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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 10-01-2011 and ending 09-30-2012

B

Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C

Name of organization
MEMORIAL MEDICAL CENTER INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address)
1615 MAPLE LANE

Room/suite

City or town, state or country, and ZIP + 4
ASHLAND, WI 54806

F Name and address of principal officer
LES WHITEAKER
1615 MAPLE LANE
ASHLAND, WI 54806

D Employer identification number

23-7013497

E Telephone number

(715) 685-5515

G Gross receipts \$ 67,410,796

I Tax-exempt status

☒ 501(c)(3)

☐ 501(c) ()

☐ (insert no)

☐ 4947(a)(1) or

☐ 527

J Website: WWW.ASHLANDMMC.COM

K Form of organization

☒ Corporation

☐ Trust

☐ Association

☐ Other

L Year of formation 1968

M State of legal domicile WI

Part I

Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities INPATIENT AND OUTPATIENT MEDICAL 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	14
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13
Revenue	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	434
	6	Total number of volunteers (estimate if necessary)	6	160
	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)	45,164	74,083
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	57,638,141	61,164,524
Expenses	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	334,471	432,469
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	96,013	77,720
	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	58,113,789	61,748,796
	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)	28,692,078	28,735,570
	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)	23,872,840	23,996,908
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	52,564,918	52,732,478
	19	Revenue less expenses Subtract line 18 from line 12	5,548,871	9,016,318
			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	69,319,088	84,564,268
	21	Total liabilities (Part X, line 26)	14,667,319	19,910,408
	22	Net assets or fund balances Subtract line 21 from line 20	54,651,769	64,653,860

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

2013-08-09

Date

LES WHITEAKER VICE-PRESIDENT

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

MARY BETH SANTORI

Date

Check if self-employed ☐

Preparer's taxpayer identification number (see instructions)
P00023783

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

MCGLADREY LLP
227 W FIRST ST STE 700
DULUTH, MN 558021919

EIN ☐ 42-0714325

Phone no ☐ (218) 727-5025

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

☒ Yes

☐ No

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

MEMORIAL MEDICAL CENTER WILL REACH OUT AS A TRUSTED PARTNER PROVIDING THE HEALTHCARE SERVICES PEOPLE NEED TO ACHIEVE INDEPENDENT AND PRODUCTIVE LIVES COLLABORATING WITH OUR COMMUNITIES, WE WILL PROVIDE LEADERSHIP IN INTEGRATING HEALTH SERVICES FOR THE GREATER SOUTH SHORE REGION OF LAKE SUPERIOR

2

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

Yes

No

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes

No

If “Yes,” describe these changes on Schedule O

4

Describe the 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 \$ 44,526,670 including grants of \$) (Revenue \$ 61,242,244)

MEMORIAL MEDICAL CENTER (MMC) IS A CRITICAL ACCESS HOSPITAL WITH OVER 60 FULL-TIME PHYSICIANS ON STAFF AND OVER 400 EMPLOYEES LOCATED IN THE CITY OF ASHLAND, MMC SERVES AS A REGIONAL MEDICAL REFERRAL CENTER FOR PATIENTS FROM SEVEN NORTHWESTERN WISCONSIN COUNTIES AND THE NEIGHBORING GOGEBIC COUNTY OF MICHIGAN MMC OFFERS INPATIENT AND OUTPATIENT SERVICES INCLUDING MEDICAL-SURGICAL, INTENSIVE CARE, OBSTETRICS INCLUDING LABOR, DELIVERY, POSTPARTUM AND RECOVERY (LDPR) SUITES, BEHAVIORAL HEALTH, AND 24-HOUR EMERGENCY CARE INPATIENT AND OUTPATIENT SURGERIES INCLUDE ORTHOPEDIC, UROLOGY, OPHTHALMOLOGY, ENT AND OB/GYN IN ADDITION TO GENERAL SURGERY SUPPORT DIAGNOSTIC SERVICES INCLUDE LABORATORY, RADIOLOGY WITH MRI, CT AND DIAGNOSTIC ULTRASOUND, NUTRITIONAL SERVICES, PHARMACY, ENDOSCOPY SUITES AND A SLEEP DISORDER CENTER REHABILITATION SERVICES INCLUDE CARDIAC REHABILITATION AND CARDIOPULMONARY REHABILITATION, PHYSICAL THERAPY AND SPORTS MEDICINE LIFELINE EMERGENCY RESPONSE SYSTEM, HOSPICE SERVICES AND SOCIAL SERVICES ARE ALSO AVAILABLE WITHIN MMC AN ADDITIONAL BUILDING ON THE MMC CAMPUS HOUSES THE BEHAVIORAL HEALTH SERVICES PROVIDING INPATIENT AND OUTPATIENT AODA AND MENTAL HEALTH CARE AND THERAPIES MMC OPENED AS A PRIVATE, NOT-FOR-PROFIT HOSPITAL IN 1972, COMBINING THE SERVICES PREVIOUSLY PROVIDED BY TRINITY HOSPITAL AND ASHLAND COMMUNITY HOSPITAL, BOTH LOCATED IN ASHLAND MMC IS THE ONLY HOSPITAL LOCATED IN ASHLAND, BAYFIELD AND IRON COUNTIES

4b

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

4c

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

4d

Other program services (Describe in Schedule O)





















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

4e

Total program service expenses \$ 44,526,670

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i> 	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i> 	4	Yes
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i> 	5	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? <i>If "Yes," complete Schedule D, Part I.</i> 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	11a	Yes
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	Yes
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	Yes
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i>	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? <i>If "Yes," complete Schedule F, Part II and IV.</i>	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? <i>If "Yes," complete Schedule F, Part III and IV.</i>	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i>	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	20a	Yes
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements. 	20b	Yes

Part IV

Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance					
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>					
		Yes	No		
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a	47		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes		
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return. .	2a	434		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes		
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	4a			No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	Organizations that may receive deductible contributions under section 170(c).				
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	Sponsoring organizations maintaining donor advised funds.				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	Section 501(c)(7) organizations. Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b			
11	Section 501(c)(12) organizations. Enter				
a	Gross income from members or shareholders.	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b			
13	Section 501(c)(29) qualified nonprofit health insurance issuers.				
a	Is the organization licensed to issue qualified health plans in more than one state? Note. 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.	13a			
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.	13b			
c	Enter the aggregate amount of reserves on hand.	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b			

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1a	14		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	13
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
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	Yes
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	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies

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

		Yes	No
10a	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	Yes
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	WI
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.	LES WHITEAKER 1615 MAPLE LANE ASHLAND, WI 54806 (715) 685-5515

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) DANIEL HYMANS PRESIDENT	40 00	X		X				281,771	0	37,151
(2) MATTHEW ANICH CHAIR	1 00	X		X				0	0	0
(3) SCOTT WARREN MD BOARD MEMBER	1 00	X						0	0	0
(4) JOHN OUJIRI MD BOARD MEMBER	1 00	X						0	0	0
(5) ANNE SULLIVAN SECRETARY	1 00	X		X				0	0	0
(6) PATRICIA SCHRAUFNAGEL VICE CHAIR	1 00	X		X				0	0	0
(7) THOMAS JOKINEN BOARD MEMBER	1 00	X						0	0	0
(8) CHRISTINE IVERSON TREASURER	1 00	X		X				0	0	0
(9) DON MARCOUILLER BOARD MEMBER	1 00	X						0	0	0
(10) T JAY JONES BOARD MEMBER	1 00	X						0	0	0
(11) MARC BARBEAU BOARD MEMBER	1 00	X						0	0	0
(12) WILLIAM SLOAN BOARD MEMBER	1 00	X						0	0	0
(13) DONALD PATTON MD BOARD MEMBER	1 00	X						0	0	0
(14) THOMAS CUNNINGHAM MD BOARD MEMBER	1 00	X						0	0	0
(15) DANIEL H ADAMS VICE-PRESIDENT	40 00			X				180,783	0	33,679
(16) LESLIE J WHITEAKER VICE-PRESIDENT	40 00			X				206,883	0	33,681
(17) DANIEL GARDNER PSYCHOLOGIST	40 00					X		127,966	0	30,107

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	1,442,547	0	249,515

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 11

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

Section B. Independent Contractors

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

(A)	(B)	(C)
Name and business address	Description of services	Compensation
SUPERIOR ANESTHESIA ASSOCIATES 301 ELLIS AVENUE SUITE 3 ASHLAND, WI 54806	ANESTHESIA SERVICES	1,287,535
ESSENTIA HEALTH - ASHLAND 1615 MAPLE LANE ASHLAND, WI 54806	ER ON-CALL SERVICES	308,167
JAMES LEAN MD 1615 MAPLE LANE ASHLAND, WI 54806	PSYCH PROF FEES	304,064
LAKE SUPERIOR LAUNDRY 1701 NORTH 6TH STREET SUPERIOR, WI 54880	LAUNDRY SERVICE	157,310
KEITH HENRY 1615 MAPLE LANE ASHLAND, WI 54806	PATHOLOGY FEES	130,000

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 ►5

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e	13,333				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	60,750				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f		74,083				
Program Service Revenue			Business Code					
	2a	PATIENT SERV REV	621500	59,141,539	59,141,539			
	b	MEDICAID EHR INCENTIVE	524114	1,800,000	1,800,000			
	c	CAFETERIA	722210	206,403	206,403			
	d	OTHER OPERATING REVENUE	900099	16,582	16,582			
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f		61,164,524				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		425,870			425,870	
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties						
	6a	(i) Real		(ii) Personal				
		Gross rents	77,720					
		b Less rental expenses	0					
		c Rental income or (loss)	77,720					
	d	Net rental income or (loss)		77,720	77,720			
	7a	(i) Securities		(ii) Other				
		Gross amount from sales of assets other than inventory	5,662,000	6,599				
		b Less cost or other basis and sales expenses	5,662,000	0				
		c Gain or (loss)	0	6,599				
	d	Net gain or (loss)		6,599			6,599	
	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		61,748,796	61,242,244	0	432,469		

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	772,548		772,548	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	21,065,620	18,695,037	2,370,583	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	878,659	780,072	98,587	
9	Other employee benefits	4,423,650	3,865,948	557,702	
10	Payroll taxes	1,595,093	1,370,541	224,552	
11	Fees for services (non-employees)				
a	Management				
b	Legal	47,216		47,216	
c	Accounting	57,750		57,750	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	1,841,329		1,841,329	
12	Advertising and promotion				
13	Office expenses	1,235,081		1,235,081	
14	Information technology				
15	Royalties				
16	Occupancy				
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	109,818	92,451	17,367	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,986,241	2,497,503	488,738	
23	Insurance	164,389		164,389	
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	OTHER PROFESSIONAL SERV	7,102,949	7,102,949		
b	NURSING SUPPLIES & OTHE	4,843,015	4,843,015		
c	PROVISION FOR BAD DEBTS	3,648,709	3,648,709		
d	GENERAL SERVICES SUPPLI	1,630,445	1,630,445		
e					
f	All other expenses	329,966		329,966	
25	Total functional expenses. Add lines 1 through 24f	52,732,478	44,526,670	8,205,808	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			30,871,949	2	38,941,649
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			7,608,828	4	7,393,822
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net			4,364,078	7	4,242,635
	8	Inventories for sale or use			2,016,087	8	1,976,249
	9	Prepaid expenses and deferred charges			195,212	9	153,214
	10a	Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D	10a	64,732,995	22,629,310	10c	23,705,611
	b	Less—accumulated depreciation	10b	41,027,384			
	11	Investments—publicly traded securities			613,496	11	6,197,730
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			1,020,128	15	1,953,358
	16	Total assets. Add lines 1 through 15 (must equal line 34)			69,319,088	16	84,564,268
Liabilities	17	Accounts payable and accrued expenses			6,354,089	17	5,812,271
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			6,533,230	20	13,698,137
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D			1,780,000	25	400,000
	26	Total liabilities. Add lines 17 through 25			14,667,319	26	19,910,408
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			54,651,769	27	64,653,860
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			54,651,769	33	64,653,860
	34	Total liabilities and net assets/fund balances			69,319,088	34	84,564,268

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	61,748,796
2	Total expenses (must equal Part IX, column (A), line 25)	2	52,732,478
3	Revenue less expenses Subtract line 2 from line 1	3	9,016,318
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	54,651,769
5	Other changes in net assets or fund balances (explain in Schedule O)	5	985,773
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	64,653,860

Part XII Financial Statements and Reporting

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

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization MEMORIAL MEDICAL CENTER INC	Employer identification number 23-7013497
---	--

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	33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>
b	33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>
17a	10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization	<input type="checkbox"/>
b	10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization	<input type="checkbox"/>
18	Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions	<input type="checkbox"/>

Part IIIPart 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 stop here						

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 stop here. 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 stop here. The organization qualifies as a publicly supported organization			
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions			

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the 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 C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below.

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

OMB No 1545-0047

2011

Open to Public Inspection

If the organization answered “Yes,” to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered “Yes,” to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered “Yes,” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization MEMORIAL MEDICAL CENTER INC	Employer identification number 23-7013497
---	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1	Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV	
2	Political expenditures	▶ \$
3	Volunteer hours	

Part I-B Complete if the organization is exempt under section 501(c)(3).

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," describe in Part IV	

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities	▶ \$
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$
4	Did the filing organization file Form 1120-POL for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A

Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A
- Check
- ☐
- if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B
- Check
- ☐
- if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a. If zero or less, enter -0-														
i	Subtract line 1f from line 1c. If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV	Yes		
	j Total lines 1c through 1i			4,589
	2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	4,589
	b If "Yes," enter the amount of any tax incurred under section 4912			
	c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
	d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
	a Current year	2a	
	b Carryover from last year	2b	
	c Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV

Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1.
Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	MEMORIAL MEDICAL CENTER PAYS DUES TO CERTAIN ORGANIZATIONS RELATED TO THE INDUSTRY WHICH HAVE LOBBYING EXPENSES. THE AMOUNT LISTED IS THE PERCENTAGE OF THE DUES PAID THAT WERE USED FOR LOBBYING.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MEMORIAL MEDICAL CENTER INC

Employer identification number
23-7013497

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

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

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

1

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i) unrelated organizations

(ii) related organizations

b

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

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		127,376		127,376
b Buildings		27,892,270	15,782,991	12,109,279
c Leasehold improvements				
d Equipment		32,336,235	22,794,167	9,542,068
e Other		4,377,114	2,450,226	1,926,888
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				23,705,611

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)	161,748,796
2	Total expenses (Form 990, Part IX, column (A), line 25)	252,732,478
3	Excess or (deficit) for the year Subtract line 2 from line 1	39,016,318
4	Net unrealized gains (losses) on investments	3985,773
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV)	
9	Total adjustments (net) Add lines 4 - 8	3985,773
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10,002,091

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	162,734,569
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a985,773	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d2e985,773	
3	Subtract line 2e from line 1361,748,796	
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 7b4a	
b	Other (Describe in Part XIV)4b	
c	Add lines 4a and 4b4c0	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)561,748,796	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	152,732,478
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities2a	
b	Prior year adjustments2b	
c	Other losses2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d2e0	
3	Subtract line 2e from line 1352,732,478	
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 7b4a	
b	Other (Describe in Part XIV)4b	
c	Add lines 4a and 4b4c0	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)552,732,478	

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	NOT-FOR-PROFIT ORGANIZATIONS MAY BECOME SUBJECT TO INCOME TAXES IF QUALIFICATION AS A TAX-EXEMPT ENTITY CHANGES, IF UNRELATED BUSINESS INCOME IS GENERATED, AND IN CERTAIN OTHER INSTANCES NOT-FOR-PROFIT ORGANIZATIONS ARE REQUIRED TO ASSESS THE CERTAINTY OF THEIR TAX POSITIONS RELATED TO THESE MATTERS AND, IN SOME CASES, RECORD LIABILITIES FOR POTENTIAL TAXES, INTEREST AND PENALTIES ACCOMPANIED BY FOOTNOTE DISCLOSURES. THE HOSPITAL HAS NOT IDENTIFIED ANY UNCERTAIN TAX POSITIONS THAT WOULD REQUIRE THE ACCRUAL OF AN INCOME TAX PROVISION. GENERALLY, THE HOSPITAL IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS BY THE U.S. FEDERAL OR STATE TAX AUTHORITIES FOR YEARS BEFORE 2009.

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
MEMORIAL MEDICAL CENTER INC

Employer identification number
23-7013497

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 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 checked="" type="checkbox"/> 100%<input 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	3a	Yes	
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's 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)			569,077		569,077	1 160 %
b Medicaid (from Worksheet 3, column a)			10,826,493	9,931,589	894,904	1 820 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			21,627,062	16,838,183	4,788,879	9 760 %
d Total Charity Care and Means-Tested Government Programs			33,022,632	26,769,772	6,252,860	12 740 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			15,853	13,544	2,309	0 %
f Health professions education (from Worksheet 5)			8,101		8,101	0 020 %
g Subsidized health services (from Worksheet 6)			9,355,578	7,307,617	2,047,961	4 170 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			55,731		55,731	0 110 %
j Total Other Benefits			9,435,263	7,321,161	2,114,102	4 300 %
k Total. Add lines 7d and 7j			42,457,895	34,090,933	8,366,962	17 040 %

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	Yes	
2Enter the amount of the organization's bad debt expense	2	3,648,709	
3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	0	
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	15,624,499	
6Enter Medicare allowable costs of care relating to payments on line 5	6	15,578,634	
7Subtract line 6 from line 5. This is the surplus or (shortfall)	7	45,865	
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 checked="" type="checkbox"/> Cost to charge ratio <input 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

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

Name and address

[illegible]

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)

MEMORIAL MEDICAL 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	No
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>100 0000000000000%</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 checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
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 checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" 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 checked="" 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	Yes	
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		No
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		No

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? _____

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

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the 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, 6l, 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 7 COSTS ARE CALCULATED USING FINANCIAL DATA AND THE COST TO CHARGE RATIO FROM THE AS FILED 2012 MEDICARE COST REPORT

Identifier	ReturnReference	Explanation
		PART I, LINE 7G SUBSIDIZED HEALTH SERVICES INCLUDE LABOR & DELIVERY, BLOOD STORING, PHYSICAL THERAPY, PSYCHIATRIC/PSYCHOLOGICAL SERVICES, CARDIAC REHAB, EMERGENCY, AND OBSERVATION BEDS

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) BAD DEBT EXPENSE FROM FINANCIAL STATEMENTS IS \$3,648,709

Identifier	ReturnReference	Explanation
		PART III, LINE 4 PATIENT RECEIVABLES DUE DIRECTLY FROM THE PATIENTS ARE CARRIED AT ORIGINAL CHARGE FOR THE SERVICE PROVIDED, LESS AMOUNTS COVERED BY THIRD-PARTY PAYORS AND LESS AN ESTIMATED ALLOWANCE FOR DOUBTFUL RECEIVABLES MANAGEMENT DETERMINES THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BY IDENTIFYING TROUBLED ACCOUNTS AND BY USING HISTORICAL EXPERIENCE APPLIED TO AN AGING OF ACCOUNTS PATIENT RECEIVABLES ARE WRITTEN OFF WHEN DEEMED UNCOLLECTIBLE RECOVERIES OF RECEIVABLES PREVIOUSLY WRITTEN OFF ARE RECORDED WHEN RECEIVED AT MEMORIAL MEDICAL CENTER, INC BAD DEBT IS CONSIDERED THE UNWILLINGNESS TO PAY, WHILE CHARITY CARE AND FREE CARE ARE INABILITY TO PAY

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 8 MEMORIAL MEDICAL CENTER, INC IS A CRITICAL ACCESS HOSPITAL THAT IS REIMBURSED AT 101% OF COST THE MEDICARE FEES FOR REIMBURSED SERVICES RESULTED IN NET REVENUE OF \$448,939 AND ALLOWABLE COSTS OF \$1,104,905 RESULTING IN A SHORTFALL OF \$655,966 THE SHORTFALL IS THE RESULT OF UNREIMBURSED PROFESSIONAL CARE THE HOSPITAL FOLLOWED MEDICARE'S PRESCRIBED METHODS OF DETERMINING COSTS PAYABLE UNDER TITLE XVIII (MEDICARE) IN COMPLETING ITS ANNUAL MEDICARE COST REPORT (COST REPORT) USING DATA AVAILABLE FROM THE INSTITUTION'S BASIC ACCOUNTS, AS USUALLY MAINTAINED, TO ARRIVE AT EQUITABLE AND PROPER PAYMENT FOR SERVICES THE COST REPORT WAS COMPLETED USING THE HOSPITAL'S TRIAL BALANCE OF EXPENSES, AS WELL AS OTHER STATISTICAL AND FINANCIAL RECORDS MAINTAINED BY THE HOSPITAL AS REQUIRED BY MEDICARE REGULATIONS, CERTAIN RECLASSIFICATIONS AND ADJUSTMENTS TO COSTS WERE INCLUDED IN THE COST REPORT TO DETERMINE MEDICARE ALLOWABLE COSTS AFTER MEDICARE ALLOWABLE COSTS ARE DETERMINED, THE COST REPORT PROVIDES FOR THE STEP DOWN METHOD OF COST FINDING THIS METHOD PROVIDES FOR ALLOCATING THE COST OF SERVICES RENDERED BY EACH GENERAL SERVICE COST CENTER TO OTHER COST CENTERS, WHICH UTILIZE THE SERVICES ONCE THE COSTS OF A GENERAL SERVICE COST CENTER HAVE BEEN ALLOCATED, THAT COST CENTER IS CONSIDERED CLOSED ONCE CLOSED, IT DOES NOT RECEIVE ANY OF THE COSTS SUBSEQUENTLY ALLOCATED FROM THE REMAINING GENERAL SERVICE COST CENTERS AFTER ALL COSTS OF THE GENERAL SERVICE COST CENTERS HAVE BEEN ALLOCATED TO THE REMAINING COST CENTERS, THE TOTAL COSTS OF THESE REMAINING COST CENTERS ARE FURTHER DISTRIBUTED TO THE DEPARTMENTAL CLASSIFICATION TO WHICH THEY PERTAIN, E G , HOSPITAL GENERAL INPATIENT ROUTINE, SUBPROVIDER, ANCILLARY, ETC AFTER THE STEP-DOWN PROCESS, THE COST REPORT PROVIDES FOR THE APPORTIONMENT OF COSTS TO THE MEDICARE PROGRAM BASED ON A NUMBER OF DIFFERENT METHODOLOGIES INCLUDING PER PATIENT DAY, PER VISIT, AND PERCENTAGE OF CHARGES, AS MOST PREVALENT MEDICARE COSTS AS DETERMINED BY THE COST REPORT METHODOLOGIES DESCRIBED PREVIOUSLY WERE UTILIZED TO COMPLETE THE APPLICABLE MEDICARE ALLOWABLE COSTS OF CARE FOR SCHEDULE H (FORM 990) PART III SECTION B LINE 6</p>

Identifier	ReturnReference	Explanation
MEMORIAL MEDICAL CENTER		PART V, SECTION B, LINE 13G THE FINANCIAL ASSISTANCE POLICY IS PUBLISHED IN THE LOCAL NEWSPAPER

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 MEMORIAL MEDICAL CENTER IS WORKING WITH LOCAL ORGANIZATIONS INCLUDING ASHLAND AND BAYFIELD COUNTY AND LOCAL SENIOR CITIZEN GROUPS TO PUT TOGETHER A 3 YEAR COMMUNITY NEEDS ASSESSMENT THE PROCESS WILL INCLUDE SURVEYS OF AREA GROUPS AND INDIVIDUALS TO GAIN A PERSPECTIVE OF NEEDS THAT LOCAL CITIZENS BELIEVE ARE NECESSARY TO MEET THE HEALTHCARE NEEDS OF THE AREA

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 NOTICES ARE PUBLISHED IN THE LOCAL NEWSPAPER, INTERVIEWS ARE CONDUCTED AT ADMISSION AND FOR THOSE PATIENTS PREADMITTED INFORMATION IS DISTRIBUTED AND INTERVIEWS CONDUCTED TO EXPLORE ALL THE AVENUES AVAILABLE FOR PAYMENT OF THEIR HEALTHCARE SERVICES TO INCLUDE THEIR ELIGIBILITY FOR CHARITY CARE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 MEMORIAL MEDICAL CENTER SERVES AN AREA THAT EXTENDS 25 MILES WEST, 75 MILES EAST AND 45 MILES SOUTH OUR PRIMARY SERVICE AREA HAS A POPULATION OF APPROX 35,000 PEOPLE THE AVERAGE INCOME OF OUR SERVICE AREA IS WELL BELOW STATE AVERAGES

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 MEMORIAL MEDICAL CENTER DOES HAVE AN OPEN MEDICAL STAFF WITH A BROAD RANGE OF SPECIALTIES THE MEMBERS OF THE MEDICAL STAFF PROVIDE SERVICES OUT OF TWO LARGER CLINICS AS WELL AS MANY SMALL INDEPENDENT PRACTICES ALL HAVE EQUAL PRIVILEGES ON THE MEDICAL STAFF IN ADDITION WE HAVE A BOARD OF DIRECTORS THAT REPRESENT THE LARGER SERVICE AREA BOARD OF DIRECTORS COME FROM COMMUNITIES 30-40 MILES FROM ASHLAND AS WELL AS REPRESENTATIVES FROM ASHLAND AND WASHBURN (10 MILES AWAY)

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 MEMORIAL MEDICAL CENTER IS NOT PART OF AN AFFILIATED HEALTH CARE SYSTEM

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

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
MEMORIAL MEDICAL CENTER INC

Employer identification number
23-7013497

Part I

Questions Regarding Compensation

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

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DANIEL HYMANS	(i)	281,771	0	0	11,803	25,348	318,922	0
	(ii)	0	0	0	0	0	0	0
(2) DANIEL H ADAMS	(i)	180,783	0	0	8,504	25,175	214,462	0
	(ii)	0	0	0	0	0	0	0
(3) LESLIE J WHITEAKER	(i)	206,883	0	0	8,504	25,177	240,564	0
	(ii)	0	0	0	0	0	0	0
(4) DANIEL GARDNER	(i)	127,966	0	0	6,641	23,466	158,073	0
	(ii)	0	0	0	0	0	0	0
(5) WILLIAM MATTILA	(i)	145,535	0	0	7,253	28,139	180,927	0
	(ii)	0	0	0	0	0	0	0
(6) PATRICK MARSHALL	(i)	128,739	0	0	6,844	23,574	159,157	0
	(ii)	0	0	0	0	0	0	0
(7) KATHRYN TUTTLE	(i)	119,965	0	0	5,989	28,117	154,071	0
	(ii)	0	0	0	0	0	0	0
(8) STUART SHEETS	(i)	250,905	0	0	4,443	10,538	265,886	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
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SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MEMORIAL MEDICAL CENTER INC

Employer identification number
23-7013497

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	REGIONAL ENTERPRISES, INC IS THE SOLE CORPORATE MEMBER OF MEMORIAL MEDICAL CENTER, INC
	FORM 990, PART VI, SECTION A, LINE 7A	REGIONAL ENTERPRISES, INC MAY ELECT ONE OR MORE MEMBERS OF THE GOVERNING BODY
	FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 MUST GO THROUGH AN ADMINISTRATIVE REVIEW AND THEN BE APPROVED BY THE BOARD OF DIRECTORS BEFORE IT IS FILED
	FORM 990, PART VI, SECTION B, LINE 12C	THE COMPLIANCE OFFICER AND COMPLIANCE COMMITTEE MONITOR AND ENFORCE COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY
	FORM 990, PART VI, SECTION B, LINE 15	MMC PARTICIPATES IN SALARY SURVEYS SPECIFIC TO ADMINISTRATOR POSITIONS THIS INFORMATION IS USED TO DEVELOP SALARY RANGES FOR THE ADMINISTRATIVE STAFF THE BOARD OF DIRECTORS PARTICIPATES IN DEVELOPMENT OF RANGES AND ESTABLISHMENT OF SALARIES FOR THE THREE SENIOR LEADERS OF THE ORGANIZATION AS DESCRIBED IN CORPORATE BY LAWS AND BOARD POLICIES ANY CHANGES TO THE BENEFIT PACKAGE MUST BE APPROVED BY THE MMC BOARD OF DIRECTORS THE BOARD APPROVES ALL COMPENSATION CHANGES FOR THE PRESIDENT AS OUTLINED IN CORPORATE BY LAWS AND BOARD POLICIES CHANGES IN COMPENSATION FOR THE VICE-PRESIDENTS ARE DETERMINED BY THE PRESIDENT USING RANGES ESTABLISHED AND APPROVED BY THE BOARD
	FORM 990, PART VI, SECTION C, LINE 18	THE FORM 1023, 990, AND 990-T ARE AVAILABLE UPON REQUEST FROM ADMINISTRATION
	FORM 990, PART VI, SECTION C, LINE 19	THE FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST FROM ADMINISTRATION
	FORM 990, PART VII, SECTION A	DANIEL HYMANS TIME ALLOCATION REI MEDICAL CLINICS, INC 1 HOUR PER WEEK REGIONAL ENTERPRISES, INC 1 HOUR PER WEEK MEMORIAL MEDICAL CENTER 38 HOURS PER WEEK COMPENSATION RELATED TO REI MEDICAL CLINICS, INC REPORTABLE COMPENSATION = \$0 OTHER COMPENSATION = \$0 COMPENSATION RELATED TO REGIONAL ENTERPRISES, INC REPORTABLE COMPENSATION = \$0 OTHER COMPENSATION = \$0 COMPENSATION RELATED TO MEMORIAL MEDICAL CENTER REPORTABLE COMPENSATION = \$281,771 OTHER COMPENSATION = \$ 37,151
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 985,773

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MEMORIAL MEDICAL CENTER INC

Employer identification number
23-7013497

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) MEDICAL SERVICES INC 11040 N STATE ROAD 77 HAYWARD, WI 54843 39-1536207	HEALTH CARE	WI	501(C)(3)	LINE 4	REGIONAL ENTERPRISES INC		No
(2) REGIONAL ENTERPRISES INC 1615 MAPLE LANE ASHLAND, WI 54806 39-1555837	SUPPORT	WI	501(C)(3)	LINE 11B, II	N/A		No
(3) REI MEDICAL CLINICS INC 1615 MAPLE LANE ASHLAND, WI 54806 39-1701306	SUPPORT	WI	501(C)(3)	LINE 11B, II	REGIONAL ENTERPRISES INC		No
(4) TAMARACK PROFESSIONAL GROUP INC 1615 MAPLE LANE ASHLAND, WI 54806 39-1198085	HEALTH CARE	WI	501(C)(3)	LINE 11B, II	REGIONAL ENTERPRISES INC		No
(5) MMC DEVELOPMENT CORP INC 1615 MAPLE LANE ASHLAND, WI 54806 39-1360035	SUPPORT	WI	501(C)(3)	LINE 8	N/A		No

Part III

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

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

Part IV

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

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

Part V

Yes	No
-----	----

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- | | | |
|-----------|------------|-----------|
| 1a | | No |
| 1b | | No |
| 1c | | No |
| 1d | Yes | |
| 1e | | No |

- | | | |
|-----------|------------|-----------|
| 1f | | No |
| 1g | | No |
| 1h | | No |
| 1i | | No |
| | | |
| 1j | | No |
| 1k | Yes | |
| 1l | Yes | |
| 1m | | No |
| 1n | | No |

- | | | |
|----|--|----|
| 1o | | No |
| 1p | | No |

- | | | |
|-----------|------------|-----------|
| 1q | Yes | |
| 1r | | No |

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) REGIONAL ENTERPRISES INC	L	2,232,375	VALUE OF SERVICES
(2) TAMARACK PROFESSIONAL GROUP	L	1,675,620	VALUE OF SERVICES
(3) MEDICAL SERVICES	K	311,015	VALUE OF SERVICES
(4) REGIONAL ENTERPRISES INC	Q	500,430	CASH
(5)			
(6)			

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
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Memorial Medical Center, Inc.

Financial Report

September 30, 2012

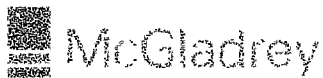


McGladrey

Assurance " Tax " Consulting

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Independent Auditor's Report

To the Board of Directors
 Memorial Medical Center, Inc
 Ashland, Wisconsin

We have audited the accompanying balance sheets of Memorial Medical Center, Inc. as of September 30, 2012 and 2011, and the related statements of activities, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Hospital'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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Memorial Medical Center, Inc. of September 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey LLP

Duluth, Minnesota
 February 15, 2013

Memorial Medical Center, Inc.

Balance Sheets

September 30, 2012 and 2011

	2012	2011
Assets		
Current Assets		
Cash	\$ 2,823,583	\$ 285,291
Short-term investments (Note 3)	36,118,066	30,586,658
Current portion of assets limited as to use	443,010	-
Receivables		
Patient, less allowance for doubtful accounts of \$2,707,000		
in 2012 and \$2,400,000 in 2011 (Note 6)	7,393,822	7,608,828
Related entities (Note 7)	3,214,839	2,754,183
Electronic health record incentive	1,800,000	890,477
Other	161,095	63,563
Current maturities of notes and advances receivable		
from related entities (Notes 2 and 7)	97,081	356,332
Inventories	1,976,249	2,016,087
Prepaid expenses	153,214	195,212
Total current assets	54,180,959	44,756,631
Assets Limited as to Use (Note 4)	6,197,730	613,496
Less current portion of assets limited as to use	443,010	-
	5,754,720	613,496
Property and Equipment (Note 5)	64,732,995	60,824,749
Less accumulated depreciation	41,027,384	38,195,439
	23,705,611	22,629,310
Investments and Other Assets		
Notes and advances receivable from related entities,		
less current maturities (Notes 2 and 7)	649,620	1,070,000
Receivable from related entity (Note 7)	120,000	120,000
Debt issue costs, net of accumulated amortization	153,358	129,651
	922,978	1,319,651
	\$ 84,564,268	\$ 69,319,088
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt (Note 6)	\$ 1,250,335	\$ -
Accounts payable		
Trade	1,149,936	1,460,150
Construction	443,010	648,999
Accrued expenses		
Salaries, wages, and professional fees	529,752	442,874
Compensated absences	3,562,315	3,567,137
Payroll taxes and other	127,258	234,929
Estimated third-party payor settlements	400,000	1,780,000
Total current liabilities	7,462,606	8,134,089
Long-Term Debt, less current maturities (Note 6)	12,447,802	6,533,230
Net Assets, unrestricted	64,653,860	54,651,769
	\$ 84,564,268	\$ 69,319,088

See Notes to Financial Statements

Memorial Medical Center, Inc.

Statements of Activities
Years Ended September 30, 2012 and 2011

	2012	2011
Net Patient Service Revenue (Note 6)	\$ 59,141,539	\$ 56,529,624
Other Operating Revenues	374,788	373,717
Electronic Health Record Incentive Payments	1,800,000	890,477
Total operating revenues	61,316,327	57,793,818
Operating Expenses		
Nursing services	14,645,795	14,769,905
Other professional services	13,687,728	13,975,797
General services	3,671,108	3,590,258
Fiscal services	3,241,459	3,004,642
Administrative services and fringe benefits	10,761,185	10,894,278
Provision for doubtful receivables	3,648,709	3,259,784
Depreciation	2,966,676	2,973,015
Interest	109,818	97,239
Total operating expenses	52,732,478	52,564,918
Income from operations	8,583,849	5,228,900
Nonoperating Gains (Losses), primarily investment income (loss)	1,418,242	(68,073)
Excess of revenues and gains over expenses		
and losses/increase in net assets	\$ 10,002,091	\$ 5,160,827

See Notes to Financial Statements

Memorial Medical Center, Inc.

Statements of Changes in Net Assets
Years Ended September 30, 2012 and 2011

	2012	2011
Balance, beginning	\$ 54,651,769	\$ 49,490,942
Increase in net assets	10,002,091	5,160,827
Balance, ending	<u>\$ 64,653,860</u>	<u>\$ 54,651,769</u>

See Notes to Financial Statements

Memorial Medical Center, Inc.

Statements of Cash Flows
Years Ended September 30, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Increase in net assets	\$ 10,002,091	\$ 5,160,827
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	2,966,676	2,973,015
(Gain) loss on disposal of property and equipment	(6,599)	12,976
Amortization	19,565	42,109
Changes in assets and liabilities		
Receivables	(1,252,705)	(972,469)
Inventories	39,838	69,583
Prepaid expenses	41,998	(7,919)
Payables	(310,214)	315,243
Estimated third-party payor settlements	(1,380,000)	5,000
Accrued expenses	(25,615)	364,903
Net cash provided by operating activities	10,095,035	7,963,268
Cash Flows from Investing Activities		
(Increase) decrease in assets limited as to use	(5,584,234)	4,259,025
Purchases of short-term investments	(14,236,101)	(32,363,085)
Proceeds from maturities and sales of short-term investments	8,704,693	24,050,527
Proceeds from sale of property and equipment	6,599	26,821
Purchase of property and equipment	(4,248,966)	(6,189,860)
Advances to affiliates	-	(1,349,385)
Principal payments received on notes and advances receivable	679,631	556,331
Net cash used in investing activities	(14,678,378)	(11,009,626)
Cash Flows from Financing Activities		
Principal payments on long-term debt	(129,648)	(4,691,450)
Payment of debt issue costs	(43,272)	(129,651)
Proceeds from issuance of long-term debt	7,294,555	6,533,230
Net cash provided by financing activities	7,121,635	1,712,129
Net increase (decrease) in cash	2,538,292	(1,334,229)
Cash		
Beginning	285,291	1,619,520
Ending	<u>\$ 2,823,583</u>	<u>\$ 285,291</u>
Supplemental Disclosures		
Cash payments for interest, net of capitalized interest of \$177,662 in 2012	<u>\$ 109,818</u>	<u>\$ 97,239</u>
Purchase of property and equipment through construction payables	<u>\$ 443,010</u>	<u>\$ 648,999</u>

See Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization: Memorial Medical Center, Inc (the Hospital) is a Wisconsin nonstock, nonprofit corporation, the purpose of which is the operation of an acute care hospital to provide high quality health care to residents of Ashland, Wisconsin and surrounding areas. Regional Enterprises, Inc. is the sole corporate member of Memorial Medical Center, Inc.

A summary of significant accounting policies follows

Short-term investments: The Hospital classifies all certificates of deposit, money market savings and certain cash accounts, except those classified as assets limited as to use, as short-term investments. Short-term investments are carried at cost which approximates fair value, except for debt and equity securities which are measured at fair value.

Patient accounts receivable: Patient receivables, where a third-party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual adjustments or discounts provided to third-party payors.

Patient receivables due directly from the patients are carried at original charge for the service provided, less amounts covered by third-party payors and less an estimated allowance for doubtful receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Patient receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

Receivables or payables related to estimated settlements on various risk contracts that the Hospital participates in are reported as third-party payor receivables or payables.

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

Assets limited as to use: Assets limited as to use include assets set aside by the Board for capital improvements over which the Board retains control and may, at its discretion, subsequently use for other purposes and by bond agreements for construction.

Investments: Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Management has classified investments as trading securities; therefore, unrealized gains and losses are included in excess of revenues over expenses.

Investment income (loss) consists of \$169,109 and \$23,805 of interest and dividends and \$1,242,534 and \$(64,402) of realized and unrealized gains and losses for the years ended September 30, 2012 and 2011, respectively.

Fair value measurements: The Hospital reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by Generally Accepted Accounting Principles (GAAP), requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1* Quoted prices for identical assets or liabilities in active markets to which the Hospital has access at the measurement date.
- *Level 2* Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - quoted prices for similar assets or liabilities in active markets,

Memorial Medical Center, Inc.

Notes to Financial Statements

- quoted prices for identical or similar assets in markets that are not active,
 - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves), and
 - inputs derived principally from, or corroborated by, observable market data by correlation or by other means
- *Level 3* Unobservable inputs for the asset or liability should be used to measure the fair value to the extent that observable inputs are not available

When available, the Hospital measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for many of the assets and liabilities that the Hospital is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

The primary uses of fair value measures in the Hospital's financial statements are

- recurring measurement of investments

Property, equipment and depreciation: Property and equipment is stated at cost if purchased or, if donated, at fair market value at date of donation which then becomes its cost. Depreciation is computed by the straight-line method for financial statements and third-party cost reimbursement purposes. The estimated useful lives of property and equipment are as follows:

	Years
Land improvements	10 - 15
Buildings and improvements	30 - 40
Building service equipment	15 - 20
Fixed equipment	10 - 20
Movable equipment	5 - 15

Debt issue costs: Debt issue costs are being amortized on the effective interest method over the life of the related debt.

Excess of revenues and gains over expenses and losses: The statement of activities includes excess of revenues and gains over expenses and losses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Net patient service revenue: Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The Hospital has agreements with third-party payors which provide for reimbursement to the Hospital at amounts different from its established rates. The primary program is Medicare.

The Hospital is designated as a Critical Access Hospital (CAH). As a CAH, inpatient care services and outpatient services rendered to Medicare program beneficiaries are paid on a cost reimbursement method. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the fiscal intermediary.

Memorial Medical Center, Inc.

Notes to Financial Statements

Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates-per-discharge. These rates vary according to the patient classification system. Outpatient services related to Medicaid beneficiaries are paid based upon a predetermined fee schedule.

Revenue from the Medicare and Medicaid programs accounted for approximately 30.6 percent and 19.6 percent, respectively, of the Hospital's net patient revenue for 2012 and 35.9 percent and 13.3 percent, respectively, of the Hospital's net patient revenue for 2011. The 2012 net patient service revenue increased approximately \$3,400,000 due to removal of allowances previously estimated that are no longer necessary as a result of final settlements and years that are no longer subject to audits, reviews and investigations.

The laws and regulations under which the Medicare and Medicaid programs operate are complex, subject to change and subject to interpretation. As part of operating under these programs, there is a possibility that governmental authorities may review the Hospital's compliance with these laws and regulations. Such review may result in adjustments to Medicare and Medicaid reimbursements previously received and subject the Hospital to fines and penalties. Although no assurances can be given, management believes they have complied with the requirements of the Medicare and Medicaid programs.

The Hospital has also entered into reimbursement agreements with certain commercial insurance carriers and health maintenance organizations. The basis for reimbursement under these agreements includes discounts from established charges and prospectively determined rates-per-discharge.

Charity care: The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The Hospital maintains records to identify and monitor the level of charity care it provides. The Hospital estimates the cost of providing charity care based on a cost to charge ratio obtained from gross revenues and operating expenses. The total estimated cost of providing charity care was \$318,256 and \$197,549 for the years ended September 30, 2012 and 2011, respectively.

Income taxes: The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Not-for-profit organizations may become subject to income taxes if qualification as a tax-exempt entity changes, if unrelated business income is generated, and in certain other instances. Not-for-profit organizations are required to assess the certainty of their tax positions related to these matters and, in some cases, record liabilities for potential taxes, interest and penalties accompanied by footnote disclosures. The Hospital has not identified any uncertain tax positions that would require the accrual of an income tax provision.

Generally, the Hospital is no longer subject to income tax examinations by the U.S. federal or state tax authorities for years before 2009.

Subsequent events: Management has evaluated subsequent events through February 15, 2013, the date the financial statements were available to be issued.

Use of estimates in the preparation of financial statements: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Memorial Medical Center, Inc.**Notes to Financial Statements****Note 2. Notes and Advances Receivable**

	2012	2011
8 25% note receivable, REI Medical Clinics, Inc , due in monthly installments of \$1,394 including interest to February 2017, when the remaining balance is due, uncollateralized	\$ 61,701	\$ 72,832
Advance receivable, Regional Enterprises, Inc terms to be determined after implementation of EHR medical records software	600,000	717,000
Advance receivable, REI Medical Clinics, Inc , amounts to be repaid from rental payments on the hospice building	85,000	95,000
Advance receivable, Regional Enterprises, Inc , paid in full during 2012	-	541,500
	746,701	1,426,332
Less current maturities	97,081	356,332
	<u>\$ 649,620</u>	<u>\$ 1,070,000</u>

Note 3. Short-Term Investments

	2012	2011
Money market savings	\$ 15,498,263	\$ 6,406,371
Equity securities	9,679,032	3,512,847
Debt securities	187,331	215,916
Certificates of deposit	10,753,440	20,451,524
	<u>\$ 36,118,066</u>	<u>\$ 30,586,658</u>

As discussed in Note 1 to these financial statements, the Hospital is required to report its fair value measurements in three levels, which are based on the ability to observe in the marketplace the inputs to the Hospital's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of the reporting date. Level 2 is for investments measured using inputs such as quoted prices for similar assets, quoted prices for the identical asset in inactive markets, and for investments measured at net asset value that can be redeemed in the near-term. Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

Memorial Medical Center, Inc.

Notes to Financial Statements

The following summarize the levels in the fair value hierarchy of the Hospital investments at September 30, 2012 and 2011

September 30, 2012	Level 1	Level 2	Level 3	Total
Mutual funds				
Money market funds	\$ 131,963	\$ -	\$ -	\$ 131,963
International	1,472,772	-	-	1,472,772
Large Cap	2,932,994	-	-	2,932,994
Mid Cap	743,159	-	-	743,159
Small Cap	465,075	-	-	465,075
Index Fund	216,224	-	-	216,224
Bond Funds	2,169,677	-	-	2,169,677
Growth	401,315	-	-	401,315
Other	333,784	-	-	333,784
Debt securities	-	187,331	-	187,331
Stocks	812,069	-	-	812,069
	<u>\$ 9,679,032</u>	<u>\$ 187,331</u>	<u>\$ -</u>	<u>\$ 9,866,363</u>

September 30, 2011	Level 1	Level 2	Level 3	Total
Mutual funds				
Money market funds	\$ 56,313	\$ -	\$ -	\$ 56,313
International	672,267	-	-	672,267
Large Cap	232,210	-	-	232,210
Mid Cap	301,770	-	-	301,770
Small Cap	191,456	-	-	191,456
Index Fund	136,417	-	-	136,417
Bond Funds	439,807	-	-	439,807
Growth	698,482	-	-	698,482
Other	506,750	-	-	506,750
Debt securities	-	215,916	-	215,916
Stocks	277,375	-	-	277,375
	<u>\$ 3,512,847</u>	<u>\$ 215,916</u>	<u>\$ -</u>	<u>\$ 3,728,763</u>

Note 4. Assets Limited as to Use

Assets limited as to use are Board designated for capital improvements and by loan agreement for the construction project. The composition of assets limited as to use at September 30, 2012 and 2011, is set forth in the following table

	2012	2011
Money market savings,		
By Board for capital improvements	\$ 2,140,763	\$ 613,496
By loan agreement	4,056,967	-
	<u>\$ 6,197,730</u>	<u>\$ 613,496</u>

Memorial Medical Center, Inc.**Notes to Financial Statements****Note 5. Property and Equipment**

	2012	2011
Land	\$ 127,376	\$ 127,376
Land improvements	2,481,218	2,471,318
Buildings and improvements	27,892,270	21,168,279
Building service equipment	13,153,970	13,153,970
Fixed equipment	1,051,190	1,051,190
Movable equipment	18,131,075	17,252,434
Construction in progress	1,895,896	5,600,182
	<u>\$ 64,732,995</u>	<u>\$ 60,824,749</u>

Note 6. Long-Term Debt

	2012	2011
2.63% \$10 million revenue bond, due in monthly installments of \$104,084 to September 2016, at which point the bond is subject to a rate adjustment to LIBOR plus 2.75%, monthly installments will be adjusted to an amount sufficient to fully amortize the bond by September 1, 2021, secured by pledged revenues and accounts receivable	\$ 9,909,228	\$ 6,533,230
2.63% \$3.83 million revenue bond, due in monthly installments of \$39,841 to September 2016, at which point the bond is subject to a rate adjustment to LIBOR plus 2.75%, monthly installments will be adjusted to an amount sufficient to fully amortize the bond by September 1, 2021, secured by pledged revenues and accounts receivable	3,788,909	-
	<u>13,698,137</u>	<u>6,533,230</u>
Less current maturities	<u>1,250,335</u>	<u>-</u>
	<u>\$ 12,447,802</u>	<u>\$ 6,533,230</u>

Long-term debt matures during the years ending September 30, as follows

	Amount
2013	\$ 1,250,335
2014	1,417,047
2015	1,454,767
2016	1,493,492
2017	1,533,248
Thereafter	6,549,248
	<u>\$ 13,698,137</u>

Memorial Medical Center, Inc.

Notes to Financial Statements

In connection with the revenue bonds, the Hospital has agreed, among other things, to maintain the following

- A minimum debt service coverage ratio of 1.25 to 1
- At the end of each fiscal year, maintain a maximum debt to tangible net worth ratio of 1.0
- At the end of each fiscal year maintain at least 80 days of cash on hand
- Capital expenditures after September 30, 2013 are not to exceed the amount of depreciation expense incurred in the prior year with limited carry-over provisions

Note 7. Related Party Transactions

Regional Enterprises, Inc. (REI) is the sole corporate member of Memorial Medical Center, Inc., Medical Services, Inc. and REI Medical Clinics, Inc. REI also owns all of the outstanding stock of Healthcare Services, Inc.

The Hospital had notes and long-term advances receivable of \$600,000 from REI as indicated in Note 2. The Hospital also advances funds to REI for equipment purchases and various projects. The balance of such advances was \$3,206,172 at September 30, 2012 and \$2,705,743 at September 30, 2011. REI provided services totaling \$2,232,375 during the year ended September 30, 2012 and \$1,854,592 during the year ended September 30, 2011. The Hospital paid expenses and purchased equipment for REI totaling \$500,430 during the year ended September 30, 2012 and \$326,058 during the year ended September 30, 2011. Memorial Medical Center, Inc. had a receivable classified as a noncurrent asset of \$120,000 at September 30, 2012 and 2011 from REI.

The Hospital paid expenses for and provided services to Medical Services, Inc. of \$311,015 during the year ended September 30, 2012 and \$345,499 during the year ended September 30, 2011. The Hospital had a payable due to Medical Services, Inc. of \$20,945 at September 30, 2012 and a receivable from Medical Services, Inc. of \$41,587 at September 30, 2011.

The Hospital had a note receivable from REI Medical Clinics, Inc. of \$61,701 at September 30, 2012 and \$72,832 at September 30, 2011. The Hospital had an advance receivable from REI Medical Clinics, Inc. of \$85,000 and \$95,000 at September 30, 2012 and 2011, respectively. In addition, the Hospital paid rent to REI Medical Clinics of \$24,798 in 2012 and 2011.

The Hospital has authorized MMC Development Corporation, Inc. to solicit contributions on its behalf. In the absence of donor restrictions, the Development Corporation has discretionary control over the amounts to be distributed to providers of health care services, such as the timing of such distributions and the purposes for which such funds are to be used.

Accounts receivable from other related parties amounted to \$29,612 at September 30, 2012 and \$6,853 at September 30, 2011.

Note 8. Retirement Plan

The Hospital has a defined contribution retirement plan covering substantially all employees. The Hospital contributes, on behalf of covered employees, an amount matching employee contributions up to 5 percent of employees' earnings. Total retirement plan expense was \$907,881 in 2012 and \$915,142 in 2011. The Hospital's policy is to fund pension costs on a monthly basis.

Memorial Medical Center, Inc.

Notes to Financial Statements

Note 9. Medical Malpractice Insurance

The Hospital is covered by professional liability insurance on a claims-made basis. Losses on medical malpractice claims are estimated based on claims in excess of per claim or aggregate coverage and claims incurred but not reported during the claim year. Management estimates that no losses in excess of insurance coverage occurred during 2012 and 2011.

Note 10. Concentrations of Credit Risk

The Hospital is located in Ashland, Wisconsin. The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. At year-end, the mix of receivables from patients and third-party payors was as follows:

	2012	2011
Medicare	16%	15%
Medicaid	9	10
Blue Cross	6	7
Other third-party payors	29	27
Patients	40	41
	<u>100%</u>	<u>100%</u>

At September 30, 2012, the Hospital has deposits in financial institutions which exceed Federal Depository Insurance Corporation limits. Management believes that credit risk related to these deposits is minimal.

Note 11. Functional Expenses

The Hospital provides general health care services. Expenses related to providing these services are as follows:

	2012	2011
Health care services	\$ 44,392,950	\$ 44,412,461
General and administrative	8,339,528	8,152,457
	<u>\$ 52,732,478</u>	<u>\$ 52,564,918</u>

Note 12. Accounting Standards Not Yet Adopted

In July 2011, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. The amendments in this Update require certain health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts. The amendments also require disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. The ASU will be effective for the fiscal year ending September 30, 2013.

Management has not determined the effects, if any, that these standards will have on future financial statements.

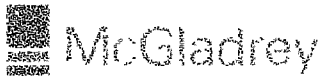
Note 13. Commitments

The Hospital has committed to a facilities expansion and remodeling construction project. Total estimated cost of the project is \$11,700,000. The Hospital's intention is to fund the construction project with the proceeds from revenue bonds. Approximately \$8,700,000 of costs have been incurred on the project. Phase 1 and 2, consisting of approximately \$6,700,000, have been placed into service during the year ended September 30, 2012. Phase 3 of the project is expected to be completed in February 2013.

Note 14. Electronic Health Records Incentive

The Electronic Health Records (EHR) Incentive Program, enacted as part of the American Recovery and Reinvestment Act of 2009, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified EHR technology. Medicare payments are paid in a lump sum when the facility attests that they have attained meaningful use. Medicaid payments will be received over a minimum of a three year period and a maximum of a six year period, based on total estimated costs and will be received at 50 percent, 40 percent and 10 percent of the total.

The Hospital demonstrated meaningful use for the 90-day period ended September 29, 2012, and recorded a receivable of \$1,100,000 for Medicare and \$700,000 for Medicaid at September 30, 2012. The total revenue of \$1,800,000 is recognized in other operating revenue in the statement of activities. The Hospital recorded Medicaid revenue of \$890,477 in 2011.



Independent Auditor's Report on the Supplementary Information

To the Board of Directors
 Memorial Medical Center, Inc
 Ashland, Wisconsin

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McGladrey LLP

Duluth, Minnesota
 February 15, 2013

Memorial Medical Center, Inc.

Statements of Activities
Years Ended September 30, 2012 and 2011

	2012	2011
Patient Service Revenue		
Inpatient	\$ 22,276,624	\$ 25,531,678
Outpatient	65,308,144	63,372,855
Total patient service revenue	<u>87,584,768</u>	<u>88,904,533</u>
Less allowances and adjustments	<u>28,443,229</u>	<u>32,374,909</u>
Net patient service revenue	59,141,539	56,529,624
Other Operating Revenues	374,788	373,717
Electronic Health Record Incentive Payments	1,800,000	890,477
Total operating revenues	<u>61,316,327</u>	<u>57,793,818</u>
Operating Expenses		
Nursing services	14,645,795	14,769,905
Other professional services	13,687,728	13,975,797
General services	3,671,108	3,590,258
Fiscal services	3,241,459	3,004,642
Administrative services and fringe benefits	10,761,185	10,894,278
Provision for doubtful receivables	3,648,709	3,259,784
Depreciation	2,966,676	2,973,015
Interest	109,818	97,239
Total operating expenses	<u>52,732,478</u>	<u>52,564,918</u>
Income from operations	8,583,849	5,228,900
Nonoperating Gains (Losses), net	<u>1,418,242</u>	<u>(68,073)</u>
Excess of revenues and gains over expenses and losses/increase in net assets	<u>\$ 10,002,091</u>	<u>\$ 5,160,827</u>

Memorial Medical Center, Inc.

Patient Service Revenue

Years Ended September 30, 2012 and 2011

	2012			2011
	Inpatient	Outpatient	Total	
Daily Patient Services				
Medical and surgical	\$ 2,921,987	\$ -	\$ 2,921,987	\$ 3,583,444
Mental health and treatment center	1,639,320	-	1,639,320	1,876,690
ICU - CCU	869,658	-	869,658	988,130
Obstetrics	898,080	-	898,080	647,495
Nursery	422,780	-	422,780	351,360
Total daily patient services	6,751,825	-	6,751,825	7,447,119
Other Nursing Services				
Perioperative room	3,986,144	12,175,407	16,161,551	16,469,451
Delivery room	250,800	-	250,800	233,800
Labor room	113	-	113	768
Central supplies	560,874	732,466	1,293,340	1,356,612
Emergency room	504,540	9,365,719	9,870,259	8,827,548
Total other nursing services	5,302,471	22,273,592	27,576,063	26,888,179
Other Professional Services				
Laboratory	2,309,134	6,544,442	8,853,576	9,350,051
Blood	108,001	201,816	309,817	245,708
Cardiac rehabilitation	-	411,696	411,696	393,345
Electrocardiography	76,413	668,078	744,491	722,034
EEG	1,426	21,736	23,162	14,531
Radiology	438,872	3,935,918	4,374,790	4,406,453
Nuclear medicine	38,886	1,486,560	1,525,446	1,228,710
Ultrasound	293,424	2,159,509	2,452,933	2,548,052
MRI	116,394	4,722,760	4,839,154	4,576,914
CT scanner	545,876	6,629,708	7,175,584	7,157,765
Oncology	-	2,956,767	2,956,767	2,839,389
Pharmacy	2,907,452	4,090,237	6,997,689	7,457,363
Anesthesiology	1,144,515	2,510,518	3,655,033	3,775,525
Inhalation therapy	1,246,858	1,088,933	2,335,791	2,471,219
Rehabilitation services	386,439	2,480,446	2,866,885	3,470,289
Psychiatric and psychological services	599,197	2,653,362	3,252,559	3,388,939
Pulmonary function	350	157,203	157,553	166,370
Pain management	9,091	314,863	323,954	356,578
Total other professional services	10,222,328	43,034,552	53,256,880	54,569,235
Total patient service revenue	\$ 22,276,624	\$ 65,308,144	\$ 87,584,768	\$ 88,904,533

Memorial Medical Center, Inc.

**Allowances and Adjustments, Other Operating Revenues,
and Nonoperating Gains (Losses)
Years Ended September 30, 2012 and 2011**

	2012	2011
Allowances and Adjustments		
Allowances for		
Blue Cross	\$ 369,618	\$ 363,911
Medicare	18,522,458	17,914,430
Medicaid	6,244,802	11,073,546
Employees	334,556	363,956
Community Care	528,599	334,121
Other	2,443,196	2,324,945
Total allowances and adjustments	<u>\$ 28,443,229</u>	<u>\$ 32,374,909</u>
Other Operating Revenues		
Cafeteria	\$ 206,403	\$ 207,238
Other	16,582	25,302
Contributions, unrestricted	74,083	45,164
Rental revenue		
Medical Center offices	77,208	93,108
Other	512	2,905
Total other operating revenues	<u>\$ 374,788</u>	<u>\$ 373,717</u>
Nonoperating Gains (Losses)		
Investment income	\$ 1,411,643	\$ (40,597)
Gain (loss) on disposal of property and equipment	6,599	(12,976)
Healthy Families Program loss	-	(14,500)
Net nonoperating gains (losses)	<u>\$ 1,418,242</u>	<u>\$ (68,073)</u>

Memorial Medical Center, Inc.

**Nursing and Other Professional Services Expenses
Years Ended September 30, 2012 and 2011**

	2012			2011
	Salaries and Wages	Supplies and Expense	Total	
Daily Patient Services				
Administration	\$ 1,440,140	\$ 119,969	\$ 1,560,109	\$ 1,452,314
Medical and surgical	2,870,496	762	2,871,258	2,265,807
Mental health and treatment center	920,605	31,472	952,077	989,255
ICU - CCU	-	-	-	736,274
Obstetrics	1,060,369	74,257	1,134,626	1,088,141
Total daily patient services	6,291,610	226,460	6,518,070	6,531,791
Other Nursing Services				
Peroperative	1,711,660	2,020,902	3,732,562	3,831,053
Central supply	177,899	73,155	251,054	286,597
Emergency room	1,621,611	2,522,498	4,144,109	4,120,464
Total other nursing services	3,511,170	4,616,555	8,127,725	8,238,114
Total nursing services	\$ 9,802,780	\$ 4,843,015	\$ 14,645,795	\$ 14,769,905
Other Professional Services				
Laboratory	\$ 972,840	\$ 771,309	\$ 1,744,149	\$ 1,787,758
Blood	-	198,933	198,933	152,990
Cardiac rehabilitation	151,555	11,634	163,189	163,906
Electrocardiography	-	18,863	18,863	17,330
Radiology	1,327,862	725,531	2,053,393	2,002,468
Pharmacy	566,884	3,366,667	3,933,551	4,174,105
Anesthesiology	-	1,362,308	1,362,308	1,341,681
Inhalation therapy	601,167	87,999	689,166	684,976
Rehabilitation services	776,040	83,279	859,319	935,673
Psychiatric and psychological services	1,392,974	386,939	1,779,913	1,822,257
Medical records	650,969	46,860	697,829	720,084
Quality control	144,488	42,627	187,115	172,569
Total other professional services	\$ 6,584,779	\$ 7,102,949	\$ 13,687,728	\$ 13,975,797

Memorial Medical Center, Inc.

**General, Fiscal, and Administrative Services Expenses
Years Ended September 30, 2012 and 2011**

	2012			2011
	Salaries and Wages	Supplies and Expense	Total	
General Services				
Dietary	\$ 859,956	\$ 233,026	\$ 1,092,982	\$ 1,052,840
Operation of plant	463,372	1,135,499	1,598,871	1,549,688
Housekeeping	695,753	67,995	763,748	753,067
Laundry	47,004	168,503	215,507	234,663
Total general services	<u>\$ 2,066,085</u>	<u>\$ 1,605,023</u>	<u>\$ 3,671,108</u>	<u>\$ 3,590,258</u>
Fiscal Services				
Fiscal	\$ 1,028,745	\$ 166,291	\$ 1,195,036	\$ 1,187,411
Collection fees	-	147,344	147,344	178,006
Consulting and professional fees	-	1,899,079	1,899,079	1,639,225
Total fiscal services	<u>\$ 1,028,745</u>	<u>\$ 2,212,714</u>	<u>\$ 3,241,459</u>	<u>\$ 3,004,642</u>
Administrative Services				
Administrative	\$ 1,367,952	\$ 799,647	\$ 2,167,599	\$ 2,170,743
Chaplain	78,645	8,370	87,015	89,684
Human resources	252,114	98,637	350,751	337,581
Social services	162,748	17,052	179,800	156,352
Development and marketing	131,192	162,946	294,138	293,628
Purchasing	258,202	54,776	312,978	326,476
Compliance	-	138,965	138,965	141,625
Amortization	-	19,565	19,565	42,109
Physician recruiting	-	43,657	43,657	29,773
Insurance and bonding	-	164,389	164,389	177,384
Employee benefits				
Retirement	-	907,881	907,881	915,142
Health and welfare	-	4,343,726	4,343,726	4,437,936
Payroll taxes	-	1,595,093	1,595,093	1,598,582
Workers' compensation insurance	-	155,628	155,628	177,263
Total administrative services	<u>\$ 2,250,853</u>	<u>\$ 8,510,332</u>	<u>\$ 10,761,185</u>	<u>\$ 10,894,278</u>

Memorial Medical Center, Inc.

Depreciation

Years Ended September 30, 2012 and 2011

	2012	2011
Land improvements	\$ 47,187	\$ 82,239
Buildings and improvements	832,870	912,187
Building service equipment	638,888	639,083
Fixed equipment	23,366	32,685
Movable equipment	1,424,365	1,306,821
Total depreciation	<u>\$ 2,966,676</u>	<u>\$ 2,973,015</u>

Memorial Medical Center, Inc.

Inventories

September 30, 2012 and 2011

	2012	2011
Special procedures	\$ 28,472	\$ 29,909
Dietary	22,124	24,136
X-Ray	43,389	34,869
Anesthesia	5,679	4,939
Surgery	1,319,929	1,314,656
Laboratory	98,673	101,971
Pharmacy	244,680	268,401
Pharmacy I V solutions	19,377	24,633
Central stores	58,486	64,982
Maintenance	61,802	80,993
ER Prep stock	21,953	21,953
Outpatient care	51,685	44,645
Total inventories	<u>\$ 1,976,249</u>	<u>\$ 2,016,087</u>