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Form **990**Department of the Treasury  
Internal Revenue Service**Return of Organization Exempt From Income Tax**

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

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

OMB No. 1545-0047

**2012****Open to Public Inspection****A** For the 2012 calendar year, or tax year beginning **01/01/13**, and ending **09/30/13****B** Check if applicable:☐ Address change☐ Name change☒ Initial return☐ Terminated☐ Amended return☐ Application pending**C** Name of organization**TETON VALLEY HEALTH CARE, INC.**

Doing Business As

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

**120 EAST HOWARD AVE.**

Room/suite

City, town or post office, state, and ZIP code

**DRIGGS****ID 83422****D** Employer identification number**45-4551946****E** Telephone number**G** Gross receipts \$ **10,227,107****F** Name and address of principal officer:**KEITH GNAGEY, CEO  
120 EAST HOWARD AVE.****DRIGGS****ID 83422****H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** Are all affiliates included? ☐ Yes ☐ No

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

**I** Tax-exempt status ☒ 501(c)(3) ☐ 501(c) ( ) (insert no ) ☐ 4947(a)(1) or ☐ 527**J** Website **WWW.TVHCARE.ORG****H(c)** Group exemption number ▶**K** Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation **2012****M** State of legal domicile **ID****Part I Summary****1** Briefly describe the organization's mission or most significant activities:**SEE SCHEDULE O****2** Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.**3** Number of voting members of the governing body (Part VI, line 1a)**3** **9****4** Number of independent voting members of the governing body (Part VI, line 1b)**4** **9****5** Total number of individuals employed in calendar year 2012 (Part V, line 2a)**5** **0****6** Total number of volunteers (estimate if necessary)**6** **0****7a** Total unrelated business revenue from Part VIII, column (C), line 12**7a** **0****b** Net unrelated business taxable income from Form 990-T, line 34**7b** **0****8** Contributions and grants (Part VIII, line 1h)**9** Program service revenue (Part VIII, line 2g)**10** Investment income (Part VII, column (A), lines 3, 4, and 7d)**11** Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)**12** Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)**13** Grants and similar amounts paid (Part IX, column (A), lines 1-3)**14** Benefits paid to or for members (Part IX, column (A), line 4)**15** Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)**16a** Professional fundraising fees (Part IX, column (A), line 11e)**b** Total fundraising expenses (Part IX, column (D), line 25) **27,314****17** Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)**18** Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)**19** Revenue less expenses Subtract line 18 from line 12**20** Total assets (Part X, line 16)**21** Total liabilities (Part X, line 26)**22** Net assets or fund balances Subtract line 21 from line 20

Prior Year

Current Year

**352,757****9,791,842****7,370****75,138****10,227,107****0****0****6,279,304****0****3,659,724****9,939,028****288,079**

Beginning of Current Year

End of Year

**0** **10,162,195****0** **2,263,811****0** **7,898,384****Part II Signature Block**

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

**Sign Here**

Signature of officer

Date

**STEVEN DIETRICH****BOARD CHAIR**

Type or print name and title

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if PTIN**THOMAS DINGUS****06/26/14**

self-employed

**P00951009****Paid****Preparer****Use Only**Firm's name **DINGUS, ZARECOR & ASSOCIATES**Firm's EIN **20-0079326**Firm's address **12015 E MAIN STE A**Phone no **509-242-0874****SPOKANE VALLEY, WA 99206**

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate Instructions.

Form **990** (2012)

DAA

SCANNED AUG 27 2014

7/6/14

**Part III Statement of Program Service Accomplishments**

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

☒**1** Briefly describe the organization's mission:**SEE SCHEDULE O****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 \$ **7,834,266** including grants of\$ ) (Revenue \$ **9,791,842** )

**THE HOSPITAL OPERATES A 13-BED CRITICAL ACCESS HOSPITAL (CAH) AND 2 RURAL HEALTH CLINICS WHICH PROVIDE HEALTHCARE SERVICES TO PATIENTS IN THE TETON COUNTY AREA. THE HOSPITAL PROVIDED 293 DAYS OF INPATIENT SERVICES, 13,753 OUTPATIENT VISITS, 1,255 EMERGENCY ROOM VISITS, AND 514 SURGERIES FOR THE YEAR.**

**THE HOSPITAL PROVIDES CARE TO PERSONS COVERED BY GOVERNMENTAL PROGRAMS AT BELOW COST AND TO INDIVIDUALS WHO ARE UNABLE TO PAY. THE UNREIMBURSED VALUE OF PROVIDING CARE TO THESE PATIENTS WAS \$42,674 FOR CHARITY CARE, \$966,075 FOR MEDICARE, \$283,481 FOR MEDICAID, AND \$956,821 FOR OTHER THIRD PARTY PAYORS FOR THE YEAR.**

**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 **7,834,266**

**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	<b>X</b>	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	<b>X</b>	
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		<b>X</b>
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		<b>X</b>
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		<b>X</b>
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		<b>X</b>
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		<b>X</b>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		<b>X</b>
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		<b>X</b>
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		<b>X</b>
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	<b>X</b>	
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		<b>X</b>
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		<b>X</b>
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		<b>X</b>
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	<b>X</b>	
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	<b>X</b>	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII		<b>X</b>
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	<b>X</b>	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		<b>X</b>
14a Did the organization maintain an office, employees, or agents outside of the United States?		<b>X</b>
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		<b>X</b>
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		<b>X</b>
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		<b>X</b>
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)		<b>X</b>
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		<b>X</b>
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		<b>X</b>
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	<b>X</b>	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	<b>X</b>	

**Part IV Checklist of Required Schedules (continued)**

- 21** Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II
- 22** Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III
- 23** Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J
- 24a** Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25
- b** Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?
- 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?
- d** Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?
- 25a** **Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I
- b** Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I
- 26** Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II
- 27** Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III
- 28** Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)
- a** A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV
- b** A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV
- c** An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV
- 29** Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M
- 30** Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M
- 31** Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I
- 32** Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II
- 33** Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I
- 34** Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, or IV, and Part V, line 1
- 35a** Did the organization have a controlled entity within the meaning of section 512(b)(13)?
- b** If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2
- 36** **Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2
- 37** Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI
- 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

	Yes	No
<b>21</b>		<b>X</b>
<b>22</b>		<b>X</b>
<b>23</b>		<b>X</b>
<b>24a</b>		<b>X</b>
<b>24b</b>		
<b>24c</b>		
<b>24d</b>		
<b>25a</b>		<b>X</b>
<b>25b</b>		<b>X</b>
<b>26</b>		<b>X</b>
<b>27</b>		<b>X</b>
<b>28a</b>		<b>X</b>
<b>28b</b>		<b>X</b>
<b>28c</b>		<b>X</b>
<b>29</b>		<b>X</b>
<b>30</b>		<b>X</b>
<b>31</b>		<b>X</b>
<b>32</b>		<b>X</b>
<b>33</b>		<b>X</b>
<b>34</b>	<b>X</b>	
<b>35a</b>		<b>X</b>
<b>35b</b>		
<b>36</b>		<b>X</b>
<b>37</b>		<b>X</b>
<b>38</b>	<b>X</b>	

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

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 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
<b>1a</b>	<b>9</b>		
Enter the number of voting members of the governing body at the end of the tax year. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
<b>b</b>	<b>9</b>		
Enter the number of voting members included in line 1a, above, who are independent.			
<b>2</b>			<b>X</b>
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?			
<b>3</b>			<b>X</b>
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?			
<b>4</b>			<b>X</b>
Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			
<b>5</b>			<b>X</b>
Did the organization become aware during the year of a significant diversion of the organization's assets?			
<b>6</b>		<b>X</b>	
Did the organization have members or stockholders?			
<b>7a</b>		<b>X</b>	
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?			
<b>b</b>			<b>X</b>
Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			
<b>8</b>			
Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
<b>a</b>		<b>X</b>	
The governing body?			
<b>b</b>		<b>X</b>	
Each committee with authority to act on behalf of the governing body?			
<b>9</b>			<b>X</b>
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.			

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

	Yes	No
<b>10a</b>		<b>X</b>
Did the organization have local chapters, branches, or affiliates?		
<b>b</b>		
If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b>	<b>X</b>	
Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?		
<b>b</b>		
Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	<b>X</b>	
Did the organization have a written conflict of interest policy? If "No," go to line 13.		
<b>b</b>	<b>X</b>	
Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		
<b>c</b>	<b>X</b>	
Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done.		
<b>13</b>	<b>X</b>	
Did the organization have a written whistleblower policy?		
<b>14</b>	<b>X</b>	
Did the organization have a written document retention and destruction policy?		
<b>15</b>		
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?		
<b>a</b>	<b>X</b>	
The organization's CEO, Executive Director, or top management official.		
<b>b</b>	<b>X</b>	
Other officers or key employees of the organization. If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b>		<b>X</b>
Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		
<b>b</b>		
If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **► NONE**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **► TRACI PRENOT, CFO 120 EAST HOWARD AVE.**

**DRIGGS****ID 83422****208-354-2383**

**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, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
  - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☒ Check this box if neither the organization nor any related organizations compensated any current 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) <b>STEVEN DIETRICH</b>										
<b>CHAIR</b>	2.00 0.00	X						0	0	0
(2) <b>BOB BENEDICT</b>										
<b>MEMBER</b>	2.00 0.00	X						0	0	0
(3) <b>AARON HANSEN</b>										
<b>MEMBER</b>	2.00 0.00	X						0	0	0
(4) <b>JANINE JOLLEY</b>										
<b>MEMBER</b>	2.00 0.00	X						0	0	0
(5) <b>CHRIS LARSON</b>										
<b>MEMBER</b>	2.00 0.00	X						0	0	0
(6) <b>THOMAS SIMMONS,</b>	O.D.									
<b>MEMBER</b>	2.00 0.00	X						0	0	0
(7) <b>CHAD HORROCKS, M.D.</b>										
<b>PHYSICIAN/MEMBER</b>	2.00 0.00	X						0	0	0
(8) <b>DEBORAH RAY MALHERO, M.D.</b>										
<b>MEMBER</b>	2.00 0.00	X						0	0	0
(9) <b>KEITH GNAGEY</b>										
<b>MEMBER/CEO</b>	40.00 0.00	X		X				0	0	0
(10) <b>TRACI PRENOT</b>										
<b>CFO</b>	40.00 0.00			X				0	0	0
(11)										



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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(12)										
(13)										
(14)										
(15)										
(16)										
(17)										
(18)										
(19)										
<b>1b Sub-total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>										

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **0**

- 3** Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
<b>3</b>		<b>X</b>
<b>4</b>		<b>X</b>
<b>5</b>		<b>X</b>

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d	271,151			
	e Government grants (contributions)	1e	75,570			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	6,036			
	g Noncash contributions included in lines 1a-1f \$					
	<b>h Total. Add lines 1a-1f</b>		<b>352,757</b>			
<b>Program Service Revenue</b>		Busn Code				
	2a PATIENT SERVICE REVENUE, NET	624100	9,454,361	9,454,361		
	b AMBULANCE DISTRICT REVENUE	621910	333,981	333,981		
	c RENT INCOME	621110	3,500	3,500		
	d					
	e					
	f All other program service revenue					
	<b>g Total. Add lines 2a-2f</b>		<b>9,791,842</b>			
<b>Other Revenue</b>	3 Investment income (including dividends, interest, and other similar amounts)		7,370			7,370
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
		(i) Real (ii) Personal				
	6a Gross rents					
	b Less rental exps					
	c Rental inc. 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 & sales exps					
	c Gain or (loss)					
	d Net gain or (loss)					
	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		Busn Code				
11a OTHER REVENUE	900099	30,747			30,747	
b FINANCE CHARGES PATIENT	900099	22,209			22,209	
c CAFETERIA REVENUE	722320	22,182			22,182	
d All other revenue						
e Total. Add lines 11a-11d		75,138				
<b>12 Total revenue. See instructions</b>		<b>10,227,107</b>	<b>9,791,842</b>	<b>0</b>	<b>82,508</b>	

**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 U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	450,811	237,250	213,561	
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	4,689,362	3,725,915	942,433	21,014
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	196,841	151,768	44,268	805
9 Other employee benefits	493,465	333,768	157,045	2,652
10 Payroll taxes	448,825	368,316	80,117	392
11 Fees for services (non-employees)				
a Management				
b Legal	11,680		11,680	
c Accounting	79,863		79,863	
d Lobbying				
e Professional fundraising services. See Part IV, line 7				
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)	1,321,846	894,912	426,835	99
12 Advertising and promotion	103,473	230	103,243	
13 Office expenses	295,443	188,817	106,626	
14 Information technology				
15 Royalties				
16 Occupancy	187,772	166,691	20,329	752
17 Travel	62,619	35,976	26,553	90
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	25,900	25,900		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	396,080	341,850	53,707	523
23 Insurance	85,037	85,037		
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 <b>MEDICAL SUPPLIES &amp; DRUGS</b>	840,156	840,156		
b <b>REPAIRS &amp; MAINTENANCE</b>	205,459	190,821	14,638	
c <b>DUES &amp; SUBSCRIPTIONS</b>	25,968	10,616	15,352	
d <b>OTHER EXPENSE</b>	18,428	17,500	928	
e All other expenses		218,743	-219,730	987
25 Total functional expenses. Add lines 1 through 24e	9,939,028	7,834,266	2,077,448	27,314
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) Beginning of year	(B) End of year
<b>Assets</b>	<b>1</b> Cash—non-interest bearing		<b>1</b> 3,150,065
	<b>2</b> Savings and temporary cash investments		<b>2</b> 1,337,140
	<b>3</b> Pledges and grants receivable, net		<b>3</b>
	<b>4</b> Accounts receivable, net		<b>4</b> 2,239,250
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		<b>5</b>
	<b>6</b> 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		<b>6</b>
	<b>7</b> Notes and loans receivable, net		<b>7</b>
	<b>8</b> Inventories for sale or use		<b>8</b> 755,116
	<b>9</b> Prepaid expenses and deferred charges		<b>9</b> 78,463
	<b>10a</b> Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	<b>10a</b> 9,357,237	
	<b>b</b> Less: accumulated depreciation	<b>10b</b> 7,053,834	<b>10c</b> 2,303,403
	<b>11</b> Investments—publicly traded securities		<b>11</b>
	<b>12</b> Investments—other securities. See Part IV, line 11		<b>12</b>
	<b>13</b> Investments—program-related. See Part IV, line 11		<b>13</b>
	<b>14</b> Intangible assets		<b>14</b>
	<b>15</b> Other assets. See Part IV, line 11		<b>15</b> 298,758
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	<b>0</b>	<b>16</b> 10,162,195	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses		<b>17</b> 1,305,256
	<b>18</b> Grants payable		<b>18</b>
	<b>19</b> Deferred revenue		<b>19</b>
	<b>20</b> Tax-exempt bond liabilities		<b>20</b>
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D		<b>21</b>
	<b>22</b> 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		<b>22</b>
	<b>23</b> Secured mortgages and notes payable to unrelated third parties		<b>23</b>
	<b>24</b> Unsecured notes and loans payable to unrelated third parties		<b>24</b> 803,680
	<b>25</b> 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		<b>25</b> 154,875
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25	<b>0</b>	<b>26</b> 2,263,811
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>		
	<b>27</b> Unrestricted net assets		<b>27</b> 7,898,384
	<b>28</b> Temporarily restricted net assets		<b>28</b>
	<b>29</b> Permanently restricted net assets		<b>29</b>
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>		
	<b>30</b> Capital stock or trust principal, or current funds		<b>30</b>
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund		<b>31</b>
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds		<b>32</b>
	<b>33</b> Total net assets or fund balances	<b>0</b>	<b>33</b> 7,898,384
	<b>34</b> <b>Total liabilities and net assets/fund balances</b>	<b>0</b>	<b>34</b> 10,162,195

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI ☐

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	<b>10,227,107</b>
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	<b>9,939,028</b>
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	<b>288,079</b>
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	<b>7,610,305</b>
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	<b>7,898,384</b>

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII ☐

	Yes	No
<b>1</b> 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.		
<b>2a</b> 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		<b>X</b>
<b>b</b> 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	<b>X</b>	
<b>c</b> 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	<b>X</b>	
<b>3a</b> 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?		<b>X</b>
<b>b</b> If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

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

**TETON VALLEY HEALTH CARE, INC.**

Employer identification number

**45-4551946**

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

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

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h
- a ☐ Type I    b ☐ Type II    c ☐ Type III—Functionally integrated    d ☐ Type III—Non-functionally integrated
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (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	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

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

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
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4</b> <b>Total.</b> Add lines 1 through 3						
<b>5</b> 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)						
<b>6</b> <b>Public support.</b> 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
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>11</b> <b>Total support.</b> 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 section 501(c)(3) organization, check this box and **stop here** ► ☐**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	%
<b>15</b> Public support percentage from 2011 Schedule A, Part II, line 14	<b>15</b>	%

**16a** **33 1/3% support test—2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐**b** **33 1/3% support test—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐**17a** **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► ☐**b** **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► ☐**18** **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► ☐

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.  
If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> 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						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6</b> <b>Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8</b> <b>Public support.</b> (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
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13</b> <b>Total support.</b> (Add lines 9, 10c, 11, and 12.)						
<b>14</b> <b>First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2011 Schedule A, Part III, line 15	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

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

**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).

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**SCHEDULE D  
(Form 990)**Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**

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

OMB No 1545-0047

**2012**Open to Public  
Inspection

Name of the organization

Employer identification number

**TETON VALLEY HEALTH CARE, INC.****45-4551946****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).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> 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 Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1	► \$
(ii) Assets included in Form 990, Part X	► \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1	► \$
b Assets included in Form 990, Part X	► \$

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

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

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

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table

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

	Amount
1c	
1d	
1e	
1f	

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

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

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

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

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

- a Board designated or quasi-endowment ☐ %  
 b Permanent endowment ☐ %  
 c Temporarily restricted endowment ☐ %  
 The percentages in lines 2a, 2b, and 2c should equal 100%.

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

- (i) unrelated organizations  
 (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

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

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		92,671		92,671
b Buildings		4,696,781	3,511,319	1,185,462
c Leasehold improvements				
d Equipment		4,550,697	3,542,515	1,008,182
e Other		17,088		17,088
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c))				2,303,403

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.)		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.)		

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) <b>ESTIMATED THIRD PARTY SETTLEMENT</b>	<b>119,000</b>
(3) <b>INSURANCE SETTLEMENT</b>	<b>35,875</b>
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)	<b>154,875</b>

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

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

<b>1</b>	Total revenue, gains, and other support per audited financial statements		<b>1</b>	
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
<b>a</b>	Net unrealized gains on investments	<b>2a</b>		
<b>b</b>	Donated services and use of facilities	<b>2b</b>		
<b>c</b>	Recoveries of prior year grants	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>		
<b>e</b>	Add lines 2a through 2d		<b>2e</b>	
<b>3</b>	Subtract line 2e from line 1		<b>3</b>	
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>		
<b>c</b>	Add lines 4a and 4b		<b>4c</b>	
<b>5</b>	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		<b>5</b>	

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

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

**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.

**PART X - FIN 48 FOOTNOTE**

THE HOSPITAL AND FOUNDATION ARE NOT-FOR-PROFIT CORPORATIONS AND ARE EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. ACCORDINGLY, NO PROVISION FOR INCOME TAX IS NECESSARY. THE HOSPITAL EVALUATES UNCERTAIN TAX POSITIONS WHEREBY THE EFFECT OF THE UNCERTAINTY WOULD BE RECORDED IF THE OUTCOME WERE CONSIDERED PROBABLE AND REASONABLY ESTIMABLE. AS OF SEPTEMBER 30, 2013, THE HOSPITAL HAS NO UNCERTAIN TAX POSITIONS REQUIRING ACCRUAL.

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**Part XIII Supplemental Information** (continued)

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**SCHEDULE H  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Hospitals**

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

OMB No 1545-0047

**2012**

Open to Public  
Inspection

Name of the organization

**TETON VALLEY HEALTH CARE, INC.**

Employer identification number

**45-4551946**

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<b>X</b>	
<b>1b</b> If "Yes," was it a written policy?	<b>X</b>	
<b>2</b> 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		
<b>3</b> 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		
<b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____%	<b>X</b>	
<b>b</b> Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input checked="" type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____%	<b>X</b>	
<b>c</b> 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.		
<b>4</b> 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"?	<b>X</b>	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<b>X</b>	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		<b>X</b>
<b>c</b> 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?		
<b>6a</b> Did the organization prepare a community benefit report during the tax year?	<b>X</b>	
<b>b</b> If "Yes," does the organization make it available to the public?	<b>X</b>	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

**7 Financial Assistance and Certain Other Community Benefits at Cost**

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>a</b> Financial Assistance at cost (from Worksheet 1)			<b>33,286</b>		<b>33,286</b>	<b>0.33</b>
<b>b</b> Medicaid (from Worksheet 3, column a)			<b>685,247</b>	<b>595,041</b>	<b>90,206</b>	<b>0.91</b>
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b)						
<b>d</b> Total Financial Assistance and Means-Tested Government Programs			<b>718,533</b>	<b>595,041</b>	<b>123,492</b>	<b>1.24</b>
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)			<b>177,490</b>		<b>177,490</b>	<b>1.79</b>
<b>f</b> Health professions education (from Worksheet 5)						
<b>g</b> Subsidized health services (from Worksheet 6)			<b>14,130</b>		<b>14,130</b>	<b>0.14</b>
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8)			<b>625</b>		<b>625</b>	<b>0.01</b>
<b>j</b> Total Other Benefits			<b>192,245</b>		<b>192,245</b>	<b>1.93</b>
<b>k</b> Total. Add lines 7d and 7j			<b>910,778</b>	<b>595,041</b>	<b>315,737</b>	<b>3.18</b>

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

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

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

**Section A. Bad Debt Expense**

		Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X	
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	583,657	
3 Enter the estimated amount of the organization's bad debt expense attributable to patents 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		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME)	5	2,944,237
6 Enter Medicare allowable costs of care relating to payments on line 5	6	2,964,543
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-20,306
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: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other		

**Section C. Collection Practices**

9a Did the organization have a written debt collection policy during the tax year?	9a	X	
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	X	

**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

**1 TETON VALLEY HEALTH CARE, INC.****120 EAST HOWARD AVE.****DRIGGS****ID 83422****WWW.TVHCARE.ORG**

Licensed hospital

General medical &amp; surgical

Children's hospital

Teaching hospital

Critical access hospital

Research facility

ER-24 hours

ER-other

Other (describe)

Facility reporting group

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)

Name of hospital facility or facility reporting group TETON VALLEY HEALTH CARE, INC.For single facility filers only: line number of hospital facility (from Schedule H, Part V, Section A) 1**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):
- a ☒ A definition of the community served by the hospital facility
- b ☒ Demographics of the community
- c ☒ Existing health care facilities and resources within the community that are available to respond to the health needs of the community
- d ☒ How data was obtained
- e ☒ The health needs of the community
- f ☒ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups
- g ☒ The process for identifying and prioritizing community health needs and services to meet the community health needs
- h ☒ The process for consulting with persons representing the community's interests
- i ☒ Information gaps that limit the hospital facility's ability to assess the community's health needs
- j ☐ Other (describe in Part VI)
- 2 Indicate the tax year the hospital facility last conducted a CHNA 20 13
- 3 In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted
- 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
- 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):
- a ☒ Hospital facility's website
- b ☒ Available upon request from the hospital facility
- c ☐ Other (describe in Part VI)
- 6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date):
- a ☒ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA
- b ☐ Execution of the implementation strategy
- c ☐ Participation in the development of a community-wide plan
- d ☐ Participation in the execution of a community-wide plan
- e ☐ Inclusion of a community benefit section in operational plans
- f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA
- g ☒ Prioritization of health needs in its community
- h ☒ Prioritization of services that the hospital facility will undertake to meet health needs in its community
- i ☐ Other (describe in Part VI)
- 7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs
- 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)?
- b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?
- 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? \$ \_\_\_\_\_

	Yes	No
1	X	
3	X	
4		X
5	X	
7		X
8a		X
8b		

**Part V Facility Information (continued)****Financial Assistance Policy**

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that		
9 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9 <b>X</b>	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used	10 <b>X</b>	
11 Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used	11 <b>X</b>	
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 <b>X</b>	
a <input checked="" type="checkbox"/> Income level		
b <input checked="" type="checkbox"/> Asset level		
c <input type="checkbox"/> Medical indigency		
d <input type="checkbox"/> Insurance status		
e <input type="checkbox"/> Uninsured discount		
f <input type="checkbox"/> Medicaid/Medicare		
g <input type="checkbox"/> State regulation		
h <input type="checkbox"/> Other (describe in Part VI)		
13 Explained the method for applying for financial assistance?	13 <b>X</b>	
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 <b>X</b>	
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 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 on 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 <b>X</b>	
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? If "Yes," check all actions in which the hospital facility or a third party engaged	17	<b>X</b>
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**

**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?

	Yes	No
<b>19</b>	<b>X</b>	

If "No," indicate why

- a ☐ The hospital facility did not provide care for any emergency medical conditions
- b ☐ The hospital facility's policy was not in writing
- c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d ☐ Other (describe in Part VI)

**Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)****20** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d ☒ Other (describe in Part VI)

**21** During the tax year, did the hospital facility charge any of its 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?

<b>21</b>		<b>X</b>
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If "Yes," explain in Part VI.

**22** During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?

<b>22</b>		<b>X</b>
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If "Yes," explain in Part VI



**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

**PART I, LINE 7 - COSTING METHODOLOGY EXPLANATION**

**THE HOSPITAL APPLIES THE RATIO OF PATIENT CARE COST-TO-CHARGES DERIVED FROM WORKSHEET 2, FOR AMOUNTS REPORTED IN THE TABLE (TOTAL OPERATING EXPENSES LESS NON-PATIENT CARE ACTIVITIES, TOTAL COMMUNITY BENEFIT AND TOTAL COMMUNITY BUILDING EXPENSES) .**

**PART III, LINE 4 - BAD DEBT EXPENSE EXPLANATION**

**FOR SCHEDULE H, PART III, LINE 2, THE COSTING METHODOLOGY USED BY THE HOSPITAL INCLUDES THE COST-TO-CHARGE RATIO OF PATIENT CARE.**

**FOR SCHEDULE H, PART III, LINE 3, THE HOSPITAL DID NOT TRACK THE AMOUNT OF BAD DEBT EXPENSE THAT COULD REASONABLY BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S CHARITY CARE POLICY BUT FOR WHOM SUFFICIENT INFORMATION WAS NOT OBTAINED TO MAKE DETERMINATION OF THEIR ELIGIBILITY DURING THE YEAR.**

**FOR SCHEDULE H, PART III, LINE 4, THE PATIENT ACCOUNTS RECEIVABLE FOOTNOTE OF THE AUDITED FINANCIAL STATEMENTS IS FOUND IN FOOTNOTE #3 ON PAGE 12 OF THE AUDITED FINANCIAL STATEMENTS. THE PROVISION FOR BAD DEBTS IS ALSO**

**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
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**INCLUDED IN FOOTNOTE #3 OF THE AUDITED FINANCIAL STATEMENTS.**

**PART III, LINE 8 - MEDICARE EXPLANATION**

**ANY MEDICARE ALLOWABLE COSTS OF PATIENT CARE SHORTFALLS ARE NOT COUNTED AS  
COMMUNITY BENEFIT. THESE ALLOWABLE COSTS ARE OBTAINED FROM THE MEDICARE  
COST REPORT FOR THE YEAR.**

**PART III, LINE 9B - COLLECTION PRACTICES EXPLANATION**

**THE HOSPITAL'S BUSINESS OFFICE STAFF FOLLOW UP ON  
ACCOUNTS 15 TO 30 DAYS AFTER THE ACCOUNTS ARE BILLED. THE  
STAFF CONTACT THE INSURERS TO VERIFY CLAIMS HAVE BEEN  
RECEIVED AND TO RESEND THE CLAIMS IF NECESSARY. AFTER  
VERIFYING CLAIMS HAVE BEEN RECEIVED, THE STAFF CONTINUE TO  
CONTACT THE INSURERS EVERY 30 DAYS, AS NECESSARY, TO  
FOLLOW UP ON THE STATUS OF THE CLAIMS. ALL CLAIMS NOT  
RESOLVED WITHIN 60 DAYS OF BILLING ARE REVIEWED BY A  
SUPERVISOR OR MANAGER FOR ADDITIONAL GUIDANCE AND  
CONSIDERATION. ACCOUNTS NOT RESOLVED WITHIN SIXTY DAYS OF  
BILLING ARE CONSIDERED DELINQUENT. THE SUPERVISOR**

**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.
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OR MANAGER WILL DETERMINE WHETHER THE ACCOUNTS SHOULD BE

WRITTEN OFF AS BAD DEBT OR WHETHER FURTHER

COLLECTION PROCEDURES SHOULD BE ATTEMPTED.

TETON VALLEY HEALTH CARE, INC., LINE NUMBER 1 - PART V, LINE 3

TVHC PARTNERED WITH QUORUM HEALTH RESOURCES (QHR) TO DEPLOY A CHNA

"ROUND 1" SURVEY TO LOCAL EXPERT ADVISORS TO GAIN LOCAL INPUT ON LOCAL

HEALTH NEEDS AND THE NEEDS OF PRIORITY POPULATIONS. LOCAL EXPERT ADVISORS

WERE LOCAL INDIVIDUALS SELECTED ACCORDING TO CRITERIA REQUIRED BY THE

FEDERAL GUIDELINES AND REGULATIONS AND THE HOSPITAL'S DESIRE TO REPRESENT

THE REGION'S GEOGRAPHICALLY AND ETHNICALLY DIVERSE POPULATIONS.

QHR RECEIVED COMMUNITY INPUT FROM 17 LOCAL EXPERT ADVISORS. SURVEY

RESPONSES STARTED TUESDAY, JULY 16, 2013 AT 12:17 P.M. AND ENDED WITH THE

LAST RESPONSE ON FRIDAY, AUGUST 9, 2013 AT 11:13 A.M.

INFORMATION ANALYSIS AUGMENTED BY LOCAL OPINIONS SHOWED HOW TETON COUNTY

RELATES TO ITS PEERS IN TERMS OF PRIMARY AND CHRONIC NEEDS, AS WELL AS

OTHER ISSUES OF UNINSURED PERSONS, LOW-INCOME PERSONS AND MINORITY GROUPS;



**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
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RESPONDENTS COMMENTED ON IF THEY BELIEVE CERTAIN POPULATION GROUPS (OR PEOPLE WITH CERTAIN SITUATIONS) NEED HELP TO IMPROVE THEIR CONDITION AND IF SO, WHO NEEDS TO DO WHAT.

WHEN THE ANALYSIS WAS COMPLETE, QHR PUT THE INFORMATION AND SUMMARY CONCLUSIONS BEFORE THE LOCAL GROUP OF EXPERTS WHO WERE ASKED TO AGREE OR DISAGREE WITH THE SUMMARY CONCLUSIONS. EXPERTS WERE FREE TO AUGMENT POTENTIAL CONCLUSIONS WITH ADDITIONAL STATEMENTS IF NEEDED; HOWEVER, NEW NEEDS DID NOT EMERGE FROM THIS EXCHANGE.

A LIST OF THE INDIVIDUALS PARTICIPATING AS LOCAL EXPERT ADVISORS ARE AS FOLLOWS LISTING THEIR ORGANIZATION, POSITION, AND AREA OF EXPERTISE:

- 1) TETON VALLEY MENTAL HEALTH COALITION, CO-CHAIR, MENTAL HEALTH CONSULTANT
- 2) EASTERN IDAHO PUBLIC HEALTH DISTRICT, RN SENIOR, PUBLIC HEALTH
- 3) TETON DISTRICT 401, TEACHER, NUMEROUS SURGERIES AT TVHC
- 4) TETON VALLEY HEALTH CARE, CHIEF OF STAFF, PHYSICIAN
- 5) CITY OF DRIGGS, MAYOR, RESIDENT
- 6) TV-HISPANIC RESOURCE CENTER, DIRECTOR, HISPANIC COMMUNITY OUTREACH

**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
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7) TETON COUNTY, COMMISSIONER, ELECTED OFFICIAL

8) COMMUNITY FOUNDATION OF TETON VALLEY, EXECUTIVE DIRECTOR, NONPROFIT

9) TETON SCHOOL DISTRICT #401, SUPERINTENDENT, PUBLIC EDUCATION

10) TVA/TETON VALLEY HEALTHCARE, PARAMEDIC, EMERGENCY MEDICINE

11) TETON VALLEY FOOD PANTRY, COORDINATOR, COMMUNITY FOOD NEEDS

12) DUNN COUNSELING/SUICIDE PREVENTION ACTION NETWORK OF TETON VALLEY,  
PRIVATE PRACTICE COUNSELOR, MENTAL HEALTH

13) SENIORS WEST OF THE TETONS, EXECUTIVE DIRECTOR, AREA SENIORS

14) FAMILY SAFETY NETWORK, EXECUTIVE DIRECTOR, COUNSELOR

15) CITY OF VICTOR, MAYOR, RESIDENT

16) ABOVE & BEYOND CONSULTING, SOCIAL WORKER, HEALTHCARE/MENTAL HEALTH

17) EMERSON CONSULTING, OWNER, HEALTHCARE CONSULTANT

TETON VALLEY HEALTH CARE, INC., LINE NUMBER 1 - PART V, LINE 7

IT WOULD BE IMPOSSIBLE FOR THE HOSPITAL TO ADDRESS ALL OF THE HEALTH NEEDS  
OF THE COMMUNITY BUT WILL BE WORKING IN COLLABORATION WITH OTHER COMMUNITY  
AGENCIES TO IDENTIFY THE PRIORITY AREAS WHERE WE CAN MAKE THE MOST IMPACT.  
SIGNIFICANT AREAS WHERE THE HOSPITAL DID NOT DEVELOP AN IMPLEMENTATION

PLAN:

**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
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1) ALCOHOL/SUBSTANCE ABUSE - BOTH ALCOHOL AND SUBSTANCE ABUSE LEADING LOCAL EXPERT CONCERN FOR UNINSURED, LOW INCOME, LOWER MIDDLE CLASS; EXCESS DRINKING (ADVERSE FINDING) COMPARED TO IDAHO AND U.S. VALUES, SELF REPORTED HEAVY ALCOHOL CONSUMPTION POPULATION CONSIDERABLY ABOVE IDAHO AND U.S. AVERAGE.

TVHC OFFERS ABATEMENT, MITIGATION, TESTING, REFERRALS TO LOCAL RESOURCES AND AN EMPLOYEE ASSISTANCE PROGRAM.

TVHC DOESN'T INTEND TO DEVELOP AN IMPLEMENTATION PLAN FOR ALCOHOL/SUBSTANCE ABUSE FOR THE FOLLOWING REASONS:

- I) RESOURCE CONSTRAINTS - NO RESOURCES DEVOTED TO THIS AREA OF NEED.
- II) LACK OF EXPERTISE OR COMPETENCY (I.E., CERTAIN PROFESSIONAL CREDENTIALS REQUIRED)
- III) A LACK OF IDENTIFIED EFFECTIVE INTERVENTIONS TO ADDRESS THE NEED.

OTHER NEEDS WHERE HOSPITAL DID NOT DEVELOP AN IMPLEMENTATION PLAN:

**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
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1) ALZHEIMER'S - 6TH CAUSE OF DEATH; 22.1 DEATHS PER 100,000 - AS EXPECTED,  
RANK #23 (#1 = WORST IN IDAHO), BELOW IDAHO AVERAGE.

2) CANCER - 2ND CAUSE OF DEATH; 103.5 DEATHS PER 100,000 - SIGNIFICANTLY  
LOWER THAN EXPECTED, RANK #43 (#1 = WORST IN IDAHO), WELL BELOW IDAHO  
AVERAGE; LOCAL EXPERT CONCERN ABOUT LACK OF SERVICE FOR UNINSURED, LOW  
INCOME, LOWER MIDDLE CLASS PATIENTS WITH THIS DISEASE, PROSTATE TESTING IS  
18% BELOW AVERAGE IMPACTS 26.2% OF THE POPULATION; MAMMOGRAPHY SCREENINGS  
BETTER THAN IDAHO AVERAGE BUT DO NOT ACHIEVE THE US GOAL.

3) STROKE - 4TH CAUSE OF DEATH; 58.1 DEATHS PER 100,000 - HIGHER THAN  
EXPECTED, RANK #12 (#1 = WORST IN IDAHO) ABOVE IDAHO AVERAGE; STROKE DEATHS  
FOR ALL RACES IS HIGHER THAN IDAHO AND US RATE. WHITE (NON-HISPANIC) RATE  
SLIGHTLY HIGHER THAN IDAHO RATE AND US RATE; SOMEWHAT A CONCERN AS RATE IS  
WORSE THAN PEER OR US AVERAGE FOR STROKE.

4) CORONARY HEART DISEASE - LEADING CAUSE OF DEATH 195.3 DEATHS PER 100,000  
- A RATE LOWER THAN EXPECTED, TETON COUNTY RANKS #18 OF 43 RANKED COUNTIES  
IN IDAHO (#1 = WORSE IN IDAHO), THE DEATH RATE IS ABOVE IDAHO AVERAGE;  
HEART DISEASE MORTALITY FOR ALL RACES DURING 2008 THROUGH 2010 LOWER THAN  
IDAHO AND U.S. AVERAGE; SOMEWHAT A CONCERN AS RATE IS WORSE THAN PEER OR

**Part VI Supplemental Information**

Complete this part to provide the following information

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**U.S. AVERAGE FOR CORONARY HEART DISEASE.**

5) SEXUAL ASSAULT - AMONG UNINSURED, LOW INCOME, LOWER MIDDLE CLASS IS A LOCAL EXPERT CONCERN.

6) PHYSICAL ENVIRONMENT - PHYSICAL ENVIRONMENT METRICS AMONG BEST IN IDAHO, 2ND BEST; DRINKING WATER SAFETY, LIMITED ACCESS TO HEALTH FOODS, ACCESS TO RECREATIONAL ACTIVITIES ALL BETTER THAN ID AND US AVERAGE; AIR POLLUTION LOWER THAN ID AND US AVERAGE.

7) CHOLESTEROL (HIGH) - ROUTINE CHOLESTEROL SCREENING 8% BELOW AVERAGE IMPACTS 46.8% OF THE POPULATION.

8) DIABETES - 10TH CAUSE OF DEATH; 10.8 DEATHS PER 100,000 - RANK #39 (#1 = WORST IN IDAHO), SIGNIFICANTLY LOWER THAN IDAHO AVERAGE; DIABETES SCREENINGS SIGNIFICANTLY LOWER (AN ADVERSE FINDING) THAN ID AND U.S. AVERAGE.

9) MATERNAL AND INFANT MEASURES - LOW BIRTH WEIGHT BIRTHS PRESENTS HIGHER VALUES (ADVERSE INDICATORS) THAN BOTH IDAHO AND US AVERAGE; TEEN BIRTH RATE BIRTHS LOWER THAN IDAHO, BUT HIGHER THAN U.S.; UNFAVORABLE RATES WORSE THAN U.S. AND WORSE THAN PEERS FOR VERY LOW BIRTH WEIGHT, INFANT MORTALITY, WHITE NON-HISPANIC INFANT MORTALITY, NEONATAL INFANT MORTALITY; SOMEWHAT A CONCERN AS RATE IS WORSE THAN PEER OR U.S. AVERAGE FOR LOW BIRTH WEIGHT,

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BIRTHS TO WOMEN AGE 40-54; BETTER THAN PEER AND US PERFORMANCE FOR

PREMATURE BIRTHS, BIRTHS TO WOMEN UNDER 18, BIRTHS TO UNMARRIED WOMEN,

POST-NEONATAL INFANT MORTALITY.

10) PHYSICIANS - HEALTH PROFESSIONAL SHORTAGE AREA FOR PRIMARY CARE,

DESIGNATED MEDICALLY UNDERSERVED AREA; PRIMARY CARE PHYSICIANS PER CAPITA

ABOVE IDAHO AVERAGE (MORE DOCTORS AVAILABLE PER RESIDENT) BUT WELL BELOW THE

NATIONAL RATE (DOCTOR SHORTAGE; PREVENTABLE HOSPITAL STAYS SIGNIFICANTLY

HIGHER THAN IDAHO AND U.S. VALUES IMPLIES A SHORTAGE OF PHYSICIANS;

POPULATION PER PRIMARY CARE PHYSICIAN BETTER THAN IDAHO AVERAGE.

11) SMOKING/TOBACCO USE - ADULT SMOKING VALUES LOWER (DESIREABLE FINDING)

THAN BOTH IDAHO AND U.S.; TOBACCO USERS BELOW IDAHO AND U.S. AVERAGE.

12) DENTAL - HEALTH PROFESSIONAL SHORTAGE AREA FOR DENTAL; POPULATION PER

DENTIST MORE THAN 50% THAN IDAHO AND U.S. AVERAGE.

13) OBESITY/OVERWEIGHT - A LOWER PRIORITY BUT NOTED CONCERN IN LOCAL EXPERT

COMMENTS; HEALTHY EATING HABITS 13% BELOW AVERAGE IMPACTS 25.7% OF THE

POPULATION; FAST FOOD RESTAURANTS LOWER (BETTER FINDING) THAN IDAHO AVERAGE

BUT EXCEED U.S. VALUES; OBESITY AT U.S. BENCHMARK, LOWER THAN IDAHO AVERAGE

BUT AN INCREASING TREND; PHYSICAL INACTIVITY LOWER (DESIRABLE FINDING) THAN

BOTH IDAHO AND U.S.

**Part VI Supplemental Information**

Complete this part to provide the following information.

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14) SEXUALLY TRANSMITTED DISEASE - SEXUALLY TRANSMITTED INFECTION VALUES LOWER (DESIRABLE FINDING) THAN BOTH IDAHO AND U.S.

15) FLU/PNEUMONIA - 8TH CAUSE OF DEATH; 12.5 DEATHS PER 100,000 - LOWER THAN EXPECTED RANK #32 (#1 = WORST IN IDAHO), BELOW IDAHO AVERAGE.

16) LUNG - 5TH CAUSE OF DEATH; 35.4 DEATHS PER 100,000 - LOWER THAN EXPECTED, RANK #37 (#1 = WORST IN IDAHO), BELOW IDAHO AVERAGE, CHRONIC ALLERGIES 14% ABOVE AVERAGE IMPACTS 27% OF THE POPULATION.

17) KIDNEY - 9TH CAUSE OF DEATH; 11.2 DEATHS PER 100,000 - LOWER THAN EXPECTED, RANK #13 (#1 = WORST IN IDAHO), BELOW IDAHO AVERAGE.

18) PRIORITY POPULATION - CHILDREN IN POVERTY ABOUT HALF THE IDAHO AVERAGE AND BETTER THAN US AVERAGE HOWEVER A LARGER SEGEMENT THAN THE PORTION OF TETON COUNTY RESIDENTS IN POVERTY.

19) LIFE EXPECTANCY/PREMATURE DEATH - LIFE EXPECTANCY FOR BOTH MEN AND WOMEN INCREASE, HOWEVER, MALES IMPROVED MUCH BETTER THAN FEMALES; PREMATURE DEATH BETTER VALUES (LONGER SURVIVABILITY) THAN IDAHO AVERAGE AND APPROACHES U.S. GOAL.

TETON VALLEY HEALTH CARE, INC., LINE NUMBER 1 - PART V, LINE 20D

THE HOSPITAL FACILITY USES AN APPLICATION PROCESSS BASED ON A PERCENT OF

**Part VI Supplemental Information**

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**POVERTY GUIDELINES TO DETERMINE THE PERCENT DISCOUNT OFF OF AMOUNTS CHARGED.**

**NEEDS ASSESSMENT**

**MANAGEMENT, HOSPITAL DEPARTMENT STAFF AND MANAGERS, AND THE BOARD OF DIRECTORS ARE COMPRISED OF MEMBERS WITHIN THE COMMUNITY. THEY ARE ABLE TO GATHER AND COMMUNICATE THE HEALTH CARE NEEDS OF THE COMMUNITY IT SERVES AND CONTINUALLY ADDRESS THEM AT STAFF AND BOARD MEETINGS.**

**THE MOST RECENTLY ADOPTED IMPLEMENTATION STRATEGY AND COMMUNITY HEALTH NEEDS ASSESSMENT CAN BE FOUND AT THE FOLLOWING URL:**

**[HTTP://ISSUU.COM/TVHEALTHCARE/DOCS/TVHC\\_CHNA\\_COMPLETE?E=8635668/5052075](http://ISSUU.COM/TVHEALTHCARE/DOCS/TVHC_CHNA_COMPLETE?E=8635668/5052075)**

**PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE**

**IN COMPLIANCE WITH THE COLLECTION POLICIES OF TVHC, AN ANNUAL REVIEW IS PERFORMED FOR ALL CREDIT/COLLECTION AND FINANCIAL ASSISTANCE POLICIES. ONCE REVIEWED AND REVISED, THE INFORMATION IS DISTRIBUTED TO THE COMMUNITY IN A VARIETY OF WAYS. THE FACILITY PUBLISHED A BROCHURE THAT IS PLACED IN PUBLIC AREAS OF ALL THE TVHC FACILITIES, AS WELL AS INCLUDED IN ALL FORMAL**



**Part VI Supplemental Information**

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ADMISSION PACKETS TO PATIENTS. THE PATIENT ACCOUNT REPRESENTATIVES HAND OUT  
THE INFORMATION DURING PATIENT CONSULTS AS WELL. THE INFORMATION IS ALSO  
AVAILABLE ON THE TVHC WEBSITE AND INCLUDED WITH EVERY PATIENT ACCOUNT  
STATEMENT.

ANNUALLY, THE FINANCIAL COUNSELOR DISTRIBUTES THE NEW INFORMATION TO  
LOCAL AGENCIES WHICH ASSIST LOW INCOME POPULATIONS. DISCUSSIONS OCCUR WITH  
THE AGENCIES REGARDING THE FINANCIAL ASSISTANCE PROGRAMS AND TVHC'S ABILITY  
TO ASSIST PATIENTS WITH THE BURDEN OF APPLYING FOR GOVERNMENT PROGRAMS SUCH  
AS DISABILITY, ETC.

COMMUNITY INFORMATION

TETON COUNTY COVERS 450 SQUARE MILES OF SOUTHEASTERN IDAHO. THE 2010  
POPULATION WAS 10,170 COMPARED TO A 2000 POPULATION OF 5,999, REPRESENTING  
A POPULATION GAIN OF 69.5% SINCE 2000. THE MAJOR COMMUNITY IN TETON COUNTY  
IS VICTOR WITH A MEDIAN AGE OF 34.1 YEARS. 8.7% OF THE PEOPLE IN THE COUNTY  
LIVE BELOW THE POVERTY LINE, WITH AN AVERAGE UNEMPLOYMENT RATE OF 3.8%,  
COMPARED TO THE IDAHO STATE RATE OF 6.6%.

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**TETON VALLEY HEALTHCARE, INC. (TVHC) HAS BEEN SERVING THE HEALTHCARE NEEDS OF THE TETON COUNTY AREA SINCE 1938. THE HOSPITAL IS NOW A NON-PROFIT, THIRTEEN BED CRITICAL ACCESS FACILITY BUILT IN 1997. TVHC OFFERS A CONTINUUM OF CARE INCLUDING INPATIENT HOSPITAL SERVICES, OUTPATIENT SERVICES AS WELL AS OUTPATIENT CLINICS IN THE CITIES OF VICTOR AND DRIGGS. TVHC EMPLOYS OVER 141 INDIVIDUALS, WITH AN ANNUAL PAYROLL IN EXCESS OF \$6.8 MILLION.**

**HEALTH OF COMMUNITY IN RELATION TO EXEMPT PURPOSE**

**TETON VALLEY HEALTH CARE'S BOARD OF DIRECTORS IS COMPRISED OF COMMUNITY MEMBERS REPRESENTING MULTIPLE FACETS OF THE COMMUNITY FROM THE FINANCIAL SECTOR TO SMALL BUSINESS OWNERS TO RETIREES. THE BOARD HAS DEDICATED THEIR TIME TO ENSURING THEY UNDERSTAND THE HEALTH AND WELFARE NEEDS OF GREATER COMMUNITY.**

**MEDICAL STAFF PRIVILEGES AT TVHC ARE OPEN TO ALL MEDICAL PROVIDERS WITH ACTIVE LICENSURE. WHILE THEY HAVE INSTITUTED AN ARDUOUS CREDENTIALING PROCESS TO ENSURE PRACTITIONERS OF THE HIGHEST CALIBER ARE PRIVLEDGED, THEY ENCOURAGE PRACTITIONERS FROM NUMEROUS SPECIALTIES TO MEET THE EVER**

**Part VI Supplemental Information**

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**EXPANDING HEALTHCARE NEEDS OF THE COMMUNITY.**

AS A NON-PROFIT CORPORATION, TVHC DOES NOT HAVE ANY SHAREHOLDERS. THEREFORE SURPLUS FUNDS ARE REINVESTED INTO THE FACILITY'S EQUIPMENT AND EMPLOYEE EDUCATION. THE ABSENCE OF SHAREHOLDERS ELIMINATES THE POTENTIAL FOR CONFLICTS OF INTEREST RELATED TO ATTAINING INFLATED PROFIT MARGINS AND ALLOWS TETON VALLEY HEALTHCARE TO FOCUS ON WHAT IS IMPORTANT - MEETING THE HEALTH AND WELFARE NEEDS OF THE COMMUNITIES THEY SERVE IN AN ECONOMICALLY VIABLE FASHION.

**AFFILIATED HEALTH CARE INFORMATION**

N/A

**LIST OF STATES WHERE COMMUNITY BENEFIT REPORT IS FILED**

IDAHO

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**Supplemental Information to Form 990 or 990-EZ**

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

▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

**2012**

Open to Public  
Inspection

**TETON VALLEY HEALTH CARE, INC.**

Employer identification number  
**45-4551946**

**FORM 990 - ORGANIZATION'S MISSION OR MOST SIGNIFICANT ACTIVITIES**

TETON VALLEY HEALTH CARE PROMOTES THE HEALTH OF OUR COMMUNITY BY DELIVERING QUALITY, PATIENT-CENTERED MEDICAL SERVICES WITH COMPASSION INTEGRITY AND RESPECT. WE OPERATE IN A SUSTAINABLE MANNER TO ENSURE CONTINUED ECONOMIC VIABILITY.

**FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS**

THE MEMBERS OF TETON VALLEY HEALTH CARE, INC. (TVHC) SHALL CONSIST OF A BROAD REPRESENTATION OF THE PUBLIC THAT TVHC SERVES AND THE MAJORITY OF THE MEMBERS MUST BE CITIZENS OF TETON COUNTY, IDAHO, INCLUDING RESIDENTS OF EACH INCORPORATED CITY IN TETON COUNTY, IDAHO, AND THE UNINCORPORATED AREA OF TETON COUNTY. THERE SHALL BE AT LEAST FIVE MEMBERS WHICH ARE ELECTED BY A MAJORITY VOTE OF THE EXISTING MEMBERS. EACH MEMBER IS ENTITLED ONE VOTE ON ANY MATTER SUBMITTED TO A VOTE AT A MEETING OF THE MEMBERS.

**FORM 990, PART VI, LINE 7A - ELECTION OF MEMBERS AND THEIR RIGHTS**

EACH MEMBER IS ENTITLED TO VOTE ON ANY MATTER SUBMITTED TO A VOTE AT A MEETING OF THE MEMBERS, INCLUDING THE ELECTION OF THE BOARD OF DIRECTORS. MEETINGS ARE HELD ANNUALLY AS WELL AS ANY SPECIAL MEETINGS CALLED BY THE CEO OR AT THE WRITTEN REQUEST OF THE MEMBERS.

**FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990**  
A COPY OF THE 990 IS PROVIDED TO THE CFO AND CEO WHO REVIEW THE FORM, SCHEDULES AND RELATED ATTACHMENTS. ANY COMMENTS OR QUESTIONS ARE ADDRESSED WITH THE PREPARER AND A FINAL DRAFT IS PRESENTED TO THE BOARD OF DIRECTORS

Name of the organization

TETON VALLEY HEALTH CARE, INC.

Employer identification number

45-4551946

WHO THEN APPROVE THE 990. ONCE MANAGEMENT IS SATISFIED WITH THE 990, THE CFO SIGNS THE FORM 8879-EO AUTHORIZING THE PREPARER TO E-FILE THE RETURN.

FORM 990, PART VI, LINE 12C - ENFORCEMENT OF CONFLICTS POLICY  
ARTICLE 4 OF THE BYLAWS STATES THAT BOARD MEMBERS SHALL NOT USE THEIR POSITION ON THE BOARD OR ANY INFORMATION OBTAINED THROUGH THEIR POSITION FOR PERSONAL ECONOMIC BENEFIT. HOSPITAL BOARD MEMBERS SHALL COMPLY WITH THE CONFLICT OF INTEREST POLICY ADOPTED IN CONNECTION WITH THE HOSPITAL'S APPLICATION FOR TAX EXEMPTION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE.

FORM 990, PART VI, LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL  
THE BOARD REVIEWS AND APPROVES MANAGEMENT WAGES EACH YEAR DURING THE BUDGET PROCESS. THE SOURCES UTILIZED BY TVHC IN REGARD TO FAIR MARKET VALUE IN SALARIES ARE AN EXECUTIVE COMPENSATION SURVEY, PUBLISHED BY CRITICAL DATA, INC., AND THE IDAHO HOSPITAL ASSOCIATION (IHA) ANNUAL SALARY SURVEY. THESE SURVEYS ARE UTILIZED FOR SETTING THE SALARY LEVELS OF EMPLOYEES AT TVHC. THE IHA SURVEY ITEMIZES ALL HOSPITALS AS A GROUP, CAH HOSPITALS, AND HOSPITALS BY REGION. CHALLENGES EXIST WHEN TVHC JOB DESCRIPTIONS ARE UNIQUE AND, THEREFORE, MAY NOT BE LISTED AS A JOB CATEGORY IN THE IHA SURVEY. IN REGARD TO SETTING THE SALARY LEVELS OF PHYSICIANS, TVHC UTILIZES THE MGMA PHYSICIAN COMPENSATION AND PRODUCTION SURVEY AS WELL AS OTHER SURVEYS. THIS SURVEY ITEMIZES SALARIES AND PRODUCTIVITY BY PHYSICIAN SPECIALITY, YEARS IN PRACTICE, GEOGRAPHIC REGION, AND OTHER CATEGORIES.

FORM 990, PART VI, LINE 15B - COMPENSATION PROCESS FOR OFFICERS  
TVHC STRIVES TO PAY MARKET LEVEL SALARIES TO ALL EMPLOYEES OF THE

Name of the organization

TETON VALLEY HEALTH CARE, INC.

Employer identification number

45-4551946

ORGANIZATION. IT IS OUR GOAL TO RECRUIT AND RETAIN TOP TALENT IN EVERY VENUE, WHILE CONTROLLING SALARY AND BENEFIT COSTS WITHIN ESTABLISHED TARGETS. SEE FORM 990, PART VI, LINE 15A.

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION  
TVHC MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND  
FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART IX, LINE 11G - OTHER FEES FOR SERVICES

## DESCRIPTION

## PROGRAM SERVICE

## MGT &amp; GENERAL

## FUNDRAISING

\$ 894,912

\$ 426,835

\$ 99

FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS EXPLANATION

TRANSFER OF ASSETS FROM TETON COUNTY, ID PER LIQUID ASSET TRANSFER

AGREEMENT EXECUTED JANUARY 1, 2013.

\$ 7,610,305

**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

**TETON VALLEY HEALTH CARE, INC.**

Employer identification number

**45-4551946**

**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
(1)					
(2)					
(3)					
(4)					
(5)					
...					

**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) TETON VALLEY HOSPITAL FOUNDATION 120 EAST HOWARD AVE. DRIGGS ID 83422 82-0471064	SUPPORT	ID	501C3	11B	COMMUNITY		X
(2)							
(3)							
(4)							
(5)							

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

Schedule R (Form 990) 2012

DAA

**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) Dispropo- portionate alloc ?		(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	
(1)												
(2)												
(3)												
(4)												

**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
(1)									
(2)									
(3)									
(4)									



**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		Yes	No
<b>1</b> 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?			
<b>a</b> Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity			<b>1a</b> <input checked="" type="checkbox"/>
<b>b</b> Gift, grant, or capital contribution to related organization(s)			<b>1b</b> <input checked="" type="checkbox"/>
<b>c</b> Gift, grant, or capital contribution from related organization(s)			<b>1c</b> <input checked="" type="checkbox"/>
<b>d</b> Loans or loan guarantees to or for related organization(s)			<b>1d</b> <input checked="" type="checkbox"/>
<b>e</b> Loans or loan guarantees by related organization(s)			<b>1e</b> <input checked="" type="checkbox"/>
<b>f</b> Dividends from related organization(s)			<b>1f</b> <input checked="" type="checkbox"/>
<b>g</b> Sale of assets to related organization(s)			<b>1g</b> <input checked="" type="checkbox"/>
<b>h</b> Purchase of assets from related organization(s)			<b>1h</b> <input checked="" type="checkbox"/>
<b>i</b> Exchange of assets with related organization(s)			<b>1i</b> <input checked="" type="checkbox"/>
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s)			<b>1j</b> <input checked="" type="checkbox"/>
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s)			<b>1k</b> <input checked="" type="checkbox"/>
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s)			<b>1l</b> <input checked="" type="checkbox"/>
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s)			<b>1m</b> <input checked="" type="checkbox"/>
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)			<b>1n</b> <input checked="" type="checkbox"/>
<b>o</b> Sharing of paid employees with related organization(s)			<b>1o</b> <input checked="" type="checkbox"/>
<b>p</b> Reimbursement paid to related organization(s) for expenses			<b>1p</b> <input checked="" type="checkbox"/>
<b>q</b> Reimbursement paid by related organization(s) for expenses			<b>1q</b> <input checked="" type="checkbox"/>
<b>r</b> Other transfer of cash or property to related organization(s)			<b>1r</b> <input checked="" type="checkbox"/>
<b>s</b> Other transfer of cash or property from related organization(s)			<b>1s</b> <input checked="" type="checkbox"/>

**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
<b>TETON VALLEY HOSPITAL FOUNDATION</b>	<b>C</b>	<b>271,151</b>	<b>FAIR MARKET VALUE</b>

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) 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		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													

**Part VII Supplemental Information**

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

**Teton Valley Health Care, Inc.**

**Consolidated Financial Statements and  
Independent Auditors' Report**

**September 30, 2013**



**DINGUS | ZARECOR & ASSOCIATES PLLC**  
Certified Public Accountants

**Teton Valley Health Care, Inc.**  
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DINGUS | ZARECOR & ASSOCIATES PLLC  
Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Teton Valley Health Care, Inc.  
Driggs, Idaho

### Report on the Financial Statements

We have audited the accompanying financial statements of Teton Valley Health Care, Inc. (the Hospital) (a nonprofit organization), which comprise the consolidated balance sheet as of September 30, 2013, and the related consolidated statements of operations and changes in net assets and cash flows for the nine-month period then ended, and related notes to the financial statements.

### Management's Responsibility for the 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of September 30, 2013, and the changes in their net assets and cash flows for the nine-month period then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in note 1 to the financial statements, the operations and assets of Teton Valley Hospital, a component unit of Teton County, Idaho, were transferred or leased to the Hospital as of January 1, 2013.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet and consolidating statement of operations and changes in net assets on pages 21 and 22 are presented for purposes of additional analysis and are 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 of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Dingus, Zarecor & Associates PLLC*

Spokane Valley, Washington  
January 29, 2014

**Teton Valley Health Care, Inc.**  
**Consolidated Balance Sheet**  
**September 30, 2013**

<b>ASSETS</b>	<b>2013</b>
<i>Current assets</i>	
Cash and cash equivalents	\$ 2,513,556
Investments in certificates of deposit	387,094
Receivables:	
Patient accounts, net of estimated uncollectible accounts of approximately \$1,391,000	2,239,250
Estimated third-party payor settlements	170,000
Taxes	4,586
Medical malpractice insurance recoveries	35,875
Other	27,402
Inventories	803,206
Prepaid expenses	78,463
<b>Total current assets</b>	<b>6,259,432</b>
<i>Assets restricted as to use</i>	
Cash and cash equivalents restricted for capital acquisitions	911,734
Taxes receivable restricted for capital acquisitions	60,895
<b>Total assets restricted as to use</b>	<b>972,629</b>
<i>Investments in certificates of deposit</i>	<b>950,046</b>
<i>Property, buildings, and equipment, net</i>	<b>2,383,737</b>
<b>Total assets</b>	<b>\$ 10,565,844</b>

*See accompanying notes to consolidated financial statements.*



**Teton Valley Health Care, Inc.**  
**Consolidated Balance Sheet (Continued)**  
**September 30, 2013**

<b>LIABILITIES AND NET ASSETS</b>	<b>2013</b>
<i>Current liabilities</i>	
Current maturities of long-term debt	\$ 184,944
Accounts payable	262,773
Accrued payroll and related liabilities	967,856
Estimated third-party payor settlements	119,000
Medical malpractice claims payable	35,875
Defined benefit pension plan obligation	98,217
Total current liabilities	1,668,665
<i>Noncurrent liabilities</i>	
Long-term debt, less current maturities	711,057
Total liabilities	2,379,722
<i>Unrestricted net assets</i>	8,186,122
<b>Total liabilities and net assets</b>	<b>\$ 10,565,844</b>

*See accompanying notes to consolidated financial statements*

**Teton Valley Health Care, Inc.**  
**Consolidated Statement of Operations and Changes in Net Assets**  
**Nine-Month Period Ended September 30, 2013**

	2013
<i>Unrestricted revenues, gains, and other support</i>	
Net patient service revenue	\$ 10,202,639
Provision for bad debts	(748,278)
<i>Net patient service revenue less provision for bad debts</i>	<i>9,454,361</i>
Teton County Ambulance District contract	333,981
Thrift store revenue	193,494
Grants	63,778
Contributions	109,686
Interest income	7,537
Other	78,638
<b>Total unrestricted revenues, gains, and other support</b>	<b>10,241,475</b>
<i>Expenses</i>	
Salaries and wages	5,254,611
Employee benefits	1,139,131
Purchased services	1,422,626
Supplies	1,089,299
Leases and rent	78,330
Repairs and maintenance	207,003
Utilities	135,997
Insurance	86,846
Depreciation	402,147
Interest expense	29,461
Other	259,189
<b>Total expenses</b>	<b>10,104,640</b>
<i>Unrestricted revenues, gains, and other support in excess of expenses</i>	<i>136,835</i>
<i>Taxation for capital acquisitions</i>	<i>15,492</i>
Change in unrestricted net assets	152,327
Unrestricted net assets, transferred from Teton Valley Hospital	8,033,795
<b>Unrestricted net assets, end of period</b>	<b>\$ 8,186,122</b>

*See accompanying notes to consolidated financial statements.*

**Teton Valley Health Care, Inc.**  
**Consolidated Statement of Cash Flows**  
**Nine-Month Period Ended September 30, 2013**

	2013
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
<i>Cash flows from operating activities</i>	
Receipts from and on behalf of patients	\$ 9,608,510
Payments to and on behalf of employees	(6,379,781)
Payments to suppliers and contractors	(3,541,754)
Grants and contributions	173,464
Other	625,463
Taxation for operations	38,576
Taxation for capital acquisitions	68,529
Interest on long-term debt	(48,984)
Net cash provided by operating activities	544,023
<i>Cash flows from investing activities</i>	
Purchase of property and equipment	(17,087)
Purchase of certificates of deposit	(863,573)
Transfers to/from assets limited as to use	(46,981)
Net cash used in investing activities	(927,641)
<i>Cash flows from financing activities</i>	
Proceeds from issuance of long-term debt	860,000
Principal paid on long-term debt	(788,757)
Net cash provided by financing activities	71,243
Net decrease in cash and cash equivalents	(312,375)
Cash and cash equivalents, beginning of period	2,825,931
Cash and cash equivalents, end of period	\$ 2,513,556

*See accompanying notes to consolidated financial statements.*

**Teton Valley Health Care, Inc.**  
**Consolidated Statement of Cash Flows (Continued)**  
**Nine-Month Period Ended September 30, 2013**

	2013
<i>Reconciliation of Change in Unrestricted Net Assets to Net Cash Provided by Operating Activities</i>	
Change in unrestricted net assets	\$ 152,327
<i>Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities</i>	
Depreciation	402,147
Provision for bad debts	748,278
Decrease (increase) in assets:	
Patient accounts receivable	(892,262)
Estimated third-party payor settlements	225,000
Taxes receivable	38,576
Other receivables	11,813
Inventories	(273,395)
Prepaid expenses	82,926
Taxes receivable restricted for capital acquisition	53,037
Increase (decrease) in liabilities:	
Accounts payable	(91,518)
Accrued payroll and related liabilities	124,840
Estimated third-party payor settlements	73,133
Defined benefit pension plan obligation	(110,879)
Total adjustments	391,696
<b>Net cash provided by operating activities</b>	<b>\$ 544,023</b>

*See accompanying notes to consolidated financial statements.*

**Teton Valley Health Care, Inc.**  
**Notes to Consolidated Financial Statements**  
**Nine-Month Period Ended September 30, 2013**

**1. Organization and Summary of Significant Accounting Policies:**

**a. Organization**

Effective January 11, 2012, Teton Valley Health Care, Inc. (the Hospital), a nonprofit corporation, was formed under the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, of the Idaho Code. The Hospital is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Hospital has been set up to manage operations previously operated by Teton Valley Hospital, a component unit of Teton County, Idaho (the District). The Hospital is governed by a board of directors consisting of nine members.

The Hospital operates a 13-bed critical access hospital (CAH) and rural health clinic in Driggs, Idaho, and a rural health clinic in Victor, Idaho. The Hospital provides healthcare services to patients in the Teton County area. Services provided include acute care, emergency room, physicians' clinics and the related ancillary procedures (imaging, laboratory, etc.).

The reporting entity of the Hospital also includes the consolidated financial information of Teton Valley Health Care Foundation doing business as Teton Valley Hospital Foundation (the Foundation). The Foundation is organized as an Idaho nonprofit corporation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation was organized to solicit and accept charitable contributions to support the Hospital.

In conjunction with formation of the Hospital, a Liquid Assets Transfer Agreement (LATA) was executed between the Hospital and Teton County, Idaho (the County), effective January 1, 2013. This agreement calls for all rights, title, and interest in the liquid assets of the County, relating to District operations, to be transferred to the Hospital in exchange for payment of a yearly fee of \$70,000 due annually in April, along with a yearly distribution equal to 5% of the Hospital's "Excess of Operating Revenues Over Expenses" as shown on the audited financial statements. This earnings distribution must be paid to the County within 150 days of the Hospital's fiscal year end. In addition, the Hospital shall assume the obligations and liabilities of the County related to the cash and liquid assets of the District. Liquid assets to be transferred shall include bank accounts, cash, tax levy and other liquid assets, and securities related to the operation of the District. Under this agreement, the County also has the option to reinvest all or a portion of such payments received into the Hospital. The Hospital may also make written funding requests for improvements to the Hospital.

In addition, a 99-year lease between the Hospital and the County has been signed, effective January 1, 2013. The agreement entitles the Hospital to lease from the County the hospital facilities, including any real or personal property leases, as well as the property, plant, and equipment currently used in the Hospital's operations. Annual consideration paid to the County will be \$1.

**Teton Valley Health Care, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Nine-Month Period Ended September 30, 2013**

**1. Organization and Summary of Significant Accounting Policies (continued):**

**b. Summary of Significant Accounting Policies**

**Principles of consolidation** – The Hospital consolidates activities of Teton Valley Health Care, Inc. and Teton Valley Health Care Foundation, doing business as Teton Valley Hospital Foundation. All material intercompany transactions and accounts have been eliminated in the consolidated financial statements.

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Income tax status** – The Hospital and Foundation are not-for-profit corporations and are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax is necessary. The Hospital evaluates uncertain tax positions whereby the effect of the uncertainty would be recorded if the outcome were considered probable and reasonably estimable. As of September 30, 2013, the Hospital has no uncertain tax positions requiring accrual.

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

**Fair value measurements** – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

The Hospital classifies its investments based upon an established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

**Level 1** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

**Level 2** – Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly. The Hospital did not have any Level 2 investments in the nine-month period ended September 30, 2013.

**Level 3** – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. The Hospital did not have any Level 3 investments in the nine-month period ended September 30, 2013.

**Teton Valley Health Care, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Nine-Month Period Ended September 30, 2013**

**1. Organization and Summary of Significant Accounting Policies (continued):**

**b. Summary of Significant Accounting Policies (continued)**

***Investments in certificates of deposit*** – Investments in certificates of deposit are measured at fair value in the consolidated balance sheets based on quoted market prices (Level 1 input for fair value measurement).

***Inventories*** – Inventories are stated at cost on the first-in, first-out method. Inventories consist of pharmaceutical, medical-surgical, and other supplies used in the operation of the Hospital.

***Property, buildings, and equipment*** – The Hospital capitalizes assets whose costs exceed \$5,000 and have an estimated useful life of at least two years. Major expenses for capital assets, including leases that increase the useful lives, are capitalized. Maintenance, repairs, and minor renewals are accounted for as expenses as incurred. Capital assets are reported at historical cost or their estimated fair value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and computed using the straight-line method. The estimated useful lives of capital assets are as follows:

Land improvements	3 to 15 years
Buildings and improvements	5 to 30 years
Fixed equipment	5 to 20 years
Major movable equipment	3 to 20 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to unrestricted net assets, and are excluded from revenues in excess of expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted net assets.

Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

***Compensated absences*** – The Hospital's employees earn paid time off at varying rates depending on years of service. Employees with up to five years of service are allowed to accrue a maximum of 160 hours, and employees with more than five years of service are allowed to accrue 240 hours. The estimated amount of paid time off is expensed and reported as a component of accrued compensation and related liabilities in the consolidated balance sheet as it is earned.

Employees also earn extended illness bank benefits based on a standard rate-per-hour worked up to a maximum of 480 hours. Unused extended illness bank hours are not paid upon termination of employment. Extended illness bank benefits are expensed when taken.

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

**Teton Valley Health Care, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Nine-Month Period Ended September 30, 2013**

**1. Organization and Summary of Significant Accounting Policies (continued):**

**b. Summary of Significant Accounting Policies (continued)**

*Functional expense allocation* – The costs of providing various programs and other activities have been summarized on a functional basis in the statement of operations and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

*Recent accounting pronouncements* – In 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2011-07 that requires healthcare entities to report patient bad debt as a reduction from revenue instead of an operating expense. The amended requirement is effective for fiscal years ending after December 15, 2012, and must be applied retrospectively. The statement of operations and changes in net assets reflects the amended guidance. This guidance did not impact the Hospital's balance sheet or statement of cash flows.

*Subsequent events* – The Hospital has evaluated subsequent events through January 29, 2014, the date on which the financial statements were available to be issued.

**2. Investments in Certificates of Deposit:**

The composition of investments is set forth below. Investments are measured at fair value on a recurring basis using quoted prices in active markets for identical values (Level 1).

	September 30, 2013
<i>Certificates of deposits</i>	
< 1 year term	\$ 387,094
1-2 year term	417,684
2-3 year term	172,712
3-4 year term	177,348
4-5 year term	182,302
Total certificates of deposit	\$ 1,337,140
Reconciliation to balance sheet:	
Current investments in certificates of deposit	\$ 387,094
Long-term investments in certificates of deposit	950,046
Total certificates of deposit	\$ 1,337,140



**Teton Valley Health Care, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Nine-Month Period Ended September 30, 2013**

**3. Patient Accounts Receivable:**

Patient accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectibility of patient accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible 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. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital 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 discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

The Hospital's allowance for uncollectible accounts for self-pay patients has not changed significantly from prior years. The Hospital's provisions for bad debts and writeoffs have not changed significantly from prior years. The Hospital has changed its charity care and uninsured discount policies for the nine-month period ended September 30, 2013, to be in compliance with the Hospital's new status as a tax-exempt corporation formed under Section 501(c)(3) of the Internal Revenue Code. The Hospital does not maintain a material allowance for uncollectible accounts from third-party payors, nor did it have significant writeoffs from third-party payors. Patient accounts receivable consist of these amounts:

	September 30, 2013
Patients and their insurance carriers	\$ 2,444,926
Blue Cross and Blue Shield	567,281
Medicare	530,208
Medicaid	87,528
Total patient accounts receivable	3,629,943
Less allowance for uncollectible accounts	1,390,693
<b>Patient accounts receivable, net</b>	<b>\$ 2,239,250</b>

**Teton Valley Health Care, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Nine-Month Period Ended September 30, 2013**

**4. Property, Buildings, and Equipment:**

Property, buildings, and equipment consisted of the following:

	September 30, 2013
Land	\$ 92,671
Land improvements	16,525
Buildings and improvements	4,836,151
Fixed equipment	278,666
Major movable equipment	4,272,031
	9,496,044
Less accumulated depreciation	(7,129,395)
	2,366,649
Construction in progress	17,088
<b>Net property, buildings, and equipment</b>	<b>\$ 2,383,737</b>

*Construction in progress* – As of September 30, 2013, the Hospital's construction in progress related to costs for a remodel of the X-ray suite. The estimated cost to complete this project is approximately \$513,000. The X-ray suite is expected to be completed in March 2014.

**Teton Valley Health Care, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Nine-Month Period Ended September 30, 2013**

**5. Employee Health Self-insurance:**

The Hospital participates in a self-insured health insurance plan administered by Boulder Administration Services, Inc. (the TPA). Full-time employees are eligible to participate after reaching 90 days of employment. The Hospital records plan expenses as incurred. The Hospital also has an agreement with Pan American Life Insurance Company (the Company) to provide excess loss insurance coverage. The calculation of loss coverage is based upon a set dollar amount per covered employee. Plan expenses were approximately \$460,000 for the nine-month period ended September 30, 2013. The Hospital accrues an incurred but not reported liability for plan claims that had been incurred but that have not yet been reported to the TPA. The Hospital's liability for claims incurred but not reported was \$75,000 as of September 30, 2013. Activity in the Hospital's accrued employee health claims liability is as follows:

	<b>Nine-Month Period Ended September 30, 2013</b>
Balance, beginning of period	\$ 71,000
Current year claims incurred and changes in estimates for claims incurred in prior years	463,722
Claims and expenses paid	(459,722)
<b>Balance, end of period</b>	<b>\$ 75,000</b>

**Teton Valley Health Care, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Nine-Month Period Ended September 30, 2013**

**6. Long-term Debt:**

The Hospital had long-term debt balances as follows:

	September 30, 2013
KeyBank National Association loan, payable in monthly installments of \$15,351, including interest at 2 7% The loan matures January 2018; collateralized by Hospital certificates of deposit totaling \$859,964.	\$ 753,295
Wells Fargo loan, payable in monthly installments of \$1,275, plus interest at 7.5%. The loan matures October 2022; collateralized by the thrift store building	92,321
Note payable relating to a building, payable in monthly installments of \$13,711, plus interest at 3.48%. The loan matures August 2017, collateralized by the building.	50,385
Total long-term debt	896,001
<i>Less current maturities</i>	<i>(184,944)</i>
<b>Total long-term debt, less current maturities</b>	<b>\$ 711,057</b>

Future principal and interest payments on the long-term debt during succeeding years are as follows:

Years Ending September 30	
2014	\$ 184,944
2015	190,604
2016	196,465
2017	202,537
2018	72,634
2019-2022	48,817
	<b>\$ 896,001</b>

**2002 Revenue Bonds** – The 2002 Revenue bonds, dated June 26, 2002, in the original amount of \$1,797,000, payable in annual installments of \$189,992, including interest at 5.72% through June 2016, were paid off during the nine-month period ended September 30, 2013.

**Teton Valley Health Care, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Nine-Month Period Ended September 30, 2013**

**7. Net Patient Service Revenue:**

The Hospital 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. For uninsured patients that 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 Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows:

	Nine-Month Period Ended September 30, 2013
Patient service revenue (net of contractual adjustments and discounts)	
Medicare	\$ 3,470,719
Medicaid	595,041
Other third-party payors	5,283,194
Patients	896,359
	10,245,313
Less:	
Charity care	42,674
Provision for bad debts	748,278
<b>Net patient service revenue</b>	<b>\$ 9,454,361</b>

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

- *Medicare* – The Hospital is licensed as a critical access hospital and rural health clinic. The Hospital is reimbursed for most inpatient, outpatient, and rural health clinic services at cost with final settlement determined after submission of annual cost reports by the Hospital subject to audits thereof by the Medicare intermediary. Nonrural health clinic physician services are reimbursed based on fee schedules.
- *Medicaid* – Inpatient and outpatient services provided to Medicaid program beneficiaries are reimbursed under cost reimbursement methodologies through the Hospital's Medicare cost report, or rates as established by the Medicaid program. Rural health clinic visits are reimbursed at prospectively determined rates. Nonrural health clinic physician services are reimbursed based on fee schedules. The Hospital is reimbursed at a tentative rate with final settlement determined by the Medicaid program based on the Hospital's final Medicare cost report for non fee-schedule services.

**Teton Valley Health Care, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Nine-Month Period Ended September 30, 2013**

**7. Net Patient Service Revenue (continued):**

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

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue increased by approximately \$3,000 in the nine-month period ended September 30, 2013, due to differences between original estimates and final settlements or revised estimates.

The Hospital provides charity care to patients who are financially unable to pay for the healthcare services they receive. The Hospital's policy is not to pursue collection of amounts determined to qualify as charity care. Accordingly, the Hospital does not report these amounts in net operating revenues or in the allowance for uncollectible accounts. The Hospital determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including salaries, wages and benefits, supplies, and other operating expenses, based on data from its costing Hospital. The costs of caring for charity care patients for the nine-month period ended September 30, 2013, were approximately \$34,000.

**8. Retirement Plans:**

**403(b) plan** – The Hospital provides retirement benefits through the Teton Valley Health Care, Inc. 403(b) Plan (the 403(b) Plan), a defined contribution plan. The 403(b) Plan was effective as of January 1, 2013. This plan covers all eligible employees who are employed by the Hospital. Contributions are based on a discretionary percentage of wages and salaries. Employees are eligible to participate in the plan after completing 1,000 hours of service in a twelve-month period and attaining the age of 21. The Hospital's contribution for the nine-month period ended September 30, 2013, was approximately \$104,000. The Hospital is the administrator for the plan.

**457(b) plan** – The Teton Valley Health Care, Inc. 457(b) Plan (the 457(b) Plan) is a deferred compensation pension plan and is offered to specific Hospital employees determined to be highly compensated employees. The 457(b) Plan was effective as of January 1, 2013. The Hospital does not contribute to this plan. The plan is administered by Randall & Hurley, Inc.

**Teton Valley Health Care, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Nine-Month Period Ended September 30, 2013**

**8. Retirement Plans (continued):**

**Defined benefit plan** – Until 2004, the Hospital provided a defined benefit noncontributory pension plan (the Teton Valley Hospital Defined Benefit Plan) (the Plan) for all full-time employees who had completed one year of service and reached age 21. Benefits were based on years of service and career compensation and consisted of cash payments with a maximum possible benefit of \$15,000 per month. The Hospital does not maintain the accounting records, hold the investments, or administer the Plan. The Plan is a single employer Hospital administered by Randall and Hurley, Inc. Actuarial valuations for the Plan are performed annually. Benefit provisions and contribution requirements of Plan members and the Hospital were established by the Board of Trustees.

Effective December 31, 2003, the Hospital froze the defined benefit pension plan. Eligible employees will receive, upon retirement or termination, the benefits accrued on their behalf as of that date. This action is defined as a curtailment and eliminates accrual of additional benefits subsequent to the effective date.

Effective December 31, 2012, the Plan has been terminated. However, it has not yet been fully settled because there are still Plan participants that have received neither lump-sum nor annuity contracts in exchange for their rights to receive pension benefits. During the nine-month period ended September 30, 2013, the Hospital paid out \$93,240 to plan participants. As of September 30, 2013, the Hospital owed participants \$98,217 in settlement funds. Settlement is expected to be complete by the year ended September 30, 2014. There is no effect of projected future compensation levels to report as of September 30, 2013, 2012 or 2011.

**9. Functional Expenses:**

The Hospital provides the following healthcare services to residents within its geographic location:

- Acute care
- Emergency services
- Outpatient surgery
- Rural health clinics
- Other outpatient services

**Teton Valley Health Care, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Nine-Month Period Ended September 30, 2013**

**9. Functional Expenses (continued):**

Expenses related to providing these services were as follows:

	<b>Nine-Month Period Ended September 30, 2013</b>
Health care services	\$ 7,834,266
General and administrative	2,109,120
Fundraising	161,254
	<b>\$ 10,104,640</b>

**10. Contingencies:**

**Medical malpractice claims** – The Hospital has professional liability insurance with Lexington Insurance Company (Lexington). The Lexington policy provides protection on a “claims-made” basis whereby only malpractice claims reported to the insurance carrier in the current year are covered by the current policies. If there are unreported incidents which result in a malpractice claim in the current year, such claims would be covered in the year the claim was reported to the insurance carrier only if the Hospital purchased claims-made insurance in that year or the Hospital purchased “tail” insurance to cover claims incurred before but reported to the insurance carrier after cancellation or expiration of a claims-made policy. The malpractice insurance provides \$1,000,000 per claim of primary coverage with an annual aggregate limit of \$3,000,000. The policy does not have a deductible.

The Hospital also has excess professional liability insurance with Lexington on a “claims-made” basis. The excess malpractice insurance provides \$2,000,000 per claim of primary coverage with an annual aggregate limit of \$2,000,000. The policy does not have a deductible.

**Industry regulations** – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as: licensure, accreditations, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions known or unasserted at this time.



**Teton Valley Health Care, Inc.**  
**Notes to Consolidated Financial Statements (Continued)**  
**Nine-Month Period Ended September 30, 2013**

**10. Contingencies (continued):**

**Healthcare reform** – As a result of recently enacted federal healthcare reform legislation, substantial changes are anticipated in the United States of America's healthcare organizations. Such legislation includes numerous provisions affecting the delivery of healthcare services, the financing of healthcare costs, reimbursement of healthcare providers, and the legal obligations of health insurers, providers, and employers. These provisions are currently slated to take effect at specified times over approximately the next decade. The federal healthcare reform legislation does not affect the 2013 financial statements.

**11. Concentrations of Risk:**

**Patient accounts receivable** – The Hospital grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients is as follows:

	September 30, 2013
Medicare	18 %
Medicaid	3
Blue Cross and Blue Shield	18
Other commercial insurances	18
Patients	43
	100 %

**Physicians** – The Hospital is dependent on local physicians practicing in its service area to provide admissions and utilize hospital services on an outpatient basis. A decrease in the number of physicians providing these services or change in their utilization patterns may have an adverse effect on the Hospital's operations.

**Cash and cash equivalents** – As of September 30, 2013, the Hospital maintained deposits in accounts with major financial institutions which exceeded the \$250,000 Federal Deposit Insurance Corporation limit. These financial institutions have strong credit ratings, and management believes that credit risk related to these deposits is minimal.

**12. Subsequent Event:**

In December 2013, the Hospital was awarded a grant from the M.J. Murdock Charitable Trust, in the amount of \$125,000, to be used for the purchase of new imaging equipment.

**Teton Valley Health Care, Inc.**  
**Consolidating Balance Sheet**  
**September 30, 2013**

<b>ASSETS</b>	<b>Teton Valley Health Care Inc.</b>	<b>Teton Valley Hospital Foundation</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
<i>Current assets</i>				
Cash and cash equivalents	\$ 2,238,331	\$ 275,225	\$ -	\$ 2,513,556
Investments in certificates of deposit	387,094	-	-	387,094
Receivables				
Patient accounts, net of estimated uncollectible accounts of approximately \$1,391,000	2,239,250	-	-	2,239,250
Estimated third-party payor settlements	170,000	-	-	170,000
Taxes	4,586	-	-	4,586
Medical malpractice insurance recoveries	35,875	-	-	35,875
Other	27,402	-	-	27,402
Inventories	755,116	48,090	-	803,206
Prepaid expenses	78,463	-	-	78,463
<b>Total current assets</b>	<b>5,936,117</b>	<b>323,315</b>	<b>-</b>	<b>6,259,432</b>
<i>Assets restricted as to use</i>				
Cash and cash equivalents restricted for capital acquisitions	911,734	-	-	911,734
Taxes receivable restricted for capital additions	60,895	-	-	60,895
<b>Total assets restricted as to use</b>	<b>972,629</b>	<b>-</b>	<b>-</b>	<b>972,629</b>
<i>Investments in certificates of deposit</i>	<b>950,046</b>	<b>-</b>	<b>-</b>	<b>950,046</b>
<i>Property, buildings, and equipment, net</i>	<b>2,303,403</b>	<b>80,334</b>	<b>-</b>	<b>2,383,737</b>
<b>Total assets</b>	<b>\$ 10,162,195</b>	<b>\$ 403,649</b>	<b>\$ -</b>	<b>\$ 10,565,844</b>
<b>LIABILITIES AND NET ASSETS</b>				
<i>Current liabilities</i>				
Current maturities of long-term debt	\$ 177,677	\$ 7,267	\$ -	\$ 184,944
Accounts payable	239,183	23,590	-	262,773
Accrued payroll and related liabilities	967,856	-	-	967,856
Estimated third-party payor settlements	119,000	-	-	119,000
Medical malpractice claims payable	35,875	-	-	35,875
Defined benefit pension plan obligation	98,217	-	-	98,217
<b>Total current liabilities</b>	<b>1,637,808</b>	<b>30,857</b>	<b>-</b>	<b>1,668,665</b>
<i>Noncurrent liabilities</i>				
Long-term debt, less current maturities	626,003	85,054	-	711,057
<b>Total liabilities</b>	<b>2,263,811</b>	<b>115,911</b>	<b>-</b>	<b>2,379,722</b>
<i>Unrestricted net assets</i>	<b>7,898,384</b>	<b>287,738</b>	<b>-</b>	<b>8,186,122</b>
<b>Total liabilities and net assets</b>	<b>\$ 10,162,195</b>	<b>\$ 403,649</b>	<b>\$ -</b>	<b>\$ 10,565,844</b>

*See accompanying independent auditors' report.*

**Teton Valley Health Care, Inc.**  
**Consolidating Statement of Operations and Changes in Net Assets**  
**Nine-Month Period Ended September 30, 2013**

	<b>Teton Valley Health Care Inc.</b>	<b>Teton Valley Hospital Foundation</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
<i>Unrestricted revenues, gains, and other support</i>				
Net patient service revenue	\$ 10,202,639	\$ -	-	\$ 10,202,639
Provision for bad debts	(748,278)	-	-	(748,278)
<i>Net patient service revenue less provision for bad debts</i>	<b>9,454,361</b>	-	-	<b>9,454,361</b>
Teton County Ambulance District contract	333,981	-	-	333,981
Thrift store revenue	-	193,494	-	193,494
Grants	60,078	3,700	-	63,778
Contributions	28,361	103,650	(22,325)	109,686
Interest income	7,370	167	-	7,537
Other	78,638	-	-	78,638
<b>Total unrestricted revenues, gains, and other support</b>	<b>9,962,789</b>	<b>301,011</b>	<b>(22,325)</b>	<b>10,241,475</b>
<i>Expenses</i>				
Salaries and wages	5,140,173	114,438	-	5,254,611
Employee benefits	1,139,131	-	-	1,139,131
Purchased services	1,413,389	9,237	-	1,422,626
Supplies	1,086,809	2,490	-	1,089,299
Leases and rent	78,330	-	-	78,330
Repairs and maintenance	205,459	1,544	-	207,003
Utilities	129,651	6,346	-	135,997
Insurance	85,037	1,809	-	86,846
Depreciation	396,080	6,067	-	402,147
Interest expense	25,900	3,561	-	29,461
Contributions to Teton Valley Health Care, Inc	-	271,151	(271,151)	-
Other	239,069	20,120	-	259,189
<b>Total expenses</b>	<b>9,939,028</b>	<b>436,763</b>	<b>(271,151)</b>	<b>10,104,640</b>
<i>Unrestricted revenues, gains, and other support over (under) expenses</i>	<b>23,761</b>	<b>(135,752)</b>	<b>248,826</b>	<b>136,835</b>
<i>Taxation for capital expenditures</i>	<b>15,492</b>	-	-	<b>15,492</b>
<i>Capital contributions from Foundation</i>	<b>248,826</b>	-	<b>(248,826)</b>	<b>-</b>
Change in unrestricted net assets	288,079	(135,752)	-	152,327
Unrestricted net assets, transferred from Teton Valley Hospital	7,610,305	423,490	-	8,033,795
<b>Unrestricted net assets, end of year</b>	<b>\$ 7,898,384</b>	<b>\$ 287,738</b>	<b>-</b>	<b>\$ 8,186,122</b>

*See accompanying independent auditors' report.*