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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
MADISON COMMUNITY HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
917 N WASHINGTON AVE

City or town, state or country, and ZIP + 4
MADISON, SD 57042

D Employer identification number
46-0228038

E Telephone number
(605) 256-6551

G Gross receipts $ 12,740,989

F Name and address of principal officer
TAMARA MILLER
917 N WASHINGTON AVE
MADISON, SD 57042

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

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

J Website: ▶ WWW MADISONHOSPITAL COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1955 | **M** State of legal domicile SD

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROVIDE HEALTH CARE SERVICES TO AREA RESIDENTS

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**	11
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	168
6	Total number of volunteers (estimate if necessary)	**6**	15
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	56,283	134,848
9	Program service revenue (Part VIII, line 2g)	12,500,713	12,537,792
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	65,615	62,449
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,500	5,900
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	12,628,111	12,740,989
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	6,574,529	6,665,732
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	5,284,479	5,577,866
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	11,859,008	12,243,598
19	Revenue less expenses Subtract line 18 from line 12	769,103	497,391

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	10,200,608	10,822,178
21	Total liabilities (Part X, line 26)	803,441	950,000
22	Net assets or fund balances Subtract line 21 from line 20	9,397,167	9,872,178

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

****** | 2012-04-26
Signature of officer | Date

TAMARA MILLER CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
LAURIE HANSON	LAURIE HANSON	2012-04-26	☐	

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

Firm's address ▶ 200 EAST 10TH STREET PO BOX 5125
SIOUX FALLS, SD 571175125 — Phone no ▶ (605) 339-1999

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

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

MADISON COMMUNITY HOSPITAL SERVES AS A COMMUNITY HEALTH FOCAL POINT THROUGH THE PROVISION AND MAINTENANCE OF A PROGRESSIVE, EFFICIENT, AND WELL MANAGED HEALTHCARE INSTITUTION, COMMITTED TO QUALITY MEDICAL PRACTICE, AND HIGH ETHICAL STANDARDS MADISON COMMUNITY HOSPITAL SERVES AS A COMMUNITY AND SERVICE AREA BASED PRIMARY CARE INSTITUTION WITH BASIC SECONDARY CARE SUPPORT SERVICES, AND FACILITIES PROVIDED TO MEET DEMONSTRATED NEEDS WHICH CAN BE MET WITHIN THE FINANCIAL AND RESOURCE CONSTRAINTS OF THE ORGANIZATION

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 $ 10,717,882 including grants of $) (Revenue $ 12,423,644)

MADISON COMMUNITY HOSPITAL (HOSPITAL) IS A 25-BED ACUTE CARE HOSPITAL LOCATED IN MADISON, SOUTH DAKOTA FOR THE YEAR ENDED JUNE 30, 2011 ACUTE PATIENT DAYS = 1,058, NEWBORN DAYS = 87, SKILLED DAYS = 1,357, AND INTERMEDIATE DAYS = 177 TO FULFILL ITS MISSION OF COMMUNITY SERVICE, THE HOSPITAL PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES THE HOSPITAL MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE IT PROVIDES THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER ITS CHARITY CARE POLICY AND EQUIVALENT SERVICE STATISTICS THE AMOUNTS FORGONE, BASED ON ESTABLISHED RATES, WERE $54,043 60 FOR THE YEAR ENDED JUNE 30, 2011

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 10,717,882

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		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, 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		No
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		No
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**		No
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**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
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**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
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**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
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**		No
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**		No
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**	26		
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**	168		
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**	No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	
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 11		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 11		
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		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b		No
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	Yes	
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		No
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		No
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

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

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 ▶

MRS TAMARA MILLER
917 N WASHINGTON AVE
MADISON, SD 57042
(605) 256-6551

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) BRAD WILKENS PRESIDENT	1 00	X		X				0	0	0
(2) LOREN SCOTT VICE PRESIDENT	1 00	X		X				0	0	0
(3) LOIS NIEDERT SECRETARY	1 00	X		X				0	0	0
(4) CHRIS LEMAIR TREASURER	1 00	X		X				0	0	0
(5) NORM JOHNSON TRUSTEE	1 00	X						0	0	0
(6) DAN BROWN TRUSTEE	1 00	X						0	0	0
(7) PEGGY CASANOVA TRUSTEE	1 00	X						0	0	0
(8) ROBIN SCHWEBACH TRUSTEE	1 00	X						0	0	0
(9) LELAND WHITE TRUSTEE	1 00	X						0	0	0
(10) JAN DAVIS TRUSTEE	1 00	X						0	0	0
(11) GREG HOLLISTER TRUSTEE	1 00	X						0	0	0
(12) TAMARA MILLER CEO	40 00			X				134,104	0	23,588
(13) ROBERT SUMMERER SURGEON	40 00					X		507,640	0	30,294
(14) DARREL SIMON CRNA	40 00					X		192,584	0	21,330
(15) DARWIN EGEBERG PHARMACIST	40 00					X		111,593	0	10,494

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			
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								945,921	0	85,706

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 ▶ 4

			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
UNIVERSAL HOSPTIAL SERVICES 7505 S LOUISE AVE SIOUX FALLS, SD 57108	BIO-MED CONTRACT	360,165
INTERLAKES MEDICAL CENTER 903 N WASHINGTON AVE MADISON, SD 57042	ER CALL COVERAGE	283,533
SANFORD LABORATORIES PO BOX 5056 SIOUX FALLS, SD 57117	REFERENCE LAB	186,479
MEDICAL X-RAY CENTER 1417 S MINNESOTA AVE SIOUX FALLS, SD 57105	OUTREACH MRI	132,818
DMS IMAGING SDS 12-2208 PO BOX 86 MINNEAPOLIS, MN 55486	OUTREACH NUC MED	115,592

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 5

Part VIII Statement of Revenue

			(A) 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	41,755				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	93,093				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		134,848			
Program Service Revenue		Business Code				
	2a PATIENT SERVICE REV	900099	12,339,996	12,339,996		
	b MEALS	624210	86,897			86,897
	c MCMC REVENUE	621110	77,748	77,748		
	d MISCELLANEOUS	900099	33,151			33,151
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		12,537,792			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		57,449			57,449
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real	(ii) Personal			
	6a Gross Rents	5,900				
	b Less rental expenses					
	c Rental income or (loss)	5,900				
	d Net rental income or (loss) . . . . . ▶		5,900	5,900		
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory		5,000			
	b Less cost or other basis and sales expenses					
	c Gain or (loss)		5,000			
	d Net gain or (loss) . . . . . ▶		5,000			5,000
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					
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶					
	12 **Total revenue.** See Instructions . . . ▶		12,740,989	12,423,644	0	182,497

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				
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	158,319		158,319	
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	5,040,009	4,659,475	380,534	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	240,972	223,183	17,789	
9 Other employee benefits	797,766	733,289	64,477	
10 Payroll taxes	428,666	385,977	42,689	
a Fees for services (non-employees) Management				
b Legal	58,038		58,038	
c Accounting	99,739		99,739	
d Lobbying				
e Professional fundraising services *See Part IV, line 17*				
f Investment management fees				
g Other	788,118	515,212	272,906	
12 Advertising and promotion	102,886		102,886	
13 Office expenses	1,909,698	1,801,729	107,969	
14 Information technology				
15 Royalties				
16 Occupancy	117,706	117,706		
17 Travel	35,958	35,856	102	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	28,644	21,678	6,966	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	597,957	597,957		
23 Insurance	150,867		150,867	
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 OUTREACH	629,715	629,715		
b BAD DEBTS	608,048	608,048		
c MAINTENANCE AND REPAIRS	336,995	336,995		
d DUES AND SUBSCRIPTIONS	22,666		22,666	
e				
f All other expenses	90,831	51,062	39,769	
25 **Total functional expenses.** Add lines 1 through 24f	12,243,598	10,717,882	1,525,716	0
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		3,950,686	2	4,780,679
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		1,588,380	4	1,689,834
	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	1,000
	7	Notes and loans receivable, net		129,540	7	140,055
	8	Inventories for sale or use		309,007	8	352,691
	9	Prepaid expenses and deferred charges		114,019	9	111,971
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 10,924,055			
	b	Less accumulated depreciation	10b 7,302,669	3,682,034	10c	3,621,386
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		426,942	15	124,562
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		10,200,608	16	10,822,178
Liabilities	17	Accounts payable and accrued expenses		803,441	17	950,000
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	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			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D			25	
	26	**Total liabilities.** Add lines 17 through 25		803,441	26	950,000
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		9,336,534	27	9,792,928
	28	Temporarily restricted net assets		60,633	28	79,250
	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		9,397,167	33	9,872,178
	34	Total liabilities and net assets/fund balances		10,200,608	34	10,822,178

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	12,740,989
2	Total expenses (must equal Part IX, column (A), line 25)	2	12,243,598
3	Revenue less expenses Subtract line 2 from line 1	3	497,391
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	9,397,167
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-22,380
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	9,872,178

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
MADISON COMMUNITY HOSPITAL

Employer identification number
46-0228038

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 331/3% 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 331/3% 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).

Facts And Circumstances Test

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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
MADISON COMMUNITY HOSPITAL

Employer identification number
46-0228038

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					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

- a Board designated or quasi-endowment ▶
- 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)		
(ii) related organizations	3a(ii)		
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				
b Buildings		4,663,527	2,696,273	1,967,254
c Leasehold improvements				
d Equipment		5,968,219	4,443,964	1,524,255
e Other		292,309	162,432	129,877
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				3,621,386

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		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

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	
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	

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

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	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
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			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	

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

1	Total expenses and losses per audited financial statements			1	
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	
3	Subtract line **2e** from line **1**			3	
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			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	

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 UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE HOSPITAL AND CENTER BELIEVES THAT THEY HAVE APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN AFFECTING ITS ANNUAL FILING REQUIREMENTS, AND AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS THE HOSPITAL AND CLINIC WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES RELATED TO UNRECOGNIZED TAX BENEFITS AND LIABILITIES IN INCOME TAX EXPENSE IF SUCH INTEREST AND PENALTIES ARE INCURRED

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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
MADISON COMMUNITY HOSPITAL

Employer identification number
46-0228038

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 **130.000000000000 %**	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)			36,092		36,092	0 310 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			617,931	377,340	240,591	2 070 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			654,023	377,340	276,683	2 380 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			4,703		4,703	0 040 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			1,312,434	870,202	442,232	3 800 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total** Other Benefits			1,317,137	870,202	446,935	3 840 %
k **Total.** Add lines 7d and 7j			1,971,160	1,247,542	723,618	6 220 %

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	406,073		
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	84,167		
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	4,945,061		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	4,896,100		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	48,961		
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			No

Part IV **Management Companies and Joint Ventures**

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

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? **1**

	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	MADISON COMMUNITY HOSPITAL 917 N WASHINGTON AVENUE MADISON, SD 57042	X				X		X		

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? _____

	Name and address	Type of Facility (Describe)
1		
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 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 LINES 7A AND 7B WERE DETERMINED USING THE RATIO OF PATIENT CARE COSTS TO CHARGES CALCULATED IN WORKSHEET 2 LINE 7G WAS DETERMINED USING THE MEDICARE COST REPORT LINE 7E WAS DETERMINED USING THE GENERAL LEDGER

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) BAD DEBT EXPENSE OF $608,048 WAS SUBTRACTED FROM TOTAL OPERATING EXPENSE

Identifier	ReturnReference	Explanation
		PART III, LINE 4 A) THE COST-TO-CHARGE RATIO WAS CALCULATED USING WORKSHEET 2 B) BAD DEBT RECOVERIES AND DISCOUNTS APPLIED DURING THE COLLECTION PROCESS ARE POSTED IN A SEPARATE ACCOUNT ON THE GENERAL LEDGER THIS ACCOUNT IS COMBINED WITH THE BAD DEBT EXPENSE ACCOUNT TO RESULT IN A NET BAD DEBT EXPENSE AMOUNT ON THE AUDITED FINANCIAL STATEMENT THE BAD DEBT ALLOWANCE AND EXPENSE TAKES CONTRACTUAL ALLOWANCES INTO ACCOUNT C) THE HOSPITAL APPLIED THE 2011 POVERTY LEVEL PERCENTAGE FOR ITS AREA TO THE TOTAL AMOUNT SENT TO COLLECTIONS DURING THE FISCAL YEAR ENDED JUNE 30, 2011 TO DETERMINE AN ESTIMATE OF ELIGIBLE CHARITY CARE REPORTED AS BAD DEBT D) FOOTNOTE FROM FINANCIAL STATEMENT THE CARRYING AMOUNT OF PATIENT RECEIVABLES IS REDUCED BY A VALUATION ALLOWANCE THAT REFLECTS MANAGEMENT'S BEST ESTIMATE OF AMOUNTS THAT WILL NOT BE COLLECTED FROM PATIENTS AND THIRD-PARTY PAYORS MANAGEMENT REVIEWS PATIENT 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 DUE TO BAD DEBTS MANAGEMENT CONSIDERS HISTORICAL WRITE OFF AND RECOVERY INFORMATION IN DETERMINING THE ESTIMATED BAD DEBT PROVISION MANAGEMENT ALSO REVIEWS ACCOUNTS TO DETERMINE IF CLASSIFICATION AS CHARITY CARE IS APPROPRIATE

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

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 A DEMOGRAPHIC AND SERVICE LINE ANALYSIS WAS COMPLETED TO DETERMINE COMMUNITY HEALTHCARE NEEDS IN ADDITION, A PREVIOUSLY COMPLETED COMMUNITY HEALTHCARE NEEDS ASSESSMENT FOR OUR COUNTY IS REFERRED TO FREQUENTLY FOR INFORMATION

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 DISCHARGE PLANNING PERSONNEL IN THE BUSINESS OFFICE COUNSEL PATIENTS UPON ADMISSION AND THROUGH THE DISCHARGE PLANNING PROCESS ON MEDICAID, COUNTY WELFARE PROGRAMS, CHARITY CARE, ETC FINANCIAL ASSISTANCE PROGRAMS ARE DETAILED EITHER IN PERSON OR THROUGH A BROCHURE THAT EXPLAINS THE HOSPITAL'S FINANCIAL ASSISTANCE AND PAYMENT REQUIREMENTS COVERED VS NONCOVERED CHARGES ARE DISCUSSED WITH THE PATIENT A PATIENT ASSESSMENT, INCLUDING A DISCUSSION ON FINANCIAL RESPONSIBILITIES, CONCERNS, AND GOVERNMENT PROGRAMS, IS COMPLETED ON EACH INPATIENT BY DISCHARGE PLANNING

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 MADISON COMMUNITY HOSPITAL IS THE ONLY HOSPITAL IN THE SERVICE AREA EIGHT PHYSICIANS AND THREE PHYSICIAN EXTENDERS PRACTICE IN THE COMMUNITY THE SERVICE AREA FOR MCH INCLUDES 14 ZIP CODE COMMUNITIES THAT ARE WITHIN A 21-MILE RADIUS OF THE HOSPITAL IT INCLUDES ALL OF LAKE COUNTY AND PORTIONS OF BROOKINGS, KINGSBURY, MINER, MOODY, MCCOOK AND MINNEHAHA COUNTIES TOTAL SERVICE AREA POPULATION WAS CALCULATED AT 19,625 IN 2010 ESTIMATED MEDIAN HOUSEHOLD INCOME IN 2010 $45,606

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 THE GOVERNING BODY OF MADISON COMMUNITY HOSPITAL IS COMPRISED OF COMMUNITY MEMBERS, NONE OF WHICH ARE EMPLOYEES OR CONTRACTORS OF THE HOSPITAL MEDICAL STAFF PRIVILEGES ARE EXTENDED TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY SURPLUS FUNDS ARE USED TO IMPROVE PATIENT CARE AND FACILITIES THE HOSPITAL OPERATES AN EMERGENCY ROOM WHICH IS AVAILABLE TO ALL REGARDLESS OF THEIR ABILITY TO PAY THE HOSPITAL PARTICIPATES IN EDUCATION AND TRAINING OF HEALTHCARE PROFESSIONALS THROUGH RESIDENCIES AND INTERNSHIPS FOR NURSING STUDENTS, THERAPY STUDENTS, PHYSICIANS AND PHYSICIAN'S ASSISTANTS THE HOSPITAL PARTICIPATES IN SEVERAL GOVERNMENT SPONSORED HEALTH PROGRAMS, INCLUDING BUT NOT LIMITED TO MEDICARE, MEDICAID, VA, TRI-CARE, AND ALL-WOMEN-COUNT THE HOSPITAL OFFERS VOLUNTEER OPPORTUNITIES TO MEMBERS OF THE COMMUNITY

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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
MADISON COMMUNITY HOSPITAL

Employer identification number
46-0228038

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**		
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**		
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**		No
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**	Yes	
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**		No
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) TAMARA MILLER	(i)	133,800	0	304	6,895	17,624	158,623	0
	(ii)	0	0	0	0	0	0	0
(2) ROBERT SUMMERER	(i)	507,336	0	304	12,532	18,693	538,865	0
	(ii)	0	0	0	0	0	0	0
(3) DARREL SIMON	(i)	192,446	0	138	10,120	11,976	214,680	0
	(ii)	0	0	0	0	0	0	0
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 5	ROBERT SUMMERER, DR , IS PAID BASED ON PRODUCTION

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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
MADISON COMMUNITY HOSPITAL

Employer identification number
46-0228038

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) LAURA NIEDERT PARAMEDIC CLASSES		X	1,000	1,000		No	Yes		Yes	
Total . . . . . ▶ $				1,000						

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

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
MADISON COMMUNITY HOSPITAL

Employer identification number
46-0228038

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 1		THE EXECUTIVE COMMITTEE SHALL HAVE THE BOARD PRESIDENT AS ITS CHAIRMAN AND FOUR APPOINTED MEMBERS THE EXECUTIVE COMMITTEE SHALL HAVE POWER TO TRANSACT ALL REGULAR BUSINESS OF THE FACILITY DURING THE INTERIM BETWEEN THE MEETINGS OF THE BOARD OF DIRECTORS, PROVIDED ANY ACTION TAKEN SHALL NOT CONFLICT WITH THE POLICIES AND EXPRESSED WISHES OF THE BOARD OF DIRECTORS AND THAT IT SHALL REFER ALL MATTERS OF MAJOR IMPORTANCE TO THE BOARD OF DIRECTORS

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

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	ALL BOARD MEMBERS AND OFFICERS ARE COVERED UNDER THE CONFLICT OF INTEREST POLICY THE BOARD WILL REVIEW ACTUAL CONFLICTS AND MAKE DETERMINATIONS WHETHER A CONFLICT EXISTS THE RESTRICTIONS ARE IMPOSED ON A CASE BY CASE BASIS BASED ON THE BOARD'S DETERMINATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15A	THE CEO'S COMPENSATION AND BENEFITS ARE REVIEWED ON AN ANNUAL BASIS IN EXECUTIVE SESSION AT THE BOARD OF TRUSTEE MEETING THE BOARD OF TRUSTEES APPROVES THE SALARY AND BENEFITS COMPENSATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THESE DOCUMENTS ARE NOT AVAILABLE TO THE GENERAL PUBLIC OTHER THAN AS INCLUDED ON THE WEBSITE

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	LOSS FROM WHOLLY OWNED SUBSIDIARY -22,380 TOTAL TO FORM 990, PART XI, LINE 5 -22,380

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
MADISON COMMUNITY HOSPITAL

Employer identification number
46-0228038

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate 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

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) MADISON COMMUNITY MEDICAL CENTER 917 N WASHINGTON AVENUE MADISON, SD57045 46-0398320	OFFICE RENTAL	SD	N/A	C	117,292	283,329	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	Yes
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	No
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	Yes
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)	MADISON COMMUNITY MEDICAL CENTER	P	77,748	FMV
(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

Madison Community Hospital

Independent Auditor's Report 1

Consolidated Financial Statements

- Consolidated Balance Sheets 2
- Consolidated Statements of Operations 3
- Consolidated Statements of Changes in Net Assets 4
- Consolidated Statements of Cash Flows 5
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Supplementary Information

- Hospital Balance Sheets 16
- Hospital Statements of Operations 17
- Hospital Statements of Changes in Net Assets 18
- Medical Center Balance Sheets 19
- Medical Center Statements of Operations and Changes in Retained Earnings (Deficit) 20
- Schedules of Net Patient Service Revenue 21
- Schedules of Gains and Other Support 22
- Schedules of Expenses 23

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Trustees
Madison Community Hospital
Madison, South Dakota

We have audited the accompanying consolidated balance sheets of Madison Community Hospital 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 consolidated financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we do not express such an opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 consolidated financial position of Madison Community Hospital as of June 30, 2011 and 2010, and the consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Sioux Falls, South Dakota
October 14, 2011

200 E 10th St, Ste 500 · P O Box 5125 ; Sioux Falls, SD 57117-5125 · T 605 339 1999 F 605 339 1306 ; EOE

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	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	$ 2,996,348	$ 2,079,347
Receivables		
Patient, net of estimated uncollectibles of $1,258,000 in 2011 and $1,178,000 in 2010	1,530,688	1,524,494
Estimated third-party payor settlements	–	280,000
Other	75,251	24,629
Supplies	352,691	309,007
Prepaid expenses	111,971	114,019
Total current assets	5,066,949	4,331,496
Assets Limited as to Use		
By board for capital improvements and debt redemption	1,740,576	1,841,747
By donors for specific purposes	79,250	60,633
Total assets limited as to use	1,819,826	1,902,380
Property and Equipment	3,869,217	3,946,065
Other Assets		
Noncurrent receivables	84,895	39,257
	$ 10,840,887	$ 10,219,198

See Notes to Consolidated Financial Statements

Madison Community Hospital
Consolidated Balance Sheets
June 30, 2011 and 2010

Liabilities and Net Assets	2011	2010
Current Liabilities		
Accounts payable		
Trade	$ 178,914	$ 218,997
Estimated third-party payor settlements	161,000	-
Accrued expenses		
Salaries and wages	253,510	238,219
Vacation	337,180	340,473
Payroll taxes and other	25,531	11,887
Property taxes	12,574	12,455
Total current liabilities	968,709	822,031
Net Assets		
Unrestricted	9,792,928	9,336,534
Temporarily restricted	79,250	60,633
Total net assets	9,872,178	9,397,167
	$ 10,840,887	$ 10,219,198

Madison Community Hospital
Consolidated Statements of Operations
Years Ended June 30, 2011 and 2010

	2011	2010
Unrestricted Revenue, Gains and Other Support		
Net patient service revenue	$ 12,339,996	$ 12,311,236
Gains and other support	284,995	273,218
Total revenue, gains and other support	12,624,991	12,584,454
Expenses		
Salaries and wages	5,603,475	5,547,259
Employee benefits	1,062,260	1,027,271
Supplies and other expenses	4,417,582	4,139,704
Depreciation	614,157	603,482
Provision for bad debts	608,048	599,742
Interest	-	4,964
Total expenses	12,305,522	11,922,422
Operating Income	319,469	662,032
Other Income		
Investment income	57,449	64,531
Unrestricted contributions	23,590	950
Gain on disposal of equipment	5,000	1,084
Total other income	86,039	66,565
Revenues in Excess of Expenses	405,508	728,597
Contributions Restricted for Purchases of Equipment	50,690	-
Net Assets Released from Restrictions for Capital	196	106,283
Increase in Unrestricted Net Assets	$ 456,394	$ 834,880

	2011	2010
Unrestricted Net Assets		
Revenues in excess of expenses	$ 405,508	$ 728,597
Contributions restricted for purchases of equipment	50,690	-
Net assets released from restrictions for capital	196	106,283
Increase in unrestricted net assets	456,394	834,880
Temporarily Restricted Net Assets		
Contributions for specific purposes	18,813	19,895
Net assets released from restrictions for capital	(196)	(106,283)
Increase (decrease) in temporarily restricted net assets	18,617	(86,388)
Increase in Net Assets	475,011	748,492
Net Assets, Beginning of Year	9,397,167	8,648,675
Net Assets, End of Year	$ 9,872,178	$ 9,397,167

	2011	2010
Operating Activities		
Change in net assets	$ 475,011	$ 748,492
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	614,157	603,482
Contributions restricted by donors	(69,503)	(19,895)
Gain on disposal of equipment	(5,000)	(1,084)
Changes in assets and liabilities		
Receivables	177,546	617,359
Supplies	(43,684)	(9,716)
Prepaid expenses	2,048	(36,141)
Accounts payable	120,917	(806,827)
Accrued expenses	25,761	1,386
Net Cash from Operating Activities	1,297,253	1,097,056
Investing Activities		
Purchase of property and equipment	(537,309)	(278,227)
Proceeds from disposal of equipment	5,000	1,084
Decrease in assets limited as to use	82,554	404,332
Net Cash (used for) from Investing Activities	(449,755)	127,189
Financing Activities		
Repayment of long-term debt	-	(600,000)
Contributions restricted by donors	69,503	19,895
Net Cash from (used for) Financing Activities	69,503	(580,105)
Net Increase in Cash and Cash Equivalents	917,001	644,140
Cash and Cash Equivalents, Beginning of Year	2,079,347	1,435,207
Cash and Cash Equivalents, End of Year	$ 2,996,348	$ 2,079,347
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	$ -	$ 8,564

Note 1 - Organization and Significant Accounting Policies

Organization

Madison Community Hospital (Hospital) is a 25-bed acute care hospital located in Madison, South Dakota. Madison Community Medical Center, Inc. (Center) is a for-profit corporation wholly owned by the Hospital. The Center rents office space to various physicians and organizations. These financial statements include the consolidated operations of the Hospital and the Center.

Consolidation

The consolidated financial statements as of and for the years ended June 30, 2011 and 2010, include the accounts of the following entities:

Madison Community Hospital
Madison Community Medical Center, Inc.

Significant intercompany accounts and transactions have been eliminated in the consolidation.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less, excluding assets limited as to use.

Patient Receivables

Patient receivables are uncollateralized patient and third-party payor obligations. Payments of patient 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 receivables is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected from patients and third-party payors. Management reviews patient 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 due to bad debts. Management considers historical write off and recovery information in determining the estimated bad debt provision. Management also reviews accounts to determine if classification as charity care is appropriate.

Supplies

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

Investments and Investment Income

The fair value of certificates of deposit that are not publicly traded are recorded at cost plus accrued interest. Investment income or loss (including realized gains and losses on investments and interest) is included in other income 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.

Assets Limited as to Use

Assets limited as to use include assets which are restricted by donors as well as assets set aside by the Board of Trustees for future capital improvements and debt redemption, over which the Board retains control and may at its discretion subsequently use for other purposes.

Property and Equipment

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

Land improvements	2-20 years
Buildings	3-40 years
Equipment	3-25 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support 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 support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when donated or acquired long-lived assets are placed in service.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity. At June 30, 2011 and 2010, the Hospital 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, and contributions of long-lived assets, including assets acquired using contributions which were restricted by donors.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, and discounted charges. Net patient service revenue is reported at the estimated net realizable amounts from patients, 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, the Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient service revenue.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital 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 a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is 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 reported as unrestricted contributions in the statement of operations.

Advertising Costs

The Hospital expenses advertising costs as incurred.

Income Taxes

The Hospital is a South Dakota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Hospital is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. The Hospital is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Center is also required to file an annual tax return.

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

Reclassifications

Reclassifications have been made to the June 30, 2010, financial presentation to make it conform to the current year presentation. The reclassification had no effect on previously reported operating results or changes in net assets.

Subsequent Events

The Hospital has evaluated subsequent events through October 14, 2011, the date which the financial statements were available to be issued.

Note 2 - Charity Care

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy and equivalent service statistics. The amounts forgone, based on established rates, were $54,044 and $127,454 for the years ended June 30, 2011 and 2010, respectively.

Note 3 - Patient Service Revenue

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

Medicare – The Hospital is licensed as a Critical Access Hospital (CAH). The Hospital is reimbursed for most inpatient and outpatient services at cost with final settlement determined after submission of annual cost reports by the Hospital and are subject to audits thereof by the Medicare intermediary. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2009.

Medicaid - Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Outpatient services related to Medicaid beneficiaries are paid based on the lower of customary charges, allowable cost as determined through the Hospital's Medicare cost report, or rates as established by the Medicaid program. The Hospital is reimbursed at a tentative rate with final settlement determined by the program based on the Hospitals final Medicaid cost report. The Hospital's Medicaid cost reports have been audited through June 30, 2008.

Blue Cross – Services rendered to Blue Cross subscribers are paid under a prospective cost reimbursed methodology.

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

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

	2011	2010
Total patient service revenue	$ 16,935,071	$ 16,240,968
Contractual adjustments		
Medicare	(2,972,039)	(2,275,323)
Medicaid	(547,940)	(589,027)
Blue Cross and other	(1,075,096)	(1,065,382)
Total contractual adjustments	(4,595,075)	(3,929,732)
Net patient service revenue	$ 12,339,996	$ 12,311,236

Note 4 - Investments and Investment Income

Assets Limited as to use

	2011	2010
By board for capital improvements and debt redemption		
Cash and short-term investments	$ 1,740,576	$ 1,841,747
By donors for specific purposes		
Cash and short-term investments	$ 79,250	$ 60,633

Investment Income

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

	2011	2010
Interest income	$ 57,449	$ 64,531

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	$ 319,827	$ 170,321	$ 319,827	$ 160,075
Buildings	5,149,198	2,962,377	5,149,198	2,795,542
Equipment	6,106,817	4,573,927	5,569,508	4,136,851
	$ 11,575,842	$ 7,706,625	$ 11,038,533	$ 7,092,468
Net property and equipment		$ 3,869,217		$ 3,946,065

Note 6 - Leases

The Hospital leases certain equipment under non-cancelable long-term lease agreements. Total lease expense for the years ended June 30, 2011 and 2010, for all operating leases was $197,992 and $235,999.

Minimum future lease payments for the operating leases are as follows:

Years Ending June 30,	
2012	$ 201,333
2013	145,753
2014	106,053
2015	106,053
2016	53,027
	$ 612,219

Note 7 - Temporarily Restricted Net Assets

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

	2011	2010
Various healthcare related programs, services, and equipment	$ 79,250	$ 60,633

In 2011 and 2010, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of $196 and $106,283, respectively. These amounts are included in net assets released from restrictions in the accompanying financial statements.

Note 8 - Pension Plan

The Hospital has a defined contribution pension plan under which employees may become participants upon reaching age 22 and completion of one year of service. Employer contributions of 5% of annual 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 $247,867 and $250,991, respectively.

Note 9 - Concentrations of Credit Risk

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

	2011	2010
Private Pay	43%	43%
Medicare	26%	29%
Commercial insurance	17%	18%
Blue Cross	11%	8%
Medicaid	3%	2%
	100%	100%

The Hospital's cash balances are maintained in various bank deposit accounts. At various times throughout the years ended June 30, 2011 and 2010, the Hospital's balance in these deposit accounts exceeded federally insured limits.

Note 10 - Functional Expenses

The Hospital provides 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 health care services	$ 10,404,938	$ 10,240,911
General and administrative	1,900,584	1,681,511
	$ 12,305,522	$ 11,922,422

Note 11 - Contingency

Malpractice Insurance

The Hospital has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis. 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.

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 governmental 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 services. Management believes that the Hospital is in substantial compliance with current laws and regulations.

Note 12 - Income Taxes

Madison Community Medical Center, Inc. is a wholly-owned subsidiary of Madison Community Hospital and is organized as a for-profit corporation under the laws of the state of South Dakota.

Net deferred tax assets consist of the following components as of June 30, 2011 and 2010:

	2011	2010
Deferred tax assets		
Operating loss carryforwards	$ 16,097	$ 10,403
Valuation allowance	(16,097)	(10,403)
Net deferred tax asset	$ -	$ -

Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that deductible temporary differences and carryforwards are expected to be available to reduce taxable income. Due to operating losses of the Center in prior years, the level of income for the year ended June 30, 2011, and future budged operating results, a valuation allowance has been recorded to the deferred tax assets.

Operating loss carryforwards for tax purposes as of June 30, 2011, have the following expiration dates:

Expiration Date	
2021	$ 28,247
2022	19,413
2023	7,654
2024	14,036
2028	4,153
2029	12,312
2030	21,500
Total operating loss carryforwards	$ 107,315

Supplementary Information
June 30, 2011 and 2010

Madison Community Hospital

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Supplementary Information

The Board of Trustees
Madison Community Hospital
Madison, South Dakota

We have audited the consolidated financial statements of Madison Community Hospital as of and for the years ended June 30, 2011 and 2010 and our report thereon dated October 14, 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 the financial statements as a whole. The supplemental information on pages 16 to 25 is presented for the purposes of additional analysis and is 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 on pages 16 to 25 is fairly stated in all material respects in relation to the financial statements as a whole.

Eide Bailly LLP

Sioux Falls, South Dakota
October 14, 2011

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	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	$ 2,960,853	$ 2,048,306
Receivables		
Patient, net of estimated uncollectibles of $1,258,000 in 2011 and $1,178,000 in 2010	1,530,688	1,524,494
Estimated third-party payor settlements	-	280,000
Due from Madison Community Medical Center, Inc.	140,055	129,540
Other	75,251	24,629
Supplies	352,691	309,007
Prepaid expenses	111,971	114,019
Total current assets	5,171,509	4,429,995
Assets Limited as to Use		
By board for capital improvements and debt redemption	1,740,576	1,841,747
By donors for specific purposes	79,250	60,633
Total assets limited as to use	1,819,826	1,902,380
Property and Equipment	3,621,386	3,682,034
Other Assets		
Noncurrent receivables	84,895	39,257
Investment in Madison Community Medical Center, Inc.	124,562	146,942
Total other assets	209,457	186,199
	$ 10,822,178	$ 10,200,608

	2011	2010
Liabilities and Net Assets		
Current Liabilities		
Accounts payable		
Trade	$ 172,779	$ 212,862
Estimated third-party payor settlements	161,000	-
Accrued expenses		
Salaries and wages	253,510	238,219
Vacation	337,180	340,473
Payroll taxes and other	25,531	11,887
Total current liabilities	950,000	803,441
Net Assets		
Unrestricted	9,792,928	9,336,534
Temporarily restricted	79,250	60,633
Total net assets	9,872,178	9,397,167
	$ 10,822,178	$ 10,200,608

Madison Community Hospital
Hospital Statements of Operations
Years Ended June 30, 2011 and 2010

	2011	2010
Unrestricted Revenue, Gains and Other Support		
Net patient service revenue	$ 12,339,996	$ 12,311,236
Gains and other support	245,451	230,415
Total revenue, gains and other support	12,585,447	12,541,651
Expenses		
Salaries and wages	5,603,475	5,547,259
Employee benefits	1,062,260	1,027,271
Supplies and other expenses	4,371,858	4,092,349
Depreciation	597,957	587,423
Provision for bad debts	608,048	599,742
Interest	-	4,964
Total expenses	12,243,598	11,859,008
Operating Income	341,849	682,643
Other Income		
Investment income	57,449	64,531
Unrestricted contributions	23,590	950
Loss from wholly owned subsidiary	(22,380)	(20,611)
Gain on disposal of equipment	5,000	1,084
Total other income	63,659	45,954
Revenue in Excess of Expenses	405,508	728,597
Contributions Restricted for Purchases of Equipment	50,690	-
Net Assets Released from Restrictions for Capital	196	106,283
Increase in Unrestricted Net Assets	$ 456,394	$ 834,880

Madison Community Hospital
Hospital Statements of Changes in Net Assets
Years Ended June 30, 2011 and 2010

	2011	2010
Unrestricted Net Assets		
Revenues in excess of expenses	$ 405,508	$ 728,597
Contributions restricted for purchases of equipment	50,690	-
Net assets released from restrictions for capital	196	106,283
Increase in unrestricted net assets	456,394	834,880
Temporarily Restricted Net Assets		
Contributions for specific purposes	18,813	19,895
Net assets released from restrictions for capital	(196)	(106,283)
Increase (decrease) in temporarily restricted net assets	18,617	(86,388)
Increase in Net Assets	475,011	748,492
Net Assets, Beginning of Year	9,397,167	8,648,675
Net Assets, End of Year	$ 9,872,178	$ 9,397,167

Madison Community Medical Center, Inc.

Medical Center Balance Sheets

June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets		
Cash and cash equivalents	$ 35,495	$ 31,041
Property and Equipment	247,831	264,031
Total assets	$ 283,326	$ 295,072
Liabilities and Stockholder's Equity		
Current Liabilities		
Accounts payable	$ 6,135	$ 6,135
Accrued expenses		
Property taxes	12,574	12,455
Due to Madison Community Hospital	140,055	129,540
Total current liabilities	158,764	148,130
Stockholder's Equity		
Capital stock, par value $100 per share; authorized 10,000 shares; issued and outstanding 1,600 shares in 2011 and 2010	160,000	160,000
Retained earnings (deficit)	(35,438)	(13,058)
Total stockholder's equity	124,562	146,942
	$ 283,326	$ 295,072

Madison Community Medical Center, Inc.

Medical Center Statements of Operations and Changes in Retained Earnings (Deficit)
Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Lease	$ 117,287	$ 117,418
Interest	5	1
Total revenues	117,292	117,419
Expenses		
Contract services	77,748	74,616
Utilities and telephone	30,755	30,134
Depreciation	16,200	16,059
Property taxes	11,760	10,950
Insurance	2,760	2,760
Other	449	3,511
Total expenses	139,672	138,030
Net Loss	(22,380)	(20,611)
Retained Earnings (Deficit), Beginning of Year	(13,058)	7,553
Retained Earnings (Deficit), End of Year	$ (35,438)	$ (13,058)

Madison Community Hospital
Schedules of Net Patient Service Revenue
Years Ended June 30, 2011 and 2010

	2011	2010
Patient Service Revenue		
Routine services	$ 1,412,355	$ 1,310,472
Coronary care	23,090	24,425
Observation beds	1,006,071	601,772
Nursery	50,006	42,945
Operating room	771,797	1,012,219
Delivery and labor room	60,459	52,129
Anesthesiology	268,977	229,721
Radiology	3,643,517	3,498,839
Laboratory	1,795,694	1,786,701
Inhalation therapy	530,707	573,038
Cardiac rehab	62,035	63,368
Ambulance	395,630	339,172
Physical therapy	775,598	849,220
Speech therapy	89,640	100,763
Electrocardiology	291,836	279,128
Occupational therapy	396,774	435,267
Central supply	1,247,993	1,335,469
Pharmacy	2,301,408	2,094,707
Emergency room	589,015	431,167
Summerer Clinic	898,743	993,742
Diabetes education	25,110	14,639
Hospice	81,168	70,282
Home health	271,492	229,237
Charity care	(54,044)	(127,454)
Total Patient Service Revenue	16,935,071	16,240,968
Contractual Adjustments		
Medicare	2,972,039	2,275,323
Medicaid	547,940	589,027
Blue Cross and other	1,075,096	1,065,382
Total contractual adjustments	4,595,075	3,929,732
Net Patient Service Revenue	$ 12,339,996	$ 12,311,236

Madison Community Hospital
Schedules of Gains and Other Support
Years Ended June 30, 2011 and 2010

	2011	2010
Gains and Other Support		
Clinic	$ 117,292	$ 117,419
Meals	86,897	83,741
Rehab	7,769	7,307
Rent	5,900	5,500
Sales of medical records	1,931	680
Grants	41,755	35,438
Other	23,451	23,133
Total gains and other support	$ 284,995	$ 273,218

	2011	2010
Routine Services		
Salaries and wages	$ 1,370,396	$ 1,372,267
Supplies and other expenses	27,653	25,232
	1,398,049	1,397,499
Coronary Care		
Salaries and wages	9,255	12,996
Nursing Administration		
Salaries and wages	16,674	96,150
Nursery		
Salaries and wages	25,611	24,993
Operating Room		
Salaries and wages	154,497	160,629
Delivery and Labor Room		
Salaries and wages	14,996	13,010
Anesthesiology		
Salaries and wages	246,795	185,757
Supplies and other expenses	1,123	367
	247,918	186,124
Radiology		
Salaries and wages	356,975	347,289
Supplies and other expenses	166,734	163,157
	523,709	510,446
Laboratory		
Salaries and wages	266,914	263,151
Supplies and other expenses	450,901	436,546
	717,815	699,697
Nuclear Medicine & Ultrasounds		
Salaries and wages	165,101	164,651
Supplies and other expenses	267,711	309,209
	432,812	473,860
Ambulance		
Salaries and wages	167,932	160,093
Supplies and other expenses	16,451	19,260
	184,383	179,353

	2011	2010
Physical Therapy		
Salaries and wages	$ 287,465	$ 295,112
Supplies and other expenses	12,562	25,338
	300,027	320,450
Speech Therapy		
Salaries and wages	59,181	66,569
Supplies and other expenses	6,291	5,469
	65,472	72,038
Occupational Therapy		
Salaries and wages	119,804	136,183
Supplies and other expenses	10,329	10,591
	130,133	146,774
Central Supply		
Salaries and wages	87,530	86,124
Supplies and other expenses	299,808	351,969
	387,338	438,093
Pharmacy		
Salaries and wages	194,362	188,352
Supplies and other expenses	889,574	778,182
	1,083,936	966,534
Emergency Room		
Salaries and wages	89,701	90,036
Supplies and other expenses	451,582	330,167
	541,283	420,203
Summerer Clinic		
Salaries and wages	444,966	489,609
Supplies and other expenses	12,983	11,962
	457,949	501,571
Hospice		
Salaries and wages	59,999	52,483
Supplies and other expenses	3,649	4,552
	63,648	57,035
Home Health		
Salaries and wages	153,036	143,263
Supplies and other expenses	22,469	18,300
	175,505	161,563

	2011	2010
Dietary		
Salaries and wages	287,239	280,428
Supplies and other expenses	93,182	91,079
	380,421	371,507
Plant Operations		
Salaries and wages	183,245	180,210
Supplies and other expenses	229,772	214,377
	413,017	394,587
Medical Records		
Salaries and wages	153,131	147,684
Supplies and other expenses	8,466	27,013
	161,597	174,697
Housekeeping		
Salaries and wages	88,923	86,113
Supplies and other expenses	144	106
	89,067	86,219
Laundry and Linen		
Salaries and wages	41,724	35,970
Supplies and other expenses	57,913	56,100
	99,637	92,070
Administrative Services		
Salaries and wages	558,023	468,137
Supplies and other expenses	1,342,561	1,213,374
	1,900,584	1,681,511
Clinic		
Supplies and other expenses	45,723	47,354
Unassigned Expenses		
Employee benefits	1,062,260	1,027,271
Depreciation	614,157	603,482
Provision for bad debts	608,049	599,742
Interest	-	4,964
	2,284,466	2,235,459
Total expenses	$ 12,305,522	$ 11,922,422