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Form 990

Department of the Treasury  
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

PLATTE COMMUNITY MEMORIAL HOSPITAL INC

Doing Business As

PLATTE HEALTH CENTER AVERA

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

601 E 7TH STREET

Room/suite

City or town, state or country, and ZIP + 4

PLATTE, SD 57369

F Name and address of principal officer

MARK BURKET

601 E 7TH STREET

PLATTE, SD 57369

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

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

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

H(c) Group exemption number

I Tax-exempt status

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

J Website:

WWW.PHCAVERA.ORG

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1947

M State of legal domicile

SD

Part I

Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities	PROVIDE INPATIENT AND OUTPATIENT HEALTHCARE SERVICES	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	9
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
Revenue	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	229
	6	Total number of volunteers (estimate if necessary)	6	30
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	0
	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	110,123	76,757
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	11,796,600	11,578,953
Expenses	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	40,433	14,507
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	19,202	20,552
	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	11,966,358	11,690,769
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	6,877,791	7,669,168
	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0	0	0
Net Assets or Fund Balances	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	0	0
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	4,302,363	4,192,069
	19	Revenue less expenses Subtract line 18 from line 12	11,180,154	11,861,237
			786,204	-170,468
			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	15,421,215	14,929,145
	21	Total liabilities (Part X, line 26)	10,246,643	9,791,802
	22	Net assets or fund balances Subtract line 21 from line 20	5,174,572	5,137,343

Part II

Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

\*\*\*\*\*

Signature of officer

2013-01-07

Date

MARK BURKET CEO

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

LAURIE HANSON

Date

2012-12-31

Check if self-employed

☐

Preparer's taxpayer identification number (see instructions)

P00851848

Firm's name (or yours if self-employed), address, and ZIP + 4

EIDE BAILLY LLP

200 EAST 10TH STREET PO BOX 5125

SIoux FALLS, SD 571175125

EIN

45-0250958

Phone no

(605) 339-1999

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

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

PLATTE HEALTH CENTER AVERA IS A HEALTH MINISTRY ROOTED IN THE GOSPEL. OUR MISSION IS TO MAKE A POSITIVE IMPACT IN THE LIVES AND HEALTH OF PERSONS AND COMMUNITIES BY PROVIDING QUALITY SERVICES GUIDED BY CHRISTIAN VALUES.

If "Yes," describe these new services on Schedule O

If "Yes," describe these changes on Schedule O

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a	(Code	(Expenses \$	10,691,620	including grants of \$	(Revenue \$	11,578,953 )
	<p>PROVISION OF INPATIENT AND OUTPATIENT HEALTHCARE SERVICES IN PLATTE, SD, AND THE SURROUNDING AREA TOTAL PATIENT DAYS WERE 522, TOTAL NURSING HOME DAYS WERE 15,214 TO FULFILL ITS MISSION OF COMMUNITY SERVICE, THE HEALTH CENTER PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AMOUNTS LESS THAN ITS ESTABLISHED RATES THIS AMOUNT EXCLUDES EXPENSES ASSOCIATED WITH A NUMBER OF ADDITIONAL COMMUNITY SERVICES PROVIDED BY THE HEALTH CENTER</p>					

**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 \$ \_\_\_\_\_ )

<b>4e</b>	<b>Total program service expenses</b>	<b>\$ 10,691,620</b>
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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 instructions)? 	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 for which 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 temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, 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. 		No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 		No
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	Yes	
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, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I		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, Part 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, Part 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		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> All Form 990 filers that operated one or more hospitals must attach audited financial statements 	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 questions 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	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	34		No
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a		No
b	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> . . . . .	35b		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>	24
<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>	229
<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>	No
<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>	
<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 or securities 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> All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	<b>13a</b>	
<b>b</b>	Enter the aggregate 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 aggregate 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	9		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	9
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	Yes
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	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	No
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies

(This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete 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 the Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	No
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	Yes
b	Other officers or key employees of the organization	15b	Yes
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take 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 made 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 made 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. VICKI JENSEN PO BOX 200 PLATTE, SD 57369 (605) 337-3364

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, or 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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) ROB REISER PRESIDENT	1 00	X		X				0	0	0
(2) LARRY SPRIK VICE-PRESIDENT	1 00	X		X				0	0	0
(3) KARLA KUIPERS TREASURER	1 00	X		X				0	0	0
(4) PAULA NELSON SECRETARY	1 00	X		X				0	0	0
(5) CARLYLE PHEIFER DIRECTOR	1 00	X						0	0	0
(6) RON MILLAR DIRECTOR	1 00	X						0	0	0
(7) SANDY GANT DIRECTOR	1 00	X						0	0	0
(8) SHARON HOFTSEE DIRECTOR	1 00	X						0	0	0
(9) RON ERICKSON DIRECTOR	1 00	X						0	0	0
(10) MARK BURKET CEO	40 00			X				125,103	0	33,906
(11) VICKI JENSEN CFO	40 00			X				49,498	0	17,606
(12) JEROME W BENTZ DOCTOR	40 00					X		278,010	0	17,340
(13) REGG HAGGE DOCTOR	40 00					X		275,863	0	23,865
(14) ROBERT HUBLEY DOCTOR	40 00					X		109,400	0	8,060



## Part VII

<b>1b</b>	<b>Sub-Total . . . . .</b>			
<b>c</b>	<b>Total from continuation sheets to Part VII, Section A . . . . .</b>			
<b>d</b>	<b>Total (add lines 1b and 1c) . . . . .</b>	837,874	0	100,777

**2** Total number of individuals (including but not limited to those I  
\$100,000 of reportable compensation from the organization) 4

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

## Section B. Independent Contractors

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
AVERA QUEEN OF PEACE 525 N FOSTER MITCHELL, SD 57301	MANAGEMENT, CONSULTING AND IT FEES	926,817

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶1

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues . . . . .	1b					
	c	Fundraising events . . . . .	1c					
	d	Related organizations . . . .	1d					
	e	Government grants (contributions)	1e	31,195				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	45,562				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f . . . . .		76,757				
Program Service Revenue			Business Code					
	2a	PATIENT SERVICE REV	622110	7,076,785	7,076,785			
	b	NURSING HOME REVENUE	623110	2,850,757	2,850,757			
	c	CLINIC REVENUE	621498	1,429,393	1,429,393			
	d	OTHER REVENUE	900099	222,018	222,018			
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f . . . . .		11,578,953				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . .		13,298			13,298	
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties . . . . .						
	6a	Gross rents	(i) Real	(ii) Personal				
			20,552					
			0					
			20,552					
	d	Net rental income or (loss) . . . . .		20,552			20,552	
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			26,899					
			0	25,690				
			26,899	-25,690				
	d	Net gain or (loss) . . . . .		1,209			1,209	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	a					
	b	Less direct expenses . . . . .	b					
	c	Net income or (loss) from fundraising events . .						
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .	a					
	b	Less direct expenses . . . . .	b					
	c	Net income or (loss) from gaming activities . .						
	10a	Gross sales of inventory, less returns and allowances . . . . .	a					
b	Less cost of goods sold . . . . .	b						
c	Net income or (loss) from sales of inventory . .							
Miscellaneous Revenue		Business Code						
11a								
b								
c								
d	All other revenue . . . . .							
e	Total. Add lines 11a-11d . . . . .							
12	Total revenue. See Instructions . . . . .		11,690,769	11,578,953	0	35,059		

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

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 United States See Part IV, line 21				
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees . . . . .	217,580		217,580	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	62,539	62,539		
7	Other salaries and wages	5,798,524	5,554,307	244,217	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	121,572	115,344	6,228	
9	Other employee benefits . . . . .	1,089,919	1,034,087	55,832	
10	Payroll taxes . . . . .	379,034	359,617	19,417	
11	Fees for services (non-employees)				
a	Management . . . . .	182,059		182,059	
b	Legal . . . . .				
c	Accounting . . . . .	74,080		74,080	
d	Lobbying . . . . .				
e	Professional fundraising See Part IV, line 17 . . . . .				
f	Investment management fees . . . . .				
g	Other . . . . .	208,463	200,920	7,543	
12	Advertising and promotion . . . . .	26,256	9,552	16,704	
13	Office expenses . . . . .	371,440	338,600	32,840	
14	Information technology . . . . .	234,500	15,325	219,175	
15	Royalties . . . . .				
16	Occupancy . . . . .	351,879	341,284	10,595	
17	Travel . . . . .	27,890	22,246	5,644	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19	Conferences, conventions, and meetings . . . . .	46,019	38,946	7,073	
20	Interest . . . . .	413,368	413,368		
21	Payments to affiliates . . . . .				
22	Depreciation, depletion, and amortization . . . . .	905,275	905,275		
23	Insurance . . . . .	77,476	62,974	14,502	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )				
a	MEDICAL SUPPLIES	815,200	815,200		
b	EQUIPMENT AND REPAIRS	206,559	203,824	2,735	
c	BAD DEBT	126,617	126,617		
d	DUES AND SUBSCRIPTIONS	53,250	30,351	22,899	
e					
f	All other expenses	71,738	41,244	30,494	
25	Total functional expenses. Add lines 1 through 24f	11,861,237	10,691,620	1,169,617	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .				1	
	2	Savings and temporary cash investments . . . . .			992,062	2	666,111
	3	Pledges and grants receivable, net . . . . .				3	
	4	Accounts receivable, net . . . . .			1,593,133	4	1,618,687
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .			63,442	5	51,278
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .				6	
	7	Notes and loans receivable, net . . . . .				7	
	8	Inventories for sale or use . . . . .			196,193	8	202,864
	9	Prepaid expenses and deferred charges . . . . .			80,694	9	94,426
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	10a	15,343,718	9,538,490	10c	9,200,152
	b	Less: accumulated depreciation . . . . .	10b	6,143,566			
	11	Investments—publicly traded securities . . . . .				11	
	12	Investments—other securities. See Part IV, line 11 . . . . .			2,839,257	12	2,981,509
	13	Investments—program-related. See Part IV, line 11 . . . . .				13	
	14	Intangible assets . . . . .				14	
	15	Other assets. See Part IV, line 11 . . . . .			117,944	15	114,118
	16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .			15,421,215	16	14,929,145
Liabilities	17	Accounts payable and accrued expenses . . . . .			1,019,488	17	1,045,818
	18	Grants payable . . . . .				18	
	19	Deferred revenue . . . . .			146,740	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 . . . . .			9,080,415	23	8,745,984
	24	Unsecured notes and loans payable to unrelated third parties . . . . .				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D . . . . .				25	
	26	Total liabilities. Add lines 17 through 25 . . . . .			10,246,643	26	9,791,802
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 . . . . .			3,503,502	27	3,298,939
	28	Temporarily restricted net assets . . . . .			230,378	28	236,451
	29	Permanently restricted net assets . . . . .			1,440,692	29	1,601,953
	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 . . . . .			5,174,572	33	5,137,343
	34	Total liabilities and net assets/fund balances . . . . .			15,421,215	34	14,929,145

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	11,690,769
2	Total expenses (must equal Part IX, column (A), line 25)	2	11,861,237
3	Revenue less expenses Subtract line 2 from line 1	3	-170,468
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	5,174,572
5	Other changes in net assets or fund balances (explain in Schedule O)	5	133,239
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	5,137,343

Part XII Financial Statements and Reporting

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

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

SCHEDULE A  
(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public  
Inspection

Name of the organization PLATTE COMMUNITY MEMORIAL HOSPITAL INC	Employer identification number 46-0239781
--	--

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 **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 Se**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 IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 (Explain in Part IV ) Do not include gain or loss from the sale of capital assets						
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 2011 (line 6 column (f) divided by line 11 column (f))	14
15	Public Support Percentage for 2010 Schedule A, Part II, line 14	15
16a	<b>33 1/3% support test—2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization	<input type="checkbox"/>
b	<b>33 1/3% support test—2010.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization	<input type="checkbox"/>
17a	<b>10%-facts-and-circumstances test—2011.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization	<input type="checkbox"/>
b	<b>10%-facts-and-circumstances test—2010.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization	<input type="checkbox"/>
18	<b>Private Foundation</b> If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions	<input type="checkbox"/>

Part III

Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 501(c)(3) organization, check this box and <b>stop here</b>						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2011. 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—2010. 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 explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b

Attach to Form 990. See separate instructions.

Name of the organization  
PLATTE COMMUNITY MEMORIAL HOSPITAL INC

Employer identification number  
46-0239781

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>Yes</div> <div>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>Yes</div> <div>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) 2011

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance . . . . .	1,453,939	1,112,255	896,140	575,993	
b Contributions . . . . .	161,524	341,684	216,115	320,147	
c Investment earnings or losses . . . . .					
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .					
f Administrative expenses . . . . .					
g End of year balance . . . . .	1,615,463	1,453,939	1,112,255	896,140	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 0 840 %

b

Permanent endowment ▶ 99 160 %

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 . . . . .

(ii) related organizations . . . . .

3a(i)

☐

No

3a(ii)

☐

No

b

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

3b

☐

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		192,952		192,952
b Buildings . . . . .		11,531,870	3,970,096	7,561,774
c Leasehold improvements . . . . .				
d Equipment . . . . .		3,090,660	1,988,870	1,101,790
e Other . . . . .		528,236	184,600	343,636
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶				9,200,152

Schedule D (Form 990) 2011



Part XI

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	11,690,769
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	11,861,237
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-170,468
4	Net unrealized gains (losses) on investments	4	-34,095
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	167,334
9	Total adjustments (net) Add lines 4 - 8	9	133,239
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-37,229

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	11,530,057
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	-34,095
b	Donated services and use of facilities . . . . .	2b	
c	Recoveries of prior year grants . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	-126,617
e	Add lines 2a through 2d . . . . .	2e	-160,712
3	Subtract line 2e from line 1 . . . . .	3	11,690,769
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	0
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5	11,690,769

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements . . . . .	1	11,734,620
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities . . . . .	2a	
b	Prior year adjustments . . . . .	2b	
c	Other losses . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	0
3	Subtract line 2e from line 1 . . . . .	3	11,734,620
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	126,617
c	Add lines 4a and 4b . . . . .	4c	126,617
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5	11,861,237

Part XIV

Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE INCOME WILL BE USED TOWARD EXPENDITURES FOR HEALTHCARE SERVICES
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE HEALTH CENTER BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN AFFECTING ITS ANNUAL FILING REQUIREMENTS, AND AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS. THE HEALTH CENTER WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES RELATED TO UNRECOGNIZED TAX BENEFITS AND LIABILITIES IN INCOME TAX EXPENSE IF SUCH INTEREST AND PENALTIES ARE INCURRED. THE HEALTH CENTER'S FEDERAL FORM 990 FILINGS ARE GENERALLY NO LONGER SUBJECT TO FEDERAL TAX EXAMINATIONS BY TAX AUTHORITIES FOR YEARS BEFORE 2009.
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGE IN TEMPORARILY RESTRICTED NET ASSETS OF FOUNDATION 6,073. CHANGE IN PERMANENTLY RESTRICTED NET ASSETS OF FOUNDATION 161,261. TOTAL TO SCHEDULE D, PART XI, LINE 8 167,334.
PART XII, LINE 2D - OTHER ADJUSTMENTS		BAD DEBT -126,617
PART XIII, LINE 4B - OTHER ADJUSTMENTS		BAD DEBT 126,617

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

2011

Open to Public Inspection

**Name of the organization**  
PLATTE COMMUNITY MEMORIAL HOSPITAL INC

**Employer identification number**  
46-0239781

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a charity care policy? If "No," skip to question 6a . . . . .	1a	Yes	
b	If "Yes," is it a written policy? . . . . .	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div>			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year  a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input type="checkbox"/> 100%<input checked="" type="checkbox"/> 150%<input type="checkbox"/> 200%<input type="checkbox"/> Other _____%</div> b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care . . . . . <div><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 _____%</div> c If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care  4 Did the organization's policy provide free or discounted care to the "medically indigent"? . . . . .	3a	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount? . . . . .	5b		No
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? . . . . .	5c		
6a	Did the organization prepare a community benefit report during the tax year? . . . . .	6a	Yes	
6b	If "Yes," did the organization make it available to the public? . . . . .	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care 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 Charity care at cost (from Worksheet 1) . . . . .	1	114	47,000		47,000	0 400 %
b Medicaid (from Worksheet 3, column a) . . . . .						
c Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .						
d <b>Total</b> Charity Care and Means-Tested Government Programs . . . . .	1	114	47,000		47,000	0 400 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			700		700	0 010 %
f Health professions education (from Worksheet 5) . . . . .						
g Subsidized health services (from Worksheet 6) . . . . .	4	3,757	2,656,001	1,416,291	1,239,710	10 560 %
h Research (from Worksheet 7) . . . . .						
i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .			350		350	0 %
j <b>Total</b> Other Benefits . . . . .	4	3,757	2,657,051	1,416,291	1,240,760	10 570 %
k <b>Total.</b> Add lines 7d and 7j . . . . .	5	3,871	2,704,051	1,416,291	1,287,760	10 970 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(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
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total						

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1		No
2Enter the amount of the organization's bad debt expense	2	126,617	
3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	63,308	
4Provide 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

5Enter total revenue received from Medicare (including DSH and IME)	5	3,767,844	
6Enter Medicare allowable costs of care relating to payments on line 5	6	3,730,539	
7Subtract line 6 from line 5. This is the surplus or (shortfall)	7	37,305	
8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other			

Section C. Collection Practices

9aDid the organization have a written debt collection policy during the tax year?	9a	Yes	
9bIf "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.	9b		No

Part IVManagement Companies and Joint Ventures (see instructions)

(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

Name and address

**Schedule H (Form 990) 2011**



Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

PLATTE HEALTH CENTER

Name of Hospital Facility: \_\_\_\_\_

Line Number of Hospital Facility (from Schedule H, Part V, Section A): \_\_\_\_\_1\_\_\_\_\_

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 . . . . . If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? . . . . . If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>150 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>200 000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11		No
12	Explained the method for applying for financial assistance? . . . . .	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .	14		No
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

19	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? . . . . . If "Yes," explain in Part VI	Yes	
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? . . . . . If "Yes," explain in Part VI	Yes	

Part V

Facility Information (continued)

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

(list in order of size from largest to smallest)

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

Name and address		Type of Facility (Describe)
1	PLATTE MEDICAL CLINIC 612 E 8TH STREET PLATTE, SD 57369	MEDICAL CLINIC
2	GEDDES MEDICAL CLINIC PO BOX 167 GEDDES, SD 57342	MEDICAL CLINIC
3	GENTLE TOUCH 121 W 5TH STREET PLATTE, SD 57369	CONGREGATE LIVING FACILITY
4		
5		
6		
7		
8		
9		
10		

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions 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, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc )
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART I, LINE 3C PLATTE HEALTH CENTER AVERA (PHC) UTILIZES THE FEDERAL POVERTY GUIDELINES AND AN ASSET TEST TO DETERMINE ELIGIBILITY FOR FREE OR DISCOUNTED CARE

Identifier	ReturnReference	Explanation
		PART I, LINE 6A PHC IS INCLUDED IN THE COMMUNITY BENEFIT REPORT THAT IS SUBMITTED TO AVERA HEALTH BY AVERA QUEEN OF PEACE, A RELATED ORGANIZATION IT IS AVAILABLE THROUGH THE WEBSITE AND REQUESTED MAILING, AND IS FILED WITH THE CATHOLIC HEALTH ASSOCIATION

Identifier	ReturnReference	Explanation
		PART I, LINE 7 LINE 7A WAS CALCULATED BY MULTIPLYING THE RATIO OF COST TO GROSS CHARGES BY THE GROSS UNCOMPENSATED CHARGES ASSOCIATED WITH PROVIDING CHARITY CARE LINES 7E AND 7I WAS OBTAINED USING THE ACTUAL GENERAL LEDGER SYSTEM LINE 7G WAS OBTAINED FROM THE MEDICARE COST REPORT

Identifier	ReturnReference	Explanation
		PART I, LINE 7G THE EXPENSES OF THE RURAL HEALTH CLINIC TOTAL \$2,047,951



Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) BAD DEBT EXPENSE OF \$126,617 WAS SUBTRACTED FROM TOTAL OPERATING EXPENSE

Identifier	ReturnReference	Explanation
		PART II N/A

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 A) THE AMOUNT ON LINE 3 OF \$63,308 IS 50 PERCENT OF BAD DEBT EXPENSE THIS NUMBER IS BASED ON A DETAILED REVIEW OF THE ACCOUNTS THAT ARE CURRENTLY LISTED WITH ACCOUNTS MANAGEMENT, INC UPON REVIEWING EACH HOUSEHOLD ACCOUNT THAT IS AT AMI, IT WAS FOUND THAT ABOUT 50 PERCENT OF THE OUTSTANDING BALANCES MAY HAVE BEEN ELIGIBLE UNDER THE FACILITY'S CHARITY CARE POLICY SINCE WE ARE IN A SMALL COMMUNITY, WE WERE ABLE TO IDENTIFY WHICH ACCOUNTS MAY HAVE QUALIFIED FOR CHARITY CARE BECAUSE OF LOW INCOME OR SOME KNOWN HARDSHIP TO THE HOUSEHOLD ALSO FOR THIS REVIEW PROCESS, FAMILIES THAT HAVE ACCOUNTS AT AMI BUT HAVE RECENTLY APPLIED FOR CHARITY CARE WERE ALSO TAKEN INTO CONSIDERATION, AS THEY MOST LIKELY WOULD HAVE QUALIFIED ON THE PREVIOUS ACCOUNTS HAD THEY FILLED OUT THE APPLICATION B) PAYMENTS RECEIVED ON AN ACCOUNT THAT HAS BEEN WRITTEN OFF RESULT IN A REVERSAL OF THE WRITE-OFF AND APPLICATION OF THE PAYMENT TO THE PATIENT ACCOUNT ACCOUNTS MANAGEMENT INC WOULD BE NOTIFIED OF PAYMENT TO ALLOW THEM TO PROPERLY UPDATE THEIR RECORDS C) FOOTNOTE FROM FINANCIAL STATEMENT PATIENT AND RESIDENT ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, THE HEALTH CENTER ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD PARTY COVERAGE, THE HEALTH CENTER ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS, WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL, THE HEALTH CENTER RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS</p>

Identifier	ReturnReference	Explanation
		PART III, LINE 8 MEDICARE ALLOWABLE COST OF CARE WAS CALCULATED FROM THE MEDICARE COST REPORT FOR THE FISCAL YEAR ENDING 6/30/2012

Identifier	ReturnReference	Explanation
PLATTE HEALTH CENTER		PART V, SECTION B, LINE 19D ALL PATIENTS ARE CHARGED GROSS CHARGES INITIALLY AS OF YEAR-END, A POLICY HAD NOT BEEN APPROVED BY MANAGEMENT TO DETERMINE THE AMOUNTS GENERALLY BILLED DISCOUNT UNDER THE PROSPECTIVE OR LOOK-BACK METHOD THE HOSPITAL IS IN THE PROCESS OF UPDATING POLICIES AND PROCEDURES TO MEET THE PROVISIONS OF THE NEW 501(R) THEY WILL BE USING THE PROPOSED REGULATIONS AS A GUIDELINE FOR MAKING CHANGES TO CURRENT POLICIES

Identifier	ReturnReference	Explanation
PLATTE HEALTH CENTER		PART V, SECTION B, LINE 20 ALL PATIENTS ARE CHARGED GROSS CHARGES INITIALLY AS OF YEAR-END, A POLICY HAD NOT BEEN APPROVED BY MANAGEMENT TO DETERMINE THE AMOUNTS GENERALLY BILLED DISCOUNT UNDER THE PROSPECTIVE OR LOOK-BACK METHOD THE HOSPITAL IS IN THE PROCESS OF UPDATING POLICIES AND PROCEDURES TO MEET THE PROVISIONS OF THE NEW 501(R) THEY WILL BE USING THE PROPOSED REGULATIONS AS A GUIDELINE FOR MAKING CHANGES TO CURRENT POLICIES

Identifier	ReturnReference	Explanation
PLATTE HEALTH CENTER		PART V, SECTION B, LINE 21 ALL PATIENTS ARE CHARGED GROSS CHARGES INITIALLY AS OF YEAR-END, A POLICY HAD NOT BEEN APPROVED BY MANAGEMENT TO DETERMINE THE AMOUNTS GENERALLY BILLED DISCOUNT UNDER THE PROSPECTIVE OR LOOK-BACK METHOD THE HOSPITAL IS IN THE PROCESS OF UPDATING POLICIES AND PROCEDURES TO MEET THE PROVISIONS OF THE NEW 501(R) THEY WILL BE USING THE PROPOSED REGULATIONS AS A GUIDELINE FOR MAKING CHANGES TO CURRENT POLICIES

Identifier	ReturnReference	Explanation
BILLINGS & COLLECTIONS	PART V, SECTION B, LINE 14	STATEMENTS ARE SENT OUT ON A MONTHLY BASIS IF THE PATIENT HAS MADE NO PAYMENT AFTER RECEIVING THE THIRD STATEMENT, A SERIES OF COLLECTION LETTERS WILL BE SENT THE FIRST COLLECTION LETTER IS SENT THIRTY DAYS AFTER THE LAST STATEMENT, AND THE SECOND LETTER IS SENT THIRTY DAYS LATER IF NO PAYMENT IS RECEIVED THE PATIENT ASSISTANCE POLICY AND FORM IS SENT OUT WITH THE SECOND COLLECTION LETTER IF THE FACILITY STILL DOES NOT HEAR FROM THE PATIENT AFTER THE SECOND LETTER IS SENT, THE CFO ATTEMPTS TO CONTACT THEM VIA PHONE UPON MAKING CONTACT, THE CFO WILL DETERMINE IF THEY SHOULD APPLY FOR PATIENT ASSISTANCE OR WORK OUT A PAYMENT PLAN THAT IS SUITABLE TO BOTH THE PATIENT AND FACILITY IF THE CFO IS UNABLE TO MAKE CONTACT WITH THE PATIENT, THE ACCOUNT IS TURNED OVER TO THE COLLECTION AGENCY, ACCOUNTS MANAGEMENT, INC AMI WILL THEN PROCEED WITH THEIR FORMAL COLLECTION PROCESS THE FACILITY WRITES ACCOUNTS OFF AS BAD DEBT AFTER AMI CONFIRMS TO US THAT THEY HAVE EXHAUSTED ALL COLLECTION EFFORTS



Identifier	ReturnReference	Explanation
		PART VI, LINE 2 PHC IS CURRENTLY IN THE PROCESS OF CONDUCTING A HEALTH NEEDS ASSESSMENT WHILE EVALUATING THE OVERALL HEALTH NEEDS OF THE COMMUNITY, SPECIAL ATTENTION AND PRIORITY MAY BE GIVEN TO LOW INCOME AND DISADVANTAGED INDIVIDUALS AND FAMILIES OUR PROCESS INCLUDES 1) IDENTIFYING COMMUNITY STAKEHOLDERS, 2) DEFINING THE AREA WE SERVE, 3) DATA COLLECTION, 4) ANALYSIS OF THE DATA, 5) REPORTING AND DISSEMINATING THE DATA UPON FINAL BOARD APPROVAL OUR CHNA REPORT IS IN A DRAFT FORMAT AND HAS BEEN SUBMITTED TO THE BOARD FOR A FIRST READING THE DOCUMENT WILL BE APPROVED BY MARCH 2013

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 UPON REGISTRATION AND/OR ADMISSION, THE BUSINESS OFFICE STAFF WORKS TO EDUCATE ALL SELF-PAY PATIENTS ON OUR PATIENT ASSISTANCE POLICY REGISTRATION AREAS HAVE SIGNS INDICATING THE FACILITY HAS A PATIENT FINANCIAL ASSISTANCE POLICY IN PLACE AND TO INQUIRE FOR MORE INFORMATION THE PATIENT ASSISTANCE POLICY IS ALSO POSTED ON THE FACILITY'S WEBSITE WWW.PHCAVERA.ORG SELF-PAY PATIENTS WHO MAY BE ELIGIBLE FOR MEDICAID OR OTHER STATE/FEDERAL BENEFITS ARE INFORMED OF A THIRD PARTY VENDOR WHOM THE FACILITY HAS ENLISTED TO ASSIST PATIENTS IN EXPLORING BENEFITS THAT MAY BE AVAILABLE THE THIRD PARTY VENDOR IS A PUBLIC INTEREST LAW FIRM THAT PROVIDES FREE LEGAL SERVICES TO THOSE WHO QUALIFY A REPRESENTATIVE FROM THAT VENDOR WILL CONTACT PATIENTS TO DETERMINE WHETHER IT IS APPROPRIATE FOR THEM TO ASSIST IN AN APPLICATION FOR BENEFITS WHEN THE GROUP ACCEPTS A CASE, THEY FOLLOW IT UNTIL APPLICATIONS HAVE BEEN APPROVED OR DENIED ALL IS DONE AT NO CHARGE TO THE PATIENT SELF-PAY BALANCES THAT GO UNPAID FOR 90 DAYS WILL RECEIVE A SERIES OF TWO LETTERS THE LETTERS EXPLAIN THE FACILITY'S COLLECTION PROCESS, AND INCLUDE THE PATIENT ASSISTANCE FORM AND POLICY FOR THE GUARANTOR TO COMPLETE THE POLICIES ARE BEING UPDATED TO COMPLY WITH THE 501(R) REGULATIONS THAT WERE RELEASED IN JUNE 2012

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 4 PHC IS A CRITICAL ACCESS HOSPITAL IN PLATTE, SD PLATTE IS A RURAL COMMUNITY WITH ALMOST 1,400 RESIDENTS LOCATED IN SOUTH CENTRAL SOUTH DAKOTA THE FACILITY SERVES AN AREA OF ABOUT 6,000 PEOPLE IN CHARLES MIX, DOUGLAS, GREGORY, AURORA, AND BRULE COUNTIES THE DOMINANT INDUSTRIES INCLUDE SMALL FAMILY BUSINESSES AND FAMILY FARMS THE AREA IS VERY WELL KNOWN FOR RECREATIONAL HUNTING AND FISHING, WHICH BOOSTS THE POPULATION BY ABOUT 20 PERCENT THROUGHOUT MAY-OCTOBER THE MAJORITY OF PEOPLE SERVED BY PHC ARE LIVING IN CHARLES MIX COUNTY (ABOUT 1100 SQUARE MILES) CHARLES MIX COUNTY IS COMPRISED OF ABOUT 65 PERCENT CAUCASIAN PEOPLE, 32 PERCENT NATIVE AMERICAN, AND 3 PERCENT OTHER PHC SERVES MOSTLY THE CAUCASIAN POPULATION, WITH THE REMAINING POPULATION UTILIZING A MEDICAL FACILITY 45 MILES SOUTHEAST ACCORDING TO THE US CENSUS BUREAU'S PROJECTIONS FOR 2009, THE ANNUAL, MEDIAN HOUSEHOLD INCOME FOR CHARLES MIX COUNTY IS \$33,135, HOWEVER, 24 3 PERCENT OF THE POPULATION LIVES BELOW THE POVERTY LEVEL (\$22,350/YEAR FOR A FAMILY OF FOUR) THIS LEVEL OF POVERTY IS HIGHER THAN WHAT WASREPORTED FOR THE STATE OF SOUTH DAKOTA IN 2010 THE PLATTE-GEDDES SCHOOL SYSTEM HAS APPROXIMATELY 32% OF THE STUDENTS ON FREE/REDUCED MEAL PLANS</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 OUR BOARD CONSISTS OF 9 MEMBERS WHO REPRESENT ALL OF OUR SERVICE AREAS, INCLUDING PLATTE, GEDDES, AND HARRISON, SD MEDICAL STAFF PRIVILEGES ARE EXTENDED TO ALL QUALIFIED PHYSICIANS IN THE AREA THE BOARD WORKS TO SET ASIDE FUNDS EACH YEAR TO THE AVERA POOLED INVESTMENTS, WHICH ARE INTENDED TO ACCUMULATE TO SUPPORT EQUIPMENT UPGRADES AND FUTURE BUILDING PROJECTS PHC IS THE ONLY HOSPITAL IN THE PLATTE COMMUNITY THE NEXT CLOSEST CRITICAL ACCESS HOSPITAL IS 35 MILES TO THE EAST, AND THE CLOSEST REGIONAL HOSPITAL IS 66 MILES NORTHEAST PHC WORKS VERY HARD TO PROVIDE QUALITY HEALTHCARE IN A RURAL SETTING PHC IS CERTIFIED IN TELEMED SERVICES, E-ER, E-STROKE, AND E-PHARMACY

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 THE HOSPITAL IS A MANAGED FACILITY OF AVERA HEALTH AVERA HEALTH AND THE HOSPITAL WORK COOPERATIVELY TO ENHANCE HEALTHCARE THROUGHOUT THE COMMUNITY SERVED BY THE HOSPITAL AS A MANAGED FACILITY, THE HOSPITAL IS ABLE TO PARTICIPATE IN AVERA E-CARE SERVICES THESE SERVICES INCLUDE AVERA E-ICU, E-EMERGENCY, E-PHARMACY AND E-CONSULT THESE SERVICES ALLOW RURAL PATIENTS TO BE CARED FOR AT THEIR LOCAL HOSPITALS, PROVIDE RURAL HOSPITALS ACCESS TO IMMEDIATE SPECIALTY CARE AND SUPPORT, AND HELP REDUCE HEALTH CARE COSTS AND TRAVEL THE HOSPITAL ALSO HAS ACCESS TO "BACK OFFICE" SUPPORT SERVICES, SUCH AS LEGAL CONSULTATION, QUALITY BENCHMARKING, CODING, COMPUTER SERVICES, CONTRACT NEGOTIATIONS, ADMINISTRATIVE CONSULTATION, GROUP PURCHASING, HUMAN RESOURCE ASSISTANCE AND MANY OTHER SERVICES AVERA HEALTH IS ABLE TO PROVIDE THESE SERVICES TO THE HOSPITAL AT A COST BELOW THAT WHICH THE HOSPITAL COULD OTHERWISE ACHIEVE IN TURN, LOCAL CAREGIVERS ARE ABLE TO DEVOTE MORE RESOURCES TO PATIENT AND RESIDENT CARE AVERA HEALTH AND THE HOSPITAL DEDICATE RESOURCES TO ENDEAVORS THAT MAKE A POSITIVE DIFFERENCE TO IMPROVE THE HEALTH OF THE COMMUNITIES THEY SERVE THESE ACTIVITIES INCLUDE LEADERSHIP DEVELOPMENT AND TRAINING FOR COMMUNITY MEMBERS, ECONOMIC DEVELOPMENT, PHYSICAL IMPROVEMENTS IN THE COMMUNITY, CONTRIBUTIONS TO NONPROFIT COMMUNITY ORGANIZATIONS, NONPROFIT EVENT SPONSORSHIPS, DONATED MEDICAL SUPPLIES, COMMUNITY HEALTH EDUCATION AND SUPPORT GROUPS, HEALTH SCREENINGS, FLU-SHOT CLINICS, COMMUNITY HEALTH EDUCATION AND VARIOUS OTHER ACTIVITIES

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2011

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 PLATTE COMMUNITY MEMORIAL HOSPITAL INC	Employer identification number 46-0239781
--	--

Part I

Questions Regarding Compensation

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

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.

[illegible]

**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
SUPPLEMENTAL INFORMATION	PART III	PART II. MARK BURKET, CEO, IS COMPENSATED BY AVERA QUEEN OF PEACE HOSPITAL, 525 NORTH FOSTER, MITCHELL, SD 57301.



Schedule L  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization  
PLATTE COMMUNITY MEMORIAL HOSPITAL INC

Employer identification number  
46-0239781

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
(1) DR REGG HAGGE		X	50,000	26,278		No		No	Yes	
(2) DR ROBERT HUBLEY		X	25,000	25,000		No		No	Yes	
Total . . . . .				51,278						

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV

Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) KATY BURKET	FAMILY RELATIONSHIP WITH MARK BURKET, CEO	62,539	EMPLOYEE		No

Part V

Supplemental Information

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

Identifier	Return Reference	Explanation
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2011

Open to Public Inspection

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.

Name of the organization  
PLATTE COMMUNITY MEMORIAL HOSPITAL INC

Employer identification number

46-0239781

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 1	THE EXECUTIVE COMMITTEE SHALL HAVE THE BOARD PRESIDENT AS ITS CHAIRMAN AND RESPONSIBLE PERSON THE EXECUTIVE COMMITTEE SHALL HAVE POWER TO TRANSACT ALL REGULAR BUSINESS OF THE FACILITY DURING THE INTERIM BETWEEN THE MEETINGS OF THE BOARD OF DIRECTORS, PROVIDED ANY ACTION TAKEN SHALL NOT CONFLICT WITH THE POLICIES AND EXPRESSED WISHES OF THE BOARD OF DIRECTORS AND THAT IT SHALL REFER ALL MATTERS OF MAJOR IMPORTANCE TO THE BOARD OF DIRECTORS ALL OTHER COMMITTEES ARE ADVISORY TO THE BOARD OF DIRECTORS
	FORM 990, PART VI, SECTION A, LINE 3	AVERA QUEEN OF PEACE PROVIDES MANAGEMENT SERVICES TO THE HEALTH CENTER THE CEO IS PAID THROUGH AVERA QUEEN OF PEACE AND PRESIDES OVER THE DAY-TO-DAY OPERATIONS OF THE HEALTH CENTER
	FORM 990, PART VI, SECTION A, LINE 8B	THE EXECUTIVE COMMITTEE DOES NOT PREPARE MINUTES FOR THEIR MEETINGS INSTEAD, THEY REPORT TO THE BOARD AND DISCUSSION OF EXECUTIVE COMMITTEE MEETINGS IS INCLUDED IN THE BOARD MEETING MINUTES
	FORM 990, PART VI, SECTION B, LINE 11	THE CEO AND CFO REVIEW THE FORM 990 AFTER THEIR REVIEW, THE FORM 990 IS GIVEN TO THE BOARD MEMBERS AT A REGULARLY SCHEDULED BOARD MEETING THE FORM 990 IS FILED AFTER BOARD MEMBERS HAVE RECEIVED IT
	FORM 990, PART VI, SECTION B, LINE 12C	NO ANNUAL DISCLOSURE IS PERFORMED INSTEAD, BOARD MEMBERS AND OFFICERS ARE EXPECTED TO DISCLOSE CONFLICTS AS THEY ARISE THE FULL BOARD REVIEWS THE POTENTIAL CONFLICTS OF INTEREST AND DETERMINES WHETHER A CONFLICT EXISTS IF A CONFLICT EXISTS, THE AFFECTED PERSON IS REQUIRED TO ABSTAIN FROM VOTING ON THE ITEM THAT GIVES RISE TO THE CONFLICT
	FORM 990, PART VI, SECTION B, LINE 15	THE COMPENSATION PACKAGE FOR THE CEO IS DETERMINED BY THE MANAGEMENT COMPANY, AVERA QUEEN OF PEACE THE BOARD OF DIRECTORS OF PLATTE HEALTH CENTER REVIEWS AND DETERMINES WHETHER THE MANAGEMENT AGREEMENT IS ACCEPTABLE IN TERMS AND CONDITIONS THE COMPENSATION PACKAGE FOR OTHER OFFICERS IS BASED ON A REVIEW OF THE SDAHO ANNUAL COMPENSATION SURVEY AND APPROVED BY THE CEO
	FORM 990, PART VI, SECTION C, LINE 19	THE DOCUMENTS ARE MADE AVAILABLE UPON REQUEST
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -34,095 CHANGE IN TEMPORARILY RESTRICTED NET ASSETS OF FOUNDATION 6,073 CHANGE IN PERMANENTLY RESTRICTED NET ASSETS OF FOUNDATION 161,261 TOTAL TO FORM 990, PART XI, LINE 5 133,239

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 46-0239781  
**Name:** PLATTE COMMUNITY MEMORIAL HOSPITAL INC

**Form 990, Special Condition Description:**

<b>Special Condition Description</b>
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Financial Statements  
June 30, 2012 and 2011

**Platte Community Memorial  
Hospital, Inc. d/b/a  
Platte Health Center, Inc.**

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Financial Statements	
Balance Sheets .....	2
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Statements of Changes in Net Assets .....	4
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## Independent Auditor's Report

The Board of Directors  
Platte Community Memorial Hospital, Inc. d/b/a Platte Health Center, Inc.  
Platte, South Dakota

We have audited the accompanying balance sheets of Platte Community Memorial Hospital, Inc. d/b/a Platte Health Center, Inc. (Health Center) as of June 30, 2012 and 2011, and the related statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Health Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Platte Community Memorial Hospital, Inc. d/b/a Platte Health Center, Inc. as of June 30, 2012 and 2011, and the results of its operations, changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 13 to the financial statement, in accordance with updates to the relevant accounting standards pertaining to the presentation and disclosure of patient service revenue, provision for bad debts, and the allowance for doubtful accounts for certain health care entities, Platte Community Memorial Hospital, Inc. d/b/a Platte Health Center, Inc. has changed its presentation and disclosure of those financial statement elements.

*Eide Bailly LLP*

Sioux Falls, South Dakota  
November 16, 2012

	<u>2012</u>	<u>2011</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 597,399	\$ 947,039
Receivables		
Patient and resident, net of estimated uncollectibles		
and allowances of \$784,604 in 2012 and \$869,666 in 2011	1,269,306	1,431,178
Other	143,064	22,931
Estimated third-party payor settlements	192,577	-
Supplies	202,864	196,193
Prepaid expenses	94,426	80,693
Total current assets	<u>2,499,636</u>	<u>2,678,034</u>
Assets Limited as to Use		
By board for funded depreciation	889,936	897,132
Under loan agreement	68,712	45,023
Noncurrent assets limited as to use	<u>958,648</u>	<u>942,155</u>
Property and Equipment	<u>9,200,152</u>	<u>9,538,490</u>
Other Assets		
Interest in net assets of foundation	2,091,573	1,942,125
Property held for future use	43,000	43,000
Deferred financing costs, net	71,118	74,944
Other receivables	65,018	55,728
Total other assets	<u>2,270,709</u>	<u>2,115,797</u>
Total assets	<u><u>\$ 14,929,145</u></u>	<u><u>\$ 15,274,476</u></u>

See Notes to Financial Statements



Platte Health Center, Inc.  
Balance Sheets  
June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 285,800	\$ 328,668
Accounts payable		
Trade	337,384	214,823
Estimated third-party payor settlements	-	250,000
Accrued expenses		
Salaries and wages	221,050	169,951
Vacation	355,784	349,107
Payroll taxes, insurance claims, and other	116,971	20,805
Interest	14,629	14,803
Total current liabilities	<u>1,331,618</u>	<u>1,348,157</u>
Long-Term Liabilities, Less Current Maturities	<u>8,460,184</u>	<u>8,751,747</u>
Total liabilities	<u>9,791,802</u>	<u>10,099,904</u>
Net Assets		
Unrestricted	3,298,939	3,503,502
Temporarily restricted	236,451	230,378
Permanently restricted	1,601,953	1,440,692
Total net assets	<u>5,137,343</u>	<u>5,174,572</u>
Total liabilities and net assets	<u>\$ 14,929,145</u>	<u>\$ 15,274,476</u>

Platte Health Center, Inc.  
Statements of Operations  
Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Unrestricted Revenues, Gains and Other Support		
Net patient and resident service revenue	\$ 11,356,935	\$ 11,070,499
Provision for bad debts	<u>(126,617)</u>	<u>(263,506)</u>
Net patient and resident service revenue less provision for bad debts	11,230,318	10,806,993
Other revenue	<u>324,730</u>	<u>283,054</u>
Total revenues, gains and other support	<u>11,555,048</u>	<u>11,090,047</u>
Expenses		
Salaries and wages	6,088,346	5,564,673
Employee benefits	1,583,617	1,343,522
Medical fees	37,066	95,419
Purchased services	219,131	246,495
Supplies	942,412	963,124
Repairs and maintenance	222,283	210,607
Other expenses	971,455	852,598
Insurance	77,476	74,141
Utilities	274,191	275,539
Interest	413,368	424,624
Depreciation and amortization	<u>905,275</u>	<u>865,906</u>
Total expenses	<u>11,734,620</u>	<u>10,916,648</u>
Operating (Loss) Income	<u>(179,572)</u>	<u>173,399</u>
Other Income (Loss)		
Investment income	6,102	116,885
(Loss) gain on sale of assets	(25,690)	382
Change in interest in net assets of foundation	<u>(5,403)</u>	<u>9,721</u>
Other income, net	<u>(24,991)</u>	<u>126,988</u>
Revenues (Less Than) In Excess Of Expenses	(204,563)	300,387
Grants and Contributions for Capital Purposes	<u>-</u>	<u>44,135</u>
(Decrease) Increase in Unrestricted Net Assets	<u>\$ (204,563)</u>	<u>\$ 344,522</u>

Platte Health Center, Inc.  
Statements of Changes in Net Assets  
Years Ended June 30, 2012 and 2011

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	<u>2012</u>	<u>2011</u>
Unrestricted Net Assets		
Revenues (less than) in excess of expenses	\$ (204,563)	\$ 300,387
Grants and contributions for capital purposes	<u>-</u>	<u>44,135</u>
(Decrease) increase in unrestricted net assets	<u>(204,563)</u>	<u>344,522</u>
Temporarily Restricted Net Assets		
Change in interest in net assets of foundation	<u>6,073</u>	<u>190,079</u>
Increase in unrestricted net assets	6,073	190,079
Permanently Restricted Net Assets		
Change in interest in net assets of foundation	<u>161,261</u>	<u>328,437</u>
(Decrease) Increase in Net Assets	(37,229)	863,038
Net Assets, Beginning of Year	<u>5,174,572</u>	<u>4,311,534</u>
Net Assets, End of Year	<u><u>\$ 5,137,343</u></u>	<u><u>\$ 5,174,572</u></u>

Platte Health Center, Inc.  
Statements of Cash Flows  
Years Ended June 30, 2012 and 2011

	2012	2011
Operating Activities		
Change in net assets	\$ (37,229)	\$ 863,038
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	905,275	865,906
Amortization of deferred financing costs	3,826	3,522
Realized gains on investments, net	(26,899)	(26,162)
Change in unrealized gains and losses on investments	34,095	(76,834)
Undistributed portion of change in interest in net assets of foundation	(149,448)	(528,178)
Changes in assets and liabilities		
Receivables	32,449	(94,226)
Estimated third-party payor settlements	(442,577)	920,000
Supplies	(6,671)	(49,235)
Prepaid expenses	(13,733)	(20,023)
Accounts payable	(19,877)	(276,538)
Accrued expenses	153,768	47,929
Net Cash from Operating Activities	<u>432,979</u>	<u>1,629,199</u>
Investing Activities		
Purchase of property and equipment	(424,499)	(231,038)
Purchase of assets limited as to use	(23,689)	(444,060)
Sales and maturities of assets limited as to use	<u>-</u>	<u>20,571</u>
Net Cash used for Investing Activities	<u>(448,188)</u>	<u>(654,527)</u>
Financing Activities		
Principal payments on long-term debt	(334,431)	(257,933)
Payment of deferred financing costs	<u>-</u>	<u>(34,191)</u>
Net Cash used for Financing Activities	<u>(334,431)</u>	<u>(292,124)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(349,640)	682,548
Cash and Cash Equivalents, Beginning of Year	<u>947,039</u>	<u>264,491</u>
Cash and Cash Equivalents, End of Year	<u>\$ 597,399</u>	<u>\$ 947,039</u>
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest	<u>\$ 413,542</u>	<u>\$ 424,121</u>
Supplemental Disclosure of Noncash Investing Activities		
Accounts payable - construction in progress	<u>\$ 142,438</u>	<u>\$ -</u>
Supplemental Disclosure of Noncash Financing Activities		
Refinancing of construction notes payable	<u>\$ -</u>	<u>\$ 4,500,000</u>

See Notes to Financial Statements

## **Note 1 - Organization and Significant Accounting Policies**

### **Organization**

Platte Community Memorial Hospital, Inc. d/b/a Platte Health Center, Inc. ("Health Center") operates a 17-bed critical access hospital, a 48-bed long-term care facility, a congregate living center located in Platte, South Dakota, and rural health clinics located in Platte, South Dakota and Geddes, South Dakota. The Health Center is organized as a South Dakota nonprofit corporation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The organization's legal name is Platte Community Memorial Hospital, Inc.; however, the organization conducts all business as Platte Health Center, Inc.

### **Cash and Cash Equivalents**

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

### **Patient and Resident Receivables**

Patient and resident receivables are uncollateralized customer and third-party payor obligations. Unpaid patient and resident receivables, excluding amounts due from third-party payors, with invoice dates over 90 days old have interest assessed at 1 percent per month. Due to the uncertainty of collecting private pay accounts, these interest charges are recognized as income when received. Payments of patient and resident receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

Patient and resident accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Health Center analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third party coverage, the Health Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients, which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Health Center records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Health Center's process for calculating the allowance for doubtful accounts for self-pay patients has not significantly changed from June 30, 2011 to June 30, 2012. The Health Center does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write offs from third-party payors. The Health Center has not significantly changed its charity care or uninsured discount policies during fiscal years 2012 or 2011.

### **Physician and Employee Notes Receivable**

The Health Center issues notes to employees and physicians as part of its recruitment process. Notes are repayable over a minimum of a two-year period to a maximum of a five-year period and are issued at current interest rates of 5.25%. The notes are issued with forgiveness provisions over the life of the note to encourage retention. Based on historical analysis, it is anticipated that the balance of the notes will be forgiven.

At June 30, 2012 and 2011, notes receivable from physicians and employees totaled \$103,082 and \$78,659.

### **Supplies**

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

### **Assets Limited As To Use**

Assets limited as to use include assets set aside by the Board of Directors for funded depreciation to be used for future capital expenditures, over which the Board retains control and may, at its discretion, subsequently use for other purposes and assets restricted under a loan agreement. Assets limited as to use that are available for obligations classified as current liabilities are reported in current assets.

### **Investments and Investment Income**

Investments with readily determinable market values are stated at fair value. The fair value of all debt and equity securities with readily determinable fair values are based on quotations obtained from national and foreign securities exchanges. Certificates of deposit are recorded at historical cost, plus accrued interest. The Health Center has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 825. ASC 825 permits entities to choose to measure many financial instruments and certain other items at fair value. All investments are classified as trading securities, therefore investment income or loss (including interest income, dividends, net changes in unrealized gains and losses, and net realized gains and losses) is included in revenues (less than) in excess of expenses unless the income or loss is restricted by donor or law. Investment income on funds held under indenture agreements is recorded as other operating revenue while all other investment income is recorded as nonoperating revenue in the statement of operations.

The Health Center, through its affiliation with Avera Health, participates in the Avera Pooled Investment Fund, a fund administered by Avera Health. The Pooled Investment Fund has a portion of its holdings in alternative investments, which are not readily marketable. These alternative investments include partnerships and other interests that invest in hedge funds, real asset funds, and private equity/venture capital funds, among others. Many of these alternative investments have fair values that are determined using the net asset value (NAV) provided by the investment manager. NAV is a practical expedient to determine the fair value of investments that do not have readily determinable fair values and prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Investment income, including interest, dividends, realized gains and losses, and unrealized gains and losses are allocated to participants of the Avera Pooled Investment Fund based upon their pro rata share of the investments.

### **Fair Value Measurements**

The Health Center has determined the fair value of certain assets and liabilities in accordance with generally accepted accounting principles, which provides a framework for measuring fair value.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

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

### **Interest in Net Assets of Foundation**

Avera Health Foundation (Foundation), an affiliate of the Health Center, solicits contributions and holds funds on behalf of the Health Center. The Health Center's interest in these funds is recorded as other assets in the accompanying financial statements and as temporarily or permanently restricted net assets if donors have placed restrictions on the use of the funds. Changes in the funds held by the Foundation are recorded as changes in net assets of foundation in the accompanying financial statements.

### **Property and Equipment**

Property and equipment acquisitions in excess of \$5,000 (\$1,000 for nursing home acquisitions) are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Amortization is included in depreciation and amortization in the accompanying financial statements. The estimated useful lives of property and equipment are as follows:

Land improvements	5-25 years
Buildings and improvements	5-50 years
Equipment	3-20 years

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

### **Impairment of Long-lived Assets**

The Health Center considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying values of assets are appropriate. No impairment was identified for the years ended June 30, 2012 and 2011.

### Deferred Financing Costs

Deferred financing costs are amortized over the period the related obligation is outstanding using the straight-line method. Amortization of deferred financing costs is included in interest expense in the accompanying financial statements. Accumulated amortization was \$5,876 and \$25,438 for the years ended June 30, 2012 and 2011, respectively.

### Temporarily and Permanently Restricted Net Assets

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

### Revenues (Less Than) In Excess of Expenses

Revenues (less than) in excess of expenses excludes contributions of long-lived assets; including assets acquired using contributions which were restricted by donors.

### Net Patient and Resident Service Revenue

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

The Health Center recognizes patient and resident service revenue associated with services provided to patients and residents who have third-party payor coverage on the basis of contractual rates for the services rendered, as noted above. For uninsured patients that do not qualify for charity care, the Health Center recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Health Center's uninsured patients and residents will be unable or unwilling to pay for the services provided. Thus, the Health Center records a significant provision for bad debts related to uninsured patients and residents in the period the services are provided.

Net patient and resident service revenue, but before the provision for bad debts, recognized for the years ended June 30, 2012 and 2011 from these major payor sources, is as follows:

	<u>2012</u>	<u>2011</u>
Net patient and resident service revenue		
Third-party payors	\$ 9,620,763	\$ 9,616,406
Self-pay	<u>1,736,172</u>	<u>1,454,093</u>
Total all payors	<u><u>\$ 11,356,935</u></u>	<u><u>\$ 11,070,499</u></u>



### **Charity Care**

The Health Center provides health care services to patients who meet certain criteria under its Charity Care Policy without charge or at amounts less than established rates. Since the Health Center does not pursue collection of these amounts, they are not reported as patient service revenue. The estimated cost of providing these services was \$47,000 and \$76,000 for the years ended June 30, 2012 and 2011, calculated by multiplying the ratio of cost to gross charges for the Health Center by the gross uncompensated charges associated with providing charity care to its patients.

### **Donor-Restricted Gifts**

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

### **Advertising Costs**

The Health Center expenses advertising costs as incurred. Advertising costs for the years ended June 30, 2012 and 2011 were \$26,255 and \$26,046, respectively.

### **Use of Estimates**

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

### **Income Taxes**

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

The Health Center believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Health Center would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. The Health Center's federal Form 990 filings are generally no longer subject to federal tax examinations by tax authorities for years before 2009.

## Reclassifications

Reclassifications have been made to the June 30, 2011 financial information to make it conform to the current year presentation. The reclassifications had no effect on previously reported operating results or changes in net assets.

## Note 2 - Net Patient and Resident Service Revenue

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

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

**Medicare – Clinics:** The clinics are designated as Provider Based Rural Health Clinics by the Medicare program. As a result, clinical services rendered to Medicare program beneficiaries are reimbursed at cost.

**Medicaid:** Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Clinical and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a historical cost-based reimbursement methodology adjusted annually.

**Wellmark – Blue Cross:** Services rendered to Wellmark – Blue Cross subscribers are reimbursed under a prospectively determined percentage of charges methodology.

**Medicare and Medicaid – Nursing Home:** The Health Center participates in the Medicare program for which payment for resident services is made on a prospectively determined per diem rate which varies based on a case-mix resident classification system. The Health Center is reimbursed for Medicaid nursing home resident services at established billing rates which are determined on a historical cost-related basis subject to certain limitations as prescribed by the South Dakota Department of Social Services regulations. These rates are subject to retroactive adjustment by field audit.

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

Revenue from the Medicare and Medicaid programs accounted for approximately 44% and 11% of the Health Center's net patient service revenue for the year ended June 30, 2012 and 45% and 14% for the year ended June 30, 2011. Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The net patient service revenue for the years ended June 30, 2012 and 2011 increased approximately \$60,006 and \$16,264 due to removal of allowances previously estimated that are no longer necessary as a result of final settlements and years that are no longer likely subject to audits, reviews, and investigations.

A summary of patient and resident service revenue and contractual adjustments for the years ended June 30, 2012 and 2011, is as follows:

	<u>2012</u>	<u>2011</u>
Total patient and resident service revenue	\$ 14,187,275	\$ 14,030,019
Contractual adjustments		
Medicare	(1,707,848)	(1,945,954)
Medicaid	(664,675)	(672,076)
Other	(457,817)	(341,490)
Total contractual adjustments	<u>(2,830,340)</u>	<u>(2,959,520)</u>
Net patient and resident service revenue	11,356,935	11,070,499
Provision for bad debts	<u>(126,617)</u>	<u>(263,506)</u>
Net patient and resident service revenue less provision for bad debts	<u>\$ 11,230,318</u>	<u>\$ 10,806,993</u>

### Note 3 - Investments and Investment Income

#### Assets Limited as to Use

The composition of assets limited as to use at June 30, 2012 and 2011, is shown in the following table.

	<u>2012</u>	<u>2011</u>
By board for funded depreciation		
Interest in Pooled Investment Fund *	<u>\$ 889,936</u>	<u>\$ 897,132</u>
Under loan agreement		
Cash and cash equivalents	<u>\$ 68,712</u>	<u>\$ 45,023</u>

#### Pooled Investment Fund \*

The Health Center is a participant in the Avera Pooled Investment Fund, a fund administered by Avera Health that is maintained for the benefit of facilities that are sponsored, operated, or managed by Avera Health. Investments are made in conformity with the objectives and guidelines of the Avera Health Pooled Investment Committee. Within the fund, facilities share in a pool of investments that are managed by various fund managers. Asset valuation and income and losses of the fund are allocated to participating members based on the carrying amount of their investment in the fund.

As of June 30, 2012 and 2011, the Avera Pooled Investment Fund assets consisted of the following types of investments:

	<u>2012</u>	<u>2011</u>
Equity mutual funds	23.6%	24.9%
Fixed income mutual funds	15.9%	10.1%
Publicly traded equity securities	12.0%	13.2%
Cash and short-term investments	11.9%	6.7%
Non-publicly traded alternative investments		
Hedge fund	11.3%	12.7%
Real asset	2.6%	2.4%
US Agency obligations	6.8%	12.1%
Foreign equities	5.9%	8.5%
Corporate bonds	5.7%	5.3%
Other fixed income	2.4%	2.7%
US Treasury obligations	1.9%	1.4%
	<u>100.0%</u>	<u>100.0%</u>

#### Investment Income

Investment income and gains and losses on assets limited as to use and cash equivalents consist of the following for the years ended June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Other income		
Interest income	\$ 13,298	\$ 13,889
Realized gains on investments, net	26,899	26,162
Change in unrealized gains and losses on investments	<u>(34,095)</u>	<u>76,834</u>
 Total investment income	 <u>\$ 6,102</u>	 <u>\$ 116,885</u>

**Note 4 - Property and Equipment**

	2012		2011	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 192,952	\$ -	\$ 192,952	\$ -
Land improvements	383,533	184,600	383,533	153,963
Buildings and improvements	11,531,870	3,970,096	11,530,043	3,395,137
Equipment	3,090,660	1,988,870	2,778,884	1,797,822
Construction in progress	144,703	-	-	-
	<u>\$ 15,343,718</u>	<u>\$ 6,143,566</u>	<u>\$ 14,885,412</u>	<u>\$ 5,346,922</u>
Net property and equipment		<u>\$ 9,200,152</u>		<u>\$ 9,538,490</u>

Construction in progress at June 30, 2012, represents costs incurred for equipment that was not placed in service as of the year ended June 30, 2012. The Health Center will incur additional costs to install the equipment. The equipment is being financed with existing funds of the Health Center.

**Note 5 - Leases**

The Health Center leases certain equipment under noncancelable long-term lease agreements. Total lease expense for the years ended June 30, 2012 and 2011, for all operating leases was \$104,482 and \$87,633, respectively.

The equipment leased under capital lease agreement consists of:

	2012	2011
Radiology equipment	\$ 341,777	\$ 341,777
Less accumulated amortization (included as depreciation and amortization on the accompanying financial statements)	<u>(206,677)</u>	<u>(137,785)</u>
	<u>\$ 135,100</u>	<u>\$ 203,992</u>

Minimum future lease payments for capital and non-cancelable operating leases are as follows:

<u>Years Ending June 30,</u>	Capital Leases	Operating Leases
2013	\$ 70,653	\$ 22,054
2014	38,538	-
Total minimum lease payments	<u>109,191</u>	<u>\$ 22,054</u>
Less interest	<u>(3,989)</u>	
Present value of minimum lease payments - Note 6	<u>\$ 105,202</u>	

## Note 6 - Long-Term Debt

Long-term debt consists of:

	<u>2012</u>	<u>2011</u>
Tax-exempt mortgage notes payable, 3.75% as of June 30, 2011, due in monthly installments of \$9,082 through November 5, 2011	\$ -	\$ 45,025
USDA note payable, 4.125% as of June 30, 2012, due in monthly installments of \$19,575 through June 2049	4,337,760	4,392,430
Mortgage note payable, 4.98% as of June 30, 2012, interest rate to be adjusted in April 2016, then recalculated every five years according to a present formula, due in varying annual installments through to 2036	4,303,022	4,467,850
Capital lease obligation - Note 5	105,202	175,110
	<u>8,745,984</u>	<u>9,080,415</u>
Less current maturities	<u>(285,800)</u>	<u>(328,668)</u>
Total long-term debt	<u>\$ 8,460,184</u>	<u>\$ 8,751,747</u>

Long-term debt maturities are as follows:

<u>Years Ending June 30,</u>	
2013	\$ 285,800
2014	273,400
2015	243,400
2016	251,700
2017	260,400
Thereafter	7,431,284
	<u>\$ 8,745,984</u>

Under the terms of the USDA note payable agreement, the Health Center is required to maintain certain restricted deposits. Such deposits are included with assets limited as to use in the financial statements. Substantially all of the Health Center's assets at June 30, 2012, are pledged as collateral for the debt obligations.

## **Note 7 - Temporarily and Permanently Restricted Net Assets**

As discussed in Note 1, the Avera Health Foundation solicits and holds contributions on behalf of the Health Center. Some of the contributions are restricted by the donors for specific purposes.

Temporarily restricted net assets are available for the following purposes at June 30, 2012 and 2011:

	2012	2011
To support various health care related programs and services	\$ 236,451	\$ 230,378

Permanently restricted net assets at June 30, 2012 and 2011, are restricted to:

	2012	2011
Funds to be held in perpetuity, income from which is to be used to support hospital operating and capital needs at the discretion of the board of directors	\$ 1,601,953	\$ 1,440,692

## **Note 8 - Endowment**

The Health Center's endowments consist of a portion of their interest in the net assets of the Avera Health Foundation. The Avera Health Foundation includes endowment funds which have been established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments (if any), are classified and reported based on the existence or absence of donor-imposed restrictions. The Health Center's permanently restricted endowment funds are donor restricted and totaled \$1,601,953 and \$1,440,692 at June 30, 2012 and 2011, respectively. The Health Center's board designated endowment funds totaled \$13,510 and \$13,247 at June 30, 2012 and 2011, respectively.

### **Interpretation of Relevant Law**

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

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

Changes in endowment net assets for the year ending June 30, 2012 and 2011, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2010	\$ -	\$ -	\$ 1,112,255	\$ 1,112,255
Change in interest in net assets of Avera Health Foundation	13,247	-	328,437	341,684
Endowment net assets, June 30, 2011	13,247	-	1,440,692	1,453,939
Change in interest in net assets of Avera Health Foundation	263	-	161,261	161,524
Endowment net assets, June 30, 2012	\$ 13,510	\$ -	\$ 1,601,953	\$ 1,615,463

### Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Health Center to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies that were deemed material as of June 30, 2012 and 2011.

### Return Objectives and Risk Parameters

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



### Strategies Employed for Achieving Objectives

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

### Spending Policy and How the Investment Objectives Relate to Spending Policy

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

### Note 9 - Pension Plan

The Health Center has a defined contribution pension plan under which employees become participants upon reaching age 21 and completion of one year of service during which the employee completes at least 1,000 hours of service. The Health Center matches the employees' contribution up to 3%. Contributions are deposited with the plan trustee who invests the plan assets. Total pension plan expense for the years ended June 30, 2012 and 2011, was \$121,572 and \$96,885, respectively.

### Note 10 - Concentrations of Credit Risk

The Health Center grants credit, without collateral, to its patients and residents, most of whom are insured under third-party payor agreements. The mix of receivables from third-party payors, patients and residents at June 30, 2012 and 2011, was as follows:

	2012	2011
Medicare	34%	35%
Medicaid	4%	4%
Blue Cross	7%	8%
Other third-party payors and patients/residents	55%	53%
	<u>100%</u>	<u>100%</u>

The Health Center's cash balances are maintained in various bank deposit accounts. At various times during the years ended June 30, 2012 and 2011, the balances of these deposits were in excess of federally insured limits.

## Note 11 - Functional Expenses

The Health Center provides health care services to residents within its geographic location. Expenses related to providing these services by functional class for the years ended June 30, 2012 and 2011, are as follows:

	2012	2011
Patient and resident health care services	\$ 10,731,717	\$ 9,699,647
General and administrative	1,002,903	1,217,001
Total functional expenses	<u>\$ 11,734,620</u>	<u>\$ 10,916,648</u>

## Note 12 - Contingencies

### Malpractice and Other Insurance

The Health Center has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of \$1 million per claim and an annual aggregate limit of \$3 million. The Hospital is also insured under an excess umbrella liability policy with a limit of \$10 million. Should the claims made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured.

The Hospital has accrued malpractice and workers' compensation losses of \$105,000 and \$-0- at June 30, 2012 and 2011. These liabilities are included in current liabilities as payroll taxes, insurance claims, and other in the balance sheets. As of June 30, 2012 and 2011, receivables of \$105,000 and \$-0- have been recorded for expected insurance recoveries related to the malpractice claims. The receivables are included in current assets as other receivables in the balances sheets.

### Litigations, Claims, and Disputes

The Health Center is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. In the opinion of management, the ultimate settlement of any litigation, claims, and disputes in process will not be material to the financial position, operations, or cash flows of the Health Center.

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

### **Note 13 - Changes in Accounting Principles**

In accordance with Accounting Standards Update (ASU) 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries*, the Health Center changed its method of accounting for insurance claims and related insurance recoveries. The guidance in ASU 2010-24 requires that liabilities and receivables related to medical malpractice and other insurable claims be reported at gross amounts on the balance sheets. In accordance with the implementation, the Health Center prospectively applied the presentation requirements in 2011 (Note 12). ASU 2010-24 does not require retrospective application, therefore, no amounts were recorded for the June 30, 2011 financial statements.

As of and for the year ended June 30, 2012, the Health Center adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2011-07, *Health Care Entities (Topic 954) Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, as allowable. In accordance with the implementation guidance, the Health Center retroactively applied the presentation requirements to 2011. The impact on 2011 was a decrease to total revenues, gains, and other support of \$263,506, and a decrease to total expenses of \$263,506 in the statements of operations. There was no impact on operating income or net assets.

### **Note 14 - Subsequent Events**

The Health Center has evaluated subsequent events through November 16, 2012, the date which the financial statements were available to be issued.



Supplementary Information  
June 30, 2012 and 2011

**Platte Community Memorial  
Hospital, Inc. d/b/a  
Platte Health Center, Inc.**



### **Independent Auditor's Report on Supplementary Information**

The Board of Directors  
Platte Community Memorial Hospital, Inc. d/b/a Platte Health Center, Inc.  
Platte, South Dakota

We have audited the financial statements of Platte Community Memorial Hospital, Inc. d/b/a Platte Health Center, Inc. (Health Center) as of and for the years ended June 30, 2012 and 2011, and our report thereon dated November 16, 2012, which expressed an unqualified opinion on those financial statements, appears on page 1. Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The schedules of net patient and resident service revenue, schedules of other revenue, and schedules of expenses on pages 22 through 27 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information on pages 22 through 27 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on pages 22 through 27 is fairly stated in all material respects in relation to the financial statements as a whole. The statistical information, on page 28, which are the responsibility of management, have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sioux Falls, South Dakota  
November 16, 2012

Platte Health Center, Inc.  
Schedules of Net Patient and Resident Service Revenue  
Years Ended June 30, 2012 and 2011

	2012	2011
Patient and Resident Service Revenue		
Routine services	\$ 2,256,576	\$ 2,365,229
Long term care	2,850,757	2,806,615
Platte Clinic	1,322,136	1,279,423
Geddes Clinic	108,435	132,288
Nursery	48,889	37,044
Operating room	717,099	678,862
Delivery and labor room	15,884	15,429
Anesthesiology	84,171	65,769
Radiology	2,219,701	2,156,630
Laboratory	1,833,309	1,778,687
Respiratory therapy	4,896	3,276
Physical therapy	530,010	428,023
Electrocardiology	417,142	382,889
Central supply	116,700	268,921
Pharmacy	1,018,830	1,042,237
Emergency room	497,855	452,400
Occupational therapy	79,734	70,941
Speech therapy	15,856	5,863
Sleep lab	24,276	75,297
Private Duty	15,200	7,360
Homemaker	67,604	77,002
Charity care	(57,785)	(100,166)
Total patient and resident service revenue	<u>14,187,275</u>	<u>14,030,019</u>
Total Patient and Resident Service Revenue - Reclassified		
Inpatient acute	1,736,582	1,733,085
Outpatient	7,374,156	6,964,366
Swing bed	852,995	1,214,408
Clinic	1,430,570	1,411,711
Nursing home	2,850,757	2,806,615
Charity care	(57,785)	(100,166)
Total patient service revenue	<u>14,187,275</u>	<u>14,030,019</u>
Deductions from Patient and Resident Service Revenue		
Contractual adjustments		
Medicare	(1,707,848)	(1,945,954)
Medicaid	(664,675)	(672,076)
Other	(457,817)	(341,490)
Total deductions from patient and resident service revenue	<u>(2,830,340)</u>	<u>(2,959,520)</u>
Net Patient and Resident Service Revenue	<u>\$ 11,356,935</u>	<u>\$ 11,070,499</u>

Platte Health Center, Inc.  
Schedules of Other Revenue  
Years Ended June 30, 2012 and 2011

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	<u>2012</u>	<u>2011</u>
Other Revenue		
Gentle Touch	\$ 39,089	\$ 62,565
Guest meals	55,121	56,656
Rent	20,552	19,202
Home Health	500	-
Grants	76,757	65,988
Interest Income	23,459	-
Miscellaneous	<u>109,252</u>	<u>78,643</u>
	<u>\$ 324,730</u>	<u>\$ 283,054</u>

Platte Health Center, Inc.  
Schedules of Expenses  
Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Routine Services		
Salaries and wages	\$ 709,510	\$ 684,847
Supplies and other expenses	109,350	104,959
	<u>818,860</u>	<u>789,806</u>
Long Term Care		
Salaries and wages	1,820,367	1,895,928
Supplies and other expenses	310,211	342,599
	<u>2,130,578</u>	<u>2,238,527</u>
Platte Clinic		
Salaries and wages	1,107,061	876,643
Supplies and other expenses	87,107	118,997
	<u>1,194,168</u>	<u>995,640</u>
Geddes Clinic		
Salaries and wages	131,455	115,256
Supplies and other expenses	21,619	24,025
	<u>153,074</u>	<u>139,281</u>
Gentle Touch		
Salaries and wages	38,306	45,396
Supplies and other expenses	16,364	26,160
	<u>54,670</u>	<u>71,556</u>
Nursery		
Salaries and wages	3,285	4,473
Supplies and other expenses	2,331	355
	<u>5,616</u>	<u>4,828</u>
Operating Room		
Salaries and wages	52,527	41,026
Supplies and other expenses	28,476	13,326
	<u>81,003</u>	<u>54,352</u>
Delivery and Labor Room		
Salaries and wages	2,350	5,584
Supplies and other expenses	8,780	2,834
	<u>11,130</u>	<u>8,418</u>
Anesthesiology		
Salaries and wages	166,584	99,558
Supplies and other expenses	7,736	2,412
	<u>\$ 174,320</u>	<u>\$ 101,970</u>



Platte Health Center, Inc.  
Schedules of Expenses  
Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Radiology		
Salaries and wages	\$ 183,175	\$ 176,069
Supplies and other expenses	256,149	270,951
	<u>439,324</u>	<u>447,020</u>
Laboratory		
Salaries and wages	210,804	197,779
Supplies and other expenses	223,793	274,308
	<u>434,597</u>	<u>472,087</u>
Physical Therapy		
Salaries and wages	190,402	139,641
Supplies and other expenses	10,403	7,584
	<u>200,805</u>	<u>147,225</u>
Electrocardiology		
Salaries and wages	14,275	9,437
Supplies and other expenses	1,956	16,914
	<u>16,231</u>	<u>26,351</u>
Central Supply		
Salaries and wages	74,843	72,490
Supplies and other expenses	78,423	90,477
	<u>153,266</u>	<u>162,967</u>
Pharmacy		
Salaries and wages	110,195	101,086
Supplies and other expenses	402,335	323,583
	<u>512,530</u>	<u>424,669</u>
Emergency Room		
Salaries and wages	257,677	105,607
Medical fees	35,605	70,680
Supplies and other expenses	48,917	25,621
	<u>342,199</u>	<u>201,908</u>
Occupational Therapy		
Salaries and wages	37,714	59,754
Supplies and other expenses	1,303	699
	<u>39,017</u>	<u>60,453</u>
Sleep Lab		
Salaries and wages	2,624	7,877
Supplies and other expenses	1,257	1,886
	<u>\$ 3,881</u>	<u>\$ 9,763</u>

Platte Health Center, Inc.  
Schedules of Expenses  
Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Home Health		
Salaries and wages	\$ 190	\$ 60
Supplies and other expenses	170	80
	<u>360</u>	<u>140</u>
Homemaker		
Salaries and wages	59,996	62,070
Supplies and other expenses	9,177	7,694
	<u>69,173</u>	<u>69,764</u>
Speech Therapy		
Salaries and wages	10,081	695
Supplies and other expenses	-	932
	<u>10,081</u>	<u>1,627</u>
Operation of Plant		
Salaries and wages	135,191	71,778
Supplies and other expenses	225,709	203,536
	<u>360,900</u>	<u>275,314</u>
Private Duty		
Salaries and wages	7,100	4,057
Supplies and other expenses	1,879	931
	<u>8,979</u>	<u>4,988</u>
Housekeeping		
Salaries and wages	103,725	97,735
Supplies and other expenses	31,210	27,583
	<u>134,935</u>	<u>125,318</u>
Laundry		
Salaries and wages	16,176	13,780
Supplies and other expenses	2,660	4,243
	<u>18,836</u>	<u>18,023</u>
Dietary		
Salaries and wages	73,658	77,637
Supplies and other expenses	90,818	84,312
	<u>164,476</u>	<u>161,949</u>
Medical Records		
Salaries and wages	97,574	86,984
Supplies and other expenses	4,762	13,823
	<u>\$ 102,336</u>	<u>\$ 100,807</u>

Platte Health Center, Inc.  
Schedules of Expenses  
Years Ended June 30, 2012 and 2011

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	<u>2012</u>	<u>2011</u>
Administrative		
Salaries and wages	\$ 471,501	\$ 511,426
Supplies and other expenses	648,038	582,278
	<u>1,119,539</u>	<u>1,093,704</u>
Unassigned Expenses		
Insurance	77,476	74,141
Depreciation and amortization	905,275	865,906
Interest	413,368	424,624
Employee benefits	1,583,617	1,343,522
	<u>2,979,736</u>	<u>2,708,193</u>
	<u>\$ 11,734,620</u>	<u>\$ 10,916,648</u>

Platte Health Center, Inc.  
Statistical Information  
Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Patient Days (1)		
Medicare	413	438
Non-Medicare	109	137
Total	<u>522</u>	<u>575</u>
Swing-Bed Days	499	802
Nursing Home Days	15,214	16,758
Nursery Days	60	50
Number of Discharges (1)		
Medicare	170	196
Non-Medicare	48	84
Total	<u>218</u>	<u>280</u>
Outpatient Visits	11,948	12,229
Number of Beds - Hospital	17	17
Percent of Occupancy - Hospital	16%	22%
Percent of Occupancy - Nursing Home	87%	96%
Most Frequent Year-End Routine Service Rates		
Private/Semi-private rooms	\$ 1,481.00	\$ 1,371.00
Nursery	806.00	746.00
Intensive care unit	2,925.00	2,708.00
Swing-bed	240.00-1,301.00	346.00-1,204.00
Collection Statistics		
Patient and resident receivables, net	\$ 1,269,306	\$ 1,431,178
Number of days charges outstanding (2)	57	65
Uncollectible accounts (3)	\$ 184,402	\$ 363,672
Percentage of uncollectible accounts to total charges	1.30%	2.59%

(1) Excludes nursery.

(2) Based on average daily gross patient and resident revenue for the last three months of the fiscal year.

(3) Includes provision for bad debts and charity care.