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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

PROVIDE INPATIENT, OUTPATIENT AND CLINICAL HEALTHCARE TO RESIDENTS OF GALCIER COUNTY AND THE SURROUNDING AREA REGARDLESS OF THEIR ABILITY TO PAY

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

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?

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 \$ 5,721,672 including grants of \$ ) (Revenue \$ 6,713,226 )

PROVIDE INPATIENT OUTPATIENT AND CLINICAL HEALTHCARE SERVICES TO RESIDENTS OF GALCIER COUNTY AND THE SURROUNDING AREAS

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 \$ 5,721,672

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.	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	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.		No
4	<b>Section 501(c)(3) organizations.</b> 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.		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.		No
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.		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.		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.		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.		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.		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.	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.	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.		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.	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.		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.		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		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.		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.		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.		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).		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.		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.		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H.	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions).	Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21		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? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i> . . . . .	24a		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	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		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? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	34		No
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? . . . . .	35		No
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

<b>Part V</b> <b>Statements Regarding Other IRS Filings and Tax Compliance</b>			
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>			
		<b>Yes</b>	<b>No</b>
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	<b>1a</b>	8
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	<b>1b</b>	0
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>	Yes
<b>2a</b>	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	<b>2a</b>	119
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?  <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	<b>2b</b>	Yes
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>	Yes
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	<b>3b</b>	Yes
<b>4a</b>	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)?	<b>4a</b>	No
<b>b</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.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	No
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	No
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>	
<b>6a</b>	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?	<b>6a</b>	No
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	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?	<b>7a</b>	No
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>	No
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year.	<b>7d</b>	
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>	No
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>	No
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>	
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>8</b>	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966?	<b>9a</b>	
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12.	<b>10a</b>	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	<b>10b</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>a</b>	Gross income from members or shareholders.	<b>11a</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	<b>11b</b>	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	<b>12b</b>	
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	<b>13a</b>	
<b>b</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.	<b>13b</b>	
<b>c</b>	Enter the amount of reserves on hand.	<b>13c</b>	
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>	No
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	<b>14b</b>	

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	10	
b	Enter the number of voting members included in line 1a, above, who are independent . . . . .	1b	10	
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		No
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? . . . . .			
a	The organization's CEO, Executive Director, or top management official . . . . .	15a	Yes	
b	Other officers or key employees of the organization . . . . .	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions) . . . . .			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	16b		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ THE ORGANIZATION 802 SECOND STREET NE CUT BANK, MT 59427 (406) 873-2250

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) GERALD EBELT CHAIRMAN	1.00	X		X				0	0	0
(2) ROBERT CARETTE VICE CHAIRMAN	1.00	X		X				0	0	0
(3) ELAINE MITCHELL SECRETARY	1.00	X		X				0	0	0
(4) JOHN WALLER DIRECTOR	1.00	X						0	0	0
(5) PAT MONTALBON DIRECTOR	1.00	X						0	0	0
(6) RICK BILLMAN DIRECTOR	1.00	X						0	0	0
(7) ADRON MEDLEY MD DIRECTOR/GENERAL SURGEON	40.00	X			X	X		291,231	0	0
(8) BECKY KIMMET DIRECTOR	1.00	X						0	0	0
(9) STEVE LOWERY DIRECTOR	1.00	X						0	0	0
(10) BESS HJARTARSON DIRECTOR	1.00	X						0	0	0
(11) TREASURE BERKRAM CFO	40.00			X				54,847	0	1,066
(12) CHERIE TAYLOR CEO	40.00			X				11,988	0	0
(13) JOSEPH KARCHER CRNA	40.00				X			154,925	0	0
(14) DARRELL STOCK DOCTOR	40.00				X	X		195,150	0	0



## Part VII

2	Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization	3
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## Section B. Independent Contractors

## **Section B. Independent Contractors**

Form **990** (2010)

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		111,167						
	b	Membership dues . . . . .	1b								
	c	Fundraising events . . . . .	1c								
	d	Related organizations . . . . .	1d								
	e	Government grants (contributions)	1e	36,103							
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	75,064							
	g	Noncash contributions included in lines 1a-1f \$									
	h	Total. Add lines 1a-1f . . . . .									
	Program Service Revenue	2a							Business Code	6,304,357	6,304,357
		PATIENT SERVICE REVENUE		621110							
b		OTHER PATIENT REVENUE		621110	408,869	408,869					
c											
d											
e											
f		All other program service revenue									
g		Total. Add lines 2a-2f . . . . .			6,713,226						
Other Revenue		3	Investment income (including dividends, interest and other similar amounts) . . . . .			1,211			1,211		
	4	Income from investment of tax-exempt bond proceeds . . .									
	5	Royalties . . . . .									
	6a	Gross Rents	(i) Real	(ii) Personal	7,842	7,842					
	b	Less rental expenses									
	c	Rental income or (loss)	7,842								
	d	Net rental income or (loss) . . . . .									
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other							
	b	Less cost or other basis and sales expenses									
	c	Gain or (loss)									
	d	Net gain or (loss) . . . . .									
	8a	Gross income from fundraising events (not including \$ _____ 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 . . .									
	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	300,000	300,000					
11a	COUNTY TAX REVENUE		624100								
b											
c											
d	All other revenue . . . . .										
e	Total. Add lines 11a-11d . . . . .			300,000							
12	Total revenue. See Instructions . . . . .				7,133,446	7,021,068	0	1,211			

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 . . . . .	794,500	641,306	153,194	
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	2,934,600	2,620,269	314,331	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .				
9	Other employee benefits . . . . .	261,310	228,549	32,761	
10	Payroll taxes . . . . .	467,836	409,183	58,653	
a	Fees for services (non-employees)				
	Management . . . . .	130,888		130,888	
b	Legal . . . . .	42,476		42,476	
c	Accounting . . . . .	19,900		19,900	
d	Lobbying . . . . .				
e	Professional fundraising services See Part IV, line 17 . . . . .				
f	Investment management fees . . . . .				
g	Other . . . . .				
12	Advertising and promotion . . . . .	15,443	2,402	13,041	
13	Office expenses . . . . .				
14	Information technology . . . . .				
15	Royalties . . . . .				
16	Occupancy . . . . .	21,481	21,481		
17	Travel . . . . .				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19	Conferences, conventions, and meetings . . . . .				
20	Interest . . . . .	23,644	23,644		
21	Payments to affiliates . . . . .				
22	Depreciation, depletion, and amortization . . . . .	222,343	222,343		
23	Insurance . . . . .				
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	PROVIDER FEES	596,803	596,803		
b	SUPPLIES AND MINOR EQUI	470,704	437,984	32,720	
c	INSURANCE	175,640	28,158	147,482	
d	REPAIRS/MAINTENANCE	115,482	106,683	8,799	
e	CONTRACT SERVICES	113,701	104,061	9,640	
f	All other expenses	560,755	278,806	281,949	
25	Total functional expenses. Add lines 1 through 24f	6,967,506	5,721,672	1,245,834	0
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

						(A)		(B)
						Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .				29,820	1	281,329
	2	Savings and temporary cash investments . . . . .					2	
	3	Pledges and grants receivable, net . . . . .					3	
	4	Accounts receivable, net . . . . .				1,157,690	4	925,164
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .					5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Schedule L . . . . .					6	
	7	Notes and loans receivable, net . . . . .				684,279	7	498,823
	8	Inventories for sale or use . . . . .				194,864	8	172,846
	9	Prepaid expenses and deferred charges . . . . .				34,781	9	19,432
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	10a	1,923,407				
	b	Less: accumulated depreciation . . . . .	10b	1,231,769	708,777	10c	691,638	
	11	Investments—publicly traded securities . . . . .					11	
	12	Investments—other securities. See Part IV, line 11 . . . . .				451,398	12	378,903
	13	Investments—program-related. See Part IV, line 11 . . . . .					13	
	14	Intangible assets . . . . .					14	
	15	Other assets. See Part IV, line 11 . . . . .				268,139	15	216,627
16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .				3,529,748	16	3,184,762	
Liabilities	17	Accounts payable and accrued expenses . . . . .				679,831	17	676,374
	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 . . . . .				1,180,340	23	673,194
	24	Unsecured notes and loans payable to unrelated third parties . . . . .					24	
	25	Other liabilities. Complete Part X of Schedule D . . . . .				6,926	25	6,603
	26	Total liabilities. Add lines 17 through 25 . . . . .				1,867,097	26	1,356,171
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.							
	27	Unrestricted net assets . . . . .				1,611,815	27	1,777,755
	28	Temporarily restricted net assets . . . . .				50,836	28	50,836
	29	Permanently restricted net assets . . . . .					29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.							
	30	Capital stock or trust principal, or current funds . . . . .					30	
	31	Paid-in or capital surplus, or land, building or equipment fund . . . . .					31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .					32	
	33	Total net assets or fund balances . . . . .				1,662,651	33	1,828,591
	34	Total liabilities and net assets/fund balances . . . . .				3,529,748	34	3,184,762

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	7,133,446
2	Total expenses (must equal Part IX, column (A), line 25)	2	6,967,506
3	Revenue less expenses Subtract line 2 from line 1	3	165,940
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,662,651
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0
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	1,828,591

Part XII Financial Statements and Reporting

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

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public  
Inspection

Name of the organization NORTHERN ROCKIES MEDICAL CENTER INC	Employer identification number 81-0530457
---	--

Part I

Reason for Public Charity Status

(All organizations must complete this part.) See instructions

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

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

☐

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

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?  

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?
- h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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


Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						



Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions )					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

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




Part IIIPart III

Support Schedule for Organizations Described in Section 509(a)(2)  
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6 )						

Section B. Total Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
13 Total support (Add lines 9, 10c, 11 and 12 )						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> 						

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 <b>stop here</b> . 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 <b>stop here</b> . 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).

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**  
NORTHERN ROCKIES MEDICAL CENTER INC

**Employer identification number**  
81-0530457

Part I

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

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

Part II

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)  

☐ 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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ \_\_\_\_\_

4

Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ 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

▶ \$ \_\_\_\_\_

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

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

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations

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
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance . . . . .				
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

(i) unrelated organizations . . . . .

3a(i)

Yes

No

(ii) related organizations . . . . .

3a(ii)

Yes

No

b

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

3b

Yes

No

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 . . . . .		155,516	82,693	72,823
c Leasehold improvements . . . . .				
d Equipment . . . . .		1,767,891	1,149,076	618,815
e Other . . . . .				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶				691,638

Schedule D (Form 990) 2010



Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	17,133,446
2	Total expenses (Form 990, Part IX, column (A), line 25)	6,967,506
3	Excess or (deficit) for the year Subtract line 2 from line 1	165,940
4	Net unrealized gains (losses) on investments	
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV)	
9	Total adjustments (net) Add lines 4 - 8	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	165,940

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	NA- NO UNCERTAIN TAX POSITIONS UNDER FIN 48 HAVE BEEN TAKEN

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**  
NORTHERN ROCKIES MEDICAL CENTER INC

**Employer identification number**  
81-0530457

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .	Yes	
b	If "Yes," is it a written policy? . . . . .	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year  <input type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Applied uniformly to most hospitals <input type="checkbox"/> 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  <b>a</b> Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care  <input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %  <b>b</b> Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care . . . . .  <input checked="" type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %  <b>c</b> 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  <b>4</b> Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .		No
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .		
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .		
6a	Does the organization prepare a community benefit report during the tax year? . . . . .	Yes	
6b	If "Yes," did the organization make it available to the public? . . . . .	Yes	
	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)			131,175		131,175	1 880 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			1,162,463	1,112,109	50,354	0 720 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			1,293,638	1,112,109	181,529	2 600 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			149,453	13,400	136,053	1 950 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j Total Other Benefits			149,453	13,400	136,053	1 950 %
k Total. Add lines 7d and 7j			1,443,091	1,125,509	317,582	4 550 %

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		27,547		27,547	0 400 %
9	Other					
10	Total		27,547		27,547	0 400 %

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 Heathcare Financial Management Association Statement No 15?	1	Yes
2	Enter the amount of the organization's bad debt expense (at cost)	2	600,163
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	450,122
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	2,228,464
6	Enter Medicare allowable costs of care relating to payments on line 5	6	2,173,765
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	54,699
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used. <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
9b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	Yes

Part IV

Management Companies and Joint Ventures

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

## Section A. Hospital Facilities

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

**Schedule H (Form 990) 2010**



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

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

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

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 II NRMC PROMOTES THE COUMMUNITIES HEALTH BY PARTICIPATING IN ANNUAL HEALTH FAIRS THAT ENCOMPASS ALL AREAS OF WELLNESS INCLUDING DIABETES SCREENING TO BLOOD PRESSURE CHECKS TO PAD SCREENING NRMC DOES FREE BLOOD PRESSURE CHECKS AND PARTICIPATES IN A FREE PHYSICAL THERAPY RENTAL EQUIPMENT PROGRAM TO ASSIST WITH REHABILITATION AT HOME

Identifier	ReturnReference	Explanation
		PART III, LINE 4 TO DETERMINE THE AMOUNTS USED ON LINE 2 & 3 FOR PART III, THE FULL AMOUNT OF OUTSTANDING GROSS CHARGES THAT WERE WRITTEN OFF TO BAD DEBT WAS USED AND THE COST TO CHARGE RATIO DETERMINED ON WORKSHEET 2 OF 73% WAS UTILIZED TO DETERMINE THE "AT COST" FIGURE THE AMOUNTS WRITTEN OFF TO BAD DEBT WOULD BE WHAT ARE LEFT OVER AFTER ANY APPLICABLE DISCOUNTS, INSURANCE AND PAYMENTS HAVE BEEN APPLIED MANAGEMENT DETERMINES THE ALLOWANCE FOR DOUBTFULL ACCOUNTS BY USING HISTORICAL EXPERIENCE APPLIED TO AN AGING OF ACCOUNTS PATIENT RECEIVABLES ARE WRITTEN OFF WHEN DEEMED UNCOLLECTIBLE

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE COMPLETED MEDICARE COST REPORT WAS USED TO DETERMINE THE AMOUNT OF MEDICARE ALLOWABLE COST AND NET PATIENT REVENUE

Identifier	ReturnReference	Explanation
		PART III, LINE 9B THE FINANCIAL ASSISTANCE POLICY, MEDICARE BAD DEBT POLICY, AND FINANCIAL ASSISTANCE POLICY ARE APPLIED UNIFORMLY ACROSS ALL PATIENTS, REGARDLESS OF PAYOR STATUS

Identifier	ReturnReference	Explanation
NOT REQUIRED		PART V, SECTION B, LINE 19D ALL PATIENTS, REGARDLESS OF PAYOR STATUS, ARE CHARGED A STANARD PRICE FOR A PARTICULAR SERVICE, BASED OFF OF THE MEDICARE FEE SCHEDULE

Identifier	ReturnReference	Explanation
NOT REQUIRED		PART V, SECTION B, LINE 21 ALL PATIENTS, REGARDLESS OF PAYOR STATUS, ARE CHARGED A STANDARD PRICE FOR A PARTICULAR SERVICE, BASED OFF OF THE MEDICARE FEE SCHEDULE

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 NRMC CONDUCTS A COMMUNITY HEALTH SERVICES DEVELOPMENT SURVEY IN CONJUNCTION WITH MONTANA STATE UNIVERSITY EVERY THREE YEARS TO ASSESS THE NEEDS OF THE COMMUNITY THE RESULTS ARE REVIEWED BY THE BOARD OF TRUSTEES AND MANAGEMENT TO DETERMINE WHAT CHANGES NEED TO BE IMPLEMENTED TO INSURE THAT WE ARE MEETING THE COMMUNITIES HEALTHCARE NEEDS



Identifier	ReturnReference	Explanation
		PART VI, LINE 3 NRM C'S SELF PAY PATIENT REPRESENTATIVE WORKS WITH THE PATIENT TO DETERMINE HIS/HER ELIGIBILITY FOR FEDERAL, STATE OR LOCAL PROGRAMS THAT THEY MAY QULAIFY FOR THEY WORK WITH THE PATIENT ONE ON ONE TO QUALIFY THE PATIENT FOR ANY ELIGIBLE CHARITY CARE PROGRAM

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 NRMC SERVES THE RESDENTS OF GLACIER COUNTY,MT AND THE SURROUNDING COUNTIES AS WELL AS A SIGNIFICANT NUMBER OF MEMBERS OF THE BLACKFEET NATION CUT BANK BORDERS THE BLACKFEET INDIAN RESERVATION IN ADDITION NRMC SERVES A SIGNIFICANT NUMBER OF TOURISTS THAT PASS THROUGH THE AREA DURING THE SUMMER MONTHS

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 NRMCM PROMOTES THE COUMMUNITIES HEALTH BY PARTICIPATING IN ANNUAL HEALTH FAIRS THAT ENCOMPASS ALL AREAS OF WELLNESS INCLUDING DIABETES SCREENING TO BLOOD PRESSURE CHECKS TO PAD SCREENING NRMCM DOES FREE BLOOD PRESSURE CHECKS AND PARTICIPATES IN A FREE PHYSICAL THERAPY RENTAL EQUIPMENT PROGRAM TO ASSIST WITH REHABLILITATION AT HOME NRMCM'S MEDICAL STAFF PROVIDES EMERGENCY DEPARTMENT COVERAGE 24/7 - 365 DAYS PER YEAR NRMCM'S BOARD OF TRUSTEES CONSIST OF LEADERS FROM THE COMMUNITY THAT INCLUDE A TEACHER, DENTIST,ACCOUNTANT RETIRED PASTOR, AND RETAIL BUSINESS OWNER THAT VARY IN AGE FROM 30 TO 70 THE BOARD MEMBERS ARE EXTREMELY ACITIVE IN THE COMMUNITY AND A AVAILBLE TO COMMUNITY MEMBERS FOR QUESTIONS AND ANSWERS

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 NA

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization NORTHERN ROCKIES MEDICAL CENTER INC	Employer identification number 81-0530457
---	--

Part I

Questions Regarding Compensation

	Yes	No
<div>1a</div> <div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</div> <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
<div>1b</div> <div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain.</div>		
<div>2</div> <div>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?</div>		
<div>3</div> <div>Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.</div> <div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
<div>4</div> <div>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:</div>		
<div>a</div> <div>Receive a severance payment or change-of-control payment from the organization or a related organization?</div>		No
<div>b</div> <div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div>		No
<div>c</div> <div>Participate in, or receive payment from, an equity-based compensation arrangement?</div>		No
<div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</div>		
<div></div> <div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div>		
<div>5</div> <div>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:</div>		
<div>a</div> <div>The organization?</div>		No
<div>b</div> <div>Any related organization?</div>		No
<div></div> <div>If "Yes," to line 5a or 5b, describe in Part III.</div>		
<div>6</div> <div>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:</div>		
<div>a</div> <div>The organization?</div>		No
<div>b</div> <div>Any related organization?</div>		No
<div></div> <div>If "Yes," to line 6a or 6b, describe in Part III.</div>		
<div>7</div> <div>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.</div>		No
<div>8</div> <div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III.</div>		No
<div>9</div> <div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div>		

**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) ADRON MEDLEY MD	(i) (ii)	291,231 0	0 0	0 0	0 0	0 0	291,231 0	0 0
(2) JOSEPH KARCHER	(i) (ii)	154,925 0	0 0	0 0	0 0	0 0	154,925 0	0 0
(3) DARRELL STOCK	(i) (ii)	195,150 0	0 0	0 0	0 0	0 0	195,150 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
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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  
NORTHERN ROCKIES MEDICAL CENTER INC

Employer identification number  
81-0530457

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE FORM 990 IS PREPARED BY THE ORGANIZATION'S INDEPENDENT ACCOUNTANT AND PROVIDED TO THE BOARD FOR REVIEW AND APPROVAL PRIOR TO SUBMITTING TO THE IRS



Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE ORGANIZATION ANNUALLY REVIEWS THE POLICY WITH THE BOARD AND REQUESTS ANY CONFLICTS BE DISCLOSED AT EACH BOARD MEETING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE BOARD OF DIRECTORS IS RESPONSIBLE FOR DETERMINING COMPENSATION FOR UPPER LEVEL EMPLOYEES. COMPARATIVE DATA IS COLLECTED AND ANALYZED. THE COMPENSATION PACKAGES ARE APPROVED BY THE BOARD OF DIRECTORS. THE ORGANIZATION'S CEO IS RESPONSIBLE FOR THE HIRING OF ALL OTHER STAFF USING COMPARATIVE DATA TO ENSURE REASONABLE COMPENSATION.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	ALL PUBLIC DOCUMENTS ARE AVAILABLE FOR REVIEW AT THE ORGANIZATION'S ADMINISTRATIVE OFFICES UPON REQUEST

Identifier	Return Reference	Explanation
		THE ANNUAL AUDIT IS PRESENTED TO THE FINANCE COMMITTEE OF THE BOARD PRIOR ACCEPTANCE OF THE FINAL AUDIT REPORT BY THE COMMITTEE. BASED ON THE PRESENTATION ANY CHANGES NECESSARY ARE MADE AND THE AUDIT REPORT IS ACCEPTED AND RECOMMENDED TO THE BOARD FOR APPROVAL

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  
NORTHERN ROCKIES MEDICAL CENTER INC

Employer identification number  
81-0530457

Part I

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) PRAIRIE WINDS DME LLC 802 2ND ST NE CUT BANK, MT 59427 81-0530457	RENTS DURABLE MEDICAL EQUIPMENT	MT			NORTHERN ROCKIES MEDICAL CENTER INC

Part II

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

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

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproporionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

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

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

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

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

r

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

2

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

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

Schedule R (Form 990) 2010

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

[illegible]



**Part VII**   **Supplemental Information**

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

Identifier	Return Reference	Explanation
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**NORTHERN ROCKIES MEDICAL CENTER, INC.  
AND SUBSIDIARY**

**CUT BANK, MONTANA**

**FINANCIAL STATEMENTS**  
**AS OF**  
**SEPTEMBER 30, 2011 AND 2010**

Our reports are issued with the understanding that, without our consent, they may be reproduced only in their entirety. Should it be desired to issue or publish a condensation or a portion of this report and our name is to be used in connection therewith, our approval must first be secured.

***Douglas Wilson & Company, P.C.***

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**Douglas WILSON**  
and Company, PC

Board of Directors  
Northern Rockies Medical Center, Inc. and Subsidiary  
Cut Bank, Montana

Randal J. Boysun, CPA  
Gerard K. Schmitz, CPA  
Michael A. Diekhans, CPA  
Myra L. Bakke, CPA  
Thomas A. Kopp, CPA

—  
Douglas N. Wilson, CPA  
Bruce H. Gaare, CPA  
Dixie L. Swanson, CPA

### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying consolidated balance sheets of Northern Rockies Medical Center, Inc. (a nonprofit organization) and Subsidiary (Prairie Winds DME, LLC) as of September 30, 2011 and 2010, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Northern Rockies Medical Center, Inc. and Subsidiary as of September 30, 2011 and 2010, and the results of its operations and changes in net assets, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Great Falls, Montana  
March 13, 2012

**NORTHERN ROCKIES MEDICAL CENTER, INC.**

**CUT BANK, MONTANA**

**CONSOLIDATED BALANCE SHEETS  
AS OF SEPTEMBER 30, 2011 AND 2010**

	<u>9/30/11</u>	<u>9/30/10</u>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 281,329	\$ 29,820
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$379,125 and \$509,088 in 2011 and 2010	925,164	1,157,690
Contractual Settlement Receivable	216,627	268,139
Other Receivables	498,823	684,279
Inventory	172,846	194,864
Prepaid Expenses and Other Current Assets	19,432	34,781
Total Current Assets	<u>2,114,221</u>	<u>2,369,573</u>
Other Assets		
Investment - Yellowstone Insurance Exchange	36,772	73,532
Land, Held for Investment	115,300	115,300
Patronage Credits	226,831	262,566
Total Other Assets	<u>378,903</u>	<u>451,398</u>
Property and Equipment, Net of Accumulated Depreciation of \$1,231,769 and \$1,023,939 in 2011 and 2010	<u>691,638</u>	<u>708,777</u>
Total Assets	<u><u>\$ 3,184,762</u></u>	<u><u>\$ 3,529,748</u></u>

The accompanying notes are an integral part of these financial statements

**NORTHERN ROCKIES MEDICAL CENTER, INC.**

**CUT BANK, MONTANA**

**CONSOLIDATED BALANCE SHEETS  
AS OF SEPTEMBER 30, 2011 AND 2010**

	<u>9/30/11</u>	<u>9/30/10</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 237,097	\$ 284,639
Accrued Expenses and other Liabilities	439,277	395,192
Accrued Interest Payable	6,603	6,926
Line of Credit	-	153,400
Current Portion of Long-Term Debt	165,299	160,113
Current Portion of Capital Lease Obligations	7,984	7,213
Total Current Liabilities	<u>856,260</u>	<u>1,007,483</u>
<b>Long-Term Liabilities</b>		
Due to Glacier County	28,991	28,899
Due to Cut Bank Development Corporation	-	124,940
Capital Lease Obligation	17,772	25,756
Long-Term Debt	453,148	680,019
Total Long-Term Liabilities	<u>499,911</u>	<u>859,614</u>
 Total Liabilities	 <u>1,356,171</u>	 <u>1,867,097</u>
<b>Net Assets</b>		
Unrestricted	1,777,755	1,611,815
Board Designated	50,836	50,836
	<u>1,828,591</u>	<u>1,662,651</u>
 Total Liabilities and Net Assets	 <u><u>\$ 3,184,762</u></u>	 <u><u>\$ 3,529,748</u></u>

The accompanying notes are an integral part of these financial statements

**NORTHERN ROCKIES MEDICAL CENTER, INC.**

**CUT BANK, MONTANA**

**CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010**

	<u>9/30/11</u>	<u>9/30/10</u>
Unrestricted Revenues, Gains and Other Support		
Net Revenue from Services to Patients	\$ 6,304,357	\$ 6,463,475
Other Revenue	408,869	661,072
Total Revenues, Gains and Other Support	<u>6,713,226</u>	<u>7,124,547</u>
Operating Expenses		
Professional Care	5,007,608	5,252,413
General Services	473,835	405,026
Administrative and Fiscal Services	1,240,076	1,290,832
Depreciation and Amortization	222,343	222,171
Interest Expense	23,644	65,619
Total Expenses	<u>6,967,506</u>	<u>7,236,061</u>
Net Operating Income	<u>(254,280)</u>	<u>(111,514)</u>
Other Income (Expenses)		
Glacier County Tax Revenue	300,000	225,000
Pledges and Contributions	75,064	9,897
Grants	36,103	7,920
Investment Income	1,211	897
Rental Income	7,842	33,684
Total Other Income (Expenses)	<u>420,220</u>	<u>277,398</u>
Increase in Net Assets	165,940	165,884
Net Assets, Beginning of Year	<u>1,662,651</u>	<u>1,496,767</u>
Net Assets, End of Year	<u>\$ 1,828,591</u>	<u>\$ 1,662,651</u>

The accompanying notes are an integral part of these financial statements

**NORTHERN ROCKIES MEDICAL CENTER, INC.**

**CUT BANK, MONTANA**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010**

	<u>9/30/11</u>	<u>9/30/10</u>
Cash Flows from Operating Activities		
Increase in Net Assets	\$ 165,940	\$ 165,884
Adjustments to Reconcile Net Change in Net Assets to		
Net Assets Provided By Operating Activities:		
Depreciation and Amortization	219,032	222,171
Decrease (Increase) in Accounts Receivable, Net	232,526	(178,930)
Decrease (Increase) in Contractual Settlements Receivable	51,512	(76,814)
Decrease (Increase) in Other Receivables	185,456	(129,048)
Decrease (Increase) in Inventory	22,018	(13,474)
Decrease (Increase) in Prepaid Expenses	15,349	(6,966)
Increase (Decrease) in Accounts Payable	(47,542)	(37,452)
Increase (Decrease) in Accrued Expenses and Other Liabilities	44,085	(119,338)
Increase (Decrease) in Accrued Interest Payable	(323)	(1,655)
Net Cash Provided By (Used For) Operating Activities	<u>888,053</u>	<u>(175,622)</u>
Cash Flows from Investing Activities		
Redemption of Investments	36,760	36,761
Redemption of Patronage Credits	35,735	30,788
Capital Expenditures	(201,893)	(19,844)
Net Cash Provided by (Used For) Investing Activities	<u>(129,398)</u>	<u>47,705</u>
Cash Flows from Financing Activities		
Proceeds from Issuance of Short Term Debt	-	153,400
Proceeds from Issuance of Long Term Debt and Capital Leases	-	2,400
Principal Payments on Short Term Debt	(153,400)	-
Principal Payments on Long Term Debt and Capital Lease	(353,746)	(237,574)
Net Cash Provided By (Used For) Financing Activities	<u>(507,146)</u>	<u>(81,774)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	251,509	(209,691)
Cash and Cash Equivalents, Beginning of Year	<u>29,820</u>	<u>239,511</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 281,329</u></u>	<u><u>\$ 29,820</u></u>
Supplemental Information		
Interest Paid	<u><u>\$ 23,967</u></u>	<u><u>\$ 67,274</u></u>

The accompanying notes are an integral part of these financial statements



**NORTHERN ROCKIES MEDICAL CENTER, INC.  
AND SUBSIDIARY**

**CUT BANK, MONTANA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

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**NOTE 1: NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES:**

Northern Rockies Medical Center, Inc. and Subsidiary (collectively referred to as the Hospital) is a Montana nonprofit corporation, operating a 20-bed critical access hospital and a rural health care clinic in Cut Bank, Montana. The Hospital operates with two physicians and four mid-level practitioners providing medical care to the residents of Glacier County and the surrounding area. The subsidiary is an LLC that provides durable medical equipment to residents in the Cut Bank area. The Hospital assumed operations from Glacier County, Montana as of October 1, 2001. The Hospital leases the property and equipment owned by Glacier County for an annual rental of \$1. Glacier County has contributed certain assets towards the operation of the Hospital.

Following is a summary of the significant accounting policies of Northern Rockies Medical Center, Inc. and Subsidiary.

**Principles of Consolidation** - The consolidated financial statements include the accounts of the Hospital and its subsidiary, which is wholly owned. All material intercompany accounts and transactions are eliminated in consolidation.

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

**Cash and Cash Equivalents** - For purposes of reporting the statements of cash flows, the Hospital considers all cash accounts and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Patient Receivables** - Patient receivables are carried at original invoice amount less an estimate made for doubtful receivables and contractual allowances based on a review of all outstanding amounts on a monthly basis. Receivables are considered past due when they are over thirty days old. Management determines the allowance for doubtful accounts by using historical experience applied to an aging of accounts. Patient receivables are written off when deemed uncollectible. Recoveries of patient receivables previously written off are recorded when received.

**Inventories** - Inventories are stated at the lower of cost (first-in, first-out method) or market.

**Investments** - Investments in equity securities with readily determinable fair values, and all investments in debt securities are measured at fair value in the balance sheet. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in non-operating income unless the income or loss is restricted by donor or law

**Equity Method Investments** - The Hospital also has an investment in the Yellowstone Insurance Exchange, a risk retention group (the group). The facility accounts for its ownership in the group using the equity method of accounting.

**Patronage Equity** - Patronage credits represent allocated capital from an electrical cooperative and are stated at cost.

**Assets Limited as to Use** - Assets limited as to use primarily consists of designated assets set aside by the Board of Trustees for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes.

**Property and equipment** - Property and equipment are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Major expenditures for property and equipment (cost of \$5,000 or greater) and expenditures that substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, cost and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income (expense).

Gifts of long-lived assets such as land, buildings or equipment are reported as unrestricted support and are excluded from operating income, 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 the donated or acquired long-lived assets are placed in service. Gifts of long-lived assets are reported at the fair market value on the date of the gift.

**Operating Income** - The statements of operations and changes in net assets includes operating income. Changes in unrestricted net assets which are excluded from operating income, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

**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 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** - 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 recorded as gross revenue and a deduction from gross revenue (approximately cost).

**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 is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statements.

**Advertising** - Advertising costs are expensed as incurred.

**Income Taxes** - The Hospital is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no income tax liability or expense is reflected in the accompanying financial statements. For years prior to 2008 the Hospital's tax returns are generally no longer subject to examination.

**Subsequent Events:** Accounting standards establish principles setting forth the period after the balance sheet date during which management is required to evaluate events and transactions that may occur for potential recognition or disclosure in the financial statements. The company has evaluated subsequent events through March 13, 2012, which is the date the financial statements were available to be issued.

## **NOTE 2: 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. A summary of the payment arrangements with major third-party payors follows:

**Medicare** - The Hospital operates under the Medicare program as a critical access hospital and a rural health clinic. As such, the Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.

**Medicaid** - Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary.

The Hospital also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider 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.

## **NOTE 3: CONTRACTUAL RECEIVABLES:**

A summary of contractual receivables (payables) at September 30, 2011 and 2010 follows:

	<u>9/30/11</u>	<u>9/30/10</u>
Current Medicare Settlement Receivable	\$ 188,930	\$ 268,139
Medicaid Settlement Receivable (Payable)	27,697	-
	<u>\$ 216,627</u>	<u>\$ 268,139</u>

**NOTE 4: OTHER RECEIVABLES:**

A summary of other receivables at September 30, 2011 and 2010 follows:

	<u>9/30/11</u>	<u>9/30/10</u>
Employees	\$ 11,000	\$ 12,500
Bed Tax Receivable	229,556	427,442
County Taxes Receivable	238,933	225,000
Other	19,334	19,337
	<u>\$ 498,823</u>	<u>\$ 684,279</u>

On June 8, 2010 the voters of Glacier County passed a mill levy equal to approximately 15 mills sufficient to generate \$300,000 of tax revenue each year for the operation and maintenance of the Hospital.

**NOTE 5: PROPERTY AND EQUIPMENT:**

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

	<u>9/30/11</u>	<u>9/30/10</u>
Buildings and Improvements	\$ 155,516	\$ 138,511
Equipment	1,727,891	1,233,095
Equipment Under Capital Leases	40,000	361,110
	<u>1,923,407</u>	<u>1,732,716</u>
Less Accumulated Depreciation	<u>(1,231,769)</u>	<u>(1,023,939)</u>
	<u>\$ 691,638</u>	<u>\$ 708,777</u>

**NOTE 6: LINE OF CREDIT:**

The Hospital has a line of credit with Flathead Bank. The total authorized principal is \$400,400 bearing an interest rate of 6.5%. The maturity date is May 15, 2012. The balance outstanding at September 30, 2011 is \$-0-.

**NOTE 7: LONG-TERM LIABILITIES:**

Long-term liabilities at September 30, 2011 and 2010 consist of the following:

	<u>9/30/11</u>	<u>9/30/10</u>
Montana Health Facility Finance Authority, 5.05% note payable, due August 2011, secured by anesthesia equipment.	\$ -	\$ 6,196
Cut Bank Development, 3.0% note payable, principal and interest due December 2010, unsecured.	-	59,600

**LONG-TERM LIABILITIES (Continued)**

	<u>9/30/11</u>	<u>9/30/10</u>
Glacier Electric Cooperative note under the USDA rural Economic Development Loan and Grant Program. Total loan \$340,000, 0% interest rate, due March 1, 2018, annual payments of \$34,000, secured by equipment.	\$ 204,000	\$ 238,000
Stockman Bank, 6.0% note payable, due February 2022, secured by property.	32,273	33,521
Bank of Glacier County, 5.0% note payable, due December 1, 2019, secured by capital credits	193,059	209,120
Cut Bank Community Members, 10% notes payable, due April 1, 2013, unsecured.	178,526	277,608
MT Health Facility Finance Authority, 3.47% note payable, due July 15, 2013, secured by surgical equipment.	10,589	16,087
Total	618,447	840,132
Less Current Portion of Long-Term Debt	(165,299)	(160,113)
Net Long-Term Debt	<u>\$ 453,148</u>	<u>\$ 680,019</u>

Principal maturities of long-term debt are as follows:

Long-Term Debt Maturities:

2011	\$ 165,299
2012	125,240
2013	52,000
2014	52,918
2015	53,882
Thereafter	169,108
Total	<u>\$ 618,447</u>

**NOTE 8: CAPITAL LEASE OBLIGATIONS:**

The Hospital has leases for certain equipment which meets the criteria for capital leases and, accordingly, has been recorded as such. The equipment under capital leases, including depreciation expense, has been included in property and equipment with a cost of \$45,998 and accumulated depreciation of \$9,966. Terms and future minimum lease obligations are as follows:

	<u>9/30/11</u>	<u>9/30/10</u>
Abbott Laboratories, 10.19% lease payable, monthly payments of \$854, including interest, due August 2014, secured by hematology analyzer.	29,022	40,138
Total Minimum Lease Payments	29,022	40,138
Less Amount Representing Interest	(3,266)	(7,169)
Present Value of Net Minimum Lease Payments	25,756	32,969
Less Current Maturities	(7,984)	(7,213)
Long-Term Capital Lease Obligations	<u>\$ 17,772</u>	<u>\$ 25,756</u>

The following is a schedule of future lease payments by year and in aggregate:

**Future Lease Obligations:**

	<b>Principal</b>	<b>Interest</b>	<b>Total Payment</b>
2012	\$ 7,984	\$ 2,264	\$ 10,248
2013	8,837	1,411	10,248
2014	8,075	451	8,526
	<u><b>\$ 24,896</b></u>	<u><b>\$ 4,126</b></u>	<u><b>\$ 29,022</b></u>

**NOTE 9: MALPRACTICE LIABILITY COVERAGE:**

The Hospital is covered by professional liability insurance on a claims-made basis. For the policy years ending September 30, 2011 and 2010, per claim coverage has been \$1,000,000 with aggregate coverage of \$3,000,000. Losses on medical malpractice claims are estimated based on deductibles and claims in excess of per-claim or aggregate coverage and claims incurred but not reported during the claim year. These estimates reflect the Hospital's best estimates of the ultimate costs of reported and unreported claims, using the Hospital's past experience, industry experience and identified asserted claims and reported incidents. There were no estimated losses on medical malpractice for the years ended September 30, 2011 and 2010.

**NOTE 10: CONCENTRATIONS OF CREDIT RISK:**

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

	<b>9/30/11</b>	<b>9/30/10</b>
Medicare	28%	35%
Medicaid	9%	9%
Other Governmental Agencies	7%	2%
Commercial Insurance	21%	32%
Other Third-Party Payors and Patients	35%	22%
Total	<u><b>100%</b></u>	<u><b>100%</b></u>

The Hospital maintains its cash balances at several area financial institutions. The amount on deposit at September 30, 2011, did not exceed the insurance limits of the Federal Deposit Insurance Corporation (\$250,000).

**NOTE 11: CHARITY CARE:**

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy and equivalent service statistics. The amount of charges foregone, based on established rates, was \$172,599 and \$66,745 for the years ended September 30, 2011 and 2010 respectively

**NOTE 12: COMMITMENTS AND CONTINGENCIES:**

**Contractual Commitments** - In connection with its membership in the Yellowstone Insurance Exchange, the Hospital committed to making capital contributions over a period of years. As of September 30, 2011 and 2010, \$73,532 has been contributed. In addition, the Hospital has committed to obtain malpractice insurance from Yellowstone Insurance Exchange.

**Legal Contingencies** - In the ordinary course of its business, the Hospital has become involved in legal claims, which have been filed against the Hospital. In the opinion of management, the outcome of these legal proceedings will not have a material effect on the Hospital's financial position and results of operations.

**NOTE 13: RISKS AND UNCERTAINTIES - COLLECTIVE BARGAINING AGREEMENTS:**

During the years ended September 30, 2011 and 2010, approximately 83% of the Hospital's workforce was covered under collective bargaining agreements which were renewed in 2011.

**NOTE 14: RELATED PARTY TRANSACTIONS:**

During the year, certain transactions occurred between individuals deemed to be related parties to the Northern Rockies Medical Center, Inc. and Subsidiary. These parties consist of Board Members and family members of Northern Rockies Medical Center, Inc. and Subsidiary key employees. Transactions were minimal and were completed at an arms-length basis. There were no existing receivable amounts. Prairie Winds DME, LLC rents space from a related party.

Three members of the Board of Trustees participate in the Community Loan Program to the Hospital, loaning a total \$140,000. The balance due on the loans at September 30, 2011 is \$80,966. The unsecured loans bear an interest rate of 10%.



**Douglas WILSON**  
and Company, PC

Board of Directors  
Northern Rockies Medical Center, Inc. and Subsidiary  
Cut Bank, Montana

Randal J. Boysun, CPA  
Gerard K. Schmitz, CPA  
Michael A. Diekhans, CPA  
Myra L. Bakke, CPA  
Thomas A. Kopp, CPA

Douglas N. Wilson, CPA  
Bruce H. Gaare, CPA  
Dixie L. Swanson, CPA

### INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

We have audited the financial statements of Northern Rockies Medical Center, Inc. and Subsidiary as of and for the year ended September 30, 2011, and have issued our report thereon dated March 13, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplemental information 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 is fairly stated in all material respects in relation to the financial statements as a whole.

Great Falls, Montana  
March 13, 2012



NORTHERN ROCKIES MEDICAL CENTER, INC.

CUT BANK, MONTANA

SCHEDULES OF NET PATIENT SERVICE REVENUE  
FOR THE YEAR ENDED SEPTEMBER 30, 2011  
(WITH COMPARATIVE AMOUNTS AS OF SEPTEMBER 30, 2010)

	Inpatient		Outpatient		Total	
	2011	2010	2011	2010	2011	2010
Acute Care	\$ 327,528	\$ 522,954	\$ 14,716	\$ 18,965	\$ 342,244	\$ 541,919
Swing Bed	326,445	215,624	-	-	326,445	215,624
Obstetric / Gynecologic Services	27,381	39,218	-	-	27,381	39,218
Nursery	-	-	1,254	2,461	1,254	2,461
Intensive Care Services	-	13,077	-	-	-	13,077
Respiratory Services	241,381	467,480	102,042	47,749	343,423	515,229
Labor And Delivery	-	-	123	527	123	527
Surgical Services	5,637	24,610	174,229	207,958	179,866	232,568
Observation	25,391	14,374	221,191	93,306	246,582	107,680
Emergency Services	92,891	66,616	1,440,117	1,646,632	1,533,008	1,713,248
Central Services	7,933	20,939	49,591	48,789	57,524	69,728
Laboratory Services	147,752	184,218	1,523,041	1,448,835	1,670,793	1,633,053
Electro diagnosis Services	7,312	8,037	67,452	62,371	74,764	70,408
Radiology Services	137,610	130,586	1,489,586	1,340,892	1,627,196	1,471,478
Pharmacy Services	118,563	270,284	161,356	373,475	279,919	643,759
Anesthesiology Services	4,272	16,790	91,805	110,651	96,077	127,441
Rehabilitation Services	62,073	57,628	481,553	438,294	543,626	495,922
Home Health Care	-	-	-	3,743	-	3,743
Clinic Services	11,678	23,197	1,441,425	1,290,681	1,453,103	1,313,878
	<u>\$ 1,543,847</u>	<u>\$ 2,075,632</u>	<u>\$ 7,259,481</u>	<u>\$ 7,135,329</u>	<u>\$ 8,803,328</u>	<u>\$ 9,210,961</u>
Adjustments To Revenue						
Medicare					(579,175)	(828,317)
Medicaid					(693,851)	(843,360)
Commercial Insurances					(525,424)	(417,742)
Provision for Bad Debts					(603,775)	(630,238)
Administrative					(32,133)	(28,253)
Charity Care					(172,599)	(66,745)
Total Adjustments					<u>(2,606,957)</u>	<u>(2,814,655)</u>
Other Prairie Winds DME, LLC					107,986	67,169
Net Patient Service Revenue					<u>\$ 6,304,357</u>	<u>\$ 6,463,475</u>

**NORTHERN ROCKIES MEDICAL CENTER, INC.**

**CUT BANK, MONTANA**

**SCHEDULES OF OPERATING EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2011  
(WITH COMPARATIVE AMOUNTS AS OF SEPTEMBER 30, 2010)**

	2011			2010 Total
	Salaries and Benefits	Professional Fees, Supplies and Other	Total	
<b>Fiscal and Administrative Services</b>				
Administrative Services	\$ 175,465	\$ 550,424	\$ 725,889	\$ 813,234
Fiscal Services	383,474	130,713	514,187	477,598
Total Fiscal and Administrative	558,939	681,137	1,240,076	1,290,832
<b>General Services</b>				
Dietary	-	15,150	15,150	19,144
Plant Operation and Maintenance	123,038	198,324	321,362	249,274
Housekeeping	95,521	3,889	99,410	105,655
Laundry and Linen	18,160	19,753	37,913	30,953
Total General Services	236,719	237,116	473,835	405,026
<b>Professional Care Services</b>				
Acute Care	500,090	59,882	559,972	560,403
Nursing Services	97,705	4,094	101,799	72,453
Swing Bed	126,583	2,605	129,188	91,994
Obstetric and Gynecologic Services	44	74	118	858
Nursery	7,975		7,975	12,125
Intensive Care Services	-		-	544
Respiratory Services	52,360	25,161	77,521	83,121
Surgical Services	339,208	64,548	403,756	467,949
Observation	29,107		29,107	30,498
Emergency Services	500,315	91,671	591,986	697,499
Central Services	24,899	43,778	68,677	71,573
Laboratory Services	268,630	215,026	483,656	503,142
Electro Diagnosis Services	4,856	4,984	9,840	8,055
Radiology Services	194,592	257,035	451,627	372,725
Pharmacy	30,159	167,517	197,676	234,682
Anesthesiology Services	220,594	6,374	226,968	401,853
Rehabilitation Services	244,092	22,544	266,636	252,622
Social Services	837	453	1,290	1,084
Medical Records	98,629	29,664	128,293	118,935
Durable Medical Equipment	-		-	63,201
Sleep Study	34,821		34,821	16,425
Clinic Services	751,661	387,768	1,139,429	1,190,672
Total Professional Care	3,527,157	1,383,178	4,910,335	5,252,413
<b>Total Operating Expenses</b>	<b>\$ 4,322,815</b>	<b>\$ 2,301,431</b>	6,624,246	6,948,271
Depreciation			219,032	222,171
Interest			23,644	65,619
			<b>\$ 6,866,922</b>	<b>\$ 7,236,061</b>

**NORTHERN ROCKIES MEDICAL CENTER, INC.**

**CUT BANK, MONTANA**

**CONSOLIDATING BALANCE SHEETS  
AS OF SEPTEMBER 30, 2011**

**ASSETS**

	<b>Northern Rockies Medical Center, Inc.</b>	<b>Prairie Winds DME, LLC</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 279,077	\$ 2,252	\$ -	\$ 281,329
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$509,088 and \$645,282 in 2010 and 2009	898,822	26,342	-	925,164
Contractual Settlement Receivable	216,627	-	-	216,627
Other Receivable	645,539	-	(146,716)	498,823
Inventory	166,291	6,555	-	172,846
Prepaid Expenses and Other	18,002	1,430	-	19,432
Total Current Assets	<u>2,224,358</u>	<u>36,579</u>	<u>(146,716)</u>	<u>2,114,221</u>
<b>Assets Limited as to Use</b>				
Restricted Cash	-	-	-	-
Accounts Receivable Funding Reserve	-	-	-	-
Total Assets Limited as to Use	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Assets</b>				
Investments - Yellowstone Insurance	36,772	-	-	36,772
Land, Held for Investment	115,300	-	-	115,300
Patronage Credits	226,831	-	-	226,831
Total Other Assets	<u>378,903</u>	<u>-</u>	<u>-</u>	<u>378,903</u>
<b>Property and Equipment, Net of Accumulated Depreciation of \$1,023,939 and \$663,952 in 2010 and 2009</b>	<u>691,638</u>	<u>-</u>	<u>-</u>	<u>691,638</u>
<b>Total Assets</b>	<u><u>\$ 3,294,899</u></u>	<u><u>\$ 36,579</u></u>	<u><u>\$ (146,716)</u></u>	<u><u>\$ 3,184,762</u></u>

**NORTHERN ROCKIES MEDICAL CENTER, INC.**

**CUT BANK, MONTANA**

**CONSOLIDATING BALANCE SHEETS  
AS OF SEPTEMBER 30, 2011**

**LIABILITIES AND NET ASSETS**

	<b>Northern Rockies Medical Center, Inc.</b>	<b>Prairie Winds DME, LLC</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Current Liabilities</b>				
Accounts Payable	\$ 237,097	\$ -	\$ -	\$ 237,097
Accrued Expenses and Other Liabilities	434,292	151,701	(146,716)	439,277
Accrued Interest Payable	6,603	-	-	6,603
Current Portion of Long-Term Debt	165,299	-	-	165,299
Current Portion of Capital Lease Obligations	7,984	-	-	7,984
Total Current Liabilities	<u>851,275</u>	<u>151,701</u>	<u>(146,716)</u>	<u>856,260</u>
<b>Long-Term Liabilities</b>				
Capital Lease Obligation	17,772	-	-	17,772
Due to Glacier County	28,991	-	-	28,991
Long-Term Debt	453,148	-	-	453,148
Total Long-Term Liabilities	<u>499,911</u>	<u>-</u>	<u>-</u>	<u>499,911</u>
<b>Total Liabilities</b>	<u>1,351,186</u>	<u>151,701</u>	<u>(146,716)</u>	<u>1,356,171</u>
<b>Net Assets</b>				
Unrestricted (Deficit)	1,892,877	(115,122)	-	1,777,755
Board Designated	50,836	-	-	50,836
	<u>1,943,713</u>	<u>(115,122)</u>	<u>-</u>	<u>1,828,591</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 3,294,899</u>	<u>\$ 36,579</u>	<u>\$ (146,716)</u>	<u>\$ 3,184,762</u>

**NORTHERN ROCKIES MEDICAL CENTER, INC.**

**CUT BANK, MONTANA**

**CONSOLIDATING STATEMENT OF OPERATIONS AND  
CHANGES IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<b>Northern Rockies Medical Center, Inc.</b>	<b>Prairie Winds DME, LLC</b>	<b>Eliminations</b>	<b>Consolidated</b>
Unrestricted Revenues, Gains and Other Support				
Net Revenue From Services to Patients	\$ 6,196,371	\$ 107,986	\$ -	\$ 6,304,357
Other Revenue	408,869	-	-	408,869
Total Revenues, Gains and Other Support	<u>6,605,240</u>	<u>107,986</u>	<u>-</u>	<u>6,713,226</u>
Expenses				
Professional Care of Patients	4,910,335	-	-	4,910,335
General Services	473,835	-	-	473,835
Administrative and Fiscal Services	1,240,076	-	-	1,240,076
Advertising and Community Relations	-	32	-	32
Dues and Subscriptions	-	2,611	-	2,611
Insurance	-	3,956	-	3,956
Medical Supplies and Pharmaceuticals	-	2,525	-	2,525
Miscellaneous	-	1,021	-	1,021
Office Expense	-	1,568	-	1,568
Penalties	-	3	-	3
Postage and Delivery	-	2,308	-	2,308
Rent / Lease	-	576	-	576
Repairs and Maintenance	-	2,323	-	2,323
Salaries	-	51,726	-	51,726
Payroll Taxes and Benefits	-	2,627	-	2,627
Supplies and Minor Equipment	-	22,491	-	22,491
Telephone	-	1,492	-	1,492
Travel and Training	-	2,014	-	2,014
Depreciation and Amortization	219,032	3,311	-	222,343
Interest Expense	23,644	-	-	23,644
Total Expenses	<u>6,866,922</u>	<u>100,584</u>	<u>-</u>	<u>6,967,506</u>
Operating Income (Loss)	<u>(261,682)</u>	<u>7,402</u>	<u>-</u>	<u>(254,280)</u>
Other Income (Expenses)				
Glacier County Tax Revenue	300,000	-	-	300,000
Pledges and Contributions	75,064	-	-	75,064
Grants	36,103	-	-	36,103
Investment Income	1,211	-	-	1,211
Rental Income	7,842	-	-	7,842
Total Other Income (Expenses)	<u>420,220</u>	<u>-</u>	<u>-</u>	<u>420,220</u>
Increase (Decrease) in Net Assets	158,538	7,402	-	165,940
Net Assets, Beginning of Year	1,785,175	(122,524)	-	1,662,651
Net Assets, End of Year	<u><u>\$ 1,943,713</u></u>	<u><u>\$ (115,122)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,828,591</u></u>