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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
St Alexius Medical Center

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
900 East Broadway Avenue

City or town, state or country, and ZIP + 4
Bismark, ND 585014520

D Employer identification number
45-0226711

E Telephone number
(701) 530-7000

G Gross receipts $ 270,734,453

F Name and address of principal officer
Gary Miller
900 East Broadway Avenue
Bismark, ND 585014520

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 ▶ 0928

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www st alexius org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1905

M State of legal domicile ND

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Providing Healthcare

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	9
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	2,539
6	Total number of volunteers (estimate if necessary)	**6**	296
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	10,384,337
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	502,924	589,977
	9 Program service revenue (Part VIII, line 2g)	246,267,321	260,619,860
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	567,952	735,935
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	8,393,486	8,788,681
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	255,731,683	270,734,453
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	36,314	390,092
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	100,717,797	106,967,150
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶530,602		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	144,001,746	151,393,712
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	244,755,857	258,750,954
	19 Revenue less expenses Subtract line 18 from line 12	10,975,826	11,983,499

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	211,958,975	250,993,916
	21 Total liabilities (Part X, line 26)	74,459,650	101,111,985
	22 Net assets or fund balances Subtract line 21 from line 20	137,499,325	149,881,931

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

****** | 2012-05-09
Signature of officer | Date

Gary Miller CEO/President
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
KIM C HUNWARDSEN	KIM C HUNWARDSEN	2012-05-09	☐	

Firm's name ▶ EIDE BAILLY LLP — Firm's EIN ▶

Firm's address ▶ 4310 17TH AVE S PO BOX 2545
FARGO, ND 581082545 — Phone no ▶ (701) 239-8500

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III 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

Based on the Gospel values and our own heritage of healing, the mission of St Alexius Medical Center is to use our community presence as a means of touching and healing people in a Christ-like manner, and to always exhibit the hospitality as reflected in the rule of St Benedict "Let all be received as Christ "

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 $ 25,076,957 including grants of $) (Revenue $ 123,800,864)

St Alexius Medical Center began as a 20-bed hospital 125 years ago but has evolved into a 306-bed, full-service, certified Level II Trauma Acute Care Center that provides advanced healthcare services St Alexius served 12,010 inpatients during the fiscal year ended June 30th, 2010 In 2006, St Alexius was recognized as a Magnet Hospital being the first hospital to achieve this distinction To be considered, the hospital must satisfy a set of criteria designed to measure the strength and quality of their nursing, which includes low employee turnover rates, a highly educated nursing staff, optimal nurse-to-patient ratios and high quality of care Studies have shown that patients who are treated in Magnet facilities average a shorter length of stay and a higher rate of satisfaction With over 1,200 births each year, two out of every three babies born in this region are born at St Alexius Medical Center Our family-focused care provides a wide range of services for mother and baby, and our specially trained nurses and physicians are prepared to handle every birthing experience with care St Alexius' 24-bed Level III NICU has served the region for more than 25 years, which is staffed by neonatal nurses, therapists, board-certified neonatologists, a pediatric neurologist and the region's only pediatric cardiologist St Alexius' Heart & Vascular Center provides comprehensive care to patients with cardiovascular, lung, and peripheral artery disease We are comprised of an interventional radiologist, cardiologists, heart and vascular surgeons as well as other highly trained support personnel

4b (Code) (Expenses $ 32,172,736 including grants of $) (Revenue $ 32,091,230)

Specialty Clinics The Clinics of St Alexius is a unique multi-specialty group practice located mainly inside St Alexius Medical Center Over 40 providers in 14 different specialties work together to care for patients Specialists must complete seven or more years of medical school and post-graduate training and then complete fellowships in their chosen specialties All physicians are board eligible or board certified in one or more specialties The providers see approximately 62,000 encounters a year We provide clinic services in many off site satellite clinics and bring specialty services to the region The Clinics of St Alexius include Center for Family Medicine Mandan, Minot Medical Clinic, Infectious Disease, Neonatology, Nephrology, Nephrology, Neurosurgery, Pain, Pediatric Cardiology, Pediatric Neurology, Adult Physical Medicine, Primary Care, Rheumatology, Sleep Medicine, and Urology

4c (Code) (Expenses $ 174,768,286 including grants of $ 390,092) (Revenue $ 102,546,509)

Outpatient 1 St Alexius operates an outpatient family service program called Archway Family Services This program offers sensitive and responsive services for individual, marital and family problems This program is keeping with St Alexius Medical Center's philosophy of being a leader in progressive and quality services to the people of North Dakota Archway services are also provided in Hazen, Garrison and Linton, ND 2 Great Plains Rehabilitation Services is a division of St Alexius Medical Center that provides Home Medical Equipment, Orthotic & Prosthetic, Home Respiratory Care, ADA Environmental, and Rehabilitation Technology services Great Plains provides needed medical equipment and supplies to help individuals lead active and independent lives Great Plains services all of North Dakota, Central and Eastern Montana, and Northern South Dakota OTHER -St Alexius Medical Center served 11,788 inpatients, 110,135 outpatients, 27,588 emergency patients, and 17,712 Home Health Care patients during the fiscal year ended June 30, 2011 -St Alexius Medical Center provided community activities and services at reduced or no cost Those included 1 EMPLOYEE ASSISTANCE - Two hundred fourteen employer contracts servicing 38,841 employees by providing problem assessment, short term counseling and referral to appropriate resources for follow-up care 2 EMPLOYEE ACTIVITIES - In keeping with the Medical Center's commitment to its employees -Actively participated in the United Way fund campaign -Journey Beyond Excellence program with a new rewards and recognition program -Nursing Education Council develops and implements a preceptor reward and recognition program -The vacation donation program assisted employees who used 2,366 75 hours of donated vacation Employees have donated 890 vacation hours -The Employee Emergency Fund is for any St Alexius employee who experiences a crisis or is directly affected by a crisis involving a family member The funds are available to employees who are facing personal tragedies or hardships for reasons such as a loss of a spouse or child, catastrophic illness, loss of home by fire or flood, or other calamities Since its inception, $194,837 has been raised with a total of 165 employee gifts awarded 3 ACUTE CARE FACILITY - St Alexius is a partner with another acute care facility to operate a radiation therapy facility known as The Cancer Center The Cancer Center helps to ensure that patients with cancer receive quality care and management of their disease without having to drive a long distance to receive the same type of care 4 AWARDS/ACCOMPLISHMENTS--St Alexius ranked among the top 5 percent in the nation and #1 in North Dakota for cardiac care The ranking is based on the Tenth Annual HealthGrades Hospital Quality in America Study HealthGrades is the leading healthcare ratings organization Other outcomes from this study -Ranked among the Top 5% in the Nation for Overall Cardiac Services-Ranked among the Top 5% in the Nation for Cardiac Surgery-Ranked among the Top 5% in the Nation for Coronary Interventional Procedures-Ranked among the Top 10% in the Nation for Cardiology Services-Ranked #1 in ND for Cardiac Care, Cardiac Surgery, Cardiology Services and Coronary Interventional Services-Five-Star Rated for Overall Cardiac Care, Cardiac Surgery, Cardiology Services, Coronary Bypass Surgery, Valve Replacement Surgery, Coronary Interventional Procedure, and Treatment for Heart Attack -St Alexius fulfilled the requirements to become North Dakota's first Magnet(TM) Hospital Magnet is considered to be the gold standard in patient care Achieving Magnet designation helps consumers locate health care organizations that have a proven level of excellence in nursing care -Great Plains Rehab Services Orthotics & Prosthetics area received unconditional accreditation for 3 years from The American Board of Certification in Orthotics & Prosthetics Surveyor comments included having the best patient record and performance improvement practices that the surveyor had seen in the industry -St Alexius Medical Center has met the criteria necessary to be designated a Blue Distinction Center for bariatric surgery, knee and hip replacement, and spine surgery This designation means that St Alexius has met or exceeded certain criteria that demonstrate reliability in delivering bariatric surgical care and better overall outcomes for patients

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ $ 232,017,979

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)? *If "Yes," complete Schedule A*	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? *If "Yes," complete Schedule C, Part 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? *If "Yes," complete Schedule C, Part II*	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? *If "Yes," complete Schedule C, Part III*	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? *If "Yes," complete Schedule D, Part 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? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	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? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
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, line10? *If "Yes," complete Schedule D, Part VI.*	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? *If "Yes," complete Schedule D, Part VII.*	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? *If "Yes," complete Schedule D, Part VIII.*	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? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	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)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	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? *If "Yes," complete Schedule F, Parts I and IV*	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 ? *If "Yes," complete Schedule F, Parts II and IV*	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 ? *If "Yes," complete Schedule F, Parts III and IV*	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? *If "Yes," complete Schedule G, Part I (see instructions)*	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? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	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? *If "Yes," complete Schedule I, Parts I and II*	**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? *If "Yes," complete Schedule I, Parts I and III*	**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? *If "Yes," complete Schedule J*	**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? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	**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? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part II*	**26**	Yes	
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? *If "Yes," complete Schedule L, Part III*	**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? *If "Yes," complete Schedule L, Part IV*	**28a**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**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? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**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? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	**35**	Yes	
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)? *If "Yes," complete Schedule R, Part V, line 2* ☑ **Yes** ☐ **No**			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**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? *If "Yes," complete Schedule R, Part VI*	**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	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	250		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	2,539		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	Yes	
	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?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **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?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			14b		

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	1a	15		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	9		
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		No
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	Yes	
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	Yes	

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶

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

☐ Own website ☐ Another's website ☑ 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 ▶

Gary Miller
900 East Broadway Avenue
Bismarck, ND 585014520
(701) 530-7610

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) John Castleberry Chair	3 00	X		X				10,175	0	0
(2) Sr Nancy Miller President	3 00	X		X				0	0	0
(3) Sr Thomas Welder Vice President	3 00	X		X				0	0	0
(4) Sr Gerard Wald Secretary	3 00	X		X				0	0	0
(5) Linda Knodel Sr VP/CNO	40 00				X			0	0	0
(6) Sr Rosanne Zastoupil Treasurer	3 00	X		X				0	0	0
(7) Sr Mariah Dietz Director	3 00	X						0	0	0
(8) Kenneth Ziegler Director	3 00	X						5,600	0	0
(9) Chuck Reichert Director	3 00	X						7,150	0	0
(10) Robert Gayton Director	3 00	X						3,275	0	0
(11) Vernon Dosch Director	3 00	X						4,250	0	0
(12) Nicholas Neumann MD Director	3 00	X						3,800	0	0
(13) John Giese Director	3 00	X						4,525	0	0
(14) Ernest Godfread Director	3 00	X						3,950	0	0
(15) Ben Roller Director	3 00	X						0	0	0
(16) Gary Miller President/CEO	50 00	X		X				283,884	0	14,182

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

(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			
(17) Andrew Wilson through Jan 2011 President/CEO	50 00	X		X				593,093	0	22,828
(18) Frank Kilzer VP Material & Facility Res	40 00				X			189,808	0	23,296
(19) Wanda Pfaff VP Human Resources	40 00				X			208,217	0	25,148
(20) Duwayne Schlittenhard VP Professional Services	40 00				X			217,971	0	16,279
(21) Dr Syed Hyder VP Medical Affairs	40 00				X			457,269	0	27,828
(22) Rosanne Schmidt VP/CNO	40 00				X			228,715	0	24,630
(23) Kurt Waldbillig VP Physician Services & Ou	40 00				X			162,720	0	21,811
(24) Brent Herbel Interventional Radiologist	40 00					X		738,232	0	22,828
(25) Eric Belanger Neurosurgeon	40 00					X		1,481,566	0	22,423
(26) Steven Kraljic Neurosurgeon	40 00					X		1,419,864	0	22,828
(27) Leslie Rainwater Urologist	40 00					X		773,075	0	23,728
(28) John Windsor Interventional Cardiologist	40 00					X		892,786	0	22,828
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								7,689,925	0	290,637

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 ▶ 156

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

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
Bismarck Radiology Associates 810 E Rosser Ave Ste 201 Bismarck, ND 58501	Radiology Services	5,905,342
Northern Plains Laboratory LLC PO Box 2036 Bismarck, ND 58502	Pathology Services	3,539,161
DMS Health Technologies PO Box 86 Minneapolis, MN 554862208	Radiology Services	761,398
Dell Marketing PO Box 802816 Chicago, IL 606802816	Computer Services	459,273
Mayo Collaborative Services PO Box 9146 Minneapolis, MN 554809146	Laboratory Services	346,696

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 ▶ 16

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) 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					
	d Related organizations . . . 1d					
	e Government grants (contributions) 1e					
	f All other contributions, gifts, grants, and similar amounts not included above 1f	589,977				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		589,977			
Program Service Revenue		Business Code				
	2a Patient service revenu	541900	251,336,253	249,154,996	2,181,257	
	b Other revenue	900099	7,977,446	7,977,446		
	c Cafeteria	900099	1,143,986	1,143,986		
	d Health and Education	900099	162,175	162,175		
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		260,619,860			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		372,227			372,227
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real	(ii) Personal			
	6a Gross Rents	585,601				
	b Less rental expenses					
	c Rental income or (loss)	585,601				
	d Net rental income or (loss) . . . . . ▶		585,601			585,601
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	361,312	2,396			
	b Less cost or other basis and sales expenses					
	c Gain or (loss)	361,312	2,396			
	d Net gain or (loss) . . . . . ▶		363,708			363,708
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a					
	b Less direct expenses . . . b					
	c Net income or (loss) from fundraising events . . ▶					
	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 Community pharmacy	446110	5,909,430		5,909,430	
	b Northern plains lab	621500	1,121,032		1,121,032	
	c Outside lab	621500	796,160		796,160	
	d All other revenue		376,458		376,458	
	e **Total.** Add lines 11a–11d . . . . . ▶		8,203,080			
	12 **Total revenue.** See Instructions . . . ▶		270,734,453	258,438,603	10,384,337	1,321,536

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	390,092	390,092		
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	2,755,198		2,755,198	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	81,868,406	70,758,261	10,948,745	161,400
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,483,184	2,968,603	508,329	6,252
9	Other employee benefits	12,000,919	10,112,129	1,866,306	22,484
10	Payroll taxes	6,859,443	5,941,041	907,785	10,617
a	Fees for services (non-employees) Management				
b	Legal	152,136		152,136	
c	Accounting	63,571		63,571	
d	Lobbying				
e	Professional fundraising services *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	35,302,356	34,646,190	656,166	
12	Advertising and promotion				
13	Office expenses	23,732,013	16,494,307	6,909,844	327,862
14	Information technology				
15	Royalties . .				
16	Occupancy	2,716,048	2,290,078	425,970	
17	Travel	941,469	816,237	123,740	1,492
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	2,523,300	2,523,300		
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	14,621,718	14,536,626	85,092	
23	Insurance	1,064,798	1,056,301	8,497	
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	Medical Supplies	40,028,954	40,028,954		
b	Pharmacy	17,340,764	17,340,764		
c	Bad debt	8,003,428	8,003,428		
d	Equipment Rental/Mainte	4,903,157	4,111,668	790,994	495
e					
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	258,750,954	232,017,979	26,202,373	530,602
26	**Joint costs.** Check here ▶ ☐ 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) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		19,918,885	2	25,299,376
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		36,895,675	4	38,833,918
	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		301,511	7	433,540
	8	Inventories for sale or use		3,593,378	8	4,026,051
	9	Prepaid expenses and deferred charges		1,809,174	9	1,239,404
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 298,918,022			
	b	Less accumulated depreciation	10b 168,658,412	103,744,517	10c	130,259,610
	11	Investments—publicly traded securities		28,084,236	11	35,325,650
	12	Investments—other securities See Part IV, line 11		15,765,845	12	14,533,098
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		1,845,754	15	1,043,269
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		211,958,975	16	250,993,916
Liabilities	17	Accounts payable and accrued expenses		24,524,819	17	33,967,090
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		42,242,200	20	54,104,428
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	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		2,824,986	23	7,326,532
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		4,867,645	25	5,713,935
	26	**Total liabilities.** Add lines 17 through 25		74,459,650	26	101,111,985
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		136,272,278	27	148,430,719
	28	Temporarily restricted net assets		1,227,047	28	1,451,212
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ 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		137,499,325	33	149,881,931
	34	Total liabilities and net assets/fund balances		211,958,975	34	250,993,916

Part XI Reconcilliation 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	270,734,453
2	Total expenses (must equal Part IX, column (A), line 25)	2	258,750,954
3	Revenue less expenses Subtract line 2 from line 1	3	11,983,499
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	137,499,325
5	Other changes in net assets or fund balances (explain in Schedule O)	5	399,107
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	149,881,931

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 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	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	2c	Yes	
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 ☐ Separate basis ☑ Consolidated basis ☐ 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?	3a		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 . .	3b		

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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
St Alexius Medical Center

Employer identification number
45-0226711

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?

	Yes	No
(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? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

(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? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support
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 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 section501(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).

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

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

Name of the organization
St Alexius Medical Center

Employer identification number
45-0226711

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? ☐ Yes ☐ No

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 ☐ Yes ☐ No

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)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

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? ☐ Yes ☐ No

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)? ☐ Yes ☐ No

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

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ 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	3,419,691	3,228,718	3,007,949		
b Contributions	448,744	347,995	415,278		
c Investment earnings or losses	93,749	50,166	-7,070		
d Grants or scholarships					
e Other expenditures for facilities and programs	305,526	202,661	176,999		
f Administrative expenses	17,090	4,526	10,440		
g End of year balance	3,639,568	3,419,692	3,228,718		

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶ 100 000 %
- b Permanent endowment ▶
- c Term endowment ▶

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

		Yes	No
(i) unrelated organizations	3a(i)		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		34,150,778		34,150,778
b Buildings		158,941,353	91,734,341	67,207,012
c Leasehold improvements				
d Equipment		102,196,584	74,366,037	27,830,547
e Other		3,629,307	2,558,034	1,071,273
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				130,259,610

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other See Additional Data Table		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	14,533,098	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Capital lease obligations	5,713,935
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	5,713,935

2. FIN 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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	270,734,453
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	258,750,954
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	11,983,499
4	Net unrealized gains (losses) on investments	4	367,867
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	31,240
9	Total adjustments (net) Add lines 4 - 8	9	399,107
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	12,382,606

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	253,632,935
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	367,867		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-4,901,556		
e	Add lines **2a** through **2d**			2e	-4,533,689
3	Subtract line **2e** from line **1**			3	258,166,624
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	12,567,829		
c	Add lines **4a** and **4b**			4c	12,567,829
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	270,734,453

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	241,563,894
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	241,563,894
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	17,187,060		
c	Add lines **4a** and **4b**			4c	17,187,060
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	258,750,954

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
Description of Intended Use of Endowment Funds	Part V, Line 4	The endowment is utilized to provide funding to continue to enhance patient care at St Alexius Medical Center set forth in our mission, "Let all be received as Christ "
Description of Uncertain Tax Positions Under FIN 48	Part X	St Alexius undergoes an annual analysis of its various tax positions, assessing the likelihood of those positions being upheld upon examination with relevant tax authorities, as defined by the accounting principles generally accepted in the United States of America St Alexius believes that it is compliant with all IRS tax regulations, and as of June 30, 2011 has not recorded a tax liability for a tax uncertainty St Alexius would recognize future accrued interest and penalties related to unrecognized liabilities in income tax expense if such interest and penalties are incurred Under normal circumstances, St Alexius is no longer subject to federal tax examinations by tax authorities for years before 2008
Part XI, Line 8 - Other Adjustments		Fair Value of Interest Rate Swap 31,243 Rounding -3
Part XII, Line 2d - Other Adjustments		Income from subsidiary included in revenue for financial statements -4,601,556 Grant Expense included in income for financials statements -300,000
Part XII, Line 4b - Other Adjustments		Temporily restricted contributions 224,167 Revenues of Disregarded Entity-St Alexius Heart and Lung 12,285,504 Contribution of Long-Lived Assets 58,158
Part XIII, Line 4b - Other Adjustments		Expenses of Disregarded Entity-St Alexius Heart and Lung 16,887,060 Grant Expense included in income for financials statements 300,000

Additional Data

Software ID:
Software Version:
EIN: 45-0226711
Name: St Alexius Medical Center

Form 990, Schedule D, Part VII - Investments— Other Securities

(a) Description of security or cateory (including name of security)	**(b)**Book value	**(c)** Method of valuation Cost or end-of-year market value
Cancer Center	3,797,791	C
Cancer Center Foundation	115,844	C
Cash and Cash Equivalents	1,658,710	C
Central Dakota Laundry Coop	-9,751	C
NCHCA - Primecare	21,563	C
Northern Plains Lab	3,173,945	C
Real Estate and Specialty Assets	207,893	C
SA Health Services, Inc	1,263	C
Under Bond Indenture Agreements	5,488,318	C
West River Coop	77,522	C

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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
St Alexius Medical Center

Employer identification number
45-0226711

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 .	1a	Yes	
b	If "Yes," is it a written policy?	1b	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 ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual 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 *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☑ 200% ☐ Other ____ %	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other ____ %	3b	Yes	
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			
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"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	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 eligibile for free or discounted care?	5c		No
6a	Does the organization prepare a community benefit report during the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

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)			1,769,808		1,769,808	0 710 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			10,899,174	8,766,678	2,132,496	0 850 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			12,668,982	8,766,678	3,902,304	1 560 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			177,276		177,276	0 070 %
f Health professions education (from Worksheet 5)			446,827		446,827	0 180 %
g Subsidized health services (from Worksheet 6)			54,158,358	42,119,770	12,038,588	4 800 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			390,092		390,092	0 160 %
j **Total** Other Benefits			55,172,553	42,119,770	13,052,783	5 210 %
k **Total.** Add lines 7d and 7j			67,841,535	50,886,448	16,955,087	6 770 %

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						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**						

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 2,558,160			
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 3 306,979			
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	71,790,208
6	Enter Medicare allowable costs of care relating to payments on line 5	6	69,715,837
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	2,074,371
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		

☐ Cost accounting system ☐ Cost to charge ratio ☑ 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	Yes	

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	1 Northern Plains Lab	Labratory Services	50 000 %		50 000 %
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 2

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	St Alexius Medical Center 900 East Broadway Bismarck, ND 585065510	X	X		X			X		
8	Community Memorial Hospital 220 5th Ave Turtle Lake, ND 58575	X	X			X				

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: Not Required

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8		
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	9		
If "Yes," indicate the FPG family income limit for eligibility for free care __%			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10		
If "Yes," indicate the FPG family income limit for eligibility for discounted care __%			
11 Explained the basis for calculating amounts charged to patients?	11		
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☐ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	12		
13 Included measures to publicize the policy within the community served by the hospital facility?	13		
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☐ The policy was available upon request			
g ☐ Other (describe in Part VI)			

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14		
15 Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
16 Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year?	16		
If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
17 Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☐ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**		
If "No," indicate the reasons why (check all that apply)			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility did not have a policy relating to emergency medical care			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a ☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b ☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c ☐ The hospital facility used the Medicare rate for those services			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**		
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: Not Required

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 2

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8		
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	9		
If "Yes," indicate the FPG family income limit for eligibility for free care __%			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10		
If "Yes," indicate the FPG family income limit for eligibility for discounted care __%			
11 Explained the basis for calculating amounts charged to patients?	11		
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☐ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	12		
13 Included measures to publicize the policy within the community served by the hospital facility?	13		
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☐ The policy was available upon request			
g ☐ Other (describe in Part VI)			

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14		
15 Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
16 Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year?	16		
If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other (describe in Part VI)			
17 Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☐ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**		
If "No," indicate the reasons why (check all that apply)			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility did not have a policy relating to emergency medical care			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a ☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b ☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c ☐ The hospital facility used the Medicare rate for those services			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?	**21**		
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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? **6**

	Name and address	Type of Facility (Describe)
1	St Alexius Mandan Clinic 403 Burlington Street SE Mandan, ND 58554	Family Medicine Clinic
2	St Alexius Mandan Clinic 403 Burlington Street SE Mandan, ND 58554	Family Medicine Clinic
3	St Alexius Mandan Clinic 403 Burlington Street SE Mandan, ND 58554	Family Medicine Clinic
4	St Alexius Mandan Clinic 403 Burlington Street SE Mandan, ND 58554	Family Medicine Clinic
5	St Alexius Mandan Clinic 403 Burlington Street SE Mandan, ND 58554	Family Medicine Clinic
6	St Alexius Mandan Clinic 403 Burlington Street SE Mandan, ND 58554	Family Medicine Clinic
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, 6i, 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 7 The charity care included in Part I, Line 7a is based on the cost to charge ratio using Worksheet 1 The unreimbursed Medicaid in Part I, Line 7b is based on gross charges and claims from the Medicaid cost report The community health services, education and contributions in Part I, Lines 7e and f are based on actual expenses The subsidized health services in Part I, Line 7g are based on estimated costs from the internal cost accounting general ledger systems

Identifier	ReturnReference	Explanation
		Part I, Line 7g Subsidized health services includes $52,757,290 in costs attributable to physician clinics In addition, line 7g also includes $15,697 of costs that were associated with emergency ambulance and air medical services that were provided to patients with the understanding they would not be able to pay for these services The Hospital identified four patients in the fiscal year that required transfers, of which the associated costs were directly recorded in their general and administrative ledger accounts and not billed to the patients

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) The amount of bad debt expense removed from the denominator of the calculation on Part 1, Line 7, column f was $8,003,428

Identifier	ReturnReference	Explanation
		Part III, Line 4 Footnote to the organization's financial statements that describes bad debt expense The carrying amount of patient and resident receivables is reduced by a valuation allowance that reflects management's 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 The bad debt expense was converted to cost using the cost to charge ratio calculated using Worksheet 2 The estimated amount of the organization's bad debt expense that is attributable to patients eligible under the organization's charity care policy is approximately $306,979 This was based off the most recent community needs assessment reported in March 2011, which indicated that 12% of the population is below the Federal Poverty Guidelines The 12% was applied to the amount of bad debt expense at cost Discounts and payments on accounts are applied directly to the principal of the account The Hospital does not charge interest or fees related to the use of a collection agency to collect these payments

Identifier	ReturnReference	Explanation
		Part III, Line 8 Medicare allowable cost is based on the Medicare cost report The Medicare cost report is completed based on the rules & regulations set forth by CMS

Identifier	ReturnReference	Explanation
		Part III, Line 9b Any individual who indicates the financial inability to pay a bill for a medically necessary service shall be evaluated for Charity Care assistance The Financial Counselor along with the Social Work Department staff attempt to identify all inpatients prior to discharge and begin the discussion of available programs including, but not limited to, the charity care program Determination of eligibility should be made prior to discharge or as close to the date of service as possible However, retroactive determinations are also eligible The Customer Service staff in Patient Financial Services discusses Charity Care options with patients after services are rendered, usually, after the patient has received their first statement and provided the necessary documentation A patient's employment status and earning capacity is taken into consideration when evaluating a Charity Care request The Charity Care application for a patient that is unemployed at the time of the application but is expected to return to work will be placed on hold for a short time period Students, with less than two years remaining until graduation, will not be considered for Charity Care Students, with more than two years to graduation, will be considered for deferment of payment or allowed to make minimal payments until graduation Documented outstanding bills and expenses may be considered when the income is above the poverty guidelines Reasonable efforts are taken for patients qualifying under financial assistance policy before turning over the account to a third party collector

Identifier	ReturnReference	Explanation
		Part VI, Line 2 The Organization is in the process of assessing the health needs of the community through feedback from the physicians and from patients The University of Mary, N D Department of Health, Centers for Disease Control & Prevention, John Goodman & Associates Study, and Minot Feasibility Study are together working on a community assessment for St Alexius Medical Center The results were presented to the Community Benefit Committee in March 2011 St Alexius is planning to finalize the community health needs assessment prior to June 30, 2012

Identifier	ReturnReference	Explanation
		Part VI, Line 3 Charity care is currently not posted but we are looking at changing this policy Currently patients are contacted through pre-admissions and they meet with patient financial staff that go through information prior to procedures Patient Financial Services also works with patients that need assistance with their billings

Identifier	ReturnReference	Explanation
		Part VI, Line 4 St Alexius provides outreach services across its service area of central and western North Dakota St Alexius operates the Garrison Memorial Hospital in Garrison, North Dakota and manages the Community Memorial Hospital in Turtle Lake St Alexius owns and operates clinics in Mandan, Minot, Garrison, and Washburn North Dakota's population is 672,591 of which 61,272 reside in the city of Bismarck The population is 90 0% white, 5 4% Native American, and the remaining 4 6% being African American, Asian, and Hispanic By the year 2020, 45 of the 53 counties will have more than 22% of their population age 65 or older From 2000-2005 our state had a 15% decrease in the number of youth and a 13 8% increase in the minority population which was primarily Native American Reservations North Dakota has 12% of their population living in poverty The leading causes of death in Burleigh county ranked in order are Diseases of the Heart, Alzheimers, Respiratory Cancer, Accidental, Cerebrovascular Disease, COPD, Diabetes, Breast Cancer, and Colorectal Cancer Health related behaviors influence cardiovascular diseases such as smoking, physical inactivity, poor nutrition, and unhealthy weight status Hypertension is a chronic disease associated with aging that has a high risk factor for heart disease and stroke In North Dakota, 26% adults have high blood pressure North Dakota adults are a part of the national trend towards increased obesity 63% of the adults here have an unhealthy weight/BMI Some of the health screenings that St Alexius is conducting throughout the service region are vascular, wellness, memory, sleep apnea, and chronic obstructive pulmonary disease Those individuals that are being screened at no or minimal cost are being alerted of health risks that might go undetected Through screenings, it is our hope that these individuals seek further treatment and are empowered to make healthier lifestyle choices

Identifier	ReturnReference	Explanation
		Part VI, Line 6 The governing body is comprised of people in the community who are knowledgeable to advise the organization and are compensated for their expertise and time (see Part VII of Form 990) The organization extends medical staff privileges to Primecare physicians The organization applies surplus funds, if available, to their reinvestment in equipment and facilities to improve patient care The Hospital provides serveral services at reduced or no costs Those included are as follows 1 INTERACTIVE NETWORK - Consists of twenty five communities located in Montana, South and North Dakota covering 70,000 square miles are serviced by the St Alexius Medical Center network INTERACTIVE NETWORK provides electrocardiogram management, interactive cardiac management, remote cardiac monitoring, electroencephalogram monitoring, fetal monitoring, biomedical services, dialysis and infant pneumocardiograms to patients in western and central North Dakota These services might not be provided if not for the Hospital servicing these areas 2 OTHER ACTIVITES INCLUDED ON PART 1, LINE 7E - In keeping with the Hospital's commitment to serve all members of its community St Alexius Medical Center -participated in health fairs-provided patient educational materials and classes-provided patient support groups for different diseases-conducted health screenings-sponsored "Wellness" type programs ranging from Lamaze instruction and parenting to babysitting to diet and weight control to social issues -maintained a tumor registry-operated a Hospice Program-has telemedicine capabilities set-up in several rural communities-provides PAC's (radiology) services and radiology reading to many rural communities 3 OTHER ACTIVITES INCLUDED ON PART 1, LINE 7E - Standing Rock Sioux Indian Reservation network of services with emphasis focused on improving the quality of care in the area of maternal and child nursing and mental health with a goal to reduce infant mortality The program consists of support from a OB trained physician to provide prenatal and ongoing care in the Fort Yates community Also in that community a bi-monthly newsletter that addresses the following topics -Pregnancy and prenatal care-Labor and delivery-Infant nutrition-Teen pregnancy-Self esteem-Suicide prevention-Drug and alcohol abuse 4 St Alexius manages a non-profit critical access hospital in Turtle Lake North Dakota St Alexius offers administrative expertise and purchasing economies that it passes on to this facility This allows the facility to continue to provide health care services and operate more efficiently Turtle Lake also provides primary care providers to clinics in McClusky and Washburn, ND 5 St Alexius manages a non-profit critical access hospital in Garrison North Dakota Garrison Memorial Hospital operates a 22 bed acute care hospital and a 26 bed skilled nursing facility They also operate a 24 hour, Level IV Certified Emergency Room 6 St Alexius operates a Telemedicine network, known as The Telecare Network It is a service St Alexius Medical Center and affiliated physicians offer in cooperation with 27 healthcare providers throughout the Dakotas The service features telemedicine consultations between rural physicians and specialists in Bismarck using real time video and audio telepresence equipment Consultations of both urgent and routine nature are available 7 St Alexius provides support to other rural communities like Hettinger, North Dakota to help maintain needed primary care physician coverage in rural communities

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

Name of the organization
St Alexius Medical Center

Employer identification number
45-0226711

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
(1) ND-SD Medical Transport8295 7th Avenue SE Linton, ND 58552	27-2849014	501(c)(3)	25,000				Support Angel Air Care Helicopter EMS Program
(2) University of Mary7500 University Drive Bismarck, ND 58504	45-0273403	501(c)(3)	15,000				Support for Institute for Culture and Public Service
(3) Sakakawea Medical Center510 8th Ave NE Hazen, ND 58545	45-0308379	501(c)(3)	37,500				Outreach Care Grant
(4) West River Regional 1000 Highway 12 Hettinger, ND 58639	45-0340688	501(c)(3)	300,000				Rural Healthcare Support Grant

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 4

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 St Alexius makes donations to entities with charitable missions to ensure that our donations are used for the purposes intended

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
St Alexius Medical Center

Employer identification number
45-0226711

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate 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			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☑ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
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?	**2**	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			
	☑ Compensation committee	☐ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☑ Form 990 of other organizations	☑ Approval by the board or compensation committee		
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?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		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?	**5a**		No
b	Any related organization?	**5b**		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?	**6a**	Yes	
b	Any related organization?	**6b**		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	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured 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	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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) Gary Miller	(i)	219,127	64,757	0	9,338	9,190	302,412	0
	(ii)	0	0	0	0	0	0	0
(2) Andrew Wilson through Jan 2011	(i)	447,065	146,028	0	9,800	20,800	623,693	0
	(ii)	0	0	0	0	0	0	0
(3) Frank Kilzer	(i)	145,711	44,097	0	7,682	19,701	217,191	0
	(ii)	0	0	0	0	0	0	0
(4) Wanda Pfaff	(i)	160,701	47,516	0	8,184	22,645	239,046	0
	(ii)	0	0	0	0	0	0	0
(5) Duwayne Schlittenhard	(i)	167,717	50,254	0	8,721	12,012	238,704	0
	(ii)	0	0	0	0	0	0	0
(6) Dr Syed Hyder	(i)	350,927	106,342	0	9,800	26,751	493,820	0
	(ii)	0	0	0	0	0	0	0
(7) Rosanne Schmidt	(i)	182,334	46,381	0	9,296	21,368	259,379	0
	(ii)	0	0	0	0	0	0	0
(8) Kurt Waldbillig	(i)	124,452	38,268	0	6,687	16,039	185,446	0
	(ii)	0	0	0	0	0	0	0
(9) Brent Herbel	(i)	738,232	0	0	9,800	15,132	763,164	0
	(ii)	0	0	0	0	0	0	0
(10) Eric Belanger	(i)	1,196,728	284,838	0	9,800	14,728	1,506,094	0
	(ii)	0	0	0	0	0	0	0
(11) Steven Kraljic	(i)	898,506	498,300	23,058	9,800	15,132	1,444,796	0
	(ii)	0	0	0	0	0	0	0
(12) Leslie Rainwater	(i)	423,020	350,055	0	9,800	16,032	798,907	0
	(ii)	0	0	0	0	0	0	0
(13) John Windsor	(i)	671,171	221,615	0	9,800	15,132	917,718	0
	(ii)	0	0	0	0	0	0	0
(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	President/CEO is allowed up to annual maximum executive benefit allowance of $10,000 for expenses incurred for airline, club memberships, wellness/fitness programs, financial planning and tax preparation services, membership in community club, and cell phone and wireless connectivity The amount of benefit used is included in taxable income
	Part I, Line 4a	A severance package in the amount of $235,149 was paid to Andrew Wilson, CEO through January 2011
	Part I, Line 6	At the beginning of each fiscal year, the Compensation Committee establishes a financial threshold which must be met before any awards are paid and establishes guidelines defining the size of any awards available to participants At the end of the plan year, the Committee decides whether to make any awards to participants and how large any award shall be, in accordance with the guidelines established at the beginning of the plan year Incentive compensation is earned as a percent of base salary Base salary is defined as the annualized rate of pay (summation of monthly base salary for the plan year)

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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
St Alexius Medical Center

Employer identification number
45-0226711

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	Burleigh County	45-6002204		11-15-2005	3,059,378	2005-Hospital Equipment		X		X		X
B	Burleigh County	45-6002204		04-15-2009	9,160,311	2009-Remodeling, Renovation and Expansion of Medical Center		X		X		X
C	City of Garrison	45-6002076		12-20-2007	3,200,000	2007-Improvements to the Infrastructor Relating to Energy Management		X		X		X
D	City of Bismarck	45-6002036		12-01-1998	24,563,857	1998-Building & Capital Equipment, Refund Prior Bonds		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	3,059,378	9,160,311	3,200,000	24,563,857
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow	4,753,093			4,753,093
7	Issuance costs from proceeds	59,378	173,311		670,200
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	3,000,000	8,987,000	3,200,000	19,140,564
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2006	2010	2008	1999

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X		X	X	
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		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		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		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		X		X
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X		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		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 ▶	0 %		0 %		0 %		0 %	
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 ▶	0 %		0 %		0 %		0 %	
6	Total of lines 4 and 5	0 %		0 %		0 %		0 %	
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		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		X	X	
2	Is the bond issue a variable rate issue?		X		X		X		X
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X	X			X
b	Name of provider	US Bank NA				US Bank NA			
c	Term of hedge	10 000000000000				10 000000000000			
d	Was the hedge superintegrated?		X				X		
e	Was a hedge terminated?		X				X		
4a	Were gross proceeds invested in a GIC?		X		X		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		X		X
6	Did the bond issue qualify for an exception to rebate?		X		X		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

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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
St Alexius Medical Center

Employer identification number
45-0226711

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	Burleigh County	45-6002204		05-27-2010	8,156,220	Building Construction		X		X		X
B	Burleigh County	45-6002204		11-16-2010	6,119,852	Building Construction		X		X		X
C	Burleigh County	45-6002204		03-31-2011	8,159,645	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	8,156,220	6,119,852	8,159,645									
4	Gross proceeds in reserve funds												
5	Capitalized interest from proceeds												
6	Proceeds in refunding escrow												
7	Issuance costs from proceeds	156,220	119,852	157,645									
8	Credit enhancement from proceeds												
9	Working capital expenditures from proceeds												
10	Capital expenditures from proceeds	8,000,000	6,000,000	8,000,000									
11	Other spent proceeds												
12	Other unspent proceeds												
13	Year of substantial completion	2010	2011	2011									
		Yes	No	Yes	No	Yes	No	Yes	No				
14	Were the bonds issued as part of a current refunding issue?		X		X		X						
15	Were the bonds issued as part of an advance refunding issue?		X		X		X						
16	Has the final allocation of proceeds been made?	X		X			X						
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		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		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		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		X		
b	Are there any research agreements that may result in private business use of bond-financed property?		X		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		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 ▶	0 %		0 %		0 %			
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 ▶	0 %		0 %		0 %			
6	Total of lines 4 and 5	0 %		0 %		0 %			
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		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		X		
2	Is the bond issue a variable rate issue?		X		X		X		
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		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		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		X		
6	Did the bond issue qualify for an exception to rebate?		X		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

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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
St Alexius Medical Center

Employer identification number
45-0226711

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	(c) Corrected? 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? To	(b) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? No
(1) Steve Kraljic Promissory Note		X	108,000	1,800		No	Yes		Yes	
(2) John Windsor Promissory Note		X	250,000	244,000		No	Yes		Yes	
Total . . . . . ▶ $				245,800						

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
See Additional Data Table					

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 45-0226711
Name: St Alexius Medical Center

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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**
Blue Cross Blue Shield	Gary Miller BCBS board member	1,429,156	Insurance services		No
Wells Fargo	John Giese is Wells Fargo CEO	234,877	Banking and insurance services		No
Lynn Dosch	Spouse of Board Member	11,904	Employee		No
Martha Reichert	Daughter of Board Member	37,141	Employee		No
David Gayton	Brother of Board Member	366,898	Employee		No
Jacqueline Castleberry Miller	Daughter of Board Member	15,520	Employee		No
Kari Emery	Daughter of Board Member	43,208	Employee		No

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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
St Alexius Medical Center

Employer identification number
45-0226711

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		Members The corporation shall have one class of members, which shall consist of members of the monastic community known as the Benedictine Sisters of the Annunciation, BMV, who have made their perpetual monastic profession and who have been elected to or appointed to the Sponsorship Group of the Benedictine Sisters of the Annunciation, BMV

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		Joint Powers of Members and Board of Directors The following powers shall be reserved jointly to the members of the corporation and the board of directors 1 Approve a new candidate appointed to serve as President/Chief Executive Officer of the corporation 2 Approve any person to be elected to serve on the board of directors 3 Remove any director if this action is indicated The power of the board of directors to act on any of these matters is subject to the requirement that the members of the corporation shall approve such action prior to the submission of the matter to a vote of the board of directors

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		Powers Reserved to Members Exercise of the following powers shall be reserved exclusively to the members of the corporation to 1 Change the sponsorship, reserved powers or mission of the corporation as an institution founded on Gospel values, the Benedictine heritage of healing and the healing ministry of Jesus 2 Make any major policy change on ethical issues 3 Authorize the sale or encumbrance of all or substantially all of the assets or property of the corporation 4 Merge, liquidate or dissolve the corporation 5 Change the name of the corporation 6 Change or amend the structure of the board of directors of the corporation 7 Amend, alter or repeal the articles of incorporation and/or the bylaws of the corporation 8 Approve or disapprove a proposed course of action which could reasonably be anticipated to adversely affect the sponsorship or mission of the corporation as an institution founded on Gospel values, the Benedictine heritage of healing and the healing ministry of Jesus

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 8b		There are no committees with the authority to act on behalf of the board of directors

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		Internal staff will present to the audit and compliance committee and that committee recommends approval to the board A draft is presented at a board meeting

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	Annually all employees are asked conflict of interest questions at evaluation time Employees are responsible for disclosing potential conflicts of interest by completing a disclosure form Each year the compliance officer initiates a review of all conflicts of interests within the medical center The following annually complete a disclosure form board members, President/CEO, Vice Presidents, Directors/Managers, other employees with significant decision making authority or who are in a position to influence decisions The forms are reviewed by the compliance officer and if a conflict is "new" or requires review, the CEO and the Audit & Compliance Committee discuss the conflict and determine appropriate course of action

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	Compensation is reviewed annually by an independent group using comparability data and recommendations are presented to the President/CEO and/or Board of Directors for approval

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	An annual report is available to the public that includes financial statements

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized gains on investments 367,867 Fair Value of Interest Rate Swap 31,243 Rounding -3 Total to Form 990, Part XI, Line 5 399,107

Identifier	Return Reference	Explanation
Statement of Program Service Accomplishment Continuance	Form 990, Part III	-The St Alexius Medical Center Rehabilitation Center has been accredited from the Commission on Accreditation of Rehabilitation Facilities (CARF) This accreditation represents the highest level of accreditation that can be awarded to an organization and shows the organization's substantial conformance to the standards established by CARF -St Alexius was awarded the 100 Top Hospital Cardiovascular Benchmarks for Success Study, 9th Edition per Thomson Healthcare Thomson Healthcare developed the 100 Top Cardiovascular Hospitals' study to identify high-performing cardiovascular hospitals nationally and to set performance targets for improving clinical outcomes and management of the high-risk, high-cost cardiovascular service line To qualify, hospitals must achieve high scores across eight equally weighted performance criteria that reflect clinical processes and outcomes, volume, efficiency and cost -St Alexius received a health care quality award for our own overall performance on the Centers for Medicare & Medicaid Services quality measures The award is based on the hospital's performance and degree of improvement on the quality measures for the treatment of acute myocardial infarction, heart failure, pneumonia, and surgical care This award is a reflection of the commitment we have made to provide quality health care to the patients we serve -One of our Emergency Room physicians earned the Best Doctor in America award The Best Doctors in America database is the result of a survey of more than 40,000 physicians in the United States Only those doctors recognized to be in the top 3-5% of their specialty earn the honor of being named one of the Best Doctors in America The only way to be recognized as one of the best Doctors in America is for a doctor to earn high marks for clinical ability from his or her peers -St Alexius was the first in western ND to offer non-surgical treatment of atrial septal defect (ASD) ASD is a hole between the two upper chambers of the heart and is most commonly diagnosed in infants and children If the defect is large and doesn't close patients may be more susceptible to colds, pneumonia and other infectious diseases Left untreated, ASD can lead to heart arrhythmias, heart failure, high blood pressure, stroke and even death Traditionally, the only treatment for ASD was open heart surgery With the AMPLATZER device, it allows a less invasive, non-surgical approach to treat our patients with ASD By using this device, most patients leave the hospital within 24 hours and resume normal activity soon thereafter -The Noninvasive Cardiovascular Lab has accreditation in the area of Extracranial Cerebrovascular Testing and Peripheral Venous Testing by the Intersocietal Commission for the Accreditation of Vascular Laboratories -St Alexius has been awarded an accreditation by the Commission on Laboratory Accreditation of the College of American Pathologists (CAP) The CAP accreditation program is recognized by the federal government as being equal to or more stringent than the government's own inspection program The inspectors examine the laboratory's records and quality control of procedures for the preceding two years This stringent inspection program is designed to specifically ensure the highest standard of care for the laboratory's patients -St Alexius performed our first carotid stent procedure utilizing the current FDA approved Embolic Protection System This procedure provides a minimally invasive treatment alternative to conventional open carotid artery surgery to patients who are at high surgical risk The embolic protection system is designed to capture and remove particles of plaque that might be dislodged during the procedure, which could potentially lead to stroke and other complications -St Alexius was only one of fourteen hospitals in the entire United States to gain an award for Patient Safety, Patient Quality and Patient satisfaction from the HealthGrades Rating organization -St Alexius provides and supports an inpatient Psychiatric Unit and a Partial Psych outpatient unit -St Alexius was recently named a Top 50 Hospital by Becker's Hospital Review

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SCHEDULE R (Form 990)

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.

Department of the Treasury
Internal Revenue Service

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
St Alexius Medical Center

Employer identification number
45-0226711

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
(1) St Alexius Heart & Lung Clinic LLC 900 East Broadway Avenue Bismarck, ND 58501 86-1123162	Specialty Clinic-Cardiology, etc	ND	-4,601,556	2,279,472	N/A

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
(1) Garrison Memorial Hospital 407 3rd Ave SE Garrison, ND 58540 45-0227752	Hospital	ND	501(c)(3)	3	Benedictine Sisters of the Annunciation BMV		No
(2) Benedictine Sisters of the Annunciation BMV 7520 University Drive BISMARCK, ND 58504 45-0261530	Religious Purposes	ND	501(c)(3)	1	N/A		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) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) Northern Plains Lab 401 N 9 St Bismarck, ND585014507 84-1641341	Lab Operation	ND	N/A	Unrelated	1,054,268	3,327,513		No		Yes		50 000 %

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
(1) Central Dakota Hospital Laundry Inc 1300 Industrial Dr Bismarck, ND58501 45-0317366	Hospital Laundry	ND	N/A	C	14,685	738,654	50 000 %
(2) St Alexius Health Services Inc 900 East Broadway Ave Bismarck, ND58501 45-0402817	General Business Purpose	ND	N/A	C		1,263	100 000 %

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

		Yes	No
1 During the tax year, did the orgranization 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	1a		No
b Gift, grant, or capital contribution to other organization(s)	1b		No
c Gift, grant, or capital contribution from other organization(s)	1c		No
d Loans or loan guarantees to or for other organization(s)	1d		No
e Loans or loan guarantees by other organization(s)	1e		No
f Sale of assets to other organization(s)	1f		No
g Purchase of assets from other organization(s)	1g		No
h Exchange of assets	1h	Yes	
i Lease of facilities, equipment, or other assets to other organization(s)	1i		No
j Lease of facilities, equipment, or other assets from other organization(s)	1j		No
k Performance of services or membership or fundraising solicitations for other organization(s)	1k		No
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		No
m Sharing of facilities, equipment, mailing lists, or other assets	1m		No
n Sharing of paid employees	1n		No
o Reimbursement paid to other organization for expenses	1o		No
p Reimbursement paid by other organization for expenses	1p		No
q Other transfer of cash or property to other organization(s)	1q		No
r Other transfer of cash or property from other organization(s)	1r	Yes	

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) Northern Plains Laboratory	R	1,105,000	General Ledger
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Consolidated Financial Statements
June 30, 2011 and 2010

St. Alexius Medical Center and Subsidiaries

St. Alexius Medical Center and Subsidiaries

Table of Contents
June 30, 2011 and 2010

Independent Auditor's Report

The Board of Directors
St Alexius Medical Center and Subsidiaries
Bismarck, North Dakota

We have audited the accompanying consolidated balance sheets of St Alexius Medical Center and Subsidiaries (St Alexius) as of June 30, 2011 and 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended These financial statements are the responsibility of St Alexius' 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 St Alexius' 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of St Alexius Medical Center and Subsidiaries as of June 30, 2011 and 2010, and the results of their operations, changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Eide Bailly LLP

Fargo, North Dakota
September 22, 2011

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	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	$ 25,380,728	$ 19,978,611
Assets limited as to use	1,801,159	1,326,409
Receivables		
Patient and resident, net of estimated uncollectibles of $46,147,000 in 2011 and $51,154,000 in 2010	37,393,569	36,506,992
Other	2,453,164	1,563,138
Supplies	4,213,197	3,784,930
Prepaid expenses	1,231,488	1,788,393
Total current assets	72,473,305	64,948,473
Assets Limited as to Use		
Under bond indenture agreements	5,026,692	4,857,840
By Board for expansion and replacement	35,852,720	31,483,478
Total assets limited as to use	40,879,412	36,341,318
Property and Equipment, Net	123,423,991	98,205,125
Other Assets		
Rental property, net of accumulated depreciation of $4,838,569 in 2011 and $3,244,196 in 2010	7,778,048	6,480,918
Land held for expansion	1,789,429	1,789,429
Deferred financing costs, net of accumulated amortization of $762,390 in 2011 and $721,777 in 2010	398,447	439,060
Other investments	7,702,564	6,581,444
Total other assets	17,668,488	15,290,851
Total assets	$ 254,445,196	$ 214,785,767

See Notes to Consolidated Financial Statements

St. Alexius Medical Center and Subsidiaries
Consolidated Balance Sheets
June 30, 2011 and 2010

	2011	2010
Liabilities and Net Assets		
Current Liabilities		
Notes payable to bank	$ 5,000,000	$ -
Current maturities of long-term debt	4,730,263	3,906,518
Accounts payable		
Trade	9,776,461	8,112,357
Estimated third-party payor settlements	7,095,278	2,716,141
Construction payables	4,348,880	1,361,594
Accrued expenses		
Salaries and wages	3,947,245	3,284,319
Vacation pay	6,410,354	6,058,241
Professional fees	823,378	860,000
Interest	677,152	699,620
Payroll taxes and other	670,169	891,169
Insurance reserve	1,300,330	1,268,185
Total current liabilities	44,779,510	29,158,144
Obligation Under Interest Rate Swap Agreement	171,982	203,225
Long-Term Debt, Less Current Maturities	57,934,835	46,653,609
Total liabilities	102,886,327	76,014,978
Net Assets		
Unrestricted	150,107,657	137,543,744
Temporarily restricted	1,451,212	1,227,045
Total net assets	151,558,869	138,770,789
Total liabilities and net assets	$ 254,445,196	$ 214,785,767

St. Alexius Medical Center and Subsidiaries

Consolidated Statements of Operations

Years Ended June 30, 2011 and 2010

	2011	2010
Unrestricted Revenues, Gains and Other Support		
Net patient and resident service revenue	$ 258,845,482	$ 244,589,036
Other revenue	16,177,450	15,701,419
Total revenues, gains and other support	275,022,932	260,290,455
Expenses		
Nursing services	41,330,401	39,382,837
Other professional services	141,892,552	132,702,321
General and administrative	43,207,961	42,111,525
Depreciation and amortization	14,936,945	13,722,687
Property and household	9,512,985	8,818,412
Provision for bad debts	8,215,543	8,305,407
Dietary	3,723,231	3,565,422
Interest	2,557,452	2,532,821
Total expenses	265,377,070	251,141,432
Operating Income	9,645,862	9,149,023
Other Income		
Investment income	373,276	334,731
Gain on sale of equipment	35,637	4,320
Other	2,051,870	1,572,823
Total other income	2,460,783	1,911,874
Revenues in Excess of Expenses	12,106,645	11,060,897
Change in Unrealized Gains and Losses on Investments	367,867	274,263
Change in Fair Value of Interest Rate Swap Agreement	31,243	(32,664)
Contributions for Long-Lived Assets	58,158	65,788
Increase in Unrestricted Net Assets	$ 12,563,913	$ 11,368,284

See Notes to Consolidated Financial Statements

St. Alexius Medical Center and Subsidiaries

Consolidated Statements of Changes in Net Assets

Years Ended June 30, 2011 and 2010

	2011	2010
Unrestricted Net Assets		
Revenues in excess of expenses	$ 12,106,645	$ 11,060,897
Change in unrealized gains and losses on investments	367,867	274,263
Change in fair value of interest rate swap agreement	31,243	(32,664)
Contributions for long-lived assets	58,158	65,788
Increase in unrestricted net assets	12,563,913	11,368,284
Temporarily Restricted Net Assets		
Restricted contributions and interest	479,649	322,059
Net assets released from restrictions	(255,482)	(147,368)
Increase in temporarily restricted net assets	224,167	174,691
Increase in Net Assets	12,788,080	11,542,975
Net Assets, Beginning of Year	138,770,789	127,227,814
Net Assets, End of Year	$ 151,558,869	$ 138,770,789

St. Alexius Medical Center and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended June 30, 2011 and 2010

	2011	2010
Operating Activities		
Change in net assets	$ 12,788,080	$ 11,542,975
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	14,936,945	13,722,687
Depreciation on rental property	412,065	83,688
Amortization of original issue discount	17,025	17,601
Gain on sale of equipment	(35,637)	(4,320)
Restricted contributions and interest	(479,649)	(322,059)
Change in unrealized gains and losses on investments	(367,867)	(274,263)
Gain on investments recognized on the equity method	(2,423,508)	(1,940,699)
Other changes in net assets	(89,401)	(33,124)
Changes in assets and liabilities		
Receivables	(2,078,866)	(1,783,382)
Supplies	(428,267)	(265,182)
Prepaid expenses	556,905	827,246
Accounts payable	6,043,241	2,269,619
Accrued expenses	734,949	1,174,193
Insurance reserve, net	32,145	131,049
Net Cash from Operating Activities	29,618,160	25,146,029
Investing Activities		
Purchase and construction of property and equipment	(39,175,924)	(20,558,753)
Increase in assets limited as to use	(4,644,977)	(12,066,397)
Distributions from affiliates	1,205,000	970,000
Decrease in other investments	222,687	33,071
Purchase of rental property	(120,068)	(95,000)
Decrease (increase) in notes receivable, net	170,234	(135,619)
Net Cash used for Investing Activities	(42,343,048)	(31,852,698)
Financing Activities		
Repayment of long-term debt	(4,398,088)	(3,868,543)
Increase in construction payables	2,987,286	587,562
Restricted contributions and interest	479,649	322,059
Contributions for long-lived assets	58,158	65,788
Proceeds from issuance of long-term debt	14,000,000	9,103,578
Increase (decrease) in notes payable	5,000,000	(3,000,000)
Net Cash from Financing Activities	18,127,005	3,210,444

	2011	2010
Net Increase (Decrease) in Cash and Cash Equivalents	$ 5,402,117	$ (3,496,225)
Cash and Cash Equivalents, Beginning of Year	19,978,611	23,474,836
Cash and Cash Equivalents, End of Year	$ 25,380,728	$ 19,978,611
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest, net of amounts capitalized of $341,195 in 2011	$ 2,562,895	$ 2,537,116

Supplemental Disclosure of Noncash Investing and Financing Activities
In 2011 and 2010, St Alexius entered into capital leases for equipment of $2,486,034 and $1,650,088

Supplemental Disclosure of Noncash Investing Activities
In 2011, St Alexius transferred $1,589,127 of property used for operations to rental property In 2010, St Alexius transferred $263,136 of rental property to property used for operations, related to construction projects

Note 1 - Organization and Significant Accounting Policies

Organization and Principles of Consolidation

St Alexius Medical Center (Medical Center) operates a 308-bed acute care hospital, including a 19-bed transitional care unit, in Bismarck, North Dakota The Medical Center also operates a 25-bed acute care hospital in Turtle Lake, North Dakota, and several clinics The Medical Center is organized as a North Dakota nonprofit corporation and has been recognized by the Internal Revenue Service as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) The Medical Center is the sole member of Garrison Memorial Hospital (Garrison), a 22-bed acute care hospital and 26-bed nursing facility in Garrison, North Dakota Garrison has been recognized by the Internal Revenue Service as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) The Medical Center also owns 100% of the St Alexius Heart and Lung Clinic, LLC (Heart and Lung)

The Board of Directors of the Medical Center consists of no fewer than eleven persons and no more than fifteen persons At least five members of the Board of Directors are required to be members of the Benedictine Sisters of the Annunciation, B M V , a religious community The remaining directors may be members of the civic community Various members of the religious community also comprise at least the majority of the governing boards of other entities separately incorporated in the State of North Dakota, as follows

- Benedictine Sisters of the Annunciation, B M V
- University of Mary

The accompanying consolidated financial statements include the accounts of the Medical Center, Garrison, and Heart and Lung (collectively referred to as St Alexius) All significant inter-company balances and transactions have been eliminated in the consolidated financial statements

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 revenues and expenses during the reporting period Actual results could differ from those estimates

Fair Value Measurements

St Alexius has determined the fair value of certain assets and liabilities using a framework for measuring fair value under generally accepted accounting principles

Fair value is defined 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 Valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs A fair value hierarchy has also been established, 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

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with a 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 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 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

Supplies

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

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet 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

Equity Investments

Investments in jointly owned companies in which St Alexius has a 20 percent to 50 percent interest or otherwise exercises significant influence are recorded under the equity method of accounting Under the equity method, the initial investment is recorded at cost, adjusted for St Alexius' proportionate share of their undistributed earnings or losses, net of any additional investments or distributions St Alexius' share of net earnings or losses of these companies is included in other operating revenue

Assets Limited as to Use

Assets limited as to use include assets set aside by the Board of Directors for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets held by trustees under bond indenture agreements Assets limited as to use that are available for obligations classified as current liabilities are reported as current assets

Property and Equipment

Property and equipment acquisitions in excess of $1,000 are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Amortization is included in depreciation in the financial statements. The estimated useful lives of property and equipment are as follows:

Land improvements	5-25 years
Buildings and fixed equipment	5-40 years
Major movable 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.

Rental Property

Rental property consists of certain property that is not used in operations and is available for rental to third parties. Rental income, net of depreciation expense on this property, is recorded as other income.

Deferred Financing Costs and Original Issue Discounts

Deferred financing costs are amortized over the period the related obligation is outstanding using the bonds outstanding method. Amortization of deferred financing costs is included in depreciation and amortization in the accompanying consolidated financial statements.

Original issue discounts are amortized to interest expense over the period the related obligation is outstanding using the bonds outstanding method. Amortization of original issue discount is included in interest expense in the accompanying consolidated financial statements.

Interest Rate Swap

St. Alexius uses derivative financial instruments primarily to optimize borrowing costs under its financing strategy. St. Alexius entered into derivative contracts, known as interest rate swaps, which effectively change the interest rate of its borrowings. These contracts hedge interest rate exposure for periods consistent with their underlying exposures and do not constitute investments independent of these exposures. St. Alexius does not hold or issue financial instruments for trading purposes.

Interest rate swaps converted a portion of St. Alexius' floating rate bank debt into fixed rate debt on notional amounts. The notional amounts of derivative financial instruments do not represent actual amounts exchanged by the parties, but instead represented the amounts on which the contracts were based. The floating interest rate payments under these swaps are based on a LIBOR rate plus one percent, the sum of which is multiplied by 69 percent. Interest to be paid or received on these contracts currently adjusts interest expense.

Self-Funded Health Insurance Reserves

Self-funded health insurance reserves include claims reported as of the balance sheet date and estimates (based on projections from historical data) of health care costs expenses incurred but not paid Estimates are continually monitored and reviewed, and as settlements are made or estimates adjusted, differences are reflected in current operations

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by St Alexius 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 St Alexius in perpetuity At June 30, 2011 and 2010, St Alexius did not have any permanently restricted net assets

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, change in fair value of effective interest rate swap hedges, and contributions of long-lived assets, including assets acquired using contributions which were restricted by donors

Net Patient and Resident Service Revenue

St Alexius has agreements with third-party payors that provide for payments to St Alexius 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

Charity Care

To fulfill its mission of community service, St Alexius provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Because St Alexius does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient and resident 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

St Alexius expenses advertising costs as they are incurred Advertising costs for the years ended June 30, 2011 and 2010 were approximately $254,000 and $274,000

Uncertainty in Income Taxes

St Alexius undergoes an annual analysis of its various tax positions, assessing the likelihood of these positions being upheld upon examination with relevant tax authorities, as defined by the accounting principles generally accepted in the United States of America St Alexius believes that it is compliant with all IRS tax regulations and as of June 30, 2011 has not recorded a tax liability for a tax uncertainty St Alexius would recognize future accrued interest and penalties related to unrecognized liabilities in income tax expense if such interest and penalties are incurred Under normal circumstances, St Alexius is no longer subject to federal tax examinations by tax authorities for years before 2008

Note 2 - Charity Care

St Alexius 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 approximately $5,552,000 and $3,985,000 for the years ended June 30, 2011 and 2010

Note 3 - Net Patient and Resident Service Revenue

St Alexius has agreements with third-party payors that provide for payments to St Alexius at amounts different from its established rates A summary of the payment arrangements with major third-party payors is as follows

Medicare The Medical Center is reimbursed under a prospective payment system Acute care services provided to Medicare program beneficiaries are paid at prospectively determined rates These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors The Medical Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare fiscal intermediary The Medical Center`s Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2007

The hospitals in Turtle Lake and Garrison are licensed as Critical Access Hospitals (CAH) Those hospitals are reimbursed for most inpatient and outpatient services at cost plus one percent with final settlement determined after submission of annual cost reports by the Turtle Lake and Garrison hospitals and are subject to audits thereof by the Medicare intermediary Certain services are subject to cost limits or fee schedules Turtle Lake and Garrison`s Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2009

Medicare patients may participate in Advantage Part D Medicare plans Contractual adjustments from those plans appear in the "Other" adjustment category on the summary of patient and resident service revenue and contractual adjustments on the following page

Medicaid Inpatient and outpatient hospital services provided to Medicaid program beneficiaries are paid on a cost related basis Inpatient services are reimbursed using Medicare interim per diem rates, decreased by one percent, and outpatient services are paid at the Medicare interim payment rates Final cost settlements are determined based on the audited Medicare cost report

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

St Alexius has also entered into payment agreements with certain commercial insurance carriers and other organizations The basis for payment to St Alexius under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates

St Alexius is reimbursed for private pay and Medicaid residents at a prospectively determined rate as prescribed by North Dakota Department of Human Services regulations St Alexius also participates in the Medicare program for nursing facility residents for which payment for services is made on a prospectively determined per diem rate which varies based on a case-mix adjusted resident classification system

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term Net patient and resident service revenue for the year ended June 30, 2011 decreased by approximately $1,496,000 due to changes in estimates and final settlements of prior year cost reports

A summary of patient and resident service revenue and contractual adjustments is as follows

	2011	2010
Total patient and resident service revenue	$ 531,326,218	$ 510,930,109
Contractual adjustments		
Hospitals		
Medicare	(130,668,231)	(131,649,053)
Medicaid	(17,358,493)	(18,101,508)
Blue Cross	(63,724,770)	(60,861,976)
Workers' compensation	(4,245,106)	(3,869,173)
Other	(25,038,214)	(21,523,282)
Clinics		
Neurology Clinic	(974,884)	(1,177,327)
Neurosurgery Clinic	(6,453,094)	(6,623,381)
Urology Clinic	(2,572,714)	(1,648,787)
Minot Clinic	(1,177,109)	(834,907)
Interventional Radiology Clinic	(1,104,115)	(978,787)
Radiology Clinic	(2,872,300)	(2,936,084)
EOPD Physicians	(2,822,394)	(2,666,885)
Hospitalist Physicians	(1,652,519)	(1,388,560)
Great Plains Rehabilitation	(1,682,672)	(1,757,003)
Other	(10,134,121)	(10,324,360)
Total contractual adjustments	(272,480,736)	(266,341,073)
Net patient and resident service revenue	$ 258,845,482	$ 244,589,036

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 tables U S Treasury, corporate, and government obligations and cash surrender value of life insurance and other investments are stated at fair value Cash and cash equivalents and certificates of deposit are stated at cost plus accrued interest

	2011	2010
Under bond indenture agreements - held by trustees		
Cash and cash equivalents	$ 5,488,318	$ 4,857,840
U S Treasury obligations	1,339,533	1,326,409
	6,827,851	6,184,249
Less amount shown as current	(1,801,159)	(1,326,409)
	$ 5,026,692	$ 4,857,840

	2011	2010
By Board for expansion and replacement		
Cash and cash equivalents	$ 1,658,710	$ 4,511,971
Government obligations	7,980,726	10,084,898
Corporate bonds	14,208,745	11,771,064
Certificates of deposit	7,358,101	4,901,865
Mutual funds	1,358,788	-
Common stock	3,079,757	-
Cash surrender value of life insurance and other	207,893	213,680
	$ 35,852,720	$ 31,483,478

Investment Income

Investment income and gains and losses on assets limited as to use, notes receivable, and cash equivalents consist of the following for the years ended June 30, 2011 and 2010

	2011	2010
Other income		
Interest income and realized gains and losses	$ 373,276	$ 334,731
Other changes in unrestricted net assets		
Change in unrealized gains and losses on investments	$ 367,867	$ 274,263

Note 5 - 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 and improvements	$ 9,556,698	$ 2,558,034	$ 8,277,427	$ 2,394,373
Buildings and fixed equipment	155,642,357	90,736,684	150,503,554	86,046,206
Major movable equipment	100,373,722	76,069,700	91,472,752	71,162,139
Construction in progress	27,215,632	-	7,554,110	-
	$ 292,788,409	$ 169,364,418	$ 257,807,843	$ 159,602,718
Net property and equipment		$ 123,423,991		$ 98,205,125

Construction in progress at June 30, 2011 represents costs for various construction and remodeling projects Estimated costs to complete these projects are approximately $27,807,000 and will be financed with assets limited as to use and proceeds from additional borrowings The majority of this cost is associated with a new administration building that will be completed in 2012

Note 6 - Other Investments

Other investments consist of the following at June 30, 2011 and 2010

	2011	2010
Investments in affiliates (1)	$ 7,087,579	$ 5,869,071
Notes receivable from various entities, interest rates of 6% to 8 25%, non-current	433,540	301,511
Other	181,445	410,862
	$ 7,702,564	$ 6,581,444

(1) Investments in various related health care ventures are being recorded on the equity method The net gain on these investments, totaling $2,423,508 in 2011 and $1,940,699 in 2010, is included in other income St Alexius received distributions of $1,205,000 and $970,000 from these investments in 2011 and 2010 As of June 30, 2011, these ventures had total assets of $19,077,107, liabilities of $4,901,947, and net assets of $14,175,160 with total revenues and expenses of approximately $20,336,000 and $15,281,000 for the year then ended

A summary of investments recorded on the equity method as of June 30, 2011 and 2010 follows

	2011	2010
Bismarck Cancer Center	$ 3,797,791	$ 2,664,054
Northern Plains Laboratory	3,173,945	3,157,913
Other	115,843	47,104
	$ 7,087,579	$ 5,869,071

Note 7 - Notes Payable and Long-Term Debt

The note payable consists of the following

	2011	2010
3 5% note payable to bank	$ 5,000,000	$ -

Long-term debt consists of the following

	2011	2010
Health Care Revenue Bonds, Series 1998A		
4 5% serial bonds, due July 2010	$ -	$ 750,000
5 25% term bonds, due July 2015, with varying annual sinking fund requirements commencing in 2011	4,325,000	4,325,000
5% term bonds, due July 2028, with varying annual sinking fund requirements commencing in 2016	17,840,000	17,840,000
Original issue discount	(167,030)	(184,055)
6 78% Health Care Facilities Revenue Bonds, Series 2009A, due in quarterly installments of $240,151 to April 2024, secured by future construction	8,256,179	8,640,586
6 5% Health Care Facilities Revenue Bonds, Series 2010A, due in quarterly installments of $177,591 to March 2030, secured by future construction	7,666,368	7,870,075
5 845% Health Care Facilities Revenue Bonds, Series 2010B, due in quarterly installments of $126,737 to September 2030, secured by future construction	5,835,897	-
6 251% Health Care Facilities Revenue Bonds, Series 2011, due in quarterly installments of $133,975 to September 2030, secured by future construction	7,946,842	-
4 15% Municipal Industrial Development Act Revenue Bonds, Series 2007, due in monthly installments of $32,721 to December 2017, secured by property and equipment (1)	2,229,190	2,521,327
4 42% Municipal Industrial Development Revenue Bonds, Series 2005, due November 2010	-	276,042
Variable rate note payable (3 375% at June 30, 2011), due in monthly installments of $19,007 including interest, to January 2017, secured by building and leasehold improvements	1,157,579	1,342,601

	2011	2010
4.38% Municipal Industrial Development Refunding Bonds, Series 2003, due in semi-annual installments of $85,574, including interest, to December 2015	692,185	828,521
6.0% note payable, due in monthly installments of $3,347, including interest, to March 2016, secured by building and leasehold improvements	165,657	194,925
6.9% note payable to bank, due in monthly installments of $9,280, to November 2012, secured by building	149,882	247,221
5.5% note payable, due in monthly installments of $16,301, including interest, to December 2014, secured by building	634,865	790,868
Non-interest bearing note payable, due in monthly installments of $1,852, to April 2019, unsecured	174,074	196,296
Capital lease obligations, imputed interest of 5.21% to 7.22%, secured by equipment - Note 8	5,713,935	4,867,645
Other notes payable	44,475	53,075
	62,665,098	50,560,127
Less current maturities	(4,730,263)	(3,906,518)
Long-term debt, less current maturities	$ 57,934,835	$ 46,653,609

(1) The Municipal Industrial Development Act Revenue Bonds, Series 2007, initially had a variable interest rate of LIBOR plus one percent. However, in December 2007, the Medical Center entered into an interest rate swap contract that effectively converted the debt into a fixed rate of 4.15 percent. Under the swap contract, the Medical Center pays interest at LIBOR plus one percent and receives interest at a LIBOR rate plus one percent, the sum of which is multiplied by 69 percent.

The interest rate swap related to the Municipal Industrial Development Act Revenue Bonds, Series 2007, was issued at market terms so that it had no fair value at its inception. The carrying amount of the swap has been adjusted to its fair value at the end of the year which, because of changes in forecasted levels of LIBOR, resulted in reporting a liability of $171,982 and $203,225 at June 30, 2011 and 2010, for the fair value of the future net payments forecasted under the swap. The liability is classified as noncurrent since management does not intend to settle it during 2012. Since the critical terms of the swap and the note were the same, the swap was assumed to be completely effective as a hedge, and none of the change in its fair value was included in revenues in excess of expenses. Accordingly, all of the adjustment of the swap's carrying amount was reported as an other change in unrestricted net assets.

Long-term debt maturities are as follows:

Year Ending June 30,	Amount
2012	$ 4,730,263
2013	4,711,946
2014	4,130,594
2015	3,592,452
2016	3,150,852
Thereafter	42,516,021
Less original issue discount	(167,030)
Total	$ 62,665,098

Under the terms of the revenue bonds loan agreement, St Alexius has made certain covenants in connection with the revenue bonds, including a covenant that income available for debt service coverage must equal at least 125 percent of the maximum annual debt service requirement on all funded debt The loan agreements also place limits on the incurrence of additional borrowings

Note 8 - Leases

St Alexius leases certain equipment under noncancelable long-term lease agreements Certain leases have been recorded as capitalized leases and others as operating leases Total rent expense for the years ended June 30, 2011 and 2010 for all operating leases was $2,928,962 and $2,676,767 The capitalized leased assets consist of

	2011	2010
Major movable equipment	$ 9,534,894	$ 7,036,822
Less accumulated amortization (included in depreciation and amortization in the accompanying financial statements)	(5,030,174)	(3,227,816)
	$ 4,504,720	$ 3,809,006

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

Year Ending June 30,	Capital Leases	Operating Leases
2012	$ 2,231,032	$ 888,135
2013	2,231,032	181,762
2014	1,867,000	140,986
2015	876,892	142,890
2016	386,124	105,838
Total minimum lease payments	7,592,080	$ 1,459,611
Less interest	(1,878,145)	
	$ 5,713,935	

Note 9 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2011 and 2010

	2011	2010
Health care services		
Various programs	$ 1,451,212	$ 1,227,045

In 2011 and 2010, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of $255,482 and $147,368 These amounts are included in other revenue and net assets released from restrictions in the accompanying financial statements

Note 10 - Cooperative Laundry Facility

St Alexius and Medcenter One, Inc (an unrelated nonprofit organization) jointly own Central Dakota Hospital Laundry, Inc (CDHL), a cooperative association that provides all laundry services for both hospitals CDHL's operating costs, interest expense, debt payment requirements, and other specified funding requirements are allocated and charged to each facility based upon its proportionate share of the total pounds of laundry processed St Alexius' payments to CDHL were $728,138 in 2011 and $670,727 in 2010

Note 11 - Pension Plan

St Alexius has a defined contribution pension plan under which employees become participants upon reaching age 21 and completion of one year of service Employee contributions up to the maximum allowed under the Internal Revenue Code and employer contributions of 3 percent of employee compensation are deposited with the plan trustee who invests the plan assets Total pension plan expense for the years ended June 30, 2011 and 2010 was $3,678,274 and $3,462,105

Note 12 - Concentrations of Credit Risk

St Alexius 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
Medicare	40%	37%
Blue Cross	15%	14%
Commercial insurance	8%	7%
Medicaid	9%	11%
Other third-party payors, patients, and residents	28%	31%
	100%	100%

St Alexius' cash balances are maintained in various bank deposit accounts At various times during the year, the balance of these deposits was in excess of federally insured limits

Note 13 - Functional Expenses

St Alexius provides general health care services to residents within its geographic location Expenses related to providing these services by functional class for the years ended June 30, 2011 and 2010 are as follows

	2011	2010
Patient and resident health care services	$ 235,082,936	$ 222,940,329
General and administrative	31,270,422	29,121,847
	$ 266,353,358	$ 252,062,176

Note 14 - Fair Value of Assets and Liabilities

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

	2011	2010
Assets		
Government obligations	$ 7,980,726	$ 10,084,898
U S Treasury obligations	1,339,533	1,326,409
Corporate bonds	14,208,745	11,771,064
Cash surrender value of life insurance	149,241	153,171
Pledges receivable	11,220	15,120
	$ 23,689,465	$ 23,350,662
Liabilities		
Interest rate swap agreement	$ (171,982)	$ (203,225)

The related fair values of these assets and liabilities are determined as follows

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
June 30, 2011			
Assets			
Government obligations	$ 7,980,726	$ -	$ -
U S Treasury obligations	1,339,533	-	-
Corporate bonds	14,208,745	-	-
Cash surrender value of life insurance	-	-	149,241
Pledges receivable	-	-	11,220
Total assets	$ 23,529,004	$ -	$ 160,461
Liabilities			
Interest rate swap agreement	$ -	$ (171,982)	$ -
June 30, 2010			
Assets			
Government obligations	$ 10,084,898	$ -	$ -
U S Treasury obligations	1,326,409	-	-
Corporate bonds	11,771,064	-	-
Cash surrender value of life insurance	-	-	153,171
Pledges receivable	-	-	15,120
Total assets	$ 23,182,371	$ -	$ 168,291
Liabilities			
Interest rate swap agreement	$ -	$ (203,225)	$ -

The fair values for government and U S Treasury obligations, corporate bonds, common stock, and mutual funds are determined by reference to quoted market prices The fair value of the interest rate swap is based upon estimates of the related LIBOR swap rate during the term of the swap agreement

Following is a reconciliation of activity for 2011 and 2010 for assets measured at fair value based upon significant unobservable (non-market) information

	Cash Surrender Value of Life Insurance	Pledges Receivable
Balance, June 30, 2009	$ 196,362	$ 16,800
Increases due to the time value of money	2,198	-
Pledges received	-	500
Cash received on pledges receivable	-	(2,600)
Change in valuation allowance	-	420
Balance, June 30, 2010	198,560	15,120
Increases due to the time value of money	681	-
Cash received on life insurance	(50,000)	-
Pledges received	-	375
Cash received on pledges receivable	-	(5,250)
Change in valuation allowance	-	975
Balance, June 30, 2011	$ 149,241	$ 11,220

Note 15 - Fair Value of Financial Instruments

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value

Cash Equivalents

The carrying amount approximates fair value because of the short maturity of those instruments

Accounts Receivable and Accounts Payable

Accounts receivable has been recorded at net realizable value which is believed to approximate fair value Account payable approximates fair value because of the short time for which accounts payable are outstanding

Investments

The fair value of U S Treasury, corporate, and government obligations is estimated based on quoted market prices for those or similar investments For other investments, for which there are no quoted prices, a reasonable estimate of fair value could not be made without incurring excessive costs

Long-Term Debt

The fair value of long-term debt is based on current traded value Management has estimated the fair value of these obligations to be approximately $62,078,000 and $50,572,000 at June 30, 2011 and 2010

Note 16 - Commitment and Contingencies

Lease Agreements

The Medical Center entered into a five-year lease and management agreement, renewable for up to three additional five-year terms, with Turtle Lake Community Hospital (Turtle Lake) during 1991 The current agreement with Turtle Lake expires in the year 2015

Malpractice Insurance

St Alexius has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of $1 million per claim and an annual aggregate limit of $5 million Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured

Self-Funded Health Insurance

St Alexius is self-insured for health and dental insurance In connection therewith, St Alexius charged to operations amounts representing the employer's portion of actual claims paid adjusted for the actuarially determined estimates of liabilities relating to claims resulting from services provided prior to the respective plan period St Alexius has a stop-loss policy that limits the organizations liability to $75,000 per member The liability relating to self-insured health and dental insurance was $1,300,330 and $1,268,185 at June 30, 2011 and 2010

Litigations, Claims, and Disputes

St Alexius is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs In the opinion of management, the ultimate settlement of any litigations, claims, and disputes in process will not be material to the financial position of St Alexius

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

Note 17 - Subsequent Events

St Alexius has evaluated subsequent events through September 22, 2011, the date which the financial statements were available to be issued During this period, St Alexius did not have any material recognizable subsequent events

Consolidating and Supplementary Information
June 30, 2011 and 2010

St. Alexius Medical Center and Subsidiaries

Independent Auditor's Report on Consolidating and Supplementary Information

The Board of Directors
St Alexius Medical Center and Subsidiaries
Bismarck, North Dakota

We have audited the financial statements of St Alexius Medical Center and Subsidiaries as of and for the years ended June 30, 2011 and 2010, and our report thereon dated September 22, 2011, which expressed an unqualified opinion on those financial statements, appears on page 1 Our audits were conducted for the purpose of forming an opinion on such financial statements as a whole The consolidating schedules on pages 23 through 30 are presented for purposes of additional analysis and are not a required part of the 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 2011 and 2010 financial statements The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the financial statements for the years ended June 30, 2011 and 2010, as a whole

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheets of St Alexius Medical Center and Subsidiaries as of June 30, 2009, 2008, and 2007, and the related consolidated statements of operations, changes in net assets, and cash flows for each of the three years in the period ended June 30, 2009 (none of which is presented herein), and we expressed unqualified opinions on those financial statements Those audits were conducted for purposes of forming an opinion on the financial statements as a whole The operational, statistical, and financial highlights on page 31 are presented for purposes of additional analysis and are not a required part of the 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 2009, 2008, and 2007 financial statements The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the operational, statistical, and financial highlights are fairly stated in all material respects in relation to the basic financial statements from which it has been derived

Eide Bailly LLP

Fargo, North Dakota
September 22, 2011

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	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 25,281,664	$ 21,819	$ -	$ 25,303,483
Assets limited as to use	1,801,159	-	-	1,801,159
Receivables				
Patient and resident, net	34,288,956	556,376	-	34,845,332
Other	30,026,949	42,531	(1,677,382)	28,392,098
Supplies	3,954,395	71,659	-	4,026,054
Prepaid expenses	1,098,119	9,396	-	1,107,515
Total current assets	96,451,242	701,781	(1,677,382)	95,475,641
Assets Limited as to Use				
Under bond indenture agreements	5,026,692	-	-	5,026,692
By Board for expansion and replacement	35,852,720	-	-	35,852,720
Total assets limited as to use	40,879,412	-	-	40,879,412
Property and Equipment, Net	119,151,122	1,243,105	-	120,394,227
Other Assets				
Rental property, net	7,725,548	-	-	7,725,548
Land held for expansion	1,789,429	-	-	1,789,429
Deferred financing costs, net	398,447	-	-	398,447
Other investments	(15,760,689)	-	-	(15,760,689)
Total other assets	(5,847,265)	-	-	(5,847,265)
Total assets	$ 250,634,511	$ 1,944,886	$ (1,677,382)	$ 250,902,015

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ 81,353	$ (4,108)	$ 25,380,728	$ -	$ 25,380,728
-	-	1,801,159	-	1,801,159
933,660	1,614,577	37,393,569	-	37,393,569
20,713	95,859	28,508,670	(26,055,506)	2,453,164
187,143	-	4,213,197	-	4,213,197
44,585	79,388	1,231,488	-	1,231,488
1,267,454	1,785,716	98,528,811	(26,055,506)	72,473,305
-	-	5,026,692	-	5,026,692
-	-	35,852,720	-	35,852,720
-	-	40,879,412	-	40,879,412
2,679,356	350,408	123,423,991	-	123,423,991
-	52,500	7,778,048	-	7,778,048
-	-	1,789,429	-	1,789,429
-	-	398,447	-	398,447
-	90,848	(15,669,841)	23,372,405	7,702,564
-	143,348	(5,703,917)	23,372,405	17,668,488
$ 3,946,810	$ 2,279,472	$ 257,128,297	$ (2,683,101)	$ 254,445,196

	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Liabilities and Net Assets				
Current Liabilities				
Notes payable to bank	$ 5,000,000	$ -	$ -	$ 5,000,000
Current maturities of long-term debt	4,587,890	-	-	4,587,890
Accounts payable				
Trade	9,356,078	51,047	-	9,407,125
Estimated third-party payor settlements	6,805,247	31	-	6,805,278
Related parties	-	1,677,382	(1,677,382)	-
Construction payables	4,348,880	-	-	4,348,880
Accrued expenses				
Salaries and wages	3,694,096	-	-	3,694,096
Vacation pay	5,982,346	204,576	-	6,186,922
Professional fees	823,378	-	-	823,378
Interest	676,406	-	-	676,406
Payroll taxes and other	632,771	-	-	632,771
Insurance reserve	1,300,330	-	-	1,300,330
Total current liabilities	43,207,422	1,933,036	(1,677,382)	43,463,076
Obligation Under Interest Rate Swap Agreement	171,982	-	-	171,982
Long-Term Debt, Less Current Maturities	57,385,023	-	-	57,385,023
Total liabilities	100,764,427	1,933,036	(1,677,382)	101,020,081
Net Assets				
Unrestricted	148,418,872	11,850	-	148,430,722
Temporarily restricted	1,451,212	-	-	1,451,212
Total net assets	149,870,084	11,850	-	149,881,934
Total liabilities and net assets	$ 250,634,511	$ 1,944,886	$ (1,677,382)	$ 250,902,015

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ -	$ -	$ 5,000,000	$ -	$ 5,000,000
142,373	-	4,730,263	-	4,730,263
277,435	91,901	9,776,461	-	9,776,461
290,000	-	7,095,278	-	7,095,278
495,530	25,559,976	26,055,506	(26,055,506)	-
-	-	4,348,880	-	4,348,880
253,149	-	3,947,245	-	3,947,245
223,432	-	6,410,354	-	6,410,354
-	-	823,378	-	823,378
746	-	677,152	-	677,152
37,398	-	670,169	-	670,169
-	-	1,300,330	-	1,300,330
1,720,063	25,651,877	70,835,016	(26,055,506)	44,779,510
-	-	171,982	-	171,982
549,812	-	57,934,835	-	57,934,835
2,269,875	25,651,877	128,941,833	(26,055,506)	102,886,327
1,676,935	(23,372,405)	126,735,252	23,372,405	150,107,657
-	-	1,451,212	-	1,451,212
1,676,935	(23,372,405)	128,186,464	23,372,405	151,558,869
$ 3,946,810	$ 2,279,472	$ 257,128,297	$ (2,683,101)	$ 254,445,196

	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Unrestricted Revenues, Gains and Other Support				
Net patient and resident service revenue	$ 234,959,844	$ 3,448,634	$ -	$ 238,408,478
Other revenue	12,418,578	12,447		12,431,025
Total revenues, gains and other support	247,378,422	3,461,081	-	250,839,503
Expenses				
Nursing services	37,622,225	1,262,260	-	38,884,485
Other professional services	126,276,946	1,194,605	-	127,471,551
General and administrative	37,305,237	636,365	-	37,941,602
Depreciation and amortization	14,368,502	131,098	-	14,499,600
Property and household	8,271,040	175,807	-	8,446,847
Provision for bad debts	8,370,103	35,175	-	8,405,278
Dietary	3,219,239	172,506	-	3,391,745
Interest	2,522,786	-	-	2,522,786
Total expenses	237,956,078	3,607,816	-	241,563,894
Operating Income (Loss)	9,422,344	(146,735)	-	9,275,609
Other Income				
Investment income (loss)	364,750	7,477	-	372,227
Gain (loss) on sale of equipment	50,078	-	-	50,078
Other	1,864,002	146,871	(7,613)	2,003,260
Total other income	2,278,830	154,348	(7,613)	2,425,565
Revenues in Excess of (Less Than) Expenses	11,701,174	7,613	(7,613)	11,701,174
Changes in Unrealized Gains and Losses on Investments	367,867	-	-	367,867
Change in Fair Value of Interest Rate Swap Agreement	31,243	-	-	31,243
Contributions for Long-Lived Assets	46,308	11,850	-	58,158
Support from St Alexius	-	(7,613)	7,613	-
Increase (Decrease) in Unrestricted Net Assets	$ 12,146,592	$ 11,850	$ -	$ 12,158,442

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ 8,160,065	$ 12,276,939	$ 258,845,482	$ -	$ 258,845,482
112,592	8,565	12,552,182	3,625,268	16,177,450
8,272,657	12,285,504	271,397,664	3,625,268	275,022,932
2,428,690	17,226	41,330,401	-	41,330,401
2,817,421	12,186,528	142,475,500	(582,948)	141,892,552
1,245,853	4,093,910	43,281,365	(73,404)	43,207,961
345,524	91,821	14,936,945	-	14,936,945
486,648	899,426	9,832,921	(319,936)	9,512,985
212,116	(401,851)	8,215,543	-	8,215,543
331,486	-	3,723,231	-	3,723,231
34,666	-	2,557,452	-	2,557,452
7,902,404	16,887,060	266,353,358	(976,288)	265,377,070
370,253	(4,601,556)	5,044,306	4,601,556	9,645,862
1,049	-	373,276	-	373,276
(14,441)	-	35,637	-	35,637
48,610	-	2,051,870	-	2,051,870
35,218	-	2,460,783	-	2,460,783
405,471	(4,601,556)	7,505,089	4,601,556	12,106,645
-	-	367,867	-	367,867
-	-	31,243	-	31,243
-	-	58,158	-	58,158
-	-	-	-	-
$ 405,471	$ (4,601,556)	$ 7,962,357	$ 4,601,556	$ 12,563,913

	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Unrestricted Net Assets				
Revenues in excess of (less than) expenses	$ 11,701,174	$ 7,613	$ (7,613)	$ 11,701,174
Changes in unrealized gains and losses on investments	367,867	-	-	367,867
Change in fair value of interest rate swap agreement	31,243	-	-	31,243
Contribution for long-lived assets	46,308	11,850	-	58,158
Support to St Alexius	-	(7,613)	7,613	-
Increase (decrease) in unrestricted net assets	12,146,592	11,850	-	12,158,442
Temporarily Restricted Net Assets				
Restricted contributions and interest	479,649	-	-	479,649
Net assets released from restrictions	(255,482)	-	-	(255,482)
Increase in temporarily restricted net assets	224,167	-	-	224,167
Change in Net Assets	12,370,759	11,850	-	12,382,609
Net Assets, Beginning of Year	137,499,325	-	-	137,499,325
Net Assets, End of Year	$ 149,870,084	$ 11,850	$ -	$ 149,881,934

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ 405,471	$ (4,601,556)	$ 7,505,089	$ 4,601,556	$ 12,106,645
-	-	367,867	-	367,867
-	-	31,243	-	31,243
-	-	58,158	-	58,158
-	-	-	-	-
405,471	(4,601,556)	7,962,357	4,601,556	12,563,913
-	-	479,649	-	479,649
-	-	(255,482)	-	(255,482)
-	-	224,167	-	224,167
405,471	(4,601,556)	8,186,524	4,601,556	12,788,080
1,271,464	(18,770,849)	119,999,940	18,770,849	138,770,789
$ 1,676,935	$ (23,372,405)	$ 128,186,464	$ 23,372,405	$ 151,558,869

	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 19,808,716	$ 111,254	$ -	$ 19,919,970
Assets limited as to use	1,326,409	-	-	1,326,409
Receivables				
Patient and resident, net	33,189,344	478,561	-	33,667,905
Other	25,279,422	43,073	(1,621,634)	23,700,861
Supplies	3,501,039	92,344	-	3,593,383
Prepaid expenses	1,624,294	15,498	-	1,639,792
Total current assets	84,729,224	740,730	(1,621,634)	83,848,320
Assets Limited as to Use Under Bond Indenture Agreements	4,857,840	-	-	4,857,840
By Board for expansion and replacement	31,483,478	-	-	31,483,478
Total assets limited as to use	36,341,318	-	-	36,341,318
Property and Equipment, Net	94,185,987	1,166,030	-	95,352,017
Other Assets				
Rental property, net	6,393,418	-	-	6,393,418
Land held for expansion	1,789,429	-	-	1,789,429
Deferred financing costs, net	439,060	-	-	439,060
Other investments	(12,286,983)	-	-	(12,286,983)
Total other assets	(3,665,076)	-	-	(3,665,076)
Total assets	$ 211,591,453	$ 1,906,760	$ (1,621,634)	$ 211,876,579

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ 59,725	$ (1,084)	$ 19,978,611	$ -	$ 19,978,611
-	-	1,326,409	-	1,326,409
835,727	2,003,360	36,506,992	-	36,506,992
20,298	64,600	23,785,759	(22,222,621)	1,563,138
191,547	-	3,784,930	-	3,784,930
66,718	81,883	1,788,393	-	1,788,393
1,174,015	2,148,759	87,171,094	(22,222,621)	64,948,473
-	-	4,857,840	-	4,857,840
-	-	31,483,478	-	31,483,478
-	-	36,341,318	-	36,341,318
2,643,457	209,651	98,205,125	-	98,205,125
-	87,500	6,480,918	-	6,480,918
-	-	1,789,429	-	1,789,429
-	-	439,060	-	439,060
-	97,578	(12,189,405)	18,770,849	6,581,444
-	185,078	(3,479,998)	18,770,849	15,290,851
$ 3,817,472	$ 2,543,488	$ 218,237,539	$ (3,451,772)	$ 214,785,767

	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Liabilities and Net Assets				
Current Liabilities				
Notes payable to bank	$ -	$ -	$ -	$ -
Current maturities of long-term debt	3,770,182	-	-	3,770,182
Accounts payable				
Trade	7,797,767	52,799	-	7,850,566
Estimated third-party payor settlements	2,500,145	43,996	-	2,544,141
Related parties	-	1,621,634	(1,621,634)	-
Construction payables	1,361,594	-	-	1,361,594
Accrued expenses				
Salaries and wages	3,147,131	-	-	3,147,131
Vacation pay	5,667,700	188,331	-	5,856,031
Professional fees	860,000	-	-	860,000
Interest	698,728	-	-	698,728
Payroll taxes and other	856,047	-	-	856,047
Insurance reserve	1,268,185	-	-	1,268,185
Total current liabilities	27,927,479	1,906,760	(1,621,634)	28,212,605
Obligation Under Interest Rate Swap Agreement	203,225	-	-	203,225
Long-Term Debt, Less Current Maturities	45,961,424	-	-	45,961,424
Total liabilities	74,092,128	1,906,760	(1,621,634)	74,377,254
Net Assets				
Unrestricted	136,272,280	-	-	136,272,280
Temporarily restricted	1,227,045	-	-	1,227,045
Total net assets	137,499,325	-	-	137,499,325
Total liabilities and net assets	$ 211,591,453	$ 1,906,760	$ (1,621,634)	$ 211,876,579

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ -	$ -	$ -	$ -	$ -
136,336	-	3,906,518	-	3,906,518
179,395	82,396	8,112,357	-	8,112,357
172,000	-	2,716,141	-	2,716,141
990,680	21,231,941	22,222,621	(22,222,621)	-
-	-	1,361,594	-	1,361,594
137,188	-	3,284,319	-	3,284,319
202,210	-	6,058,241	-	6,058,241
-	-	860,000	-	860,000
892	-	699,620	-	699,620
35,122	-	891,169	-	891,169
-	-	1,268,185	-	1,268,185
1,853,823	21,314,337	51,380,765	(22,222,621)	29,158,144
-	-	203,225	-	203,225
692,185	-	46,653,609	-	46,653,609
2,546,008	21,314,337	98,237,599	(22,222,621)	76,014,978
1,271,464	(18,770,849)	118,772,895	18,770,849	137,543,744
-	-	1,227,045	-	1,227,045
1,271,464	(18,770,849)	119,999,940	18,770,849	138,770,789
$ 3,817,472	$ 2,543,488	$ 218,237,539	$ (3,451,772)	$ 214,785,767

	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Unrestricted Revenues, Gains and Other Support				
Net patient and resident service revenue	$ 221,728,232	$ 3,352,322	$ -	$ 225,080,554
Other revenue	12,312,287	10,918	-	12,323,205
Total revenues, gains and other support	234,040,519	3,363,240	-	237,403,759
Expenses				
Nursing services	35,759,741	1,218,983	-	36,978,724
Other professional services	119,338,283	1,121,823	-	120,460,106
General and administrative	35,333,166	629,362	-	35,962,528
Depreciation and amortization	13,199,837	111,757	-	13,311,594
Property and household	7,543,008	194,133	-	7,737,141
Provision for bad debts	8,261,183	32,235	-	8,293,418
Dietary	3,067,795	175,115	-	3,242,910
Interest	2,492,368	-	-	2,492,368
Total expenses	224,995,381	3,483,408	-	228,478,789
Operating Income (Loss)	9,045,138	(120,168)	-	8,924,970
Other Income (Loss)				
Investment income	330,280	3,162	-	333,442
Gain (loss) on sale of equipment	(87,111)	-	-	(87,111)
Other	1,447,041	122,730	(5,724)	1,564,047
Other income, net	1,690,210	125,892	(5,724)	1,810,378
Revenues in Excess of (Less Than) Expenses	10,735,348	5,724	(5,724)	10,735,348
Change in Unrealized Gains and Losses on Investments	274,263	-	-	274,263
Change in Fair Value of Interest Rate Swap Agreement	(32,664)	-	-	(32,664)
Contributions for Long-Lived Assets	65,788	-	-	65,788
Support from St Alexius	-	(5,724)	5,724	-
Increase (Decrease) in Unrestricted Net Assets	$ 11,042,735	$ -	$ -	$ 11,042,735

St. Alexius Medical Center and Subsidiaries
Consolidating Statement of Operations
Year Ended June 30, 2010

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ 7,437,187	$ 12,071,295	$ 244,589,036	$ -	$ 244,589,036
93,185	42,614	12,459,004	3,242,415	15,701,419
7,530,372	12,113,909	257,048,040	3,242,415	260,290,455
2,404,113	-	39,382,837	-	39,382,837
2,359,141	10,421,018	133,240,265	(537,944)	132,702,321
1,196,838	5,027,506	42,186,872	(75,347)	42,111,525
329,535	81,558	13,722,687	-	13,722,687
483,200	905,524	9,125,865	(307,453)	8,818,412
170,527	(158,538)	8,305,407	-	8,305,407
322,512	-	3,565,422	-	3,565,422
40,453	-	2,532,821	-	2,532,821
7,306,319	16,277,068	252,062,176	(920,744)	251,141,432
224,053	(4,163,159)	4,985,864	4,163,159	9,149,023
1,289	-	334,731	-	334,731
91,431	-	4,320	-	4,320
8,776	-	1,572,823	-	1,572,823
101,496	-	1,911,874	-	1,911,874
325,549	(4,163,159)	6,897,738	4,163,159	11,060,897
-	-	274,263	-	274,263
-	-	(32,664)	-	(32,664)
-	-	65,788	-	65,788
-	-	-	-	-
$ 325,549	$ (4,163,159)	$ 7,205,125	$ 4,163,159	$ 11,368,284

	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Unrestricted Net Assets				
Revenues in excess of (less than) expenses	$ 10,735,348	$ 5,724	$ (5,724)	$ 10,735,348
Change in unrealized gains and losses on investments	274,263	-	-	274,263
Change in fair value of interest rate swap agreement	(32,664)	-	-	(32,664)
Contribution for long-lived assets	65,788	-	-	65,788
Support to St Alexius	-	(5,724)	5,724	-
Increase (decrease) in unrestricted net assets	11,042,735	-	-	11,042,735
Temporarily Restricted Net Assets				
Restricted contributions and interest	322,059	-	-	322,059
Net assets released from restrictions	(147,368)	-	-	(147,368)
Increase in temporarily restricted net assets	174,691	-	-	174,691
Change in Net Assets	11,217,426	-	-	11,217,426
Net Assets, Beginning of Year	126,281,899	-	-	126,281,899
Net Assets, End of Year	$ 137,499,325	$ -	$ -	$ 137,499,325

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ 325,549	$ (4,163,159)	$ 6,897,738	$ 4,163,159	$ 11,060,897
-	-	274,263	-	274,263
-	-	(32,664)	-	(32,664)
-	-	65,788	-	65,788
-	-	-	-	-
325,549	(4,163,159)	7,205,125	4,163,159	11,368,284
-	-	322,059	-	322,059
-	-	(147,368)	-	(147,368)
-	-	174,691	-	174,691
325,549	(4,163,159)	7,379,816	4,163,159	11,542,975
945,915	(14,607,690)	112,620,124	14,607,690	127,227,814
$ 1,271,464	$ (18,770,849)	$ 119,999,940	$ 18,770,849	$ 138,770,789

St. Alexius Medical Center and Subsidiaries

Operational, Statistical, and Financial Highlights

Five Years Ended June 30, 2011

	2011	2010	2009	2008	2007
			($000's omitted)		
Operational					
Unrestricted Revenues, Gains and Other Support					
Patient and resident service revenue					
Inpatient services	$ 268.770	$ 266.738	$ 251.533	$ 229.599	$ 213.194
Outpatient services	251.952	232.199	220.370	190.593	169.501
Home Care services	6.721	6.462	5.366	5.695	4.367
Rehabilitation services	9.435	9.516	7.985	7.934	7.533
Less charity care	(5.552)	(3.985)	(3.245)	(2.630)	(2.265)
Total patient and resident service revenue	531.326	510.930	482.009	431.191	392.330
Contractual adjustments	(272.481)	(266.341)	(254.442)	(222.050)	(200.656)
Net patient and resident service revenue	258.845	244.589	227.567	209.141	191.674
Other revenue	16.178	15.701	15.765	14.854	15.185
Total revenues, gains and other support	275.023	260.290	243.332	223.995	206.859
Expenses					
Salaries and wages	122.651	92.230	87.784	83.442	80.277
Supplies and other	125.232	142.655	132.849	120.758	107.988
Depreciation and amortization	14.937	13.723	12.492	12.021	11.749
Interest	2.557	2.533	1.943	1.746	1.623
Total expenses	265.377	251.141	235.068	217.967	201.637
Operating Income	9.646	9.149	8.264	6.028	5.222
Other Income (Loss)	2.461	1.912	(2.656)	1.932	1.679
Revenues in Excess of Expenses	$ 12.107	$ 11.061	$ 5.608	$ 7.960	$ 6.901
Statistical					
Number of acute beds at year-end (staffed)	292	292	292	292	292
Available bed days	106.580	106.580	106.580	106.872	106.580
Patient days					
Acute	41.884	43.093	44.202	44.148	42.581
Swing bed	9.295	11.660	13.143	12.710	13.052
Percent of occupancy	48.0%	51.4%	53.8%	53.2%	52.2%
Number of nursing home beds	45	45	45	45	45
Available nursing bed days	16.425	16.425	16.425	16.470	16.425
Resident days	15.747	14.486	14.479	14.121	13.242
Percentage of occupancy	95.9%	88.2%	88.2%	85.7%	80.6%
Discharges (acute)	10.253	10.605	10.091	10.141	9.777
Average acute length of stay in days	4.1	4.1	4.4	4.4	4.4
Financial					
Current ratio	1.6	2.2	2.4	2.3	2.4
Days revenue in patient and resident receivables	53	54	55	61	62