

Valley Citizens Foundation for
Health Care, Inc.
2020 Form 990
December 31, 2020
Public Disclosure Copy

**STATEMENT THAT THIS IS A TAX RETURN
NOT A FINANCIAL STATEMENT**

The accompanying federal income tax return does **NOT** constitute a financial statement. We have not audited, reviewed or compiled the accompanying income tax return and, accordingly, do not express an opinion or any other form of assurance on it.

An income tax return is not intended to constitute financial statements prepared in accordance with generally accepted accounting principles. Accordingly, it does not necessarily include all financial information or disclosures required by generally accepted accounting principles. If the omitted financial information or disclosures were included with the tax return, they might influence the users' conclusions about the taxpayer's financial position, results of operations and cash flows. Accordingly, this income tax return is not designed to be used in lieu of financial statements.

RECORD RETENTION

Copies of your tax returns are enclosed for your files. It is your responsibility to retain copies of your tax information. We recommend the following guidelines:

- Tax returns – keep indefinitely.
- Supporting documentation – keep for 8 years.
- Records supporting your tax basis in personal, investment and business assets and gift documentation – keep indefinitely.

Please note: Eide Bailly retains copies of tax returns, workpapers and other tax information for a period of eight years. After that, we dispose of all records. If you have questions regarding retention of tax records, please contact us.

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

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

2020

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.

Open to Public Inspection

A For the 2020 calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Valley Citizens Foundation for Health Care, Inc. Doing business as Rio Grande Hospital		D Employer identification number 84-1276376
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 0310 County Road 14		E Telephone number 719-657-2510
	City or town, state or province, country, and ZIP or foreign postal code Del Norte, CO 81132		G Gross receipts \$ 24,947,250.
	F Name and address of principal officer: Arlene Harms same as C above		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions
	I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number ▶

J Website: ▶ **www.rio-grande-hospital.org**

K Form of organization: Corporation Trust Association Other ▶ **L** Year of formation: **1994** **M** State of legal domicile: **CO**

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: To ensure the health care needs of the Western San Luis Valley community are met.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	9
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5 Total number of individuals employed in calendar year 2020 (Part V, line 2a)	5	220
	6 Total number of volunteers (estimate if necessary)	6	13
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	508,487.
b Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 1,337,760.	Current Year 2,404,853.
	9 Program service revenue (Part VIII, line 2g)	23,094,628.	22,266,489.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	357,115.	275,908.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	27,317.	0.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	24,816,820.	24,947,250.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	11,867,644.	12,151,058.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	10,197,960.	10,534,567.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	22,065,604.	22,685,625.	
19 Revenue less expenses. Subtract line 18 from line 12	2,751,216.	2,261,625.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 42,747,690.	End of Year 48,786,370.
	21 Total liabilities (Part X, line 26)	22,056,919.	25,833,974.
	22 Net assets or fund balances. Subtract line 21 from line 20	20,690,771.	22,952,396.

Part II Signature Block

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

Sign Here	Signature of officer		Date		
	▶ Dr. Dale Berkgigler, Chair Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Lisa Chaffee, CPA	Lisa Chaffee, CPA	10/12/21		P00193453
	Firm's name ▶ Eide Bailly LLP	Firm's EIN ▶ 45-0250958			
	Firm's address ▶ 1730 Burnt Boat Loop, Ste. 100 Bismarck, ND 58503-0886			Phone no. 701-255-1091	

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

Valley Citizens Foundation for Health
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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:
Rio Grande Hospital is part of Valley Citizens Foundation for Health
Care, Inc., a community nonprofit organization whose mission is to
provide health care to the Western San Luis Valley.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses \$ 17,690,337. including grants of \$ _____) (Revenue \$ 21,758,002.)
Rio Grande Hospital (RGH) is a licensed 17 bed critical access hospital
located in Del Norte, Colorado. Rio Grande Hospital is a Level IV
Trauma Center in the State of Colorado. Rio Grande Hospital has been a
Level IV Trauma Center since 1999. We are actively involved with the
San Luis Valley RETAC. Del Norte is located in the southwestern area of
the state 225 miles southwest of Denver and 45 minutes west of Alamosa,
Colorado in the San Luis Valley.

4b (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4c (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services (Describe on Schedule O.)
(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses **▶ 17,690,337.**

**Valley Citizens Foundation for Health
Care, Inc.**

Part IV Checklist of Required Schedules

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

Valley Citizens Foundation for Health
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Part IV Checklist of Required Schedules (continued)

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

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

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

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

		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a		220
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	14b	
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.		X
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.		X

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

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

Section A. Governing Body and Management

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

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
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?	X	
11b	Describe in 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	X	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	X	
15b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		X
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?		X
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.
 Own website Another's website Upon request Other (explain on Schedule O)
- 19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records **Greg Porter - 719-657-2510**
0310 County Road 14, Del Norte, CO 81132

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

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations. See instructions for the order in which to list the persons above.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Clifford Robins MD Physician	40.00				X		346,443.	0.	0.	
(2) Patrick Thompson Physician	40.00				X		301,967.	0.	29,753.	
(3) Daniel MacDougal Physician	40.00				X		265,899.	0.	28,214.	
(4) Heidi Helgeson Physician	40.00				X		223,415.	0.	27,160.	
(5) Tiffany Ward Physician	40.00				X		219,585.	0.	20,439.	
(6) Arlene Harms CEO	50.00			X			182,870.	0.	10,499.	
(7) Greg Porter CFO	50.00			X			126,388.	0.	11,451.	
(8) Dr. Dale Berkbigler Chair	0.50	X		X			0.	0.	0.	
(9) Joel Condren Director (Jan-Sept)/Vice Chair (Oct-Dec)	0.50	X		X			0.	0.	0.	
(10) Emily Brown Director (Jan-Sept) Secretary (Oct-Dec)	0.50	X		X			0.	0.	0.	
(11) Neil Walters Vice Chair (Jan-Sept)/Director (Oct-Dec)	0.50	X		X			0.	0.	0.	
(12) Don Vigil Secretary (Jan-Sept)	0.50	X		X			0.	0.	0.	
(13) Julie Sauvigne Director	0.50	X					0.	0.	0.	
(14) Debbie Garcia Director	0.50	X					0.	0.	0.	
(15) Sharon Nash Director	0.50	X					0.	0.	0.	
(16) Tyler Off Director (Oct-Dec)	0.50	X					0.	0.	0.	
(17) Leah Weyers Director (Oct-Dec)	0.50	X					0.	0.	0.	

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Part VIII Statement of Revenue

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d	5,946.				
	e Government grants (contributions)	1e	1,839,074.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	559,833.				
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f			2,404,853.			
Program Service Revenue	2 a Net Patient Service Revenue	Business Code	622110	19,694,996.	19,694,996.		
	b Pharmacy Revenue		446110	2,461,343.	1,952,856.	508,487.	
	c Supporting Revenue		900099	110,150.	110,150.		
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			22,266,489.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			275,908.		275,908.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	6a	(i) Real				
			(ii) Personal				
	b Less: rental expenses	6b					
	c Rental income or (loss)	6c					
	d Net rental income or (loss)						
	7 a Gross amount from sales of assets other than inventory	7a	(i) Securities				
			(ii) Other				
	b Less: cost or other basis and sales expenses	7b					
c Gain or (loss)	7c						
d Net gain or (loss)							
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a						
b Less: direct expenses	8b						
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19	9a						
b Less: direct expenses	9b						
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	10a						
b Less: cost of goods sold	10b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a	Business Code					
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d						
12 Total revenue. See instructions			24,947,250.	21,758,002.	508,487.	275,908.	

**Valley Citizens Foundation for Health
Care, Inc.**

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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

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>				
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	327,367.		327,367.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	9,617,563.	7,829,281.	1,788,282.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	162,198.	132,394.	29,804.	
9 Other employee benefits	1,364,854.	1,106,768.	258,086.	
10 Payroll taxes	679,076.	544,594.	134,482.	
11 Fees for services (nonemployees):				
a Management				
b Legal	12,989.		12,989.	
c Accounting	34,995.		34,995.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	2,374,216.	1,658,258.	715,958.	
12 Advertising and promotion	27,503.	27,503.		
13 Office expenses	3,501,845.	2,708,769.	793,076.	
14 Information technology	211,342.	211,342.		
15 Royalties				
16 Occupancy	260,989.	260,989.		
17 Travel	16,614.	16,614.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	69,513.	69,513.		
20 Interest	680,061.	680,061.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,257,302.	1,257,302.		
23 Insurance	172,417.		172,417.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <u>Medical supplies and eq</u>	1,177,828.	1,177,828.		
b <u>Provider Fee Tax Expens</u>	727,832.		727,832.	
c _____				
d _____				
e All other expenses _____	9,121.	9,121.		
25 Total functional expenses. Add lines 1 through 24e	22,685,625.	17,690,337.	4,995,288.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

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

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Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	17,841,667.	2	23,143,792.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	3,080,488.	4	3,170,046.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	732,118.	8	925,945.
	9 Prepaid expenses and deferred charges	424,626.	9	736,543.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 31,381,103.		
	b Less: accumulated depreciation	10b 15,255,056.	10c	16,126,047.
	11 Investments - publicly traded securities	122,671.	11	134,704.
	12 Investments - other securities. See Part IV, line 11	3,556,281.	12	4,147,885.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	0.	15	401,408.
16 Total assets. Add lines 1 through 15 (must equal line 33)	42,747,690.	16	48,786,370.	
Liabilities	17 Accounts payable and accrued expenses	2,015,503.	17	1,807,331.
	18 Grants payable		18	
	19 Deferred revenue		19	2,856,744.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties	19,616,824.	23	19,261,999.
	24 Unsecured notes and loans payable to unrelated third parties		24	1,907,900.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	424,592.	25	0.
	26 Total liabilities. Add lines 17 through 25	22,056,919.	26	25,833,974.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	20,565,771.	27	22,952,396.
	28 Net assets with donor restrictions	125,000.	28	0.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	20,690,771.	32	22,952,396.
	33 Total liabilities and net assets/fund balances	42,747,690.	33	48,786,370.

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Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	24,947,250.
2	Total expenses (must equal Part IX, column (A), line 25)	2	22,685,625.
3	Revenue less expenses. Subtract line 2 from line 1	3	2,261,625.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	20,690,771.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	22,952,396.

Part XII Financial Statements and Reporting

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

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

Valley Citizens Foundation for Health

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2020 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2019 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2020. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2019. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2020. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2019. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2016	(b) 2017	(c) 2018	(d) 2019	(e) 2020	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a 33 1/3% support tests - 2020. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

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

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

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

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

Valley Citizens Foundation for Health

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

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

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

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

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

Valley Citizens Foundation for Health

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

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

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

Schedule B

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

Department of the Treasury Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2020

Table with 2 columns: Name of the organization (Valley Citizens Foundation for Health Care, Inc.) and Employer identification number (84-1276376)

Organization type (check one):

Filers of:

Section:

- Form 990 or 990-EZ: [X] 501(c)(3) (enter number) organization, [] 4947(a)(1) nonexempt charitable trust not treated as a private foundation, [] 527 political organization
Form 990-PF: [] 501(c)(3) exempt private foundation, [] 4947(a)(1) nonexempt charitable trust treated as a private foundation, [] 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

- [] For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test...
[] For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor...
[] 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...

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

Name of organization Valley Citizens Foundation for Health Care, Inc.	Employer identification number 84-1276376
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/>	\$ <u>5,946.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	<hr/> <hr/> <hr/>	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	<hr/> <hr/> <hr/>	\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	<hr/> <hr/> <hr/>	\$ <u>97,989.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	<hr/> <hr/> <hr/>	\$ <u>37,724.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	<hr/> <hr/> <hr/>	\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization Valley Citizens Foundation for Health Care, Inc.	Employer identification number 84-1276376
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	_____ _____ _____	\$ <u>50,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	_____ _____ _____	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	_____ _____ _____	\$ <u>15,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	_____ _____ _____	\$ <u>7,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
11	_____ _____ _____	\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
12	_____ _____ _____	\$ <u>12,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization Valley Citizens Foundation for Health Care, Inc.	Employer identification number 84-1276376
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13	<hr/> <hr/> <hr/>	\$ 8,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization Valley Citizens Foundation for Health Care, Inc.	Employer identification number 84-1276376
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

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

Name of organization Valley Citizens Foundation for Health Care, Inc.	Employer identification number 84-1276376
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

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

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

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

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

OMB No. 1545-0047

2020

Open to Public Inspection

Name of the organization Valley Citizens Foundation for Health Care, Inc. Employer identification number 84-1276376

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.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose(s) of conservation easements, a table for lines 2a-2d (Total number, acreage, certified historic structures, and National Register listings), and questions about monitoring, expenses, and reporting requirements.

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

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include questions about reporting art and historical treasures, and a table for revenue and assets included in Form 990.

Valley Citizens Foundation for Health
Care, Inc.

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) Certificate of Deposits	4,147,885.	Cost
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	4,147,885.	

Part VIII Investments - Program Related.

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

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

Part IX Other Assets.

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

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

Part X Other Liabilities.

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

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

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 ...

Valley Citizens Foundation for Health
Care, Inc.

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

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

1 Total revenue, gains, and other support per audited financial statements	1	24,947,250.
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a Net unrealized gains (losses) on investments	2a	
b Donated services and use of facilities	2b	
c Recoveries of prior year grants	2c	
d Other (Describe in Part XIII.)	2d	
e Add lines 2a through 2d	2e	0.
3 Subtract line 2e from line 1	3	24,947,250.
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIII.)	4b	
c Add lines 4a and 4b	4c	0.
5 Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	24,947,250.

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

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

1 Total expenses and losses per audited financial statements	1	22,685,625.
2 Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a Donated services and use of facilities	2a	
b Prior year adjustments	2b	
c Other losses	2c	
d Other (Describe in Part XIII.)	2d	
e Add lines 2a through 2d	2e	0.
3 Subtract line 2e from line 1	3	22,685,625.
4 Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIII.)	4b	
c Add lines 4a and 4b	4c	0.
5 Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	22,685,625.

Part XIII Supplemental Information.

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

Part X, Line 2:

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

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No. 1545-0047

2020

Open to Public Inspection

Name of the organization **Valley Citizens Foundation for Health Care, Inc.** Employer identification number **84-1276376**

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

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

7 Financial Assistance and Certain Other Community Benefits at Cost

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			507,000.		507,000.	2.23%
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			507,000.		507,000.	2.23%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			3,600.		3,600.	.02%
f Health professions education (from Worksheet 5)			48,000.		48,000.	.21%
g Subsidized health services (from Worksheet 6)			7964706.	4542766.	3421940.	15.08%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits			8016306.	4542766.	3473540.	15.31%
k Total. Add lines 7d and 7j			8523306.	4542766.	3980540.	17.54%

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 Rio Grande Hospital

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

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>18</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C		X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C		X
7 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>See Part V, Page 7, Line 7d</u>		
b <input type="checkbox"/> Other website (list url):		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>18</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	X	
a If "Yes," (list url): <u>https://riograndehospital.org/community-health-needs</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?		
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group Rio Grande Hospital

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	X	
If "Yes," indicate the eligibility criteria explained in the FAP:		
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>100</u> % and FPG family income limit for eligibility for discounted care of <u>200</u> %		
b <input type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input type="checkbox"/> Asset level		
d <input type="checkbox"/> Medical indigency		
e <input type="checkbox"/> Insurance status		
f <input type="checkbox"/> Underinsurance status		
g <input type="checkbox"/> Residency		
h <input checked="" type="checkbox"/> Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	X	
15 Explained the method for applying for financial assistance?	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):		
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d <input checked="" type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e <input type="checkbox"/> Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility?	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>rio-grande-hospital.org/financial-assistance/</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>See Part V, Page 8</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>See Part V, Page 8</u>		
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j <input 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 Rio Grande Hospital

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

Policy Relating to Emergency Medical Care

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

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

Valley Citizens Foundation for Health
Care, Inc.

Schedule H (Form 990) 2020

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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.

Rio Grande Hospital:

Part V, Section B, Line 5: RGH scheduled 3 meeting nights from September to November to communicate and collect information regarding the CHNA.

The hospital created a questionnaire available to the general public and interested parties to provide input. RGH invited all health agencies, government organizations, schools, ambulances, and fire department to provide input. The list includes Upper Rio Grande Economic Development, South Fork Health Board, Del Norte Bank, Mineral-Rio Grande Health District, Rio Grande County Public Health Department, Rio Grande County Social Services, Rio Grande County Child Welfare, Rio Grande County Commissioners, Mineral County Public Health, Mineral County Ambulance, Mineral County Commissioners, Town of Del Norte, Del Norte Consolidated Schools, Town of South Fork, South Fork Fire and Rescue, City of Monte Vista, Monte Vista Ambulance, San Luis Valley Behavior Health, Gateway Church, New Life Fellowship Church, Calvary Baptist Church, High Valley Community Center, Monte Vista Head start, Del Norte Head Start, Community Resources and Housing, Hospice Del Valle, Veterans Coalition of San Luis Valley, Monte Vista Workforce Center, Adams State University, Eagle Bus Lines, multiple usinesses and common citizens.

Rio Grande Hospital:

Part V, Section B, Line 7d:

<https://riograndehospital.org/community-health-needs-assessment/>

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.

Rio Grande Hospital:

Part V, Section B, Line 11: The Organization completed the most recent CHNA and Implementation Strategy in 2018.

The following are the needs identified in the most recent CHNA:

- 1) Poor nutrition and lack of physical activity
- 2) Promoting health education on disease prevention
- 3) Difficulty navigating insurances and healthcare in general
- 4) Providing additional specialty services
- 5) Get out into the community and use community Partners
- 6) Stronger partnership with mental health

The Organization was not able to address all the needs identified due to funding and other organizations in the community can better address. The Hospital determined it would address the following needs:

- 1) Community Outreach
- 2) Stronger Partnerships
- 3) Better communication

Rio Grande Hospital uses the executive team to review progress on the implementation strategy. In addition, the hospital sponsors the Health and Wellness Board which meets monthly at the hospital or on-line via zoom because of Covid. This is a collaboration of agencies, organizations and individuals serving our community. It includes Rio Grande County (RGC) Public Health, RGC Social Services, RGC Jail Nurse, Colorado Employment Division, School Nurses, Behavior Health, San Luis Valley Transportation to list a few. The Health and Wellness Board covers a multitude 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.

community services which include physical health, mental health, housing, jobs, schools, youth, seniors, jails, vulnerable populations, chronic diseases and community threats such as Covid and opioid addiction.

Rio Grande Hospital continues to use the Hospital's Patient Family Advisory Committee (PFAC) on a Quarterly Basis. It had 3 meetings in 2020 due to Covid-19. PFAC did a community survey on communication.

Due to Covid Rio Grande Hospital was not able to fulfill previous strategic plans for 2020.

Rio Grande Hospital:

Part V, Section B, Line 13b: The Rio Grande Hospital has two specific policies which affect patients that qualify for charity care. The first policy is the State's Colorado Indigent Care Program (CICP) which has specific rules which the State requires for participation. The second is a policy which offers discounts for patients who do not qualify for the State's CICP program listed above.

The Colorado Indigent Care Program offers a sliding fee scale to residents of the State of Colorado based upon 250% of the federal poverty guidelines. The program requirements can be seen at any admission desk of the Rio Grande Hospital and on the website for Colorado Indigent Care Program. The Admission Clerks and Financial Counselor of the Hospital can provide more information to anyone interested.

Part V Facility Information *(continued)*

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

The Hospital offers an additional charity care program for those not qualifying for the State's program based upon 200% of the federal poverty guidelines with a sliding scale which offers up to 100% discount on services provided. The Admission Clerks and Financial Counselor of the Hospital can provide more information to anyone interested.

The Hospital's complete charity care policy is posted at all locations within the Hospital that provide services.

Rio Grande Hospital

Part V, line 16b, FAP Application website:

rio-grande-hospital.org/financial-assistance/

Rio Grande Hospital

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

rio-grande-hospital.org/financial-assistance/

Rio Grande Hospital:

Part V, Section B, Line 16j: See Website, Available in both English and Spanish. Paper copies available at all hospital and clinic admission offices.

Part VI Supplemental Information

Provide the following information.

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

Part I, Line 3c:

The Rio Grande Hospital has two specific policies which affect patients that qualify for charity care. The first policy is the State's Colorado Indigent Care Program (CICP) which has specific rules which the State requires for participation. The second is a policy which offers discounts for patients who do not qualify for the State's CICP program listed above.

The Colorado Indigent Care Program offers a sliding fee scale to residents of the State of Colorado based upon 250% of the federal poverty guidelines. The program requirements can be seen at any admission desk of the Rio Grande Hospital and on the website for Colorado Indigent Care Program. The Admission Clerks and Financial Counselor of the Hospital can provide more information to anyone interested.

The Hospital offers an additional charity care program for those not qualifying for the State's program based upon 200% of the federal poverty guidelines with a sliding scale which offers up to 100% discount on services provided. The Admission Clerks and Financial Counselor of the

Part VI Supplemental Information (Continuation)

Hospital can provide more information to anyone interested.

The Hospital's complete charity care policy is posted at all locations within the Hospital that provide services.

Part I, Line 7:

Line 7a Financial Assistance was converted to cost based on an average ratio of costs to gross charges.

Line 7g Subsidized Health Services was determined using the Medicare Cost Report.

Lines 7e and 7f are based on actual expenses.

Part I, Line 7g:

Subsidized health services includes costs of \$3,508,837 from rural health clinics.

Part II, Community Building Activities:

Rio Grande Hospital was involved in COVID-19 education and had 1846 calls regarding this subject.

Part III, Line 2:

The amount reported on line 2 represents implicit price concessions. The hospital determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

Part III, Line 3:

Part VI Supplemental Information (Continuation)

The estimated amount of the organization's implicit price concessions attributable to patients that would be eligible under the organization's charity care policy was calculated as a percentage of the accounts sent to collections that were identified as being eligible for charity care if the patient would have applied for assistance. In 2020, after review of the accounts recommended for collections, 50.0% of the accounts were marked charity care assistance regardless of patients applying for assistance. The accounts included many patients who lapse their Medicaid or financial assistance programs.

Part III, Line 4:

The footnote to the Organization's financial statements that describes implicit price concessions can be found on page 16 and 17 of the attached audited financial statements.

Part III, Line 8:

Services are provided to patients under the Medicare program knowing that not all costs associated with providing these services will be recovered. Providing these services is essential to these patients and the community and increases their access to healthcare services. Therefore, if there is a Medicare shortfall the entire Medicare shortfall is considered a community benefit.

Medicare allowable costs of care are based on the Medicare Cost Report. The Medicare Cost Report is completed based on the rules and regulations set forth by CMS.

Part III, Line 9b:

Part VI Supplemental Information (Continuation)

The Organization requires payment in full upon receipt of the bill. If payment in full is not plausible the patient must establish a payment plan within 120 days from the date of the invoice for the services provided or it will be released to a collection agency to recover these payments. The Hospital does not charge interest on the accounts with payment plans that extend beyond 12 months. For patients that are known to qualify for charity care or financial assistance the State of Colorado requires them to complete a form to apply under one of the two policies offered: Colorado's Indigent Care (CICP) program for state residents or the alternative policy for patients that do not qualify under the CICP program. Patients have 90 days upon the day of service to complete the application. If the remaining patient balance on accounts that qualify under these charity care policies is greater than \$25 it will fall under the hospital collection policy guidelines. Balances under \$25 can be written off as an administrative adjustment. The Hospital staff discusses these options with these patients, as well as the Business Office that handles the collection of payments. These policies are also posted throughout the Hospital. The Hospital has the administrative authority to write off any amounts they deem will be charity care, such as those that are medically indigent and those amounts under the \$25 threshold. The policy states accounts eligible for financial assistance are to be addressed within 240 days of the first bill.

Part VI, Line 2:

A formal needs assessment was completed in December of 2018. Currently the Hospital is in contact with the various health provider groups monitoring the Hospital's service area. They include the following:

* Mineral County Health Service Board

Part VI Supplemental Information (Continuation)

- * Rio Grande County/Mineral County Health Service Board
- * The Upper Rio Grande Health Board or South Fork
- * AHEC
- * San Luis Valley RETAC
- * Alamosa County Advisory Board
- * SLV Emergency Preparedness Board
- * Health Care Coalition
- * Colorado Hospital Association
- * SEMTAC
- * Colorado Rural Health Center.
- * Rio Grande County Social Services
- * Rio Grande County Commissioners
- * City of Monte Vista, CO
- * Town of South Fork, CO
- * Town of Del Norte, CO
- * Town of Creede, CO
- * Mineral/Lake City Health Director
- * Mineral County Commissioners
- * Community Resources and Housing Development
- * Monte Vista Kids Connection
- * High Valley Community Center
- * Creede School District
- * Del Norte Consolidated Schools
- * Monte Vista Consolidated School District
- * San Luis Valley Behavioral Health
- * New Life Fellowship
- * South Fork Ambulance
- * Del Norte Ambulance

Part VI Supplemental Information (Continuation)

* Mineral Public Health

Part VI, Line 3:

Rio Grande Hospital posts signs at admissions and at all intake sites informing the patients of programs available for financial assistance. The Hospital has a Financial Counselor available during business hours Monday thru Friday to assist and educate patients in providing information and filing forms for financial assistance. The Hospital reviews patient status and contacts patients it believes are eligible for financial assistance. The Hospital offers copies of their assistance programs upon request. The Hospital offers payment programs based upon patients providing essential personal financial data.

Part VI, Line 4:

Rio Grande Hospital (RGH) is a licensed 17 bed critical access hospital located in Del Norte, Colorado. Rio Grande Hospital is a Level IV Trauma Center in the State of Colorado. Rio Grande Hospital has been a Level IV Trauma Center since 1999. We are actively involved with the San Luis Valley RETAC.

Del Norte is located in the southwestern area of the state 225 miles southwest of Denver and 45 minutes west of Alamosa, Colorado in the San Luis Valley. Rio Grande Hospital serves a catchment area of approximately 100 miles with elevations ranging from 7,814 feet in Del Norte to 11,800 feet at the Summitville Mines to 9,800 feet at Brown Lakes above Creede, Colorado. Our economy thrives from agriculture and tourism. The San Luis Valley is known for farming of potatoes, wheat, barley and canola which increases the risk of job related trauma. The nearest Level IV Trauma

Part VI Supplemental Information (Continuation)

Center is Pagosa Springs Medical Center 1.25 hours west of Del Norte. The closest Level II Trauma Center is located in Pueblo. The closest Level III Trauma Center is located in San Luis Valley Regional Medical Center in Alamosa, which is approximately 45 minutes east of Del Norte. The population base for Rio Grande County is 11,736. Creede has a population of 698 residents. During the months of June, July, and August the population of this area increases by three times. Rio Grande County has 64% of residents living below 250% of the federal poverty level.

Rio Grande Hospital sees tourists who have been hunting, skiing, hiking, fishing, camping, and riding ATVs in the mountains. They also treat tourists who visit the San Luis Valley for the warm summer temperatures. With the San Juan Mountains of the Continental Divide bordering the San Luis Valley on the west side, tourism is an all year round industry. RGH has a five bed Emergency Department and had 4,903 emergency department visits during 2020 Medical emergencies consist of chest pain, acute myocardial infarctions, shortness of breath, nausea, vomiting, dehydration, and altitude illnesses.

Rio Grande Hospital has four satellite clinics located in Monte Vista, Del Norte, South Fork and Creede.

Part VI, Line 5:

The Organization's governing body is comprised of persons who reside in the Organization's primary service area who are neither employees nor contractors of the Organization, nor family members thereof. We note one exception, a physician serving on the board. The Organization also extends medical staff privileges to other qualified physicians in the community. Due to the nature of the long term debt agreements being federally insured

Part VI Supplemental Information (Continuation)

by the USDA, the Organization is required to apply any surplus funds into a reserve account. Surplus funds used to improve the facilities and equipment to improve patient care are subject to approval from USDA.

Rio Grande Hospital is involved in a number of community health activities. The Hospital is a major provider in the annual health fair offering multiple health tests at discounts to the general public. It annually provides flu shots to the general public for a discounted price. The Hospital provides a women's workshop on reducing risk factors for heart disease and breast cancer at South Fork.

The RGH is instrumental in providing health fair services in Del Norte, South Fork and assisting in Center, Creede and the Rural Electric Cooperative.

The Hospital offers school physicals free or at a reduced cost to all the kids at schools in the Hospital service area. The discount is dependent upon school programs. It serves Del Norte, Monte Vista, and Creede High Schools and Grade Schools.

The Rio Grande Hospital would not exist or be able to operate without the assistance of grants and donations. The Hospital, through volunteer hours of the Board and employees, annually puts on a dinner and fund raising night. In addition we receive support from the South Fork Ladies Golf Association, the South Fork Kiwanis Club, and multiple smaller organizations and church groups.

The Hospital provides four clinics in four communities. These clinics are unable to operate without the support subsidies provided by the Hospital.

Part VI Supplemental Information (Continuation)

The Hospital utilizes the key staff from the Hospital to support each clinic. The key supporting staff include technical staff from nursing, radiology and laboratory in addition to the administrative support staff of billing and accounting. The clinics are up to 45 miles in distance from the main campus. Our primary clinic is located on our main campus. The clinics offer open house days annually to allow the community to meet the staff and examine the facilities.

The Hospital and its staff are involved in many community events including the Monte Vista Stampede Parade, the Del Norte Covered Wagon Parade and Parade of Lights.

The Hospital is in its third year of the Wound Care services which include the hyperbaric chamber for advance wound care. The Hospital is in its second year for Cardiac Rehab.

Rio Grande Hospital has been a community partner in testing and providing vaccine to the communities it serves. The Hospital has been offering wound care services, cardiac rehab services, and is advancing towards community dermatology services and pain management services. We additionally offer Physical Therapy staff to schools for their sport programs.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

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

2020

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization **Valley Citizens Foundation for Health Care, Inc.**

Employer identification number
84-1276376

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

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

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

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

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

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

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

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

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

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

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

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

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

Schedule J (Form 990) 2020

Valley Citizens Foundation for Health
Care, Inc.

84-1276376

Schedule J (Form 990) 2020

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Clifford Robins MD Physician	(i)	346,443.	0.	0.	0.	0.	346,443.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) Patrick Thompson Physician	(i)	301,967.	0.	0.	9,329.	20,424.	331,720.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) Daniel MacDougal Physician	(i)	265,899.	0.	0.	8,037.	20,177.	294,113.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) Heidi Helgeson Physician	(i)	223,415.	0.	0.	6,983.	20,177.	250,575.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) Tiffany Ward Physician	(i)	219,585.	0.	0.	0.	20,439.	240,024.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) Arlene Harms CEO	(i)	182,870.	0.	0.	2,889.	7,610.	193,369.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

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

OMB No. 1545-0047

2020

Open to Public
Inspection

Name of the organization

Valley Citizens Foundation for Health
Care, Inc.

Employer identification number

84-1276376

Form 990, Part VI, Section A, line 8b:

There are no committees with authority to act on behalf of the Board.

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

The CFO reviewed the Form 990. Upon his review, a copy of the Form 990 was provided to the Board electronically before it was filed with the IRS.

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

Each Board Member fills out an affidavit annually. The CEO and Chair of the Board review the affidavits. The Compliance Officer of the Hospital also separately reviews the affidavits from the CEO and Chair of the Board.

Board Members that have a conflict abstain from voting on the issue.

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

A committee is formed to review the compensation of the CEO. During the review process comparison data from other hospitals is used. The committee makes a recommendation to the Board of Directors. The Board of Directors then approves the compensation according to the policy and substantiates the deliberation and decision in the Board minutes. This process is reviewed annually in December.

CFO compensation is reviewed by the CEO. The CEO uses the Colorado Hospital Association Wage and Salary report to determine the CFO compensation. A formal evaluation is completed at that time. This process is reviewed annually in April.

Name of the organization	Valley Citizens Foundation for Health Care, Inc.	Employer identification number	84-1276376
--------------------------	--	--------------------------------	------------

There are no other officers or key employees.

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

The Organization's governing documents, conflict of interest policy, and financial statements are available to the public upon request.

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

Purchased Services:

Program service expenses	1,088,984.
Management and general expenses	709,947.
Fundraising expenses	0.
Total expenses	1,798,931.

Professional Fees:

Program service expenses	569,274.
Management and general expenses	350.
Fundraising expenses	0.
Total expenses	569,624.

Acct Collection Agency Fees:

Program service expenses	0.
Management and general expenses	5,661.
Fundraising expenses	0.
Total expenses	5,661.

Total Other Fees on Form 990, Part IX, line 11g, Col A	2,374,216.
--	------------

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

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

OMB No. 1545-0047

2020

Open to Public Inspection

Name of the organization **Valley Citizens Foundation for Health Care, Inc.** Employer identification number **84-1276376**

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
Rio Grande Hospital Foundation, Inc. - 27-2624064, 0310 County Road 14, Del Norte, CO 81132	Fundraising for Hospital	Colorado	501(c)(3)	Line 12b, II	Valley Citizens Foundation for Health Care Inc.	X	

Valley Citizens Foundation for Health
Care, Inc.

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

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

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

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

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

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

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

Department of the Treasury
Internal Revenue Service

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

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

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

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

Type or print	Name of exempt organization or other filer, see instructions. Valley Citizens Foundation for Health Care, Inc.	Taxpayer identification number (TIN) 84-1276376
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. 0310 County Road 14	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Del Norte, CO 81132	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 7

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

Greg Porter

- The books are in the care of ▶ **0310 County Road 14 - Del Norte, CO 81132**
Telephone No. ▶ **719-657-2510** Fax No. ▶ **719-657-4064**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for.

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

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

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

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

Valley Citizens Foundation for
Health Care, Inc.
2020 Form 990-T
December 31, 2020
Public Disclosure Copy

**STATEMENT THAT THIS IS A TAX RETURN
NOT A FINANCIAL STATEMENT**

The accompanying federal income tax return does **NOT** constitute a financial statement. We have not audited, reviewed or compiled the accompanying income tax return and, accordingly, do not express an opinion or any other form of assurance on it.

An income tax return is not intended to constitute financial statements prepared in accordance with generally accepted accounting principles. Accordingly, it does not necessarily include all financial information or disclosures required by generally accepted accounting principles. If the omitted financial information or disclosures were included with the tax return, they might influence the users' conclusions about the taxpayer's financial position, results of operations and cash flows. Accordingly, this income tax return is not designed to be used in lieu of financial statements.

RECORD RETENTION

Copies of your tax returns are enclosed for your files. It is your responsibility to retain copies of your tax information. We recommend the following guidelines:

- Tax returns – keep indefinitely.
- Supporting documentation – keep for 8 years.
- Records supporting your tax basis in personal, investment and business assets and gift documentation – keep indefinitely.

Please note: Eide Bailly retains copies of tax returns, workpapers and other tax information for a period of eight years. After that, we dispose of all records. If you have questions regarding retention of tax records, please contact us.

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

2020

For calendar year 2020 or other tax year beginning _____, and ending _____

▶ **Go to www.irs.gov/Form990T for instructions and the latest information.**
▶ **Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).**

Department of the Treasury
Internal Revenue Service

Open to Public Inspection for
501(c)(3) Organizations Only

<p>A <input type="checkbox"/> Check box if address changed.</p> <p>B Exempt under section <input checked="" type="checkbox"/> 501(c)(3)) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a) <input type="checkbox"/> 529S</p>	<p>Print or Type</p>	<p>Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) Valley Citizens Foundation for Health Care, Inc.</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions. 0310 County Road 14</p> <p>City or town, state or province, country, and ZIP or foreign postal code Del Norte, CO 81132</p>	<p>D Employer identification number 84-1276376</p> <p>E Group exemption number (see instructions)</p> <p>F <input type="checkbox"/> Check box if an amended return.</p>
<p>C Book value of all assets at end of year ▶ 48,786,370.</p>			

G Check organization type ▶ 501(c) corporation 501(c) trust 401(a) trust Other trust Applicable reinsurance entity

H Check if filing only to ▶ Claim credit from Form 8941 Claim a refund shown on Form 2439

I Check if a 501(c)(3) organization filing a consolidated return with a 501(c)(2) titleholding corporation ▶

J Enter the number of attached Schedules A (Form 990-T) ▶ **1**

K During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ Yes No
If "Yes," enter the name and identifying number of the parent corporation. ▶

L The books are in care of ▶ **Greg Porter** Telephone number ▶ **719-657-2510**

Part I Total Unrelated Business Taxable Income

1 Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	1	-69,254.
2 Reserved	2	
3 Add lines 1 and 2	3	-69,254.
4 Charitable contributions (see instructions for limitation rules)	4	0.
5 Total unrelated business taxable income before net operating losses. Subtract line 4 from line 3	5	-69,254.
6 Deduction for net operating loss. See instructions	6	0.
7 Total of unrelated business taxable income before specific deduction and section 199A deduction. Subtract line 6 from line 5	7	-69,254.
8 Specific deduction (generally \$1,000, but see instructions for exceptions)	8	1,000.
9 Trusts. Section 199A deduction. See instructions	9	
10 Total deductions. Add lines 8 and 9	10	1,000.
11 Unrelated business taxable income. Subtract line 10 from line 7. If line 10 is greater than line 7, enter zero	11	0.

Part II Tax Computation

1 Organizations taxable as corporations. Multiply Part I, line 11 by 21% (0.21)	1	0.
2 Trusts taxable at trust rates. See instructions for tax computation. Income tax on the amount on Part I, line 11 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	2	
3 Proxy tax. See instructions	3	
4 Other tax amounts. See instructions	4	
5 Alternative minimum tax (trusts only)	5	
6 Tax on noncompliant facility income. See instructions	6	
7 Total. Add lines 3 through 6 to line 1 or 2, whichever applies	7	0.

LHA For Paperwork Reduction Act Notice, see instructions.

Part III Tax and Payments			
1a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	1a		
b Other credits (see instructions)	1b		
c General business credit. Attach Form 3800 (see instructions)	1c		
d Credit for prior year minimum tax (attach Form 8801 or 8827)	1d		
e Total credits. Add lines 1a through 1d		1e	
2 Subtract line 1e from Part II, line 7		2	0.
3 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach statement)		3	
4 Total tax. Add lines 2 and 3 (see instructions). <input type="checkbox"/> Check if includes tax previously deferred under section 1294. Enter tax amount here		4	0.
5 2020 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 4		5	0.
6a Payments: A 2019 overpayment credited to 2020	6a		
b 2020 estimated tax payments. Check if section 643(g) election applies	6b		
c Tax deposited with Form 8868	6c		
d Foreign organizations: Tax paid or withheld at source (see instructions)	6d		
e Backup withholding (see instructions)	6e		
f Credit for small employer health insurance premiums (attach Form 8941)	6f		
g Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439			
<input type="checkbox"/> Form 4136			
<input type="checkbox"/> Other			
Total	6g		
7 Total payments. Add lines 6a through 6g		7	
8 Estimated tax penalty (see instructions). Check if Form 2220 is attached		8	
9 Tax due. If line 7 is smaller than the total of lines 4, 5, and 8, enter amount owed		9	
10 Overpayment. If line 7 is larger than the total of lines 4, 5, and 8, enter amount overpaid		10	
11 Enter the amount of line 10 you want: Credited to 2021 estimated tax		11	
			Refunded

Part IV Statements Regarding Certain Activities and Other Information (see instructions)			
1 At any time during the 2020 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here		Yes	No
		X	X
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?		X	X
If "Yes," see instructions for other forms the organization may have to file.			
3 Enter the amount of tax-exempt interest received or accrued during the tax year			
4a Did the organization change its method of accounting? (see instructions)		X	X
b If 4a is "Yes," has the organization described the change on Form 990, 990-EZ, 990-PF, or Form 1128? If "No," explain in Part V			

Part V Supplemental Information

Provide the explanation required by Part IV, line 4b. Also, provide any other additional information. See instructions.

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of officer _____ Date _____	Chair _____ Title _____	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Lisa Chaffee, CPA	Lisa Chaffee, CPA	10/12/21	PTIN P00193453
	Firm's name	Firm's EIN		
	Eide Bailly LLP	45-0250958		
	Firm's address	Phone no.		
	1730 Burnt Boat Loop, Ste. 100 Bismarck, ND 58503-0886	701-255-1091		

**SCHEDULE A
(Form 990-T)**

Department of the Treasury
Internal Revenue Service

**Unrelated Business Taxable Income
From an Unrelated Trade or Business**

▶ Go to www.irs.gov/Form990T for instructions and the latest information.
▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Entity **1**

OMB No. 1545-0047

2020

Open to Public Inspection for
501(c)(3) Organizations Only

A Name of the organization Valley Citizens Foundation for Health Care, Inc.	B Employer identification number 84-1276376
C Unrelated business activity code (see instructions) ▶ 446110	D Sequence: 1 of 1

E Describe the unrelated trade or business ▶ **Retail Pharmacy**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales <u>508,487.</u>				
b Less returns and allowances _____ c Balance ▶	1c	508,487.		
2 Cost of goods sold (Part III, line 8)	2	470,535.		
3 Gross profit. Subtract line 2 from line 1c	3	37,952.		37,952.
4 a Capital gain net income (attach Sch D (Form 1041 or Form 1120)) (see instructions)	4a			
b Net gain (loss) (Form 4797) (attach Form 4797) (see instructions)	4b			
c Capital loss deduction for trusts	4c			
5 Income (loss) from a partnership or an S corporation (attach statement)	5			
6 Rent income (Part IV)	6			
7 Unrelated debt-financed income (Part V)	7			
8 Interest, annuities, royalties, and rents from a controlled organization (Part VI)	8			
9 Investment income of section 501(c)(7), (9), or (17) organizations (Part VII)	9			
10 Exploited exempt activity income (Part VIII)	10			
11 Advertising income (Part IX)	11			
12 Other income (see instructions; attach statement)	12			
13 Total. Combine lines 3 through 12	13	37,952.		37,952.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions) Deductions must be directly connected with the unrelated business income

1 Compensation of officers, directors, and trustees (Part X)	1			
2 Salaries and wages	2			62,374.
3 Repairs and maintenance	3			
4 Bad debts	4			
5 Interest (attach statement) (see instructions)	5			
6 Taxes and licenses	6			
7 Depreciation (attach Form 4562) (see instructions)	7	5,063.		
8 Less depreciation claimed in Part III and elsewhere on return	8a			5,063.
9 Depletion	9			
10 Contributions to deferred compensation plans	10			
11 Employee benefit programs	11			13,410.
12 Excess exempt expenses (Part VIII)	12			
13 Excess readership costs (Part IX)	13			
14 Other deductions (attach statement) <u>See Statement 1</u>	14			26,359.
15 Total deductions. Add lines 1 through 14	15			107,206.
16 Unrelated business income before net operating loss deduction. Subtract line 15 from Part I, line 13, column (C)	16			-69,254.
17 Deduction for net operating loss (see instructions)	17			0.
18 Unrelated business taxable income. Subtract line 17 from line 16	18			-69,254.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule A (Form 990-T) 2020

Part III Cost of Goods Sold Enter method of inventory valuation N/A

Table with 8 rows and 2 columns. Row 1: Inventory at beginning of year 0. Row 2: Purchases 470,535. Row 3: Cost of labor 0. Row 4: Additional section 263A costs 0. Row 5: Other costs 0. Row 6: Total 470,535. Row 7: Inventory at end of year 0. Row 8: Cost of goods sold 470,535. Row 9: Do the rules of section 263A apply? Yes No

Part IV Rent Income (From Real Property and Personal Property Leased with Real Property)

Table with 5 rows and 4 columns (A, B, C, D). Row 1: Description of property. Row 2: Rent received or accrued. Row 3: Total rents received or accrued. Row 4: Deductions directly connected with the income. Row 5: Total deductions.

Part V Unrelated Debt-Financed Income (see instructions)

Table with 11 rows and 4 columns (A, B, C, D). Row 1: Description of debt-financed property. Row 2: Gross income from or allocable to debt-financed property. Row 3: Deductions directly connected with or allocable to debt-financed property. Row 4: Amount of average acquisition debt. Row 5: Average adjusted basis. Row 6: Divide line 4 by line 5. Row 7: Gross income reportable. Row 8: Total gross income. Row 9: Allocable deductions. Row 10: Total allocable deductions. Row 11: Total dividends-received deductions.

Part VI Interest, Annuities, Royalties, and Rents from Controlled Organizations (see instructions)

1. Name of controlled organization		2. Employer identification number	Exempt Controlled Organizations			6. Deductions directly connected with income in column 5
			3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	
(1)						
(2)						
(3)						
(4)						
Nonexempt Controlled Organizations						
7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10		
(1)						
(2)						
(3)						
(4)						
			Add columns 5 and 10. Enter here and on Part I, line 8, column (A)	Add columns 6 and 11. Enter here and on Part I, line 8, column (B)		
Totals			0.	0.		

Part VII Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (add cols 3 and 4)
(1)				
(2)				
(3)				
(4)				
		Add amounts in column 2. Enter here and on Part I, line 9, column (A)		Add amounts in column 5. Enter here and on Part I, line 9, column (B)
Totals		0.		0.

Part VIII Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1	Description of exploited activity: _____		
2	Gross unrelated business income from trade or business. Enter here and on Part I, line 10, column (A) _____	2	
3	Expenses directly connected with production of unrelated business income. Enter here and on Part I, line 10, column (B) _____	3	
4	Net income (loss) from unrelated trade or business. Subtract line 3 from line 2. If a gain, complete lines 5 through 7 _____	4	
5	Gross income from activity that is not unrelated business income _____	5	
6	Expenses attributable to income entered on line 5 _____	6	
7	Excess exempt expenses. Subtract line 5 from line 6, but do not enter more than the amount on line 4. Enter here and on Part II, line 12 _____	7	

Form 990-T (A)

Other Deductions

Statement 1

<u>Description</u>	<u>Amount</u>
Purchase Services	3,094.
Insurance	2,571.
Miscellaneous Expense	20,122.
Utilities	572.
Total to Schedule A, Part II, line 14	<u>26,359.</u>

Department of the Treasury
Internal Revenue Service (99)

▶ **Go to www.irs.gov/Form4562 for instructions and the latest information.**

▶ **Attach to your tax return.**

Name(s) shown on return

Business or activity to which this form relates

Identifying number

**Valley Citizens Foundation for Health
Care, Inc.**

Retail Pharmacy

84-1276376

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	1,040,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	2,590,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2019 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12 Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13 Carryover of disallowed deduction to 2021. Add lines 9 and 10, less line 12	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	5,063.

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2020	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B - Assets Placed in Service During 2020 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2020 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 30-year	/		30 yrs.	MM	S/L	
d 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	5,063.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

**Valley Citizens Foundation for Health
Care, Inc.**

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (don't include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who aren't more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2020 tax year:					
43 Amortization of costs that began before your 2020 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Electronic Filing PDF Attachment



Consolidated Financial Statements
December 31, 2020 and 2019

Valley Citizens' Foundation for Health Care, Inc.
d/b/a Rio Grande Hospital and Subsidiary

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Independent Auditor's Report

The Board of Trustees
Valley Citizens' Foundation for Health Care, Inc.,
d/b/a Rio Grande Hospital and Subsidiary
Del Norte, Colorado

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Valley Citizens' Foundation for Health Care, Inc. d/b/a Rio Grande Hospital and Subsidiary (Organization), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Valley Citizens' Foundation for Health Care, Inc. d/b/a Rio Grande Hospital and Subsidiary as of December 31, 2020 and 2019, and the results of their operations, changes in net assets, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name and date.

Fargo, North Dakota
May 11, 2021

Rio Grande Hospital and Subsidiary
Consolidated Balance Sheets – Assets
December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 10,877,806	\$ 5,198,354
Short-term investments	7,973,611	8,396,757
Receivables		
Patient	2,954,639	2,853,860
Other	215,407	226,628
Estimated third-party payor settlements	401,408	-
Supplies	925,945	732,118
Prepaid expenses	736,543	424,626
Total current assets	24,085,359	17,832,343
Assets Limited as to Use Under Loan Agreement	4,292,375	4,246,556
Property and Equipment, Net	16,126,047	16,989,839
Long-Term Investments	4,282,589	3,678,952
Total assets	\$ 48,786,370	\$ 42,747,690

Rio Grande Hospital and Subsidiary
Consolidated Balance Sheets – Liabilities and Net Assets
December 31, 2020 and 2019

	2020	2019
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 1,834,680	\$ 372,360
Accounts payable		
Trade	578,665	643,682
Estimated third-party payor settlements	-	424,592
Accrued expenses		
Salaries and wages	420,311	591,740
Paid time off	662,491	625,870
Self-funded health insurance	145,864	154,211
Refundable advance	2,856,744	-
Total current liabilities	6,498,755	2,812,455
Long-Term Debt, Less Current Maturities and Unamortized Debt Issuance Costs of \$688,531 in 2020 and \$706,650 in 2019	19,335,219	19,244,464
Total liabilities	25,833,974	22,056,919
Net Assets		
Without donor restrictions	22,952,396	20,565,771
With donor restrictions	-	125,000
Total net assets	22,952,396	20,690,771
Total liabilities and net assets	\$ 48,786,370	\$ 42,747,690

Rio Grande Hospital and Subsidiary
Consolidated Statements of Operations
Years Ended December 31, 2020 and 2019

	2020	2019
Revenues, Gains, and Other Support Without Donor Restrictions		
Patient service revenue	\$ 21,502,830	\$ 22,298,844
Other revenue	765,413	767,496
COVID-19 related contributions	1,290,074	-
	23,558,317	23,066,340
Expenses		
Salaries and wages	9,926,821	9,782,291
Employee benefits	2,224,237	2,085,178
Professional services	617,608	538,248
Purchased services	1,988,330	2,094,993
Supplies and other expenses	4,647,208	4,279,057
Insurance	172,417	166,014
Equipment rental and lease	443,809	407,273
Interest and amortization	698,180	670,874
Colorado provider fee	727,832	600,644
Depreciation	1,239,183	1,401,425
	22,685,625	22,025,997
Operating Income	872,692	1,040,343
Other Income		
Contributions	374,179	379,213
Contributions from Mineral/Rio Grande Health Care District	549,000	374,000
Grant revenue	189,846	475,545
Net investment return	275,908	357,115
	1,388,933	1,585,873
Revenues in Excess of Expenses	2,261,625	2,626,216
Net Assets Released from Restrictions	125,000	190,000
Increase in Net Assets Without Donor Restrictions	\$ 2,386,625	\$ 2,816,216

Rio Grande Hospital and Subsidiary
Consolidated Statement of Changes in Net Assets
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Net Assets Without Donor Restrictions		
Revenues in excess of expenses	\$ 2,261,625	\$ 2,626,216
Net assets released from restrictions	<u>125,000</u>	<u>190,000</u>
Increase in net assets without donor restrictions	<u>2,386,625</u>	<u>2,816,216</u>
Net Assets With Donor Restrictions		
Net assets released from restrictions	(125,000)	(190,000)
Contributions with time restrictions	<u>-</u>	<u>125,000</u>
Decrease in net assets with donor restrictions	<u>(125,000)</u>	<u>(65,000)</u>
Increase in Net Assets	2,261,625	2,751,216
Net Assets, Beginning of Year	<u>20,690,771</u>	<u>17,939,555</u>
Net Assets, End of Year	<u>\$ 22,952,396</u>	<u>\$ 20,690,771</u>

Rio Grande Hospital and Subsidiary
Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
Operating Activities		
Change in net assets	\$ 2,261,625	\$ 2,751,216
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	1,239,183	1,401,425
Interest expense attributable to amortization of debt issuance costs	18,119	18,119
Changes in assets and liabilities		
Receivables	(89,558)	(253,702)
Supplies	(193,827)	(151,156)
Prepaid expenses	(311,917)	(51,544)
Trade accounts payable	(65,017)	61,940
Estimated third-party payor settlements	(826,000)	(334,000)
Credit balances in patient receivables	-	(122,145)
Accrued expenses	(143,155)	25,309
Refundable advance	2,856,744	-
	4,746,197	3,345,462
Net Cash From Operating Activities		
Investing Activities		
Purchase and construction of property and equipment	(375,391)	(2,065,167)
Purchase of investments	(180,491)	(4,034,536)
	(555,882)	(6,099,703)
Net Cash Used For Investing Activities		
Financing Activities		
Repayment of long-term debt	(372,944)	(258,403)
Proceeds from issuance of long-term debt	1,907,900	2,256,719
	1,534,956	1,998,316
Net Cash From Financing Activities		
Net Change in Cash, Cash Equivalents, and Restricted Cash	5,725,271	(755,925)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	9,444,910	10,200,835
Cash, Cash Equivalents, and Restricted Cash, End of Year	\$ 15,170,181	\$ 9,444,910
Cash and Cash Equivalents	\$ 10,877,806	\$ 5,198,354
Assets Limited as to Use Under Loan Agreement	4,292,375	4,246,556
Total Cash, Cash Equivalents and Restricted Cash	\$ 15,170,181	\$ 9,444,910

Rio Grande Hospital and Subsidiary
Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest, net of amounts capitalized of \$0 in 2020 and \$162,333 in 2019	<u>\$ 680,061</u>	<u>\$ 652,755</u>

Note 1 - Organization and Significant Accounting Policies

Organization

The Valley Citizens' Foundation for Healthcare, Inc. d/b/a Rio Grande Hospital (Hospital) is a 17-bed not-for-profit critical access hospital located in Del Norte, Colorado. The Hospital provides inpatient, outpatient, and emergency care services primarily for residents of Rio Grande County. The Hospital also operates physician clinics in Del Norte, South Fork, Monte Vista, and Creede, Colorado.

Rio Grande Hospital Foundation, Inc. (Foundation) was organized to solicit donations and financial support and hold property for the benefit of the Hospital.

Principles of Consolidation

The consolidated financial statements include the accounts of the Hospital and the Foundation (collectively, the Organization). Intercompany accounts and transactions have been eliminated in the consolidation.

Income Taxes

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

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

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding assets limited as to use and investments. For purposes of the consolidated statement of cash flows, the Organization considers all cash, including restricted cash, with an original maturity of three months or less to be cash and cash equivalents.

Short-Term Investments

Short-term investments include certificates of deposit with original maturities of three to twelve months.

Contribution Receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of the promise. The fair value is computed using a present value technique applied to anticipated cash flows. Management evaluates the collectability of the receivable and has determined that no allowance for uncollectible contributions receivable is necessary at December 31, 2020 and 2019.

Patient Receivables

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

Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Organization analyzes accounts for adverse changes in a patient's or third-party payor's ability to pay that may have occurred subsequent to recognition. Management regularly reviews specific data about receivable balances and its past history with similar cases to estimate the appropriate allowance for doubtful accounts and provision for bad debts.

The Organization's patient receivable balance as of January 1, 2019 was \$2,528,899.

Supplies

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

Assets Limited as to Use Under Loan Agreement

Assets limited as to use include assets held by trustees under indenture agreements.

Property and Equipment

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

Buildings and improvements	5-40 years
Major movable equipment	3-25 years

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

The Organization considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying values are appropriate. No impairment was identified for the years ended December 31, 2020 and 2019.

Claims Reserves

The Organization provides for self-insurance reserves for estimated incurred but not reported claims for its employee health plan. These gross liabilities, prior to insurance coverage, are reflected as claims reserves on the consolidated balance sheets. These reserves, which are included in current liabilities on the consolidated balance sheets, are estimated based upon historical submission and payment data. Adjustments to reserves are reflected in the operating results in the period in which the change in estimate is identified. The related receivable from insurance recovery is recorded in other assets.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated balance sheet. Net investment return is reported in the consolidated statements of operations and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Debt Issuance Costs

Debt issuances costs are amortized over the period the related obligation is outstanding using the straight-line method, which is a reasonable estimate of the effective interest method. Amortization of the debt issuance costs is included in interest and amortization expense in the consolidated financial statements.

Net Assets with Donor Restrictions

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

Patient Service Revenue

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

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in the Organization receiving inpatient acute services. The Organization measures the performance obligation (associated with inpatient acute services) from admission into the Organization 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 recognized when goods or services are provided, and the Organization does not believe it is required to provide additional goods or services to the patient.

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

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

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

The Organization provides health care services to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Since the Organization does not pursue collection of these amounts, they are not reported as patient service revenue. The estimated cost of providing these services was \$507,000 and \$563,000 for the years ended December 31, 2020 and 2019, calculated by multiplying the ratio of cost to gross charges for the Organization by the gross uncompensated charges associated with providing charity care to its patients.

Performance Indicator

Revenues in excess of expenses is the performance indicator and excludes unrealized gains and losses on investments other than trading securities, transfer of assets to and from related parties for other than goods and services, and contributions for long-lived assets, including assets acquired using contributions which were restricted by donors.

Donor-Restricted Gifts

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

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

Provider Fee Program

In 2010, the state of Colorado adopted a provider fee program, approved by the Centers for Medicare and Medicaid Services (CMS), under which all hospitals in the state were assessed a fee based on bed size and payor mix. The state of Colorado uses the fees to supplement state budget funds for the Medicaid program, which brings matching federal monies into the program, enabling the state of Colorado to fund Medicaid payments to hospitals at a higher rate than would otherwise be possible. The Organization recorded \$606,488 and \$495,331 in provider fees for the years ended December 31, 2020 and 2019, which were recorded as Colorado provider fee expense in the accompanying consolidated financial statements. The Organization recorded \$2,801,886 and \$3,078,594 of supplemental payments for the years ended December 31, 2020 and 2019, which are recorded as part of patient service revenue in the accompanying consolidated financial statements.

In addition, the Colorado Hospital Association manages a redistribution pool for participating facilities, The Organization recorded payments of \$121,344 and \$105,313 for the years ended December 31, 2020 and 2019, which are recorded as part of Colorado provider fee expense in the accompanying consolidated financial statements.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in Note 12, which presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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

Financial Instruments and Credit Risk

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

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets or changes in net assets.

Note 2 - Liquidity and Availability

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

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 10,877,806	\$ 5,198,354
Receivables	3,170,046	3,080,488
Short-term investments	<u>7,973,611</u>	<u>8,396,757</u>
	<u>\$ 22,021,463</u>	<u>\$ 16,675,599</u>

As part of a liquidity management plan, cash in excess of daily requirements is invested in certificates of deposits and money market funds.

The Organization has elected to maintain 200 days cash on hand which is somewhat higher than the average national goal of 150 days. However, this past year has brought many unknowns, both from a worldwide pandemic to Colorado legislation moving towards fee setting. Management has determined that cash may be needed quickly to meet the environmental and regulatory requirements. Many service lines were down operationally in 2020 which has resulted in decreased revenue. Presently it is still unknown if there will be more surges of COVID infection with all the costs associated with it. The provider fee will see continued cuts as the state budget and other legislation vie for the money.

Two projects are anticipated to occur during 2021. Due to the COVID-19 pandemic during 2020, capital investments were put on hold but is anticipated that a new medical clinic will be built in South Fork in 2021. The present structure is needing big repairs such as a roof and ventilation system and much of the outside walls are showing degradation. The property has been acquired already at \$125,000 and the clinic plans are being drawn up. The project will cost around \$2 million. A new doctor that worked for RGH in the early 2000's is returning to South Fork and building a house and will be working in the clinic, starting this year in June. A new clinic will be a draw for much of the summer population and will also be a safe and up to date family-based service.

Additionally, the Organization has continued to work with Colorado State University Wellness Center to help design a Wellness Village (Village) prototype which will feature housing units that are universal, using renewable energy, safe for all ages and accommodating for patients as well as staff. The housing units will be used for hyperbaric patients to have a comfortable place to stay during the 6 to 12 weeks of therapy, for residents training at RGH, for locums and temporary employees and for transitional hospice patients or families needing a place to stay while their loved one is in the hospital. The large building will be a large meeting place for fundraisers, community banquets, school plays provided for the hospital and for large employee meetings. This building could have been used for incident command during COVID. There will be a teaching kitchen, an area to show community and staff ways to maintain wellness, such as a yoga experience, exercise modules to trial and the many ways that the community offers outdoor experiences that contribute to wellness. There will be a computer lab for those seeking information or those people needing to develop computer skills and resumes as they return to the workplace arena. There will also be a large geodome that will have plants and seating areas. Plants will be grown for the kitchen as well as others in the community needing fresh and healthy foods. The project is centered around the Blue Zone concepts which will be taught through several functions of the Village. The Organization wants staff and community to experience the benefit of gathering together especially after a year of isolation from COVID. The total project cost is anticipated to be \$6.2 million dollars. The Organization will apply for grants and contributions, but the Organization will be contributing the necessary dollars to this project as it will provide, rooms and functions not presently available in the hospital. Anticipated cash outlays are anticipated to be \$4,200,000.

Expansion of surgery has begun with new procedures scheduled to be available by the end of the year. Many of these will be in the orthopedic area which will require about \$750,000 of equipment. A full-time orthopedic surgeon will be recruited to the area which has an anticipated cash outlay of \$100,000. Because the surgery manager recently retired, a consultant and an educator will be hired to assist with building the program and getting staff appropriately trained without taking them out of town. It is anticipated that this program will require a \$250,000 investment plus equipment of \$750,000.

A car will need to be purchased for the expanded courier service which will include picking up labs for a large practice in Pagosa Springs. This purchase is anticipated to result in a cash outlay of \$25,000.

The Organization will be starting a dermatology practice in Del Norte. The physician has been hired but starting costs of the practice will be hiring and training two assistants, a specific treatment chair and other equipment which are expected to result in cash outlays of \$750,000.

Note 3 - Patient Service Revenue

The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. A significant portion of the patient service revenues is derived from these third-party programs. A summary of the payment arrangements with major third-party payors follows:

Medicare – The Organization is licensed as a critical access hospital (CAH). The Organization is reimbursed for most inpatient and outpatient services at cost plus 1%, less 2% sequestration, with final settlement determined after submission of annual cost reports by the Organization subject to audits thereof by the Medicare intermediary. The Organization's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Organization. The Organization's Medicare cost reports have been audited by the Medicare fiscal intermediary through December 31, 2015.

Medicaid – Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient nonacute services and outpatient services are reimbursed under a prospectively determined rate per discharge. The Organization is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Organization and audits thereof by the Medicaid fiscal intermediary. The Organization's Medicaid cost reports have been settled through December 31, 2015.

Blue Cross – Inpatient services rendered to Blue Cross subscribers are paid at prospectively determined rates per discharge. Outpatient services are reimbursed at outpatient payment fee screens or at charges less a prospectively determined discount. The prospectively determined discount is not subject to retroactive adjustment.

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

Concentration of gross revenues by major payor accounts for the following percentages of the Organization's patient service revenues for the years ended December 31, 2020 and 2019:

	2020	2019
Medicare	49%	49%
Medicaid	18%	19%
Blue Cross and other commercial payors	28%	28%
Self pay and other	5%	4%
	100%	100%

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The patient service revenue for the years ended December 31, 2020 and 2019 increased approximately \$143,500 and decreased approximately \$32,000 due to removal of allowances previously estimated that are no longer necessary as a result of final settlements, adjustments to amounts previously estimated and years that are no longer likely subject to audits, reviews, and investigations.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Organization estimates the transaction price for patients and residents with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts and implicit price concessions based on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient and resident service revenue in the period of the change. Adjustments arising from a change in the estimate of implicit price concessions for performance obligations were not significant in 2020 and 2019. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. Bad debt expense for the years ended December 31, 2020 and 2019 was not significant.

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

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

For the years ended December 31, 2020 and 2019, the Organization recognized revenue of \$21,502,830 and \$22,298,844 at the time the services were provided.

Note 4 - Investments

Assets Limited as to Use Under Loan Agreement

Assets limited as to use under loan agreement of \$4,292,375 and \$4,246,556 at December 31, 2020 and 2019, are held in cash and cash equivalents and are stated at cost plus accrued interest.

Short-Term Investments

Short-term investments include the following at December 31, 2020 and 2019. Money market mutual funds are stated at cost. Certain certificates of deposit are stated at cost plus accrued interest and others are stated at fair value.

	2020	2019
Certificates of deposit (cost)	\$ 6,795,973	\$ 6,697,907
Certificates of deposit (fair value)	-	700,963
Money market mutual funds (cost)	1,177,638	997,887
	\$ 7,973,611	\$ 8,396,757

Long-Term Investments

The composition of long-term investments at December 31, 2020 and 2019 is shown in the following table. Mutual funds and certain certificates of deposit are stated at fair value. Cash and cash equivalents, money market mutual funds, and certain certificates of deposit are stated at cost plus accrued interest.

	2020	2019
Money market mutual funds (cost)	\$ 857,250	\$ 2,422
Mutual funds (fair value)	132,302	120,249
Certificates of deposit (cost)	2,890,449	2,853,056
Certificates of deposit (fair value)	402,588	703,225
Total investments	\$ 4,282,589	\$ 3,678,952

Note 5 - Property and Equipment

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

	2020	2019
Land	\$ 358,226	\$ 239,261
Buildings and improvements	25,424,887	25,407,897
Major movable equipment	5,597,990	5,358,553
Total	31,381,103	31,005,711
Accumulated depreciation	(15,255,056)	(14,015,872)
Net property and equipment	\$ 16,126,047	\$ 16,989,839

Note 6 - Leases

The Organization leases certain medical and other equipment under noncancelable long-term lease agreements. Certain leases have been recorded as capitalized leases and others as operating leases. Total lease expense for the years ended December 31, 2020 and 2019 was \$443,809 and \$407,273.

Minimum future lease payments for capital and operating leases are as follows:

Years Ending December 31,	Capital Leases	Operating Leases
2021	\$ 23,104	\$ 66,930
2022	-	66,170
2023	-	65,897
2024	-	45,793
2025	-	13,253
Total minimum lease payments	23,104	\$ 258,043
Less interest	(150)	
Present value of minimum lease payments - Note 7	\$ 22,954	

Assets under capital lease agreements consist of:

	2020	2019
Major movable equipment	\$ 160,031	\$ 160,031
Less accumulated amortization	(126,293)	(78,708)
	\$ 33,738	\$ 81,323

Note 7 - Long-Term Debt

Long-term debt consists of:

	2020	2019
2.375% USDA Direct Loan due in monthly installments of \$43,450, including interest to April 2059, secured by the building and all business assets	\$ 13,109,074	\$ 13,321,167
5.25% mortgage note payable to Midfirst Bank due in monthly installments of \$39,833, including interest to October 2047, secured by the building and all business assets	6,818,502	6,925,198
Less unamortized debt issuance costs (effective interest rate of 3.47%)	(688,531)	(706,650)
1.00% Paycheck Protection Program (PPP) Loan due in monthly installments of \$106,836 starting in June 2021 including interest to December 2022, unsecured	1,907,900	-
Capitalized lease obligations - Note 6	22,954	77,109
	21,169,899	19,616,824
Less current maturities	(1,834,680)	(372,360)
Long-term debt, less current maturities	\$ 19,335,219	\$ 19,244,464

These note payable agreements also place limits on the incurrence of additional borrowings and require that the Organization satisfy certain measures of financial performance.

Long-term debt maturities are as follows:

Years Ending December 31,	Amount
2021	\$ 1,834,680
2022	768,263
2023	353,814
2024	365,339
2025	379,279
Thereafter	18,157,055
Unamortized debt issuance costs	(688,531)
Total	\$ 21,169,899

Note 8 - Paycheck Protection Program (PPP) Loan

The Organization was granted a \$1,907,900 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Organization has recorded a note payable and will record the forgiveness upon being legally released from the loan obligation by the SBA. No forgiveness income has been recorded for the year ended December 31, 2020. The Organization intends to apply for forgiveness of the PPP loan in 2021. The terms of the loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The loan may be accelerated upon the occurrence of an event of default.

Note 9 - Net Assets with Donor Restrictions

Net Assets with donor restrictions at December 31, 2020 and 2019 consist of:

	2020	2019
Medication assisted treatment	\$ -	\$ 125,000

In 2020 and 2019, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amount of \$125,000 and \$190,000.

Note 10 - Benefit Plan

Substantially all of the Organization’s employees are covered under a defined contribution 403(b) tax shelter account plan (Plan). Employees are eligible to participate six months after their first day of employment and are eligible for a matching employer contribution of 3% on the employee’s 3-month anniversary. Contributions are deposited with the Plan trustee who invests the Plan’s assets. Total benefit plan expense for the years ended December 31, 2020 and 2019 was \$165,087 and \$186,263.

Note 11 - Concentrations of Credit Risk

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

	2020	2019
Medicare	26%	26%
Medicaid	8%	7%
Other	18%	24%
Patients	48%	43%
	100%	100%

Note 12 - Functional Expenses

The Organization provides healthcare services to residents within its geographic location. Expenses related to providing these services by functional classification for the year ended December 31, 2020 is as follows:

	Health Care Services		General and Administrative	Total
	Hospital	Rural Health Clinics		
Salaries and wages	\$ 5,630,764	\$ 2,198,517	\$ 2,097,540	\$ 9,926,821
Employee benefits	1,322,066	461,689	440,482	2,224,237
Professional services	545,535	57,138	14,935	617,608
Purchased services	1,126,394	112,929	749,007	1,988,330
Supplies and other expenses	3,563,249	323,227	760,732	4,647,208
Insurance	-	-	172,417	172,417
Equipment rental and lease	373,256	38,210	32,343	443,809
Interest and amortization	560,906	137,274	-	698,180
Colorado provider fee	-	-	727,832	727,832
Depreciation	995,090	244,093	-	1,239,183
	\$ 14,117,260	\$ 3,573,077	\$ 4,995,288	\$ 22,685,625

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

	Health Care Services		General and Administrative	Total
	Hospital	Rural Health Clinics		
Salaries and wages	\$ 6,034,129	\$ 1,920,709	\$ 1,827,453	\$ 9,782,291
Employee benefits	1,210,999	412,953	461,226	2,085,178
Professional services	264,110	167,030	107,108	538,248
Purchased services	1,295,882	90,041	709,070	2,094,993
Supplies and other expenses	2,870,735	185,586	1,222,736	4,279,057
Insurance	-	-	166,014	166,014
Equipment rental and lease	378,623	21,087	7,563	407,273
Interest and amortization	472,390	198,484	-	670,874
Colorado provider fee	-	-	600,644	600,644
Depreciation	986,801	414,624	-	1,401,425
	<u>\$ 13,513,669</u>	<u>\$ 3,410,514</u>	<u>\$ 5,101,814</u>	<u>\$ 22,025,997</u>

Note 13 - Fair Value of Assets

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

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

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

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

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

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

Assets measured at fair value on a recurring basis at December 31, 2020 and 2019 are as follows:

	Total	Quoted Prices Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
December 31, 2020				
Mutual funds				
Equity	\$ 102,020	\$ 102,020	\$ -	\$ -
Fixed income	4,163	4,163	-	-
Other	26,119	26,119	-	-
Certificates of deposit (at fair value)	<u>402,588</u>	<u>-</u>	<u>402,588</u>	<u>-</u>
	534,890	<u>\$ 132,302</u>	<u>\$ 402,588</u>	<u>\$ -</u>
Certificates of deposit (at cost)	9,686,422			
Money market mutual funds (at cost)	<u>2,034,888</u>			
	<u>\$ 12,256,200</u>			

	Total	Quoted Prices Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
December 31, 2019				
Mutual funds				
Equity	\$ 91,465	\$ 91,465	\$ -	\$ -
Fixed income	3,900	3,900	-	-
Other	24,884	24,884	-	-
Certificates of deposit (at fair value)	<u>1,404,188</u>	<u>-</u>	<u>1,404,188</u>	<u>-</u>
	1,524,437	<u>\$ 120,249</u>	<u>\$ 1,404,188</u>	<u>\$ -</u>
Certificates of deposit (at cost)	9,550,963			
Money market mutual funds (at cost)	<u>1,000,309</u>			
	<u>\$ 12,075,709</u>			

Note 14 - Related-Party Transactions

The Organization issues notes to physicians as part of the recruitment process. The notes are repayable over a five-year period. The notes were issued with forgiveness provisions over the life of the note to encourage retention. It is anticipated that the balance of the notes will be forgiven over time. The notes receivable from the employees totaled \$100,000 as of December 31, 2020 and is recorded in other receivables in the consolidated financial statements. There were no notes receivable from employees as of December 31, 2019.

Note 15 - Contingencies

Malpractice Insurance

The Organization has malpractice insurance coverage to provide protection for professional liability losses on an occurrence basis subject to a limit of \$1 million per occurrence and an annual aggregate limit of \$3 million. The Organization believes it has adequate insurance coverage for all asserted claims and it has no knowledge of unasserted claims that would exceed its insurance coverage.

Employee Health Self-Insured Plans

The Organization is self-insured for health insurance. The claims under these plans continue to be accrued as the incidents that give rise to them occur. Unpaid claim accruals are based on the estimated ultimate costs of the claims, including claims administration expenses, in accordance with the Organization's past experience. The Organization has entered into reinsurance agreements with insurance companies to limit its losses on claims for health insurance. Reserves for self-insured plans were \$145,864 and \$154,211 as of December 31, 2020 and 2019, respectively, and are included in accrued expenses in the accompanying consolidated financial statements.

Litigations, Claims, and Other Disputes

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

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

COVID-19 Pandemic

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

Note 16 - Provider Relief Funds

The Organization received \$4,072,399 of Coronavirus Aid, Relief, and Economic Security (CARES) Act Provider Relief Funds administered by the Department of Health and Human Services (HHS). The funds are subject to terms and conditions imposed by HHS. Among the terms and conditions is a provision that payments will only be used to prevent, prepare for, and respond to coronavirus and shall reimburse the recipient only for healthcare-related expenses or lost revenues that are attributable to coronavirus. Recipients may not use the payments to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse. HHS currently has a deadline to incur eligible expenses of June 30, 2021. Unspent funds will be expected to be repaid.

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

As of December 31, 2020, the Organization had a total refundable advance balance of \$2,856,744, which was included in current liabilities on the accompanying consolidated balance sheets. During the year ended December 31, 2020, the Organization recognized \$1,290,074 as revenue, included as operating revenue on the consolidated statement of operations.

Note 17 - Subsequent Events

Subsequent to year-end, the Organization has been legally released from \$1,907,900 of its Paycheck Protection Program loan by the SBA as of March 3, 2021.

On May 4, 2021, The Organization applied for and was granted a \$1,977,100 loan under round two of the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The loan accrues interest, but payments are not required to begin for six months to one year after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Organization intends to take measures to maximize the loan forgiveness but cannot reasonably determine the portion of the loan that will ultimately be forgiven.

The Organization has evaluated subsequent events through May 11, 2021, the date which the consolidated financial statements were available to be issued.



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

The Board of Trustees
Valley Citizens' Foundation for Health Care, Inc.
d/b/a Rio Grande Hospital and Subsidiary
Del Norte, Colorado

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Valley Citizens' Foundation for Health Care, Inc. d/b/a Rio Grande Hospital and Subsidiary (Organization), which comprise the consolidated balance sheet as of December 31, 2020, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 11, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings, as items 2020-001, 2020-002, and 2020-003 that we consider to be material weaknesses.

Compliance and Other Matters

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

The Organization's Response to Findings

The Organization's response to the findings identified in our audit is described in the accompanying Schedule of Findings. The Organization's response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Eide Sully LLP".

Fargo, North Dakota
May 11, 2021

2020-001 Limited Size of Office Staff
Material Weakness in Internal Control over Financial Reporting

Criteria – A good system of internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to completion.

Condition – The limited number of staff of the Organization does not facilitate the segregation of duties necessary to achieve a low level of control risk.

Cause – The Organization’s size and budget constraints limit the number of personnel and does not facilitate the segregation of duties necessary to adequately separate procedures.

Effect – Inadequate segregation of duties could adversely affect the Organization’s ability to detect and correct unintentional or intentional misstatements in a timely period by employees in the normal course of performing their assigned functions.

Recommendation – We recognize your staff may not be large enough to permit complete segregation of duties in all respects for an effective system of internal control. However, the Organization should continually review its internal control procedures, other compensating controls, and monitoring procedures to obtain the maximum internal control possible under the circumstances. Furthermore, the Organization should periodically evaluate its procedures to identify potential areas where the benefits of further segregation of duties or addition of other compensating controls and monitoring procedures exceed the related costs. In addition, active involvement of the Board of Trustees and the Board’s knowledge of the operations is an effective control.

Views of Responsible Officials – Management agrees with the finding.

2020-002 Preparation of Consolidated Financial Statements
Material Weakness in Internal Control over Financial Reporting

Criteria – A properly designed system of internal control over financial reporting includes preparation of an entity’s consolidated financial statements and accompanying notes by internal personnel of the entity. Management is responsible for establishing and maintaining internal control over financial reporting and procedures related to the fair presentation of the consolidated financial statements in accordance with U.S generally accepted accounting principles (GAAP).

Condition – The Organization does not have an internal control system designed to provide for the preparation of consolidated financial statements being audited, including related disclosures in accordance with GAAP. In addition, the Organization does not have an internal control structure to properly prevent and detect or correct misstatements to those consolidated financial statements.

Cause – This deficiency is partially due to the limited resources in the financial reporting process due to budgetary constraints.

Effect – The effect of this condition is that the year-end financial reporting is prepared by a party outside the entity. The outside party does not have constant contact with the ongoing financial transactions that internal staff have. Furthermore, it is possible that new standards may not be adopted and applied timely to the interim financial reporting. It is the responsibility of the Organization’s management and those charged with governance to make a decision whether to accept the degree of risk associated with these conditions because of cost or other considerations.

Recommendation – We recommend that management continue reviewing operating procedures in order to obtain the maximum internal control over financial reporting possible under the circumstances to enable staff to draft the consolidated financial statements internally.

Views of Responsible Officials – Management agrees with the finding.

2020-003 Audit Adjustments
Material Weakness in Internal Control over Financial Reporting

Criteria – A good system of internal control contemplates an adequate system for recording and processing adjusting journal entries material to the consolidated financial statements.

Condition – During the audit process, we proposed significant adjustments related to estimated third party settlements and accounts receivable to the consolidated financial statements. With inaccurate consolidated financial statements, it is difficult to make changes in the operations on a timely basis in response to financial performance and make appropriate decisions for the future.

Cause – This deficiency is partially due to the limited resources in the financial reporting process due to budgetary constraints.

Effect – The deficiency resulted in misstatements to the consolidated financial statements that were not prevented, or detected and corrected, by internal personnel in a timely manner.

Recommendation – We recommend that management continue to review procedures for estimating third-party settlements and reconciling accounts receivable and ensure that necessary adjustments are recorded by management throughout the year.

View of Responsible Officials – Management agrees with the finding.