

Return of Organization Exempt From Income Tax

2000

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation), section 527 or section 4947(a)(1) nonexempt charitable trust

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

Form 990 header section including organization name (NORTH COUNTRY COMMUNITY HEALTH CENTER, INC.), address (2500 N. ROSE STREET FLAGSTAFF, AZ 86004), and identification numbers (Employer ID: 86-0663432, Telephone: 520-774-6687).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16)

Main table with 21 rows detailing revenue (Total: 2,927,769) and expenses (Total: 3,102,417), resulting in a deficit of 174,648. Includes a 'RECEIVED' stamp from OGDEN, UT dated MAR 17 2002.

SCANNED APR 16 2002

REVENUE

EXPENSES

ASSETS

Handwritten number 10

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 20.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att. sch) (cash \$ _____ non cash \$ _____)	22			
23 Specific assistance to individuals (att. sch)	23			
24 Benefits paid to or for members (att. sch)	24			
25 Compensation of officers, directors, etc	25	86,849	86,849	
26 Other salaries and wages	26	1,506,224	1,278,026	228,198
27 Pension plan contributions	27	37,942	30,354	7,588
28 Other employee benefits	28	182,175	145,740	36,435
29 Payroll taxes	29	114,927	91,942	22,985
30 Professional fundraising fees	30			
31 Accounting fees	31	17,355		17,355
32 Legal fees	32			
33 Supplies	33	127,983	73,571	54,412
34 Telephone	34	51,380	48,811	2,569
35 Postage and shipping	35			
36 Occupancy	36	110,190	88,152	22,038
37 Equipment rental and maintenance	37			
38 Printing and publications	38	45,336	43,069	2,267
39 Travel	39	74,644	55,479	19,165
40 Conferences, conventions, and meetings	40	4,836	4,836	
41 Interest	41			
42 Depreciation, depletion, etc (attach schedule)	42	90,345	67,759	22,586
43 Other expenses (itemize) a STATEMENT 2	43a	652,231	553,434	98,797
b	43b			
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22 thru 43) Organizations completing columns (B)-(D), carry these totals to lines 13 - 15.	44	3,102,417	2,481,173	621,244 0

Reporting of Joint Costs Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 23)

What is the organization's primary exempt purpose? **SEE STATEMENT 3**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts, but optional for others.)

a HEALTH CARE WAS PROVIDED TO MEDICALLY UNDERSERVED IN HEALTH PROFESSIONAL SHORTAGE AREA. (Grants and allocations \$ 0)	2,105,511
b PROVIDED TRAINING AND CONTINUING MEDICAL EDUCATION TO HEALTH CARE PROFESSIONALS. (Grants and allocations \$ 0)	375,662
c (Grants and allocations \$)	
d (Grants and allocations \$)	
e Other program services (attach schedule) (Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	2,481,173

Part IV Balance Sheets (See Specific Instructions on page 23)

Note		Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		(A) Beginning of year		(B) End of year
ASSETS	45	Cash - non-interest-bearing		68,874	45	1,977
	46	Savings and temporary cash investments		118,297	46	
	47a	Accounts receivable	47a 154,091			
		b Less allowance for doubtful accounts	47b	119,817	47c	154,091
	48a	Pledges receivable	48a		48c	
		b Less allowance for doubtful accounts	48b			
	49	Grants receivable		240,493	49	70,024
	50	Receivables from officers, directors, trustees, and key employees (attach sch)			50	
	51a	Other notes and loans receivable (attach schedule)	51a		51c	
		b Less allowance for doubtful accounts	51b			
	52	Inventories for sale or use		37,221	52	72,842
	53	Prepaid expenses and deferred charges		15,154	53	25,316
	54	Investments - securities (attach schedule)	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	430,509	54	503,782
	55a	Investments - land, buildings, and equipment basis	55a		55c	
		b Less accumulated depreciation (attach schedule)	55b			
56	Investments - other (attach schedule)			56		
57a	Land, buildings, and equipment basis	57a 703,976				
	b Less accumulated depreciation (attach schedule) STMT 4	57b 329,536	352,062	57c	374,440	
58	Other assets (describe ▶)			58		
59	Total assets (add lines 45 through 58) (must equal line 74)		1,382,427	59	1,202,472	
LIABILITIES	60	Accounts payable and accrued expenses		187,735	60	203,369
	61	Grants payable			61	
	62	Deferred revenue		73,785	62	70,523
	63	Loans from officers, directors, trustees, and key employees (attach schedule)			63	
	64a	Tax-exempt bond liabilities (attach schedule)			64a	
		b Mortgages and other notes payable (attach schedule)			64b	
	65	Other liabilities (describe ▶)			65	
66	Total liabilities (add lines 60 through 65)		261,520	66	273,892	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted		1,113,407	67	903,098
	68	Temporarily restricted			68	8,482
	69	Permanently restricted		7,500	69	17,000
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74					
	70	Capital stock, trust principal, or current funds			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund			71	
	72	Retained earnings, endowment, accumulated income, or other funds			72	
	73	Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19 and column (B) must equal line 21)		1,120,907	73	928,580
	74	Total liabilities and net assets/fund balances (add lines 66 and 73)		1,382,427	74	1,202,472

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part VI Other Information (See Specific Instructions on page 26)		N/A	Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity			X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		X	
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?			X
b	If "Yes," has it filed a tax return on Form 990-T for this year?		N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement			X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?			X
b	If "Yes," enter the name of the organization <u>N/A</u> and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt			
81a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	81a		0
b	Did the organization file Form 1120-POL for this year?	81b		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions for reporting in Part III.)	82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		N/A
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b		N/A
c	Dues, assessments, and similar amounts from members	85c		N/A
d	Section 162(e) lobbying and political expenditures	85d		N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g		N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		N/A
86	501(c)(7) organizations Enter			
a	Initiation fees and capital contributions included on line 12	86a		N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b		N/A
87	501(c)(12) organizations Enter			
a	Gross income from members or shareholders	87a		N/A
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b		N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 30.7701-3? If "Yes," complete Part IX	88		X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0</u> , section 4912 <u>0</u> , section 4955 <u>0</u>			
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0
d	Enter Amount of tax in 89c, above, reimbursed by the organization			0
90a	List the states with which a copy of this return is filed <u>ARIZONA</u>			
b	Number of employees employed in the pay period that includes March 12, 2000 (See instructions)	90b		52
91	The books are in care of <u>MIKE JONES</u> Telephone no <u>520-774-6687</u> Located at <u>2500 N. ROSE STREET, FLAGSTAFF, AZ</u> ZIP code <u>86004</u>			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92		N/A <input type="checkbox"/> N/A

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 30)

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a PATIENT REVENUE					1,035,633
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash investments			14	4,314	
96 Dividends and interest from securities			14	19,213	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain/loss from sales of assets other than inventory			18	-10,587	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a MISCELLANEOUS					66,921
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				12,940	1,102,554
105 Total (add line 104, columns (B), (D), and (E))					1,115,494

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 31)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
	SEE STATEMENT 5

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 31)

(A) Name, address and EIN of corporation, partnership or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 31)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

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, the information reported on this return is true and correct. The preparation of this return is based on all information of which preparer has knowledge.

Date 1-30-02

Mike Jones
Finance Director
Type or print name and title

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

2000

Department of the Treasury
Internal Revenue Service

Supplementary Information - (See separate instructions)

▶ **Must be completed by the above organizations and attached to their Form 990 or 990-EZ.**

Name of the organization **NORTH COUNTRY COMMUNITY HEALTH CENTER, INC.** Employer identification number **86-0663432**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions List each one If there are none, enter "None")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
VINCE STACK M.D. 2500 N. ROSE ST.	PHYSICIAN 40+	120,000	0	0
ANDREW SAAL, M.D. 2500 N. ROSE ST.,	PHYSICIAN 40+	104,000	0	0
KIMBERLEY WILLIAMS-BARNES 2500 N. ROSE ST.	40+	93,900	0	0
BARBARA POLSTEIN, DO 2500 N. ROSE ST.	FAMILY NP 40+	80,340	0	0
Total number of other employees paid over \$50,000 ▶		0		

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 1 of the instructions List each one (whether individuals or firms) If there are none, enter "None")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶		0

Part III Statements About Activities	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ <u> </u> N/A Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities	1	X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary:		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE FORM 990, PART V	2d	X
e Transfer of any part of its income or assets? If the answer to any question is "Yes," attach a detailed statement explaining the transactions	2e	X
3 Does the organization make grants for scholarships, fellowships, student loans, etc?	3	X
4a Do you have a section 403(b) annuity plan for your employees?	4a	X
b Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments (See page 2 of the instructions)		

Part IV Reason for Non-Private Foundation Status (See pages 2 through 5 of the instructions)

The organization is not a private foundation because it is (Please check only ONE applicable box)

5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)

6 A school Section 170(b)(1)(A)(ii) (Also complete Part V, page 5)

7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)

8 A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)

9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state
 ► _____

10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)

11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)

11b A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)

12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)

13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting

Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	1,729,045	1,425,525	1,743,733	1,349,570	6,247,873
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable etc purpose	614,868	252,812	150,268	78,348	1,096,296
18 Gross income from interest, dividends, amounts received from payments on securities (section 512(a)(5)), rents, royalties and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	20,016	14,944	37,570	39,417	111,947
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income Attach a sch Do not include gain or (loss) from sale of capital assets SEE ST 6	29,127	22,260	-5,487		45,900
23 Total of lines 15 through 22	2,393,056	1,715,541	1,926,084	1,467,335	7,502,016
24 Line 23 minus line 17	1,778,188	1,462,729	1,775,816	1,388,987	6,405,720
25 Enter 1% of line 23	23,931	17,155	19,261	14,673	
26 Organizations described on lines 10 or 11. a Enter 2% of amount in column (e), line 24					26a 128,114
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a government unit or publicly supported organization) whose total gifts for 1996 through 1999 exceeded the amount shown in line 26a Enter the sum of all these excess amounts					26b
c Total support for section 509(a)(1) test Enter line 24, column (e)					26c 6,405,720
d Add Amounts from column (e) for lines 18 111,947 19 _____ 22 45,900 26b _____					26d 157,847
e Public support (line 26c minus line 26d total)					26e 6,247,873
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 97.54%
27 Organizations described on line 12 a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list (which is not open to public inspection) to show the name of, and total amounts received in each year from, each "disqualified person" Enter the sum of such amounts for each year N/A (1999) _____ (1998) _____ (1997) _____ (1996) _____					
b For any amount included in line 17 that was received from a nondisqualified person, attach a list to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals) After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of all these differences (the excess amounts) for each year (1999) _____ (1998) _____ (1997) _____ (1996) _____					
c Add Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c
d Add Line 27a total _____ and line 27b total _____					27d
e Public support (line 27c total minus line 27d total)					27e
f Total support for section 509(a)(2) test Enter amount on line 23, column (e)					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h %

28 Unusual Grants For an organization described in line 10, 11, or 12 that received any unusual grants during 1996 through 1999, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not include these grants in line 15 (See page 5 of the instructions)

Part V

Private School Questionnaire (See page 5 of the instructions)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

- 29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?
- 30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?
- 31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?

If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)

- 32 Does the organization maintain the following
 - a Records indicatng the racial composition of the student body, faculty, and administrative staff?
 - b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?
 - c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?
 - d Copies of all material used by the organization or on its behalf to solicit contributions?

If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)

- 33 Does the organization discriminate by race in any way with respect to

- a Students' rights or privileges?
- b Admissions policies?
- c Employment of faculty or administrative staff?
- d Scholarships or other financial assistance?
- e Educational policies?
- f Use of facilities?
- g Athletic programs?
- h Other extracurricular activities?

If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)

- 34a Does the organization receive any financial aid or assistance from a governmental agency?

- b Has the organization's right to such aid ever been revoked or suspended?
 If you answered "Yes" to either 34a or b, please explain using an attached statement

- 35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation

		N/A	
		Yes	No
29			
30			
31			
32a			
32b			
32c			
32d			
33a			
33b			
33c			
33d			
33e			
33f			
33g			
33h			
34a			
34b			
35			

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 7 of the instructions)
 (To be completed ONLY by an eligible organization that filed Form 5768)

N/A

Check here a if the organization belongs to an affiliated group
 Check here b if you checked "a" above and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table - If the amount on line 40 is - Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$17,000,000 Over \$17,000,000 The lobbying nontaxable amount is - 20% of the amount on line 40 \$100,000 plus 15% of the excess over \$500,000 \$175,000 plus 10% of the excess over \$1,000,000 \$225,000 plus 5% of the excess over \$1,500,000 \$1,000,000	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
 See the instructions for lines 45 through 50 on page 9 of the instructions)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities
 (For reporting only by organizations that did not complete Part VI-A) (See page 9 of the instructions)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (add lines c through h)

Yes	No	Amount

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Schedule B
(Form 990 or 990-EZ)

Schedule of Contributors

OMB No 1545-0047

2000

Department of the Treasury
Internal Revenue Service

Supplementary information for line 1d of Form 990 or
line 1 of Form 990-EZ (see instructions)

Name of organization **NORTH COUNTRY COMMUNITY
HEALTH CENTER, INC.** Employer identification number
86-0663432

Organization type (check one) - Section 501(c)(3) ◀ (enter number), 527 or
 4947(a)(1) nonexempt charitable trust

A Section 501(c)(7), (8), or (10) organizations - Check this box if the organization had no charitable contributors who contributed more than \$1,000 during the year (But see **General rule** below) ▶

Enter here the total gifts received during the year for a religious, charitable, etc., purpose ▶ \$

Note: This form is generally not open to public inspection except for section 527 organizations.

KFA For Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 990 and Form 990-EZ. Schedule B (Form 990 or 990-EZ) (2000)

Name of organization

Employer identification number

NORTH COUNTRY COMMUNITY

86-0663432

Part I Contributors

(a) No.	(b) Name, address and zip code	(c) Aggregate contributions	(d) Type of contribution
_____	_____ _____ _____	\$ _____	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
_____	_____ _____ _____	\$ _____	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
_____	_____ _____ _____	\$ _____	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
_____	_____ _____ _____	\$ _____	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
_____	_____ _____ _____	\$ _____	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
_____	_____ _____ _____	\$ _____	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)

Name of organization

Employer identification number

NORTH COUNTRY COMMUNITY

86-0663432

Part II Noncash Property

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

Name of organization

Employer identification number

NORTH COUNTRY COMMUNITY

86-0663432

Part III Section 501(c)(7), (8), or (10) organizations that received more than \$1,000 in charitable gifts during the year-

Enter the total gifts that were from contributors who gave \$1,000 or less during the year for a religious, charitable, etc., purpose (see instructions)

▶ \$

(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 code	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
—	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and zip code	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
—	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and zip code	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
—	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and zip code	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

1/21/02

08 49AM

STATEMENT 1
FORM 990, PART I, LINE 20
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

UNRECONGIZED HOLDING LOSS	\$	-17,679
TOTAL	\$	<u>-17,679</u>

STATEMENT 2
FORM 990, PART II, LINE 43
OTHER EXPENSES

OTHER EXPENSES	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
FACILITIES MANAGEMENT	\$ 96,035	93,134	2,901	
INSURANCE	9,372		9,372	
MISCELLANEOUS	138,147	70,620	67,527	
OUTREACH	26,448	13,224	13,224	
OUTSIDE PROFESSIONAL SERVICES	14,959	14,959		
PHARMACY AND LAB	344,178	344,178		
TRAINING	23,092	17,319	5,773	
TOTAL	<u>\$ 652,231</u>	<u>553,434</u>	<u>98,797</u>	<u>0</u>

STATEMENT 3
FORM 990, PART III
ORGANIZATION'S PRIMARY EXEMPT PURPOSE

TO PROVIDE HEALTH CARE TO THE UNDERSERVED.

STATEMENT 4
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT

ASSET	BASIS	ACCUM. DEPREC.	BOOK VALUE
AUTOMOBILES / TRANSPORTATION EQUIP.	\$ 1	1	0
FURNITURE AND FIXTURES	77,199	41,888	35,311
MACHINERY AND EQUIPMENT	378,240	192,264	185,976
IMPROVEMENTS	248,536	95,383	153,153
TOTAL	<u>\$ 703,976</u>	<u>329,536</u>	<u>374,440</u>

1/21/02

08 49AM

STATEMENT 5
FORM 990, PART VIII
RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE #	EXPLANATION OF ACTIVITIES
93A	PATIENT REVENUES ARE FEES RECEIVED FROM PATIENTS AND OTHER THIRD-PARTY PAYORS FOR MEDICAL SERVICES.
103A	MISCELLANEOUS REVENUES ARE FEES CHARGED FOR MEDICAL EDUCATION, MEDICAL RECORDS RETENTION, AND OTHER SERVICES RELATED TO PROVIDING HEALTH CARE.

STATEMENT 6
SCHEDULE A, PART IV-A, LINE 22
OTHER INCOME

DESCRIPTION	(A) 1999	(B) 1998	(C) 1997	(D) 1996	(E) TOTAL
LOSS ON SALE	\$ 0	\$ 0	\$ -5,487	\$ 0	\$ -5,487
MISCELLANEOUS	29,127	22,260	0	0	51,387
TOTAL	<u>\$ 29,127</u>	<u>\$ 22,260</u>	<u>\$ -5,487</u>	<u>\$ 0</u>	<u>\$ 45,900</u>

North Country Community Health Center
DEPRECIATION SCHEDULE BY CLASS
For the Fiscal Year through 06/30/01
Book Schedule

Report Totals By Class

Class	Description	Sec179 Cost	Bonus	Prior Yr Accum Dep	Current Year Dep	Annual Net Book	Depr Cur Per	Through 06/30/01
01	Furniture & Fixtures	69,999	0	32,901	10,285	26,813	814	10,285
02	Mobile Unit	12,762	0	1,547	780	10,435	0	780
03	F&F - TTax	1,385	0	528	198	659	11	198
05	Medical Filing Sys. - Fed	8,578	0	2,312	1,716	4,550	143	1,716
06	Medical Filing Sys.-TTax	3,254	0	1,434	465	1,355	36	465
07	Computers	110,266	0	69,107	12,301	28,858	749	12,301
08	Computers	10,471	0	3,902	2,020	4,549	162	2,020
10	Buildings	194,613	0	12,196	8,008	174,409	1,059	8,008
11	Bldg. Improv. - Federal	50,973	0	8,130	3,813	39,030	315	3,813
12	Building Pmprov. - TTax	2,950	0	535	196	2,219	20	196
14	Equip. Med. - Federal	168,644	0	65,820	33,145	69,679	2,741	33,145
15	Leasehold Improvements	87,197	0	45,130	17,375	18,392	1,425	17,375
*** Report Totals ***		721,092	0	243,542	90,302	380,948	7,475	90,302

North Country Community Health Center
DEPRECIATION SCHEDULE BY CLASS
For the Fiscal Year through 06/30/01
Book Schedule

01 - Furniture & Fixtures

Num	Description	Date	Svc Method	Lf	Sec179		Prior Yr Accum Dep	Current Year Dep	Annual Net Book	Depr Cur Per	Through 06/30/01
					Cost	Bonus					
00001	2 drawer filing cabinet	05/01/93	S/L	5	100	0	100	0	0	0	0
00002	2 drawer filing cabinet	05/01/93	S/L	5	100	0	100	0	0	0	0
00003	4 drawer filing cabinet	05/01/93	S/L	5	20	0	20	0	0	0	0
00004	4 drawer filing cabinet	05/01/93	S/L	5	38	0	38	0	0	0	0
00005	bookcase	06/01/93	S/L	5	30	0	30	0	0	0	0
00006	desk	06/01/93	S/L	5	140	0	140	0	0	0	0
00007	microwave stand	06/01/93	S/L	5	60	0	60	0	0	0	0
00008	advertising display	02/05/88	MACRS	7 7	325	0	325	0	0	0	0
00009	advertising display	02/05/88	MACRS	7 7	322	0	322	0	0	0	0
00010	Pitney Bowes mail mach.	06/20/88	MACRS	7 7	5,578	0	5,578	0	0	0	0
00011	desk/chair	10/05/91	MACRS	5 5	434	0	434	0	0	0	0
00012	2 chairs/2 desks	01/05/92	MACRS	5 5	877	0	877	0	0	0	0
00013	VCR	12/05/92	S/L	5	518	0	518	0	0	0	0
00014	Signage	10/04/96	S/L	7	1,129	0	604	161	364	18	161
00015	Xerox copier	10/04/96	S/L	5	11,303	0	8,478	2,261	564	193	2,261
00016	Phone system	09/20/96	S/L	5	10,637	0	7,977	2,127	533	180	2,127
00017	Xerox copier	09/05/97	S/L	5	5,211	0	2,953	1,042	1,216	85	1,042
00018	Medical Trans. Machine	08/28/98	S/L	5	4,665	0	1,711	933	2,021	75	933
00019	Mobile Unit Furnishings	07/20/98	S/L	7	5,000	0	1,369	655	2,976	0	655
00020	Timeclock (1/2 F, 1/2TTa	12/29/98	S/L	7	908	0	195	130	583	9	130
00021	Credit Card Machine	03/05/99	S/L	7	575	0	109	82	384	5	82
00022	Copier	04/20/99	S/L	5	641	0	149	128	364	7	128
00023	Copier	11/12/99	S/L	5	828	0	110	166	552	12	166
00024	Walkie Talkies	11/30/99	S/L	7	1,480	0	123	211	1,146	13	211
00025	Chairs	11/30/99	S/L	7	5,433	0	453	776	4,204	61	776
00026	Walkie Talkies	02/01/00	S/L	7	365	0	22	52	291	8	52
00027	Phone System Upgrade	02/03/00	S/L	7	1,721	0	102	246	1,373	15	246
00028	Walkie Talkies	06/02/00	S/L	7	295	0	4	42	249	2-	42
00029		08/24/00	S/L	7	3,496	0	0	416	3,080	38	416
00030	Walkie Talkies	08/01/00	S/L	7	295	0	0	39	256	1-	39
00031	Furniture--Outreach	08/01/00	S/L	7	1,353	0	0	177	1,176	17	177
00032	Desk	09/01/00	S/L	7	472	0	0	56	416	2	56
00033	Fax Machine-Outreach	09/15/00	S/L	5	139	0	0	23	116	5	23
00034	Office Equip-Outreach	09/20/00	S/L	7	1,539	0	0	165	1,374	21	165
00035	End Tab File Cart	09/20/00	S/L	7	849	0	0	91	758	11	91
00036	Medical Record Cabinet	09/26/00	S/L	7	565	0	0	61	504	5	61
00037	File Cabinets	12/01/00	S/L	7	672	0	0	56	616	8	56
00038	Phone System	01/09/01	S/L	5	1,886	0	0	189	1,697	29	189
Division 00 Total					69,999	0	32,901	10,285	26,813	814	10,285
CLASS 01 TOTAL					69,999	0	32,901	10,285	26,813	814	10,285

North Country Community Health Center
DEPRECIATION SCHEDULE BY CLASS
For the Fiscal Year through 06/30/01
Book Schedule

02 - Mobile Unit

Num	Description	Date	Svc	Method	Lf	Sec179		Prior Yr	Current	Annual	Depr	Through
						Cost	Bonus	Accum Dep	Year Dep	Net Book	Cur Per	06/30/01
00001r	Mobile Unit	07/20/98	S/L	15		10,000	0	1,278	611	8,111	0	611
00002r	Mobile unit improv	01/05/99	S/L	15		1,512	0	151	93	1,268	0	93
00003r	Mobile unit improv.	02/05/99	S/L	15		1,250	0	118	76	1,056	0	76
Division 00 Total						12,762	0	1,547	780	10,435	0	780
CLASS 02 TOTAL						12,762	0	1,547	780	10,435	0	780

North Country Community Health Center
 DEPRECIATION SCHEDULE BY CLASS
 For the Fiscal Year through 06/30/01
 Book Schedule

03 - F&F - TTax

Num	Description	Date	Svc Method	Lf	Sec179 Cost	Bonus	Prior Yr Accum Dep	Current Year Dep	Annual Net Book	Depr Cur Per	Through 06/30/01
00018	50 stacking chairs	11/08/97	S/L	7	1,385	0	528	198	659	11	198
Division 00 Total					1,385	0	528	198	659	11	198
CLASS 03 TOTAL					1,385	0	528	198	659	11	198

North Country Community Health Center
DEPRECIATION SCHEDULE BY CLASS
For the Fiscal Year through 06/30/01
Book Schedule

05 - Medical Filing Sys. - Fed

Num	Description	Date	Svc	Method	Lf	Sec179		Prior Yr	Current	Annual	Depr	Through
						Cost	Bonus	Accum Dep	Year Dep	Net Book	Cur Per	06/30/01
00002	Sliding file system	06/30/98		S/L	5	2,980	0	1,192	596	1,192	46	596
00003	Medical Filing System	07/01/99		S/L	5	5,598	0	1,120	1,120	3,358	97	1,120
Division 00 Total						8,578	0	2,312	1,716	4,550	143	1,716
CLASS 05 TOTAL						8,578	0	2,312	1,716	4,550	143	1,716

North Country Community Health Center
 DEPRECIATION SCHEDULE BY CLASS
 For the Fiscal Year through 06/30/01
 Book Schedule

06 - Medical Filing Sys.-TTax

Num	Description	Date	Svc	Method	Lf	Sec179		Prior Yr	Current	Annual	Depr	Through
						Cost	Bonus	Accum Dep	Year Dep	Net Book	Cur Per	06/30/01
00001	Medical filing system	06/05/97	S/L		7	3,254	0	1,434	465	1,355	36	465
Division 00 Total						3,254	0	1,434	465	1,355	36	465
CLASS 06 TOTAL						3,254	0	1,434	465	1,355	36	465

DEPRECIATION SCHEDULE BY CLASS

For the Fiscal Year through 06/30/01

Book Schedule

07 - Computers

Num	Description	Date	Svc Method	L f	Sec179		Prior Yr Accum Dep	Current Year Dep	Annual Net Book	Depr Cur Per	Through 06/30/01	
					Cost	Bonus						
00001	Computer warehouse	09/02/87	MACRS	5	5	942	0	942	0	0	0	
00002	AZ Computer specialists	09/02/87	MACRS	5	5	3,360	0	3,360	0	0	0	
00003	Az Computer products	09/24/87	MACRS	5	5	2,933	0	2,933	0	0	0	
00004	Az Computer products	11/05/87	MACRS	5	5	445	0	445	0	0	0	
00005	Az Computer Center	09/30/88	MACRS	7	7	3,103	0	3,103	0	0	0	
00006	Powerbook computer	12/06/96	S/L	5		1,441	0	1,032	288	121	24	288
00007	PC laptop	02/05/97	S/L	5		2,724	0	1,862	545	317	50	545
00008	Apple computer	12/31/91	MACRS	5	5	6,996	0	6,996	0	0	0	0
00009	Computer	03/20/92	MACRS	5	5	1,802	0	1,802	0	0	0	0
00010	Computer monitor	05/05/92	MACRS	5	5	124	0	124	0	0	0	0
00011	Computer monitor	05/26/92	MACRS	5	5	122	0	122	0	0	0	0
00012	Macintosh computer	04/20/93	S/L	5		2,250	0	2,250	0	0	0	0
00013	Apple writer	06/01/93	S/L	5		315	0	315	0	0	0	0
00014	MicroAge computer	10/20/93	S/L	5		990	0	990	0	0	0	0
00015	MicroAge computer	11/05/93	S/L	5		2,519	0	2,519	0	0	0	0
00016	Connecting point compute	01/20/94	S/L	5		638	0	638	0	0	0	0
00017	Computer	09/01/94	S/L	5		5,174	0	5,174	0	0	0	0
00018	Computer software	04/01/96	S/L	5		31,000	0	26,350	4,650	0	0	4,650
00019	2 network workstations	10/04/96	S/L	5		3,798	0	2,850	760	188	67	760
00020	Ink jet printer	09/05/97	S/L	5		598	0	340	120	138	10	120
00021	Mac computer	09/20/96	S/L	5		2,558	0	1,920	512	126	39	512
00022	Computer	10/15/98	S/L	5		2,497	0	874	499	1,124	37	499
00023	Computer	12/11/98	S/L	5		1,300	0	412	260	628	18	260
00024	Computer Network	12/18/98	S/L	5		5,128	0	1,539	1,026	2,563	80	1,026
00025	Computers	01/20/00	S/L	5		1,723	0	144	345	1,234	26	345
00026	Computer/2 Monitors	03/27/00	S/L	5		1,022	0	51	204	767	17	204
00027	Computer Hardware	05/16/00	S/L	5		1,226	0	20	245	961	25	245
00028	Computer Modem	06/16/00	S/L	5		152	0	0	30	122	3-	30
00029	Computer	07/03/00	S/L	5		704	0	0	141	563	9	141
00030	Computer Server	07/20/00	S/L	5		4,625	0	0	848	3,777	78	848
00031	Computer	08/01/00	S/L	5		800	0	0	147	653	17	147
00032	Computers	09/20/00	S/L	5		3,275	0	0	491	2,784	51	491
00033	Computer	09/21/00	S/L	5		751	0	0	113	638	9	113
00034	Computer	10/05/00	S/L	5		519	0	0	78	441	6	78
00035	Computer	11/03/00	S/L	5		719	0	0	96	623	12	96
00036	Server & Hardware Upgrad	01/01/01	S/L	5		5,121	0	0	512	4,609	87	512
00038	New Server Install	01/09/01	S/L	5		1,250	0	0	125	1,125	20	125
00039	Okidata Printer	02/06/01	S/L	5		1,416	0	0	118	1,298	22	118
00040	Computer	02/15/01	S/L	5		941	0	0	78	863	14	78
00041		03/26/01	S/L	5		1,088	0	0	54	1,034	18	54
00042	Compaq Deskpro	06/04/01	S/L	5		986	0	0	16	970	16	16
00043	Powerchute Plus	06/21/01	S/L	5		498	0	0	0	498	0	0
00044	Gateway Computer	06/30/01	S/L	5		693	0	0	0	693	0	0

Division 00 Total

110,266 0 69,107 12,301 28,858 749 12,301

CLASS 07 TOTAL

110,266 0 69,107 12,301 28,858 749 12,301

North Country Community Health Center
DEPRECIATION SCHEDULE BY CLASS
For the Fiscal Year through 06/30/01
Book Schedule

08 - Computers

Num	Description	Date	Svc Method	Lf	Sec179		Prior Yr Accum Dep	Current Year Dep	Annual Net Book	Depr Cur Per	Through 06/30/01
					Cost	Bonus					
00022	Server	06/23/98	S/L	5	3,766	0	1,506	753	1,507	60	753
00023	Terminals	06/30/98	S/L	5	5,209	0	2,084	1,042	2,083	85	1,042
00024	printer	06/01/98	S/L	5	748	0	312	150	286	7	150
00037	Computers	01/03/01	S/L	5	748	0	0	75	673	10	75
Division 00 Total					10,471	0	3,902	2,020	4,549	162	2,020
CLASS 08 TOTAL					10,471	0	3,902	2,020	4,549	162	2,020

North Country Community Health Center
DEPRECIATION SCHEDULE BY CLASS
For the Fiscal Year through 06/30/01
Book Schedule

10 - Buildings

Num	Description	Date	Svc Method	Lf	Sec179		Prior Yr Accum Dep	Current Year Dep	Annual Net Book	Depr Cur Per	Through 06/30/01
					Cost	Bonus					
00006	renovations	05/01/98	S/L	15	24,838	0	3,588	1,656	19,594	138	1,656
00007	renovations	07/29/98	S/L	15	12,014	0	1,535	801	9,678	64	801
00008	renovations	10/19/98	S/L	15	6,287	0	698	419	5,170	34	419
00009	renovations	09/01/98	S/L	15	5,897	0	721	393	4,783	30	393
00010	Building Improvements	10/19/98	S/L	15	4,106	0	456	274	3,376	21	274
00011	Building Improvements	08/05/98	S/L	15	12,014	0	1,535	801	9,678	64	801
00012	Renovations	12/18/98	S/L	15	1,160	0	116	77	967	11	77
00013	Renovations	01/05/99	S/L	15	970	0	97	65	808	10	65
00014	Building Improvements	02/05/99	S/L	15	2,034	0	193	136	1,705	15	136
00015	Building Improvements	09/18/98	S/L	15	11,865	0	1,384	791	9,690	65	791
00016	Building Improvements	02/05/99	S/L	15	490	0	47	33	410	0	33
00017	Building Improvements	02/05/99	S/L	15	605	0	57	40	508	7	40
00018	Building Improvements	02/05/99	S/L	15	3,805	0	360	254	3,191	23	254
00019	Building Improvements	03/19/99	S/L	15	3,232	0	269	215	2,748	17	215
00020	Building improvement	11/20/98	S/L	15	1,814	0	192	121	1,501	11	121
00021	Building improvement	12/07/98	S/L	15	1,564	0	165	104	1,295	5	104
00023	Building improvement	12/18/98	S/L	15	2,580	0	258	172	2,150	18	172
00024	Bldg Improvements	08/20/99	S/L	15	3,618	0	201	241	3,176	21	241
00025	Bldg Improvements	10/20/99	S/L	15	2,700	0	120	180	2,400	15	180
00026	New Carpet	11/30/99	S/L	15	1,682	0	65	112	1,505	13	112
00027	Bldg Improvements	11/30/99	S/L	15	2,187	0	85	146	1,956	14	146
00028	Bldg Improvements	11/30/99	S/L	15	912	0	35	61	816	6	61
00029	Bldg Improvements	12/21/99	S/L	15	560	0	19	37	504	4	37
00030	Bldg Improvements	06/30/00	S/L	15	1,161	0	0	77	1,084	11	77
00031	Bldg Improvements	07/01/00	S/L	15	293	0	0	20	273	2	20
00032	Bldg Improvements	07/26/00	S/L	15	1,609	0	0	98	1,511	8	98
00033	Bldg Improvements	07/31/00	S/L	15	328	0	0	20	308	0	20
00034	Bldg Improvements	09/11/00	S/L	15	320	0	0	18	302	0	18
00035	Bldg Improvements	09/21/00	S/L	15	930	0	0	47	883	7	47
00036	Bldg Improvements	10/01/00	S/L	15	577	0	0	29	548	5	29
00037	Shelving	01/01/01	S/L	15	761	0	0	25	736	5	25
00039	Bldg Improvements	02/28/01	S/L	15	4,410	0	0	98	4,312	23	98
00040	Bldg Improvements	03/01/01	S/L	15	310	0	0	7	303	1	7
00041	Bldg Improvements-	03/20/01	S/L	15	1,116	0	0	19	1,097	7	19
00042	Bldg Improvements	03/27/01	S/L	15	786	0	0	13	773	5	13
00043	Bldg Improvements	04/24/01	S/L	15	34	0	0	0	34	0	0
00044	Security System	05/01/01	S/L	7	2,107	0	0	50	2,057	25	50
00045	Bldg Improvements	05/21/01	S/L	15	64,418	0	0	358	64,060	358	358
00046	Bldg Improvements	06/27/01	S/L	15	769	0	0	0	769	0	0
00047	Bldg Improvements	06/29/01	S/L	15	7,750	0	0	0	7,750	0	0
Division 00 Total					194,613	0	12,196	8,008	174,409	1,059	8,008
CLASS 10 TOTAL					194,613	0	12,196	8,008	174,409	1,059	8,008

North Country Community Health Center
DEPRECIATION SCHEDULE BY CLASS
For the Fiscal Year through 06/30/01
Book Schedule

11 - Bldg. Improv. - Federal

Num	Description	Date	Svc Method	Lf	Sec179		Prior Yr Accum Dep	Current Year Dep	Annual Net Book	Depr Cur Per	Through 06/30/01
					Cost	Bonus					
00004	renovations	04/01/98	S/L	15	17,699	0	2,655	1,180	13,864	102	1,180
00005	renovations	05/01/98	S/L	15	17,699	0	2,557	1,180	13,962	102	1,180
00007	renovations	06/11/98	S/L	15	1,564	0	217	104	1,243	5	104
00008	renovations	06/19/98	S/L	15	886	0	118	59	709	4	59
00009	renovations	06/30/98	S/L	15	6,666	0	888	444	5,334	37	444
00010	Security system	06/20/98	S/L	5	3,117	0	1,246	623	1,248	51	623
00011	Cleaning of floors	06/05/98	S/L	15	510	0	71	34	405	1	34
00012	Floor for conference rm	06/30/98	S/L	15	2,832	0	378	189	2,265	13	189
Division 00 Total					50,973	0	8,130	3,813	39,030	315	3,813
CLASS 11 TOTAL					50,973	0	8,130	3,813	39,030	315	3,813

North Country Community Health Center
 DEPRECIATION SCHEDULE BY CLASS
 For the Fiscal Year through 06/30/01
 Book Schedule

12 - Building Pmprov. - TTax

Num	Description	Date	Svc Method	Lf	Sec179		Prior Yr Accum Dep	Current Year Dep	Annual Net Book	Depr Cur Per	Through 06/30/01
					Cost	Bonus					
00001	Leasehold improvements	06/05/97	S/L	15	1,083	0	222	72	789	6	72
00002	flooring	11/20/97	S/L	15	527	0	90	35	402	2	35
00003	misc. renovations	01/01/98	S/L	15	1,340	0	223	89	1,028	12	89
Division 00 Total					2,950	0	535	196	2,219	20	196
CLASS 12 TOTAL					2,950	0	535	196	2,219	20	196

North Country Community Health Center
DEPRECIATION SCHEDULE BY CLASS
For the Fiscal Year through 06/30/01
Book Schedule

14 - Equip. Med. - Federal

Num	Description	Date	Svc Method	Lf	Sec179		Prior Yr Accum Dep	Current Year Dep	Annual Net Book	Depr Cur Per	Through 06/30/01
					Cost	Bonus					
00016	Midmark M9/M11 ultraclav	06/05/98	S/L	5	3,395	0	1,415	679	1,301	52	679
00017	ultra sonic cleaner	06/05/98	S/L	5	1,368	0	571	274	523	21	274
00018	maximizer vacuum pump	06/05/98	S/L	5	1,865	0	777	373	715	32	373
00019	fiber optic handpieces	06/05/98	S/L	5	539	0	225	108	206	9	108
00020	fiber optic handpieces	06/05/98	S/L	5	539	0	225	108	206	9	108
00021	fiber optic handpieces	06/05/98	S/L	5	539	0	225	108	206	9	108
00022	fiber optic handpieces	06/05/98	S/L	5	540	0	225	108	207	9	108
00023	slow speed handpieces	06/05/98	S/L	5	977	0	406	195	376	19	195
00024	slow speed handpieces	06/05/98	S/L	5	977	0	406	195	376	19	195
00025	slow speed handpieces	06/05/98	S/L	5	977	0	406	195	376	19	195
00026	dental chair	06/05/98	S/L	5	3,550	0	1,479	710	1,361	61	710
00027	dental chair	06/05/98	S/L	5	3,550	0	1,479	710	1,361	61	710
00028	dental chair	06/05/98	S/L	5	3,550	0	1,479	710	1,361	61	710
00029	dental chair	06/05/98	S/L	5	3,550	0	1,479	710	1,361	61	710
00030	dental chair	06/05/98	S/L	5	3,550	0	1,479	710	1,361	61	710
00031	cascade duo cart	06/05/98	S/L	5	3,550	0	1,479	710	1,361	61	710
00032	cascade duo cart	06/05/98	S/L	5	3,550	0	1,479	710	1,361	61	710
00033	cascade duo cart	06/05/98	S/L	5	3,550	0	1,479	710	1,361	61	710
00034	intra oral x-ray	06/05/98	S/L	5	3,175	0	1,323	635	1,217	52	635
00035	procedure table	06/20/98	S/L	5	6,042	0	2,416	1,208	2,418	97	1,208
00036	hyfreacator	06/20/98	S/L	5	681	0	272	136	273	15	136
00037	cast cutter	06/20/98	S/L	5	570	0	228	114	228	4	114
00038	EKG machine	06/20/98	S/L	5	4,586	0	1,834	917	1,835	81	917
00039	fetal monitor	06/20/98	S/L	5	6,220	0	2,488	1,244	2,488	100	1,244
00040	pulseoximeter	06/30/98	S/L	5	968	0	388	194	386	18	194
00041	pulmonary funct.	06/30/98	S/L	5	3,063	0	1,226	613	1,224	52	613
00042	tympanic mem.	06/30/98	S/L	5	2,194	0	878	439	877	32	439
00043	exam table	06/20/98	S/L	5	1,419	0	568	284	567	20	284
00044	exam table	06/20/98	S/L	5	1,420	0	568	284	568	20	284
00045	exam table	06/20/98	S/L	5	1,419	0	568	284	567	20	284
00046	exam table	06/20/98	S/L	5	1,420	0	568	284	568	20	284
00047	exam table	06/20/98	S/L	5	1,419	0	568	284	567	20	284
00048	exam table	06/20/98	S/L	5	1,420	0	568	284	568	20	284
00049	exam table	06/20/98	S/L	5	1,419	0	568	284	567	20	284
00050	exam table	06/20/98	S/L	5	1,420	0	568	284	568	20	284
00051	exam table	06/20/98	S/L	5	1,419	0	568	284	567	20	284
00052	exam table	06/20/98	S/L	5	1,420	0	568	284	568	20	284
00053	microscope	06/20/98	S/L	5	1,499	0	600	300	599	25	300
00054	autoclave	06/20/98	S/L	5	3,161	0	1,264	632	1,265	49	632
00055	hemocue	06/20/98	S/L	5	600	0	240	120	240	10	120
00056	central console	06/30/98	S/L	5	3,999	0	1,600	800	1,599	63	800
00057	central console	06/30/98	S/L	5	3,999	0	1,600	800	1,599	63	800
00058	central console	06/30/98	S/L	5	4,000	0	1,600	800	1,600	63	800
00059	ADEC columns	06/30/98	S/L	5	3,083	0	1,234	617	1,232	56	617
00060	ADEC columns	06/30/98	S/L	5	3,082	0	1,232	616	1,234	55	616
00061	ADEC columns	06/30/98	S/L	5	3,083	0	1,234	617	1,232	56	617
00062	ADEC columns	06/30/98	S/L	5	3,082	0	1,232	616	1,234	55	616
00063	wall mount	06/30/98	S/L	5	569	0	228	114	227	4	114
00064	wall mount	06/30/98	S/L	5	569	0	228	114	227	4	114
00065	wall mount	06/30/98	S/L	5	569	0	228	114	227	4	114
00066	wall mount	06/30/98	S/L	5	569	0	228	114	227	4	114

DEPRECIATION SCHEDULE BY CLASS

For the Fiscal Year through 06/30/01

Book Schedule

14 - Equip. Med. - Federal

Num	Description	Date	Svc Method	Lf	Sec179		Prior Yr Accum Dep	Current Year Dep	Annual Net Book	Depr Cur Per	Through 06/30/01
					Cost	Bonus					
00067	mount light	06/30/98	S/L	5	1,850	0	740	370	740	29	370
00068	mount light	06/30/98	S/L	5	1,850	0	740	370	740	29	370
00069	mount light	06/30/98	S/L	5	1,850	0	740	370	740	29	370
00070	mount light	06/30/98	S/L	5	1,850	0	740	370	740	29	370
00071	square console	06/30/98	S/L	5	5,999	0	2,400	1,200	2,399	100	1,200
00072	square console	06/30/98	S/L	5	5,999	0	2,400	1,200	2,399	100	1,200
00075	ultrasound	06/20/98	S/L	5	25,200	0	10,080	5,040	10,080	420	5,040
00076	pelton & crane light	06/05/98	S/L	5	1,475	0	615	295	565	20	295
00077	Stat Kit	03/19/99	S/L	5	522	0	130	104	288	5	104
00078	Defibrulator Kit	04/05/99	S/L	5	3,085	0	771	617	1,697	56	617
00079	Sink	04/28/99	S/L	7	720	0	120	103	497	4	103
00080	Coposcopy Machine	10/05/99	S/L	5	1,000	0	150	200	650	13	200
00082	Conversion Kit	08/03/00	S/L	5	654	0	0	120	534	10	120
00083	Cholestech LDX System	06/01/01	S/L	5	2,916	0	0	49	2,867	49	49
Division 00 Total					168,644	0	65,820	33,145	69,679	2,741	33,145
CLASS 14 TOTAL					168,644	0	65,820	33,145	69,679	2,741	33,145

DEPRECIATION SCHEDULE BY CLASS

For the Fiscal Year through 06/30/01

Book Schedule

15 - Leasehold Improvements

Num	Description	Date	Svc Method	Lf	Sec179		Prior Yr Accum Dep	Current Year Dep	Annual Net Book	Depr Cur Per	Through 06/30/01
					Cost	Bonus					
00001	medical equipment	06/01/97	S/L	7	1,102	0	484	157	461	14	157
00002	dental equip - various	06/20/97	S/L	5	22,234	0	13,341	4,447	4,446	366	4,447
00003	Statim 2000 cass autocla	06/01/97	S/L	5	3,111	0	1,918	622	571	50	622
00004	various med. equip.	09/25/96	S/L	5	10,943	0	8,208	2,189	546	187	2,189
00005	EKG machine	11/04/96	S/L	5	4,497	0	3,297	899	301	74	899
00006	Matrix Analgesia System	09/19/97	S/L	5	3,170	0	1,744	634	792	51	634
00007	Hemocue machine	09/19/97	S/L	5	630	0	347	126	157	5	126
00008	Trophy 70 E Intra oral x	09/29/97	S/L	5	2,376	0	1,306	475	595	35	475
00009	dental chair	09/29/97	S/L	5	3,595	0	1,977	719	899	59	719
00010	dual cart	09/29/97	S/L	5	2,751	0	1,513	550	688	44	550
00011	post mounted light	09/29/97	S/L	5	1,391	0	765	278	348	25	278
00012	ultrasonic scalers	09/29/97	S/L	5	532	0	292	106	134	7	106
00013	Rino slow speed handpiec	09/29/97	S/L	5	711	0	391	142	178	10	142
00014	Rino slow speed handpiec	09/29/97	S/L	5	711	0	391	142	178	10	142
00015	fiberoptic handpiece hi-	09/29/97	S/L	5	519	0	286	104	129	5	104
00073	universal X-ray	06/30/98	S/L	5	17,564	0	7,026	3,513	7,025	290	3,513
00074	film processor	06/30/98	S/L	5	2,360	0	944	472	944	43	472
00075	UltraSound	01/01/00	S/L	5	9,000	0	900	1,800	0	150	1,800
Division 00 Total					87,197	0	45,130	17,375	18,392	1,425	17,375
CLASS 15 TOTAL					87,197	0	45,130	17,375	18,392	1,425	17,375

NORTH COUNTRY BOARD of DIRECTORS 2001

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Jennifer Hicks
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3300 Ascona Way
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**BY-LAWS
OF
NORTH COUNTRY COMMUNITY HEALTH CENTER
AS ADOPTED MAY 26, 1998
AND
AMENDED SEPTEMBER 26, 2000
ARTICLE I
NAME AND PURPOSE**

Section 1 Name of Organization: The name of the organization is North Country Community Health Center. The organization may also be referred to in the By-Laws as the Corporation.

Section 2 Mission of the Organization: The Mission of the Corporation is to provide accessible, affordable, comprehensive and quality primary health care in an atmosphere of respect and dignity for patient and staff, always sensitive to the cultural differences in the community. Further, through direct services, advocacy and education, we will strive to promote the health and well-being of all patients and the community.

The Corporation is a non-profit organization and its activities are conducted so that no part of its net earnings will benefit any officer, director or individual.

The Corporation will provide services to clients with limited resources and will serve all clients without discrimination based on sex, age, religion, ethnic or national origin and/or ability to pay

The Corporation will participate in the ongoing organized efforts to improve and retain the general type of community health care delivery system which this Corporation represents, maintain compliance with relevant laws and regulations and engage in appropriate activities designed to enable the accomplishment of the above

**ARTICLE II
OFFICES**

Section 1. Principal Office: The principal office of the North Country Community Health Center, as an Arizona non-profit corporation, shall first be located in the City of Flagstaff, Arizona.

Section 2 Other Offices: The Board of Directors, hereinafter referred to as the Board, may at its discretion, open and maintain other offices of the Corporation within the service area of the Corporation.

**ARTICLE III
OBJECTIVES OF THE CORPORATION**

Section 1 To establish and maintain a health center and medical care program for the provision of health services to the patient population of the Corporation's service area.

Section 2. To care for the sick and render medical treatment, without regard to sex, age, religion, race or national origin and/or ability to pay

Section 3 To carry on educational activities related to rendering care to the sick and injured and for

the promotion of good health which, in the opinion of the Board of Directors, may be justified by available facilities, personnel and/or funds.

Section 4 To assist in the development of project plans, progress reports and grant applications representing the views of the community as well as the views of the Corporation and individuals most knowledgeable about health problems and the means available for alleviating the problem.

Section 5 To participate, as far as circumstances may warrant, in any activity designed and carried on to promote the general health of residents of the service area

ARTICLE IV BOARD OF DIRECTORS

Section 1 Directors. The business and affairs of the Corporation shall be managed by a Board of Directors, selected such as to include representatives from each major community served. The Board shall exercise all the powers of the Corporation provided by law, the Articles of Incorporation and these By-laws. The responsibilities of the Board shall include:

- A. Establishment of general policies for the Corporation
- B. Approval for the selection, evaluation and dismissal of the Chief Executive Officer of the Corporation
- C. Approval of Corporate Personnel Policies.
- D. Approval of Financial Policies of the Corporation.
- E. Evaluation of Program Services.
- F. Approval of Policies affecting the scope and availability of services.
- G. Assurance that the Corporation is operated in compliance with applicable Federal, State and local laws
- H. Assurance that the Corporation is maintaining its financial integrity.

Section 2 Composition the Board of Directors, hereinafter referred to as the Board, shall consist of a minimum of nine (9) members and a maximum of twenty-five (25) members selected such as to include representatives from the service area served. Members of the Board shall be selected for their expertise in community affairs, local government, finance and banking, legal affairs, trade unions and other commercial and industrial concerns or social services agencies within the service area.

A majority (51%) of the Board members must be individuals who have used the services of the health center as a regular source of health care for themselves and/or their families within the past two years

No more than one-half (1/2) of the remaining members of the Board may be individuals who derive more than ten percent (10%) of their annual income from the health care industry.

Section 3. Indemnification of Officers, Directors, Employees and Agents All members, directors, officers, employees, and agents of the Corporation shall be indemnified from any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of the Corporation, by reason of the fact that he or she is or was a member, director, officer, employee, or agent of the Corporation or is, or was, serving at the request of the Corporation as a member, director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses, including attorney's fees, and against judgments, fines and amounts paid in settlement actually and reasonable incurred by him in connection with such action, suit or proceeding if he acted, or failed to act in good faith in a manner he or she reasonably believed to be in or not opposed to the best interest of the

Corporation and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

The termination of any suit, action, or proceeding by a judgment, order, settlement, or conviction or upon a plea of no contest or its equivalent shall not of itself create a presumption that the person acted or failed to act other than in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interest of the Corporation and, with respect to any criminal action or proceeding, had a reasonable cause to believe that his or her conduct was unlawful.

- A. In the event the member, officer, director, or agent is required to advance expenses or incurs expenses in advance of a successful defense to any proceeding, the Corporation shall pay and reimburse those expenses incurred in advance of the final disposition;
 - a if the person furnishes a written affirmation of his belief he acted in good faith;
 - b. that he or she will repay any advance if it is ultimately determined that he or she did not meet his or her standard of conduct and the Corporation concludes that the facts then known to it would not preclude indemnification.

Section 4. Disclaimer: Each Director shall discharge his/her duties in good faith and with care of an ordinary prudent person in the manner in which the Director reasonably believes to be in the best interest of the Corporation. In the discharge of these duties, the Director is entitled to rely upon any information, opinions, reports or statements, financial or otherwise, if prepared by an officer or employee of the Corporation, legal counsel, public accountants or other people whom the Director reasonably believes or prepared by committees of the Board of which the Director is not a member.

Section 5 Ex-Officio Members: The Executive Director shall be an ex-officio, non-voting member of the Board. Other ex-officio members of the Board may be appointed from time-to-time at the discretion of the Board.

Section 6. Nepotism & Conflict of Interest: No member of the Board shall be an employee of the Corporation or a spouse, child, parent, brother or sister, by blood or marriage of such an employee. All Board members will complete and sign a Conflict of Interest Statement disclosing current and potential conflicts which will be kept on file in the official Board Manual.

Any member of the Board having direct or a fiduciary interest in any vendor attempting to do business with the Corporation, shall disclose that interest and shall abstain from consideration and voting on any Corporate decision affecting such proposed transaction

Section 7 Selection of Board Members— Members shall be selected as described below.

- I A. A demographic profile of the catchment area will be prepared to indicate population distributions based upon age, sex, geographic area and ethnicity

Catchment area shall be defined in the annual Needs Assessment prepared under Federal guidelines. As the service area expands, new Board positions may be created for representation from the added service areas as indicated in the Rules of Representation. As the service area diminishes, due to elimination of services, Board positions from the eliminated service area may be adjusted according to the Rules of Representation. The demographic profile will be prepared annually following preparation of the Needs Assessment, and will include any proposed areas of expanded services

- B The area demographic profile will be compared to the actual and projected Board

profiles and vacancies filled accordingly by Board appointment.

- II. A Public notice will be given in each community of upcoming elections. The public notice will include requirements needed to fill a Board position and will solicit volunteers interested in serving as a member of the Board. Anyone interested in serving as a member of the Board will be asked to complete a questionnaire, which will be utilized by the Nominating Committee as a screening tool. A questionnaire will remain on file for future reference.
- B. The Nominating Committee of the Board will review the questionnaire to determine:
1. Whether any or all of the applicants do qualify within the profile required.
 2. Whether any or all of the applicants will agree to serve in the best interest, and to promote established purposes, of the Corporation.
 3. Whether any or all the applicants are or will, if elected, become users of the services of the Corporation.
- C. The Nominating Committee will certify the eligibility of the applicants which shall serve to fulfill the requirements of Board composition.
- D. The full Board will consider for acceptance into membership those applicants certified and recommended by the Nominating Committee. Election shall be by a majority vote of the Board.

Section 8. Terms of Office: The month of January will include the election process. New Board members will affirm their commitment at the regularly scheduled Board meeting in January. Outgoing Board members will continue to serve until the seating of new Board members.

The election plan will assure that not less than thirty percent (30%) and not more than forty percent (40%) of the Board seats will be up for election at one time.

All terms will be for a period of three (3) years. No member may serve more than (2) consecutive terms, or a total of six (6) years, but may be eligible for Board membership again after a one (1) year absence. Initial Flagstaff Community Free Clinic Board members appointed in 1991 will begin their first official three year North Country Community Health Center Board term at the time public operational funding commenced January 1, 1996.

Section 9 Vacancies: A vacancy on the Board shall be filled within two months, if at all possible, of notification of resignation or removal of the Board member. The President may appoint a new member to fill the term, said appointment to require approval of a majority of the Board.

Section 10. Attendance: Attendance at Board meetings is required and expected. This involves both regularly scheduled and special meetings. Absences may be "excused" for good cause shown (e.g. illness, work conflicts, accidents), or any other reason found valid by the Board. **An official Leave of Absence of no more than six months may be approved by the Board of Directors. A Leave of Absence request must be submitted to the Board of Directors in writing by the member requesting the leave.** Any member who fails to attend two (2) consecutive Board meetings or fails to attend three (3) such meetings during a six (6) month period without good cause shown, shall be removed from the Board by a majority vote of a quorum. Such vote shall be taken at the next meeting following the first absence that exceeds the maximum absences allowed under these by-laws. The member is entitled to show cause why the member should not be removed and must be allowed the

opportunity to speak and present evidence if the member requests the opportunity.

Section 11 Allowable Expenses: The reimbursement of Board members shall only be approved for certain reasonable expenses associated with official business of the Corporation. The Board shall not be allowed to establish per diem rates for their participation in Board meetings and the like. However, actual expenses for such official functions are allowable. To be eligible to receive reimbursement for allowable expenses, a Board member must be present at the entire duration of the meeting unless an emergency occurs or the reason is acceptable to the Board.

Section 12 Regular Board Meetings: Regular Board meetings shall be held once per month or as authorized by a majority of the Board. An annual meeting month will occur every year in January. Notices of Board meetings shall be publicly posted on the clinic bulletin boards. Attendance at a meeting shall constitute a waiver of notice.

All regular Board meetings are open to the public.

An agenda shall be prepared for all Board meetings. Board members shall receive an information packet prior to each regularly scheduled Board meeting outlining important issues to be considered.

Section 13 Special Board Meetings: Special Board meetings may be called by the President or by the majority of the Governing Board by giving two days written or verbal notice.

Section 14. Minutes of Meetings: Meeting minutes shall be kept of all regular and special Board meetings. The minutes shall be distributed to all Board members with an announcement of the time and place of the next Board meeting. At the beginning of each Board meeting, the minutes from the previous Board meeting shall be reviewed and approved.

All minutes approved by the Board of Directors shall be filed in the books of the Corporation and shall be retained for the life of the Corporation as the official record of all transactions of the Corporation. Minutes so preserved shall indicate approval with the date and signed by the Board Secretary or President. A book of approved minutes will be kept at the Corporate administrative site for review by authorized persons.

Copies of approved Board meeting minutes shall be forwarded to the Regional Office on a monthly basis.

Section 15 Executive Session: Executive Sessions may be called. No votes or minutes may be taken while in Executive Session. The Board must come out of Executive Session to vote on any issues requiring action and the vote shall be made a matter of record.

Section 16 Recess and Subsequent Continuation of Meetings: Any Board meeting may be recessed and reconvened at a later time without public notice providing there is a quorum. Any business may be transacted that was on the original agenda and would have been transacted at the meeting originally scheduled.

Section 17 Quorum: A quorum shall be constituted by a simple majority of the members of the Board.

Section 18 Voting: Each duly elected Board member shall have one vote. Affirmative vote of a majority of the Board members present at any meeting where there is a quorum present shall be necessary for the transaction of business. If a quorum is not present, it will be recorded that the Board is proceeding as a committee of the whole with the report ratified by the Board at the next

Board meeting with a quorum. Voting at the Board meetings shall be done in person only Proxy votes are not acceptable

Section 19. Consents: Whenever by provision of statute or by these by-laws, the vote of the Directors is required or permitted to be taken at a meeting thereof in connection with any Corporate action, the meeting and the vote of the Directors may be dispensed with if all Directors who would have been entitled to vote upon the action if such meeting were held shall consent in writing to such Corporate action being taken.

Any such meetings of the Directors may be held by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

ARTICLE V POWER AND AUTHORITY

Section 1. Power of the Board. the powers of this Corporation shall be stated in its Articles of Incorporation and as provided by laws of the State of Arizona

The property, funds, affairs and business of the Corporation shall be managed by the Board of Directors. The Board shall have and is vested with unlimited powers and authority, except as may be expressly limited by law, the Corporate Charter or these By-laws. The Board shall have the power to enter into contractual agreements as necessary to meet the objectives of the Corporation. The Board shall have the power to delegate to the President or other Board member any and all of its power, privileges and franchises in order to seek the accomplishment of its objectives and purposes.

Section 2 Authority and Responsibility: The Board of Directors shall have the specific authority and responsibility to:

1. Determine and adapt all health care policies including scope and availability of services, location and hours, services provided and quality of care audit procedures
2. Determine and adapt policy for financial management practices, including a system to assure accountability for Corporate resources, to include: approval of the annual Corporate budget, service/grants contracts, managed care contracts, management contracts, clinic priorities, , eligibility for services, including the chargemaster, criteria for partial payment schedules and long-range planning, land/facility/building contracts, purchases and renovations. Management is charged with bringing annual and/or significant financial arrangements to the Board as independent discussion and action items with routine financial arrangements Board approved through the consent agenda process.
3. Determine and adapt personnel policies including selection, dismissal, salary and benefits scales, employee grievances and equal opportunity
4. Appoint an Executive Director who will execute and implement the policies established by the Board of Directors. The Executive Director will be responsible for administering day-to-day activities of the Corporation, including supervision of all health care staff The Board must carry out an annual performance review of the Executive Director and negotiate/execute his/her management contract annually or as appropriate. The Board has the authority to select and dismiss the Executive Director and enter into an agreement for services to be performed.
5. Approve all policies for the practice of medicine as developed by the medical staff, the Medical Director and the Executive Director

6. Evaluate Corporate activities including service utilization patterns, productivity of the clinics and/or providers, patient satisfaction, achievement of Corporate objectives and development of a process for hearing and resolving patient grievances
7. Assure the Corporation is operated in compliance with the applicable Federal, State and Local laws and regulations. In that regard, the Board specifically recognizes its responsibility to assure that the Board is in compliance with the most current Federal regulations, and as a group, represent the area served by the Corporation in terms of demographic factors, such as ethnicity, sex and geographic distribution. The Board further recognizes its responsibility to assure, through the Board election and governing process, that continuity is maintained by the Corporation in the provision of primary health care.
8. Provide equipment and facilities in order to carry out the objectives of the Corporation as specified in Article III of these By-laws.

ARTICLE VI OFFICERS OF THE CORPORATION

Section 1 Officers of the Corporation. The officers of the Corporation shall be a President, Vice President-Elect, Secretary, Treasurer and Past-President or Member at Large; and such other officers as the Board of Directors in its discretion from time to time appoint. All officers shall be elected by the Board from its membership at its regular annual meeting and shall serve at the discretion of the Board for a term of one year or until a successor is elected

Section 2 President: The President shall:

1. Be the principal executive officer of the Corporation and unless otherwise determined by members of the Board, shall preside at all meetings of the Directors.
2. Sign deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board, to be executed except in cases which the signing and execution thereof shall be expressly delegated by the Board or by these By-laws to some other officer or agent of the Corporation or shall be required by law to be otherwise signed and executed.
3. Appoint Board Committee Members and designate Chairpersons for each committee unless otherwise specified in these By-laws.
4. In general, perform all duties incident to the office of President and such other duties as may from time to time be prescribed by the Board

Section 3 Vice President-Elect: In the absence of the President or in the event of his/her inability or refusal to act, the Vice President-Elect shall perform the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President-Elect shall also perform such other duties as from time to time may be assigned by the Board.

Section 4 Secretary: The Secretary shall:

1. Keep minutes of the meetings of the Board in one or more books provided for that purpose
2. Insure that all notices are duly given in accordance with these By-laws or as required by law
3. Be custodian of the corporate records and of the corporate seal and affix seal to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in

accordance with the provisions of these By-laws.

4. Keep a register of the names and post office addresses of all Directors.
5. Be responsible for insuring that financial records are established and maintained for the Corporation.
6. Keep on file at all times a complete copy of the Articles of Incorporation and By-laws of the Corporation containing all amendments thereto.
7. In general, perform all duties incident to the office of Secretary and such duties as from time to time may be assigned by the Board.

Section 5. Treasurer: The Treasurer shall:

1. Have charge and custody of and be responsible for all funds and securities of the Corporation.
2. Be responsible for the general policy governing the receipt of and issuance of receipts for all monies due and payable to the Corporation and for the deposit of all such money in the name of the Corporation in such bank or banks as shall be selected by the Board
3. In general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board.

Section 6. Elections: Elections of Officers/Executive Committee shall be held annually during the January meeting after the new Board members have been seated. Elections will be held annually for Standing Committees which include: Executive Committee, Nominating/Bylaws Committee, Finance/Legal Committee and Quality Assurance Committee. Ad Hoc Committees will be established as appropriate and deemed necessary by the Executive Committee.

Section 7. Term of Office: Term of office for each official shall be one year. No official may hold office for more than two consecutive terms. Officials may again hold office after one year has elapsed.

Section 8. Vacancies: Any vacancy in any office arising between annual election of officers may be filled by the majority vote of the Board at its next regular meeting or at a special meeting called for that purpose. All such appointments shall be to complete the term of office of the vacant position.

Section 9. Delegation of Duties: Whenever an officer is absent or whenever for any reason the Board may deem it desirable, the Board may delegate the powers and duties of an officer to any other officer or officers or to any Director or Directors

Section 10. Compensation: There will be no compensation for officers other than allowable expenses as it applies to regular Board meetings and Executive Committee meetings and corporation travel

ARTICLE VII COMMITTEES

Section 1. Composition: Standing Committees include the following: Executive Committee, Nominating/Bylaws Committee, Finance/Legal Committee and Quality Assurance Committee In

addition to these Standing Committees, the Board of Directors shall establish Ad Hoc Committees when deemed appropriate.

Executive Committee:

Membership: The Executive Committee shall consist of five members of the Governing Board and shall include the President, President-Elect, Secretary, Treasurer and Past-President/Member at Large. Membership election will occur annually per Board ratification of a Slate of Officers. A majority of the Executive Committee shall constitute a quorum for the transaction of business. The act of a majority at a meeting where a quorum is present shall be the act of such committee meetings. The Executive Committee shall meet at such time and place as it may designate, make its own rules for conduct of its business and keep a record of all its proceedings. Any vote or resolution signed by a majority of the members of the Executive Committee shall be valid for all purposes as a vote or resolution passed at a meeting.

Powers: All actions of the Executive Committee, at the option of the Governing Board, shall be ratified or not ratified by the Board. The Executive Committee shall have the power to take action on behalf of the Board between regular monthly meetings for all purposes other than dissolution of the organization. Such actions (ratification or non-ratification) by the Board shall take place at its first meeting subsequent to the meeting of the Executive Committee.

Special Meetings: Special meetings of the Executive Committee may be called on one day's notice by the President or by two members of the Executive Committee. Notice may be waived before the meeting.

Vacancies: Vacancies on the Executive Committee shall be filled by the Governing Board at a regular meeting or a special meeting called for that purpose.

Other Standing Committees

Standing Committee membership elections are held annually and the Nominating Committee will make recommendations to fill vacancies as they occur as deemed necessary. All other Standing Committees and any Ad Hoc Committees have defined Committee Assignments and Meeting Requirements.

**ARTICLE VIII
AMENDMENTS**

Section 1 Appeal, Alteration or Amendment: These By-laws may be repealed, amended or substituted at any meeting of the Board called for that purpose by the affirmative vote of two-thirds (2/3) of the Directors, providing written notice of the changes is given thirty (30) days prior to the meeting.

**ARTICLE IX
PARLIAMENTARY AUTHORITY**

The Parliamentary authority of the Governing Board shall be Roberts Rules of Order, Revised.