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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization
HEGG MEMORIAL HEALTH CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address)
1202 21ST AVENUE

Room/suite

City or town, state or country, and ZIP + 4
ROCK VALLEY, IA 51247

F Name and address of principal officer
GLENN ZEVENBERGEN
1202 21ST AVENUE
ROCK VALLEY, IA 51247

H(a) Is this a group return for affiliates?

☐ Yes☒ No

H(b) Are all affiliates included?

☐ Yes☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status

☒ 501(c)(3)☐ 501(c) () ◀(Insert no)☐ 4947(a)(1) or☐ 527

J Website: ▶ HEGGMEMORIALHEALTHCENTER.ORG

K Form of organization

☒ Corporation☐ Trust☐ Association☐ Other ▶

L Year of formation 1967

M State of legal domicile IA

Part I	Summary																								
Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>SERVING THE COMMUNITY THROUGH PROVISION OF HEALTHCARE AND HEALTH/SAFETY EDUCATION</div></div>																								
	<div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>																								
	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>3</td><td>9</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>4</td><td>8</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2010 (Part V, line 2a)</td><td>5</td><td>346</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>6</td><td>15</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>7a</td><td>197,822</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>7b</td><td>-34,207</td></tr></table>	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	8	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	346	6	Total number of volunteers (estimate if necessary)	6	15	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	197,822	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	-34,207
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Expenses	<table><tr><td>13</td><td>Grants and similar amounts paid (Part IX, column (A), lines 1–3)</td><td>9,9769,839</td></tr><tr><td>14</td><td>Benefits paid to or for members (Part IX, column (A), line 4)</td><td>00</td></tr><tr><td>15</td><td>Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)</td><td>7,775,3148,243,933</td></tr><tr><td>16a</td><td>Professional fundraising fees (Part IX, column (A), line 11e)</td><td>00</td></tr><tr><td>b</td><td>Total fundraising expenses (Part IX, column (D), line 25) ▶38,329</td><td></td></tr><tr><td>17</td><td>Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)</td><td>6,102,4856,302,252</td></tr><tr><td>18</td><td>Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)</td><td>13,887,77514,556,024</td></tr><tr><td>19</td><td>Revenue less expenses Subtract line 18 from line 12</td><td>1,091,9942,009,759</td></tr></table>	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	9,9769,839	14	Benefits paid to or for members (Part IX, column (A), line 4)	00	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	7,775,3148,243,933	16a	Professional fundraising fees (Part IX, column (A), line 11e)	00	b	Total fundraising expenses (Part IX, column (D), line 25) ▶38,329		17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	6,102,4856,302,252	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	13,887,77514,556,024	19	Revenue less expenses Subtract line 18 from line 12	1,091,9942,009,759
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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

GLENN ZEVENBERGEN CEO

Date

2012-03-22

Print/Type preparer's name

Laurie Hanson

Preparer's signature

Laurie Hanson

Date

2012-03-22

Check if self-employed

☐

PTIN

Firm's name

EIDE BAILLY LLP

Firm's EIN

Firm's address

200 EAST 10TH STREET PO BOX 5125
SIOUX FALLS, SD 571175125

Phone no

(605) 339-1999

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2010)

Part IIIS

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

☐

☒

1

Briefly describe the organization’s mission

WE SERVE TOGETHER TO HEAL BODY, MIND AND SPIRIT, TO IMPROVE THE HEALTH OF OUR COMMUNITY, AND TO BE GOOD STEWARDS OF THE RESOURCES ENTRUSTED TO US

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 exempt purpose achievements for each of the organization’s three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts 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 \$ 12,747,224 including grants of \$ 9,839) (Revenue \$ 16,076,518)

HEGG MEMORIAL HEALTH CENTER'S (HMHG) PURPOSE IS TO PROVIDE ACUTE INPATIENT AND OUTPATIENT SERVICES AS WELL AS RESIDENTIAL NURSING HOME SERVICES THE AMOUNT OF CARE PROVIDED WAS 742 ACUTE INPATIENT DAYS OF CARE, 82 BIRTHS, 21,690 NURSING HOME DAYS OF CARE, 33,302 OUTPATIENT VISITS WHICH INCLUDE 7,959 HOME HEALTH VISITS, AND 17,311 CLINIC VISITS HMHC RECEIVED THE SUMMIT AWARD FROM PRESS GANEY FOR ACHIEVING A PATIENT SATISFACTION SCORE OF GREATER THAN THE 90TH PERCENTILE FOR 3 CONSECUTIVE YEARS IN THE EMERGENCY DEPARTMENT IN FY 2011, THIS WAS THE 2ND CONSECUTIVE YEAR THAT HMHC HAS RECEIVED THIS AWARD HMHC ALSO RECEIVED THE NATIONAL QUALITY AWARD-BRONZE THROUGH THE AMERICAN HEALTH CARE ASSOCIATION IN OCTOBER, 2010 FOR OUR NURSING HOME FACILITY THIS AWARD SHOWS OUR COMMITMENT TO QUALITY THE INTENT IS TO ADDRESS WHAT IS MOST IMPORTANT TO THE ORGANIZATION AND THE KEY FACTORS THAT INFLUENCE HOW THE ORGANIZATION OPERATES THIS PROVIDES A FOUNDATION ON WHICH MORE COMPLEX QUALITY ISSUES CAN BE ADDRESSED IN SUBSEQUENT YEARS THE GOAL OF THE COMMUNITY EDUCATION DEPARTMENT OF HMHC IS TO OFFER A RESOURCE FOR MEDICAL ISSUES AS WELL AS WELLNESS PROMOTION THE COMMUNITY EDUCATION DEPARTMENT OFFERS MANY OPPORTUNITIES FOR THE COMMUNITY TO GROW IN THEIR KNOWLEDGE OF MEDICAL CONCERNS AND WELLNESS MATTERS

4b

(Code) (Expenses \$ including grants of \$) (Revenue \$)

4c

(Code) (Expenses \$ including grants of \$) (Revenue \$)

4d

Other program services (Describe in Schedule O)

















(Expenses \$ including grants of \$) (Revenue \$)

4e

Total program service expenses \$ 12,747,224

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>	4	No
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>	5	
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	Yes
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	11a	Yes
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	Yes
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	Yes
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	Yes
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, XII, and XIII is optional.</i> 	12b	No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV.</i>	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? <i>If "Yes," complete Schedule F, Parts II and IV.</i>	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions).</i>	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>	18	Yes
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	20a	Yes
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions).	20b	Yes

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
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-24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
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, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		No
a	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>			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

<div>Part V</div> <div>Statements Regarding Other IRS Filings and Tax Compliance</div> <div>Check if Schedule O contains a response to any question in this Part V</div>					
			Yes	No	
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a14	1cYes		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b0			
cDid the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c			
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.	2a346	2bYes		
bIf at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b			
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).					
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes		
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		No	
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No	
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No	
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a		No	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7 Organizations that may receive deductible contributions under section 170(c).					
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		No	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		No	
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		No	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		No	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?					
8					
9 Sponsoring organizations maintaining donor advised funds.					
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10 Section 501(c)(7) organizations. Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b			
11 Section 501(c)(12) organizations. Enter					
a	Gross income from members or shareholders.	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b			
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?					
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?					
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b		No	

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question 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	9		
b	Enter the number of voting members included in line 1a, above, who are independent	8		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b		No
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 in Schedule O	9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure	
17	List the States with which a copy of this Form 990 is required to be filed▶IA
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ KARI TIMMER CFO 1202 21ST AVE ROCK VALLEY, IA 51247 (712) 476-8012

Part VII

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

Check if Schedule O contains a response to any question 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, and **current** key employees. 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.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ 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 (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) BRAD VANHEUVELEN PRESIDENT	10	X		X				0	0	0
(2) KATHY KOOIMA VICE PRESIDENT	10	X		X				0	0	0
(3) LARRY JENSEN SECRETARY (DECEASED SEPT 2011)	10	X		X				0	0	0
(4) SCOTT VANKEKERIX MEMBER	10	X						0	0	0
(5) NANCY DORHOUT MEMBER	10	X						0	0	0
(6) JERRY SCHLOTFELDT MEMBER	10	X						0	0	0
(7) BRIAN VANDEHOEF MEMBER	10	X						0	0	0
(8) PETER ZAGAESKI MEMBER	10	X						0	0	0
(9) KORRIE VANMAANEN MEMBER	0 00	X						0	0	0
(10) KARI TIMMER CFO	40 00			X				55,557	0	8,240
(11) GLENN ZEVENBERGEN CEO/ADMINISTRATOR	40 00			X				159,015	0	16,805
(12) ROY SLICE MD FAMILY PHYSICIAN	40 00					X		156,452	0	13,255

Part VII

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

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
AVERA HEALTH 800 EAST 21ST STREET SIOUX FALLS, SD 57101	PHYSICIAN, SURGEGON, RADIOLOGY, LAB, MAN	2,159,173
MCGILL & MCGILL TRUST 1403 MAIN STREET ROCK VALLEY, IA 51247	LEGAL FEES/CONDO BUY-BACKS	199,683
SANFORD SHELDON HOSPITAL 603 W PARK STREET SHELDON, IA 51201	CRNA & SPEECH THERAPY FEES	178,382
SIOUX CENTER COMMUNITY HOSPITAL 605 SOUTH MAIN AVENUE SIOUX CENTER, IA 51250	RESPIRATORY THERAPY & RADIOLOGIST FEES	132,723
INDEPENDENT RADIOLOGY SERVICES PO BOX 2746 FARGO, ND 58108	RADIOLOGIST FEES	106,596
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization 5		

Part VIII

Statement of Revenue

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a					
	b	Membership dues 1b					
	c	Fundraising events 1c	38,470				
	d	Related organizations 1d					
	e	Government grants (contributions) 1e					
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	170,863				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f ▶	209,333				
	Program Service Revenue	2a	Business Code				
		PATIENT SERVICE REV 622110	15,075,891	15,075,891			
b		CLINIC/OTHER SERVICES 621111	777,605	729,786		47,819	
c		DAYCARE 624410	197,822		197,822		
d		INT AVERA HLTH FDTN 900099	177,312	177,312			
e		JOINT VENTURE INCOME 900099	-48,698	-48,698			
f		All other program service revenue					
g		Total. Add lines 2a-2f ▶	16,179,932				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) ▶		26,802		26,802	
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties ▶					
	6a	Gross Rents	(i) Real	(ii) Personal			
		b	Less rental expenses				
		c	Rental income or (loss)				
		d	Net rental income or (loss) ▶				
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		b	Less cost or other basis and sales expenses				
		c	Gain or (loss)				
		d	Net gain or (loss) ▶				
	8a	Gross income from fundraising events (not including \$ 38,470 of contributions reported on line 1c) See Part IV, line 18 a		15,854			
		b	Less direct expenses b		10,323		
		c	Net income or (loss) from fundraising events . . ▶		5,531		5,531
	9a	Gross income from gaming activities See Part IV, line 19 . . a					
		b	Less direct expenses b				
		c	Net income or (loss) from gaming activities . . ▶				
	10a	Gross sales of inventory, less returns and allowances a					
		b	Less cost of goods sold b				
		c	Net income or (loss) from sales of inventory . . ▶				
Miscellaneous Revenue		Business Code					
11a							
	b						
	c						
	d	All other revenue					
e	Total. Add lines 11a-11d ▶						
12	Total revenue. See Instructions ▶		16,565,783	16,076,518	197,822	82,110	

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) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	9,839	9,839		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	248,066	22,326	223,259	2,481
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	27,183	27,183		
7	Other salaries and wages	6,888,923	6,269,859	619,064	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	119,748	110,634	9,114	
9	Other employee benefits	479,915	440,651	39,264	
10	Payroll taxes	480,098	437,186	42,867	45
a	Fees for services (non-employees)				
	Management	256,485		256,485	
b	Legal	3,400		3,400	
c	Accounting	43,225		43,225	
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other	1,635,838	1,581,107	54,731	
12	Advertising and promotion	113,893	11,947	101,946	
13	Office expenses	1,707,089	1,632,049	75,040	
14	Information technology	153,713	153,713		
15	Royalties				
16	Occupancy	232,976	228,833	4,143	
17	Travel	77,560	60,867	16,693	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	83,260	62,531	20,729	
20	Interest	159,604	159,604		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	888,250	888,250		
23	Insurance	203,749	30,281	173,468	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	EQUIPMENT RENTAL/REPAIR	277,561	254,435	23,126	
b	BAD DEBT EXPENSE	156,519	156,519		
c	DUES AND SUBSCRIPTIONS	131,980	96,359	35,621	
d	ASSESSMENTS	110,360	110,360		
e	AUXILIARY EXPENSE	35,803			35,803
f	All other expenses	30,987	2,691	28,296	
25	Total functional expenses. Add lines 1 through 24f	14,556,024	12,747,224	1,770,471	38,329
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				1	
	2	Savings and temporary cash investments			2,952,978	2	4,188,274
	3	Pledges and grants receivable, net			383,315	3	214,038
	4	Accounts receivable, net			1,420,326	4	1,593,616
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Schedule L				6	
	7	Notes and loans receivable, net				7	125,000
	8	Inventories for sale or use			263,002	8	283,966
	9	Prepaid expenses and deferred charges			121,982	9	198,055
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a	21,394,309			
	b	Less: accumulated depreciation	10b	8,578,366	13,131,772	10c	12,815,943
	11	Investments—publicly traded securities				11	
	12	Investments—other securities. See Part IV, line 11			1,199,084	12	1,734,598
	13	Investments—program-related. See Part IV, line 11			7,827	13	12,391
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			341,199	15	339,943
16	Total assets. Add lines 1 through 15 (must equal line 34)			19,821,485	16	21,505,824	
Liabilities	17	Accounts payable and accrued expenses			1,927,267	17	1,873,169
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			3,431,567	20	3,168,578
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			1,721	21	1,757
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			386,266	25	367,010
	26	Total liabilities. Add lines 17 through 25			5,746,821	26	5,410,514
	Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
27		Unrestricted net assets			13,587,625	27	15,479,571
28		Temporarily restricted net assets			2,480	28	68,433
29		Permanently restricted net assets			484,559	29	547,306
Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.							
30		Capital stock or trust principal, or current funds				30	
31		Paid-in or capital surplus, or land, building or equipment fund				31	
32		Retained earnings, endowment, accumulated income, or other funds				32	
33		Total net assets or fund balances			14,074,664	33	16,095,310
34	Total liabilities and net assets/fund balances			19,821,485	34	21,505,824	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	16,565,783
2	Total expenses (must equal Part IX, column (A), line 25)	2	14,556,024
3	Revenue less expenses Subtract line 2 from line 1	3	2,009,759
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	14,074,664
5	Other changes in net assets or fund balances (explain in Schedule O)	5	10,887
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	16,095,310

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question 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?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O		No
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
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?		No
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 in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
HEGG MEMORIAL HEALTH CENTER

Employer identification number
42-0932564

Part I

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

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9

☐

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

10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
(ii) a family member of a person described in (i) above?
(iii) a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II

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

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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 IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
17a 10%-facts-and-circumstances test—2010. 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 IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
b 10%-facts-and-circumstances test—2009. 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 IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶		

Part IIIPart III

Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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 IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. 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—2009. 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

Supplemental Information. Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

SCHEDULE D
(Form 990)

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization HEGG MEMORIAL HEALTH CENTER	Employer identification number 42-0932564
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Part I

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

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

Part II

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

1	Purpose(s) of conservation easements held by the organization (check all that apply) <div><input type="checkbox"/> Preservation of land for public use (e g , recreation or pleasure) <input type="checkbox"/> Preservation of an historically importantly land area</div> <div><input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure</div> <div><input type="checkbox"/> Preservation of open space</div>											
2	Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year											
		<table><tr><td></td><td>Held at the End of the Year</td></tr><tr><td>a</td><td>Total number of conservation easements</td></tr><tr><td>b</td><td>Total acreage restricted by conservation easements</td></tr><tr><td>c</td><td>Number of conservation easements on a certified historic structure included in (a)</td></tr><tr><td>d</td><td>Number of conservation easements included in (c) acquired after 8/17/06</td></tr></table>		Held at the End of the Year	a	Total number of conservation easements	b	Total acreage restricted by conservation easements	c	Number of conservation easements on a certified historic structure included in (a)	d	Number of conservation easements included in (c) acquired after 8/17/06
	Held at the End of the Year											
a	Total number of conservation easements											
b	Total acreage restricted by conservation easements											
c	Number of conservation easements on a certified historic structure included in (a)											
d	Number of conservation easements included in (c) acquired after 8/17/06											
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____											
4	Number of states where property subject to conservation easement is located ▶ _____											
5	Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>											
6	Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____											
7	Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____											
8	Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>											
9	In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements											

Part III

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

1a	If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items	
b	If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items	
	(i) Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
	(ii) Assets included in Form 990, Part X	▶ \$ _____
2	If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items	
a	Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
b	Assets included in Form 990, Part X	▶ \$ _____

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☒ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☒ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	0				
b Contributions	62,747				
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	62,747				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 100 000 %

c

Term endowment ▶

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

No

b

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

3b

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		608,278		608,278
b Buildings		15,255,822	4,560,475	10,695,347
c Leasehold improvements				
d Equipment		4,801,649	3,629,950	1,171,699
e Other		728,560	387,941	340,619
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				12,815,943

Schedule D (Form 990) 2010

Part XI

Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	16,565,783
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	14,556,024
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	2,009,759
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	10,887
9	Total adjustments (net) Add lines 4 - 8	9	10,887
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	2,020,646

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	16,551,190
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	16,551,190
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 XIV)	4b	14,593
c	Add lines 4a and 4b	4c	14,593
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	16,565,783

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	14,530,544
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 XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	14,530,544
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 XIV)	4b	25,480
c	Add lines 4a and 4b	4c	25,480
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	14,556,024

Part XIV

Supplemental Information

Complete this part to 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, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
	PART IV, LINE 2B	RESIDENTS OR RESIDENT'S FAMILY MEMBERS DEPOSIT MONEY INTO AN ACCOUNT THAT HMHC MANAGES. THE RESIDENTS CAN USE THE DEPOSITED FUNDS FOR SMALL PERSONAL EXPENSES THAT ARISE SUCH AS SALON VISITS, PERSONAL ITEMS, AND ETC.
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE ENDOWMENT FUND WAS CREATED FOR THE INTENTION OF BUILDING UP CASH THAT IS RESTRICTED FOR USE TO HELP SUPPORT THE OPERATIONS IN YEARS TO COME FROM THE INTEREST THAT THIS FUND EARNS.
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE CENTER BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN AFFECTING ITS ANNUAL FILING REQUIREMENTS, AND AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS. THE CENTER 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. THE CENTER'S FEDERAL FORM 990-T FILINGS ARE NO LONGER SUBJECT TO FEDERAL TAX EXAMINATIONS BY TAX AUTHORITIES FOR YEARS BEFORE 2008.
PART XI, LINE 8 - OTHER ADJUSTMENTS		AUXILIARY NET INCOME 10,887
PART XII, LINE 4B - OTHER ADJUSTMENTS		AUXILIARY INCOME 24,916 FUNDRAISING EXPENSE - 10,323
PART XIII, LINE 4B - OTHER ADJUSTMENTS		AUXILIARY EXPENSE 35,803 FUNDRAISING EXPENSE - 10,323

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
HEGG MEMORIAL HEALTH CENTER

Employer identification number
42-0932564

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a

☐ Mail solicitations

e

☐ Solicitation of non-government grants

b

☐ Internet and e-mail solicitations

f

☐ Solicitation of government grants

c

☐ Phone solicitations

g

☐ Special fundraising events

d

☐ In-person solicitations

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes

☐ No

b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total ▶						

3

List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

Revenue		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		<u>KULINARY KINGS</u>	<u>MAMMO GOLF</u>	<u>1</u>	(Add col (a) through col (c))
		(event type)	(event type)	(total number)	
1	Gross receipts	23,922	17,587	12,815	54,324
2	Less Charitable contributions	14,316	14,309	9,845	38,470
3	Gross income (line 1 minus line 2)	9,606	3,278	2,970	15,854
Direct Expenses	4	Cash prizes		200	200
	5	Non-cash prizes	66	570	636
	6	Rent/facility costs	600	1,200	1,800
	7	Food and beverages	944	2,345	3,670
	8	Entertainment	900		900
	9	Other direct expenses	2,680	10	3,117
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			10,323
	11	Net income summary Combine lines 3 and 10 in column (d). ▶			5,531

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

Revenue		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(Add col (a) through col (c))
1	Gross revenue				
Direct Expenses	2	Cash prizes			
	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<div><input type="checkbox"/> Yes % <input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes % <input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes % <input type="checkbox"/> No</div>
7 Direct expense summary Add lines 2 through 5 in column (d) ▶					
8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶					

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," Explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," Explain _____

11

Does the organization operate gaming activities with nonmembers?

Yes

No

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

Yes

No

13

Indicate the percentage of gaming activity operated in

a	The organization's facility	13a
b	An outside facility	13b

14

Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name

Address

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

Yes

No

b

If "Yes," enter the amount of gaming revenue received by the organization \$ and the amount of gaming revenue retained by the third party \$

c

If "Yes," enter name and address

Name

Address

16 Gaming manager information

Name

Gaming manager compensation \$

Description of services provided

Director/officer

Employee

Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

Yes

No

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year \$

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
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SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
HEGG MEMORIAL HEALTH CENTER

Employer identification number
42-0932564

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 .	Yes	
b	If "Yes," is it a written policy?	Yes	
2	If the organization has multiple hospitals, 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 hospitals <input type="checkbox"/> Generally tailored to individual hospitals <input type="checkbox"/> Applied uniformly to most hospitals		
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ % b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other 100.000000000000 % c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care	Yes	
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"?	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	Yes	
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?		No
6a	Does the organization prepare a community benefit report during the tax year?	Yes	
6b	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	Yes	

7 Financial Assistance and Certain Other Community Benefits at Cost						
Financial Assistance and Means-Tested Government Programs	(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
a Financial Assistance at cost (from Worksheets 1 and 2)		129	122,053		122,053	0 850 %
b Unreimbursed Medicaid (from Worksheet 3, column a)		1,371	2,315,595	1,879,522	436,073	3 030 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)		144	31,596	25,083	6,513	0 050 %
d Total Financial Assistance and Means-Tested Government Programs		1,644	2,469,244	1,904,605	564,639	3 930 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		3,472	33,402	5,010	28,392	0 200 %
f Health professions education (from Worksheet 5)		39	800		800	0 010 %
g Subsidized health services (from Worksheet 6)			1,525,976	1,006,888	519,088	3 600 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			66,857		66,857	0 460 %
j Total Other Benefits		3,511	1,627,035	1,011,898	615,137	4 270 %
k Total. Add lines 7d and 7j)		5,155	4,096,279	2,916,503	1,179,776	8 200 %

Part II

Community Building Activities during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development		5,305		5,305	0.040 %
3	Community support					
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building		1,263		1,263	0.010 %
7	Community health improvement advocacy	129	320		320	0 %
8	Workforce development					
9	Other					
10	Total	129	6,888		6,888	0.050 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	No
2	Enter the amount of the organization's bad debt expense (at cost)	2	120,356
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	30,000
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	2,815,652
6	Enter Medicare allowable costs of care relating to payments on line 5	6	2,801,011
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	14,641
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	No

Part IV

Management Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

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

Schedule H (Form 990) 2010

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 3

Name and address		Type of Facility (Describe)
1	HEGG MEDICAL CLINIC 2121 HEGG DRIVE ROCK VALLEY, IA 51247	PROVIDER BASED CLINIC
2	HEGG MEDICAL CLINIC 2121 HEGG DRIVE ROCK VALLEY, IA 51247	PROVIDER BASED CLINIC
3	HEGG MEDICAL CLINIC 2121 HEGG DRIVE ROCK VALLEY, IA 51247	PROVIDER BASED CLINIC
4		
5		
6		
7		
8		
9		
10		

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments 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

Identifier	ReturnReference	Explanation
		PART I, LINE 3C HEGG MEMORIAL HEALTH CENTER (HMHG) UTILIZES THE FPG AS A STARTING POINT TO DETERMINE IF THE PATIENTS MEET OR QUALIFY FOR CHARITY CARE IF THE PATIENT'S INCOME IS ABOVE THE FPG, THEY ARE ISSUED POINTS DEPENDING ON HOW MUCH THEY ARE OVER THE FPG PATIENTS ARE ALSO ISSUED POINTS FOR DOLLAR VALUE OF MAJOR ASSETS POINTS ARE THEN DEDUCTED BASED ON THE DOLLAR AMOUNT OF MEDICAL BILLS A PATIENT OWES FROM THERE, THE TOTAL POINTS ARE CALCULATED AND USED TO DETERMINE THE PERCENTAGE OF FINANCIAL ASSISTANCE THAT GETS DEDUCTED FROM THE PATIENT'S MEDICAL BILL WITHIN OUR HEALTH CENTER IF A PATIENT FALLS BELOW THE FPG, IT GENERATES A 100% WRITE-OFF UNDER THE CHARITY CARE POLICY

Identifier	ReturnReference	Explanation
		PART I, LINE 6A HMHC IS INCLUDED IN THE COMMUNITY BENEFIT REPORT THAT IS SUBMITTED TO AVERA HEALTH, A RELATED ORGANIZATION IT IS AVAILABLE THROUGH THE WEBSITE AND REQUESTED MAILING, AND IS FILED WITH THE CATHOLIC HEALTH ASSOCIATION HMHC ALSO REPORTS TO THE IOWA HOSPITAL ASSOCIATION (IHA) FOR THE STATE'S REPORTING ON COMMUNITY BENEFITS, AND FILES THEIR OWN COMMUNITY BENEFIT REPORT WITHIN THE ORGANIZATION FOR THE FISCAL YEAR ENDED JUNE 30, 2011, THE COMMUNITY BENEFIT REPORT WAS PUBLISHED IN THE LOCAL NEWSPAPER IN OCTOBER, 2011 WHICH WAS MAILED TO APPROXIMATELY 5,000 COMMUNITY MEMBERS, ADDITIONALLY, IT WAS POSTED TO HMHC'S WEBSITE

Identifier	ReturnReference	Explanation
		PART I, LINE 7 LINES 7A, 7B AND 7C WERE DETERMINED USING THE RATIO OF PATIENT CARE COSTS TO CHARGES CALCULATED IN IRS WORKSHEET 2 LINES 7E, 7F AND 7I WERE OBTAINED UTILIZING THE ACTUAL GENERAL LEDGER SYSTEM LINE 7G WAS OBTAINED FROM THE MEDICARE COST REPORT

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) BAD DEBT EXPENSE OF \$156,519 WAS SUBTRACTED FROM TOTAL OPERATING EXPENSE

Identifier	ReturnReference	Explanation
		PART II THE INVOLVEMENT OF HEGG MEMORIAL HEALTH CENTER'S EMPLOYEES IN THE COMMUNITY THROUGH THE ECONOMIC DEVELOPMENT BOARD, CHAMBER OF COMMERCE BOARDS/COMMITTEES, THE COUNTY COALITION BUILDING COMMITTEE, AND TRAINING/EDUCATING OF STUDENTS HELPS TO DEVELOP A BETTER TOWN, A BETTER COUNTY, AND CREATES LEADERSHIP AND SKILLS IN THE CHILDREN FOR THE FUTURE

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 A) THE COST TO CHARGE RATIO WAS CALCULATED ON IRS WORKSHEET 2 FOR THE FISCAL YEAR ENDING 6/30/2011 B) BAD DEBT WRITE-OFFS ARE RECORDED USING GROSS CHARGES IF AN ACCOUNT IS WRITTEN OFF TO BAD DEBTS, PAYMENTS RECEIVED AFTER THE WRITE OFF FOR THAT ACCOUNT ARE POSTED TO THE ALLOWANCE FOR BAD DEBT ACCOUNT NO DISCOUNTS ARE APPLIED TO THE BAD DEBT ALLOWANCE OR EXPENSE AS THE ACCOUNTS ARE NOT ELIGIBLE FOR DISCOUNTS ONCE THEY REACH THE POINT OF BEING DEEMED UNCOLLECTIBLE THE ALLOWANCE FOR BAD DEBT IS CALCULATED USING AN ESTIMATED UNCOLLECTIBLE PERCENTAGE OF ACCOUNTS RECEIVABLE THE DIFFERENCE BETWEEN THE ESTIMATE AND THE AMOUNT RECORDED TO THE ALLOWANCE FOR BAD DEBT IS RECORDED TO BAD DEBT EXPENSE C) ALL ACCOUNTS ARE CONSIDERED AT CHARGE VALUE AS OPPOSED TO COST VALUE HMHC ESTIMATES THAT APPROXIMATELY 25% OF BAD DEBT EXPENSE AT COST COULD REASONABLY BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY IF SUFFICIENT INFORMATION HAD BEEN AVAILABLE TO THE FACILITY TO MAKE A DETERMINATION OF THEIR ELIGIBILITY D) FOOTNOTE FROM FINANCIAL STATEMENT THE CARRYING AMOUNT OF PATIENT AND RESIDENT RECEIVABLES IS REDUCED BY A VALUATION ALLOWANCE THAT REFLECTS MANAGEMENT'S BEST ESTIMATE OF AMOUNTS THAT WILL NOT BE COLLECTED FROM PATIENTS, RESIDENTS AND THIRD-PARTY PAYORS MANAGEMENT REVIEWS PATIENT AND RESIDENT RECEIVABLES BY PAYOR CLASS AND APPLIES PERCENTAGES TO DETERMINE ESTIMATED AMOUNTS THAT WILL NOT BE COLLECTED FROM THIRD PARTIES UNDER CONTRACTUAL AGREEMENTS AND AMOUNTS THAT WILL NOT BE COLLECTED FROM PATIENTS AND RESIDENTS DUE TO BAD DEBTS MANAGEMENT CONSIDERS HISTORICAL WRITE OFF AND RECOVERY INFORMATION IN DETERMINING THE ESTIMATED BAD DEBT PROVISION MANAGEMENT ALSO REVIEWS ACCOUNTS TO DETERMINE IF CLASSIFICATION AS CHARITY CARE IS APPROPRIATE</p>

Identifier	ReturnReference	Explanation
		PART III, LINE 8 MEDICARE ALLOWABLE COST OF CARE WAS CALCULATED FROM THE MEDICARE COST REPORT FOR FISCAL YEAR ENDING 6/30/2011

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 THE MAJORITY OF HMHC'S COMMUNITY BENEFIT STEMS FROM OUR COMMUNITY EDUCATION DEPARTMENT THE MANAGER OF THAT DEPARTMENT ALSO OVERSEES CLINIC NURSING, EMPLOYEE HEALTH FOR OUR ORGANIZATION, AND OCCUPATIONAL HEALTH BY BEING INVOLVED AND HEARING PATIENTS' NEEDS FROM THE CLINIC, EMPLOYEE NEEDS THROUGH EMPLOYEE HEALTH, AND BUSINESS NEEDS THROUGH OCCUPATIONAL HEALTH, THE MANAGER HAS A GREAT UNDERSTANDING OF WHAT IS NEEDED IN THE COMMUNITY THE COMMUNITY BENEFIT TEAM ALSO CONDUCTS SURVEYS AT COMMUNITY EVENTS TO GET A BETTER UNDERSTANDING OF THE NEEDS AND WANTS OF THE COMMUNITY HMHC WILL BE CONDUCTING A COMMUNITY HEALTH NEEDS ASSESSMENT IN THE SPRING OF 2012 TO HOPEFULLY GATHER MORE DATA ON THE COMMUNITY NEEDS

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 HMHC CONTACTS THE PATIENT REGARDING PAYMENT CONCERNS (UNLESS THE ORGANIZATION IS CONTACTED BY THE PATIENT PRIOR TO) RELATED TO BEING ABLE TO MAKE REQUIRED PAYMENTS PAYMENT OPTIONS, FINANCIAL ASSISTANCE AND GOVERNMENTAL BENEFITS ARE DISCUSSED WITH THE PATIENT BY PHONE, MAIL, OR IN PERSON A FINANCIAL ASSISTANCE POLICY AND APPLICATION FORMS ARE MAILED OUT (UPON REQUEST), PICKED UP BY THE PATIENT, OR AVAILABLE ONLINE HMHC DISCUSSES THE AVAILABILITY OF VARIOUS GOVERNMENT BENEFITS, SUCH AS MEDICAID OR STATE PROGRAMS WITH THE PATIENT, AND ASSISTS THE PATIENT WITH QUALIFICATION FOR SUCH PROGRAMS, WHERE APPLICABLE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 ROCK VALLEY IS A RURAL COMMUNITY LOCATED IN SIOUX COUNTY, IOWA AGRICULTURE AND MANUFACTURING ARE THE PRIMARY INDUSTRIES IN THIS COMMUNITY IN 2010, ROCK VALLEY RECORDED A POPULATION OF 3,354 ROCK VALLEY CONTINUES TO GROW BOTH IN POPULATION AND IN BUSINESSES IN 2009, THE MEDIAN HOUSEHOLD INCOME FOR ROCK VALLEY WAS RECORDED AT \$41,954 WITH 5 1% OF THE POPULATION BEING REPORTED AS BELOW THE POVERTY LEVEL HEGG MEMORIAL HEALTH CENTER IS 1 OF 4 HOSPITALS LOCATED IN SIOUX COUNTY

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 6 HMHC FEELS THAT THE HEALTH AND WELLNESS OF THEIR SERVICE AREA/COMMUNITY ARE OF UTMOST IMPORTANCE AS THE LARGEST HEALTHCARE LEADER IN THE COMMUNITY, HMHC IS A CENTRALIZED RESOURCE THAT NOT ONLY PROVIDES COMPASSIONATE PATIENT CARE, BUT ALSO OFFERS LIFE SKILLS CLASSES AND HEALTH CARE REFORM EDUCATION AND WEBINARS FOR THE COMMUNITY HMHC IS ALSO INVOLVED WITH THE AREA ECONOMIC DEVELOPMENT BOARD, CHAMBER OF COMMERCE, AND THE SIOUX COUNTY COALITION HMHC WORKS TO ENHANCE THE QUALITY OF LIFE AND EMPOWER ITS PATIENTS, CARE-GIVERS AND COMMUNITY WITH THE RESOURCES THEY NEED WHEN THEY NEED THEM HEGG COMMUNITY EDUCATION DEPARTMENT COVERS PROGRAMS FOR ALL AGES IN THE COMMUNITY PHYSICIANS, NURSES AND HOSPITAL STAFF PRESENTED EDUCATIONAL OPPORTUNITIES FOR 5TH GRADE BOYS AND GIRLS IN THE ROCK VALLEY AND SURROUNDING AREAS THAT DEALT WITH PUBERTY, ANATOMY AND SELF ESTEEM ISSUES BABYSITTER BASICS CLASSES WERE OFFERED IN MAY TO 60 YOUTH FROM THE COMMUNITY ANTI-SMOKING CLASSES WERE GIVEN TO AREA YOUTH BY HOSPITAL STAFF THAT TOUCHED ON THE IMPORTANCE OF STAYING TOBACCO FREE HANK AND FRIENDS (HEALTHY ACTIVE NUTRITIOUS KIDS) WAS A PROGRAM THAT WAS PILOTED THREE YEARS AGO AND HAS GROWN TO SERVE OVER 1,000 STUDENTS IN GRADES K-5 IN ROCK VALLEY AND THE SURROUNDING AREAS THIS PROGRAM FOCUSES ON NUTRITION AND AGE SPECIFIC EXERCISES FOR CHILDREN THAT WILL HELP TO COMBAT THE INCREASING RISE OF OBESITY IN THE MIDWEST A SAFETY FIRST FOR KIDS EVENT WAS OFFERED IN MAY THAT INCLUDED CHILD FINGERPRINTING, BICYCLE HELMET FITTING AND DISTRIBUTION, A CAR SEAT SAFETY CHECK POINT, PROPER BACKPACK CARRYING TECHNIQUES AND OTHER BOOTHS THAT FOCUSED ON CHILD SAFETY OVER 600 CHILDREN AND THEIR FAMILIES ATTENDED THIS EVENT THAT WAS HELD AT A LOCAL PUBLIC SCHOOL SYSTEM PROJECT TRUTH IS AN ANNUAL PROGRAM OFFERED TO 6TH-8TH GRADERS AND THEIR PARENTS THAT FOCUSES ON TOPICS THAT NEGATIVELY AFFECT THE YOUTH OF OUR COMMUNITY SUCH AS ALCOHOL ABUSE, DRUG ABUSE AND SEXUAL PURITY ISSUES LUNCH AND LEARNS WERE OFFERED TO AREA SENIORS THAT FOCUSED ON SUCH TOPICS THAT INCLUDED, BUT WERE NOT LIMITED TO DIABETES MANAGEMENT, MAINTAINING YOUR BRAIN, PROPER LIFTING TECHNIQUES, ETC COMMUNITY HEALTH SCREENINGS THAT FOCUSED ON CHOLESTEROL MANAGEMENT AS WELL AS DIABETES SCREENINGS WERE OFFERED TO COMMUNITY MEMBERS AT A REDUCED RATE MANY OTHER EVENTS TOUCH ON TEACHING THE BASICS OF CERTAIN HEALTH RELATED ISSUES THAT MAY EITHER NEGATIVELY OR POSITIVELY AFFECT THE LIVES OF THE COMMUNITY MEMBERS THAT WE SERVE HEGG MEMORIAL ALSO PROMOTES HEALTH AND WELLNESS THROUGH A 5K/10K RUN/WALK OR PROGRAMS HELD THAT FOCUS ON NUTRITION AND OBESITY PREVENTION A WOMEN'S NIGHT OUT HELD IN DECEMBER WAS OFFERED TO OVER 370 WOMEN FROM THE COMMUNITY AND SURROUNDING AREAS THIS EVENT FOCUSED ON THE HUMOROUS SIDE OF AGING AND FINDING YOUR INNER BEAUTY A COMMUNITY BREAKFAST WAS HELD FOR AREA EMPLOYERS AND MANAGERS THAT ADDRESSED TRIGGERS SUCH AS STRESS MANAGEMENT AND DRUG ABUSE VARIOUS EMPLOYEES ARE INVOLVED IN THE PROMOTION OF THE AMERICAN CANCER SOCIETY RELAY FOR LIFE, THE AMERICAN HEART ASSOCIATION HEART WALK, ALZHEIMER'S ASSOCIATION WALK, MEMORY LOSS SUPPORT GROUP, AND FREE PRENATAL CLASSES CPR AND FIRST AID CLASSES ARE OFFERED TO HEALTH CARE WORKERS, DAYCARE PROVIDERS, FOSTER/ADOPTIVE PARENTS, AND THE GENERAL PUBLIC AT A REDUCED COST VARIOUS ORGANIZATIONS REQUEST SPEAKERS FROM THE HEGG COMMUNITY EDUCATION DEPARTMENT THE SPEAKERS ARE PROVIDED AT NO COST UTILIZING THE PROFESSIONAL KNOWLEDGE OF OUR HEALTH CENTER THE COMMUNITY EDUCATION DEPARTMENT STRIVES TO CONTINUE OFFERING A WIDE ARRAY OF SERVICES AT A FREE OR REDUCED RATE THE GOAL OF THE DEPARTMENT IS TO FURTHER THE MISSION OF THE HEALTH CENTER THROUGH CARING FOR OTHERS, BODY, MIND, AND SOUL HMHC HAS A NINE MEMBER BOARD COMPRISED OF CITIZENS THAT LIVE IN THE PRIMARY SERVICE AREA HMHC EXTENDS PRIVILEGES TO PHYSICIANS IN THE IMMEDIATE AREA HMHC USES SURPLUS FUNDS TO FUND BUILDING IMPROVEMENTS TO ENHANCE SERVICES TO OUR PATIENTS THE FACILITY RECENTLY ADDED ON TO THE LONG TERM CARE FACILITY, COMPLETED MINOR REMODELING WORK IN THE HOSPITAL, AND IS EXPLORING OPPORTUNITIES FOR CONSTRUCTION OF A REHAB WELLNESS FACILITY</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 7 HEGG MEMORIAL HEALTH CENTER (HMHG) IS A MANAGED FACILITY OF AVERA HEALTH AVERA HEALTH AND HMHC WORK COOPERATIVELY TO ENHANCE HEALTHCARE THROUGHOUT THE COMMUNITY SERVED BY HMHC AS A MANAGED FACILITY, HMHC IS ABLE TO PARTICIPATE IN AVERA E-CARE SERVICES THESE SERVICES INCLUDE AVERA E-ICU, E-EMERGENCY, E-PHARMACY AND E-CONSULT THESE SERVICES ALLOW RURAL PATIENTS TO BE CARED FOR AT THEIR LOCAL HOSPITALS, PROVIDE RURAL HOSPITALS ACCESS TO IMMEDIATE SPECIALTY CARE AND SUPPORT, AND HELP REDUCE HEALTH CARE COSTS AND TRAVEL HMHC ALSO HAS ACCESS TO "BACK OFFICE" SUPPORT SERVICES, SUCH AS LEGAL CONSULTATION, QUALITY BENCHMARKING, CODING, COMPUTER SERVICES, CONTRACT NEGOTIATIONS, ADMINISTRATIVE CONSULTATION, GROUP PURCHASING, HUMAN RESOURCE ASSISTANCE AND MANY OTHER SERVICES AVERA HEALTH IS ABLE TO PROVIDE THESE SERVICES TO HMHC AT A COST BELOW THAT WHICH HMHC COULD OTHERWISE ACHIEVE IN TURN, LOCAL CAREGIVERS ARE ABLE TO DEVOTE MORE RESOURCES TO PATIENT AND RESIDENT CARE AVERA HEALTH AND HMHC DEDICATE RESOURCES TO ENDEAVORS THAT MAKE A POSITIVE DIFFERENCE TO IMPROVE THE HEALTH OF THE COMMUNITIES THEY SERVE THESE ACTIVITIES INCLUDE LEADERSHIP DEVELOPMENT AND TRAINING FOR COMMUNITY MEMBERS, ECONOMIC DEVELOPMENT, PHYSICAL IMPROVEMENTS IN THE COMMUNITY, CONTRIBUTIONS TO NONPROFIT COMMUNITY ORGANIZATIONS, NONPROFIT EVENT SPONSORSHIPS, DONATED MEDICAL SUPPLIES, COMMUNITY HEALTH EDUCATION AND SUPPORT GROUPS, HEALTH SCREENINGS, FLU-SHOT CLINICS, COMMUNITY HEALTH EDUCATION AND VARIOUS OTHER ACTIVITIES</p>

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART VI, LINE 7	IA

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
HEGG MEMORIAL HEALTH CENTER

Grants and Other Assistance to Organizations,
Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2010

Open to Public
Inspection

Employer identification number
42-0932564

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed. ▶ ☒

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2

Enter total number of section 501(c)(3) and government organizations

▶

3

Enter total number of other organizations

▶

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV

Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 THE CEO AND MARKETING DIRECTOR REVIEW NEW AND RECURRING (ANNUAL) SPONSORSHIP AND DONATION REQUESTS AS THEY ARISE DETERMINATIONS ARE MADE BASED ON MULTIPLE CRITERIA INCLUDING HMHC'S BUDGET, THE REQUESTING ORGANIZATION'S GOAL/MISSION, LOCATION, AND OTHER FACTORS

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
HEGG MEMORIAL HEALTH CENTER

Employer identification number
42-0932564

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div> <div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain		No
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div> <div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in 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 from the organization or a related organization?		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?		No
b	Any related organization?		No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in 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?		No
b	Any related organization?		No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III		No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

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 in 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 are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(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 reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) GLENN ZEVENBERGEN	(i) (ii)	158,731 0	0 0	284 0	0 0	16,805 0	175,820 0	0 0
(2) ROY SLICE MD	(i) (ii)	152,392 0	4,060 0	0 0	0 0	13,276 0	169,728 0	0 0
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	CLUB DUES SUCH AS ROTARY CLUB AND KIWANIS CLUB AS WELL AS LOCAL CHAMBER COMMITTEES WHICH THEY ARE A PART OF TO REPRESENT HEGG MEMORIAL HEALTH CENTER
	PART I, LINE 1B	THE POLICY IS NOT WRITTEN, HOWEVER, A FORMAL POLICY IS BEING DRAFTED. HEGG MEMORIAL HEALTH CENTER KNOWS THAT BEING ONE OF THE LARGEST ORGANIZATIONS IN THE COMMUNITY THEY NEED TO GIVE BACK TO THE COMMUNITY AND MAKE THEIR PRESENCE KNOWN THROUGHOUT BY INVOLVEMENT IN CIVIC ORGANIZATIONS AND SOCIAL CLUBS.
SUPPLEMENTAL INFORMATION	PART III	SCHEDULE J, PART II: GLENN ZEVENBERGEN, CEO, IS COMPENSATED BY AVERA HEALTH, 800 EAST 21ST STREET, SIOUX FALLS, SD 57101.

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
HEGG MEMORIAL HEALTH CENTER

Employer identification number
42-0932564

Part I

Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	CITY OF ROCK VALLEY IA	42-6005162		06-01-2004	3,300,000	NEW BUILDING CONSTRUCTION		X	X			X
B	CITY OF ROCK VALLEY IA	42-6005162		12-22-2009	1,200,000	NEW BUILDING CONSTRUCTION		X	X			X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue	3,300,000		1,200,000					
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow	480,160							
7	Issuance costs from proceeds	25,000		6,000					
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	2,794,840		1,194,000					
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2003		2009		YesNoYesNo			
		Yes	No	Yes	No				
14	Were the bonds issued as part of a current refunding issue?	X			X				
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X				
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X				

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X				
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X		X				
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X					

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	X		X					
2	Is the bond issue a variable rate issue?	X		X					
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X				
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X		X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X				
6	Did the bond issue qualify for an exception to rebate?		X		X				

Part V

Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons
▶ Complete if the organization answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047
2010
Open to Public Inspection

Name of the organization
HEGG MEMORIAL HEALTH CENTER

Employer identification number
42-0932564

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

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$										

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b)Relationship between interested person and the organization	(c)Amount of grant or type of assistance

Part IV

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) SARITA VANMAANEN	FAMILY MEMBER OF KORRIE VANMAANEN, BOARD MEMBER	12,889	EMPLOYMENT		No
(2) KAYLA KOOIMA	FAMILY MEMBER OF KATHY KOOIMA, BOARD MEMBER	14,294	EMPLOYMENT		No

Part V

Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
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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 to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization HEGG MEMORIAL HEALTH CENTER	Employer identification number 42-0932564
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Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 3		THE HOSPITAL HAS A MANAGEMENT AGREEMENT WITH AVERA HEALTH IN WHICH SERVICES OF THE CEO ARE PAID THROUGH AVERA HEALTH. ADDITIONALLY, THE HOSPITAL CONTRACTS WITH AVERA HEALTH FOR SERVICES OF THE CLINIC MANAGER, THREE PHYSICIANS, ONE PHYSICIANS ASSISTANT, ONE NURSE PRACTITIONER, ONE SURGEON, AND ONE PHYSICIAN TO START IN 2013.

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		THE ORGANIZATION HAS STOCKHOLDER MEMBERSHIPS PERSONS MUST BE A STOCKHOLDER IN ORDER TO BE VOTED ONTO THE GOVERNING BOARD

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		ALL STOCKHOLDERS HAVE THE SAME VOTING RIGHTS STOCKHOLDERS CAN VOTE AT THE ANNUAL MEETING OR THROUGH ABSENTEE BALLOT

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		ANY BOARD MEMBER CAN NOMINATE TWO CANDIDATES FOR EACH OPEN POSITION, CANDIDATES ARE SUBJECT TO APPROVAL BY THE FULL BOARD OF DIRECTORS, AND THE MEMBERS MAY NOMINATE NOT MORE THAN TWO CANDIDATES FOR EACH VACANCY ON THE BOARD OF DIRECTORS THE VOTING SHALL BE BY BALLOT AND THE ELECTED DIRECTOR MUST RECEIVE A PLURALITY OF THE VOTES OF THE MEMBERS EITHER PRESENT AT THE ANNUAL MEETING OR WHO HAVE VOTED THROUGH ABSENTEE BALLOT WRITE IN CANDIDATES SHALL BE ALLOWED ON THE ABSENTEE BALLOTS IF AN ELECTED DIRECTOR CANNOT COMPLETE HIS OR HER TERM OF OFFICE, THE TOTAL BOARD OF DIRECTORS SHALL HAVE THE POWER TO FILL OR NOT FILL THE VACANCY CREATED

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 8B		THE COMMITTEES BRING RECOMMENDATIONS TO THE BOARD, THE FULL BOARD VOTES ON RECOMMENDATIONS COMMITTEES DON'T HAVE FULL AUTHORITY TO ACT ON BEHALF OF THE BOARD

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE CEO/CFO WILL REVIEW THE 990 IN DETAIL. UPON COMPLETION OF THE REVIEW, THE 990 IS PROVIDED TO EACH BOARD MEMBER. THE CEO/CFO PRESENTS THE 990 TO THE BOARD OF DIRECTORS AT THE MEETING HELD PRIOR TO ITS FILING IF SO REQUESTED BY ANY BOARD MEMBER. WHETHER PRESENTED IN A BOARD MEETING OR NOT, THE 990 IS NOT FILED UNTIL EACH BOARD MEMBER HAS BEEN GIVEN A COPY OF IT AND GIVEN AMPLE TIME TO REVIEW IT.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	A STATEMENT IS GIVEN TO BOARD MEMBERS, THE CEO, AND THE CFO, ASKING FOR ANY POTENTIAL ISSUES THAT COULD GIVE RISE TO A CONFLICT SAID PERSONS ARE REQUIRED TO DISCLOSE ANY CONFLICTS AND SIGN OFF ON THE STATEMENT ANNUALLY THE BOARD DETERMINES AND REVIEWS ANY POSSIBLE CONFLICT OF INTERESTS THAT MAY ARISE IF ANY CONFLICTS ARISE, THE AFFECTED PERSON(S) MUST REFRAIN FROM DISCUSSION AND VOTING ON ANYTHING DEALING WITH THE ITEM CAUSING CONFLICT

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	CEO - THE REGIONAL MANAGER AT AVERA HEALTH EVALUATES THE CEO AND MEETS WITH THE BOARD OF DIRECTORS FROM THE HOSPITAL HE RECOMMENDS A SALARY ADJUSTMENT FOR THE CEO THE BOARD OF DIRECTORS IS RESPONSIBLE FOR APPROVAL OF THE SALARY ADJUSTMENT THE REGIONAL MANAGER USES POLICIES AND PROCEDURES AS SET FORTH BY AVERA HEALTH CFO - THE HUMAN RESOURCES DIRECTOR USES THE IHA SURVEY FROM THE PREVIOUS YEAR TO DETERMINE A MINIMUM AND MAXIMUM RANGE FOR MARKET SALARY ADJUSTMENTS A RECOMMENDATION IS MADE TO THE BOARD MERIT INCREASES ARE DETERMINED THROUGH A REVIEW PROCESS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	DOCUMENTS ARE AVAILABLE UPON REQUEST WITH THE APPROVAL OF THE BOARD

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	AUXILIARY NET INCOME 10,887 TOTAL TO FORM 990, PART XI, LINE 5 10,887

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
HEGG MEMORIAL HEALTH CENTER

Employer identification number
42-0932564

Part I

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

(a) Name, address, and EIN 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 organization	
						Yes	No

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproporionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) NORTHWEST IOWA DIAGNOSTICS 714 LINCOLN ST NE LE MARS, IA51031 82-0559254	DIAGNOSTIC RADIOLOGY	SD	N/A	RELATED	4,564	12,391		No		Yes		12 330 %

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V

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

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

1

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

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

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

Schedule R (Form 990) 2010

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

[illegible]

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
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Financial Statements
June 30, 2011 and 2010

Hegg Memorial Health Center

Hegg Memorial Health Center

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June 30, 2011 and 2010

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Independent Auditor's Report

The Board of Directors
Hegg Memorial Health Center
Rock Valley, Iowa

We have audited the accompanying balance sheets of Hegg Memorial Health Center as of June 30, 2011 and 2010, and the related statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we do not express such an opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hegg Memorial Health Center as of June 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Sioux Falls, South Dakota
September 16, 2011

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	<u>2011</u>	<u>2010</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,097,362	\$ 1,031,943
Receivables		
Patients and residents, net of estimated uncollectibles		
of \$754,000 and \$683,000 in 2011 and 2010, respectively	1,593,616	1,418,659
Notes receivable - current portion	33,333	1,667
Supplies	283,966	263,002
Prepaid expenses	198,055	121,982
	<u>3,206,332</u>	<u>2,837,253</u>
Assets limited as to use		
By Board for capital improvements and debt redemption	3,090,912	1,921,035
Pledges receivable, net	214,038	383,315
	<u>3,304,950</u>	<u>2,304,350</u>
Property and Equipment	<u>12,815,943</u>	<u>13,131,772</u>
Other Assets		
Interest in net assets of Avera Health Foundation	1,734,598	1,199,084
Real estate held for future use	330,000	330,000
Deferred financing costs, net of accumulated		
amortization of \$8,896 in 2011 and \$7,641 in 2010	9,943	11,199
Investment in affiliated company	12,391	7,827
Notes receivable - long term portion	91,667	-
	<u>2,178,599</u>	<u>1,548,110</u>
Total other assets	<u>2,178,599</u>	<u>1,548,110</u>
	<u>\$ 21,505,824</u>	<u>\$ 19,821,485</u>

See Notes to Financial Statements

Hegg Memorial Health Center

Balance Sheets

June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 277,000	\$ 265,222
Accounts payable		
Trade	681,808	480,270
Estimated third-party payor settlements	520,000	610,000
Annuity payable - current portion	10,973	10,973
Accrued expenses		
Salaries and wages	104,435	340,579
Vacation	462,615	433,255
Payroll taxes and other	91,786	49,587
Interest	12,525	13,576
Custody accounts for residents	<u>1,757</u>	<u>1,721</u>
Total current liabilities	2,162,899	2,205,183
Long-Term Debt, Less Current Maturities	2,891,578	3,166,345
Other Liabilities		
Amounts due under collaborative arrangements	275,843	284,126
Annuity payable, less current portion	<u>80,194</u>	<u>91,167</u>
Total liabilities	<u>5,410,514</u>	<u>5,746,821</u>
Net Assets		
Unrestricted	15,479,571	13,587,625
Temporarily restricted	68,433	2,480
Permanently restricted	<u>547,306</u>	<u>484,559</u>
Total net assets	<u>16,095,310</u>	<u>14,074,664</u>
	<u>\$ 21,505,824</u>	<u>\$ 19,821,485</u>

Hegg Memorial Health Center
Statements of Operations
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Unrestricted Revenues, Gains and Other Support		
Net patient and resident service revenue	\$ 15,075,891	\$ 13,706,498
Other revenue	<u>945,947</u>	<u>873,116</u>
Total unrestricted revenues, gains and other support	<u>16,021,838</u>	<u>14,579,614</u>
Expenses		
Salaries and wages	6,981,079	6,741,955
Supplies and other expenses	4,763,950	4,414,711
Professional fees	1,581,142	1,483,797
Depreciation	888,250	935,614
Interest	159,604	173,246
Provision for bad debts	<u>156,519</u>	<u>124,655</u>
Total expenses	<u>14,530,544</u>	<u>13,873,978</u>
Operating Income	<u>1,491,294</u>	<u>705,636</u>
Other Income (Losses)		
Change in interest in net assets of Avera Health Foundation	177,312	60,246
Gain on sale of Four Seasons condominium units	142,227	246,274
Contributions	95,977	98,470
Investment income	26,802	12,312
Net gain from affiliated companies	4,564	861
Gain (loss) on disposal of equipment	1,958	(10,573)
Net expense from collaborative arrangements	<u>(48,698)</u>	<u>(42,342)</u>
Other income, net	<u>400,142</u>	<u>365,248</u>
Revenues in Excess of Expenses	1,891,436	1,070,884
Net Assets Released from Restrictions used for Purchases of Property and Equipment	<u>510</u>	<u>8,646</u>
Increase in Unrestricted Net Assets	<u><u>\$ 1,891,946</u></u>	<u><u>\$ 1,079,530</u></u>

Hegg Memorial Health Center
Statements of Changes in Net Assets
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Unrestricted Net Assets		
Revenues in excess of expenses	\$ 1,891,436	\$ 1,070,884
Net assets released from restrictions used for purchases of property and equipment	<u>510</u>	<u>8,646</u>
Increase in unrestricted net assets	<u>1,891,946</u>	<u>1,079,530</u>
Temporarily Restricted Net Assets		
Contributions for specific purposes	66,463	11,126
Net assets released from restrictions	<u>(510)</u>	<u>(8,646)</u>
Increase in temporarily restricted net assets	<u>65,953</u>	<u>2,480</u>
Permanently Restricted Net Assets		
Endowment contribution	<u>62,747</u>	<u>-</u>
Increase in Net Assets	2,020,646	1,082,010
Net Assets, Beginning of Year	<u>14,074,664</u>	<u>12,992,654</u>
Net Assets, End of Year	<u><u>\$ 16,095,310</u></u>	<u><u>\$ 14,074,664</u></u>

Hegg Memorial Health Center
Statements of Cash Flows
Years Ended June 30, 2011 and 2010

	2011	2010
Operating Activities		
Change in net assets	\$ 2,020,646	\$ 1,082,010
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	889,506	936,870
(Gain) Loss on disposal of equipment	(1,958)	10,573
Gain attributable to affiliated companies	(4,564)	(861)
Gain on sale of Four Seasons condominium units	(142,227)	(246,274)
Expense from collaborative arrangements	48,698	42,342
Contributions by donors for specific purpose	(129,210)	(11,126)
Changes in assets and liabilities		
Receivables	(129,013)	(88,727)
Supplies	(20,964)	(2,318)
Prepaid expenses	(76,073)	3,368
Accounts payable	111,538	(335,929)
Accrued expenses and custody accounts	(165,600)	(32,748)
Annuity payable	(10,973)	(10,972)
Net Cash from Operating Activities	<u>2,389,806</u>	<u>1,346,208</u>
Investing Activities		
Purchase of property and equipment	(582,228)	(485,778)
Proceeds from disposal of property and equipment	11,765	-
Increase in assets limited as to use	(1,169,877)	(972,286)
Change in interest in net assets of Avera Health Foundation	(535,514)	(249,878)
Investments in affiliated companies	-	4,500
Four Seasons condominium units held for resale	142,227	246,274
Net Cash used for Investing Activities	<u>(2,133,627)</u>	<u>(1,457,168)</u>
Financing Activities		
Repayment from short term borrowing	-	(1,200,000)
Proceeds from long term borrowing	-	1,200,000
Repayment of long-term debt	(262,989)	(226,236)
Distributions to collaborative arrangement partners	(56,981)	(10,340)
Restricted contributions received	129,210	11,126
Net Cash used for Financing Activities	<u>(190,760)</u>	<u>(225,450)</u>
Net Change in Cash and Cash Equivalents	65,419	(336,410)
Cash and Cash Equivalents, Beginning of Year	<u>1,031,943</u>	<u>1,368,353</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,097,362</u>	<u>\$ 1,031,943</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 160,655</u>	<u>\$ 169,655</u>

Note 1 - Organization and Significant Accounting Policies

Organization

Hegg Memorial Health Center (Center) operates a 25-bed acute care hospital, a 60-bed nursing home, a 25-unit condominium apartment complex, a medical clinic and a child daycare center located in Rock Valley, Iowa.

Income Taxes

The Center is an Iowa nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Center is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Center files an Exempt Organization Business Income Tax Return (Form 990T) with the IRS to report its unrelated business taxable income.

The Center believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Center 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. The Center's federal Form 990T filings are no longer subject to federal tax examinations by tax authorities for years before 2008.

Use of Estimates

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

Cash and Cash Equivalents

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

Patient and Resident Receivables

Patient and resident receivables are uncollateralized patient, resident and third-party payor obligations. Unpaid patient and resident receivables, excluding amounts due from third-party payors, with invoice dates over 90 days old have interest assessed at one percent per month. Due to the uncertainty of collecting private pay accounts, these interest charges are recognized as income when received.

Payments of patient and resident receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

The carrying amount of patient and resident receivables is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected from patients, residents and third-party payors. Management reviews patient and resident receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients and residents due to bad debts. Management considers historical write off and recovery information in determining the estimated bad debt provision. Management also reviews accounts to determine if classification as charity care is appropriate.

Supplies

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

Assets Limited as to Use

Assets limited as to use include assets set aside by the Board of Directors for future capital improvements and debt redemption, over which the Board retains control and may at its discretion subsequently use for other purposes and uncollected pledges from prior capital campaigns related to construction projects which have been completed.

Investments and Investment Income

Investments in assets with readily determinable market values are stated at fair value. The fair value of all debt and equity securities with readily determinable fair values are based on quotations obtained from national and foreign securities exchanges. The fair value of certificates of deposit are recorded at historical cost, plus accrued interest. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from revenues in excess of expenses unless the investments are trading securities. The Center had no investments classified as trading securities as of June 30, 2011 and 2010.

The Center through its affiliation with the Avera Health Foundation participates in the Avera Pooled Investment Fund, a fund administered by Avera Health. The Pooled Investment Fund has a portion of its holdings in alternative investments, which are not readily marketable. These alternative investments include partnerships and other interests that invest in hedge funds, real asset funds, and private equity/venture capital funds, among others. Alternative investments representing less than 3% ownership interest are carried at cost, subject to an annual review for impairment. Alternative investments representing greater than 3% ownership interest are recorded using the equity method. Investment income, including interest, dividends, realized gains and losses, and unrealized gains and losses are allocated to participants of the Avera Pooled Investment Fund.

Fair Value Measurements

The Center has determined the fair value of certain assets and liabilities in accordance with the provisions of Accounting Standards Codification (ASC) 820-10, *Fair Value Measurements and Disclosures*, which provides a framework for measuring fair value under generally accepted accounting principles.

ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

ASC 820-10 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

Property and Equipment

Property and equipment acquisitions in excess of \$3,000 are capitalized and recorded at cost. Depreciation of property and equipment is computed on the straight-line method over the useful lives of the assets which range from three to forty years as follows:

Land improvements	5 - 20 years
Buildings and improvements	6 - 40 years
Equipment	3 - 20 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to unrestricted net assets, and are excluded from revenues in excess of expenses unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted net assets. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when donated or when acquired long-lived assets are placed in service.

Interest in Net Assets of Avera Health Foundation

The Avera Health Foundation solicits contributions and holds funds on behalf of the Center. The Center's interest in these funds is recorded as an asset in the accompanying financial statements. Changes in the funds held by the Foundation are recorded as Change in Interest in net assets of Avera Health Foundation in the accompanying financial statements.

Deferred Financing Costs

Deferred financing costs are amortized over the period the related obligation is outstanding using the straight-line method.

Collaborative Arrangement

ASC 808, *Collaborative Arrangements*, defines collaborative arrangements and establishes reporting requirements for transactions between participants and third parties in a collaborative arrangement. The Center operates a provider based clinics under joint operating agreements with Avera McKennan and Osceola Community Hospital which falls under the scope of ASC 808. The Center has classified Avera McKennan's and Osceola Community Hospital's economic interest in these provider based clinics as a liability. The terms of the joint venture agreements generally provide for the equal allocation of profits and losses amongst the participants. The Center's statements of operations include the revenues and expenses of the provider based clinics as it is considered the principal in the operating activity.

The following table presents amounts attributable to these agreements which are reported in the Center's statements of operations for the years ended June 30, 2011 and 2010:

	2011	2010
Net revenues	\$ 2,957,889	\$ 2,820,874
Operating expenses	<u>(2,860,493)</u>	<u>(2,736,190)</u>
Increase in net assets	<u>\$ 97,396</u>	<u>\$ 84,684</u>

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Center has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Center in perpetuity.

Net Patient and Resident Service Revenue

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

Revenues in Excess of Expenses

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

Charity Care

The Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient service revenue.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When donor stipulated time restrictions or purpose restrictions are met or accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the statement of operations.

Advertising Costs

The Center expenses advertising costs as incurred.

Subsequent Events

The Center has evaluated subsequent events through September 16, 2011, the date which the financial statement were available to be issued.

Note 2 - Charity Care

The Center maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy and equivalent service statistics. The amounts of charges foregone, based on established rates, were \$158,726 and \$101,105 for the years ended June 30, 2011 and 2010.

Note 3 - Net Patient and Resident Service Revenue

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

Medicare. The Center is licensed as a Critical Access Hospital (CAH). The Center is reimbursed for most inpatient and outpatient services at cost with final settlement determined after submission of annual cost reports by the Center and are subject to audits thereof by the Medicare intermediary. The Center's Medicare cost reports have been audited by the Medicare fiscal intermediary through the year ended June 30, 2010. The Center'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 Center.

Medicaid. The Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Center and audits thereof by the Medicaid fiscal intermediary. The Center's cost reports have been settled by the Medicaid fiscal intermediary through June 30, 2008.

Blue Cross. Inpatient services rendered to Blue Cross subscribers are paid under a prospective cost reimbursed methodology. Outpatient services are reimbursed on the basis of the Center's charges.

A summary of patient and resident service revenue and contractual adjustments for the years ended June 30, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Total patient and resident service revenue	\$ 17,553,877	\$ 16,498,196
Contractual adjustments		
Medicare	(1,195,262)	(1,526,622)
Medicaid	(328,938)	(291,770)
Other	(953,786)	(973,306)
Total contractual adjustments	<u>(2,477,986)</u>	<u>(2,791,698)</u>
Net patient and resident service revenue	<u>\$ 15,075,891</u>	<u>\$ 13,706,498</u>

Note 4 - Investments and Investment Income

Assets Limited as to Use

The composition of assets limited as to use at June 30, 2011 and 2010, is shown in the following table.

	<u>2011</u>	<u>2010</u>
By Board for capital improvements and debt redemption		
Cash and short-term investments	<u>\$ 3,090,912</u>	<u>\$ 1,921,035</u>
Pledges receivable, net	<u>\$ 214,038</u>	<u>\$ 383,315</u>

Investment Income

Investment income and gains and losses on assets limited as to use, cash equivalents, and other investments consists of the following for the years ended June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Interest income	<u>\$ 26,802</u>	<u>\$ 12,312</u>

Note 5 - Fair Value of Assets and Liabilities

Liabilities measured at fair value on a recurring basis at June 30, 2011 and 2010, respectively, are as follows:

	<u>2011</u>	<u>2010</u>
Liabilities		
Annuity payable	<u>\$ 91,167</u>	<u>\$ 102,140</u>

The related fair values of these liabilities are determined as follows:

	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
<u>June 30, 2011</u>			
Liabilities - annuity payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,167</u>
<u>June 30, 2010</u>			
Liabilities - annuity payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,140</u>

The fair value for the annuities payable is based on the present value of expected future cash flows.

The following is a reconciliation of activity for liabilities measured at fair value based on significant unobservable (non-market) information for the year ended June 30, 2011.

	<u>Annuities Payable</u>
Balance, beginning of year	\$ 102,140
Cash paid	<u>(10,973)</u>
Balance, end of year	<u>\$ 91,167</u>

Note 6 - Investments in Affiliated Companies

The amount reported as investment in affiliated companies as of June 30, 2011 and 2010 represents the Center's investment in Northwest Iowa Diagnostics, a joint investment with other health care organizations from Northwest Iowa. The investment is accounted for on the equity method of accounting that approximates the Center's equity in the underlying net book value of the company.

Note 7 - Property and Equipment

A summary of property and equipment at June 30, 2011 and 2010 follows:

	2011		2010	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 608,278	\$ -	\$ 608,278	\$ -
Land improvements	664,198	387,941	664,111	368,163
Buildings and improvements	15,255,822	4,560,475	15,026,474	4,042,317
Equipment	4,801,649	3,629,950	4,667,090	3,456,557
Construction in progress	64,362	-	32,856	-
	<u>\$ 21,394,309</u>	<u>\$ 8,578,366</u>	<u>\$ 20,998,809</u>	<u>\$ 7,867,037</u>
Property and equipment, net		<u>\$ 12,815,943</u>		<u>\$ 13,131,772</u>

Construction in progress at June 30, 2011 represents costs incurred to date for the Center's physical therapy wellness project. The project is currently in the planning stage.

Note 8 - Pledges

The Center has received pledges from corporations and individuals in the community. Certain pledges are receivable over a period of time. The following is a summary of pledges receivable at June 30, 2011 and 2010:

	2011	2010
Current pledges receivable	\$ 193,521	\$ 200,303
Amount receivable in two to five years, net of an allowance to discount future pledges to present value of (3% for 2011 and 2010) of \$11,000 and \$24,000	<u>65,517</u>	<u>228,012</u>
	259,038	428,315
Less allowance for uncollectible amounts	<u>(45,000)</u>	<u>(45,000)</u>
Pledges receivable, net	<u>\$ 214,038</u>	<u>\$ 383,315</u>

Note 9 - Leases

The Center leases certain equipment under various lease agreements. Total lease expense for the years ended June 30, 2011 and 2010, for all operating leases was \$68,366 and \$50,355, respectively.

Note 10 - Long-Term Debt

Long-term debt consists of:

	<u>2011</u>	<u>2010</u>
Bonds payable, with a variable interest rate, the rate as of June 30, 2011 was 4.875% due in monthly payments of \$26,003 including interest through June 1, 2019	\$ 2,058,150	\$ 2,262,911
Bonds payable, with a variable interest rate, the rate as of June 30, 2011 was 4.5625% due in monthly payments of \$9,196 including interest through December 1, 2024	<u>1,110,428</u> <u>3,168,578</u>	<u>1,168,656</u> <u>3,431,567</u>
Less current maturities	<u>(277,000)</u>	<u>(265,222)</u>
	<u><u>\$ 2,891,578</u></u>	<u><u>\$ 3,166,345</u></u>

Long-term debt maturities are as follows:

Years Ending June 30,

2012	\$ 277,000
2013	290,800
2014	305,100
2015	320,100
2016	335,700
Thereafter	<u>1,639,878</u>
	<u><u>\$ 3,168,578</u></u>

Substantially all of the Center's assets have been pledged as collateral for this debt obligation.

Note 11 - Annuities Payable

The Center has entered into gift annuity agreements, which provide that the Center shall pay periodic amounts to designated beneficiaries until their death. The Center recorded these gifts at market value with a corresponding liability recorded for the present value of payments to be made to the designated beneficiaries. The estimated present value of future payments to be made under these agreements totaled \$91,167 and \$102,140 at June 30, 2011 and 2010.

Note 12 - Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets at June 30, 2011 and 2010 are restricted for:

	2011	2010
Digital mammography equipment	\$ 68,433	\$ 2,480

Permanently restricted net assets at June 30, 2011 and 2010 are restricted for:

	2011	2010
General use by the Center as long as services to individuals with cerebral palsy are available	\$ 484,559	\$ 484,559
Endowment funds held with Avera Health Foundation	62,747	-
	<u>\$ 547,306</u>	<u>\$ 484,559</u>

Note 13 - Endowment

The Center's endowment consists of a portion of their interest in the net assets of the Avera Health Foundation. The Avera Health Foundation includes endowment funds which have been established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments (if any), are classified and reported based on the existence or absence of donor-imposed restrictions. The Center's permanently restricted endowment funds are donor restricted and totaled \$62,747 and \$-0- at June 30, 2011 and 2010, respectively.

Interpretation of Relevant Law

The Center has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation.

Changes in Endowment Net Assets for the year ended June 30, 2011 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2010	\$ -	\$ -	\$ -	\$ -
Change in interest in net assets of Avera Health Foundation	<u>-</u>	<u>-</u>	<u>62,747</u>	<u>62,747</u>
Endowment net assets, June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,747</u>	<u>\$ 62,747</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Center to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of June 30, 2011.

Return Objectives and Risk Parameters

Through its affiliation with the Avera Health Foundation, the Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Center must hold in perpetuity or for a donor-specified period. Under these policies, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that meet the price and yield investment returns established by the Avera Pooled Investment Committee while assuming a moderate level of investment risk. The Center expects its endowment funds with the Avera Health Foundation, over time, to provide an average rate of return of approximately 6%-8% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation including equity securities, fixed-income securities, hedge funds, and private equity to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Avera Health Foundation Board of Directors determines the annual spending rate and distribution amounts based on a review of the average market value of the endowment funds over the most recent 20 quarters. Local governing boards review the spending rate and distribution information and determine if payouts that would invade the corpus would be fiscally responsible.

Note 14 - Functional Expenses

The Center provides general health care services to patients and residents within the geographic location. Expenses related to providing these services are as follows for the years ended June 30:

	2011	2010
Health care services	\$ 12,252,376	\$ 12,023,297
General and administrative	2,278,168	1,850,681
	<u>\$ 14,530,544</u>	<u>\$ 13,873,978</u>

Note 15 - Malpractice Insurance

The Center has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of one million per claim and an annual aggregate limit of three million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, will be uninsured.

Note 16 - Employee Pension Plan

The Center has a defined contribution pension plan under which employees become participants upon completing 832 hours of service and reaching the age of twenty. Currently, the Center's matching contribution is 3% of the employee's wages. Total pension expense for the years ended June 30, 2011 and 2010, was \$121,674 and \$116,590.

Note 17 - Concentrations of Credit Risk

The Center grants credit without collateral to its patients and residents, most of whom are insured under third-party payor agreements. The mix of receivables from third-party payors, patients and residents at June 30, 2011 and 2010, was as follows:

	2011	2010
Commercial insurance and other	47%	38%
Medicare	24%	29%
Medicaid	3%	17%
Blue Cross	26%	16%
	<u>100%</u>	<u>100%</u>

The Center's cash balances are maintained in various bank deposit accounts. At times during the years ended June 30, 2011 and 2010, the balances of these deposits were in excess of the federally insured limits.



Supplementary Information
June 30, 2011 and 2010

Hegg Memorial Health Center



Independent Auditor's Report on Supplementary Information

The Board of Directors
Hegg Memorial Health Center
Rock Valley, Iowa

We have audited the financial statements of Hegg Memorial Health Center as of and for the years ended June 30, 2011 and 2010, and our report thereon dated September 16, 2011, which expressed an unqualified opinion on those financial statements appears on page 1. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of net patient and resident service revenue, other revenue, schedules of expense and the detail of patient and resident service revenue as of and for the years ended June 30, 2011 and 2010 on pages 19 to 28 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The statistical and financial information on pages 29 and 30, which are the responsibility of management, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sioux Falls, South Dakota
September 16, 2011

Hegg Memorial Health Center
Schedules of Net Patient and Resident Service Revenue
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Patient and Resident Service Revenue		
Routine services - hospital	\$ 1,360,345	\$ 1,518,386
Routine services - nursing home	3,355,551	3,128,404
Clinic	2,754,430	2,687,643
Radiology	2,327,422	1,979,182
Laboratory	1,680,054	1,361,646
Pharmacy	1,281,161	1,231,733
Emergency services	1,184,688	1,050,767
Physical therapy	930,891	873,785
Operating room	636,009	587,104
Central services and supply	568,501	554,072
Home health care	489,394	510,125
Anesthesiology	281,801	262,372
Cardiac rehab	258,102	280,729
Surgeon	205,748	176,166
Occupational therapy	174,190	129,650
Newborn nursery	113,804	99,472
Respiratory therapy	64,377	124,553
Speech therapy	18,883	17,348
Blood administration	17,447	12,594
Nutrition education	9,805	13,570
	<u>17,712,603</u>	<u>16,599,301</u>
Charity care	<u>(158,726)</u>	<u>(101,105)</u>
Total patient and resident service revenue	<u>17,553,877</u>	<u>16,498,196</u>
Contractual adjustments		
Medicare		
Medicaid	1,195,262	1,526,622
Other	328,938	291,770
	<u>953,786</u>	<u>973,306</u>
Total contractual adjustments	<u>2,477,986</u>	<u>2,791,698</u>
Net Patient and Resident Service Revenue	<u><u>\$ 15,075,891</u></u>	<u><u>\$ 13,706,498</u></u>

Hegg Memorial Health Center
Other Revenue
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Other Revenue		
Clinic and surgeon	\$ 305,283	\$ 263,120
Daycare	197,822	204,193
Occupational health	125,999	98,636
Four Seasons condominium units	91,454	94,004
Wellness Center	58,014	-
Ultrasound	44,521	42,147
Beauty shop	23,456	23,806
Meals	19,218	21,762
Home health	22,812	12,453
Community education	5,145	2,770
Plant operations	3,063	2,478
Cardiac rehab	2,922	62,740
Laboratory	2,206	3,546
Other	44,032	41,461
	<u>\$ 945,947</u>	<u>\$ 873,116</u>

Hegg Memorial Health Center
Schedule of Expenses
Years Ended June 30, 2011 and 2010

	2011	2010
Routine Services - Hospital		
Salaries and wages	\$ 650,690	\$ 652,427
Professional fees	346	1,703
Supplies	52,064	48,680
Repairs and maintenance	17,305	1,538
Other	16,635	22,598
	<u>737,040</u>	<u>726,946</u>
Routine Services - Nursing Home		
Salaries and wages	1,368,280	1,334,212
Professional fees	1,616	2,321
Supplies	87,082	83,706
Repairs and maintenance	-	40
Other	117,360	32,775
	<u>1,574,338</u>	<u>1,453,054</u>
Clinic		
Salaries and wages	1,248,698	1,244,028
Professional fees	183,587	166,654
Repairs and maintenance	87,026	-
Other	56,072	77,674
	<u>1,575,383</u>	<u>1,488,356</u>
Surgeon		
Professional fees	307,819	322,520
Other	16,221	20,331
	<u>324,040</u>	<u>342,851</u>
Nursing Administration		
Salaries	62,602	55,275
Professional fees	75	-
Supplies	2,392	4,511
Other	5,876	4,973
	<u>70,945</u>	<u>64,759</u>
Home Health Care		
Salaries and wages	272,741	291,998
Professional fees	12,717	800
Repairs and maintenance	1,488	4,161
Supplies	27,219	20,146
Mileage	10,956	10,143
Other	10,497	14,994
	<u>335,618</u>	<u>342,242</u>

Hegg Memorial Health Center
Schedule of Expenses
Years Ended June 30, 2011 and 2010

	2011	2010
Newborn Nursery		
Salaries and wages	\$ 34,149	\$ 29,422
Repairs and maintenance	160	30
Supplies	2,928	3,353
	<u>37,237</u>	<u>32,805</u>
Operating Room		
Salaries and wages	94,115	90,019
Professional fees	52,109	38,780
Repairs and maintenance	18,251	7,360
Supplies	27,264	29,261
Other	13,364	5,268
	<u>205,103</u>	<u>170,688</u>
Delivery and Labor Rooms		
Salaries and wages	60,565	46,363
Professional fees	150	1,253
Supplies	10,847	10,591
	<u>71,562</u>	<u>58,207</u>
Central Services and Supplies		
Salaries and wages	66,657	66,241
Supplies	261,087	218,221
Professional fees	750	1,000
Other	301	5,897
	<u>328,795</u>	<u>291,359</u>
Emergency Services		
Salaries and wages	213,878	194,649
Professional fees	213,103	229,118
Repairs and maintenance	2,193	283
Supplies	16,616	14,494
Other	41,592	6,025
	<u>487,382</u>	<u>444,569</u>
Laboratory		
Salaries and wages	192,415	176,956
Professional fees	108,463	103,655
Supplies	161,418	158,448
Mileage	1,021	535
Repairs and maintenance	15,993	10,635
Other	16,343	10,941
	<u>495,653</u>	<u>461,170</u>

Hegg Memorial Health Center
Schedule of Expenses
Years Ended June 30, 2011 and 2010

	2011	2010
Blood Administration		
Supplies	\$ 9,055	\$ 4,688
Cardiac Rehab		
Salaries and wages	20,092	85,707
Professional fees	52,712	58,003
Supplies	13,315	15,801
Repairs and maintenance	613	2,809
Other	1,364	2,398
	<u>88,096</u>	<u>164,718</u>
Radiology		
Salaries and wages	182,809	179,269
Professional fees	414,063	362,591
Supplies	32,486	24,763
Repairs and maintenance	74,643	78,923
Other	13,253	25,509
	<u>717,254</u>	<u>671,055</u>
Pharmacy		
Salaries and wages	26,356	26,434
Professional fees	42,916	37,531
Repairs and maintenance	-	450
Drugs	399,083	366,609
Supplies	2,165	1,038
Other	11,304	10,158
	<u>481,824</u>	<u>442,220</u>
Anesthesiology		
Professional fees	167,025	193,216
Supplies	332	1,242
Other	4,269	2,781
	<u>171,626</u>	<u>197,239</u>
Respiratory Therapy		
Salaries and wages	1,852	7,432
Professional fees	3,342	7,009
	<u>5,194</u>	<u>14,441</u>
Physical Therapy		
Salaries and wages	257,229	252,879
Professional fees	12,685	8,813
Repairs and maintenance	134	215
Supplies	18,546	15,234
Other	9,269	6,585
	<u>297,863</u>	<u>283,726</u>
Speech Therapy		
Professional fees	11,199	9,941
	<u>11,199</u>	<u>9,941</u>

Hegg Memorial Health Center
Schedule of Expenses
Years Ended June 30, 2011 and 2010

	2011	2010
Occupational Therapy		
Salaries and wages	\$ 26,626	\$ -
Professional fees	29,622	42,148
Supplies	243	2,941
Other	247	410
	<u>56,738</u>	<u>45,499</u>
Quality Service		
Salaries	34,352	32,364
Professional fees	1,471	-
Supplies	-	(1,054)
Other	598	332
	<u>36,421</u>	<u>31,642</u>
Medical Records		
Salaries and wages	249,959	232,451
Professional fees	17,172	15,420
Repairs and maintenance	1,742	758
Supplies	3,199	4,549
Other	14,169	12,878
	<u>286,241</u>	<u>266,056</u>
Activities		
Salaries and wages	59,478	62,420
Repairs and maintenance	2,351	2,009
Supplies	6,084	6,676
Other	3,742	5,832
	<u>71,655</u>	<u>76,937</u>
Daycare		
Salaries and wages	164,745	158,599
Supplies	12,651	13,857
Repairs and maintenance	550	361
Other	7,592	15,963
	<u>185,538</u>	<u>188,780</u>
Social Services		
Salaries and wages	38,682	53,160
Repairs and maintenance	34	98
Supplies	1,484	782
Other	1,148	2,267
	<u>41,348</u>	<u>56,307</u>
Dietary		
Salaries and wages	280,704	276,213
Professional fees	560	1,530
Food	180,362	168,221
Supplies	14,473	16,307
Equipment rental	1,078	1,328
Other	25,302	17,013
	<u>502,479</u>	<u>480,612</u>

Hegg Memorial Health Center
Schedule of Expenses
Years Ended June 30, 2011 and 2010

	2011	2010
Plant Operation and Maintenance		
Salaries and wages	\$ 142,178	\$ 115,599
Professional fees	40	-
Supplies	13,033	16,432
Electricity	155,982	137,720
Other utilities	70,092	83,198
Repairs and maintenance	58,799	39,508
Other	7,696	4,971
	<u>447,820</u>	<u>397,428</u>
Housekeeping		
Salaries and wages	104,142	132,306
Professional fees	3,260	3,020
Repairs and maintenance	(9)	288
Supplies	38,014	37,671
Other	206	331
	<u>145,613</u>	<u>173,616</u>
Laundry and Linen		
Salaries and wages	69,575	63,443
Supplies	11,350	8,899
Linen	4,955	6,887
Repairs and maintenance	966	1,849
Other	969	1,070
	<u>87,815</u>	<u>82,148</u>
Community Education		
Salaries and wages	7,314	5,656
Supplies	20,333	11,612
Other	18,421	14,283
	<u>46,068</u>	<u>31,551</u>
Four Seasons Condominium Units		
Salaries and wages	50,504	43,374
Supplies	7,508	7,643
Utilities	43,095	45,851
Repairs and maintenance	4,632	1,333
Other	1,766	6,260
	<u>107,505</u>	<u>104,461</u>
Beauty Shop		
Salaries and wages	43,026	41,755
Professional fees	-	90
Repairs and maintenance	2	107
Supplies	2,270	1,343
Other	246	542
	<u>45,544</u>	<u>43,837</u>

Hegg Memorial Health Center
Schedule of Expenses
Years Ended June 30, 2011 and 2010

	2011	2010
Nutrition Ed		
Salaries and wages	\$ 19,644	\$ 23,685
Supplies	219	613
Other	4,190	4,996
	<u>24,053</u>	<u>29,294</u>
Occupational Health		
Salaries and wages	76,066	68,063
Supplies	14,826	14,227
Professional fees	9,079	11,525
Other	4,006	3,210
	<u>103,977</u>	<u>97,025</u>
Wellness Center		
Salaries and wages	65,180	-
Supplies	4,768	-
Repairs and maintenance	515	-
Other	1,414	-
	<u>71,877</u>	<u>-</u>
Information Technology		
Salaries and wages	43,324	-
Supplies	444	-
Repairs and maintenance	175	-
Other	146,665	-
	<u>190,608</u>	<u>-</u>
Finance		
Salaries and wages	75,011	-
Supplies	5,251	-
Repairs and maintenance	3,463	-
Other	968	-
	<u>84,693</u>	<u>-</u>
Administration		
Salaries and wages	677,442	699,558
Professional fees	26,890	25,524
Supplies	54,568	60,789
Repairs and maintenance	7,237	11,117
Legal	46,625	54,991
Collection expense	24,487	14,917
Contract management	433,315	558,974
Property and liability insurance	173,468	179,013
Other	247,144	245,798
	<u>1,691,176</u>	<u>1,850,681</u>

Hegg Memorial Health Center
Schedule of Expenses
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Unassigned		
Payroll taxes	\$ 472,992	\$ 457,147
Health insurance	479,129	445,819
Pension	121,674	116,590
Depreciation		
Building	564,466	565,846
Equipment	323,784	369,767
Interest	159,604	173,246
Provision for bad debts	156,519	124,655
	<u>2,278,168</u>	<u>2,253,070</u>
 Total Expenses	 <u><u>\$ 14,530,544</u></u>	 <u><u>\$ 13,873,978</u></u>

Hegg Memorial Health Center
Detail of Patient and Resident Service Revenue
Years Ended June 30, 2011 and 2010

	2011			2010		
	Inpatient	Outpatient	Total	Inpatient	Outpatient	Total
Patient and Resident Service Revenue						
Routine services - hospital	\$ 1,089,054	\$ 271,291	\$ 1,360,345	\$ 1,244,799	\$ 273,587	\$ 1,518,386
Routine services - nursing home	3,350,969	4,582	3,355,551	3,120,253	8,151	3,128,404
Clinic	-	2,754,430	2,754,430	-	2,687,643	2,687,643
Radiology	160,081	2,167,341	2,327,422	145,898	1,833,284	1,979,182
Laboratory	175,976	1,504,078	1,680,054	131,120	1,230,526	1,361,646
Pharmacy	320,457	960,704	1,281,161	309,811	921,922	1,231,733
Emergency services	32,077	1,152,611	1,184,688	19,986	1,030,781	1,050,767
Physical therapy	113,870	817,021	930,891	145,312	728,473	873,785
Operating room	239,049	396,960	636,009	187,551	399,553	587,104
Central services and supply	291,140	277,361	568,501	271,812	282,260	554,072
Home health care	-	489,394	489,394	-	510,125	510,125
Surgeon	17,316	188,432	205,748	10,312	165,854	176,166
Anesthesiology	83,876	197,925	281,801	69,144	193,228	262,372
Cardiac rehab	669	257,433	258,102	2,902	277,827	280,729
Occupational therapy	67,796	106,394	174,190	64,378	65,272	129,650
Newborn nursery	113,804	-	113,804	99,430	42	99,472
Respiratory therapy	58,413	5,964	64,377	120,836	3,717	124,553
Speech therapy	4,361	14,522	18,883	11,258	6,090	17,348
Blood administration	7,603	9,844	17,447	4,732	7,862	12,594
Nutrition education	-	9,805	9,805	-	13,570	13,570
	<u>\$ 6,126,511</u>	<u>\$ 11,586,092</u>	17,712,603	<u>\$ 5,959,534</u>	<u>\$ 10,639,767</u>	16,599,301
Charity care			(158,726)			(101,105)
Total patient and resident service revenue			<u>\$ 17,553,877</u>			<u>\$ 16,498,196</u>

Hegg Memorial Health Center
Statistical and Financial Information
Years Ended June 30, 2011 and 2010

	2011	2010
Patient Days		
Hospital (excludes swing-bed and newborn)	742	640
Swing-bed	530	893
Newborn	168	158
Nursing home	21,690	21,433
Number of Beds		
Hospital	25	25
Nursing home	60	60
Percent of Occupancy		
Hospital (excluding newborn)	8%	7%
Nursing home	99%	98%
Admissions		
Hospital		
Acute	288	244
Skilled	46	65
Extended care	17	10
Nursing home	15	26
Discharges		
Hospital - acute	286	248
Nursing home - acute	15	27
Lab Procedures	78,092	73,660
Radiology Procedures	10,554	8,887
Surgical Procedures	604	623
Emergency Room Visits	1,150	1,076
Cardiac Rehab (Sessions)		
Phase II	349	208
Adult fitness	20,973	20,702
Doppler (IP & OP)	33	-
Holter (IP & OP)	28	-
Other cardiac testing (IP & OP)	138	143

Hegg Memorial Health Center
Statistical and Financial Information
Years Ended June 30, 2011 and 2010

	2011	2010
Home Health Visits		
RN/aide	7,959	8,334
Home	3,050	2,966
Physical Therapy (Sessions)		
Inpatient	727	938
Outpatient	4,982	4,660
Meals		
Hospital	11,425	14,938
Nursing home	66,873	66,611
Laundry Pounds		
Hospital	59,130	57,083
Nursing home	181,605	180,712
Full-Time Equivalent Employees	178	173
Most Frequent Year-End Routine Service Rates		
Hospital		
Routine rooms	\$ 921	\$ 837
Special care unit	1,185	1,185
Nursery	571	554
Nursing home (basic charge)		
Private rooms	\$151 to \$162	\$133 to \$142
Collection Statistics		
Net accounts receivable - patients and residents	\$ 1,593,616	\$ 1,418,659
Number of days net charges outstanding	39	38
Uncollectible accounts (1)	\$ 339,733	\$ 240,575
Percentage of uncollectible accounts to total charges	1.9%	1.5%

(1) Includes collection fees, charity care and provision for bad debts