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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

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 04-01-2012 , 2012, and ending 03-31-2013

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
Northwest Medical Center Association Inc

Doing Business As
Northwest Medical Center

Number and street (or P O box if mail is not delivered to street address) | Room/suite
705 NORTH COLLEGE ST
Suite

City or town, state or country, and ZIP + 4
ALBANY, MO 64402

D Employer identification number
44-0580870

E Telephone number
(660) 726-3941

G Gross receipts $ 16,103,859

F Name and address of principal officer
JON DOOLITTLE
705 N COLLEGE ST
ALBANY, MO 64402

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW NORTHWESTMEDICALCENTER ORG

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

L Year of formation 1955

M State of legal domicile MO

Part I Summary

1 Briefly describe the organization's mission or most significant activities
WITH THE HELP OF TRUSTED, INTEGRATED PARTNERS, NORTHWEST MED CENTER SERVES AS A COMPASSIONATE, EFFICIENT HEALTH HOME THAT ENCOURAGES WELLNESS, RESTORES HEALTH, AND PROMOTES A SUPERIOR QUALITY OF LIFE

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	196
6	Total number of volunteers (estimate if necessary)	**6**	12
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	43,083
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	1,446

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	10,633	12,720
9	Program service revenue (Part VIII, line 2g)	15,346,004	15,543,335
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	202,461	201,083
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	269,045	331,261
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	15,828,143	16,088,399
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	30,776	17,457
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)	8,822,000	9,315,519
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	7,358,705	7,194,377
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	16,211,481	16,527,353
19	Revenue less expenses Subtract line 18 from line 12	-383,338	-438,954

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	17,718,033	17,450,290
21	Total liabilities (Part X, line 26)	2,948,132	2,991,872
22	Net assets or fund balances Subtract line 21 from line 20	14,769,901	14,458,418

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

****** | 2014-02-15
Signature of officer | Date

JON DOOLITTLE OFFICER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Michael J Engle				

Firm's name ▶ BKD LLP | Firm's EIN ▶

Firm's address ▶ 1201 Walnut Suite 1700
Kansas City, MO 641062246 | Phone no (816) 221-6300

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

WITH THE HELP OF TRUSTED, INTEGRATED PARTNERS, NORTHWEST MEDICAL CENTER SERVES AS A COMPASSIONATE, EFFICIENT HEALTH HOME THAT ENCOURAGES WELLNESS, RESTORES HEALTH, AND PROMOTES A SUPERIOR QUALITY OF LIFE

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 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 $ 3,169,891 including grants of $ 17,457) (Revenue $ 3,819,520)

INPATIENT HOSPITAL CARE - OUR ACUTE CARE AND SWINGBED PROGRAM SAW A TOTAL OF 2,807 PATIENT DAYS MEDICARE PATIENT DAYS CONSISTED OF 2,447 DAYS OR 87% MEDICAID PATIENT DAYS WERE 83 DAYS OR 2%

4b (Code) (Expenses $ 2,133,510 including grants of $) (Revenue $ 2,570,748)

EMERGENCY SERVICES - TOTAL PATIENTS SEEN IN THE EMERGENCY ROOM WERE 3,024 OF THAT AMOUNT 31 5% OF PATIENTS SEEN WERE MEDICARE PATIENTS AND 23 1% WERE MEDICAID

4c (Code) (Expenses $ 7,632,051 including grants of $) (Revenue $ 9,196,150)

OUTPATIENT SERVICES - THERE WERE 17,362 OUTPATIENT VISITS MEDICARE PATIENTS ACCOUNTED FOR 55 4% AND MEDICAID PATIENTS WERE 9 2%

4d Other program services (Describe in Schedule O)

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

4e Total program service expenses ▶ 12,935,452

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	50		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	196		
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, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	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		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a** 13		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	**1b** 11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	Did the organization have members or stockholders?	**6**		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**	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**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	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 this 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**		No
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," 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 ▶ MO

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

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

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 during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ JON DOOLITTLE 705 N COLLEGE ALBANY, MO (660) 726-3941

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 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 organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(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) KEVIN HARDING DIRECTOR/ CHAIR	1 0	X		X						
(2) JOANN GIBBANY DIRECTOR	1 0	X								
(3) KIM FINDLEY DIRECTOR	1 0	X								
(4) MARY EWING DIRECTOR	1 0	X								
(5) NORMA HILL DIRECTOR	1 0	X								
(6) JIM HUMPHREY DIRECTOR/ VICE CHAIR	1 0	X		X						
(7) ROBERT MILLER DIRECTOR	1 0	X								
(8) SERENA NAYLOR DIRECTOR	1 0	X								
(9) ROBERT SMITH DIRECTOR	1 0	X								
(10) DR NASER SOGHRATI ER PHYSICIAN	75 0	X						314,702		6,393
(11) DR ANGELA MARTIN FAMILY PRACTICE PHYSICIAN	40 0	X						240,763		21,549
(12) MATTHEW PEARL DIRECTOR	1 0	X								
(13) CRAIG THOMPSON DIRECTOR	1 0	X								
(14) BARBARA AXON EXECUTIVE VICE PRESIDENT	36 0			X				105,641		12,282
(15) DONNA WALTER VP OF PATIENT CARE SERVICES	40 0			X				96,253		24,306
(16) JAMES CROUCH VP OF INFORMATION TECHNOLOGY	40 0			X				101,924		18,987
(17) JON DOOLITTLE PRESIDENT AND CEO	40 0			X				130,155	0	24,986

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(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			
(18) NATHAN BLACKFORD COO	40 0			X				106,898		17,931
(19) DR JACKIE MILLER FAMILY PRACTICE PHYSICIAN	40 0					X		375,232		10,540
(20) DR KATIE DIAS FAMILY PRACTICE PHYSICIAN	40 0					X		164,258		15,352

1b	**Sub-Total**			
c	**Total from continuation sheets to Part VII, Section A**			
d	**Total (add lines 1b and 1c)**	1,635,826	0	152,326

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 8

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
HAVE A NICE DAY ANESTHESIA ,	ANESTHESIA SERVICES	133,020
DR ARTURO TENORIO ,	ER PHYSICIAN	139,945
BKD LLP ,	ACCOUNTING SERVICES	119,158
HEARTLAND HEALTH ,	CLINICAL SERVICES	107,155
KPS LOCUMS LLC ,	ER PHYSICIAN	115,837

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

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

				(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	6,120			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	6,600			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		12,720			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	621110	15,543,335	15,543,335		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		15,543,335			
	3	Investment income (including dividends, interest, and other similar amounts)		201,083			201,083
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross rents	7,700				
	b	Less rental expenses					
	c	Rental income or (loss)	7,700	0			
	d	Net rental income or (loss)		7,700			7,700
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)		0			0
Other Revenue	8a	Gross income from fundraising events (not including $ 6,120 of contributions reported on line 1c) See Part IV, line 18	a 32,498				
	b	Less direct expenses	b 15,460				
	c	Net income or (loss) from fundraising events		17,038			17,038
	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		0			0
	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		0			
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA	811000	79,184			79,184
	b	VENDING MACHINE	900099	1,058			1,058
	c	MISCELLANEOUS	900099	226,281		43,083	183,198
	d	All other revenue		226,281		43,083	183,198
	e	**Total.** Add lines 11a–11d		306,523			
	12	**Total revenue.** See Instructions		16,088,399	15,543,335	43,083	489,261

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)

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	17,457	17,457		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	1,523,315	746,591	776,724	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	61,274	61,274		
7 Other salaries and wages	5,704,716	5,185,192	519,524	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	53,198	43,738	9,460	
9 Other employee benefits	1,488,121	1,116,354	371,767	
10 Payroll taxes	484,895	398,667	86,228	
11 Fees for services (non-employees)				
a Management	0			
b Legal	0			
c Accounting	152,241		152,241	
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	1,644,543	834,227	810,316	
12 Advertising and promotion	21,728	838	20,890	
13 Office expenses	885,744	668,665	217,079	
14 Information technology	255,234	174,549	80,685	
15 Royalties	0			
16 Occupancy	262,698	211,752	50,946	
17 Travel	114,472	88,489	25,983	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	55,896		55,896	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	877,897	693,539	184,358	
23 Insurance	198,513	156,825	41,688	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a BAD DEBT	899,586	899,586		
b REPAIRS AND MAINTENANCE	783,256	618,036	165,220	
c EDUCATION	16,096	9,315	6,781	
d MEDICAL SUPPLIES	861,842	861,842		
e All other expenses	164,631	148,516	16,115	
25 **Total functional expenses.** Add lines 1 through 24e	16,527,353	12,935,452	3,591,901	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		584,963	1	797,659
	2	Savings and temporary cash investments		19,313	2	21,823
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		3,469,775	4	3,457,808
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		245,264	8	292,427
	9	Prepaid expenses and deferred charges		171,107	9	223,392
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 14,285,288			
	b	Less accumulated depreciation	10b 8,119,585	6,684,416	10c	6,165,703
	11	Investments—publicly traded securities		1,227,176	11	2,031,519
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		5,316,019	15	4,459,959
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		17,718,033	16	17,450,290
Liabilities	17	Accounts payable and accrued expenses		1,054,908	17	1,453,398
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		1,893,224	23	1,538,474
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	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		0	25	0
	26	**Total liabilities.** Add lines 17 through 25		2,948,132	26	2,991,872
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		11,002,130	27	10,613,997
	28	Temporarily restricted net assets		3,635,006	28	3,711,656
	29	Permanently restricted net assets		132,765	29	132,765
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		14,769,901	33	14,458,418
	34	Total liabilities and net assets/fund balances		17,718,033	34	17,450,290

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	16,088,399
2	Total expenses (must equal Part IX, column (A), line 25)	2	16,527,353
3	Revenue less expenses Subtract line 2 from line 1	3	-438,954
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	14,769,901
5	Net unrealized gains (losses) on investments	5	50,821
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	76,650
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	14,458,418

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Northwest Medical Center Association Inc

Employer identification number
44-0580870

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

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

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

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

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

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

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

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

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

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

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

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

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

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

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

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	**11g(i)**		
(ii) A family member of a person described in (i) above?	**11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1 - 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(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 monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) **12**

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . . ▶☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2011 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 2012 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2012.** 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—2011.** 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.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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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

2012

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, Part V, line 35c (Proxy Tax), then

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

Name of the organization	**Employer identification number**
Northwest Medical Center Association Inc	44-0580870

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 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? ☐ **Yes** ☐ **No**

4a Was a correction made? ☐ **Yes** ☐ **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 function 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? ☐ **Yes** ☐ **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		
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-		

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

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? ☐ Yes ☐ 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable 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)).

	For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) 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?	Yes		4,161
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?		No	
j	Total Add lines 1c through 1i			4,161
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
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 carry over 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) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible 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, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Northwest Medical Center Association Inc

Employer identification number
44-0580870

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

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 XIII and complete the following table

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

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . . ☐

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	132,765	132,765	132,765	132,765	132,765
b	Contributions					
c	Net investment earnings, gains, and losses	42,003	6,077	36,702	14,604	0
d	Grants or scholarships					
e	Other expenditures for facilities and programs	42,003	6,077	36,702	14,604	0
f	Administrative expenses					
g	End of year balance	132,765	132,765	132,765	132,765	132,765

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

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

The percentages in lines 2a, 2b, and 2c should equal 100%

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

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII 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		41,867		41,867
b Buildings		7,619,459	3,756,042	3,863,417
c Leasehold improvements		0	0	0
d Equipment		6,115,303	4,189,836	1,925,467
e Other		508,659	173,707	334,952
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				6,165,703

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

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

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

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

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

(a) Description	(b) Book value
(1) OTHER ASSETS	117,100
(2) INTEREST RECEIVABLE	125,203
(3) INTEREST IN TRUST ASSETS	3,711,656
(4) ANNUITIES	0
(5) DUE FROM THIRD PARTY PAYERS	506,000
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	4,459,959

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

1 (a) Description of liability	(b) Book value
Federal income taxes	0
See Additional Data Table	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	0

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	15,995,645
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	50,821		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	15,460		
e	Add lines **2a** through **2d**			2e	66,281
3	Subtract line **2e** from line **1**			3	15,929,364
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	159,035		
c	Add lines **4a** and **4b**			4c	159,035
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	16,088,399

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

1	Total expenses and losses per audited financial statements			1	16,535,763
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d	15,460		
e	Add lines **2a** through **2d**			2e	15,460
3	Subtract line **2e** from line **1**			3	16,520,303
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	7,050		
c	Add lines **4a** and **4b**			4c	7,050
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	16,527,353

Part XIII 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, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
INTENDED USE OF ENDOWMENT FUNDS	SCHEDULE D, PART V, LINE 4	THE ENDOWMENT IS USED FOR ANY AND ALL HOSPITAL EXPENSES OF ANY NATURE
UNCERTAIN TAX POSITIONS DISCLOSURE	SCHEDULE D, PART X, LINE 2	MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740 BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS
RECONCILIATION OF REVENUE PER AUDIT REPORT	SCHEDULE D, PART XI, LINES 2D & 4B	LINE 2D SPECIAL EVENT EXPENSES $ 15,460 RENTAL EXPENSES $ NONE ---------- $ 15,460 LINE 4B NET ASSETS RELEASED FROM RESTRICTION $ 151,985 UBI GROSS RECIEPTS $ 7,050 ---------- $ 159,035
RECONCILIATION OF EXPENSES PER AUDIT REPORT	SCHEDULE D, PART XII, LINE 4B	LINE 2D SPECIAL EVENT EXPENSES $ 15,460 RENTAL EXPENSES $ NONE ---------- $ 15,460 LINE 4B UBI GROSS RECIEPTS $ 7,050 ---------- $ 159,035 $ 159,035

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a. Form 990-EZ filers are not required to complete this part.

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Northwest Medical Center Association Inc

Employer identification number
44-0580870

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
Total . . . . . ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 GOLF TOURNAMENT (event type)	(b) Event #2 (event type)	(c) Other events 0 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	38,618			38,618
	2 Less Contributions	6,120			6,120
	3 Gross income (line 1 minus line 2)	32,498			32,498
Direct Expenses	4 Cash prizes	100			100
	5 Noncash prizes	245			245
	6 Rent/facility costs	1,810			1,810
	7 Food and beverages	3,314			3,314
	8 Entertainment				
	9 Other direct expenses	9,991			9,991
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(15,460)
	11 Net income summary Combine line 3, column (d), and line 10 ▶				17,038

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶				

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain _____

Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

a	The organization's facility	13a	
b	An outside facility	13b	

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ .....

Address ▶ .....

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address of the third party

Name ▶ .....

Address ▶ .....

16 Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ $ .....

Description of services provided ▶ .....

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Northwest Medical Center Association Inc

Employer identification number
44-0580870

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 125 %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☑ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other ____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	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 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			1,304,649	986,489	318,160	2 040 %
b Medicaid (from Worksheet 3, column a)			2,310,509	1,657,572	652,937	4 180 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			3,615,158	2,644,061	971,097	6 220 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)			34,069		34,069	0 220 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			17,457		17,457	0 110 %
j **Total.** Other Benefits			51,526		51,526	0 330 %
k **Total.** Add lines 7d and 7j			3,666,684	2,644,061	1,022,623	6 550 %

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support			17,457		17,457	0 110 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**			17,457		17,457	0 110 %

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	899,586		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	359,834		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	7,218,854		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	7,366,455		
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-147,601		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?		9a	Yes	
b	If "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	Yes	

Part IV **Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians—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					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	NORTHWEST MEDICAL CENTER 705 NORTH COLLEGE ST ALBANY, MO 64402 WWW NORTHWESTMEDICAL ORG	X	X			X		X			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

NORTHWEST MEDICAL CENTER

Name of hospital facility or facility reporting group

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 13			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? 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**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

			Yes	No
Financial Assistance Policy				
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for free care 125 % If "No," explain in Part VI the criteria the hospital facility used			
11	Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 % If "No," explain in Part VI the criteria the hospital facility used			
12	Explained the basis for calculating amounts charged to patients?	**12**	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a	☑ Income level			
b	☑ Asset level			
c	☐ Medical indigency			
d	☐ Insurance status			
e	☐ Uninsured discount			
f	☐ Medicaid/Medicare			
g	☐ State regulation			
h	☐ Other (describe in Part VI)			
13	Explained the method for applying for financial assistance?	**13**	Yes	
14	Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	☐ The policy was posted on the hospital facility's website			
b	☐ The policy was attached to billing invoices			
c	☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	☐ The policy was posted in the hospital facility's admissions offices			
e	☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f	☑ The policy was available upon request			
g	☐ Other (describe in Part VI)			
Billing and Collections				
15	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?	**15**	Yes	
16	Check all of the following 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	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other similar actions (describe in Part VI)			
17	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?	**17**		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- **d** ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19 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?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 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 ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☑ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individuals 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?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Health Care 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 health care facilities did the organization operate during the tax year?
5

	Name and address	Type of Facility (describe)
1	NMC CLINIC EAST 1607 EAST HWY 136 ALBANY,MO 64402	PHYSICIAN CLINIC
2	NMC CLINIC WEST 402 EAST HWY 136 ALBANY,MO 64402	PHYSICIAN CLINIC
3	NMC HOME HEALTH AGENCY 1607 EAST HWY 136 ALBANY,MO 64402	HOME HEALTH AGENCY
4	NMC GRANT CITY CLINIC 16 WEST 4TH STREET GRANT CITY,MO 64456	PHYSICIAN CLINIC
5	STANBERRY RURAL HEALTH CLINIC 202 EAST MAIN STREET STANBERRY,MO 64489	RURAL HEALTH CLINIC
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, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
SCHEDULE H, PART I, LINE 7, COLUMN F		THE AMOUNT OF BAD DEBT EXPENSE REMOVED FROM TOTAL EXPENSES FOR CALCULATING THE NET COMMUNITY BENEFIT EXPENSE PERCENTAGE WAS $899,586
SCHEDULE H, PART I, LINE 7		THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS CONTAINED IN THE TABLE OF PART I, LINE 7, OF SCHEDULE H, IS A COST TO CHARGE RATIO

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	SCHEDULE H, PART II	WE HAVE A BOARD OF DIRECTORS THAT IS MADE UP OF 12 VOLUNTEERS OF THE COMMUNITY EVERY DECISION WE MAKE IS BASED ON HOW IT EFFECTS THE COMMUNITY WE GIVE DONATIONS AND CHARITY CARE TO AID IN LOCAL NEEDS BECAUSE WE ARE A SMALL RURAL HOSPITAL AND ARE ONE OF THE LARGEST EMPLOYERS IN THE AREA, EVERYTHING WE DO EFFECTS THE BUILDING OF THE COMMUNITY AROUND US
BAD DEBT EXPENSE	SCHEDULE H, PART III, LINE 3	THE AMOUNT OF BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE IS ESTIMATED AT 40% OF BAD DEBT EXPENSE BASED ON HISTRORICAL DATA

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE	SCHEDULE H, PART III, LINE 4	Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account Our bad debt is figured on the allowance method, therefore, anything outstanding in the aging buckets would be included in the allowance calculation This also means that there will be people who are currently in the process of submitting charity care paperwork that are included in the bad debt number
MEDICARE SHORTFALL	SCHEDULE H, PART III, LINE 8	SERVING PATIENTS WITH GOVERNMENT HEALTH BENEFITS, SUCH AS MEDICARE, IS A COMPONENT OF THE COMMUNITY BENEFIT STANDARD THAT TAX-EXEMPT HOSPITALS ARE HELD TO THIS IMPLIES THAT SERVING MEDICARE PATIENTS IS A COMMUNITY BENEFIT AND THAT THE HOSPITAL OPERATES TO PROMOTE THE HEALTH OF THE COMMUNITY

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES	SCHEDULE H, PART III, LINE 9B	IF THE PATIENT QUALIFIES FOR CHARITY CARE THEN WE WRITE OFF THEIR BILL TO CHARITY CARE THOSE PATIENTS NO LONGER OWE THE HOSPITAL WHAT IS OWED FOR THOSE PATIENT VISITS
COMMUNITY HEALTH NEEDS ASSESSMENT AVAILABILITY	SCHEDULE H, PART V, LINE 5A	BOTH THE COMMUNITY HEALTH NEEDS ASSESSMENT AND IMPLEMENTATION PLAN CAN BE FOUND AT http //northwestmedicalcenter org/news-and-events/community-health-needs-a ssessment/

Identifier	ReturnReference	Explanation
SCHEDULE H, PART V, LINES 6D, 6E & 7		THE HOSPITAL IS IN THE PROCESS OF PARTICIPATING IN THE EXECUTION OF THE COMMUNITY WIDE PLAN, INCLUDING A COMMUNITY BENEFIT SECTION IN OPERATIONAL PLANS, AND ADDRESSING THE THE NEEDS IDENTIFIED IN ITS MOST RECENTLY CONDUCTED CHNA
NEEDS ASSESSMENT	SCHEDULE H, PART VI, LINE 2	NORTHWEST MEDICAL CENTER COMPLETED A COMPREHENSIVE COMMUNITY HEALTH NEEDS ASSESSMENT FOCUSED ON ACCESS TO CARE, THE HEALTH BEHAVIORS OF INDIVIDUALS IN OUR COMMUNITY, SOCIAL/ECONOMIC FACTORS THAT IMPACT CARE AS WELL AS ENVIRONMENTAL QUALITY AND SAFETY

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELGIBILITY FOR ASSISTANCE	SCHEDULE H, PART VI, LINE 3	OUR SOCIAL WORKER PERSONALLY VISITS WITH PATIENTS TO DISCUSS WITH THEM ALL OF THEIR OPTIONS AND WILL HELP IN ANY WAY TO FILL OUT PAPERWORK AND FILE IT WITH THE APPROPRIATE AGENCY, IF NECESSARY WE HAVE A DESIGNATED PERSON IN FINANCIAL PATIENT SERVICES TO HELP IN SETTING UP PAYMENTS, GIVING OUT CHARITY CARE PACKETS, FOLLOWING UP ON MISSING OR INCOMPLETE FORMS, AND TO ANSWER ANY AND ALL QUESTIONS PERTAINING TO OUR CHARITY CARE POLICY
COMMUNITY INFORMATION	SCHEDULE H, PART VI, LINE 4	NMC is located in Albany, MO and operates clinics in Albany, Grant City, and Stanberry Its primary service area includes Northwest Missouri communities located in Gentry, Harrison, Nodaway, and Worth Counties with the majority of business serving residents in Gentry and Worth Counties According to the 2010 U S Census, the service area included in NMCs primary service area is approximately 10,500 residents

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH	SCHEDULE H, PART VI, LINE 5	WE HAVE A BOARD OF DIRECTORS THAT IS MADE UP OF 12 VOLUNTEERS OF THE COMMUNITY AND 2 DOCTORS EVERY DECISION WE MAKE IS BASED ON HOW IT EFFECTS THE COMMUNITY WE GIVE DONATIONS AND CHARITY CARE TO AID IN LOCAL NEEDS BECAUSE WE ARE A SMALL RURAL HOSPITAL AND ARE ONE OF THE LARGEST EMPLOYERS IN THE AREA, EVERYTHING WE DO EFFECTS THE BUILDING OF THE COMMUNITY AROUND US WE HAVE ANNUAL HEALTH FAIRS AND SPORTS PHYSICALS AT ALL OUR AREA CLINICS WE HAVE ALWAYS SUPPORTED LOCAL BUSINESSES AND SCHOOLS AS WELL AS ASSOCIATIONS
STATE FILING OF COMMUNITY BENEFIT REPORT	SCHEDULE H, PART VI, LINE 7	MISSOURI

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Northwest Medical Center Association Inc

Employer identification number
44-0580870

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
MONITORING OF GRANTS	SCHEDULE I, PART I, LINE 2	THE RECIPIENTS OF THE GRANTS REQUEST AN EXACT AMOUNT OF FUNDS THAT IS SUPPORYED BY DOCUMENTATION THEY PROVIDE THE HOSPITAL

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Northwest Medical Center Association Inc

Employer identification number
44-0580870

Part I Questions Regarding Compensation

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

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

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

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

(A) Name and Title		(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 as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)DR NASER SOGHRATI ER PHYSICIAN	(i)	314,702	0	0	5,814	579	321,095	0
	(ii)							
(2)DR ANGELA MARTIN FAMILY PRACTICE PHYSICIAN	(i)	240,763	0	0	0	21,549	262,312	0
	(ii)							
(3)DR JACKIE MILLER FAMILY PRACTICE PHYSICIAN	(i)	375,232	0	0	1,900	8,640	385,772	0
	(ii)							
(4)JON DOOLITTLE PRESIDENT AND CEO	(i)	130,155	0	0	3,131	21,855	155,141	0
	(ii)	0	0	0	0	0	0	0
(5)DR KATIE DIAS FAMILY PRACTICE PHYSICIAN	(i)	164,258	0	0	0	15,352	179,610	0
	(ii)				0	0	0	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493048012874

Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
Northwest Medical Center Association Inc

Employer identification number
44-0580870

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

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

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
Total			▶ $									

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) SEE SCHEDULE L PART V					

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS	SCHEDULE L, PART IV	(A) SARAH FOUNTAIN (B) SARAH FOUNTAIN IS THE LABORATORY MANAGER AT NORTHWEST MEDICAL CENTER, AND IS THE DAUGHTER OF RHONDA SCHNEIDER WHO IS A BOARD MEMBER OF NORTHWEST MEDICAL CENTER (C) $60,321 (D) SALARY FOR LABORATORY MANAGER SERVICES (E) NO

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493048012874

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

2012

Open to Public Inspection

Name of the organization
Northwest Medical Center Association Inc

Employer identification number
44-0580870

Identifier	Return Reference	Explanation
MEMBERS OR STOCKHOLDERS	FORM 990, PART VI, SECTION A, LINES 7A AND 7B	LINE 7A OUR HOSPITAL HAS MEMBERS OF THE HOSPITALS ASSOCIATION THAT VOTE ON THE BOARD MEMBERS EVERY YEAR IN AUGUST THEY ARE NOT PAID AND ARE PEOPLE FROM THE COMMUNITY WHO PAY $10 PER PERSON (WHICH IS USED AS A DONATION) THAT WILL VOTE ON THE NOMINATED BOARD MEMBERS THAT WERE PICKED BY THE NOMINATIONS COMMITTEE WHICH IS MADE UP OF CURRENT BOARD MEMBERS LINE 7B THE VOTE BY THE ASSOCIATION ON THE NOMINATIONS FOR NEW BOARD MEMBERS BY THE NOMINATIONS COMMITTEE IS THE ONLY DECISIONS SUBJECT TO APPROVAL BY MEMBERS, STOCKHOLDERS, OR OTHER PERSONS
REVIEW OF THE 990	FORM 990, PART VI, SECTION B, LINE 11B	WE DISTRIBUTE THE 990 VIA EMAIL TO THE BOARD MEMBERS THEY REVIEW IT AND RELAY ANY ISSUES OR QUESTIONS THE CEO AND CFO BOTH REVIEW IT AS WELL IF THERE ARE ANY CORRECTIONS, THE PREPARING COMPANY IS NOTIFIED UPON ALL AGREEMENT, THE 990 IS APPROVED FOR SUBMISSION
MONITORING OF CONFLICT OF INTEREST POLICY	FORM 990, PART VI, SECTION B, LINE 12C	EVERY YEAR ALL OFFICERS AND BOARD MEMBERS HAVE TO READ AND SIGN A CONFLICT OF INTEREST STATEMENT STATING THEY UNDERSTAND WHAT THEY CAN AND CANNOT DO AND HOW THE REPORTING PROCESS IS HANDLED IF THERE ARE ISSUES, ALL CONFLICTS OF INTEREST ARE REPORTED THROUGH THE CORPORATE COMPLIANCE COMMITTEE FOR INVESTIGATION BY WHICH A RESOLUTION WILL BE SUGGESTED TO THE GOVERNING BODY ANY BOARD MEMBER THAT HAS A CONFLICT OF INTEREST DOES NOT VOTE ON THE ISSUE
COMPENSATION REVIEW	FORM 990, PART VI, SECTION B, LINES 15A & 15B	LINE 15A THE CEO'S COMPENSATION IS REVIEWED BY THE EXECUTIVE COMMITTEE ON A YEARLY BASIS THE EXECUTIVE COMMITTEE COMES UP WITH THE COMPENSATION PLAN AND GIVES THAT PLAN TO THE HUMAN RESOURCES DIRECTOR UPON APPROVAL FROM THE CHAIRMAN OF THE BOARD LINE 15B THE CEO REVIEWS ALL OTHER OFFICER'S COMPENSATION AND SHARES WITH THE HUMAN RESOURCES DIRECTOR ANY CHANGES
AVAILABIILITY OF DOCUMENTS	FORM 990, PART VI, SECTION C, LINES 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST ALL OF THESE DOCUMENTS ARE LOCATED IN ADMINISTRATION
RECONCILIATION OF NET ASSETS	FORM 990, PART XI, LINE 5	NET GAIN ON INTEREST IN TRUST ASSETS $ 228,635 NET ASSETS RELEASED FROM RESTRICTION $ (151,985) ---------- $ 76,650

Northwest Medical Center Association, Inc.

Auditor's Report and Financial Statements

March 31, 2013 and 2012

BKD LLP
CPAs & Advisors

Northwest Medical Center Association, Inc.

March 31, 2013 and 2012

Contents

BKD LLP
CPAs & Advisors

1201 Walnut Street Suite 1700
Kansas City, MO 64106-2246
816 221 6300 Fax 816 22 6380 www bkd com

Independent Auditor's Report

Board of Directors
Northwest Medical Center Association, Inc
Albany, Missouri

We have audited the accompanying financial statements of Northwest Medical Center Association, Inc which comprise the balance sheets as of March 31, 2013 and 2012, and the related statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

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 from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northwest Medical Center Association, Inc as of March 31, 2013 and 2012, and the results of its operations, the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole The Schedule of Patient Service Revenues and Schedule of Operating Expenses listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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

BKD, LLP

Kansas City, Missouri
August 15, 2013

Northwest Medical Center Association, Inc.

Balance Sheets

March 31, 2013 and 2012

Assets

	2013	2012
Current Assets		
Cash and cash equivalents	$ 819,482	$ 604,275
Accounts receivable, net of allowance, 2013 – $2,600,370, 2012 – $2,099,580	3,270,171	3,260,055
Other receivables	187,637	209,721
Estimated amounts due from third-party payers	506,000	748,000
Prepaid expenses and supplies	515,819	416,371
Total current assets	5,299,109	5,238,422
Investments	249,176	207,173
Assets Limited as to Use		
Internally designated	1,774,781	1,698,851
Externally restricted by donors	3,844,421	3,767,771
	5,619,202	5,466,622
Property and Equipment, At Cost		
Land and land improvements	244,246	244,246
Building	7,619,459	7,608,920
Equipment	6,115,303	5,792,735
Construction in progress	306,280	284,505
	14,285,288	13,930,406
Less accumulated depreciation	8,119,585	7,245,990
	6,165,703	6,684,416
Other Assets	117,100	121,400
Total Assets	$ 17,450,290	$ 17,718,033

See Notes to Financial Statements

Liabilities and Net Assets

	2013	2012
Current Liabilities		
Current maturities of long-term debt	$ 365,106	$ 353,250
Accounts payable	433,335	404,382
Accrued salaries and payroll taxes	156,285	143,223
Accrued compensated absences	505,416	389,887
Deferred revenue	21,333	-
Estimated self insurance costs	210,729	117,416
Other current liabilities	126,300	-
Total current liabilities	1,818,504	1,408,158
Long-term Debt	1,173,368	1,539,974
Total liabilities	2,991,872	2,948,132
Net Assets		
Unrestricted	10,613,997	11,002,130
Temporarily restricted	3,711,656	3,635,006
Permanently restricted	132,765	132,765
Total net assets	14,458,418	14,769,901
Total Liabilities and Net Assets	$ 17,450,290	$ 17,718,033

Northwest Medical Center Association, Inc.

Statements of Operations

Years Ended March 31, 2013 and 2012

	2013	2012
Unrestricted Revenues, Gains and Other Support		
Patient service revenue (net of contractual allowances)	$ 15,382,632 (B)	$ 15,219,001
Provision for bad debts	(A) (899,586)	(1,419,724)
Net patient service revenue, less provision for bad debts	14,483,046	13,799,277
Cafeteria revenue	79,184 (B)	72,492
Other	354,907 (B)	300,176
	14,917,137	14,171,945
Expenses		
Salaries	7,289,228	6,785,934
Employee benefits	1,841,467	1,878,171
Medical professional fees and services	1,039,895	855,540
Supplies and other operating expenses	4,531,794	4,348,419
Depreciation and amortization	877,897	874,992
Interest	55,896	66,739
	(A) 15,636,177	14,809,795
Operating Loss	(719,040)	(637,850)
Other Income		
Investment income	49,098	44,794
Change in net unrealized gains and losses on trading securities	50,821	6,078
Contributions	42,970	44,681
Other	36,033	5,321
	178,922 (B)	100,874
Deficiency of Revenues Over Expenses	(540,118)	(536,976)
Net assets released from restriction for purchase of property and equipment	151,985	159,716
Decrease in Unrestricted Net Assets	$ (388,133)	$ (377,260)

(A) =16,535,763 TOTAL EXPENSES

(B) =15,995,645 TOTAL REVENUE

Northwest Medical Center Association, Inc.

Statements of Changes in Net Assets

Years Ended March 31, 2013 and 2012

	2013	2012
Unrestricted Net Assets		
Deficiency of revenues over expenses	$ (540,118)	$ (536,976)
Net assets released from restriction for purchase of property and equipment	151,985	159,716
Decrease in unrestricted net assets	(388,133)	(377,260)
Temporarily Restricted Net Assets		
Net realized and unrealized gains on interest in trust assets	228,635	189,606
Net assets released from restriction	(151,985)	(159,716)
Increase in temporarily restricted net assets	76,650	29,890
Decrease in Net Assets	(311,483)	(347,370)
Net Assets, Beginning of Year	14,769,901	15,117,271
Net Assets, End of Year	$ 14,458,418	$ 14,769,901

Northwest Medical Center Association, Inc.

Statements of Cash Flows

Years Ended March 31, 2013 and 2012

	2013	2012
Operating Activities		
Change in net assets	$ (311,483)	$ (347,370)
Items not requiring (providing) cash		
Depreciation and amortization	877,897	874,992
Loss on sale of fixed assets	-	2,049
Net unrealized gains on investments	(50,821)	(6,078)
Net realized and unrealized gains on interest in trust assets	(228,635)	(189,606)
Changes in		
Accounts receivable	(10,116)	332,325
Other receivables	22,084	(71,851)
Estimated amounts due to/from third-party payers	242,000	(678,000)
Prepaid expenses and supplies	(99,448)	171,717
Accounts payable	28,953	(97,674)
Accrued expenses	258,237	66,129
Net cash provided by operating activities	728,668	56,633
Investing Activities		
Purchase of property and equipment	(243,584)	(310,704)
(Increase) decrease in investments	(78,056)	10,243
Decrease in assets limited as to use	162,929	253,678
Net cash used in investing activities	(158,711)	(46,783)
Financing Activities		
Proceeds from issuance of debt	-	1,700,000
Principal payments on long-term debt and line of credit	(354,750)	(1,611,255)
Net cash provided by (used in) financing activities	(354,750)	88,745
Net Increase in Cash and Cash Equivalents	215,207	98,595
Cash and Cash Equivalents, Beginning of Year	604,275	505,680
Cash and Cash Equivalents, End of Year	$ 819,482	$ 604,275
Additional Cash Flows Information		
Interest paid	$ 64,579	$ 89,258
Property and equipment included in other accrued liabilities	111,300	-
Capital lease	-	203,000

Northwest Medical Center Association, Inc.

Notes to Financial Statements

March 31, 2013 and 2012

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Northwest Medical Center Association, Inc (Medical Center) is a Missouri not-for-profit corporation The Medical Center primarily earns revenue by providing inpatient, outpatient and emergency care services to residents in Gentry County, Missouri It also operates a home health agency, physician clinics and a rural health clinic in the same geographic area

Use of Estimates

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

Temporarily and Permanently Restricted Net Assets

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

Cash and Cash Equivalents

The Medical Center considers all liquid investments, other than those limited as to use, with original maturities of three months or less to be cash equivalents At March 31, 2013 and 2012, cash equivalents consisted primarily of money market accounts

At March 31, 2013, the Medical Center's cash accounts exceeded federally insured limits by approximately $707,000

Patient Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts In evaluating the collectibility of accounts receivable, the Medical Center analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectible accounts Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts

For receivables associated with services provided to patients who have third-party coverage, the Medical Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely)

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Medical Center records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

The Medical Center's allowance for doubtful accounts for self-pay patients increased from 74% of self-pay accounts receivable at March 31, 2012, to 78% of self-pay accounts receivable at March 31, 2013 In addition, the Medical Center's write-offs increased approximately $342,000 from approximately $63,000 for the year ended March 31, 2012, to approximately $405,000 for the year ended March 31, 2013

Other Receivables

The Medical Center participates in the 340B Drug Pricing Program (the Program) The Program limits the cost of covered outpatient drugs At March 31, 2013 and 2012, the Medical Center had approximately $26,000 and $9,000, respectively, recorded as other receivables related to the Program The Medical Center generated approximately $148,000 and $127,000 of gross revenues from the Program in 2013 and 2012, respectively, which is recorded in other operating revenue

Supplies

Supply inventories are stated at the lower of cost, determined using the first-in, first-out method or market

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value Annuities are carried at cost Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value Investment return includes dividend, interest and other investment income, realized and unrealized gains and losses on investments carried at fair value, and realized gains and losses on other investments Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets Other investment return is reflected in the statements of operations and changes in net assets as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the actual transfer date

Assets Limited as to Use

Assets limited as to use include (1) assets restricted by donors and (2) assets set aside by the Board of Directors for future capital improvements over which the Board retains control and may at its discretion subsequently use the assets for other purposes

Property and Equipment

Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful life of each asset Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives

The estimated useful lives for each major depreciable classification of property and equipment are as follows

Buildings and improvements	5 – 40 years
Equipment	3 – 20 years

The Medical Center capitalizes interest costs as a component of construction in progress, based on the weighted-average rates paid for long-term borrowing Total interest incurred was

	2013	2012
Interest costs capitalized	$ 8,531	$ 18,107
Interest costs charged to expenese	55,896	66,739
Total interest incurred	$ 64,427	$ 84,846

The Medical Center is in the process of implementing a new electronic medical record technology system with costs incurred as of March 31, 2013 totaling approximately $1,564,000 At March 31, 2013, a significant portion of the system had been implemented leaving approximately $306,000 in construction in progress The Medical Center funded the system through a note for $1,700,000 (*see Note 7*)

Long-lived Asset Impairment

The Medical Center evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value

No asset impairment was recognized during the years ended March 31, 2013 and 2012

Net Patient Service Revenue

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive adjustments Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known

Medical Malpractice Coverage and Claims

The Medical Center purchases medical malpractice insurance under a claims-made policy on a fixed premium basis Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of the malpractice claims costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents The cost of the coverage is accrued over the coverage period and includes both the minimum premium plus any estimated additional costs related to claims during the period It is reasonably possible that this estimate could change materially in the near term

Claims liabilities are recorded at the gross amount, without consideration of insurance recoveries Expected recoveries are presented separately as receivables in the balance sheets

Contributions

Unconditional promises to give cash and other assets are accrued at estimated fair value at the date each promise is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported as an increase in unrestricted net assets Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions Receipt of contributions, which are conditional, are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor

Charity Care

The Medical Center provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, these amounts are not included in net patient service revenue.

Income Taxes

The Medical Center is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Medical Center is subject to federal income tax on any unrelated business taxable income. The Medical Center is no longer subject to tax examinations by taxing authorities for years prior to 2010.

Estimated Self Insurance

The Medical Center has elected to self-insure costs related to the employee health program. An annual estimated provision is accrued for the self-insured portion of health insurance and includes an estimate of the ultimate costs for both reported claims and claims incurred but not reported.

Deficiency of Revenues Over Expenses

The statements of operations include deficiency of revenues over expenses. Changes in unrestricted net assets, which are excluded from deficiency of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets).

Electronic Health Records Incentive Program (CAH Version)

The Electronic Health Records 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 electronic health records technology (EHR). Critical access hospitals (CAHs) are eligible to receive incentive payments in the cost reporting period beginning in the federal fiscal year in which meaningful use criteria have been met. The Medicare incentive payment is for qualifying costs of the purchase of certified EHR technology multiplied by the Medical Center's Medicare share fraction, which includes a 20% incentive. This payment is an acceleration of amounts that would have been received in future periods based on reimbursable costs incurred, including depreciation. If meaningful use criteria are not met in future periods, the Medical Center is subject to penalties that would reduce future payments for services. Payments under the Medicaid program are generally made for up to four years based upon a statutory formula, as determined by the state, which is approved by the Centers for Medicare and Medicaid Services. The final amount for any payment year under both programs is determined based upon an audit by the fiscal intermediary. Events could occur that would cause the final amounts to differ materially from the initial payments under the program.

The Medical Center recorded revenue of $174,750 from Medicaid, which is included in net patient service revenue in the statement of operations as of the year ended March 31, 2013

Reclassifications

Certain reclassifications have been made to the 2012 financial statements to conform to the 2013 financial statement presentation These reclassifications had no effect on the change in net assets

Note 2: Net Patient Service Revenue

The Medical Center recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered For uninsured patients that do not qualify for charity care, the Medical Center recognizes revenue on the basis of its standard rates for services provided On the basis of historical experience, a significant portion of the Medical Center's uninsured patients will be unable or unwilling to pay for the services provided Thus, the Medical Center records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided This provision for uncollectible accounts is presented on the statement of operations as a component of net patient service revenue

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates These payment arrangements include

- **Medicare.** Inpatient and substantially all outpatient services related to Medicare beneficiaries are paid based on a cost reimbursement methodology The Medical Center is reimbursed for certain services at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare Fiscal Intermediary
- **Medicaid.** Inpatient and outpatient services rendered to Medicaid patients are reimbursed at prospectively determined rates

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change As a result, it is reasonably possible that recorded estimates will change materially in the near term

The Medical Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations The basis for payment to the Medical Center under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates

Patient service revenue, net of contractual allowances (but before the provision for bad debts), recognized in the years ended March 31, 2013 and 2012, was

	2013	2012
Medicare	$ 8,215,871	$ 8,081,182
Medicaid	671,083	739,408
Other third-party payers	5,142,003	5,054,971
Self-pay	1,178,925	1,343,440
	15,207,882	15,219,001
Meaningful use incentive revenue	174,750	-
Total patient service revenue	$ 15,382,632	$ 15,219,001

The Medical Center receives additional reimbursement, for disproportionate share, from the Missouri Medicaid program in relation to the percentage of Medicaid and indigent population they serve Beginning in 2011, funding received in excess of costs to provide these services was to be refunded to the state for reallocation to other health care systems The Medical Center has accrued $247,000 and $134,000 for 2013 and 2012, respectively, under this program It is reasonably possible that circumstances related to the state's Medicaid program could change materially in the near term

Note 3: Charity Care

Patient accounts that are classified by the Medical Center as charity care are not reported as net patient service revenue

The cost of charity care is calculated by applying Medical Center specific cost to charge ratios to the total amount of charity care deductions from gross charges The costs for services provided under its charity care policy was approximately $289,000 and $145,000 for the years ended March 31, 2013 and 2012, respectively

Note 4: Investments and Investment Return

Assets Limited as to Use

Assets limited as to use at March 31, 2013 and 2012 include

	2013	2012
Internally designated		
Cash	$ 8,610	$ 8,610
Money market mutual funds	154,126	161,737
Certificates of deposit	281,790	495,543
Interest receivable	125,203	107,089
Mutual funds	365,167	62,542
Corporate bonds	114,225	158,806
Annuity (New York Life)	725,660	704,524
	1,774,781	1,698,851
Externally restricted by donors		
Beneficial interest in trust assets (*see Note 10)*	3,711,656	3,635,006
Mutual funds	99,812	112,000
Certificates of deposit	32,953	20,765
	3,844,421	3,767,771
	$ 5,619,202	$ 5,466,622

Other Investments

Other investments at March 31, 2013 and 2012 include

	2013	2012
Certificates of deposit	$ -	$ 11,587
Mutual funds	249,176	195,586
	$ 249,176	$ 207,173

Investment Return

Investment return during 2013 and 2012 consisted of the following

	2013	2012
Interest and dividends	$ 49,098	$ 44,794
Net realized and unrealized gains on investments	279,456	195,684
	$ 328,554	$ 240,478

Total investment return is reflected in the statements of operations and changes in net assets as follows

	2013	2012
Unrestricted net assets		
Other nonoperating income	$ 49,098	$ 44,794
Change in net unrealized gains on investments	50,821	6,078
Temporarily restricted net assets		
Net realized and unrealized gains on interest in trust assets	228,635	189,606
	$ 328,554	$ 240,478

Note 5: Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets at March 31 are available for the following purposes or periods

	2013	2012
Health care services		
Construction of facilities for periods after June 2035	$ 3,711,656	$ 3,635,006

Permanently restricted net assets at March 31 are restricted to the following

	2013	2012
Investments to be held in perpetuity, the income from which is available for appropriation without restriction	$ 132,765	$ 132,765

Note 6: Endowments

The Medical Center's endowment consists of two individual funds established for a variety of purposes The endowments include donor-restricted endowment funds As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions

The Medical Center's governing body has interpreted the State of Missouri Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary As a result of this interpretation, the Medical Center classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund In accordance with SPMIFA, the Medical Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds

1 Duration and preservation of the fund
2 Purposes of the Medical Center and the fund
3 General economic conditions
4 Possible effect of inflation and deflation
5 Expected total return from investment income and appreciation or depreciation of investments
6 Other resources of the Medical Center
7 Investment policies of the Medical Center

Amounts of donor-restricted endowment funds classified as permanently restricted net assets at 2013 and 2012, consisted of

	2013	2012
Permanently restricted net assets - portion of perpetual endowment funds required to be retained permanently by explicit donor stipulation	$ 132,765	$ 132,765

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Medical Center is required to retain as a fund of perpetual duration pursuant to donor stipulation In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets The Medical Center did not have any deficiencies of this nature at March 31, 2013 and 2012

The Medical Center has investment policies for endowment assets as established for the general investments of the Medical Center The Medical Center has spending policies as set forth in the donor agreements Endowment assets include those assets of donor-restricted endowment funds the Medical Center must hold in perpetuity or for donor-specified periods Under the Medical

Center's policies, endowment assets are invested in a manner that is intended to produce reasonable results while assuming a low level of investment risk

The Medical Center's investment portfolio is designed to obtain a reasonable rate of return taking into account investment risk constraints and the cash flow characteristics of the portfolio The Medical Center targets a diversified asset allocation in order to ensure that potential losses on individual securities do not exceed the income guaranteed from the remainder of the portfolio

Note 7: Long-term Debt

	2013	2012
Note payable (A)	$ 1,384,742	$ 1,700,000
Capital lease obligation (B)	153,732	193,224
	1,538,474	1,893,224
Less current maturities	365,106	353,250
Noncurrent portion	$ 1,173,368	$ 1,539,974

(A) Note payable, due March 2017, payable monthly at approximately $31,300 to March 2017, including interest at 4%, secured by certain property and equipment

(B) At imputed interest rate of 1 57%, due through January 2017 for medical equipment, collateralized by the equipment

Aggregate annual maturities of long-term debt based on current interest rates at March 31, 2013 are as follows

	Long-term Debt (Excluding Capital Lease Obligations)	Capital Lease Obligations	Total
2014	$ 324,991	$ 40,115	$ 365,106
2015	339,360	42,240	381,600
2016	353,186	42,240	395,426
2017	367,205	33,804	401,009
	$ 1,384,742	158,399	$ 1,543,141
Less amount representing interest		4,667	
Present value of future minimum lease payment		153,732	
Less current maturities		(40,115)	
Noncurrent portion		$ 113,617	

Note 8: Concentration of Credit Risk

The Medical Center grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements The mix of receivables from patients and third-party payers at March 31, 2013 and 2012 is as follows

	2013	2012
Medicare	42%	40%
Medicaid	7%	10%
Other third-party payers	31%	31%
Patients	20%	19%
	100%	100%

Note 9: Functional Expenses

The Medical Center provides general health care services to residents within its geographic location, including pediatric care and outpatient surgery Expenses related to providing these services are as follows

	2013	2012
Health care services	$ 11,867,927	$ 11,447,591
General and administrative	3,768,250	3,362,204
	$ 15,636,177	$ 14,809,795

Note 10: Assets Held in Trust

The Medical Center is one of numerous income beneficiaries of the Helen O Griffin Trust Distributions of income are made annually The Trust will continue until June 2035, at which time the principal will be distributed to the beneficiaries At March 31, 2013 and 2012, the estimated value of the Trust was $12,372,186 and $12,116,685, respectively The Trust investments are comprised of approximately 50% equity securities, 21% fixed income securities, and 29% hedge funds and other The Medical Center's share of $3,711,656 and $3,635,006 (30% of Trust assets) is recorded as assets held in trust at March 31, 2013 and 2012, respectively Distributions of income received by the Medical Center for 2013 and 2012 totaled $151,985 and $159,716, respectively

All funds distributed to the Medical Center by the Trust are restricted for construction of facilities

Note 11: Pension Plan

The Medical Center has a defined contribution pension plan covering substantially all employees The plan allows employees to contribute amounts not to exceed 25% of their gross compensation or IRS-allowed limits The Board of Directors annually determines the amount of matching, if any, of the Medical Center's contribution to the plan Pension expense was $53,198 and $105,344 for the years ended March 31, 2013 and 2012, respectively

Note 12: Self Insurance

The Medical Center is primarily self-insured for employee health care claims Claims individually and in the aggregate that exceed certain amounts are covered by insurance The Medical Center has accrued as other liabilities $210,729 and $117,416 for self-insured losses at March 31, 2013 and 2012, respectively The accrued liabilities are based on management's evaluation of the merits of various claims, historical experience and consultation with external insurance consultants, and include estimates for incurred by not reported claims There can be no assurance that the accrued liabilities will be sufficient for the ultimate amounts that will be paid for claims and settlements

Note 13: Disclosures About Fair Value of Financial Instruments

Fair value is defined as 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 An entity must maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value There is a hierarchy of three levels of inputs that may be used to measure fair value

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in active markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Financial Instruments Measured at Fair Value on a Recurring Basis

The valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy, are described below There have been no significant changes in the valuation techniques during the years ended March 31, 2013 and 2012 For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy Level 1 securities include mutual funds If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but no limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows Such securities are classified within Level 2 of the valuation hierarchy Level 2 securities include corporate debt obligations In certain cases were Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy The only financial instruments with Level 3 measurements that the Medical Center holds is the beneficial interest in trust, which is described on the following page, including inputs and valuation techniques used for Level 3 measurements

Fair value determinations for Level 3 measurements of securities are the responsibility of management Management contracts with a pricing specialist to generate fair value estimates on a monthly or quarterly basis Management challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting standards generally accepted in the United States

Beneficial Interest in Trust

The fair value of an interest in a charitable trust is estimated at the present value of the future distributions expected to be received over the term of the agreement Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy

Fair Value Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at March 31, 2013 and 2012

	2013 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 868,281	$ 868,281		
Corporate bonds	114,225	-	$ 114,225	
Beneficial interest in trust	3,711,656	-	-	$ 3,711,656
	$ 4,694,162	$ 868,281	$ 114,225	$ 3,711,656

	2012 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 531,865	$ 531,865		
Corporate bonds	158,806	-	$ 158,806	
Beneficial interest in trust	3,635,006	-	-	$ 3,635,006
	$ 4,325,677	$ 531,865	$ 158,806	$ 3,635,006

Level 3 Reconciliation

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying balance sheets using significant unobservable (Level 3) inputs

	Beneficial Interest in Trust
Balance, April 1, 2011	$ 3,605,116
Total unrealized gain included in change in net assets	189,606
Earnings distributed to the Medical Center	(159,716)
Balance, March 31, 2012	3,635,006
Total unrealized gain included in change in net assets	228,635
Earnings distributed to the Medical Center	(151,985)
Balance, March 31, 2013	$ 3,711,656
Total gains or losses for the period included in the change in net assets attributable to the change in unrealized gains or losses related to assets still held at the reporting date (included in net realized and unrealized gains on interest in trust assets temporarily restricted)	
Year ended March 31, 2012	$ 189,606
Year ended March 31, 2013	$ 228,635

Note 14: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations Those matters include the following

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in *Notes 1 and 2*

Admitting Physicians

The Medical Center is served by six admitting physicians whose patients comprise approximately 85% and 84% of the Medical Center's 2013 and 2012 net patient service revenue, respectively

Note 15: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued

Supplementary Information

Northwest Medical Center Association, Inc.

Schedules of Patient Service Revenues

Years Ended March 31, 2013 and 2012

	2013			2012		
	Total	Inpatient	Outpatient	Total	Inpatient	Outpatient
Daily Patient Services						
Daily patient care	$ 1,487,674	$ 1,487,674		$ 1,556,914	$ 1,556,914	
Swing-bed	492,221	492,221		605,774	605,774	
	1,979,895	1,979,895		2,162,688	2,162,688	
Other Nursing Services						
Medical and surgical	2,116,155	601,003	$ 1,515,152	2,190,718	601,564	$ 1,589,154
Operating room	141,602	4,063	137,539	120,356	1,455	118,901
Emergency room	3,683,039		3,683,039	3,152,862		3,152,862
Home health	495,660		495,660	472,994		472,994
	6,436,456	605,066	5,831,390	5,936,930	603,019	5,333,911
Other Professional Services						
Pharmacy	1,470,532	778,921	691,611	1,504,889	847,485	657,404
Laboratory	2,705,361	623,807	2,081,554	2,677,998	698,652	1,979,346
Inhalation therapy	758,366	558,478	199,888	709,015	536,939	172,076
Radiology	5,404,196	608,255	4,795,941	5,356,796	853,155	4,503,641
Anesthesiology	239,352	13,944	225,408	251,191	3,516	247,675
Electrocardiology	452,120	156,135	295,985	422,757	147,906	274,851
Physical therapy	483,757	110,785	372,972	492,764	153,919	338,845
Speech therapy	60,509	9,418	51,091	61,602	7,457	54,145
Occupational therapy	45,201	27,417	17,784			
Cardiac rehabilitation	80,232		80,232	73,327		73,327
Physicians clinic	1,533,504		1,533,504	1,619,965		1,619,965
Rural health clinic	680,748		680,748	583,129		583,129
	13,913,878	2,887,160	11,026,718	13,753,433	3,249,029	10,504,404
Patient Service Revenue	22,330,229	$ 5,472,121	$ 16,858,108	21,853,051	$ 6,014,736	$ 15,838,315
Meaningful Use Incentive Revenue	174,750			-		
Third-Party Contractual Adjustments and Charity	7,122,347			6,634,050		
	15,382,632			15,219,001		
Provision for Bad Debts	899,586			1,419,724		
Net Patient Service Revenues	$ 14,483,046			$ 13,799,277		

Northwest Medical Center Association, Inc.

Schedules of Operating Expenses

Years Ended March 31, 2013 and 2012

	2013			2012		
	Total	Salaries	Supplies and Expenses	Total	Salaries	Supplies and Expenses
Nursing Services						
Routine care	$ 1,617,362	$ 1,199,972	$ 417,390	$ 1,853,434	$ 1,525,178	$ 328,256
Operating room	170,830	46,882	123,948	297,605	62,269	235,336
Nursing administration	230,576	221,268	9,308	157,455	148,622	8,833
Emergency room	1,222,822	826,308	396,514	1,069,193	724,608	344,585
	3,241,590	2,294,430	947,160	3,377,687	2,460,677	917,010
Other Professional Services						
Pharmacy	546,618	31,661	514,957	526,216	32,511	493,705
Laboratory	626,333	331,378	294,955	609,981	326,389	283,592
Inhalation therapy	124,846	98,004	26,842	118,045	85,702	32,343
Radiology	982,675	416,049	566,626	941,379	384,389	556,990
Anesthesiology	134,121		134,121	134,794		134,794
Electrocardiology	28,423		28,423	33,470		33,470
Medical records	328,217	179,351	148,866	280,078	181,210	98,868
Physical therapy	188,059	175,491	12,568	182,849	171,328	11,521
Occupational therapy	44,345	37,279	7,066	180		180
Speech therapy	46,261	39,139	7,122	51,715	42,077	9,638
Cardiac rehabilitation	45,437	41,940	3,497	36,528	25,642	10,886
Mammography	5,888		5,888	-		
Outpatient clinics	304,812	253,690	51,122	248,399	218,414	29,985
Physicians clinic	1,250,921	985,299	265,622	1,012,973	786,928	226,045
Rural health clinic	396,030	234,071	161,959	336,984	218,893	118,091
Home health agency	417,147	352,650	64,497	374,495	316,233	58,262
	5,470,133	3,176,002	2,294,131	4,888,086	2,789,716	2,098,370

Northwest Medical Center Association, Inc.

Schedules of Operating Expenses (Continued)

Years Ended March 31, 2013 and 2012

	2013			2012		
	Total	Salaries	Supplies and Expenses	Total	Salaries	Supplies and Expenses
General Services						
Dietary	$ 400,650	$ 229,368	$ 171,282	$ 382,544	$ 227,472	$ 155,072
Operation and maintenance of plant	466,107	121,234	344,873	445,316	113,270	332,046
Housekeeping	183,811	119,573	64,238	161,521	110,983	50,538
	1,050,568	470,175	580,393	989,381	451,725	537,656
Administrative Services						
Administration	2,969,350	1,246,805	1,722,545	2,599,631	992,007	1,607,624
Purchasing	81,984	55,266	26,718	87,662	45,567	42,095
Employee benefits	1,841,467		1,841,467	1,878,171		1,878,171
Social services	47,292	46,550	742	47,446	46,242	1,204
	4,940,093	1,348,621	3,591,472	4,612,910	1,083,816	3,529,094
Depreciation and Amortization	877,897		877,897	874,992		874,992
Interest	55,896		55,896	66,739		66,739
	$ 15,636,177	$ 7,289,228	$ 8,346,949	$ 14,809,795	$ 6,785,934	$ 8,023,861