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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 07-01-2012 , 2012, and ending 06-30-2013

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

C Name of organization
COOPERSTOWN MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1200 ROBERTS AVENUE NE

City or town, state or country, and ZIP + 4
COOPERSTOWN, ND 58425

D Employer identification number
45-0227753

E Telephone number
(701) 797-2221

G Gross receipts $ 5,104,499

F Name and address of principal officer
BARBARA ANDERSON
1200 ROBERTS AVENUE NE
COOPERSTOWN, ND 58425

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 COOPERMC COM

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

L Year of formation 1946

M State of legal domicile ND

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROVIDE HEALTH CARE SERVICES TO THE RESIDENTS INCLUDING THE ELDERLY IN THE COOPERSTOWN, NORTH DAKOTA AND SURROUNDING COMMUNITIES REGARDLESS OF THE ABILITY TO PAY

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	6
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	6
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	**5**	78
6	Total number of volunteers (estimate if necessary)	**6**	70
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	526,994	250,585
9	Program service revenue (Part VIII, line 2g)	4,479,369	4,421,393
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,456	54
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	622	9,959
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	5,010,441	4,681,991
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	3,031,657	2,752,085
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)	1,957,221	1,937,712
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	4,988,878	4,689,797
19	Revenue less expenses Subtract line 18 from line 12	21,563	-7,806

Revenue / Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	2,575,433	2,537,221
21	Total liabilities (Part X, line 26)	4,121,674	4,091,268
22	Net assets or fund balances Subtract line 21 from line 20	-1,546,241	-1,554,047

Net Assets or Fund Balances

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

****** | 2014-05-13
Signature of officer | Date

BARBARA ANDERSON CHIEF FINANCIAL 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
TIM A RITTER CPA		2014-05-13		P00732856

Firm's name ▶ WIPFLI LLP | Firm's EIN ▶ 39-0758449

Firm's address ▶ 7601 FRANCE AVENUE SOUTH SUITE 400
MINNEAPOLIS, MN 55435 | Phone no (952) 548-3400

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

COOPERSTOWN MEDICAL CENTER IS DEDICATED TO PROVIDING HIGH QUALITY HEALTHCARE SERVICES IN A PERSONALIZED, COMPASSIONATE, AND PROFESSIONAL MANNER

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 $ 3,953,889 including grants of $) (Revenue $ 4,421,393)

AN 18-BED CRITICAL ACCESS HOSPITAL IS PRIVATELY LOCATED ON THE SECOND FLOOR OF THE FACILITY HELPING TO RELIEVE THE ADDED STRESS OF EXTENDED TRAVEL, THE ORGANIZATION IS ABLE TO PROVIDE LOCALLY MANY OF THE SERVICES FOUND AT LARGE HOSPITALS THROUGH STRONG AFFILIATIONS WITH MAJOR MEDICAL ORGANIZATIONS, COOPERSTOWN MEDICAL CENTER IS ABLE TO PROVIDE 24-HOUR EMERGENCY SERVICES, OCCUPATIONAL THERAPY, X-RAY AND LABORATORY SERVICES, ELECTROCARDIOGRAPHY, RESPIRATORY THERAPY, INCONTINENCE MANAGEMENT, THERAPY, PHYSICAL THERAPY, SPEECH THERAPY, CARDIAC MONITORING/TELEMETRY, CHEMOTHERAPY, SWING BED, AND HOSPICE CARE THE HOSPITAL HAD 1,356 TOTAL INPATIENT DAYS

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

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

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 3,953,889

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	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	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	Yes	
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		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	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		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, 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		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more 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**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, 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**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
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**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
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**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
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**	Yes	
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	21		
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			
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	78		
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			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible 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			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a** 6		
	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** 6		
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**		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	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**		No
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**	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ 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

▶BARBARA ANDERSON 1200 ROBERTS AVE NE COOPERSTOWN, ND (701)797-2221

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) JONATHAN ERICKSON DIRECTOR	1 00	X						0	0	0
(2) LYNN JOHNSON DIRECTOR	1 00 1 00	X						0	0	0
(3) ROB RESSLER DIRECTOR	1 00	X						0	0	0
(4) BARRY GETZ CHAIRMAN	1 00	X		X				0	0	0
(5) JAYNE OTT SECRETARY	1 00 1 00	X		X				0	0	0
(6) DONNA EVERS TREASURER	1 00 1 00	X		X				0	0	0
(7) GREGORY STOMP CEO	16 00 1 00			X				19,584	0	391
(8) KENNETH SMITH CFO	40 00			X				62,232	0	36
(9) BRIAN TWETE NURSE PRACTITIONER	32 00					X		196,357	0	7,522
(10) MOHAN KARKI PHYSICIAN	40 00					X		193,677	0	353
(11) KEVIN JACOBSON NURSE PRACTITIONER	32 00					X		183,248	0	3,701
(12) JEFFREY PETERSON PHYSICIAN	32 00					X		141,027	0	531

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			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								796,125	0	12,534

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 ▶ 4

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization 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

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 ▶ 0

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				
	d	Related organizations	1d	167,500			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	83,085			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f			250,585		
Program Service Revenue			Business Code				
	2a	NET PATIENT & RES REV	623000		4,046,219	4,046,219	
	b	ASSISTED LIVING RENTAL	623000		181,943	181,943	
	c	OPERATING SUBSIDY	623000		70,138	70,138	
	d	OTHER PATIENT REVENUE	623000		61,357	61,357	
	e	CARE CENTER REVENUE	623000		50,206	50,206	
	f	All other program service revenue			11,530	11,530	
	g	**Total.** Add lines 2a–2f			4,421,393		
	3	Investment income (including dividends, interest, and other similar amounts)			54		54
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	431,148				
	b	Less rental expenses	422,508				
	c	Rental income or (loss)	8,640				
	d	Net rental income or (loss)			8,640		8,640
			(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)					
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue		Business Code			
	11a						
	b						
	c						
	d	All other revenue			1,319		1,319
	e	**Total.** Add lines 11a–11d			1,319		
	12	**Total revenue.** See Instructions			4,681,991	4,421,393	0	10,013

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				
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	100,177	89,134	11,043	
7 Other salaries and wages	2,330,185	2,014,431	315,754	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	28,449	24,594	3,855	
9 Other employee benefits	133,186	115,139	18,047	
10 Payroll taxes	160,088	133,094	26,994	
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting	39,180		39,180	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	832,543	643,491	189,052	
12 Advertising and promotion	6,754	1,190	5,564	
13 Office expenses	203,278	155,926	47,352	
14 Information technology				
15 Royalties				
16 Occupancy	163,724	145,676	18,048	
17 Travel	14,258	12,072	2,186	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	7,990	7,300	690	
20 Interest	58,364	51,930	6,434	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	113,114	100,645	12,469	
23 Insurance	55,919	49,755	6,164	
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 CARE SUPPORT SUPPLIES	186,015	186,015		
b PROVISION FOR BAD DEBT	177,703	177,703		
c TAXES AND LICENSES	1,179		1,179	
d				
e All other expenses	77,691	45,794	31,897	
25 **Total functional expenses.** Add lines 1 through 24e	4,689,797	3,953,889	735,908	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		200	1	
	2	Savings and temporary cash investments		15,568	2	14,624
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		820,841	4	1,106,897
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	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			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		67,689	8	74,273
	9	Prepaid expenses and deferred charges		60,692	9	52,257
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 7,986,843			
	b	Less accumulated depreciation	10b 6,717,605	1,588,923	10c	1,269,238
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		21,520	15	19,932
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		2,575,433	16	2,537,221
Liabilities	17	Accounts payable and accrued expenses		1,344,064	17	1,251,901
	18	Grants payable			18	
	19	Deferred revenue			19	35,209
	20	Tax-exempt bond liabilities		1,436,265	20	1,354,360
	21	Escrow or custodial account liability Complete Part IV of Schedule D		13,600	21	12,800
	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			22	
	23	Secured mortgages and notes payable to unrelated third parties		992,440	23	924,932
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		335,305	25	512,066
	26	**Total liabilities.** Add lines 17 through 25		4,121,674	26	4,091,268
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		-1,591,059	27	-1,554,047
	28	Temporarily restricted net assets		44,818	28	0
	29	Permanently restricted net assets			29	
		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		-1,546,241	33	-1,554,047
	34	Total liabilities and net assets/fund balances		2,575,433	34	2,537,221

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	4,681,991
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,689,797
3	Revenue less expenses Subtract line 2 from line 1	3	-7,806
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-1,546,241
5	Net unrealized gains (losses) on investments	5	
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	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	-1,554,047

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
COOPERSTOWN MEDICAL CENTER

Employer identification number
45-0227753

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**
COOPERSTOWN MEDICAL CENTER	45-0227753

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?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		73
j	Total Add lines 1c through 1i			73
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
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	THE ORGANIZATION IS A MEMBER OF NORTH DAKOTA LONG TERM CARE ASSOCIATION (NDLTCA) NDLTCA IS A PROFESSIONAL AND ADVOCACY ORGANIZATION REPRESENTING ASSISTED LIVING, BASIC CARE, AND NURSING FACILITIES IN NORTH DAKOTA THEY ARE AN AFFILIATE OF THE AMERICAN HEALTH CARE ASSOCIATION AND THE NATIONAL CENTER FOR ASSISTED LIVING, REPRESENTING NOT-FOR-PROFIT AND PROPRIETARY FACILITIES IN NORTH DAKOTA A PORTION OF THE ORGANIZATION'S DUES ARE FOR LOBBYING ACTIVITIES BY NDLTCA

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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
COOPERSTOWN MEDICAL CENTER

Employer identification number
45-0227753

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	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance					
b	Contributions					
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance					

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- 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)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part 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		133,277		133,277
b Buildings		6,133,217	5,312,294	820,923
c Leasehold improvements				
d Equipment		1,687,562	1,405,311	282,251
e Other		32,787		32,787
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				1,269,238

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
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
CAPITAL LEASE OBLIGATIONS	36,066
DUE TO THIRD PARTY REIMBURSEMENT PROGRAMS	476,000
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	512,066

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	4,926,796
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	4,926,796
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	-244,805		
c	Add lines **4a** and **4b**			4c	-244,805
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	4,681,991

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

1	Total expenses and losses per audited financial statements			1	4,934,602
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	422,508		
e	Add lines **2a** through **2d**			2e	422,508
3	Subtract line **2e** from line **1**			3	4,512,094
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	177,703		
c	Add lines **4a** and **4b**			4c	177,703
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	4,689,797

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
	PART IV, LINE 2B	THE ORGANIZATION HOLDS FUNDS IN TRUST FOR RESIDENTS
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X, LINE 2	IN ORDER TO ACCOUNT FOR ANY UNCERTAIN TAX POSITIONS, THE ORGANIZATION DETERMINES WHETHER IT IS MORE LIKELY THAN NOT THAT A TAX POSITION WILL BE SUSTAINED UPON EXAMINATION OF THE TECHNICAL MERITS OF THE POSITION, ASSUMING THE TAXING AUTHORITY HAS FULL KNOWLEDGE OF ALL INFORMATION IF THE TAX POSITION DOES NOT MEET THE MORE-LIKELY-THAN-NOT RECOGNITION THRESHOLD, THE BENEFIT OF THE TAX POSITION IS NOT RECOGNIZED IN THE FINANCIAL STATEMENTS THE ORGANIZATION HAS NOT RECORDED ANY ASSETS OR LIABILITIES RELATED TO UNCERTAIN TAX POSITIONS OR UNRECOGNIZED TAX BENEFITS AS OF JUNE 30, 2013 OR 2012 THE ORGANIZATION'S FEDERAL AND STATE RETURNS FOR TAX YEARS 2009 AND BEYOND REMAIN SUBJECT TO EXAMINATION BY MAJOR TAX JURISDICTIONS
PART XI, LINE 4B - OTHER ADJUSTMENTS		RENTAL EXPENSES -422,508 BAD DEBT EXPENSE 177,703
PART XII, LINE 2D - OTHER ADJUSTMENTS		RENTAL EXPENSES 422,508
PART XII, LINE 4B - OTHER ADJUSTMENTS		BAD DEBT EXPENSES 177,703

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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
COOPERSTOWN MEDICAL CENTER

Employer identification number
45-0227753

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 _____ %			
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		No
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		
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		
6a	Did the organization prepare a community benefit report during the tax year?	6a		No
b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			15,071		15,071	0 330 %
b Medicaid (from Worksheet 3, column a)			3,342,374	3,304,616	37,758	0 840 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			3,357,445	3,304,616	52,829	1 170 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			1,132,336	938,713	193,623	4 290 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total.** Other Benefits			1,132,336	938,713	193,623	4 290 %
k **Total.** Add lines 7d and 7j			4,489,781	4,243,329	246,452	5 460 %

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						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**						

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

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with 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	2 175,703		
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	3 700		
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	2,469,500
6	Enter Medicare allowable costs of care relating to payments on line 5	6	3,152,076
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-682,576
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	COOPERSTOWN MEDICAL CENTER 1200 ROBERTS AVE NE COOPERSTOWN,ND 58425	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)

Name of hospital facility or facility reporting group COOPERSTOWN MEDICAL CENTER

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 12			
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)*

Financial Assistance Policy		Yes	No
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 150 000000000000% 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 250 000000000000% 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**	Yes	
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?

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

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, 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
		PART I, LINE 7 THE ORGANIZATION USES A COST TO CHARGE METHODOLOGY AS DETERMINED BY THE MEDICARE COST REPORT
		PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 177703

Identifier	ReturnReference	Explanation
		PART II THE ORGANIZATION PARTICIPATES IN COMMUNITY BUILDING ACTIVITIES, HOWEVER, THE ACTIVITIES ARE TOO DIFFICULT TO QUANTIFY AND ARE NOT TRACKED THE ORGANIZATION OFFERED WELLNESS SCREENINGS AT NO COST TO THE PUBLIC TO ASSESS HEALTH NEEDS THE ORGANIZATION ALSO OFFERED A COMMUNITY WEIGHT LOSS PROGRAM AND WELLNESS LUNCHEONS
		PART III, LINE 4 THE ORGANIZATION USES THE COST TO CHARGE METHODOLOGY TO DETERMINE BAD DEBT THE ORGANIZATION DOES NOT HAVE A FOOTNOTE TO THE ORGANIZATION'S FINANCIAL STATEMENTS THAT DESCRIBES BAD DEBT EXPENSE THEY DO HAVE A FOOTNOTE ON THE PATIENT ACCOUNTS RECEIVABLE AND CREDIT POLICY, NOTED BELOW PATIENT ACCOUNTS RECEIVABLE AND CREDIT POLICY -IN EVALUATING THE COLLECTABILITY OF PATIENT ACCOUNTS RECEIVABLE, THE ORGANIZATION ANALYZES PAST RESULTS AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR DOUBTFUL ACCOUNTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS SPECIFICALLY, FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE ORGANIZATION ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR DOUBTFUL ACCOUNTS FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYOR HAS NOT YET PAID, OR FOR PAYORS 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 ORGANIZATION RECORDS A SIGNIFICANT PROVISION FOR DOUBTFUL 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) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS CHAIRTY CARE - THE ORGANIZATION PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES THE ORGANIZATION MAINTAINS RECORDS TO IDENTIFY THE AMOUNT OF CHARGES FOR SERVICES AND SUPPLIES FURNISHED UNDER THE CHARITY CARE POLICY BECAUSE THE ORGANIZATION DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS NET PATIENT SERVICE REVENUE

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE COSTING METHODOLOGY USED IS COST TO CHARGE RATIO OF 0 99 AS DETERMINED BY THE MEDICARE COST REPORT THE SURPLUS CALCULATED ABOVE WAS RECOGNIZED BY THE ORGANIZATION AS A PAYABLE BACK TO MEDICARE
COOPERSTOWN MEDICAL CENTER		PART V, SECTION B, LINE 3 A COMMUNITY GROUP CONSISTING OF 31 COMMUNITY MEMBERS WAS CONVENED 2 TIMES THROUGHOUT 2012 TO REVIEW IN DEPTH THE CHNA PROCESS, EVALUATE SURVEY RESULTS AND TO GIVE FEEDBACK BASED ON THE INFORMATION OBTAINED FROM 61 SURVEYS FROM THE GENERAL PUBLIC, 31 SURVEYS FROM HEALTH CARE PROFESSIONALS, AND INTERVIEWS MEMBERS OF THE COMMUNITY GROUP REPRESENTED THE BROAD INTERESTS OF THE COMMUNITY SERVED BY CMC THEY INCLUDED REPRESENTATIVES OF THE HEALTH COMMUNITY, BUSINESS COMMUNITY, SOCIAL SERVICE AGENCIES, AND ELECTED OFFICIALS EMPLOYEES OF CMC WERE ENCOURAGED TO COMPLETE A VERSION OF THE SURVEY GEARED TO HEALTH CARE PROFESSIONALS THE VERSION OF THE SURVEY FOR HEALTH CARE PROFESSIONALS COVERED THE SAME TOPICS AS THE CONSUMER SURVEY, ALTHOUGH IT SOUGHT LESS DEMOGRAPHIC INFORMATION AND DID NOT ASK WHETHER HEALTH CARE PROFESSIONALS WERE AWARE OF THE SERVICES OFFERED LOCALLY

Identifier	ReturnReference	Explanation
COOPERSTOWN MEDICAL CENTER		PART V, SECTION B, LINE 5C THE CHNA CAN BE FOUND AT THE HOSPITALS WEBSITE HTTP //WWW COOPERMC COM/COMMUNITY_HEALTH_NEEDS_ASSESSMENT_2012 PDF
COOPERSTOWN MEDICAL CENTER		PART V, SECTION B, LINE 6I THE ORGANIZATION OFFERED WELLNESS SCREENINGS AT NO COST TO THE PUBLIC TO ASSESS HEALTH NEEDS THE ORGANIZATION ALSO OFFERED A COMMUNITY WEIGHT LOSS PROGRAM AND WELLNESS LUNCHEONS

Identifier	ReturnReference	Explanation
COOPERSTOWN MEDICAL CENTER		PART V, SECTION B, LINE 7 THERE ARE SEVERAL NEEDS THAT THE ORGANIZATION IS STILL IN THE PROCESS OF ADDRESSING FINANCES AND MANAGEMENT TURNOVER HAS BEEN PROHIBITIVE TO THE IMPLEMENTATION PROCESS
COOPERSTOWN MEDICAL CENTER		PART V, SECTION B, LINE 20D 15% MARK UP OFF OF THE BLUE CROSS BLUE SHIELD CHARGE RATES

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 THE ORGANIZATION OFFERS WELLNESS SCREENINGS ONCE A YEAR AT NO COST TO THE PUBLIC TO ASSESS HEALTH NEEDS INCLUDED ARE BLOOD PRESSURE CHECKS, DIABETES SCREENINGS, PULMONARY AND RESPIRATORY SCREENINGS, AND EDUCATION ON GOOD HEALTH THIS OFTEN RESULTS IN FOLLOW-UP CARE AFTER RESULTS OF SCREENINGS ARE REVIEWED THE ORGANIZATION ALSO OFFERS A COMMUNITY WEIGHT LOSS PROGRAM (GORED) AS WELL AS WELLNESS LUNCHEONS ON RELATED HEALTH TOPICS
		PART VI, LINE 3 PATIENTS RECEIVE CHARITY CARE INFORMATION THROUGH THE BUSINESS OFFICE THE ORGANIZATION MAILS BROCHURES REGARDING THE PROGRAM IN PAST DUE STATEMENTS THE ORGANIZATION ALSO GIVES THE BROCHURE TO PEOPLE IN THE COMMUNITY KNOWN TO THE ORGANIZATION THAT DO NOT HAVE INSURANCE UPON ARRIVAL FOR A VISIT THE CHARITY CARE INFORMATION IS PART OF THE INTAKE PROCESS

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 AS OF THE CENSUS OF 2010, THERE WERE 2,420 PEOPLE AND 1,086 HOUSEHOLDS RESIDING IN THE COUNTY THE POPULATION DENSITY WAS 3 4 PEOPLE PER SQUARE MILE THERE WERE 1,451 HOUSING UNITS THE RACIAL MAKEUP OF THE COUNTY WAS 98 90% WHITE, 0 20% ASIAN, 0 30% BLACK, 0 50% AMERICAN INDIAN AND ALASKA NATIVE PERSONS, AND 0 10% FROM OTHER RACES THERE WERE 1,086 HOUSEHOLDS OUT OF WHICH 23 80% HAD CHILDREN UNDER THE AGE OF 18 LIVING WITH THEM, 55 00% WERE MARRIED COUPLES LIVING TOGETHER, 5 30% HAD A FEMALE HOUSEHOLDER WITH NO HUSBAND PRESENT, AND 36 90% WERE NON-FAMILIES OF THE NON-FAMILY HOUSEHOLDS, 33 70% OF HOUSEHOLDERS LIVED ALONE AND 18 20% OF HOUSEHOLDERS LIVING ALONE, WERE 65 YEARS OF AGE OR OLDER THE AVERAGE HOUSEHOLD SIZE WAS 2 16 AND THE AVERAGE FAMILY SIZE WAS 2 74 IN THE COUNTY THE POPULATION WAS SPREAD OUT WITH 20 40% UNDER THE AGE OF 19, 2 5% FROM 20 TO 24, 17 30% FROM 25 TO 44, 33 40% FROM 45 TO 64, AND 26 40% WHO WERE 65 YEARS OF AGE OR OLDER THE MEDIAN AGE WAS 51 9 YEARS THE MEDIAN INCOME FOR A HOUSEHOLD IN THE COUNTY WAS $43,000, AND THE MEDIAN INCOME FOR A FAMILY WAS $55,724 ABOUT 5 10% OF FAMILIES AND 9 70% OF THE POPULATION WERE BELOW THE POVERTY LINE, INCLUDING 9 80% OF THOSE UNDER AGE 18 AND 20 2% OF THOSE AGE 65 OR OVER
		PART VI, LINE 5 THE ORGANIZATION OFFERS A VARIETY OF SERVICES TO THE COMMUNITY TO ASSIST IN TAKING AWAY THE BURDEN OF HAVING TO TRAVEL FOR MEDICAL CARE THE ORGANIZATION ALSO ASSISTS IN ACCOMMODATING ANY FINANCIAL CONCERNS THROUGH THE CHARITY CARE PROGRAM BY DOING BOTH, THE ORGANIZATION HOPES TO BETTER THE WELL-BEING OF THE COMMUNITY THE BOARD OF DIRECTORS IS COMPRISED OF PERSONS WHO RESIDE IN THE PRIMARY SERVICE AREA MEDICAL STAFF PRIVILEGES ARE GIVEN TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY THE ORGANIZATION IS AFFILIATED WITH EMERGENCY HEART NETWORK, ST PAUL RAMSEY BURN CENTER, AND LIFE FLIGHT

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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
COOPERSTOWN MEDICAL CENTER

Employer identification number
45-0227753

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)BRIAN TWETE NURSE PRACTITIONER	(i) (ii)	196,357 0	0 0	0 0	3,997 0	3,525 0	203,879 0	0 0
(2)MOHAN KARKI PHYSICIAN	(i) (ii)	193,677 0	0 0	0 0	0 0	353 0	194,030 0	0 0
(3)KEVIN JACOBSON NURSE PRACTITIONER	(i) (ii)	183,248 0	0 0	0 0	3,665 0	36 0	186,949 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

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
COOPERSTOWN MEDICAL CENTER

Employer identification number
45-0227753

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	HEALTH CARE FACILITIES REFUNDING REVENUE BONDS SERIES 2010	45-6002048		03-30-2010	1,600,000	REFUND A PRIOR ISSUE		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	245,640			
2	Amount of bonds legally defeased				
3	Total proceeds of issue	1,600,000			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds	1,600,000			
12	Other unspent proceeds				
13	Year of substantial completion	1997			

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X						

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6	Total of lines 4 and 5	%		%		%		%	
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?		X						

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X							
b	Exception to rebate?		X						
c	No rebate due?		X						
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X							
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?		X						

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?								

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
SCHEDULE K, PART IV, LINE 2B	REBATE CALCULATION	THE REBATE CALCULATION IS NOT YET DUE CALCULATIONS ARE DUE ONLY ONCE EVERY 5 YEARS

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SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
COOPERSTOWN MEDICAL CENTER

Employer identification number
45-0227753

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	
	FORM 990, PART VI, SECTION B, LINE 12C	EACH BOARD MEMBER ANNUALLY AND UPON HIRE EACH CORPORATE OFFICER, EXECUTIVE, DEPARTMENT DIR ECTOR, SUPERVISOR OR OTHER INDIVIDUAL, DULY AUTHORIZED BY THE GOVERNING BODY TO CONDUCT BU SINESS ON BEHALF OF COOPERSTOWN MEDICAL CENTER SIGNS A STATEMENT WHICH AFFIRMS THAT SUCH P ERSON 1) HAS RECEIVED A COPY OF THE CONFLICT OF INTEREST POLICY, 2) HAS READ AND UNDERSTA NDS THE POLICY, 3) HAS AGREED TO COMPLY WITH THE POLICY, 4) UNDERSTANDS THAT THE ORGANIZAT ION IS AND INCLUDES CHARITABLE ORGANIZATIONS AND THAT IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION IT MUST ENGAGE PRIMARILY IN ACTIVITIES WHICH FURTHER ONE OR MORE OF ITS TAX-EXE MPT PURPOSES IF A CONFLICT ARISES, THE BOARD WILL ASSIGN A DISINTERESTED PERSON TO INVEST IGATE ALTERNATIVES TO THE PROPSED TRANSACTION OR ARRANGEMENT THE INTERESTED MEMBER IS TO PROVIDE INFORMATION TO THE BOARD, HOWEVER NOT INFLUENCE THE BOARD REGARDING THEIR DECISION
	FORM 990, PART VI, SECTION B, LINE 15	THE BOARD OF DIRECTORS DETERMINES AND APPROVES COMPENSATION OF THE CEO KEY EMPLOYEE COMPE NSATION IS DETERMINED USING SURVEYS OF COMPARABLE ORGANIZATIONS COMPENSATION FOR KEY EMPL OYEES IS APPROVED BY THE CEO AND HUMAN RESOURCES DEPARTMENT
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST AND AT THE ANNUAL MEETING
OTHER FEES	FORM 990, PART IX, LINE 11G	LAB CONSULTANTS PROGRAM SERVICE EXPENSES 130,303 MANAGEMENT AND GENERAL EXPENSES 0 FUND RAISING EXPENSES 0 TOTAL EXPENSES 130,303 ADMINISTRATIVE SERVICES PROGRAM SERVICE EXPEN SES 204,724 MANAGEMENT AND GENERAL EXPENSES 188,843 FUNDRAISING EXPENSES 0 TOTAL EXPENS ES 393,567 DIETARY CONSULTANTS PROGRAM SERVICE EXPENSES 102,185 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 102,185 OTHER PROFESSIONAL FEES PROG RAM SERVICE EXPENSES 206,279 MANAGEMENT AND GENERAL EXPENSES 209 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 206,488
	FORM 990, PART XII, LINE 2C	THE BOARD OF DIRECTORS ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS AND SELECTION OF AN INDEPENDENT AUDITOR THIS PROCESS HAS NOT CHANGED FROM PRIO R YEAR

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
COOPERSTOWN MEDICAL CENTER

Employer identification number
45-0227753

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled entity? Yes	(g) Section 512 (b)(13) controlled entity? No
(1) COOPERSTOWN MEDICAL CENTER FOUNDATION 1200 ROBERTS AVE NE COOPERSTOWN, ND 58425 45-0450301	TO SUPPORT THE PROGRAMS OF THE COOPERSTOWN MEDICAL CENTER	ND	501(C)(3)	LINE 7	COOPERSTOWN MEDICAL CENTER	Yes	

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p		No
q Reimbursement paid by related organization(s) for expenses	1q		No
r Other transfer of cash or property to related organization(s)	1r		No
s Other transfer of cash or property from related organization(s)	1s		No

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

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) COOPERSTOWN MEDICAL CENTER FOUNDATION	C	167,500	COST

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Software ID:
Software Version:
EIN: 45-0227753
Name: COOPERSTOWN MEDICAL CENTER

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

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Cooperstown Medical Center and Affiliate

Cooperstown, North Dakota

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2013 and 2012

Cooperstown Medical Center and Affiliate

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2013 and 2012

Table of Contents

WIPFLi LLP

Independent Auditor's Report

Board of Directors
Cooperstown Medical Center
Cooperstown, North Dakota

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Cooperstown Medical Center and Affiliate, which comprise the consolidated balance sheets as of June 30, 2013 and 2012, and the related consolidated statements of operations and changes in net deficit and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cooperstown Medical Center and Affiliate as of June 30, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Emphasis of Matter Regarding Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Cooperstown Medical Center and Affiliate will continue as a going concern. As discussed in Note 23 to the consolidated financial statements, Cooperstown Medical Center and Affiliate has incurred significant recurring losses from operations and has a consolidated net deficit, which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 23. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Wipfli LLP

Wipfli LLP

October 24, 2013
Minneapolis, Minnesota

Cooperstown Medical Center and Affiliate

Consolidated Balance Sheets

June 30, 2013 and 2012

Assets	2013	2012
Current assets		
Cash	$ 91,323	$ 96,927
Patient accounts receivable - Net	1,106,887	819,905
Other accounts receivable	10	936
Pledges receivable	850	2,150
Inventories	74,273	67,689
Prepaid expenses and other	52,257	60,857
Total current assets	1,325,600	1,048,464
Assets limited as to use	-	105,673
Property and equipment - Net	1,320,449	1,642,495
Other assets		
Unamortized debt issuance costs	19,932	21,520
Tenant security deposits	14,624	14,603
Total other assets	34,556	36,123
TOTAL ASSETS	$ 2,680,605	$ 2,832,755

Liabilities and Net Deficit	2013	2012
Current liabilities		
Current maturities of long-term debt	$ 153,132	$ 146,629
Current portion of capital lease obligations	8,961	8,209
Checks issued in excess of available bank balances	56,047	-
Line of credit	397,788	402,140
Accounts payable	870,453	1,045,672
Deferred rent revenue	35,209	-
Accrued liabilities		
Salaries and wages	47,153	43,000
Payroll taxes and other	52,598	53,601
Vacation	151,640	126,182
Health insurance	69,000	69,000
Interest	5,010	6,609
Due to third-party reimbursement programs	213,162	291,000
Total current liabilities	2,060,153	2,192,042
Long-term liabilities		
Long-term debt	1,728,372	1,879,936
Capital lease obligations	27,105	36,096
Tenant security deposits	12,800	13,600
Due to third-party reimbursement programs	262,838	-
Total long-term liabilities	1,768,277	1,929,632
Total liabilities	4,091,268	4,121,674
Net assets (deficit)		
Unrestricted	(1,410,663)	(1,333,737)
Temporarily restricted	-	44,818
Total net deficit	(1,410,663)	(1,288,919)
TOTAL LIABILITIES AND NET DEFICIT	$ 2,680,605	$ 2,832,755

See accompanying notes to consolidated financial statements.

Cooperstown Medical Center and Affiliate

Consolidated Statements of Operations and Changes in Net Deficit

Years Ended June 30, 2013 and 2012

	2013	2012
Revenue		
Patient service revenue, net of contractual adjustments and discounts	$ 4,046,219	$ 4,097,911
Provision for doubtful accounts	(177,703)	(159,378)
Net patient service revenue - Less provision for doubtful accounts	3,868,516	3,938,533
Rental revenue	611,503	621,505
Grant income	64,305	164,826
Operating subsidy	70,138	47,578
Other operating income	132,030	145,255
Total revenue	4,746,492	4,917,697
Expenses		
Salaries and wages	2,422,993	2,427,905
Employee benefits	329,092	601,083
Purchased and contracted services	871,723	786,405
Supplies and other	962,911	1,028,304
Donations	20,135	10,056
Interest	120,269	129,347
Depreciation and amortization	249,635	295,502
Total expenses	4,976,758	5,278,602
Loss from operations	(230,266)	(360,905)
Other income		
Interest income	1,058	1,013
Contributions	51,687	205,236
Gain on disposal of equipment	-	3,241
Other	890	622
Special events - Net of expenses	54,887	13,158
Total other income	108,522	223,270
Expenses in excess of revenue	(121,744)	(137,635)

Cooperstown Medical Center and Affiliate

Consolidated Statements of Operations and Changes in Net Deficit (Continued)

Years Ended June 30, 2013 and 2012

	2013	2012
Other changes in unrestricted net assets (deficit)		
Contributions for property and equipment	$ -	$ 63,527
Net assets released from restrictions	44,818	-
Change in unrestricted net deficit	(76,926)	(74,108)
Temporarily restricted net assets		
Contributions for specific purposes	-	44,818
Net assets released from restrictions	(44,818)	-
Change in net deficit	(121,744)	(29,290)
Net deficit at beginning	(1,288,919)	(1,259,629)
Net deficit at end	$ (1,410,663)	$ (1,288,919)

Cooperstown Medical Center and Affiliate

Consolidated Statements of Cash Flows

Years Ended June 30, 2013 and 2012

	2013	2012
Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities		
Change in net deficit	$ (121,744)	$ (29,290)
Adjustments to reconcile change in net deficit to net cash provided by (used in) operating activities		
Depreciation and amortization	249,635	295,502
Provision for doubtful accounts	177,703	159,378
Gain on disposal of equipment	-	3,241
Contributions for property and equipment	-	(63,526)
Changes in operating assets and liabilities		
Patient accounts receivable	(464,685)	(104,404)
Other accounts receivable	926	7,975
Pledges receivable	1,300	200
Inventories	(6,584)	37,834
Prepaid expenses and other	8,600	(5,795)
Tenant security deposits	(21)	1,772
Checks issued in excess of available bank balances	56,047	-
Accounts payable	(175,219)	516,503
Deferred revenue	35,209	-
Accrued liabilities	27,009	(389,311)
Due to third-party reimbursement programs	185,000	(372,000)
Tenant security deposits	(800)	(1,797)
Total adjustments	94,120	85,572
Net cash provided by (used in) operating activities	(27,624)	56,282

Cooperstown Medical Center and Affiliate

Consolidated Statements of Cash Flows (Continued)

Years Ended June 30, 2013 and 2012

	2013	2012
Cash flows from investing activities		
Purchase of property and equipment	$ 73,999	$ (182,171)
Proceeds from assets limited as to use	105,673	37,281
Payments received on pledges receivable	-	200
Net cash provided by (used in) investing activities	179,672	(144,690)
Cash flows from financing activities		
Principle payments on line of credit	(4,352)	-
Proceeds from issuance of note payable	-	74,081
Principal payments on long-term debt	(145,061)	(137,924)
Payments on capital lease obligation	(8,239)	(10,238)
Net cash used in financing activities	(157,652)	(74,081)
Decrease in cash and cash equivalents	(5,604)	(162,489)
Cash at beginning	96,927	259,416
Cash at end	$ 91,323	$ 96,927
Supplemental cash flow information:		
Cash paid during the year for interest	$ 121,868	$ 129,541
Noncash investing and financing activities:		
Property and equipment acquired under a capital lease obligation	$ -	$ 49,586
Payments foregone on equipment returned for capital lease obligation	-	21,882

See accompanying notes to consolidated financial statements.

Cooperstown Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies

The Entity

Cooperstown Medical Center (the "Medical Center") is organized as a North Dakota nonprofit organization and consists of an 18-bed critical access hospital (CAH), a 12-unit assisted living facility, and a medical clinic located in Cooperstown, North Dakota. The Medical Center also operates a clinic in Binford, North Dakota.

Cooperstown Medical Center Foundation (the "Foundation") is organized as a North Dakota nonprofit corporation for the purposes of assisting the Medical Center in providing health care services to the residents of Griggs County, North Dakota and the surrounding area. The Medical Center controls the Foundation through control of a majority of the Foundation's board of directors.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Medical Center and the Foundation, collectively referred to as the "Organization." All material intercompany accounts and transactions have been eliminated in consolidation.

Financial Statement Presentation

The Organization follows accounting standards contained in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) to be applied to nongovernmental entities in the preparation of financial statements in conformity with GAAP.

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Note 1 Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents, excluding amounts whose use is limited or restricted.

Patient Accounts Receivable and Credit Policy

Patient accounts receivable are uncollateralized obligations that are stated at the amount management expects to collect from outstanding balances. These obligations are primarily from local residents, most of whom are insured under third-party payor agreements. The Organization bills third-party payors on the patients' behalf, or if a patient is uninsured, the patient is billed directly. Once claims are settled with the primary payor, any secondary insurance is billed, and patients or residents are billed for copay and deductible amounts that are the patients' responsibility. Payments on accounts receivable are applied to the specific claim identified on the remittance advice or statement.

The Organization's policy is to charge interest at 1% per month on account balances greater than 30 days past due.

Patient accounts receivable are recorded in the accompanying balance sheets net of contractual adjustments and allowances for doubtful accounts which reflect management's best estimate of the amounts that won't be collected. Management provides for contractual adjustments under terms of third-party reimbursement agreements through a reduction of gross revenue and a credit to patient accounts receivable. In addition, management provides for probable uncollectible amounts, primarily uninsured patients and amounts patients are personally responsible for, through a reduction of gross revenue and a credit to a valuation allowance.

Note 1 Summary of Significant Accounting Policies (Continued)

Patient Accounts Receivable and Credit Policy (Continued)

In evaluating the collectibility of patient accounts receivable, the Organization analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for doubtful accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. Specifically, for receivables associated with services provided to patients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for doubtful accounts for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors 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 Organization records a significant provision for doubtful 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) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Inventories

Inventories of supplies are valued at the lower of cost, determined using the first-in, first-out method, or market.

Investments and Investment Income

Investments are measured at fair value in the accompanying consolidated balance sheets. Certificates of deposit are carried at cost plus accrued interest.

Note 1 Summary of Significant Accounting Policies (Continued)

Investments and Investment Income (Continued)

Investment income (including realized gains and losses, interest, and dividends) is reported as other income and is included in the expenses in excess of revenue (the operating indicator) unless the income is restricted by donor or law. Unrealized gains and losses on investments are excluded from the operating indicator unless the investments are trading securities. Realized gains and losses are determined by specific identification.

The Organization monitors the difference between the cost and fair value of its investments. A decline in market value of an individual investment security below cost that is deemed to be other than temporary results in an impairment, and the Organization reduces the investment's carrying value to fair value. A new cost basis is established for the investment, and any impairment loss is recorded as a realized loss in investment income.

Assets Limited as to Use

Assets limited as to use include assets designated by the Board of Directors for future capital improvements, over which the Organization's Board of Directors retains control and may at its discretion subsequently use for other purposes. Amounts required to meet current liabilities of the Organization have been classified as current assets. In 2013, the Board of Directors redirected funds and made them available for operations.

Note 1 Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

The Organization measures fair value of its financial instruments using a three-tier hierarchy that prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described below.

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

Note 1 Summary of Significant Accounting Policies (Continued)

Property, Equipment, and Depreciation

Property and equipment acquisitions are recorded at cost or, if donated, at fair value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included with depreciation expense in the accompanying consolidated financial statements. Estimated useful lives range from 5 to 25 years for land improvements, from 3 to 40 years for buildings and improvements, and from 3 to 25 years for movable equipment.

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

Asset Impairment

The Organization reviews its property and equipment periodically to determine potential impairment by comparing the carrying value of the property and equipment with the estimated future net discounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future net cash flows be less than the carrying value, the Organization would recognize an impairment loss at that time. No impairment loss was recognized in 2013 or 2012.

Note 1 Summary of Significant Accounting Policies (Continued)

Asset Retirement Obligations

ASC Topic 410, *Accounting for Conditional Asset Retirement Obligations,* clarifies when an entity is required to recognize a liability for a conditional asset retirement obligation. The Organization has considered ASC Topic 410, specifically as it relates to its legal obligation to perform asset retirement activities on the Organization's existing properties. The Organization believes there is an indeterminate settlement date for the asset retirement obligations because the range of time over which the Organization may settle the obligation is unknown and cannot be estimated. As a result, the Organization cannot reasonably estimate the liability related to these asset retirement activities as of June 30, 2013 and 2012.

Unamortized Debt Issuance Costs

Costs related to issuance of long-term debt are amortized over the life of the related debt.

Tenant Security Deposits

Security deposits advanced by tenants of the assisted living units are held in trust by the Organization. A liability is also recorded for amounts advanced by tenants.

Net Assets

Unrestricted net assets consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of the Organization and include those expendable resources which have been designated for special use by the Organization's Board of Directors. Temporarily restricted net assets are those whose use by the Organization 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 Organization in perpetuity.

For 2013 and 2012, the Organization has no permanently restricted net assets.

Note 1 Summary of Significant Accounting Policies (Continued)

Expenses in Excess of Revenue

The accompanying consolidated statements of operations and changes in net deficit include the classification expenses in excess of revenue, which is considered the operating indicator. Changes in unrestricted net deficit, which are excluded from the operating indicator, include unrealized gains and losses on investments other than trading securities and contributions of long-lived assets, including assets acquired using contributions that by donor restriction were to be used for the purposes of acquiring such assets.

Net Patient Service Revenue

The Organization recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. Certain third-party payor reimbursement agreements are subject to audit and retrospective adjustments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

For uninsured patients that do not qualify for charity care, the Organization recognized revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a significant provision for doubtful accounts related to unisured patients in the period services are provided.

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. The Organization maintains records to identify the amount of charges for services and supplies furnished under the charity care policy. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue.

Note 1 Summary of Significant Accounting Policies (Continued)

Rental Revenue

Rental revenue is recognized as it is earned. Advance receipts, if any, are deferred and classified as liabilities until earned.

Operating Subsidy

Operating subsidy consists of discretionary payments from an area hospital district. The payments are recognized as revenue as they are received. The Organization received operating subsidies of $70,138 and $47,578, in 2013 and 2012, respectively.

Contributions

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions upon which they depend are substantially met.

Contributions are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net deficit as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions.

Advertising Costs

Advertising costs are expensed as incurred.

Note 1 Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 509(a)(2) of the Code. The Organization is also exempt from state income taxes on related income.

In order to account for any uncertain tax positions, the Organization determines whether it is more likely than not that a tax position will be sustained upon examination of the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more-likely-than-not recognition threshold, the benefit of the tax position is not recognized in the financial statements. The Organization has not recorded any assets or liabilities related to uncertain tax positions or unrecognized tax benefits as of June 30, 2013 or 2012.

The Organization's federal and state returns for tax years 2009 and beyond remain subject to examination by major tax jurisdictions.

Subsequent Events

Subsequent events have been reviewed through October 24, 2013, which is the date the consolidated financial statements were available to be issued. A specific subsequent event is discussed in Note 20.

Note 1 Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements

In July 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and Allowance for Doubtful Accounts for Certain Health Care Entities.* This ASU amends ASC Topic 954 and requires health care entities to change the presentation of their statements of operations by reclassifying the provision for doubtful accounts associated with patient service revenue from an operating expense to a deduction from patient service revenue. Entities are also required to enhance disclosures about their policies for recognizing revenue and assessing bad debts. In addition, this guidance requires disclosure of qualitative and quantitative information about changes in the allowance for doubtful accounts. The Organization adopted the guidance in this ASU for the year ended June 30, 2013. The presentation of the provision for doubtful accounts for the year ended June 30, 2012, has been reclassified in the accompanying consolidated statements of operations and changes in net deficit in order to conform to the classifications used in 2013.

Note 2 Reimbursement Arrangements With Third-Party Payors

The Organization has agreements with third-party payors that provide for reimbursement at amounts that vary from its established rates. A summary of the basis of reimbursement with major third-party payors follows

Hospital

Medicare - The Organization's hospital is designated as a CAH. Under this designation, inpatient and outpatient hospital services are paid based on a cost-reimbursement methodology. Certain professional services provided by physicians are reimbursed based on prospectively determined fee schedules.

Medicaid - Inpatient and outpatient hospital services are paid based on a cost-reimbursement methodology. Inpatient services are reimbursed using Medicare interim per diem rates, decreased by 1%. Outpatient services are paid at Medicare interim payment rates.

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

Clinic

Medicare - Clinical services are paid on a fee-screen basis or on a cost-related basis for rural health clinic services.

Medicaid - Clinical services are paid on a fixed-fee schedule or on a cost-related basis for rural health clinic services.

Blue Cross and Others - The Organization has also entered into payment agreements with Blue Cross, certain commercial insurance carriers, and other organizations. The basis for payment to the Organization under these agreements includes payments on a fixed-fee schedule or discounts from established charges.

Note 2 Reimbursement Arrangements With Third-Party Payors (Continued)

Accounting for Contractual Arrangements

The Organization is reimbursed for certain cost-reimbursable items at an interim rate, and final settlements are determined after audit of the Organization's related annual cost reports by the respective Medicare and Medicaid fiscal intermediaries. Estimated provisions to approximate the final expected settlements after review by the intermediaries are included in the accompanying consolidated financial statements. The Organization's cost reports have been examined by the Medicare fiscal intermediary through June 30, 2011, and by Medicaid through June 30, 2010.

Laws and Regulation

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

CMS uses recovery audit contractors (RACs) to search for potentially inaccurate Medicare payments that may have been made to health care providers and that were not detected through existing CMS program integrity efforts. Once the RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. As of June 30, 2013, the Organization has not been notified by RAC of any potential significant reimbursement adjustments.

Note 3 Patient Accounts Receivable

Patient accounts receivable consisted of the following at June 30.

	2013	2012
Patient accounts receivable	$ 1,422,230	$ 956,405
Less.		
Contractual adjustments	87,243	35,500
Allowance for doubtful accounts	228,100	101,000
Patient accounts receivable - Net	$ 1,106,887	$ 819,905

The Organization's allowance for doubtful accounts for self-pay patients decreased from 78% of self-pay patient's accounts receivable at June 30, 2012 to 72% of self-pay patient's accounts receivable at June 30, 2013. The Organization's write-offs of patient accounts receivables, net of recoveries, decreased from $136,218 in 2012 to $46,603 in 2013.

Note 4 Assets Limited as to Use

Assets limited as to use consisted of the following at June 30

	2013	2012
Board-designated for property and equipment		
Certificates of deposit	-	76,946
Corporate equities	-	28,727
Total Board-designated for property and equipment	-	105,673
Total assets limited as to use	$ -	$ 105,673

Note 5 Fair Value Measurements

The following table sets forth the fair value of the Organization's assets at June 30, 2012.

	Level 1	Level 2	Level 3	Total
Corporate equities	$ 28,727	$ -	$ -	$ 28,727

The fair value of corporate equities is determined using quoted market prices.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain instruments could result in a different fair value measurement at the reporting date.

Note 6 Property and Equipment

Property and equipment consisted of the following at June 30:

	2013	2012
Land	$ 133,277	$ 133,277
Land improvements	154,615	154,615
Buildings and improvements	6,035,074	6,035,074
Movable equipment	1,687,562	1,687,562
Total property and equipment	8,010,528	8,010,528
Less - Accumulated depreciation	6,722,866	6,474,820
Net depreciated value	1,287,662	1,535,708
Construction in progress	32,787	106,787
Property and equipment - Net	$ 1,320,449	$ 1,642,495

Note 7 Line of Credit

At June 30, 2013 and 2012, the Organization had a line of credit of $400,000 with a bank. The line of credit bears interest at 3.75% at June 30, 2013. It is secured by property and equipment and is due on demand. Outstanding borrowings were $397,788 and $402,140, including accrued interest, at June 30, 2013 and 2012, respectively. The line of credit matures April 12, 2014.

Note 8 Capital Lease Obligations

The Organization uses certain equipment under lease agreements classified as capital leases. Capital lease obligations consisted of the following at June 30.

	2013	2012
Capital lease obligation, imputed interest at 8.8%, secured by office equipment, due in monthly installments of $982 through January 2017	$ 36,066	$ 44,305
Totals	36,066	44,305
Less - Current maturities	8,961	8,209
Long-term portion	$ 27,105	$ 36,096

Cost of equipment under capital lease obligations, which is included in movable equipment, was $108,086 at June 30, 2013 and 2012, and accumulated amortization for equipment under capital lease obligations was $75,029 and $65,111 at June 30, 2013 and 2012, respectively.

Note 8 Capital Lease Obligations (Continued)

Minimum future payments under capital lease obligations are as follows.

2014	$	11,782
2015		11,782
2016		11,782
2017		6,841
Total minimum lease payments		42,187
Amount representing interest		6,121
Present value of net minimum lease payments		36,066
Less - Current portion		8,961
Long-term obligation under capital lease	$	27,105

Note 9 Long-Term Debt

Long-term debt consisted of the following at June 30.

	2013	2012
4.85% Health Care Facilities Revenue Refunding Bonds Series 2010, due in monthly installments of $12,528 including interest through March 2025, secured by a mortgage on the Organization's real estate.	$ 1,354,360	$ 1,436,265
6.25% note payable, due in monthly installments of $1,689 including interest through January 2016, secured by certain assets.	48,262	64,936
4.50% variable-rate note payable, due in monthly installments of $992 including interest through October 2027, secured by substantially all assets of the Organization.	126,130	131,968
5.00% note payable, due in monthly installments of $2,652 including interest to December 2021, secured by certain assets.	199,307	220,570
1.00% note payable, due in monthly installments of $1,751 including interest to January 2021, secured by certain assets.	153,445	172,826
Totals	1,881,504	2,026,565
Less - Current maturities	153,132	146,629
Long-term portion	$ 1,728,372	$ 1,879,936

The bond indentures provide for various restrictive covenants, including maintenance of various financial ratios. Management believes the Organization is in compliance with such covenants at June 30, 2013.

Note 9 Long-Term Debt (Continued)

Scheduled principal payments on long-term debt at June 30, 2013, including current maturities, are summarized as follows

2014	$ 153,132
2015	160,226
2016	159,137
2017	154,102
2018	160,960
Thereafter	1,093,947
Total	$ 1,881,504

Note 10 Patient Service Revenue - Net of Contractual Adjustments and Discounts

Patient service revenue, net of contractual adjustments and discounts, consisted of the following at June 30.

	2013	2012
Gross patient service revenue	$ 4,348,951	$ 3,994,200
Less - Contractual adjustments and discounts	302,732	(103,711)
Patient service revenue, net of contractual adjustments and discounts	$ 4,046,219	$ 4,097,911

Medicare was 53% and 54% and Blue Cross Blue Shield was 20% and 22% of gross patient service revenue for 2013 and 2012, respectively.

Note 10 Patient Service Revenue - Net of Contractual Adjustments and Discounts (Continued)

Patient service revenue, net of contractual adjustments and discounts (but before the provision for doubtful accounts recognized in the years ended June 30 from these major payor sources is as follows

	2013	2012
Third-party payors	$3,440,612	$3,573,871
Self-pay	605,607	524,040
Patient service revenue, net of contractual adjustments and discounts	$4,046,219	$4,097,911

Note 11 Charity Care

The Organization maintains records to identify and monitor the level of charity care it provides. The Organization computes the estimated cost of providing charity care by multiplying the ratio of cost to gross charges for the Medical Center by the gross uncompensated charges associated with providing charity care. The estimated cost of providing care to patients under the Organization's charity care policy was approximately $700 and $6,800 for 2013 and 2012, respectively.

Note 12 Rental Revenue

Rental revenue primarily consists of rents received from residents of the Organization's assisted living facility. Revenue from services provided to the residents is included in other operating income in the accompanying consolidated statement of operations and changes in net deficit.

Under a Lease and Management Agreement (the "Agreement") dated July 1, 2011, the Organization also receives rents for building, fixed equipment, and certain movable equipment related to skilled nursing facility space leased to Griggs County Nursing Home (the "Care Center"). The Agreement had an original term through June 30, 2012, and has been extended through June 30, 2014. The Agreement renews in one-year increments on June 30 until the original term has been extended through June 30, 2015. The Agreement can be terminated under certain terms without penalty or cause. Under terms of the Agreement, the Organization receives payments of approximately $422,500 for each year the agreement is in effect.

Note 13 Transactions With the Care Center

The Care Center leases the skilled nursing facilities and purchases utilities and other services under the Agreement as discussed in Note 12. Rents, utilities, and other purchased services are sold to the Care Center based on the Organization's estimated cost.

Temporary staffing is sold to the Care Center on an as-needed basis. The Organization invoices the Care Center at cost for temporary staffing. The Organization sells health insurance coverage for Care Center employees at rates established by the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA rates").

Transactions with the Care Center are reported in the consolidated statements of operations and changes in net deficit as follows:

	2013	2012
Income and reductions of expense for facilities and services provided to the Care Center.		
Facility rent	$ 422,508	$ 422,508
Temporary staffing	50,205	86,895
Health insurance and other benefits	326,848	326,658
Expenses for services purchased from the Care Center		
Laundry, dietary, and other	152,874	132,084

Accounts payable includes $319,826 and $265,064 due to the Care Center at June 30, 2013 and 2012, respectively related to the above. Laundry, dietary, and other services are purchased from the Care Center at estimated cost.

Note 14 Functional Expenses

The Organization provides general health care services to residents within its geographic location. Expenses related to providing these services consisted of the following

	2013	2012
Health care services	$ 4,432,374	$ 4,701,200
General and administrative	544,384	577,402
Total expenses	$ 4,976,758	$ 5,278,602

Note 15 Professional Liability Insurance

The Organization's professional liability insurance for claim losses of less than $1,000,000 per claim and $5,000,000 per year covers professional liability claims reported during a policy year ("claims made" coverage). The professional liability insurance policy is renewable annually and has been renewed by the insurance carrier for the annual period extending through January 1, 2014.

Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with the Organization. Although there exists the possibility of claims arising from services provided to patients through June 30, 2013, which have not yet been asserted, the Organization is unable to determine the ultimate cost, if any, of such possible claims, and accordingly, no provision has been made.

Note 16 Retirement Plan

The Organization has a defined contribution retirement plan covering substantially all employees. The Organization made discretionary matching contributions based on the participants' total compensation. The Organization matched the first 2% of compensation contributed in 2013 and 2012. Retirement plan expense totaled $28,999 and $33,162 in 2013 and 2012, respectively.

Note 17 Self-Funded Insurance

The Organization has a self-funded health care plan that provides medical benefits to employees and their dependents. Employees share in the cost of health benefits. Health care expense is based on actual claims paid, reinsurance premiums, administration fees, and unpaid claims at year-end. The Organization buys reinsurance to cover individual claims over $40,000.

Health care expense totaled $124,811 and $398,205 for 2013 and 2012, respectively. A liability of $69,000 for claims outstanding at June 30, 2013 and 2012, respectively, has been recorded in accrued liabilities in the accompanying consolidated balance sheets. Management believes this liability is sufficient to cover estimated claims, including claims incurred but not yet reported.

Note 18 Temporarily Restricted Net Assets

Temporarily restricted net assets include assets set aside in accordance with donor restrictions as to time or use. Temporarily restricted net assets totaling $44,818 were available for equipment for the e-Emergency program at June 30, 2012. The e-Emergency program provides for live video connections between the Organization's emergency room and emergency room support from a regional health system. This program was implemented in 2013.

Note 19 Commitments and Contingencies

Under terms of a commercial guaranty agreement dated January 30, 2012, the Organization has guaranteed a $300,000 variable rate note payable (the "Note") of the Care Center. At June 30, 2013, the outstanding balance on the Note was $250,471 with interest at 4.75%. The Note matures February 2019.

Note 20 Subsequent Event

Management Agreement

In August 2013, the Organization entered into a management agreement with Health Management Services, LLC to provide administration and management services for a base monthly fee of $10,000 plus reimbursement for certain expenses. The management agreement is effective August 15, 2013, and expires August 15, 2018. The agreement may be terminated without cause by either party with a 180-day notice to the other party.

Due to Third-Party Reimbursement Programs - Extended Repayment Schedule

Included in due to third-party reimbursement programs in the accompanying balance sheets is an extended repayment schedule for $481,000 in interim overpayments received in 2013 for Medicare services. In October 2013, the Organization was approved for an extended repayment schedule. The extended repayment schedule calls for monthly installments of $12,619 including interest at 10.135% through May 28, 2016. At June 30, 2013, the outstanding balance due under the extended repayment schedule was $438,493. Amounts due after June 30, 2014 have been reclassified to long-term liabilities in the accompanying consolidated financial statements.

Scheduled principal payments due to third-party reimbursement programs under the extended repayment plan are as follows.

2014	$	213,162
2015		130,778
2016		132,060
Total due to third-party reimbursement programs	$	476,000

Note 21 Concentration of Credit Risk

Financial instruments that potentially subject the Organization to possible credit risk consist principally of accounts receivable, cash deposits in excess of insured limits, and investments.

Note 21 Concentration of Credit Risk (Continued)

Accounts receivable consist of amounts due from patients, their insurers, or governmental agencies (primarily Medicare and Medicaid) for health care provided to the patients. The majority of the Organization's patients are from Cooperstown, North Dakota, and the surrounding area.

The mix of receivables from patients and third-party payors was as follows at June 30

	2013	2012
Medicare	31 %	44 %
Medicaid	10 %	11 %
Commercial insurance	21 %	18 %
Other third-party payors, patients, and residents	38 %	27 %
Totals	100 %	100 %

The Organization maintains depository relationships with area financial institutions that are Federal Depository Insurance Corporation (FDIC) insured institutions. Depository accounts at these institutions are insured by the FDIC up to $250,000. At June 30, 2013, the Organization did not exceed the insured limits.

Note 22 Reclassifications

Certain reclassifications have been made to the 2012 consolidated financial statements to conform to the 2013 classifications.

Note 23 Going Concern

Management is aware of the Organization's current financial position and is continuing to pursue plans developed during previous years to improve the financial performance and operating cash flows of the Organization.

Consolidated expenses in excess of revenue of $121,744 and $137,635, in 2013 and 2012, respectively, have continued a trend that has resulted in a consolidated net deficit of $1,410,663 at June 30, 2013.

Management's continuing plans to improve the Organization's financial performance and financial position include

- Entering into a management agreement with Health Management Service, LLC to provide administration and management services (See Note 20).
- Pursuing the possibility of selling the assisted living units.
- Determining if any additional support can be generated from the Community Medical Center Hospital District as a result of statute changes by the North Dakota legislature.
- Considering adjustments to the employee health plan to reduce the expense to the Organization.
- Evaluating payroll and staffing structure to determine whether existing and future staffing and compensation adjustments are consistent with market conditions in the area.
- Evaluating reimbursement under Medicare to determine if appropriate reimbursement is being received through accurate cost reporting.
- Considering various options to work with other health care providers in the region to ensure the continued delivery of health care services.

Supplementary Information

WIPFLi LLP

Independent Auditor's Report on Supplementary Information

Board of Directors
Cooperstown Medical Center
Cooperstown, North Dakota

We have audited the consolidated financial statements of Cooperstown Medical Center and Affiliate as of and for the years ended June 30, 2013 and 2012, and our report thereon dated October 24, 2013, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information appearing on pages 38 through 45 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Wipfli LLP

Wipfli LLP

October 24, 2013
Minneapolis, Minnesota

Cooperstown Medical Center and Affiliate

Consolidating Balance Sheets

June 30, 2013

Assets	Medical Center	Foundation	Elimination	Consolidated Total
Current assets				
Cash	$ -	$ 91,323	$ -	$ 91,323
Patient accounts receivable - Net	1,106,887	-	-	1,106,887
Other accounts receivable	10	-	-	10
Pledges receivable	-	850	-	850
Inventories	74,273	-	-	74,273
Prepaid expenses and other	52,257	-	-	52,257
Total current assets	1,233,427	92,173	-	1,325,600
Property and equipment - Net	1,269,238	51,211	-	1,320,449
Other assets.				
Unamortized debt issuance costs	19,932	-	-	19,932
Tenant security deposits	14,624	-	-	14,624
Total other assets	34,556	-	-	34,556
TOTAL ASSETS	$ 2,537,221	$ 143,384	$ -	$ 2,680,605

Liabilities and Net Assets (Deficit)	Medical Center	Foundation	Elimination	Consolidated Total
Current liabilities				
Current maturities of long-term debt	153,132	-	-	153,132
Current portion of capital lease obligations	8,961	-	-	8,961
Checks issued in excess of available bank balances	56,047	-	-	56,047
Line of credit	397,788	-	-	397,788
Accounts payable	870,453	-	-	870,453
Deferred rent revenue	35,209	-	-	35,209
Accrued Liabilities				
Salaries and wages	47,153	-	-	47,153
Payroll taxes and other	52,598	-	-	52,598
Vacation	151,640	-	-	151,640
Health insurance	69,000	-	-	69,000
Interest	5,010	-	-	5,010
Due to third-party reimbursement programs	213,162	-	-	213,162
Total current liabilities	2,060,153	-	-	2,060,153
Long-term liabilities.				
Long-term debt	1,728,372	-	-	1,728,372
Capital lease obligations	27,105	-	-	27,105
Tenant security deposits	12,800	-	-	12,800
Due to third-party reimbursement programs	262,838	-	-	262,838
Total long-term liabilities	2,031,115	-	-	2,031,115
Total liabilities	4,091,268	-	-	4,091,268
Net assets (deficit)-				
Unrestricted	(1,554,047)	143,384	-	(1,410,663)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$ 2,537,221	$ 143,384	$ -	$ 2,680,605

Cooperstown Medical Center and Affiliate

Consolidating Balance Sheets (Continued)

June 30, 2012

Assets	Medical Center	Foundation	Elimination	Consolidated Total
Current assets				
Cash	$ 1,165	$ 95,762	$ -	$ 96,927
Patient and resident accounts receivable - Net	819,905	-	-	819,905
Other accounts receivable	936	-	-	936
Pledges receivable	-	2,150	-	2,150
Inventories	67,689	-	-	67,689
Prepaid expenses and other	60,692	165	-	60,857
Total current assets	950,387	98,077	-	1,048,464
Assets limited as to use	-	105,673	-	105,673
Property and equipment - Net	1,588,923	53,572	-	1,642,495
Other assets.				
Unamortized debt issuance costs	21,520	-	-	21,520
Resident trust funds and security deposits	14,603	-	-	14,603
Total other assets	36,123	-	-	36,123
TOTAL ASSETS	$ 2,575,433	$ 257,322	$ -	$ 2,832,755

Liabilities and Net Assets (Deficit)	Medical Center	Foundation	Elimination	Consolidated Total
Current liabilities				
Current maturities of long-term debt	$ 146,629	$ -	$ -	$ 146,629
Current portion of capital lease obligations	8,209	-	-	8,209
Line of credit	402,140	-	-	402,140
Accounts payable	1,045,672	-	-	1,045,672
Accrued liabilities.				
Salaries and wages	43,000	-	-	43,000
Payroll taxes and other	53,601	-	-	53,601
Vacation	126,182	-	-	126,182
Health insurance	69,000	-	-	69,000
Interest	6,609	-	-	6,609
Due to third-party reimbursement programs	291,000	-	-	291,000
Total current liabilities	2,192,042	-	-	2,192,042
Long-term liabilities				
Long-term debt	1,879,936	-	-	1,879,936
Capital lease obligations	36,096	-	-	36,096
Tenant security deposits	13,600	-	-	13,600
Total long-term liabilities	1,929,632	-	-	1,929,632
Total liabilities	4,121,674	-	-	4,121,674
Net assets (deficit).				
Unrestricted	(1,591,059)	257,322	-	(1,333,737)
Temporarily restricted	44,818	-	-	44,818
Total net assets (deficit)	(1,546,241)	257,322	-	(1,288,919)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$ 2,575,433	$ 257,322	$ -	$ 2,832,755

See Independent Auditor's Report on Supplementary Information.

Cooperstown Medical Center and Affiliate

Consolidating Statements of Operations and Changes in Net Deficit

Year Ended June 30, 2013

	Medical Center	Foundation	Elimination	Consolidated Total
Revenue				
Patient service revenue, net of contractual adjustments and discounts	$ 4,046,219	$ -	$ -	$ 4,046,219
Provision for doubtful accounts	(177,703)	-	-	(177,703)
Net patient service revenue - Less provision for doubtful accounts	3,868,516	-	-	3,868,516
Rental revenue	604,583	6,920	-	611,503
Grant income	64,305	-	-	64,305
Operating subsidy	70,138	-	-	70,138
Other operating income	132,030	-	-	132,030
Total revenue	4,739,572	6,920	-	4,746,492
Expenses				
Salaries and wages	2,422,993	-	-	2,422,993
Employee benefits	329,092	-	-	329,092
Purchased and contracted services	871,723	-	-	871,723
Supplies and other	943,251	19,660	-	962,911
Donations	-	187,635	(167,500)	20,135
Interest	120,269	-	-	120,269
Depreciation and amortization	247,274	2,361	-	249,635
Total expenses	4,934,602	209,656	(167,500)	4,976,758
Loss from operations	(195,030)	(202,736)	167,500	(230,266)
Other income (loss)				
Interest income	54	1,004	-	1,058
Contributions - Net of fund-raising expenses	186,280	32,907	(167,500)	51,687
Other	890	-	-	890
Special events - Net of expenses	-	54,887	-	54,887
Total other income (loss)	187,224	88,798	(167,500)	108,522
Expenses in excess of revenue	(7,806)	(113,938)	-	(121,744)

Cooperstown Medical Center and Affiliate

Consolidating Statements of Operations and Changes in Net Deficit (Continued)

Year Ended June 30, 2013

	Medical Center	Foundation	Elimination	Consolidated Total
Other changes in unrestricted net assets -				
Net assets released from restriction	$ 44,818	$ -	$ -	$ 44,818
Change in unrestricted net assets (deficit)	37,012	(113,938)	-	(76,926)
Temporarily restricted net assets -				
Net assets released from restrictions	(44,818)	-	-	(44,818)
Change in net deficit	(7,806)	(113,938)	-	(121,744)
Net asset (deficit) at beginning	(1,546,241)	257,322	-	(1,288,919)
Net assets (deficit) at end	$ (1,554,047)	$ 143,384	$ -	$ 1,410,663

Cooperstown Medical Center and Affiliate

Consolidating Statements of Operations and Changes in Net Deficit (Continued)

June 30, 2012

	Medical Center	Foundation	Elimination	Consolidated Total
Revenue				
Patient service revenue, net of contractual adjustments and discounts	$ 4,097,911	$ -	$ -	$ 4,097,911
Provision for doubtful accounts	(159,378)	-	-	(159,378)
Net patient service revenue - Less provision for doubtful accounts	3,938,533	-	-	3,938,533
Rental revenue	611,125	10,380	-	621,505
Grant income	164,826	-	-	164,826
Operating subsidy	47,578	-	-	47,578
Other operating income	145,255	-	-	145,255
Total revenue	4,907,317	10,380	-	4,917,697
Expenses				
Salaries and wages	2,427,905	-	-	2,427,905
Employee benefits	601,083	-	-	601,083
Purchased and contracted services	786,395	10	-	786,405
Supplies and other	1,014,130	14,174	-	1,028,304
Donations	-	258,880	(248,824)	10,056
Interest	129,347	-	-	129,347
Depreciation and amortization	293,141	2,361	-	295,502
Total expenses	5,252,001	275,425	(248,824)	5,278,602
Loss from operations	(344,684)	(265,045)	248,824	(360,905)
Other income				
Interest income	215	798	-	1,013
Contributions	253,824	200,236	(248,824)	205,236
Gain on disposal of property and equipment	3,241	-	-	3,241
Other	622	-	-	622
Special events - Net of expenses	-	13,158	-	13,158
Total other income	257,902	214,192	(248,824)	223,270
Expenses in excess of revenue	(86,782)	(50,853)	-	(137,635)

Cooperstown Medical Center and Affiliate

Consolidating Statements of Operations and Changes in Net Deficit (Continued)

June 30, 2012

	Medical Center	Foundation	Elimination	Consolidated Total
Other changes in unrestricted net assets - Contributions for property and equipment	63,527	-	-	63,527
Change in unrestricted net assets (deficit)	(23,255)	(50,853)	-	(74,108)
Temporarily restricted net assets - Contributions for specific purposes	44,818	-	-	44,818
Change in net assets (deficit)	21,563	(50,853)	-	(29,290)
Net asset (deficit) at beginning	(1,567,804)	308,175	-	(1,259,629)
Net assets (deficit) at end	$ (1,546,241)	$ 257,322	$ -	$ (1,288,919)