered a capitated arrangement, taking accountability for the health outcomes of the majority of the Health System's Medicaid patients, which include those that align with physician groups within the VCO. The remaining Medicaid patients continue to be reimbursed under the methodologies outlined in the preceding paragraph.

Changes in estimated settlement amounts are included in results of operations in the period when such amounts are determined. The Health System has an opportunity to amend previously settled cost reports when new or revised information is discovered. With regard to the amended cost reports, the Health System updates estimated settlements when amounts are probable and estimable.

Changes in prior year estimates for Medicare and Medicaid settlements increased net patient service revenue by \$17,936 and \$10,773 for the years ended September 30, 2022 and 2021.

**Other Third-Party Payors**—The Health System has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Health System under these agreements includes prospectively determined rates per patient day, per discharge and discounts from established charges as well as payor specific contract terms.



The Health System provides care to patients regardless of their ability to pay. The Health System has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances such as copays and deductibles. The implicit price concessions included in estimating the transaction prices represent the difference between amounts billed to patients and amounts the Health System expects to collect based on the collection history of those patients.

**Capitated Revenue**—Capitated revenue represents contractual revenue from value-based arrangements at SLHP, where financial responsibility is assumed for services provided to enrollees by other institutional health care providers. In these arrangements, a settlement amount is calculated based on medical claims experience as compared to budget targets based on contractual terms. Capitated revenue is recognized during the period for which institutional providers are obligated to provide health services to enrollees. Settlements are accrued during the period in which the related services are rendered. Losses expected under the contract period in value-based arrangements are recognized when it is probable that expected medical claim expense exceeds future capitated revenue.

Reserves for incurred but not reported medical claims have been established for the unpaid costs of health care services covered under the value-based arrangements. The reserves are estimated based on actuarial analysis, historical experience, and payment trends. Subsequent actual claims experience will differ from the estimated reserve due to variances in estimated and actual utilization of health care services. As final settlements are made and estimates are revised, the differences are reflected in current operations. Reserves for incurred but not reported were \$142,999 and \$98,985 and include \$11,754 and \$12,372 related to employee claims for the years ended September 30, 2022 and 2021, respectively.

SLHP bears full performance exposure on all significant value-based arrangements. The Direct Contracting and Medicaid programs are reinsured by the sponsoring payor, while all other value-based arrangements are reinsured through Sequoyah Assurance, Ltd. (the Captive), a wholly owned subsidiary of the Health System, and recoveries are netted within medical claims expense related to the arrangement.

**Adopted Accounting Pronouncements**—Effective October 1, 2021, the Health System adopted ASU No. 2018-14 *“Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20).”* This guidance modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. ASU No. 2018-14 did not have a material impact on the consolidated financial statements.

Effective October 1, 2021, the Health System adopted ASU No. 2018-18, *“Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606.”* This guidance clarifies whether certain transactions between collaborative arrangement participants should be accounted for within revenue under Topic 606. ASU No. 2018-18 did not have a material impact on the consolidated financial statements.

Effective October 1, 2021, the Health System adopted ASU No. 2020-07 *“Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets—Not-for-Profit Entities (Topic 958).”* This guidance provides new presentation and disclosure requirements about contributed nonfinancial assets for not-for-profit entities, including additional disclosure requirements for recognized contributed services. The amendments will not change the recognition and measurement requirements in Subtopic 958-605 for those assets. ASU No. 2020-07 did not have a material impact on the consolidated financial statements.

**Forthcoming Accounting Pronouncements**—In October 2021, FASB issued ASU No. 2021-08 “*Business Combinations (Topic 805)—Accounting for Contract Assets and Contract Liabilities from Contracts with Customers.*” The amendments in this update require the acquiring entity to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. This guidance will be effective for the Health System beginning October 1, 2024. The Health System will apply this guidance in consideration of any future business combinations that may occur on or after October 1, 2024.

In November 2021, FASB issued ASU No. 2021-09 “*Leases (Topic 842)—Discount Rate for Lessees That Are Not Public Business Entities.*” The amendments in this guidance affect lessees that are not public entities including not-for-Profits regardless of whether they are conduit bond obligors and employee benefit plans. Current guidance provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. This guidance will be effective for the Health System beginning October 1, 2022. The Health System has elected not to use a risk-free rate, and this guidance will have no effect on its consolidated financial statements.

## 2. OPERATING REVENUE

Operating revenue consists primarily of net patient service revenue and capitated revenue. Revenue from patient’s deductible and coinsurance are included in the categories presented below based on primary payor. Capitated revenue primarily represents contractual revenue from value-based arrangements.

Patient service revenue, net of contractual allowances and discounts by primary payor source, for the years ended September 30 were as follows:

	<b>2022</b>	<b>2021</b>
Commercial payors, patients, and other	\$ 1,200,145	\$ 1,043,213
Managed care other	225,870	211,933
Medicare program	383,491	332,896
Managed Medicare	240,966	270,596
Medicaid program	222,932	340,271
Managed Medicaid	<u>65,942</u>	<u>-</u>
	<b><u>\$ 2,339,346</u></b>	<b><u>\$ 2,198,909</u></b>

The composition of net patient service revenue and other revenue based on major service lines for the years ended September 30 were as follows:

	<b>2022</b>	<b>2021</b>
Service lines:		
Hospital services	\$ 1,907,820	\$ 1,821,350
Physician services	<u>431,526</u>	<u>377,559</u>
Net patient service revenue by service line	2,339,346	2,198,909
Capitated revenue	1,158,915	932,064
Revenue from other sources	<u>177,192</u>	<u>216,277</u>
Total operating revenue	<u>\$ 3,675,453</u>	<u>\$ 3,347,250</u>

The CARES Act authorized \$100 billion in funding to hospitals and other health care providers to be distributed through the Public Health and Social Services Emergency Fund ("Relief Funds"). Furthermore, the Paycheck Protection Program and Health Care Enhancement Act ("PPPHE Act", collectively the "Acts") enacted on April 24, 2020, provided an additional \$75 billion in emergency appropriations to eligible providers for COVID-19 response including distributions to safety net hospitals to compensate for lost revenues and qualified expenses, loan forgiveness and capacity expansion. Payments from Relief Funds are intended to compensate health care providers for lost revenue and qualified expenses incurred in response to the COVID-19 pandemic and are not required to be repaid; provided that the recipients attest to and comply with certain terms and conditions, including limitations on balance billing and not using Relief Funds to reimburse expenses or losses that other sources are obligated to reimburse. The Health System recognized government assistance revenue from Relief Funds in the amount of \$42,684 and \$44,408 for the years ended September 30, 2022 and 2021, respectively.

### **3. ACCOUNTS RECEIVABLE AND CONCENTRATION OF CREDIT RISK**

The Health System grants credit without collateral to its patients, most of whom are local residents and many of whom are insured under third-party payor agreements. Accounts receivable, reflected net of any contractual arrangements, as of September 30 were as follows:

	<b>2022</b>	<b>2021</b>
Commercial payors, patients, and other	\$ 313,168	\$ 261,613
Medicare program	91,419	85,886
Medicaid program	38,585	32,819
Non-patient	<u>61,898</u>	<u>61,743</u>
	<u>\$ 505,070</u>	<u>\$ 442,061</u>

The allowance for estimated uncollectible accounts is determined by analyzing both historical information (write-offs by payor classification), as well as current economic conditions.

#### 4. LONG-LIVED ASSETS

##### Property, Plant, and Equipment

Property, plant, and equipment as of September 30 were as follows:

	<b>2022</b>	<b>2021</b>
Land	\$ 72,401	\$ 56,690
Buildings, land improvements, and fixed equipment	1,480,760	1,447,719
Major movable equipment and information technology	<u>1,009,885</u>	<u>943,612</u>
Total property, plant and equipment	<u>2,563,046</u>	<u>2,448,021</u>
Less accumulated depreciation:		
Buildings, land improvements, and fixed equipment	621,024	570,797
Major movable equipment and information technology	<u>821,898</u>	<u>760,989</u>
Total accumulated depreciation	<u>1,442,922</u>	<u>1,331,786</u>
Construction in process	<u>234,503</u>	<u>169,571</u>
Property, plant, and equipment—net	<u>\$ 1,354,627</u>	<u>\$ 1,285,806</u>

Depreciation expense was \$112,381 and \$106,150 for the years ended September 30, 2022 and 2021, respectively.

## Leases

The following table presents the components of the Health System's right-of-use assets and lease obligations related to operating and finance lease obligations and their classification in the consolidated balance sheet as of September 30:

<b>Components of Lease Balances</b>	<b>Consolidated Balance Sheets Classification</b>	<b>2022</b>	<b>2021</b>
Assets:			
Operating lease right-of-use assets—net	Operating lease right-of-use asset—net	\$ 110,796	\$ 112,941
Finance lease assets—net	Property, plant, and equipment—net	<u>36,570</u>	<u>39,311</u>
Total leased assets		<u>\$ 147,366</u>	<u>\$ 152,252</u>
Liabilities:			
Current:			
Operating lease obligations	Current portion of operating lease obligations	\$ 22,031	\$ 19,689
Finance lease obligations	Current portion of long-term debt and finance lease obligations	2,111	1,776
Noncurrent:			
Operating lease obligations	Operating lease obligations	90,197	93,603
Finance lease obligations	Finance lease obligations	<u>43,917</u>	<u>46,171</u>
Total lease liabilities		<u>\$ 158,256</u>	<u>\$ 161,239</u>

The weighted-average remaining lease term and weighted-average discount rate as of and for the years ended September 30 were as follows:

Operating leases	6.1	6.9
Finance leases	16.4	17.2

### Weighted-Average Discount Rate

Operating leases	2.63 %	2.87 %
Finance leases	4.00	4.00

The components of lease expense and their classification in the consolidated statement of operations and changes in net assets for the years ended September 30 were as follows:

<b>Components of Lease Expenses</b>	<b>Classification in Consolidated Statement of Operations and Changes in Net Assets</b>	<b>2022</b>	<b>2021</b>
Operating lease expenses:			
Operating lease expenses	Other operating expenses	\$ 28,996	\$ 27,059
Short-term rent expenses	Other operating expenses	2,551	2,086
Variable lease expenses	Other operating expenses	<u>2,505</u>	<u>2,201</u>
Total operating lease expenses		<u>34,052</u>	<u>31,346</u>
Finance lease expenses:			
Amortization on leased assets	Depreciation and amortization	2,789	2,698
Interest on leased assets	Interest expense	<u>1,880</u>	<u>1,968</u>
Total finance lease expenses		<u>4,669</u>	<u>4,666</u>
Total lease expenses		<u>\$ 38,721</u>	<u>\$ 36,012</u>

Sublease income for the Health System was \$1,102 and \$1,684 for the years ended September 30, 2022 and 2021, respectively, and was reported as other revenue in the consolidated statements of operations and changes in net assets.

Supplemental cashflow information related to leases for the years ended September 30 includes:

	<b>2022</b>	<b>2021</b>
Cash paid for amounts included in the measurement of lease obligations:		
Operating cash outflows from operating leases	\$ 31,256	\$ 29,428
Operating cash outflows from finance leases	1,880	2,122
Financing cash outflows from finance leases	2,117	1,790
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	24,106	22,117
Finance leases	48	-

The following table reconciles the undiscounted minimum lease payment amounts to the operating and finance lease obligations on the balance sheet as of:

<b>Years Ending September 30</b>	<b>Operating Leases</b>	<b>Finance Leases</b>	<b>Total</b>
2023	\$ 24,696	\$ 3,903	\$ 28,599
2024	21,843	4,006	25,849
2025	19,440	3,347	22,787
2026	15,083	3,297	18,380
2027	13,476	3,363	16,839
Thereafter	<u>27,777</u>	<u>46,013</u>	<u>73,790</u>
Total lease payments	122,315	63,929	186,244
Less imputed interest	<u>(10,087)</u>	<u>(17,902)</u>	<u>(27,989)</u>
Present value of future minimum lease payments	112,228	46,027	158,255
Less current lease obligations	<u>(22,031)</u>	<u>(2,110)</u>	<u>(24,141)</u>
Long-term lease obligations	<u>\$ 90,197</u>	<u>\$ 43,917</u>	<u>\$ 134,114</u>

The Health System leases out buildings or portions of buildings that it owns or leases. The following table sets forth the minimum rental income for those leases as of:

<b>Years Ending September 30</b>	<b>Minimum Rental Revenue</b>
2023	\$ 3,883
2024	2,508
2025	1,221
2026	386
2027	217
Thereafter	<u>5</u>
	<u>\$ 8,220</u>

The Health System's largest operating lease is for a multibuilding complex near our largest hospital, known as St. Luke's Plaza (SLP). On March 8, 2018, the Health System entered into a Master Lease agreement (the "Master Lease") to lease 582,527 square feet of office space in Boise, Idaho. At the time the Health System entered the Master Lease it only occupied a portion of the office space with the remainder being leased out to other third parties. Under the Master Lease the Health System assumed responsibility for managing all other leases at SLP and in exchange became the recipient of all payments for these third-party leases, in a sublet arrangement. Since the initial commencement of the Master Lease the Health System continues to increase the amount of space it occupies at SLP. The Master Lease is with the property owner Broadway Park Holdings (BPH), a joint venture in which the Health System owns a membership interest of 49.5%. The Health System accounts for its ownership in BPH under the equity method of accounting. As of September 30, 2022, the future minimum payments of the Master Lease of SLP are expected to be \$62,775 over the remaining term of the lease which ends March 7, 2030.

## Goodwill

Goodwill, included in other assets, as of September 30, 2022 and 2021, consists of:

	<b>2022</b>	<b>2021</b>
Goodwill	\$ 37,393	\$ 37,393
Less accumulated amortization	<u>(14,957)</u>	<u>(11,217)</u>
Total Goodwill	<u>\$ 22,436</u>	<u>\$ 26,176</u>

Goodwill amortization expense was \$3,739 and \$3,739 for the years ending September 30, 2022 and 2021, respectively.

Expected future amortization expenses related to goodwill as of September 30, 2022, is as follows:

<b>Years Ending September 30</b>	<b>Amortization</b>
2023	\$ 3,739
2024	3,739
2025	3,739
2026	3,739
2027	3,739
Thereafter	<u>3,741</u>
	<u>\$ 22,436</u>

## 5. ASSETS WHOSE USE IS LIMITED

Assets whose use is limited that will be used for obligations classified as current liabilities and the current portion of pledges receivable are reported in current assets. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value, based on quoted market prices of identical or similar assets.



The majority of the Health System's investments are independently advised and managed by independent investment managers. The following table sets forth the composition of assets whose use is limited as of September 30, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Board designated funds:		
Cash and cash equivalents	\$ 11,576	\$ 26,838
Mutual funds and other equities	247,827	467,673
Corporate bonds, notes, mortgages and asset-backed securities	554,222	604,555
Government and agency securities	74,126	223,323
Partnerships and joint ventures	63,822	35,703
Interest receivable	2,424	2,199
Due to donor restricted and permanent endowment funds	<u>(50,560)</u>	<u>(45,044)</u>
	903,437	1,315,247
Less amounts classified as current assets	<u>(50,751)</u>	<u>(45,854)</u>
	<u>\$ 852,686</u>	<u>\$ 1,269,393</u>
Restricted funds:		
Cash and cash equivalents	\$ 54,882	\$ 3,082
Corporate bonds, notes, mortgages and asset-backed securities	<u>28,678</u>	<u>-</u>
	<u>\$ 83,560</u>	<u>\$ 3,082</u>
Permanent endowment funds—due from Board designated funds	<u>\$ 22,962</u>	<u>\$ 17,692</u>
Donor restricted plant replacement and expansion funds and other specific purpose funds:		
Due from Board designated funds	\$ 27,598	\$ 27,352
Pledges receivable	<u>2,998</u>	<u>3,130</u>
	<u>\$ 30,596</u>	<u>\$ 30,482</u>

Investment income for assets limited as to use, cash equivalents, and other investments for the years ended September 30, 2022 and 2021, are comprised of the following:

	<b>2022</b>	<b>2021</b>
Investment income:		
Interest income	\$ 16,084	\$ 16,037
Realized (loss) gain on sales of securities and other investments	<u>(11,547)</u>	<u>28,212</u>
	<u>\$ 4,537</u>	<u>\$ 44,249</u>
Change in net unrealized (loss) gain on investments	<u>\$ (110,172)</u>	<u>\$ 37,296</u>

Proceeds received from the Series 2021A Bonds are restricted to qualified expenditures related to projects of the Health System and are held by the Series 2021A Bond Trustee in a Construction Fund. The initial deposit was \$100,865 and the remaining balance as of September 30, 2022, was \$80,121.

## **6. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are principally held by the Health System's wholly owned subsidiary, St. Luke's Health Foundation, Ltd. ("the Foundation") and have been donated for multiple programs and initiatives throughout the Health System, principally related to furthering the advancement of patient care. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. These assets are generally restricted for funding a specific program, capital projects, and other purposes. Other donor restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. These assets are generally restricted to provide ongoing income for a specific program.

Net assets with donor restrictions as of September 30, 2022 and 2021, for the following purposes, were as follows:

	<b>2022</b>	<b>2021</b>
Subject to expenditures for specified purpose:		
Equipment and expansion	\$ 8,329	\$ 6,237
Research and education	6,481	6,269
Charity and other	<u>14,989</u>	<u>19,395</u>
Total subject to specified purpose	<u>29,799</u>	<u>31,901</u>
Perpetual endowment:		
Equipment and expansion	330	279
Research and education	12,317	9,783
Charity and other	<u>10,315</u>	<u>7,630</u>
Total subject to permanent endowment	<u>22,962</u>	<u>17,692</u>
Total net assets with donor restrictions	<u>\$ 52,761</u>	<u>\$ 49,593</u>

The Health System's endowment consists of funds established for a variety of purposes. Endowments include both donor-restricted endowment funds and funds designated by the Board.

The composition of endowment net assets as of September 30, 2022 and 2021, were as follows:

	<b>2022</b>	<b>2021</b>
Donor-restricted endowment net assets	\$ 22,962	\$ 17,692
Board-designated endowment net assets	<u>(2,962)</u>	<u>4,849</u>
Total endowment net assets	<u>\$ 20,000</u>	<u>\$ 22,541</u>

Changes in endowment net assets during 2022 and 2021 were as follows:

	<b>2022</b>	<b>2021</b>
Endowment net assets—beginning of period	\$ 22,541	\$ 18,159
Investment returns	66	1,022
Unrealized (loss) gain	(3,189)	3,132
Contributions	1,218	475
Transfers to remove or add to Board-designated endowment funds	<u>(636)</u>	<u>(247)</u>
Endowment net assets—end of period	<u>\$ 20,000</u>	<u>\$ 22,541</u>

Periodically, the fair value of assets associated with the individual donor restricted endowment funds may fall below the level that the donor requires the Health System to retain as a fund of perpetual duration. Deficiencies of this nature did not exist for the years ended September 30, 2022 and 2021. The Health System has a policy that permits spending from underwater endowment funds, unless otherwise precluded by donor intent or relevant laws and regulations. The Health System's policy allows for up to 4.5% of the total investment pool balance on a 12-quarter average to be released annually from the endowment to support designated programs. This policy also applies to underwater endowments.

## 7. DEBT

Long-term debt as of September 30, 2022 and 2021, consists of the following:

	<b>2022</b>	<b>2021</b>
Obligations to Idaho Health Facilities Authority:		
Series 2021A Fixed Rate Bonds	\$ 218,595	\$ -
Series 2021A Fixed Rate Bond Premium	22,516	-
Series 2018A Fixed Rate Bonds	153,690	158,795
Series 2018A Fixed Rate Bond Premium	15,184	15,769
Series 2018B Taxable Fixed Rate Bonds	149,910	149,910
Series 2018C Variable Rate Revenue Bonds	73,760	73,760
Series 2018D Variable Rate Direct Purchase	70,000	70,000
Series 2018E Variable Rate Direct Purchase	-	63,090
Series 2014A Fixed Rate Bonds	162,820	163,640
Series 2014A Fixed Rate Bond Premium	7,707	8,066
Series 2012A Fixed Rate Bonds	-	75,000
Series 2012A Fixed Rate Bond Premium	-	476
Banc of America Public Capital Corp Equipment Financing	19,783	24,843
Finance lease obligations	46,027	47,947
Notes payable	<u>23,328</u>	<u>24,053</u>
Total debt and finance lease obligations	963,320	875,349
Less current portion	<u>15,542</u>	<u>14,463</u>
Total long term debt, excluding deferred financing costs	947,778	860,886
Deferred financing costs	<u>(5,960)</u>	<u>(5,005)</u>
Total long term debt and finance lease obligations	<u>\$ 941,818</u>	<u>\$ 855,881</u>

As of September 30, 2022, the maturity schedule of long-term debt, excluding deferred financing costs, is as follows:

<b>Years Ending September 30</b>	<b>Long-Term Debt</b>	<b>Finance Leases</b>	<b>Total</b>
2023	\$ 13,432	\$ 3,903	\$ 17,335
2024	13,716	4,006	17,722
2025	19,456	3,347	22,803
2026	19,621	3,297	22,918
2027	20,324	3,363	23,687
Thereafter	<u>830,744</u>	<u>46,013</u>	<u>876,757</u>
	<u>\$ 917,293</u>	63,929	981,222
Less imputed interest		<u>(17,902)</u>	<u>(17,902)</u>
		<u>\$ 46,027</u>	<u>\$ 963,320</u>

#### **Obligations to Idaho Health Facility Authority**

**Series 2012A**—Represents Fixed Rate Revenue Bonds payable in annual payments ranging from \$23,780 to \$26,220, beginning March 2045 through March 2047. The Series 2012A Bonds bear interest at a fixed rate ranging from 4.50% to 5.00% per annum calculated based on a 360-day year comprised of 12 30-day months and are payable on March 1 and September 1 of each year. The average interest rate (which includes amortization of costs of issuance) during 2022 was 4.83%.

The Series 2012A Bonds outstanding balance of \$75,000 was refunded as part of the Series 2021A issuance with proceeds being deposited directly with the bond trustee to be used to redeem the bonds on March 1, 2022.

**Series 2014A**—Represents Fixed Rate Revenue Bonds, payable in annual installments ranging from \$170 to \$16,080 beginning March 2016 through March 2044. The Series 2014A Bonds bear interest at a fixed rate ranging from 2.00% to 5.00% per annum calculated on the basis of a 360-day year comprised of 12 30-day months and are payable on March 1 and September 1 of each year. The average interest rate (which includes amortization of costs of issuance) during 2022 was 4.81%.

The Series 2014A Bonds maturing on or after March 1, 2025, are subject to redemption prior to maturity at the option of the Health System on or after March 1, 2024.

**Series 2018A**—Represents Fixed Rate Revenue Bonds, payable in annual installments ranging from \$995 to \$18,285 beginning March 2020 through March 2048. The Series 2018A Bonds bear interest at a fixed rate ranging from 4.00% to 5.00% per annum calculated on the basis of a 360-day year comprised of 12 30-day months and are payable on March 1 and September 1 of each year. The average interest rate during 2022 was 4.80%.

The Series 2018A Bonds maturing on or after March 1, 2029, are subject to redemption prior to maturity at the option of the Health System on or after September 1, 2028.

**Series 2018B**—Represents taxable Fixed Rate Revenue Bonds, payable in annual installments ranging from \$7,705 to \$49,160 beginning March 2039 through March 2048. The Series 2018B Bonds bear interest at a fixed rate of 5.02% per annum calculated on the basis of a 360-day year comprised of 12 30-day months and are payable on March 1 and September 1 of each year. The average interest rate during 2022 was 5.02%.

The Series 2018B Bonds are subject to redemption prior to maturity at the option of the Health System. The Series 2018B Bonds may be converted to another interest rate mode at the option of the Health System upon compliance with certain conditions set forth in the bond documents.

**Series 2018C**—Represents Variable Rate Revenue Bonds, payable in annual installments ranging from \$600 to \$6,000 beginning March 2026 through March 2048. The interest on the Series 2018C Bonds is payable monthly, as the Series 2018C Bonds are currently held in the Daily Mode and supported by an irrevocable direct pay letter of credit. At the option of the Health System, the Series 2018C Bonds may be converted to the Weekly Mode, Commercial Paper Mode, Adjustable Long Mode, Bank Loan Mode, Index Mode, FRN Rate Mode, Fixed Mode or another Daily Mode upon compliance with certain conditions set forth in the bond documents. The average interest rate during 2022 was .86%.

The Series 2018C Bonds are subject to redemption prior to maturity at the option of the Health System and, while in a Daily Mode or Weekly Mode, to optional tender by the bondholder. In the event of optional tender of the bonds, funds for repayment of the purchase price of the bonds are available from a letter of credit facility, which is scheduled to expire on June 30, 2025. As of September 30, 2022, the bonds were in the Daily Mode.

**Series 2018D**—Represents Variable Rate Direct Purchases, payable in annual installments ranging from \$555 to \$5,660 beginning March 2026 through March 2048. The interest on the Series 2018D Bonds is payable monthly, as the Series 2018D Bonds are currently held in the LIBOR Index Mode. At the conclusion of the initial LIBOR Index Mode (July 1, 2026) and at the option of the Health System, the Series 2018D Bonds may be converted to the Daily Mode, Weekly Mode, Commercial Paper Mode, Adjustable Long Mode, Bank Loan Mode, another Index Mode, FRN Rate Mode, or the Fixed Mode upon compliance with certain conditions set forth in the bond documents. The average interest rate during 2022 was 1.07%.

**Series 2018E**—Represents Variable Direct Purchases, payable in annual installments ranging from \$500 to \$5,110 beginning March 2026 through March 2048. The interest on the Series 2018E Bonds is payable monthly, as the Series 2018E Bonds are currently held in the LIBOR Index Mode. At the conclusion of the initial LIBOR Index Mode (July 1, 2028) and at the option of the Health System, the Series 2018E Bonds may be converted to the Daily Mode, Weekly Mode, Commercial Paper Mode, Adjustable Long Mode, Bank Loan Mode, another Index Mode, FRN Rate Mode, or the Fixed Mode upon compliance with certain conditions set forth in the bond documents. The average interest rate during 2022 was .78%.

The Series 2018E Bonds outstanding balance of \$63,090 was refunded as part of the Series 2021A issuance with proceeds being deposited directly with the bond trustee to be used to redeem the bonds on December 1, 2021.

**Series 2021A**—Represents Fixed Rate Revenue Bonds, payable in annual installments ranging from \$770 to \$32,895 beginning March 2026 through March 2051. The Series 2021A Bonds bear interest at a fixed rate ranging from 3.00% to 5.00% per annum calculated on the basis of a 360-day year comprised of 12 30-day months and are payable on March 1 and September 1 of each year. The average interest rate during 2022 was 3.72%

The 2021A Bonds maturing on or after March 1, 2033, are subject to redemption prior to maturity at the option of the Health System on or after March 1, 2032.

**Banc of America Public Capital Corp**—Represents ten-year debt financing, payable in quarterly installments, which include principal and interest of \$1,366 beginning August 2016 through May 2026. The Banc of America Public Capital Corp debt is secured by the Health System’s EHR system and bears interest at a fixed rate of 1.756% per annum payable quarterly on February 18th, May 18th, August 18th, and November 18th.

**Notes Payable**—These notes are secured by medical office buildings. Principal and interest are payable on a monthly basis. Per the agreements, the notes mature on December 31, 2022. Interest is fixed at 4.25%.

See further discussion related to the notes payable below, in the Fiscal Year 2023 Term Loans section.

**Lines of Credit**—The Health System has an unsecured credit agreement with Key Bank, N.A. The agreement allows for borrowings up to \$60,000 and has a maturity date of March 1, 2025. In the event that principal amounts are outstanding, interest is incurred at the Secured Overnight Financing Rate (SOFR) plus a margin of .65%. The line of credit, among other things, contains a non-usage fee on the actual daily unborrowed portion of the principal amount available at the rate of one-tenth of 1% per annum. There were no amounts outstanding as of September 30, 2022 and 2021.

The Health System carries insignificant unsecured credit balances with Wells Fargo Bank, N.A. for working capital strategy needs such as vendor payments and employee reimbursements. Principal amounts are paid in full on a monthly basis and no interest was incurred related to these balances for the years ended September 30, 2022 and 2021.

**Interest Costs**—During the years ended September 30, 2022 and 2021, the Health System incurred total interest costs of \$35,073 and \$31,480, respectively. During 2022 and 2021, \$5,574 and \$7,195, respectively, has been capitalized and is reflected as a component of property, plant, and equipment. During the years ended September 30, 2022 and 2021, the Health System made cash payments for interest of \$36,099 and \$32,095, respectively, and cash payments for bond fees of \$1,132 and \$1,137, respectively.

**Covenants**—Debt agreements held by the Health System include a range of required covenants, provisions and conditions. The primary covenants are related to minimum debt service coverage, unrestricted cash positions, minimum credit ratings, and maximum indebtedness to capitalization. At September 30, 2022, the Health System was in compliance with all covenants, provisions and conditions required by outstanding agreements.

**Fiscal Year 2023 Term Loans**—On October 18, 2022, the Health System closed on four taxable, bank term loan agreements, resulting in gross proceeds of \$250,000. On December 13, 2022, \$23,219 of the proceeds was used to pay off all the outstanding principal balance of the Notes Payable described within this footnote as they were expiring on December 31, 2022 and would have required renewal at unfavorable rates. The remaining proceeds are held in investment funds for the future benefit of the Health System.

## 8. EMPLOYEE RETIREMENT PLANS

**Defined Benefit Plans**—The St. Luke’s Regional Medical Center, Ltd. Basic Pension Plan (the “SLRMC Plan”) covers substantially all eligible employees employed by the Health System (with the exception of St. Luke’s Magic Valley Regional Medical Center, Ltd. (SLMV) employees on or before December 31, 1994. The SLRMC Plan was amended and restated effective January 1, 1995, to exclude employees hired on or after that date from participation in the SLRMC Plan; however, the SLRMC Plan remains in effect for those participants who qualify and were hired prior to January 1, 1995. Employees eligible for the SLRMC Plan with five or more years of service are entitled to annual pension benefits beginning at normal retirement age (65), or after obtaining age 62 with 25 years of service, equal to a percentage of their highest five-year average annual compensation, not to exceed a certain maximum. The Health System makes annual contributions to the SLRMC Plan as necessary.

The SLMV Plan covers substantially all eligible SLMV employees employed by SLMV on or before April 1, 2005. The SLMV Plan was amended and restated effective April 1, 2005, to exclude employees hired on or after that date from participation in the SLMV Plan. The SLMV Plan remained in effect for those participants whose sum of their age plus years of credited service exceed 65 or who exceeded 10 years of service as of April 1, 2005, however, benefits were frozen for all participants effective September 30, 2010. Participants are entitled to annual pension benefits beginning at normal retirement age (65), or after obtaining age 60 with 30 years of service, equal to a calculation based on either average annual compensation or credited service. The Health System makes annual contributions to the SLMV Plan as necessary.

On October 28, 2022, the Health System issued a notice of intent to terminate the SLMV Plan. The plan termination date is expected to be December 31, 2022, and all required notices, government approvals, participant elections, distributions of plan assets, and other administrative work is expected to be completed by March of 2024. We have filed for a determination letter with the IRS to request a final determination of the plans tax qualified status. The plan termination will involve lump sum payments and an annuity purchase, which will trigger a settlement charge under ASC 715. The Health System will recognize a gain/loss upon settlement of the defined benefit obligations through the payment of lump sums and purchase of irrevocable annuity contracts related to the plan termination. The timing of the settlement recognition is expected to occur between December 2023 and March 2024 for the payment of lump sums and for the purchase of an irrevocable annuity contract. The amount of the settlement recognition will be determined using the economic environment at the time of recognition.



The following table sets forth the SLRMC Plan and the SLMV Plan (collectively the "Plans") funded status, amounts recognized in the Health System's consolidated financial statements and other related financial information:

	<b>SLRMC</b>	<b>SLMV</b>	<b>Total 2022</b>	<b>Total 2021</b>
Projected benefit obligation for service rendered to date	\$ 141,665	\$ 40,837	\$ 182,502	\$ 262,391
Plan assets—at fair value	<u>134,111</u>	<u>40,856</u>	<u>174,967</u>	<u>227,566</u>
Funded status	\$ <u>(7,554)</u>	\$ <u>19</u>	\$ <u>(7,535)</u>	\$ <u>(34,825)</u>
Employer contributions	\$ 14,000	\$ -	\$ 14,000	\$ 14,143
Accrued pension liability (all noncurrent)	7,554	-	7,554	38,132
Accrued pension asset	-	(19)	(19)	(3,307)
Change in funded status	(30,787)	3,251	(27,536)	(35,728)
Benefits paid	15,018	3,258	18,276	21,228
Accumulated benefit obligation	135,516	40,837	176,353	251,838

The following table presents the pension benefit costs:

	<b>SLRMC</b>	<b>SLMV</b>	<b>Total 2022</b>	<b>Total 2021</b>
Service cost	\$ 2,443	\$ -	\$ 2,443	\$ 2,822
Interest cost	4,760	1,106	5,866	5,721
Expected return on plan assets	(7,718)	(994)	(8,712)	(9,568)
Amortization of prior service cost	80	-	80	80
Amortization of net loss	3,604	600	4,204	7,964
Settlement loss recognized	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,079</u>
Net periodic pension cost	\$ <u>3,169</u>	\$ <u>712</u>	\$ <u>3,881</u>	\$ <u>9,098</u>

Service cost is recorded on the consolidated statement of operations, within the line-item employee compensation and benefits. The other components of net periodic benefit cost are recorded in the statement of changes in net assets, as other components of net periodic pension cost.

Amounts recognized in net assets without donor restrictions related to the Plans at September 30, consist of:

	<b>SLRMC</b>	<b>SLMV</b>	<b>Total 2022</b>	<b>Total 2021</b>
Prior service cost	\$ 32	\$ -	\$ 32	\$ (112)
Net actuarial gain (loss)	21,366	21,676	43,042	(60,378)

The measurement date used to determine pension benefits is September 30. Contributions to the Plans for the year ending September 30, 2023, are expected to be approximately \$7,000.

The overall investment strategy and policy has been developed based on the need to satisfy the long-term liabilities of the Plans. Asset class allocations are determined on a sliding scale according to the funded status of each individual plan. Risk management is accomplished through diversification across asset classes, multiple investment manager portfolios, and both general and portfolio-specific investment guidelines. The asset allocation guidelines for the Plans, including allocation ranges, are as follows:

	<b>Target SLRMC</b>	<b>Target SLMV</b>	<b>Allocation Range</b>
Asset Class:			
Broad US Equity	35 %	- %	-5% / 5 %
Broad International Equity	29	-	-5 / 5
Core Real Estate	5	-	-3 / 3
Liability Hedging Fixed	31	100	-8 / 8
Cash Equivalents	-	-	N/A / 3

Managers are expected to generate a total return consistent with their philosophy and outperform both their respective peer group medians and an appropriate benchmark, net of expenses, over a one-, three-, and five-year period. The investment guidelines contain categorical restrictions such as no commodities, short-sales and margin purchases; and asset class restrictions that address such things as single security or sector concentration, capitalization limits and minimum quality standards.

Expected long-term returns on the Plans' assets are estimated by asset classes, and are generally based on historical returns, volatilities and risk premiums. Based upon the Plans' asset allocation, composite return percentiles are developed upon which the Plans' expected long-term return is determined. As of September 30, 2022, the amounts and percentages of the fair value of Plans' assets were as follows:

	<b>SLRMC</b>		<b>SLMV</b>	
Broad US Equity	\$ 43,403	32 %	\$ -	- %
Broad International Equity	33,229	25	-	-
Core Real Estate	6,175	5	-	-
Liability Hedging Fixed	49,923	37	40,801	100
Cash Equivalents	<u>1,381</u>	<u>1</u>	<u>55</u>	<u>-</u>
Total	<u>\$ 134,111</u>	<u>100 %</u>	<u>\$ 40,856</u>	<u>100 %</u>

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid from the Plans:

	<b>SLRMC</b>	<b>SLMV</b>	<b>Total</b>
2023	\$ 12,624	\$ 3,119	\$ 15,743
2024	12,043	40,487	52,530
2025	12,153	-	12,153
2026	12,082	-	12,082
2027	12,171	-	12,171
Thereafter	<u>57,648</u>	<u>-</u>	<u>57,648</u>
	<u>\$ 118,721</u>	<u>\$ 43,606</u>	<u>\$ 162,327</u>

Assumptions used in determining the actuarial present value of net periodic benefit cost of the Plans were as follows:

<b>SLRMC</b>	<b>2022</b>	<b>2021</b>
Service cost discount rate	2.96 %	2.89–2.98 %
Service cost interest rate	2.74 %	2.61–2.65 %
Interest cost rate on benefit obligations	2.32	2.16–2.24
Rate of increase in future compensation levels	2.00–4.00	2.00–4.00
Expected long-term rate of return on assets	5.40	6.00

#### **SLMV**

Service cost discount rate	N/A	N/A
Service cost interest rate	N/A	N/A
Interest cost rate on benefit obligations	2.14 %	1.96 %
Expected long-term rate of return on assets	2.20	3.90

Assumptions used in determining the actuarial present value of projected benefit obligation of the Plans were as follows:

<b>SLRMC</b>	<b>2022</b>	<b>2021</b>
Weighted average discount rate	5.59 %	2.82 %
Rate of increase in future compensation levels	2.00–4.00	2.00–4.00

#### **SLMV**

Weighted average discount rate	5.40 %	2.74 %
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The principal cause of the change in the unfunded pension liability was due to the settlement, participant movement, plan experience, passage of time and an increase in the discount rate, offset by employer contributions and overall market performance.

**Supplemental Retirement Plan for Executives**—The Supplemental Retirement Plan for Executives (SERP) is a non-qualified retirement plan for certain executives of the Health System. The following table sets forth the funded status, amounts recognized in the Health System’s consolidated financial statements, and other SERP financial information:

	<b>2022</b>	<b>2021</b>
Projected benefit obligation for service rendered to date	\$ 19,229	\$ 25,852
Plan assets—at fair value	<u>-</u>	<u>-</u>
Funded status	<u><b>\$(19,229)</b></u>	<u><b>\$(25,852)</b></u>
Employer paid benefits	\$ 1,418	\$ 1,418
Accrued pension liability (noncurrent)	17,639	24,304
Accrued pension liability (current)	1,590	1,548
Change in funded status	(6,623)	(973)
Accumulated benefit obligation	19,229	25,761

The following table presents the pension benefit costs:

	<b>2022</b>	<b>2021</b>
Service cost	\$ -	\$ -
Interest cost	539	515
Amortization of prior service cost	-	29
Amortization of net loss	<u>2,275</u>	<u>2,248</u>
Net periodic pension cost	<u><b>\$ 2,814</b></u>	<u><b>\$ 2,792</b></u>

Service cost is recorded on the consolidated statement of operations, within the line-item employee compensation and benefits. The other components of net periodic benefit cost are recorded in the statement of changes in net assets, as other components of net periodic pension cost.

Due to its non-qualified status, the SERP is considered unfunded under the Employee Retirement Income Security Act, as disclosed above. The Health System has set aside funds in a Rabbi Trust for the purpose of funding the SERP. The Rabbi Trust asset balance on September 30, 2022 and 2021, was \$18,904 and \$22,943, respectively.

The measurement dates used to determine pension benefits is September 30. The Health System expects to make approximately \$1,590 of benefit payments directly to plan participants for the year ending September 30, 2023. The projected benefit obligation decrease was primarily driven by participant movement, plan experience, the passage of time, and an increase in the discount rate.

Amounts recognized in net assets without donor restrictions related to the SERP on September 30, 2022 and 2021, consist of:

	<b>2022</b>	<b>2021</b>
Prior service cost	\$ -	\$ -
Net actuarial gain (loss)	3,159	(4,860)

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid from the SERP:

	<b>Benefit Payments</b>
2023	\$ 1,548
2024	1,584
2025	1,571
2026	1,557
2027	1,542
Thereafter	<u>7,410</u>
	<u>\$ 15,212</u>

Assumptions used in determining the actuarial present value of net periodic benefit cost were as follows:

	<b>2022</b>	<b>2021</b>
Spot discount rates	2.15–2.74 %	1.97–2.64 %
Rate of increase in future compensation levels	4.00	4.00

Assumptions used in determining the actuarial present value of projected benefit obligation were as follows:

	<b>2022</b>	<b>2021</b>
Weighted average discount rate	5.61 %	2.74 %
Rate of increase in future compensation levels	4.00	4.00

**Defined Contribution Plan**—The Health System sponsors two defined contribution plans (the “Contribution Plans”) that cover substantially all employees. The Health System’s contributions to these Contribution Plans are at the discretion of the Board. Amounts contributed are allocated to participants based on individual compensation amounts, years of service, and the participant’s level of participation in tax deferred annuity programs. During 2022 and 2021, contributions to these Contribution Plans were \$69,667 and \$56,262, respectively.

## 9. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of ASC 825, "*Financial Instruments*". The Health System accounts for certain assets and liabilities at fair value or on a basis that is approximate to fair value. The estimated fair value amounts have been determined by the Health System using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Health System could realize in a current market exchange.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value should be based on the assumptions that the market participants would use, including a consideration of nonperformance risk.

The Health System assesses the inputs used to measure fair value using a three-level hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. The fair value hierarchy is as follows:

**Level 1**—Quoted (unadjusted) prices for identical assets or liabilities in active markets that the Health System has the ability to access.

**Level 2**—Other observable inputs, either directly or indirectly, including: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified or contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3**—Unobservable inputs for the asset or liability. The determination to measure the asset or liability as a level 3 depends on the significance of the input to the fair value measurement.

The asset or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In instances where the inputs used to measure fair value fall into different levels of the hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Health System's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs. The Health System's policy is to recognize transfers between all levels as of the beginning of the reporting period.

Following is a description of the valuation methodologies used for the Health System's assets or liabilities measured at fair value.

**Cash and Cash Equivalents**—The carrying amounts reported in the balance sheet approximate their fair value.

**Accounts Receivables, Accounts Payable, Accrued Liabilities, and Estimated Payable to Medicare and Medicaid Programs**—The carrying amounts reported in the balance sheet approximate their fair value.

**Assets Whose Use is Limited**—These assets consist primarily of cash and cash equivalents, mutual funds, debt and equity securities, and pledges receivable. For cash and cash equivalents, pledges receivable and interest receivable, the carrying amount reported in the balance sheet approximates fair value.

For mutual funds the fair value is based on the value of the daily closing price as reported by the fund. Mutual funds held by the Health System are open-end mutual funds that are registered with the Securities and Exchange Commission. The mutual funds held by the Health System include funds that are traded on both active and inactive markets.

For equities (common stock), the fair value is based on the value of the closing price reported on the active market on which the individual securities are traded.

For government obligations, the fair value is measured using pricing models maximizing the use of observable inputs for similar securities.

For commercial paper, the fair value is based on amortized cost with observable inputs, including security cost, maturity, and credit rating.

For debt securities, the fair value is measured using quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flows, and other pricing models. These models are primarily industry standard models that consider various assumptions, including time value and yield curve as well as other relevant economic measures.

For Limited Partnerships ("LP's"), the fair value of each of the funds are derived from their net asset values (NAV) disclosed on their financial statements. Domestic LP's follow generally accepted accounting principles in the United States ("GAAP") and international LP's follow the International Financial Reporting Standards ("IFRS").

For investments for which no market prices are readily available, LP's will mark assets on a quarterly basis considering all factors, information and data deemed by the LP to be pertinent. A discounted cash flow approach for asset acquisitions and a quantitative model for debt investments is used. In addition, a yield analysis is performed that assesses the expected market yield for an investment with a similar level of risk. LP's have formal valuation committees that meet regularly to discuss the appropriateness of the valuations for each respective investment. Lastly, LP's employ multiple third-party valuation consultants to provide positive assurance on all market value determinations at least once during a trailing 12-month period.

The following tables set forth by level within the fair value hierarchy a summary of the Health System's investments measured at fair value on a recurring basis:

<b>Fair Value Measurements as of September 30, 2022, Using</b>				
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
Investments:				
Cash and cash equivalents	\$ 66,458	\$ -	\$ -	\$ 66,458
Mutual funds and other equities	64,264	183,563	-	247,827
Government and agency securities	4,769	69,357	-	74,126
Partnerships and joint ventures	-	-	63,822	63,822
Corporate bonds, notes, mortgages and asset-backed securities	-	439,309	-	439,309
Subtotal	<u>\$ 135,491</u>	<u>\$ 692,229</u>	<u>\$ 63,822</u>	<u>891,542</u>
Investments measured at net asset value:				
Mortgages and asset-backed securities				<u>143,591</u>
Total assets				<u>\$ 1,035,133</u>

<b>Fair Value Measurements as of September 30, 2021, Using</b>				
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
Investments:				
Cash and cash equivalents	\$ 29,920	\$ -	\$ -	\$ 29,920
Mutual funds and other equities	75,660	391,869	144	467,673
Government and agency securities	-	223,323	-	223,323
Partnerships and joint ventures	-	34,560	1,143	35,703
Corporate bonds, notes, mortgages and asset-backed securities	-	449,042	-	449,042
Subtotal	<u>\$ 105,580</u>	<u>\$ 1,098,794</u>	<u>\$ 1,287</u>	<u>1,205,661</u>
Investments measured at net asset value:				
Mortgages and asset-backed securities				<u>155,513</u>
Total assets				<u>\$ 1,361,174</u>



The Health System's use of Level 3 unobservable inputs accounts for 7.16% and .11%, respectively, of the total fair value of assets as of September 30, 2022 and 2021. For the years ending September 30, 2022 and 2021, there were \$34,560 and \$0 transfer of assets into or out of Level 3.

The following table summarizes the changes in Level 3 assets measured at fair value as of September 30:

	<b>2022</b>	<b>2021</b>
Beginning balance	\$ 1,287	\$ 636
Purchases	25,043	566
Sales	(1,068)	(400)
Realized and unrealized gains	4,000	485
Transfers	<u>34,560</u>	<u>-</u>
Ending Balance	<u>\$ 63,822</u>	<u>\$ 1,287</u>

**Fair Value of Pension Plan Assets**—In addition to the types of assets listed above as held by the Health System, the Employee Retirement Plans also hold assets within limited partnerships, limited liability companies, and common collective trusts.

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price.

Government obligations are valued at pricing models maximizing the use of observable inputs for similar securities.

LP's and limited liability companies are valued at fair value based on the audited financial statements of the partnerships and the percentage ownership in the partnership. This method is an accepted practical expedient that is considered equivalent to NAV. The assets held were further considered for level of inputs used. When quoted prices are not available for identical or similar assets, real estate assets are valued under a discounted cash flow or lender survey approach that maximizes observable inputs but includes adjustments for certain risks that may not be observable, such as cap and discount rates, maturities and loan to value ratios.

Common collective trusts are valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

The following table sets forth by level, based on the hierarchy requirements for fair value guidance outlined previously, a summary of the assets of the Employee Retirement Plans measured at fair value on a recurring basis:

<b>Fair Value Measurements as of September 30, 2022, Using</b>				
<b>Quoted Prices in Significant</b>				
	<b>Active Markets</b>	<b>Other</b>	<b>Significant</b>	
	<b>for Identical</b>	<b>Observable</b>	<b>Unobservable</b>	
	<b>Assets</b>	<b>Inputs</b>	<b>Inputs</b>	
	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>	<b>Total</b>
Pension assets:				
Cash and cash equivalents	\$ 2,112	\$ -	\$ -	\$ 2,112
Domestic mutual funds	18,702	-	-	18,702
International mutual funds	34,828	49,923	-	84,751
Domestic stocks	7,522	-	-	7,522
International stocks	771	6,009	-	6,780
Corporate bonds, notes, mortgages and asset backed securities	-	27,326	-	27,326
Government and agency securities	5,392	1,680	-	7,072
Limited partnerships and liability companies	-	-	6,175	6,175
Subtotal	<u>\$ 69,327</u>	<u>\$84,938</u>	<u>\$6,175</u>	<u>160,440</u>
Investments measured at net asset value:				
Common collective trusts				<u>14,527</u>
Total assets				<u>\$174,967</u>

<b>Fair Value Measurements as of September 30, 2021, Using</b>				
<b>Quoted Prices in Significant</b>				
	<b>Active Markets</b>	<b>Other</b>	<b>Significant</b>	
	<b>for Identical</b>	<b>Observable</b>	<b>Unobservable</b>	
	<b>Assets</b>	<b>Inputs</b>	<b>Inputs</b>	
	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>	<b>Total</b>
Pension assets:				
Cash and cash equivalents	\$ 3,848	\$ -	\$ -	\$ 3,848
Domestic mutual funds	67,846	-	-	67,846
International mutual funds	23,190	-	-	23,190
Domestic stocks	9,731	-	-	9,731
International stocks	8,937	-	-	8,937
Corporate bonds, notes, mortgages and asset backed securities	-	35,626	-	35,626
Government and agency securities	-	11,148	-	11,148
Limited partnerships and liability companies	-	-	8,100	8,100
Subtotal	<u>\$113,552</u>	<u>\$46,774</u>	<u>\$8,100</u>	<u>168,426</u>
Investments measured at net asset value:				
Common collective trusts				<u>59,140</u>
Total assets				<u>\$227,566</u>

The Health System's use of Level 3 unobservable inputs accounts for 3.53% and 3.56%, respectively, of the total fair value of Employee Retirement Plan assets as of September 30, 2022 and 2021. For the years ending September 30, 2022 and 2021, there were no transfers of Plan assets into or out of Level 3.

The following table summarizes the changes in Level 3 assets measured at fair value as of September 30:

	<b>2022</b>	<b>2021</b>
Beginning balance	\$ 8,100	\$ 7,244
Sales	(3,600)	-
Realized and unrealized gains	1,438	399
Miscellaneous fees	(51)	(104)
Interest received	<u>288</u>	<u>561</u>
Ending Balance	<u>\$ 6,175</u>	<u>\$ 8,100</u>

**Unrealized Gains and Losses**—The unrealized gains and losses on investment accounts at September 30, 2022, were determined to be temporary in nature as the change in market value for these assets was the result of fluctuating interest rates and market activity rather than the deterioration of the credit worthiness of the issuers. In the event that the Health System disposes of these securities before maturity, it is expected that the realized gains or losses, if any, will be immaterial both quantitatively and qualitatively to the statement of operations and financial position as of the Health System's fiscal year end.

The following tables show the Health System's investments' fair values and gross unrealized losses for individual securities that have been in a continuous loss position for 12 months or less as of September 30, 2022, and those that have been in a loss position for 12 months or more as of September 30, 2022. These investments are interest-yielding debt securities of varying maturities. The Health System has determined that the unrealized loss position for these securities is primarily due to market volatility. Generally, in a rising interest rate environment, the estimated fair value of fixed income securities would be expected to decrease; conversely, in a decreasing interest rate environment, the estimated fair value of fixed income securities would be expected to increase. These securities may also be negatively impacted by illiquidity in the market.

	<b>In a Continuous Loss Position for Less than 12 Months</b>		
	<b>Estimated Fair Value</b>	<b>Unrealized (Losses)</b>	<b>Total Number of Positions</b>
Corporate bonds, notes, mortgages and asset-backed securities	\$ 258,390	\$ (12,688)	521
Mutual funds and other equities	54,661	(9,299)	48
Partnerships and joint ventures	49,210	(4,760)	2
Government & agency securities	<u>59,687</u>	<u>(4,414)</u>	<u>188</u>
Total	<u>\$ 421,948</u>	<u>\$ (31,161)</u>	<u>759</u>

	<b>In a Continuous Loss Position for more than 12 Months</b>		
	<b>Estimated Fair Value</b>	<b>Unrealized (Losses)</b>	<b>Total Number of Positions</b>
Corporate bonds, notes, mortgages and asset-backed securities	\$ 171,511	\$ (14,831)	298
Mutual funds	8,015	(1,580)	6
Partnerships and joint ventures	34,752	(13,512)	1
Government & agency securities	<u>14,497</u>	<u>(2,502)</u>	<u>23</u>
Total	<u>\$ 228,775</u>	<u>\$ (32,425)</u>	<u>328</u>

**Fair Value of Debt**—The interest rate on the Health System’s Variable Rate Revenue Bonds is reset daily to reflect current market rates. Consequently, the carrying value approximates fair value. The carrying amount reported in the balance sheet for finance leased assets approximates its fair value.

The estimated fair value of the Fixed Rate Bonds as of September 30, 2022 and 2021, was \$624,622 and \$633,587, respectively, and are based on Level 2 inputs within the fair value hierarchy. The fair value was estimated by discounting the future cash flows using rates currently available for debt of similar terms and maturity. The carrying value of the Fixed Rate Bonds as of September 30, 2022 and 2021, was \$685,015 and \$547,345, respectively.

The estimated fair value of the notes payable as of September 30, 2022 and 2021, was \$23,155 and \$27,659, respectively. The fair value is based on Level 2 inputs within the fair value hierarchy and was estimated by discounting the future cash flows using rates currently available for debt of similar terms and maturity. The carrying value of the notes payable as of September 30, 2022 and 2021, was \$23,328 and \$24,053, respectively.

The fair value estimates presented herein are based on pertinent information available to management as of September 30, 2022. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date, and current estimates of fair value may differ significantly from the amounts presented herein.

## **10. COMMITMENTS AND CONTINGENCIES**

The Health System uses a combination of self-insurance and commercial insurance to provide protection from multiple exposures for its hospitals and other entities.

Healthcare Professional and General Liability coverage is provided through Sequoyah Assurance, Ltd. (the Captive), a Cayman domiciled wholly owned subsidiary of St. Luke’s Regional Medical Center, Ltd. The Captive reimburses the Health System for liability up to \$3 million per claim (healthcare professional liability) and \$3 million per claim (general liability) with a \$15 million combined annual aggregate. Coverage is provided on a claims-made and reported basis for both types of described coverage. The Health System makes contributions to the Captive based on funding levels recommended by an independent actuary.

The Captive provides the Health System with excess professional and general liability coverage up to a limit of \$50 million. Two towers of coverage are provided. One tower for a total of \$50 million in limits is provided for excess professional liability and a separate tower for a total of \$50 million in limits is provided for excess general liability, automobile liability, ambulance liability, employer’s liability, and aviation liability. Coverage is provided on a claims-made and reported basis for professional and general liability. Coverage is provided on an occurrence basis for automobile liability, ambulance liability, employer’s liability, and aviation liability. The Captive excess professional and general liability policy is 100% reinsured by various third-party reinsurers. Should the Captive reinsurers be unable to reimburse the Health System for recoverable claims, the Captive would still be liable to pay the claims; however, the Captive only contracts with highly rated insurance carriers in order to mitigate this risk.

The Captive provides the Health System with coverage for Cyber Security with a \$1.5 million reimbursement policy.

The Health System maintains reserves based primarily on actuarial estimates provided by an independent third party for the portion of its professional liability risks, including incurred but not reported claims, for which it does not have insurance coverage. Reserves for losses and related expenses are estimated using expected loss reporting patterns and are discounted to their present value using a discount rate of 3.0%. There can be no assurance that the ultimate liability will not exceed such estimates. Adjustments to the estimated reserves are included in results of operations in the periods when such amounts are determined. As of September 30, 2022 and 2021, the Health System had professional liability recorded in accounts payable and accrued liabilities in the amounts of \$36,627 and \$32,272, respectively.

As of September 30, 2022 and 2021, the Health System had commitments on construction contracts and equipment purchases totaling \$154,428 and \$81,160, respectively.

The Health System is routinely involved in other litigation matters and regulatory investigations arising in the normal course of business. After consultation with legal counsel, management estimates that each of these matters will be resolved without material effect on the Health System’s future financial position, results of operations, or cash flows.

## 11. FUNCTIONAL EXPENSES

The Health System provides medical and healthcare services to residents within its geographic location. Expenses from continuing operations related to providing these services for the years ended September 30, 2022 and 2021, are allocated as follows:

	<b>2022</b>	<b>2021</b>
Professional, nursing, and other patient care services	\$ 3,115,353	\$ 2,657,430
Fiscal and administrative support services	<u>561,948</u>	<u>468,318</u>
	<u>\$ 3,677,301</u>	<u>\$ 3,125,748</u>

## **12. INCOME TAXES**

Income tax expense for the Health System differs from the income tax expense at the U.S. federal statutory tax rate of 21% due to state taxes, net of a federal benefit, nondeductible business meals and entertainment expenses, and tax-exempt earnings of our not-for-profit entities.

Deferred income taxes resulted from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, resulting in taxable or deductible amounts in future years and net operating loss carryforwards (NOLs).

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing DTAs for each of the Health System's legal entities. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended September 30, 2022. Such objective evidence limits the ability to consider other subjective evidence, such as our projections for future growth.

As of September 30, 2022, the Health System has net operating loss carryforwards in the amount of \$177,792 and \$131,586 for federal and state jurisdictions, respectively. The NOLs are set to expire in years 2023 through 2042. The Health System does not believe that it is more likely than not they will utilize these losses prior to their expiration and as such has provided a full valuation allowance against these losses. The amount of the DTA considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight is given to subjective evidence such as our projections for growth.

The Health System accounts for uncertain tax positions in accordance with ASC 740. Management is not aware of any uncertain tax positions that should be recorded. The Health System includes penalties and interest, if any, with its provision for income taxes in the non-operating items in the consolidated statements of operations and changes in net assets.

The Health System is subject to taxation in the United States and Idaho jurisdictions. As of September 30, 2022, the Health System's tax years for 2018, 2019, 2020 and 2021 are subject to examination by the tax authorities. As of September 30, 2022, the Health System is no longer subject to U.S. Federal or Idaho examinations by tax authorities for tax years before 2018.

## **13. SUBSEQUENT EVENTS**

The Health System has evaluated subsequent events through December 16, 2022. This is the date the financial statements were available to be issued.

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