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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)	OMB No 1545-0047 <div> <div>2012</div> <div>Open to Public Inspection</div> </div>
	The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2012 calendar year, or tax year beginning 07-01-2012 , 2012, and ending 06-30-2013

B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization LUTHERAN CHARITY ASSOCIATION		D Employer identification number 45-0231181
	Doing Business As JAMESTOWN REGIONAL MEDICAL CENTER		
	Number and street (or P O box if mail is not delivered to street address) 2422 20TH STREET SW	Room/suite	E Telephone number (701) 252-1050
	City or town, state or country, and ZIP + 4 JAMESTOWN, ND 584013360		G Gross receipts \$ 37,325,979
	F Name and address of principal officer BRANDON VAUGHAN 2422 20TH STREET SW JAMESTOWN, ND 584013360		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No" attach a list (see instructions)




I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number	
J Website: WWW.JRMCND.COM			
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation 1927	M State of legal domicile ND

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities JAMESTOWN REGIONAL MEDICAL CENTER WILL BE THE BEST RURAL HOSPITAL IN THE COUNTRY FOR PATIENTS TO RECEIVE CARE, EMPLOYEES TO WORK, AND PHYSICIANS TO PRACTICE		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	10
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	10
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	421
6 Total number of volunteers (estimate if necessary)	6	96	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	267,891	
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 1,248,424	Current Year 87,942
	9 Program service revenue (Part VIII, line 2g)	33,842,417	37,017,191
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-3,379,352	353,459
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	16,090	-133,843
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	31,727,579	37,324,749
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	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)		17,774,868	18,629,167
16a Professional fundraising fees (Part IX, column (A), line 11e)		0	0
b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0			
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)		18,100,679	19,554,904
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)		35,875,547	38,184,071
19 Revenue less expenses Subtract line 18 from line 12		-4,147,968	-859,322
Net Assets or Fund Balances		Beginning of Current Year	
	20 Total assets (Part X, line 16)	72,928,174	70,952,952
	21 Total liabilities (Part X, line 26)	50,820,757	49,567,877
	22 Net assets or fund balances Subtract line 21 from line 20	22,107,417	21,385,075

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	*****				2014-01-23		
	Signature of officer				Date		
	BRANDON VAUGHAN CHIEF FINANCIAL OFFICER						
	Type or print name and title						
Paid Preparer Use Only	Print/Type preparer's name TIM A RITTER CPA		Preparer's signature		Date 2014-01-23	Check <input type="checkbox"/> if self-employed	PTIN 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

Describe the organization's mission

EXCEED EXPECTATIONS AND BE THE DIFFERENCE IN THE LIVES OF THOSE WE SERVE

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 \$ 33,478,199 including grants of \$) (Revenue \$ 37,017,441)

JAMESTOWN REGIONAL MEDICAL CENTER IS A 25 BED CRITICAL ACCESS HOSPITAL PROVIDING SHORT-TERM ACUTE INPATIENT, OUTPATIENT, SWING BED, HOME HEALTH AND HOSPICE HEALTH CARE SERVICES THE NEAREST PROVIDER OF HEALTH CARE SERVICES IS MORE THEN 35 MILES AWAY AND JAMESTOWN REGIONAL MEDICAL CENTER IS LOCATED 100 MILES AWAY FROM THE NEAREST MAJOR HEALTH SERVICE CENTERS IN FARGO OR BISMARCK, NORTH DAKOTA WE ALSO PROVIDE SPACE FOR A SATELLITE DIALYSIS UNIT OPERATED BY SANFORD, BISMARCK, NORTH DAKOTA JAMESTOWN REGIONAL MEDICAL CENTER MAKES MEDICAL CARE ACCESSIBLE TO THE ENTIRE COMMUNITY IT SERVES IN ADDITION TO THE ROUTINE INPATIENT AND OUTPATIENT HEALTH CARE SERVICES PROVIDED DURING FYE JUNE 30, 2013 *4,936 INPATIENT DAYS OF WHICH 430 WERE SWING BED AND 25 HOSPICE DAYS OF CARE* 45 1% MEDICARE IS THE PERCENTAGE OF INPATIENT DAYS* 13 9% MEDICAID IS THE PERCENTAGE OF INPATIENT DAYS* 8,486 EMERGENCY VISITS OF WHICH 792 RESULTED IN INPATIENT ADMISSIONS* 28,613 TOTAL OUTPATIENT VISITS* 2,521 OUTPATIENT SURGICAL PROCEDURE VISITS INCLUDING OUTPATIENT SURGERY AND SCOPES* 359 LIVE BIRTHS* 2,723 ORTHOPEDIC PATIENTS* 2,013 CARDIAC REHAB VISITS* 5,071 HOME HEALTH VISITS* 3,521 HOSPICE DAYS OF CARE* \$623,757 IN FREE CARE* 96 VOLUNTEERS PROVIDED 6,521 HOURS OF VOLUNTEER SERVICE THE CARE SERVICES WE PROVIDE THE FOLLOWING SPECIALTY SERVICES TO THE COMMUNITIES WE SERVE * CARDIAC CARE AND REHABILITATION IN ADDITION TO EMERGENCY AND INTENSIVE CARE UNITS OUR CARDIAC SERVICES INCLUDE CARDIOLITE STRESS, ADENOSCAN AND ADENOWALK CARDIOLITE IMAGING TESTS AND SPECT IMAGING TESTS FOR ACCURATE DIAGNOSIS, AND MONITORED DIET AND EXERCISE PROGRAMS THROUGHOUT THE HOSPITAL STAY AND THROUGH OUTPATIENT CARE IN OUR CARDIAC REHABILITATION CENTER * MAMMOGRAPHY OUR MAMMOGRAPHY UNIT WAS DESIGNED FOR WOMEN AND IS STAFFED BY FEMALE PROFESSIONALS * EMERGENCY CARE OUR EMERGENCY CENTER IS STAFFED 24 HOURS A DAY THROUGHOUT THE YEAR AND HANDLES EVERYTHING FROM BROKEN BONES TO HEART ATTACKS * HOME HEALTH SERVICES SERVICES PROVIDED TO THE HOME BOUND INCLUDE NURSING, PHYSICAL, OCCUPATIONAL, SPEECH AND SOCIAL SERVICES * HOSPICE PROVIDE FOR THE PHYSICAL AND PSYCHOLOGICAL NEEDS OF THE TERMINALLY ILL AND HELP ACCOMODATE THEIR FAMILIES THROUGH A FULL RANGE OF HOSPICE SERVICES * NUTRITIONAL COUNSELING OUR REGISTERED DIETITIANS PROVIDE NUTRITIONAL ASSESSMENTS AND PERSONALIZED DIET PLANS TO OPTIMIZE HEALTH AND SPEED RECOVERY THROUGH PROPER NUTRITION * PHYSICAL AND OCCUPATIONAL THERAPY PROVIDE A FULL RANGE OF SERVICES TO HELP PATIENTS RECOVER FROM ON-THE-JOB, SPORTS-RELATED INJURIES AND CERTAIN DEBILITATING DISEASES * SOCIAL SERVICES AND SUPPORT GROUPS OUR FACILITY PROVIDES A WIDE RANGE OF SUPPORT IN THE COORDINATION OF SERVICES BY OUR SOCIAL SERVICE DEPARTMENT AND SUPPORT GROUPS TO HELP OUR PATIENTS AND THEIR FAMILIES COPE WITH THE EMOTIONAL AND FINANCIAL EFFECTS OF ILLNESS * PODIATRY SERVICES OUR LICENSED AND CREDENTIALLED DOCTOR OF PODIATRY MEDICINE TREATS EVERYTHING FROM FLAT FEET TO BUNIONS WITH MODERATE THERAPEUTIC TECHNIQUES * SPEECH AND HEARING SERVICES WE EMPLOY LICENSED AUDIOLOGIST AND SPEECH THERAPISTS THAT CAN HELP CORRECT HEARING LOSS AND SPEECH DIFFICULTIES * SURGERY CENTER OUR INPATIENT AND OUTPATIENT SURGERY CENTER IS CAPABLE OF HANDLING A WIDE VARIETY OF GENERAL AND SPECIALIZED SURGICAL PROCEDURES INCLUDING LAPAROSCOPIC AND CATARACT PROCEDURES * WELLNESS PROGRAMS OUR WELLNESS CENTER OFFERS THE COMMUNITY A FULL SCHEDULE OF CLASSES ON SUBJECTS RANGING FROM HEALTHY DIET, FITNESS AND PREVENTATIVE CARE ALONG WITH A FULLY EQUIPPED FITNESS CENTER TO HELP THE PEOPLE WE SERVE LEARN HOW TO MODIFY THEIR LIFESTYLES FOR A HEALTHIER LIFE * OTHER SUPPORT SERVICES * LABORATORY, PATHOLOGY AND RADIOLOGY SERVICES FULL RANGE OF SERVICES TO PROVIDE ACCURATE DIAGNOSIS FOR TREATMENT* CARE LINE WE OPERATE AN EMERGENCY RESPONSE TELEPHONE BASED RESPONSE CENTER TO ENABLE THE FRAIL ELDERLY TO REMAIN INDEPENDENT IN THEIR HOMES * VOLUNTEERS AND VOLUNTEER SERVICES WE HAVE, ON THE AVERAGE, 112 COMMUNITY VOLUNTEERS PROVIDING APPROXIMATELY 6,435 HOURS OF SERVICE TO THE HOSPITAL AND THE PATIENTS WE SERVE SOME OF THE MANY AREAS THEY PROVIDE SERVICES ARE AS FOLLOWS * SENIOR COMPANIONS HELPING SENIOR CITIZENS MAINTAIN INDEPENDENCE BY READING TO THEM, HELPING WITH SHOPPING, ETC * HOSPICE ASSISTING HOSPICE PATIENTS AND FAMILIES COPE WITH TERMINAL ILLNESS * CHILDREN'S TLC VOLUNTEERS PROVIDE PARENTS WITH A BREAK WITH THEIR CHILDREN THAT ARE HOSPITALIZED * TELECARE MAINTAIN CONTACT WITH YOUR FRIENDS OR FAMILY MEMBER THROUGH TELEPHONE CALLS TO THEIR HOME * GIFT SHOPPE OPERATED FOR THE CONVENIENCE OF FRIENDS AND FAMILY OF HOSPITAL PATIENTS TO OBTAIN CARDS, FLOWERS AND SMALL GIFTS FOR PATIENTS IN OUR FACILITY * CARING TOUCH A PARTNERSHIP WITH JAMESTOWN COLLEGE TO PROVIDE SUPPORT OF PATIENTS BOTH IN THE HOSPITAL AND AFTER THEY RETURN HOME * OTHER SERVICES COMMUNITY MEMBERS VOLUNTEER THEIR SERVICES TO HELP OUT IN TIMES OF NEED IN MOST SERVICE AREAS ASSISTING PATIENTS AND THEIR FAMILIES SERVICES PROVIDED DURING FYE JUNE 30, 2013 *4,936 INPATIENT DAYS OF WHICH 430 WERE SWING BED AND 25 HOSPICE DAYS OF CARE* 45 1% MEDICARE IS THE PERCENTAGE OF INPATIENT DAYS* 13 9% MEDICAID IS THE PERCENTAGE OF INPATIENT DAYS* 8,486 EMERGENCY VISITS OF WHICH 802 RESULTED IN INPATIENT ADMISSIONS* 28,913 TOTAL OUTPATIENT VISITS* 2,521 OUTPATIENT SURGICAL PROCEDURE VISITS INCLUDING OUTPATIENT SURGERY AND SCOPES* 359 LIVE BIRTHS* 2,723 ORTHOPEDIC PATIENTS* 2,013 CARDIAC REHAB VISITS* 5,071 HOME HEALTH VISITS* 3,521 HOSPICE DAYS OF CARE* \$623,757 IN FREE CARE* 96 VOLUNTEERS PROVIDED 6,521 HOURS OF VOLUNTEER SERVICE IN SUMMARY, JAMESTOWN REGIONAL MEDICAL CENTER IS A 25 BED CRITICAL ACCESS HOSPITAL, GEOGRAPHICALLY LOCATED IN RURAL SOUTH-CENTRAL NORTH DAKOTA THE CLOSEST MEDICAL FACILITY IS MORE THAN 35 MILES AWAY AND THE CLOSEST COMPARABLE MEDICAL SERVICES ARE 100 MILES FROM JAMESTOWN

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 33,478,199

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	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	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 Yes	
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? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 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.		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.		
2b	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).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		No
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		
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)?		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?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
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?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	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?		No
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
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?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	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.		
13b	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.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

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	10	
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			
1b	Enter the number of voting members included in line 1a, above, who are independent	10	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	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
7b	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		
8a	The governing body?	8a	Yes
8b	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
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
11b	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
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	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?		
15a	The organization's CEO, Executive Director, or top management official	15a	Yes
15b	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
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> 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 BRANDON VAUGHAN 2422 20TH ST SW JAMESTOWN, ND (701) 252-1050

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) DEREK BRICKNER MD BOARD MEMBER	1 00	X						0	0	0
(2) DEBRA A GEIER MD BOARD MEMBER	1 00	X						0	0	0
(3) ERIC MONSON BOARD MEMBER	1 00	X						0	0	0
(4) PAT NYGAARD BOARD MEMBER	1 00	X						0	0	0
(5) MONICA PELDO BOARD MEMBER	1 00	X						0	0	0
(6) DR JAMES R TORRANCE MD BOARD MEMBER	1 00	X						0	0	0
(7) CONNIE KRAPP CHAIRPERSON	1 00	X		X				0	0	0
(8) DENNIS D POZARNISKY VICE CHAIRPERSON	1 00	X		X				0	0	0
(9) REV TERRY ANDERSON SECRETARY	1 00	X		X				0	0	0
(10) JOANNE H OTTMAR TREASURER	1 00	X		X				0	0	0
(11) TODD HUDSPETH CEO	40 00			X				226,454	0	15,102
(12) BRANDON VAUGHAN CFO	40 00			X				9,460	0	765
(13) DR MICHAEL DEAN ORTHOPEDIC SURGEON	40 00					X		593,857	0	18,604
(14) DR PHILIP JYSTAD ER PHYSICIAN	40 00					X		306,382	0	47,252
(15) DR SCOTT GOECKE PHYSICIAN	40 00					X		273,656	0	28,498
(16) DR MANUEL HARRIS PODIATRIST	40 00					X		224,374	0	44,716
(17) ALAN O'NEIL CFO (THRU MAY 2012)	40 00						X	127,782	0	4,728

Part VII

(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)								1,761,965	0	159,665

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▶19

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
AMERISOURCE BERGEN 27550 NETWORK PLACE CHICAGO IL 60673	PHARMACEUTICAL SERVICES	1,277,615
BIOMET INC 75 REMITTANCE DRIVE SUITE 3283 CHICAGO IL 60675	ORTHOPEDIC DEVICES & IMPLANTS	813,526
NATIONAL MEDICAL RESOURCES INC 2900 E BROADWAY AVE STE 1 BISMARCK ND 58501	ER PHYSICIANS	801,066
OWENS & MINOR 2151 COUNTY ROAD H2 WEST MOUNDS VIEW MN 55112	MEDICAL-SURGICAL SERVICES	773,935
GE HEALTHCARE PO BOX 96483 CHICAGO IL 60693	RADIOLOGY EQUIPMENT	614,943

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 ►30

Part VIII

Statement of Revenue

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	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	76,942			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	11,000			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		87,942			
Program Service Revenue	2a	NET PATIENT SERVICE REVENUE	Business Code 621400	36,170,613	36,170,613		
	b	CAFETERIA	900099	267,891	267,891		
	c	WELLNESS/LIFELINE/CARELINE	900099	173,501	173,501		
	d	CONSULTATION SERVICES	541900	85,121	85,121		
	e	TELEPHARMACIST	541900	64,692	64,692		
	f	All other program service revenue		255,373	255,373		
	g	Total. Add lines 2a-2f		37,017,191			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		246,386		246,386
4		Income from investment of tax-exempt bond proceeds . . .					
5		Royalties					
6a		Gross rents	(i) Real	(ii) Personal			
		b	Less rental expenses				
		c	Rental income or (loss)				
		d	Net rental income or (loss)				
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		b	Less cost or other basis and sales expenses				
		c	Gain or (loss)				
		d	Net gain or (loss)		107,073		107,073
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		BCBC INCENTIVE REVENE	541900	250,000	250,000		
b	LOSS ON IMPAIRMENT	900099	-401,984			-401,984	
c							
d	All other revenue		18,141	18,141			
e	Total. Add lines 11a-11d		-133,843				
12	Total revenue. See Instructions		37,324,749	37,017,441	267,891	-48,525	

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.	308,295		308,295	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	14,935,565	12,901,766	2,033,799	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	791,982	678,597	113,385	
9	Other employee benefits.	1,575,502	1,343,819	231,683	
10	Payroll taxes.	1,017,823	862,522	155,301	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	72,295		72,295	
c	Accounting.	70,433		70,433	
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).	3,557,820	3,056,807	501,013	
12	Advertising and promotion.	112,983	6	112,977	
13	Office expenses.	4,860,402	4,052,105	808,297	
14	Information technology.	81,913	52,732	29,181	
15	Royalties.				
16	Occupancy.	783,123	781,121	2,002	
17	Travel.	187,433	116,200	71,233	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	112,949	42,713	70,236	
20	Interest.	2,207,935	2,207,935		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	3,931,815	3,931,815		
23	Insurance.	133,764	59,836	73,928	
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	DRUGS	1,550,317	1,550,317		
b	BAD DEBT EXPENSE	1,303,811	1,303,811		
c	FOOD	235,735	235,735		
d	BLOOD	121,421	121,421		
e	All other expenses	230,755	178,941	51,814	
25	Total functional expenses. Add lines 1 through 24e.	38,184,071	33,478,199	4,705,872	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 <input type="checkbox"/> 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)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		249,899	1	184,793
	2	Savings and temporary cash investments		3,024,264	2	3,326,853
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		6,013,077	4	4,907,812
	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		552,836	8	565,772
	9	Prepaid expenses and deferred charges		103,054	9	123,579
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a59,932,242			
	b	Less accumulated depreciation	10b10,422,260	51,905,753	10c	49,509,982
	11	Investments—publicly traded securities		7,420,386	11	7,855,695
	12	Investments—other securities See Part IV, line 11		624,184	12	632,681
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		3,034,721	15	3,845,785
	16	Total assets. Add lines 1 through 15 (must equal line 34)		72,928,174	16	70,952,952
Liabilities	17	Accounts payable and accrued expenses		3,607,478	17	3,045,667
	18	Grants payable			18	
	19	Deferred revenue		637,395	19	630,941
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	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		45,632,268	23	45,255,232
	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		943,616	25	636,037
	26	Total liabilities. Add lines 17 through 25		50,820,757	26	49,567,877
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		22,107,417	27	21,385,075
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		22,107,417	33	21,385,075
	34	Total liabilities and net assets/fund balances		72,928,174	34	70,952,952

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	37,324,749
2	Total expenses (must equal Part IX, column (A), line 25)	2	38,184,071
3	Revenue less expenses Subtract line 2 from line 1	3	-859,322
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	22,107,417
5	Net unrealized gains (losses) on investments	5	136,980
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	21,385,075

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization LUTHERAN CHARITY ASSOCIATION	Employer identification number 45-0231181
--	--

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 33¹/₃% 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 33¹/₃% 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?

(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?

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)
- | | Yes | No |
|----------|-----|----|
| 11g(i) | | |
| 11g(ii) | | |
| 11g(iii) | | |
- | (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions)) | (iv) Is the organization in col (i) listed in your governing document? | | (v) Did you notify the organization in col (i) of your support? | | (vi) Is the organization in col (i) organized in the U S ? | | (vii) Amount of monetary support |
|------------------------------------|----------|--|--|----|---|----|--|----|----------------------------------|
| | | | Yes | No | Yes | No | Yes | No | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total | | | | | | | | | |
- For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990EZ.

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2012

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 IIISupport 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

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 LUTHERAN CHARITY ASSOCIATION	Employer identification number 45-0231181
--	--

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If “Yes,” describe in Part IV	

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

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

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

Part II-A

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 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)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		5,198
j	Total. Add lines 1c through 1i.			5,198
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 PAYS DUES TO VARIOUS PROFESSIONAL ORGANIZATIONS. A PORTION OF THOSE DUES ARE USED TOWARDS LOBBYING EXPENSES. THESE EXPENSES TOWARDS LOBBYING GO TOWARDS ADVOCATION FOR THE ORGANIZATIONS PURPOSE AND MISSION.

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
LUTHERAN CHARITY ASSOCIATION

Employer identification number
45-0231181

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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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

► \$ _____

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 52283D

Schedule D (Form 990) 2012

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
1c	
1d	
1e	
1f	
- 2a

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

☐ Yes

☐ No
- b

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

☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a	Beginning of year balance				
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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

4

Describe in Part 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 | | 613,199 | | 613,199 |
| b Buildings | | 45,650,568 | 4,382,541 | 41,268,027 |
| c Leasehold improvements | | 407,335 | 15,502 | 391,833 |
| d Equipment | | 13,103,155 | 6,024,217 | 7,078,938 |
| e Other | | 157,985 | | 157,985 |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 49,509,982 |
- Schedule D (Form 990) 2012

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	36,157,918
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	136,980		
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	136,980
3	Subtract line 2e from line 1			3	36,020,938
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	1,303,811		
c	Add lines 4a and 4b		4c		
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)			5	37,324,749
Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return					
1	Total expenses and losses per audited financial statements			1	36,880,260
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			
e	Add lines 2a through 2d			2e	0
3	Subtract line 2e from line 1			3	36,880,260
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	1,303,811		
c	Add lines 4a and 4b		4c		
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)			5	38,184,071

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
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 ON EXAMINATION BY THE TAXING AUTHORITIES, BASED ON 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 RETURNS FOR TAX YEARS 2009 AND BEYOND REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE.
PART XI, LINE 4B - OTHER ADJUSTMENTS		BAD DEBT EXPENSES 1,303,811
PART XII, LINE 4B - OTHER ADJUSTMENTS		BAD DEBT EXPENSES 1,303,811

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
LUTHERAN CHARITY ASSOCIATION

Employer identification number
45-0231181

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 <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> 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 <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ % b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> 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"?	3a	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	3b	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	4	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5a	Yes	
6a	Did the organization prepare a community benefit report during the tax year?	5b	Yes	
b	If "Yes," did the organization make it available to the public?	5c		No
	Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.	6a		No
		6b		

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)			434,662		434,662	1 180 %
b Medicaid (from Worksheet 3, column a)			2,831,655	1,942,429	889,226	2 410 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			3,266,317	1,942,429	1,323,888	3 590 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			7,258	8,790	-1,532	0 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total Other Benefits			7,258	8,790	-1,532	
k Total. Add lines 7d and 7j			3,273,575	1,951,219	1,322,356	3 590 %

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

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

908,738

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

850,460

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

12,961,129

6

Enter Medicare allowable costs of care relating to payments on line 5.

6

13,275,810

7

Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-314,681

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	JAMESTOWN REGIONAL MEDICAL CENTER 2422 20TH ST SW JAMESTOWN,ND 58401	X	X			X		X			

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

JAMESTOWN REGIONAL MEDICAL CENTER

Name of hospital facility or facility reporting group

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

1

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 If "Yes," indicate what the CHNA report describes (check all that apply)	1	Yes
a	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b	<input checked="" type="checkbox"/> Demographics of the community		
c	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input checked="" type="checkbox"/> How data was obtained		
e	<input checked="" type="checkbox"/> The health needs of the community		
f	<input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u>		
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	Yes
5	Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5	Yes
a	<input checked="" type="checkbox"/> Hospital facility's website		
b	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
c	<input checked="" type="checkbox"/> 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	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input checked="" type="checkbox"/> Execution of the implementation strategy		
c	<input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d	<input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
h	<input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted 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 <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>100 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes
a <input checked="" type="checkbox"/> Income level			
b <input checked="" type="checkbox"/> Asset level			
c <input checked="" type="checkbox"/> Medical indigency			
d <input checked="" type="checkbox"/> Insurance status			
e <input type="checkbox"/> Uninsured discount			
f <input type="checkbox"/> Medicaid/Medicare			
g <input checked="" type="checkbox"/> State regulation			
h <input type="checkbox"/> 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? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website			
b <input checked="" type="checkbox"/> The policy was attached to billing invoices			
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
f <input checked="" type="checkbox"/> The policy was available upon request			
g <input type="checkbox"/> Other (describe in Part VI)			
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 <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?		17	No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a <input type="checkbox"/> Reporting to credit agency			
b <input type="checkbox"/> Lawsuits			
c <input type="checkbox"/> Liens on residences			
d <input type="checkbox"/> Body attachments			
e <input type="checkbox"/> Other similar actions (describe in Part VI)			

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

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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> 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? If "Yes," explain in Part VI		No
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? If "Yes," explain in Part VI		No

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 COSTING METHODOLOGY IS THE COST TO CHARGES RATIO
		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 \$ 1303811

Identifier	ReturnReference	Explanation
		PART II JAMESTOWN REGIONAL MEDICAL CENTER PROVIDES SEVERAL LOW COST EDUCATIONAL TRAINING SESSIONS AT THE HOSPITAL AND AT DIFFERENT LOCATIONS IN THE COMMUNITY FOR EXAMPLE, JAMESTOWN REGIONAL MEDICAL CENTER PROVIDES BREAST FEEDING, CAR SEAT TRAINING, PRENATAL TRAINING, AND HAPPIEST BABY ON THE BLOCK CLASSES NEW YEAR NEW YOU FITNESS CHALLENGE WAS INTRODUCED IN 2008 TO ENCOURAGE AREA RESIDENTS TO MAKE POSITIVE LIFESTYLE CHANGES AND REDUCE THE RISK OF HEART DISEASE, DIABETES, OBESITY AND TOBACCO USE
		PART III, LINE 4 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 BAD DEBTS 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 BAD DEBTS FOR EXPECTED UNCOLLECTIBLE AMOUNTS FOR WHICH THE THIRD-PARTY PAYER HAS NOT YET PAID, OR FOR PAYERS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE ORGANIZATION RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES (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 THERE WERE 368 GUARANTORS GIVEN CHARITY CARE IN FY 2013 THERE WAS A TOTAL OF \$623,757 GIVEN AS CHARITY CARE IN FY 2013 THE AVERAGE CLAIM PER GUARANTOR WAS \$1,694 AND THERE WERE AN ADDITIONAL 717 GUARANTORS WHO TOOK APPLICATIONS AND DID NOT RETURN THEM

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE COSTING METHODOLOGY USED IS COST TO CHARGE RATIO AS REQUIRED BY MEDICARE SHORTFALL IS NOT INDICATIVE OF ANY CHANGE IN COMMUNITY BENEFIT AS THE COSTING METHODOLOGY AND DETERMINATION OF ALLOWABLE COSTS HAVE NOT CHANGED FROM PRIOR YEAR
		PART III, LINE 9B NO COLLECTIONS EFFORT WILL BE MADE BY JAMESTOWN REGIONAL MEDICAL CENTER OR ITS COLLECTION AGENCIES ON THE PERCENTAGE OF COMMUNITY CARE APPROVED HOWEVER, PATIENTS MUST HAVE COMPLETED THE COMMUNITY CARE APPLICATION PROCESS, ESTABLISH THEIR ELIGIBILITY, AND HAVE BEEN APPROVED IF SUCH A PATIENT IS MISTAKENLY BILLED, HOSPITAL STAFF WILL APOLOGIZE FOR THE ERROR AND CORRECT THE MISTAKE

Identifier	ReturnReference	Explanation
JAMESTOWN REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 3 CONDUCTED A PAPER SURVEY IN LOGAN COUNTY CONDUCTED AN IN-PERSON SURVEY, WEB SURVEY, TELEPHONE SURVEY, AND KEY INFORMANT SURVEYS IN STUTSMAN COUNTY
JAMESTOWN REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 4 CENTRAL VALLEY HEALTH DISTRICTSANFORD HEALTH ESSENTIA HEALTHND STATE HOSPITAL

Identifier	ReturnReference	Explanation
JAMESTOWN REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 5C HOSPITAL'S WEBSITE LINK WWW.JRMCND.COM/ABOUT/COMMUNITY-HEALTH/OTHER WEBSITE LINK CENTRALVALLEYHEALTH.ORG/HIP.HTML
JAMESTOWN REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 7 THE TOP FOUR ISSUES WERE CHOSEN BASED ON WHICH WERE EASIEST TO IDENTIFY AND HAD THE MOST REALISTIC LEVEL OF ACHIEVING

Identifier	ReturnReference	Explanation
JAMESTOWN REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 20D THE ORGANIZATION USES A SLIDING SCALE BASED ON RESPONSES TO THE FAP-ELIGIBLE APPLICATION UPON KNOWING THE PATIENT IS ELIGIBLE THE SLIDING SCALE, BASED ON THE FEDERAL POVERTY GUIDELINES EXPLAINED IN PART I OF SCHEDULE H, IS UTILIZED TO PROVIDE THE MAXIMUM RATE BILLED
		PART VI, LINE 2 JAMESTOWN REGIONAL MEDICAL CENTER HAS PARTNERED WITH CENTRAL VALLEY HEALTH AND OTHER LOCAL AGENCIES AND DEVELOPED A COMMUNITY HEALTH ASSESSMENT FOR THE 5 COUNTIES, STUTSMAN, BARNES, LOGAN, WELLS AND LAMOURE, SERVED BY CENTRAL VALLEY HEALTH AND JAMESTOWN REGIONAL MEDICAL CENTER THIS ROLE WAS A PART OF THE HOSPITAL'S 5 YEAR STRATEGIC PLAN

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 ALL PATIENTS RECEIVE A "PAYMENT GUIDELINES" BROCHURE AT TIME OF REGISTRATION, WHICH NOTIFIES THE PATIENTS ON HOW TO APPLY FOR CHARITY CARE AS WELL AS EXPLAINS THE CLAIM FILING PROCESS, RESPONSIBLE PARTY, CO-PAYS AND PAYMENTS ALL PRIVATE PAY PATIENTS RECEIVE A LETTER WHICH LISTS CHARITY CARE AS A PAYMENT ALTERNATIVE TO THOSE WHO QUALIFY OUR WEBSITE CONTAINS A CHARITY LINK WHICH EXPLAINS THE PROGRAM AND ALLOWS FORMS TO BE DOWNLOADED AND PRINTED
		PART VI, LINE 4 JAMESTOWN REGIONAL MEDICAL CENTER SERVES A NINE COUNTY AREA OF SOUTH CENTRAL NORTH DAKOTA THE PRIMARY INDUSTRY IS AGRICULTURE THE POPULATION IS 52,155 WITH 21% OVER THE AGE OF 65 THE AVERAGE AGE IS 42 MALE AND FEMALE POPULATION IS SPLIT EVENLY AVERAGE INCOME BY HOUSEHOLD IS \$53,650 THERE ARE TWO COLLEGES WITHIN JAMESTOWN REGIONAL MEDICAL CENTER TRADE AREA JAMESTOWN REGIONAL MEDICAL CENTER IS THE ONLY BIRTHING CENTER WITHIN IN A 90 MILE RADIUS

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 A MAJORITY OF THE GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN THE ORGANIZATION'S PRIMARY SERVICE AREA WHO ARE NEITHER EMPLOYEES NOR CONTRACTORS OF JAMESTOWN REGIONAL MEDICAL CENTER, NOR FAMILY MEMBERS THEREOF JAMESTOWN REGIONAL MEDICAL CENTER EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY FOR SOME OF ITS DEPARTMENTS JAMESTOWN REGIONAL MEDICAL CENTER HAS COMPLETED CONSTRUCTION ON A REPLACEMENT HOSPITAL WHICH WILL HAVE MANY UPGRADES IN TECHNOLOGY, MOST OF WHICH ARE RELATED TO IMPROVING PATIENT CARE
		PART VI, LINE 6 N/A

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
LUTHERAN CHARITY ASSOCIATION

Employer identification number
45-0231181

Part I

Questions Regarding Compensation

	Yes	No
<div>1a</div> <div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items</div> <div><div><input type="checkbox"/> First-class or charter travel</div><div><input checked="" type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
<div>b</div> <div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain</div>	1b	No
<div>2</div> <div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?</div>	2	Yes
<div>3</div> <div>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</div> <div><div><input type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
<div>4</div> <div>During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization</div>		
<div>a</div> <div>Receive a severance payment or change-of-control payment?</div>	4a	Yes
<div>b</div> <div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div>	4b	No
<div>c</div> <div>Participate in, or receive payment from, an equity-based compensation arrangement?</div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>	4c	No
<div></div> <div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div>		
<div>5</div> <div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of</div>		
<div>a</div> <div>The organization?</div>	5a	No
<div>b</div> <div>Any related organization?</div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>	5b	No
<div>6</div> <div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of</div>		
<div>a</div> <div>The organization?</div>	6a	No
<div>b</div> <div>Any related organization?</div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>	6b	No
<div>7</div> <div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III</div>	7	Yes
<div>8</div> <div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III</div>	8	No
<div>9</div> <div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div>	9	

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use 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)TODD HUDSPETH CEO	(i)	226,454	0	0	1,297	13,805	241,556	0
	(ii)	0	0	0	0	0	0	0
(2)DR MICHAEL DEAN ORTHOPEDIC SURGEON	(i)	593,857	0	0	0	18,604	612,461	0
	(ii)	0	0	0	0	0	0	0
(3)DR PHILIP JYSTAD ER PHYSICIAN	(i)	306,382	0	0	27,666	19,586	353,634	0
	(ii)	0	0	0	0	0	0	0
(4)DR SCOTT GOECKE PHYSICIAN	(i)	273,656	0	0	26,132	2,366	302,154	0
	(ii)	0	0	0	0	0	0	0
(5)DR MANUEL HARRIS PODIATRIST	(i)	224,374	0	0	25,790	18,926	269,090	0
	(ii)	0	0	0	0	0	0	0
(6)ALAN O'NEIL CFO (THRU MAY 2012)	(i)	127,782	0	0	888	3,840	132,510	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	NEGOTIATED A HOUSING ALLOWANCE WITH AN EMPLOYEMENT AGREEMENT
	PART I, LINE 7	THERE IS AN INCENTIVE PLAN SPECIFICALLY FOR THE CEO. THIS PLAN IS DESIGNED TO ENCOURAGE, RECOGNIZE AND REWARD SUPERIOR JOB AND ORGANIZATIONAL PERFORMANCE. INCENTIVE AWARDS THAT MAY BE PAID UNDER THE TERMS OF THIS PLAN ARE DETERMINED BY OVERALL ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE FOR THE ANNUAL OPERATING PERIOD. THE CHAIR OF THE BOARD OF DIRECTORS HAS THE RESPONSIBILITY TO IMPLEMENT THIS PLAN. THE INCENTIVES FOR THE CEO ARE EXPRESSED AS A PERCENTAGE OF THE PARTICIPANT'S BASE SALARY AT THE END OF THE INCENTIVE PLAN YEAR. THE MAXIMUM AWARD IS APPROVED BY THE BOARD FOR EACH PLAN YEAR. THERE IS A DETAILED CRITERION FOR THE RESULTS OF WHAT THE ORGANIZATION CONSIDERS A SUPERIOR JOB. THE CRITERIA USES GOAL DRIVEN MEASURES THAT INTEND TO INCENTIVIZE IMPORTANT LONG TERM STRATEGIC OBJECTIVES OVER SHORT TERM EFFORTS ONLY. THE CEO'S PERFORMANCE IS MEASURED BASED ON THE FOLLOWING AREAS OF FOCUS -SERVICE -QUALITY -FINANCIAL -PEOPLE -GROWTH - PERSONAL GROWTH. THERE IS A RANKING SYSTEM FOR SETS OF CRITERION, AND THE BOARD OF DIRECTORS IS TO UTILIZE THIS SYSTEM IN DETERMINING THE LEVEL OF INCENTIVE THE CEO WILL RECEIVE. FOR FY 2013, THE INCENTIVE PLAN FOR THE CEO WAS MAXED OUT AT 15% OF HIS BASE SALARY.

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
LUTHERAN CHARITY ASSOCIATION**Employer identification number**

45-0231181

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE PREPARER OF THE FORM 990 EMAILS A COPY OF THE FINAL 990 TO THE ORGANIZATION'S CHIEF FINANCIAL OFFICER. THE CHIEF FINANCIAL OFFICER PERFORMS A DETAIL REVIEW OF FORM 990. THE CHIEF FINANCIAL OFFICER PROVIDES EACH VOTING BOARD MEMBER WITH A COPY OF FORM 990 PRIOR TO SUBMITTING TO THE INTERNAL REVENUE SERVICE.
	FORM 990, PART VI, SECTION B, LINE 12C	DIRECTORS ARE ASKED AT EVERY BOARD MEETING WHETHER OR NOT ANYONE HAS A DUALITY OF INTEREST OR CONFLICT OF INTEREST. DIRECTORS HAVING A DUALITY OF INTEREST OR A POSSIBLE CONFLICT OF INTEREST ON ANY MATTER WHICH COMES BEFORE THE BOARD SHALL NOT VOTE ON THE MATTER OR USE THEIR PERSONAL INFLUENCE ON THE MATTER. THE MINUTES OF THE MEETING SHALL REFLECT THAT A DISCLOSURE OF DUALITY OR CONFLICT OF INTEREST WAS MADE, AND THE DIRECTOR MAKING SUCH A DISCLOSURE SHALL NOT BE COUNTED IN DECLARING A QUORUM FOR THE DETERMINATION OF THE MATTER. THIS PROVISION SHALL NOT BE CONSTRUED AS PREVENTING THE DIRECTOR FROM BRIEFLY STATING A POSITION ON THE MATTER NOR FROM ANSWERING PERTINENT QUESTIONS.
	FORM 990, PART VI, SECTION B, LINE 15	FOR THE CEO, THE BOARD CHAIRMAN CONVERSES WITH AN HR CONSULTANT ON MARKET WAGES AND EVALUATION PROCESS. EVALUATION FORMS ARE TYPICALLY COMPLETED BY BOARD MEMBERS AND THE BOARD CHAIRMAN CONDUCTS THE ACTUAL EVALUATION. COMPARABILITY DATA WAS USED BY THOSE WITHOUT CONFLICT AND THE DECISIONS WERE DOCUMENTED.
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION DOES NOT MAKE ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC. PRIOR YEAR 990S CAN BE OBTAINED BY REQUEST OR THROUGH GUIDESTAR.
OTHER FEES	FORM 990, PART IX, LINE 11G	OTHER PROFESSIONAL FEES: PROGRAM SERVICE EXPENSES 3,056,807; MANAGEMENT AND GENERAL EXPENSES 501,013; FUNDRAISING EXPENSES 0; TOTAL EXPENSES 3,557,820.
	FORM 990, PART XII, LINE 2C	THE CHIEF FINANCIAL OFFICER ASSUMES OVERSIGHT OF THE AUDIT OF THE ORGANIZATION'S FINANCIAL STATEMENTS. THE BOARD OF DIRECTORS WITH THE CHIEF FINANCIAL OFFICER ASSUME RESPONSIBILITY FOR SELECTION OF AN INDEPENDENT ACCOUNTANT. THE PROCESS HAS NOT CHANGED FROM PRIOR YEAR.

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
LUTHERAN CHARITY ASSOCIATION

Employer identification number
45-0231181

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	No
(1) JAMESTOWN REGIONAL MEDICAL CENTER FOUNDATION INC 2422 20TH ST SW JAMESTOWN, ND 58401 36-3348763	FUNDRAISING	ND	501(C)(3)	LINE 11A, I	LUTHERAN CHARITY ASSOCIATION	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) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" 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.)

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

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

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

r Other transfer of cash or property to related organization(s)

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

Yes

No

1a

No

1b

No

1c

Yes

1d

Yes

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

No

1m

No

1n

Yes

1o

Yes

1p

No

1q

Yes

1r

No

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) JAMESTOWN HOSPITAL FOUNDATION INC	C	76,942	COST-AFFILIATED ORGANIZATION
(2) JAMESTOWN HOSPITAL FOUNDATION INC	Q	248,133	COST-AFFILIATED ORGANIZATION

Schedule R (Form 990) 2012

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

[illegible]

Software ID:
Software Version:
EIN: 45-0231181
Name: LUTHERAN CHARITY ASSOCIATION

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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Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Jamestown, North Dakota

**Consolidated Financial Statements and Supplementary
Information**

Years Ended June 30, 2013 and 2012

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2013 and 2012

Table of Contents

Independent Auditor's Report.....	1
-----------------------------------	---

Consolidated Financial Statements

Consolidated Balance Sheets	3
Consolidated Statements of Operations	5
Consolidated Statements of Changes in Net Assets	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	9

Independent Auditor's Report on Supplementary Information	44
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Supplementary Information

Consolidating Balance Sheets	45
Consolidating Statements of Operations	49
Consolidating Statements of Changes in Net Assets	51
Detail Schedules of Gross Patient Service Revenue	53
Detail Schedules of Net Patient Service Revenue	55
Detail Schedules of Other Revenue	56

Independent Auditor's Report

Board of Directors

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center

Jamestown, North Dakota

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate, which comprise the consolidated balance sheets as of June 30, 2013 and 2012, and the related consolidated statements of operations, changes in net assets, 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 financial position of Lutheran Charity Association, d/b/a Jamestown Regional Medical Center as of June 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Wipfli LLP

Wipfli LLP

October 3, 2013

Minneapolis, Minnesota

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Consolidated Balance Sheets

June 30, 2013 and 2012

<i>Assets</i>	2013	2012
Current assets:		
Cash	\$ 3,917,770	\$ 3,538,220
Assets limited as to use - Current portion	290,107	290,029
Patient accounts receivable - Net	4,661,966	5,049,958
Due from third-party reimbursement programs	125,011	675,000
Other accounts receivable	82,159	221,083
Pledges receivable - Current portion	66,752	73,268
Supplies inventory	565,772	552,836
Prepaid expenses and other	123,579	103,054
Total current assets	9,833,116	10,503,448
Investments	11,036,201	10,358,334
Assets limited as to use - Less current portion	2,263,835	1,411,279
Property and equipment - Net	49,509,982	51,905,753
Other assets:		
Property held for investment, at cost	110,314	110,314
Beneficial interest in perpetual trust	78,952	74,598
Pledges receivable - Less current portion	132,986	310,707
Cash surrender value of life insurance	6,631	6,649
Unamortized debt issue costs	1,291,843	1,333,414
Total other assets	1,620,726	1,835,682
TOTAL ASSETS	\$ 74,263,860	\$ 76,014,496

<i>Liabilities and Net Assets</i>	2013	2012
Current liabilities:		
Current maturities of long-term debt	\$ 611,494	\$ 295,966
Current portion of obligations under capital leases	211,659	299,397
Accounts payable - Trade	625,774	558,165
Accounts payable - Construction	-	284,250
Accrued liabilities:		
Salaries and other	1,796,715	1,698,266
Health insurance	115,600	115,600
Interest	303,578	543,197
Pension	204,000	408,000
Other current liabilities	22,136	19,323
Total current liabilities	3,890,956	4,222,164
Long-term liabilities:		
Annuities payable	76,317	88,502
Long-term debt - Less current maturities	44,643,738	45,336,302
Obligations under capital leases - Less current portion	424,378	644,219
Deferred rent	630,941	637,395
Total long-term liabilities	45,775,374	46,706,418
Total liabilities	49,666,330	50,928,582
Net assets:		
Unrestricted	21,727,118	22,529,926
Temporarily restricted	1,985,549	1,680,385
Permanently restricted	884,863	875,603
Total net assets	24,597,530	25,085,914
TOTAL LIABILITIES AND NET ASSETS	\$ 74,263,860	\$ 76,014,496

See accompanying notes to consolidated financial statements.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Consolidated Statements of Operations

Years Ended June 30, 2013 and 2012

	2013	2012
Revenue:		
Patient service revenue (net of contractual adjustments and discounts)	\$ 36,170,613	\$ 33,081,605
Provision for bad debts	(1,303,811)	(939,722)
Net patient service revenue - less provision for bad debts	34,866,802	32,141,883
Other revenue	1,125,742	812,639
Net assets released from restrictions for operating purposes	-	24,467
Total revenue	35,992,544	32,978,989
Expenses:		
Salaries and wages	15,319,425	14,600,353
Employee benefits	3,411,385	3,326,034
Supplies and other	12,224,233	11,585,457
Provision for uncollectible pledges	-	20,000
Depreciation and amortization	3,931,815	3,744,924
Interest expense	2,207,935	1,947,652
Total expenses	37,094,793	35,224,420
Loss from operations	(1,102,249)	(2,245,431)
Other income (loss):		
Investment income	440,864	372,396
Contributions	20,326	24,086
Gain (loss) on disposal of property and equipment	4,120	(3,689,537)
Loss on impairment	(401,984)	-
Total other income (loss)	63,326	(3,293,055)
Expenses in excess of revenue	(1,038,923)	(5,538,486)
Other changes in unrestricted net assets:		
Change in net unrealized gains and losses on investments other than trading securities	167,673	(37,834)
Net assets released from restrictions used for property and equipment	68,442	1,212,687
Decrease in unrestricted net assets	\$ (802,808)	\$ (4,363,633)

See accompanying notes to consolidated financial statements.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Consolidated Statements of Changes in Net Assets

Years Ended June 30, 2013 and 2012

	2013	2012
Unrestricted net assets:		
Expenses in excess of revenue	\$ (1,038,923)	\$ (5,538,486)
Change in net unrealized gains and losses on investments other than trading securities	167,673	(37,834)
Net assets released from restrictions used for property and equipment	68,442	1,212,687
Decrease in unrestricted net assets	(802,808)	(4,363,633)
Temporarily restricted net assets:		
Contributions for specific purposes	373,606	562,240
Net assets released from restrictions	(68,442)	(1,237,154)
Increase (decrease) in temporarily restricted net assets	305,164	(674,914)
Permanently restricted net assets:		
Contributions for endowment fund	9,260	6,915
Change in net assets	(488,384)	(5,031,632)
Net assets at beginning	25,085,914	30,117,546
Net assets at end	\$ 24,597,530	\$ 25,085,914

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Consolidated Statements of Cash Flows

Years Ended June 30, 2013 and 2012

	2013	2012
Increase (decrease) in cash		
Cash flows from operating activities:		
Change in net assets	\$ (488,384)	\$ (5,031,632)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,931,815	3,744,924
Provision for bad debts	1,303,811	939,722
Provision for uncollectible pledges	-	20,000
(Gain) loss on disposal of property and equipment	(4,120)	3,689,537
Loss on impairment	401,984	-
Change in net unrealized gains and losses on investments other than trading securities	(167,673)	37,834
Net realized gains on investments	(131,149)	(30,412)
Contributions restricted by donors	(382,866)	(569,155)
Changes in operating assets and liabilities:		
Patient accounts receivable	(915,819)	(2,394,473)
Other accounts receivable	138,924	(37,623)
Supplies inventory	(12,936)	(103,359)
Prepaid expenses and other	(20,525)	39,217
Pledges receivable	184,237	253,104
Accounts payable - Trade	67,609	(153,854)
Due to (from) third-party reimbursement programs	549,989	(830,000)
Accrued liabilities	(345,170)	221,482
Other current liabilities	2,813	2,983
Deferred rent	(6,454)	637,395
Total adjustments	4,594,470	5,467,322
Net cash provided by operating activities	4,106,086	435,690

Lutheran Charity Association, d/b/a Jamestown Regional 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	\$ (2,181,937)	\$ (12,010,751)
Proceeds from sales of property and equipment	5,350	49,027
(Increase) decrease in assets limited as to use	(852,634)	2,150,044
(Increase) decrease in investments	(379,045)	934,351
Increase (decrease) in annuities payable	(12,185)	11,971
(Increase) decrease in cash surrender value of life insurance	18	(115)
Net cash used in investing activities	(3,420,433)	(8,865,473)
Cash flows from financing activities:		
Contributions restricted by donors	382,866	569,155
Increase in beneficial interest in perpetual trust	(4,354)	(1,609)
Proceeds from issuance of long-term debt	-	9,895,917
Payments of debt issue costs	-	(621,522)
Principal payments on long-term debt and obligations under capital leases	(684,615)	(1,412,578)
Net cash provided by (used in) financing activities	(306,103)	8,429,363
Net increase (decrease) in cash and cash equivalents	379,550	(420)
Cash and cash equivalents at beginning	3,538,220	3,538,640
Cash and cash equivalents at end	\$ 3,917,770	\$ 3,538,220

Supplemental cash flow information:

Cash paid during the year for interest, including net capitalized interest of \$158,986 in 2012.	\$ 2,447,554	\$ 2,083,880
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Noncash investing and financing activities:

Property and equipment in accounts payable	\$ -	\$ 284,250
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Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies

The Entity

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center, Inc. (the "Medical Center") is organized as a North Dakota nonprofit corporation and operates a 25-bed critical access hospital in Jamestown, North Dakota.

The Medical Center is the sole beneficiary of fund-raising activities sponsored by Jamestown Regional Medical Center Foundation, Inc. ("Foundation"), a North Dakota nonprofit corporation. The Medical Center's Board of Directors nominates the Foundation's Board members.

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 Consolidated 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.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

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 held as assets limited as to use and investments. The Organization had no cash equivalents at June 30, 2013 and 2012.

Patient Accounts Receivable and Credit Policy

Patient accounts receivable are uncollateralized patient 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 patient's 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 are billed for copay and deductible amounts that are the patient's responsibility. Payments on accounts receivable are applied to the specific claim identified on the remittance advice or statement.

The Organization does not have a policy to charge interest on past due accounts.

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

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

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 bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible 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 bad debts for expected uncollectible amounts 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 provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (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.

Supplies Inventory

Supplies inventory is valued at the lower of cost, determined using the first-in, first-out method, or market.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying consolidated balance sheets. Certificates of deposit are carried at cost plus accrued interest.

Investment income or loss (including realized gains and losses on investments, interest, and dividends) on funds held by a trustee for principal and interest payments is reported as other revenue. All other investment income (including realized gains and losses, interest, and dividends) is reported as investment income and is included in expenses in excess of revenue unless the income is restricted by donor or law. Unrealized gains and losses on investments are excluded from expenses in excess of revenue unless the investments are trading securities. Realized gains or 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 self-funded health insurance benefits, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and assets held by a trustee under the bond indenture agreement. Amounts required to meet current liabilities of the Organization have been classified as current assets.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

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 which 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 fair value hierarchy 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 maximize the use of observable inputs and minimize the use of unobservable inputs.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

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 2 to 20 years for equipment and from 3 to 40 years for land improvements, buildings, and fixed equipment.

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support and are excluded from 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 in temporarily restricted net assets. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported as net assets released from restrictions 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. If an impairment exists, an impairment loss is recognized. In 2013, the Organization recognized impairment losses on improvements made to a modular office building that totaled \$401,984.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

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 its 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 Issue Costs

Costs related to the issuance of long-term debt are amortized over the life of the related debt using the bonds outstanding method. Amortization of debt issue costs is included in depreciation and amortization in the accompanying consolidated statements of operations.

Pledges Receivable

Unconditional promises to give with payments due in future periods (i.e., pledges receivable) are reported at the net present value of expected future receipts, less an allowance for estimated uncollectible amounts. Pledges are treated as temporarily restricted net assets until collected (inherent time restriction), unless the donor intended the pledge to be used to support activities of the current period. Pledges intended to support current activities are recorded as unrestricted support in the period the promise is received. Pledges intended to support the endowment fund are included in permanently restricted net assets.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Cash Surrender Value of Life Insurance

The Organization is the owner and sole beneficiary of individual life insurance policies. Increases in the cash surrender value and dividends received from these life insurance policies are recorded as other income in the accompanying consolidated statements of operations.

Charitable Gift Annuities

Charitable gift annuities are recorded at fair value at the date received. The Organization records a liability for the present value of the payments due under terms of the annuity contract.

A contribution is recorded for the difference between the fair value of the gift and the liability recorded. Investment income and gains and losses are charged to the appropriate investment account, and annuity payments are charged to the liability account. Periodically, an adjustment is made to the liability to record gain or loss due to recomputation of the liability based on revised life expectancy. Upon death of the donor annuitant, the Organization recognizes the existing liability as a change in the value of the annuity, and the related asset is available for use by the Organization.

Self-Funded Health Insurance

The Organization self-funds health benefits for eligible employees and their dependents. Health insurance expense is recorded on an accrual basis. An accrued liability is recorded at year-end, which estimates the incurred but not yet reported claims. The Organization has stop loss insurance to cover catastrophic claims.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Deferred Rent

Deferred rent consists of a single prepayment received for all base rent due under terms of a ground lease agreement with the developer of a medical office building constructed on land adjacent to the Organization's hospital building. The Organization has the option to purchase the medical office building at intervals specified in the ground lease agreement. If the Organization chooses to exercise the option to purchase the medical office building, any prepayments would be refundable to the developer. The prepaid rents are being amortized into rental revenue on a straight-line basis over the 99-year term of the ground lease agreement.

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 that 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.

Expenses in Excess of Revenue

The accompanying consolidated statements of operations include the classification "expenses in excess of revenue," which is considered the operating indicator. Changes in unrestricted net assets that are excluded from the operating indicator include changes in net unrealized gains and losses on investments other than trading securities; permanent transfer of assets to and from affiliates for other than goods and services; 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.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

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 who do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a significant provision for bad debts related to uninsured patients in the period the 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 forgone 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.

The estimated cost of providing charity to patients under the Organization's charity care policy is calculated by multiplying the Organization's ratio of cost to gross charges by the gross uncompensated charges associated with providing charity care.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

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 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.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Income Taxes

The Medical Center and Foundation are tax-exempt corporations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Code.

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 on examination by the taxing authorities, based on 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 returns for tax years 2009 and beyond remain subject to examination by the Internal Revenue Service.

Subsequent Events

Subsequent events have been evaluated through October 3, 2013, which is the date the consolidated financial statements were available to be issued.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

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:

Medicare - 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 services are paid based on a cost-reimbursement methodology. Inpatient services are reimbursed during the year using Medicare interim per diem rates, decreased by one percent. Outpatient services are reimbursed during the year at Medicare outpatient interim payment rates.

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

Accounting for Contractual Arrangements

The Organization is reimbursed for cost-reimbursable items at interim rates, with final settlements determined after audit of the 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 audited by the Medicare fiscal intermediary through June 30, 2011.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

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

Laws and Regulations

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 might 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 the RAC of any potentially significant reimbursement adjustments.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 3 Patient Accounts Receivable

Patient accounts receivable consisted of the following at June 30:

	2013	2012
Patient accounts receivable	\$ 7,484,966	\$ 7,791,044
Less:		
Contractual adjustments	1,841,000	1,679,976
Allowance for doubtful accounts	982,000	1,061,110
Patient accounts receivable - Net	\$ 4,661,966	\$ 5,049,958

The Organization's allowance for doubtful accounts for self-pay patients was 49% of self-pay accounts receivable at June 30, 2013 and 2012. Bad debt write-offs were approximately \$1,743,000 and \$1,356,000 for the years ended June 30, 2013 and 2012, respectively. The Organization has not changed its charity care or uninsured discount policies that affected bad debt write-offs during 2013 or 2012.

Note 4 Charity Care

The Organization maintains records to identify and monitor the level of charity care it provides. The estimated cost of providing charity care to patients under the Organization's charity care policy was approximately \$438,376 and \$455,952 for the years ended June 30, 2013 and 2012, respectively.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 5 Investments and Assets Limited as to Use

Investments, stated at fair value, consisted of the following at June 30:

	2013	2012
Money market funds	\$ 388,432	\$ 95,052
Certificates of deposit	1,022,375	1,213,878
U.S. government obligations and mortgage-backed securities	3,514,794	3,732,138
Mutual funds:		
Bond funds	634,724	634,571
Equity funds	622,740	545,431
International funds	754,006	674,020
Corporate equities	2,537,312	2,273,062
Corporate bonds	1,561,818	1,187,931
Accrued interest receivable	-	2,251
Total investments	\$ 11,036,201	\$ 10,358,334

Assets limited as to use, stated at fair value, consisted of the following at June 30:

	2013	2012
Under bond indenture agreement:		
Cash	\$ 903,590	\$ 392,615
Money market funds	850,858	770,679
Board designated - For self-funded health insurance benefits -		
Cash	481,079	538,014
Board designated - For pension benefit obligations:		
Cash	318,415	-
Total assets limited as to use	2,553,942	1,701,308
Less - Assets limited to use - Current	290,107	290,029
Assets limited as to use - Noncurrent	\$ 2,263,835	\$ 1,411,279

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 5 **Investments and Assets Limited as to Use** (Continued)

Management assesses individual investment securities as to whether declines in market value are other than temporary and result in an impairment. For equity securities, the Organization considers whether it has the ability and intent to hold the investment until a market price recovery. Evidence considered in this includes the reasons for the impairment, the severity and duration of the impairment, changes in value subsequent to year-end, the issuer's financial condition, and the general market condition in the geographic area or industry the investee operates in. For debt securities, if the Organization has made a decision to sell the security, or if it's more likely than not the Organization will sell the security before the recovery of the security's cost basis, an other-than-temporary impairment is considered to have occurred. If the Organization has not made a decision or does not have an intent to sell the debt security, but the debt security is not expected to recover its value because of a credit loss, an other-than-temporary impairment is considered to have occurred.

Because the Organization has the intent and ability to hold investment securities until a market price recovery or maturity, investment securities at June 30, 2013 and 2012, are not temporarily impaired. No impairment losses were recognized by the Organization during 2013 and 2012.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 5 Investments and Assets Limited as to Use (Continued)

The following table shows unrealized losses and fair values of investments at June 30, 2013 and 2012, aggregated by investment category and length of time that individual investment securities have been in a continuous unrealized loss position:

2013 Description of Securities	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate bonds	\$ 508,832	\$ (27,240)	\$ 185,706	\$ (3,672)	\$ 694,538	\$ (30,912)
Corporate equities	248,803	(19,620)	110,924	(16,617)	359,727	(36,237)
Mutual funds - Bonds	624,173	(13,610)	6,492	(7)	630,665	(13,617)
Mutual funds - Equities	309,322	(7,704)	44,954	(23,327)	354,276	(31,031)
Mutual funds - International	321,447	(17,448)	129,484	(8,828)	450,931	(26,276)
U.S. government securities and mortgage-backed bonds	1,085,099	(32,507)	422,496	(8,632)	1,507,595	(41,139)
Totals	\$ 3,097,676	\$ (118,129)	\$ 900,056	\$ (61,083)	\$ 3,997,732	\$ (179,212)

2012 Description of Securities	Less Than 12 Month		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate bonds	\$ 167,444	\$ (2,687)	\$ -	\$ -	\$ 167,444	\$ (2,687)
Corporate equities	267,558	(22,946)	51,136	(7,292)	318,694	(30,238)
Mutual funds - Bonds	115,226	(343)	-	-	115,226	(343)
Mutual funds - Equities	233,723	(13,708)	-	-	233,723	(13,708)
Mutual funds - International	404,830	(46,001)	36,153	(7,883)	440,983	(53,884)
Totals	\$ 1,188,781	\$ (85,685)	\$ 87,289	\$ (15,175)	\$ 1,266,070	\$ (100,860)

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 5 Investments and Assets Limited as to Use (Continued)

Investment Income

Investment income including gains and losses on cash, investments, and assets limited as to use consisted of the following for the years ended June 30:

	2013	2012
Interest and dividend income	\$ 309,715	\$ 341,984
Net realized gain on investments	131,149	30,412
Total investment income	\$ 440,864	\$ 372,396

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Because of the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 6 Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value:

Money market funds - The fair value of money market funds is established by using \$1 as the net asset value (NAV). Money market funds are classified as Level 2.

Mutual funds - The fair value of mutual funds is based on quoted market prices that represent the NAV of shares held by the Organization at year-end.

Corporate equities - The fair value of corporate equities is valued using quoted market prices.

U S government obligations, mortgage-backed securities, corporate bonds, and beneficial interest in perpetual trust - The fair value of fixed-income securities is estimated using a variety of techniques including quoted market prices of similar items, broker/dealer quotes, or models using market interest rates or yield curves. The underlying investments of the perpetual trust include both equity and fixed income securities.

The methods 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 methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 6 Fair Value Measurements (Continued)

The following table sets forth the fair value of the Organization's assets at June 30, 2013:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ -	\$ 907,893	\$ -	\$ 907,893
U.S. government obligations and mortgage-backed securities	-	3,514,794	-	3,514,794
Mutual funds:				
Bond funds	634,724	-	-	634,724
Equity funds	622,740	-	-	622,740
International funds	754,006	-	-	754,006
Corporate equities	2,537,312	-	-	2,537,312
Corporate bonds	-	1,561,818	-	1,561,818
Beneficial interest in perpetual trust	-	78,952	-	78,952
Total	\$ 4,548,782	\$ 6,063,457	\$ -	\$ 10,612,239

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 6 Fair Value Measurements (Continued)

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

	Level 1	Level 2	Level 3	Total
Money market funds	\$ -	\$ 865,731	\$ -	\$ 865,731
U.S. government obligations and mortgage-backed securities	-	3,732,138	-	3,732,138
Mutual funds:				
Bond funds	634,571	-	-	634,571
Equity funds	545,431	-	-	545,431
International funds	674,020	-	-	674,020
Corporate equities	2,273,062	-	-	2,273,062
Corporate bonds	-	1,187,931	-	1,187,931
Beneficial interest in perpetual trust	-	74,598	-	74,598
Total	\$ 4,127,084	\$ 5,860,398	\$ -	\$ 9,987,482

The carrying values of other current assets and current liabilities are reasonable estimates of their fair value because of the short-term nature of those financial instruments.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 7 Property, Equipment, and Depreciation

Property and equipment consisted of the following at June 30:

	2013	2012
Land and improvements	\$ 1,435,777	\$ 1,245,448
Buildings and fixed equipment	46,179,255	45,858,661
Equipment	10,501,396	9,843,532
Equipment under capital leases	1,523,819	2,089,632
Total property and equipment	59,640,247	59,037,273
Less - Accumulated depreciation	10,422,260	7,157,199
Net depreciated value	49,217,987	51,880,074
Construction in progress	291,995	25,679
Property and equipment - Net	\$ 49,509,982	\$ 51,905,753

Cost of equipment under capital lease obligations was \$1,523,819 and \$2,089,632 at June 30, 2013 and 2012, respectively, and accumulated amortization for equipment under capital lease obligations was \$918,368 and \$1,179,737 at June 30, 2013 and 2012, respectively.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 8 Pledges Receivable

The Organization has received unconditional promises to give from corporations and individuals in the community. Certain unconditional promises to give are receivable over a period of time.

Pledges receivable consisted of the following at June 30:

	2013	2012
Receivable in less than one year	\$ 66,752	\$ 73,268
Receivable in one to five years	196,441	374,162
Pledges receivable	263,193	447,430
Less:		
Unamortized discount	9,455	9,455
Allowance for uncollectible pledges	54,000	54,000
Pledges receivable - Net	199,738	383,975
Less - Current portion	66,752	73,268
Pledges receivable - Noncurrent	\$ 132,986	\$ 310,707

Pledges receivable are pledged for a hospital construction project and are recorded as temporarily restricted net assets.

Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows using discount rates ranging from 0.15% to 1.41% at June 30, 2013.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 9 Beneficial Interest in Perpetual Trust

The Organization is the beneficiary of a trust created by a donor, the assets of which are invested by the trustee rather than the Organization. The Organization has legally enforceable rights and claims to such assets, including the right to income therefrom. Net unrealized gains (losses) related to the beneficial interest are reported as changes in permanently restricted net assets based on explicit donor stipulations. The fair value of the beneficial interest was \$78,952 and \$74,598, at June 30, 2013 and 2012, respectively.

Note 10 Long-Term Debt

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

	2013	2012
Senior Secured Rural America Bonds, Series 2010, 5.63%-8.58% serial bonds, due in varying annual installments beginning September 2012 to March 2040, secured by a mortgage on substantially all property and equipment of the Medical Center	\$ 14,796,100	\$ 15,000,000
USDA Promissory Note, 4% interest, due in varying annual installments to March 2050, secured by a mortgage on substantially all property and equipment of the Medical Center	30,459,132	30,632,268
Totals	45,255,232	45,632,268
Less:		
Current maturities	611,494	295,966
Long-term portion	\$ 44,643,738	\$ 45,336,302

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 10 Long-Term Debt (Continued)

The bond indentures require the establishment of certain funds to be held by the trustee, which are unavailable for general corporate purposes. Required funds have been established and are shown as "assets limited as to use" in the accompanying consolidated financial statements.

The bond indentures provide for various restrictive covenants, including maintenance of various financial ratios and limitations on additional borrowing. Management believes the Organization is in compliance with all restrictive covenants at June 30, 2013.

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

2014	\$ 611,494
2015	617,645
2016	648,163
2017	682,025
2018	715,858
Thereafter	41,980,047
Total	<u>\$ 45,255,232</u>

A summary of total interest expense on borrowed funds held by the trustee for the years ended June 30, including amounts capitalized as part of the construction program, follows:

	2013	2012
Interest charged to operations	\$ 2,181,225	\$ 1,911,201
Interest capitalized - Net of interest earnings	-	158,986
Total interest cost	<u>\$ 2,181,225</u>	<u>\$ 2,070,187</u>

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 11 Capital Lease Obligations

The Organization uses certain equipment under noncancelable lease agreements. Certain leases have been classified as capital leases.

Minimum future payments under capital lease obligations are as follows:

2014	\$ 235,967
2015	213,707
2016	191,447
2017	40,090
<hr/>	
Total minimum lease payments	681,211
Amount representing interest	45,174
<hr/>	
Present value of net minimum lease payments	636,037
Less - Current portion	211,659
<hr/>	
Total capital lease obligations	\$ 424,378

Note 12 Operating Leases

The Organization rents medical equipment and medical office space under various operating lease agreements. Future minimum lease payments on noncancelable operating leases in effect on June 30, 2013, due over the next five years and thereafter, are as follows:

2014	\$ 423,878
2015	414,681
2016	414,681
2017	87,418
<hr/>	
Total	\$ 1,340,658

Total rent expense was \$572,562 and \$837,835 for 2013 and 2012, respectively.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 13 Temporarily and Permanently 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 were available for the following purposes at June 30:

	2013	2012
New hospital building	\$ 1,686,637	\$ 1,506,040
Nursery	2,766	2,766
Hospice	139,691	96,399
Hospital programs and supplies	156,455	75,180
Totals	\$ 1,985,549	\$ 1,680,385

For the years ended June 30, 2013 and 2012, \$68,442 and \$1,237,154, respectively, of temporarily restricted net assets were used for the purposes intended by donors. Accordingly, these net assets were transferred from the temporarily restricted net assets to unrestricted net assets in the accompanying consolidated statements of operations and consolidated statements of changes in net assets.

Permanently restricted net assets were as follows at June 30:

	2013	2012
Endowment fund	\$ 805,911	\$ 801,005
Beneficial interest in perpetual trust	78,952	74,598
Totals	\$ 884,863	\$ 875,603

The endowment was established to provide investment income for support of the Organization's operations. Net assets associated with the endowment funds are classified and reported on the existence or absence of donor-imposed restrictions.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 13 **Temporarily and Permanently Restricted Net Assets** (Continued)

Donor-Restricted Endowments

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the State of North Dakota, as requiring the Organization to preserve the fair value of the donor's original gift, as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of the donor's gifts to the permanent endowment, (b) the original value of a donor's subsequent gifts to the permanent restricted endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 13 Temporarily and Permanently Restricted Net Assets (Continued)

Changes in donor-restricted endowments were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds at June 30, 2011	\$ -	\$ -	\$ 868,688	\$ 868,688
Contributions	-	-	6,915	6,915
Investment return:				
Interest and dividends	22,471	-	-	22,471
Net appreciation	2,577	-	-	2,577
Expenditures	(25,048)	-	-	(25,048)
Endowment funds at June 30, 2012	-	-	875,603	875,603
Contributions	-	-	9,260	9,260
Investment return:				
Interest and dividends	32,155	-	-	32,155
Net appreciation	10,217	-	-	10,217
Expenditures	(42,372)	-	-	(42,372)
Endowment funds at June 30, 2013	\$ -	\$ -	\$ 884,863	\$ 884,863

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 13 Temporarily and Permanently Restricted Net Assets (Continued)

Investment Return Objectives, Risk Parameters, and Strategies

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to preserve the fair value of the endowment assets. Under the Organization's investment policy, as approved by the Board of Directors, the endowment assets are invested in a manner to protect principal, grow the aggregate portfolio value in excess of the rate of inflation and achieve an effective annual rate of return that is equal to or greater than the designated benchmarks for the various types of investment vehicles, and ensure that any risk assumed is commensurate with the given investment vehicle and the Organization's objectives.

To achieve its investment goals, the Organization targets an asset allocation that will achieve a balanced return of current income and long-term growth of principal while exercising risk control. The Organization's asset allocations include a blend of equity and debt securities and cash equivalents.

Note 14 Patient Service Revenue (Net of Contractual Adjustments and Discounts)

Patient service revenue (net of contractual adjustments and discounts) consisted of the following for the years ended June 30:

	2013	2012
Gross patient service revenue	\$ 51,298,770	\$ 45,193,620
Less - Contractual adjustments and discounts	15,128,157	12,112,015
Patient service revenue (net of contractual adjustments and discounts)	\$ 36,170,613	\$ 33,081,605

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 14 Patient Service Revenue (Net of Contractual Adjustments and Discounts)

(Continued)

Patient service revenue (net of contractual adjustments and discounts) recognized from major payor sources for the years ended June 30 is as follows:

		2013	2012
Third-party payors	\$	34,159,392	\$ 31,201,714
Uninsured patients		2,011,221	1,879,891
Totals	\$	36,170,613	\$ 33,081,605

Medicare revenue as a percent of gross patient service revenue totaled 41% and 40% in 2013 and 2012, respectively. Blue Cross revenue as a percent of gross patient service revenue totaled 34% in 2013 and 2012.

Note 15 Defined Contribution Retirement Plans

The Organization has a voluntary defined contribution retirement plan covering substantially all employees. The Organization matches employee contributions up to a maximum contribution of 1.5% of the employee's compensation. The Organization's retirement plan expense under this plan totaled \$382,133 and \$133,043 for the years ended June 30, 2013 and 2012, respectively.

The Organization also has a noncontributory money purchase pension plan (the "Money Purchase Plan") covering substantially all employees. The Organization's contributions to the Money Purchase Plan are based on annual compensation and integrated with the Social Security Wage Base. The Organization's retirement plan expense under the Money Purchase Plan totaled \$418,648 and \$809,508 for the years ended June 30, 2013 and 2012, respectively. At June 30, 2013 and 2012, accrued pension costs were \$204,000 and \$408,000, respectively.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 16 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 for them.

Note 17 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 for the years ended June 30:

	2013	2012
Health care services	\$ 32,693,833	\$ 30,309,028
General and administrative	4,338,140	4,830,885
Fund-raising	62,820	84,507
Total expenses	\$ 37,094,793	\$ 35,224,420

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 18 Self-Funded Insurance

The Organization has a self-funded health care plan that provides medical and dental 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 catastrophic individual claims over \$35,000.

Health care expense was \$1,486,777 and \$1,331,553 for the years ended June 30, 2013 and 2012, respectively. A liability of \$115,600 for claims outstanding at June 30, 2013 and 2012, 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 19 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.

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 Jamestown, North Dakota, and the surrounding area.

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 19 Concentration of Credit Risk (Continued)

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

	2013	2012
Medicare	34 %	27 %
Medicaid	7 %	11 %
Blue Cross	18 %	20 %
Managed care and commercial insurances	9 %	9 %
Other third-party payors and patients	32 %	33 %
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 exceeded the insured limits by approximately \$5,757,000. In addition, other investments held by financial institutions are uninsured.

Note 20 Reclassifications

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

Supplementary Information

Independent Auditor's Report on Supplementary Information

Board of Directors

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center
Jamestown, North Dakota

We have audited the consolidated financial statements of Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate as of and for the years ended June 30, 2013 and 2012, and our report thereon dated October 3, 2013, appears on page 1.

Our audits were conducted for the purpose of forming opinions on the consolidated financial statements that collectively comprise the Organization's basic consolidated financial statements as a whole. The supplementary information appearing on pages 45 through 56 is presented for the purpose 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 to 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 as a whole.

Wipfli LLP

Wipfli LLP

October 3, 2013
Minneapolis, Minnesota

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Consolidating Balance Sheets

June 30, 2013

<i>Assets</i>	Medical Center	Foundation	Eliminations	Total
Current assets:				
Cash	\$ 3,511,646	\$ 406,124	\$ -	\$ 3,917,770
Assets limited as to use - Current portion	290,107	-	-	290,107
Patient accounts receivable - Net	4,661,966	-	-	4,661,966
Due from third-party reimbursement programs	125,011	-	-	125,011
Related-party receivable	38,676	-	(38,676)	-
Other accounts receivable	82,159	-	-	82,159
Pledges receivable - Current portion	-	66,752	-	66,752
Supplies inventory	565,772	-	-	565,772
Prepaid expenses and other	123,579	-	-	123,579
Total current assets	9,398,916	472,876	(38,676)	9,833,116
Investments	8,378,062	2,658,139	-	11,036,201
Assets limited as to use - Less current portion	2,263,835	-	-	2,263,835
Property and equipment - Net	49,509,982	-	-	49,509,982
Other assets:				
Property held for investment, at cost	110,314	-	-	110,314
Beneficial interest in perpetual trust	-	78,952	-	78,952
Pledges receivable - Less current portion	-	132,986	-	132,986
Cash surrender value of life insurance	-	6,631	-	6,631
Unamortized debt issue costs	1,291,843	-	-	1,291,843
Total other assets	1,402,157	218,569	-	1,620,726
TOTAL ASSETS	\$ 70,952,952	\$ 3,349,584	\$ (38,676)	\$ 74,263,860

<i>Liabilities and Net Assets</i>	Medical Center	Foundation	Eliminations	Total
Current liabilities:				
Current maturities of long-term debt	\$ 611,494	\$ -	-	\$ 611,494
Current portion of obligations under capital leases	211,659	-	-	211,659
Accounts payable - Trade	625,774	-	-	625,774
Related-party payable	-	38,676	(38,676)	-
Accrued liabilities:				
Salaries and other	1,796,715	-	-	1,796,715
Health insurance	115,600	-	-	115,600
Interest	303,578	-	-	303,578
Pension	204,000	-	-	204,000
Other current liabilities	-	22,136	-	22,136
Total current liabilities	3,868,820	60,812	(38,676)	3,890,956
Long-term liabilities:				
Annuities payable	-	76,317	-	76,317
Long-term debt - Less current maturities	44,643,738	-	-	44,643,738
Obligations under capital leases - Less current portion	424,378	-	-	424,378
Deferred rent	630,941	-	-	630,941
Total long-term liabilities	45,699,057	76,317	-	45,775,374
Total liabilities	49,567,877	137,129	(38,676)	49,666,330
Net assets:				
Unrestricted	21,385,075	342,043	-	21,727,118
Temporarily restricted	-	1,985,549	-	1,985,549
Permanently restricted	-	884,863	-	884,863
Total net assets	21,385,075	3,212,455	-	24,597,530
TOTAL LIABILITIES AND NET ASSETS	\$ 70,952,952	\$ 3,349,584	\$ (38,676)	\$ 74,263,860

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Consolidating Balance Sheets

June 30, 2012

<i>Assets</i>	Medical Center	Foundation	Eliminations	Total
Current assets:				
Cash	\$ 3,274,162	\$ 264,058	\$ -	\$ 3,538,220
Assets limited as to use - Current portion	290,029	-	-	290,029
Patient accounts receivable - Net	5,049,958	-	-	5,049,958
Due from third-party reimbursement programs	675,000	-	-	675,000
Related-party receivable	67,036	-	(67,036)	-
Other accounts receivable	221,083	-	-	221,083
Pledges receivable - Current portion	-	73,268	-	73,268
Supplies inventory	552,836	-	-	552,836
Prepaid expenses and other	103,054	-	-	103,054
Total current assets	10,233,158	337,326	(67,036)	10,503,448
Investments	7,934,256	2,424,078	-	10,358,334
Assets limited as to use - Less current portion	1,411,279	-	-	1,411,279
Property and equipment - Net	51,905,753	-	-	51,905,753
Other assets:				
Property held for investment, at cost	110,314	-	-	110,314
Beneficial interest in perpetual trust	-	74,598	-	74,598
Pledges receivable - Less current portion	-	310,707	-	310,707
Cash surrender value of life insurance	-	6,649	-	6,649
Unamortized debt issue costs	1,333,414	-	-	1,333,414
Total other assets	1,443,728	391,954	-	1,835,682
TOTAL ASSETS	\$ 72,928,174	\$ 3,153,358	\$ (67,036)	\$ 76,014,496

<i>Liabilities and Net Assets</i>	Medical Center	Foundation	Eliminations	Total
Current liabilities:				
Current maturities of long-term debt	\$ 295,966	\$ -	-	\$ 295,966
Current portion of obligations under capital leases	299,397	-	-	299,397
Accounts payable - Trade	558,165	-	-	558,165
Accounts payable - Construction	284,250	-	-	284,250
Related-party payable	-	67,036	(67,036)	-
Accrued liabilities:				
Salaries and other	1,698,266	-	-	1,698,266
Health insurance	115,600	-	-	115,600
Interest	543,197	-	-	543,197
Pension	408,000	-	-	408,000
Other current liabilities	-	19,323	-	19,323
Total current liabilities	4,202,841	86,359	(67,036)	4,222,164
Long-term liabilities:				
Annuities payable	-	88,502	-	88,502
Long-term debt - Less current maturities	45,336,302	-	-	45,336,302
Obligations under capital leases - Less current portion	644,219	-	-	644,219
Deferred rent	637,395	-	-	637,395
Total long-term liabilities	46,617,916	88,502	-	46,706,418
Total liabilities	50,820,757	174,861	(67,036)	50,928,582
Net assets:				
Unrestricted	22,107,417	422,509	-	22,529,926
Temporarily restricted	-	1,680,385	-	1,680,385
Permanently restricted	-	875,603	-	875,603
Total net assets	22,107,417	2,978,497	-	25,085,914
TOTAL LIABILITIES AND NET ASSETS	\$ 72,928,174	\$ 3,153,358	\$ (67,036)	\$ 76,014,496

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Consolidating Statements of Operations

Year Ended June 30, 2013

	Medical Center	Foundation	Eliminations	Total
Revenue:				
Patient service revenue (net of contractual adjustments and discounts)	\$ 36,170,613	\$ -	\$ -	\$ 36,170,613
Provision for bad debt	(1,303,811)	-	-	(1,303,811)
Net patient service revenue - less provision for bad debts	34,866,802	-	-	34,866,802
Other revenue	1,125,719	23	-	1,125,742
Total revenue	35,992,521	23	-	35,992,544
Expenses:				
Salaries and wages	15,224,784	94,641	-	15,319,425
Employee benefits	3,404,383	7,002	-	3,411,385
Supplies and other	12,111,343	112,890	-	12,224,233
Depreciation and amortization	3,931,815	-	-	3,931,815
Interest expense	2,207,935	-	-	2,207,935
Total expenses	36,880,260	214,533	-	37,094,793
Loss from operations	(887,739)	(214,510)	-	(1,102,249)
Other income (loss):				
Investment income	349,339	91,525	-	440,864
Contributions	-	20,326	-	20,326
Gain on disposal of equipment	4,120	-	-	4,120
Loss on impairment	(401,984)	-	-	(401,984)
Total other income (loss)	(48,525)	111,851	-	63,326
Expenses in excess of revenue	(936,264)	(102,659)	-	(1,038,923)
Other changes in unrestricted net assets:				
Change in net unrealized gains and losses on investments other than trading securities	136,980	30,693	-	167,673
Net assets released from restrictions used for property and equipment	-	68,442	-	68,442
Transfer from (to) related party	76,942	(76,942)	-	-
Decrease in unrestricted net assets	\$ (722,342)	\$ (80,466)	\$ -	\$ (802,808)

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Consolidating Statements of Operations (Continued)

Year Ended June 30, 2012

	Medical Center	Foundation	Eliminations	Total
Revenue:				
Patient service revenue (net of contractual adjustments and discounts)	\$ 33,081,605	\$ -	\$ -	\$ 33,081,605
Provision for bad debt	(939,722)	-	-	(939,722)
Net patient service revenue - less provision for bad debt	32,141,883	-	-	32,141,883
Other revenue	812,639	-	-	812,639
Net assets released from restrictions	-	24,467	-	24,467
Total revenue	32,954,522	24,467	-	32,978,989
Expenses:				
Salaries and wages	14,458,919	141,434	-	14,600,353
Employee benefits	3,315,949	10,085	-	3,326,034
Supplies and other	11,468,381	117,076	-	11,585,457
Provision for uncollectible pledges	-	20,000	-	20,000
Depreciation and amortization	3,744,924	-	-	3,744,924
Interest expense	1,947,652	-	-	1,947,652
Total expenses	34,935,825	288,595	-	35,224,420
Loss from operations	(1,981,303)	(264,128)	-	(2,245,431)
Other income (loss):				
Investment income	310,185	62,211	-	372,396
Contributions	-	24,086	-	24,086
Loss on disposal of equipment	(3,689,537)	-	-	(3,689,537)
Total other income (loss)	(3,379,352)	86,297	-	(3,293,055)
Expenses in excess of revenue	(5,360,655)	(177,831)	-	(5,538,486)
Other changes in unrestricted net assets:				
Change in net unrealized gains and losses on investments other than trading securities	(44,969)	7,135	-	(37,834)
Net assets released from restrictions used for property and equipment	-	1,212,687	-	1,212,687
Transfer from (to) related party	1,212,687	(1,212,687)	-	-
Decrease in unrestricted net assets	\$ (4,192,937)	\$ (170,696)	\$ -	\$ (4,363,633)

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center and Affiliate

Consolidating Statements of Changes in Net Assets

Year Ended June 30, 2013

	Medical Center	Foundation	Total
Unrestricted net assets			
Expenses in excess of revenue	\$ (936,264)	\$ (102,659)	\$ (1,038,923)
Change in net unrealized gains and losses on investments other than trading securities	136,980	30,693	167,673
Net assets released from restrictions used for property and equipment	-	68,442	68,442
Transfers from (to) related party	76,942	(76,942)	-
Decrease in unrestricted net assets	(722,342)	(80,466)	(802,808)
Temporarily restricted net assets			
Contributions for specific purposes	-	373,606	373,606
Net assets released from restrictions	-	(68,442)	(68,442)
Increase in temporarily restricted net assets	-	305,164	305,164
Permanently restricted net assets			
Contributions for endowment fund	-	9,260	9,260
Change in net assets	(722,342)	233,958	(488,384)
Net assets at beginning	22,107,417	2,978,497	25,085,914
Net assets at end	\$ 21,385,075	\$ 3,212,455	\$ 24,597,530

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center, Inc. and Affiliate

Consolidating Statements of Changes in Net Assets (Continued)

Year Ended June 30, 2012

	Medical Center	Foundation	Total
Unrestricted net assets			
Expenses in excess of revenue	\$ (5,360,655)	\$ (177,831)	\$ (5,538,486)
Change in net unrealized gains and losses on investments other than trading securities	(44,969)	7,135	(37,834)
Net assets released from restrictions used for property and equipment	-	1,212,687	1,212,687
Transfers from (to) related party	1,212,687	(1,212,687)	-
Decrease in unrestricted net assets	(4,192,937)	(170,696)	(4,363,633)
Temporarily restricted net assets			
Contributions for specific purposes	-	562,240	562,240
Net assets released from restrictions	-	(1,237,154)	(1,237,154)
Decrease in temporarily restricted net assets	-	(674,914)	(674,914)
Permanently restricted net assets			
Contributions for endowment fund	-	6,915	6,915
Change in net assets	(4,192,937)	(838,695)	(5,031,632)
Net assets at beginning	26,300,354	3,817,192	30,117,546
Net assets at end	\$ 22,107,417	\$ 2,978,497	\$ 25,085,914

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center, Inc. and Affiliate

Detail Schedules of Gross Patient Service Revenue Year Ended June 30, 2013

	Inpatient	Outpatient	Total
Patient service revenue			
Routine services			
Adults and pediatrics	\$ 1,095,672	\$ 4,368,241	\$ 5,463,913
Coronary care	318,186	5,420	323,606
Nursery	675,461	2,171	677,632
Total routine services	2,089,319	4,375,832	6,465,151
Ancillary services			
Operating room	4,437,630	9,073,283	13,510,913
Delivery room	350,180	-	350,180
Anesthesiology	680,577	1,046,103	1,726,680
Radiology	244,981	5,015,778	5,260,759
CT scan	209,008	3,523,872	3,732,880
Nuclear medicine	8,906	697,963	706,869
Laboratory	598,121	1,686,327	2,284,448
Blood bank	157,310	154,687	311,997
Respiratory therapy	163,264	110,697	273,961
Rehabilitation	509,385	1,776,210	2,285,595
Cardiac rehabilitation	-	367,540	367,540
Audiology	9,442	473,627	483,069
Electrocardiology	15,190	92,540	107,730
Central service supplies	647,104	757,629	1,404,733
Pharmacy	915,515	2,848,259	3,763,774
Emergency room	176,474	5,688,138	5,864,612
Home health	11	720,612	720,623
Hospice	28,975	876,663	905,638
Podiatrist	7,343	521,395	528,738
Other	125,915	116,965	242,880
Total ancillary services	9,285,331	35,548,288	44,833,619
Gross patient service revenue	\$ 11,374,650	\$ 39,924,120	\$ 51,298,770

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center, Inc. and Affiliate

Detail Schedules of Gross Patient Service Revenue (Continued)

Year Ended June 30, 2012

	Inpatient	Outpatient	Total
Patient service revenue			
Routine services			
Adults and pediatrics	\$ 1,051,165	\$ 4,060,820	\$ 5,111,985
Coronary care	205,657	23,328	228,985
Nursery	578,415	1,365	579,780
Total routine services	1,835,237	4,085,513	5,920,750
Ancillary services			
Operating room	2,477,757	7,357,004	9,834,761
Delivery room	323,975	130	324,105
Anesthesiology	488,837	922,563	1,411,400
Radiology	283,811	4,673,735	4,957,546
CT scan	218,556	3,437,241	3,655,797
Nuclear medicine	7,550	642,122	649,672
Laboratory	589,179	1,514,950	2,104,129
Blood bank	161,220	188,420	349,640
Respiratory therapy	151,498	101,180	252,678
Rehabilitation	232,637	1,474,690	1,707,327
Cardiac rehabilitation	284	216,792	217,076
Audiology	9,435	552,151	561,586
Electrocardiology	17,990	89,250	107,240
Central service supplies	520,028	705,876	1,225,904
Pharmacy	930,440	2,907,080	3,837,520
Emergency room	204,039	5,634,914	5,838,953
Home health	-	626,087	626,087
Hospice	25,255	779,695	804,950
Podiatrist	3,387	500,447	503,834
Other	161,963	140,702	302,665
Total ancillary services	6,807,841	32,465,029	39,272,870
Gross patient service revenue	\$ 8,643,078	\$ 36,550,542	\$ 45,193,620

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center, Inc. and Affiliate

Detail Schedules of Net Patient Service Revenue

Years Ended June 30, 2013 and 2012

	2013	2012
Gross patient service revenue	\$ 51,298,770	\$ 45,193,620
Less - Charity care	623,757	595,237
Total patient service revenue	50,675,013	44,598,383
Less - Contractual adjustments and discounts		
Medicare	5,485,803	4,374,013
Medicaid	2,121,109	1,664,051
Blue Cross	5,593,735	4,301,783
Other	1,303,753	1,176,931
Total contractual adjustments and discounts	14,504,400	11,516,778
Patient service revenue (net of contractual adjustments and discounts)	\$ 36,170,613	\$ 33,081,605

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center, Inc. and Affiliate

Detail Schedules of Other Revenue

Years Ended June 30, 2013 and 2012

	2013	2012
Other revenue		
Wellness and lifeline programs	\$ 173,501	\$ 191,604
Cafeteria	238,774	200,366
Consultation services	59,033	50,789
ESRD unit lease	-	19,520
Radiologist billing	26,100	26,289
ER coverage reimbursement	60,804	60,804
In-house rent	49,669	46,229
Telepharmacist	18,000	12,000
Sleep studies	18,000	18,650
Purchase discounts	29,117	12,011
Sales of supplies and drugs	58,023	19,851
Gift shop	49,867	40,258
Grants	11,000	35,737
Linen contract	1,248	1,322
Other	332,606	77,209
Total other revenue	\$ 1,125,742	\$ 812,639