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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 private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 01-01-2013 , 2013, and ending 12-31-2013

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

C Name of organization
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 1910 SOUTH AVE Suite

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
LA CROSSE, WI 54601

D Employer identification number
39-0813416

E Telephone number
(608) 782-7300

G Gross receipts $ 873,953,742

F Name and address of principal officer
JEFFREY THOMPSONCEO
1910 SOUTH AVE
LA CROSSE, WI 54601

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www gundersenhealth org

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

L Year of formation 1899

M State of legal domicile WI

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	6
5	Total number of individuals employed in calendar year 2013 (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**	249,679
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-28,264

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	7,450,297	4,947,166
9	Program service revenue (Part VIII, line 2g)	479,506,052	868,686,792
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	36,779,091	60,492
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	182,140	209,440
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	523,917,580	873,903,890
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	15,745,856	19,514,537
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	135,485,755	252,958,069
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	255,932,809	289,262,879
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	407,164,420	561,735,485
19	Revenue less expenses Subtract line 18 from line 12	116,753,160	312,168,405

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	815,006,739	958,864,616
21	Total liabilities (Part X, line 26)	172,740,473	4,429,945
22	Net assets or fund balances Subtract line 21 from line 20	642,266,266	954,434,671

Revenue | Expenses | Net Assets or Fund Balances

Part II Signature Block

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

Sign Here

****** 2014-10-27
Signature of officer Date

KATHLEEN KLOCK SENIOR VICE PRESIDENT
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Donald Neal Jr				P00798244

Firm's name ▶ KPMG LLP — Firm's EIN ▶

Firm's address ▶ 1212 North 96th Street Suite 300 Omaha, NE 68114 — Phone no (608) 775-6600

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response or note to any line 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 $ 466,546,289 including grants of $ 19,514,537) (Revenue $ 868,686,792)

GLMC PROVIDES A COMPREHENSIVE RANGE OF INPATIENT, CLINICAL AND DIAGNOSTIC SERVICES IN NUMEROUS MEDICAL SPECIALTIES AND SUBSPECIALTIES GLMC IS A TEACHING HOSPITAL WITH 255 AVAILABLE BEDS WITH SPECIALTY SERVICES INCLUDING RENAL DIALYSIS,CANCER CARE, REHABILITATION SERVICES, AND CARDIAC SERVICES In 2013, GLMC opened an new Inpatient Behavioral Health Building, meeting a tremendous need in our region for additional beds and services We are able to provide care locally for patients of all ages The facility is the only place in the region offering inpatient care for adolescents and teenagers with behavioral health needs GLMC VOLUNTARILY PROVIDES MEDICALLY NECESSARY PATIENT CARE SERVICE THAT IS DISCOUNTED OR FREE OF CHARGE TO PERSONS WHO HAVE INSUFFICIENT RESOURCES AND/OR WHO ARE UNINSURED DURING 2013, GLMC PROVIDED FINANCIAL ASSISTANCE ON APPROXIMATELY 1,769 PATIENT ACCOUNTS THAT RESULTED IN GLMC INCURRING ROUGHLY $4,759,571 IN UNCOMPENSATED COST ASSOCIATED WITH THIS PROGRAM

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** ▶ 466,546,289

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**	Yes	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	0		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

Check if Schedule O contains a response or note to any line in this Part VI . . . . . ☑

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a** 16		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent	**1b** 6		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**		No
6	Did the organization have members or stockholders?	**6**	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**		No

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

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

Section C. Disclosure

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

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

☐ 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

▶ DARA BARTELS 1900 S AVE NCA1-01
LA CROSS, WI 54601 (608) 775-9487

Part VII Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII . . . . . ☑

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								0	9,723,726	1,331,694

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

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

Section B. Independent Contractors

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

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

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

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d	4,486,677			
	e	Government grants (contributions)	1e	305,390			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	155,099			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		4,947,166			
Program Service Revenue			Business Code				
	2a	MEDICAL SERVICE PROVIDED	621500	868,686,792	868,686,792		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		868,686,792			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		60,505			60,505
	4	Income from investment of tax-exempt bond proceeds . . ▶		0			
	5	Royalties . . . . . ▶		0			
			(i) Real / (ii) Personal				
	6a	Gross rents	9,600				
	b	Less rental expenses	49,839				
	c	Rental income or (loss)	-40,239 / 0				
	d	Net rental income or (loss) . . . . . ▶		-40,239			-40,239
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses	13				
	c	Gain or (loss)	-13				
	d	Net gain or (loss) . . . . . ▶		-13			-13
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶		0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶		0			
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶		0			
		Miscellaneous Revenue	Business Code				
	11a	LABORATORY SERVICES	900099	249,679		249,679	
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶		249,679			
	12	**Total revenue.** See Instructions . . . . . ▶		873,903,890	868,686,792	249,679	20,253

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 or note to any line in this Part IX . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	8,195,784	8,195,784		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	11,318,753	11,318,753		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	0			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	193,147,064	191,178,336	1,968,728	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	19,888,658	19,643,022	245,636	
9 Other employee benefits	28,659,339	27,842,351	816,988	
10 Payroll taxes	11,263,008	11,130,158	132,850	
11 Fees for services (non-employees)				
a Management	0			
b Legal	0			
c Accounting	3,649	3,649		
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	46,609,813	46,404,412	205,401	
12 Advertising and promotion	0			
13 Office expenses	80,051,163	80,051,163		
14 Information technology	1,247,983	1,195,315	52,668	
15 Royalties . .	0			
16 Occupancy	1,284,699	945,805	338,894	
17 Travel	528,790	524,034	4,756	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	90		90	
21 Payments to affiliates	127,426,300	39,132,010	88,294,290	
22 Depreciation, depletion, and amortization	13,237,330	10,419,635	2,817,695	
23 Insurance	112,143	10,377	101,766	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a BAD DEBTS / COLLECTIONS	17,875,029	17,875,029		
b DUES/MEMBERSHIPS/ PROF LIAB	474,533	278,269	196,264	
c EMPLOYEE DEVELOPMENT & TRAIN	256,148	255,468	680	
d MISCELLANEOUS	155,209	142,719	12,490	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	561,735,485	466,546,289	95,189,196	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X . . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		217,081	2	-183,333
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		64,638,051	4	108,551,472
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		1,401,449	8	3,218,442
	9	Prepaid expenses and deferred charges		0	9	0
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 485,273,109			
	b	Less accumulated depreciation	10b 162,706,508	218,865,873	10c	322,566,601
	11	Investments—publicly traded securities		15,000,000	11	15,000,000
	12	Investments—other securities See Part IV, line 11		250,000	12	250,000
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		514,634,285	15	509,461,434
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		815,006,739	16	958,864,616
Liabilities	17	Accounts payable and accrued expenses		12,247,496	17	2,486,815
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		160,492,977	25	1,943,130
	26	**Total liabilities.** Add lines 17 through 25		172,740,473	26	4,429,945
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		636,653,179	27	954,434,671
	28	Temporarily restricted net assets		5,613,087	28	0
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		642,266,266	33	954,434,671
	34	Total liabilities and net assets/fund balances		815,006,739	34	958,864,616

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	873,903,890
2	Total expenses (must equal Part IX, column (A), line 25)	2	561,735,485
3	Revenue less expenses Subtract line 2 from line 1	3	312,168,405
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	642,266,266
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	954,434,671

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . . ☑

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

Additional Data

Software ID:
Software Version:
EIN: 39-0813416
Name: GUNDERSEN LUTHERAN MEDICAL CENTER INC

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(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			
Jeffrey Thompson MD Chief Executive Officer	2 0 44 0	X		X					737,331	56,128
Greg Prairie Board of Trustees - VP	2 0 4 0	X		X				0	0	0
Wendy Lommen Board of Trustees - Treasurer	2 0 4 0	X		X					0	0
Brian Rude Board of Trustees - Secretary	2 0 4 0	X		X					0	0
Gerald Kember Board of Trustees - Member	2 0 6 0	X							0	0
Mark Platt Sr VP Board of Trustees - Member	2 0 42 0	X							57,784	5,721
Mark Glendenning Board of Trustees - Member	2 0 4 0	X							0	0
Brad Sturm Board of Trustees - Member	2 0 4 0	X							0	0
Stephen Shapiro MD Bd of Trustees/Bd of Gov-MBR	2 0 47 0	X							437,797	56,128
Brian Sieck MD bd of gov -sec/treas/trustee	2 0 44 0	X		X					370,447	56,128
Gregory Thompson MD Bd of Trustees/Bd of Gov-CMO	2 0 46 0	X		X					355,777	56,128
Jonathan Zlabek MD Bd of Trustees/Bd of Gov-MBR	2 0 44 0	X							275,155	54,540
Julio Bird MD EXEC VICE PRESIDENT/BD OF GOV	2 0 44 0	X		X					662,971	53,628
Frank Aberger MD Board of Governors - Member	2 0 44 0	X							384,901	54,228
William Agger MD Board of Governors - Member	2 0 44 0	X							244,185	52,926
Kelley Bahr MD Board of Governors - Member	2 0 44 25	X							247,026	34,940
Brian Mulrennan MD BOARD OF GOVERNORS - MEMBER	2 0 44 0	X							304,377	54,607
Gordon Edwards Chief Financial Officer	0 0 40 0			X					96,761	6,925
Michael Allen Chief Financial Officer	0 0 40 0			X					106,479	14,196
Mary Kuffel MD MEDICAL VICE PRESIDENT	0 0 40 0				X				442,987	37,152
Michael J Dolan MD Medical Vice President	0 0 42 0				X				460,015	54,463
Marilu Bintz MD Medical Vice President	0 0 40 0				X				555,076	44,688
Scott Rathgaber MD Medical Vice President	0 0 40 0				X				499,881	56,128
Mary Lu Gerke Vice President	0 0 40 0				X				204,064	37,688
Janice DeHaan Vice President	0 0 41 5				X				275,782	50,490

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(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			
Debra Rislow Vice President	0 0 42 0				X				302,596	50,652
Bryan Erdmann Vice President	0 0 42 8				X				176,759	44,373
Kelly Barton Vice President	0 0 41 5				X				177,643	38,659
Kathleen Klock Senior Vice President	0 0 40 0				X				423,360	35,700
Gerald Arndt Senior Vice President	0 0 41 0				X				387,412	37,152
Robert Trine Senior Vice President	0 0 40 0				X				372,950	51,515
Mary Jafari Senior Physicist	0 0 40 0					X			209,753	47,364
John Wochos Clinical Manager	0 0 40 0					X			199,126	48,953
Alan Daus Senior Physicist	0 0 40 0					X			195,993	45,578
Kimberly Schmidt Senior Physicist	0 0 40 0					X			172,137	44,907
Ryan Holte Administrative Director	0 0 40 0					X			162,679	22,551
Daryl Applebury Former Chief of Corp Ventures	0 0 40 0						X		224,522	27,458

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Employer identification number
39-0813416

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Name of supported organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section **(see instructions))**	**(iv)** Is the organization in col **(i)** listed in your governing document?		**(v)** Did you notify the organization in col **(i)** of your support?		**(vi)** Is the organization in col **(i)** organized in the U S ?		**(vii)** Amount of monetary support
			Yes	**No**	**Yes**	**No**	**Yes**	**No**	
Total									

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** 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—2012.** 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—2013.** 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—2012.** 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

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

Section C. Computation of Public Support Percentage

15	Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** 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—2012.** 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.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test		
Return Reference	Explanation	

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
GUNDERSEN LUTHERAN MEDICAL CENTER INC	39-0813416

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

A Check ▶ ☑ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)	0	0
b Total lobbying expenditures to influence a legislative body (direct lobbying)	0	243,735
c Total lobbying expenditures (add lines 1a and 1b)	0	243,735
d Other exempt purpose expenditures	561,735,485	1,625,668,196
e Total exempt purpose expenditures (add lines 1c and 1d)	561,735,485	1,625,911,931
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	1,000,000
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	250,000
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	258,826	216,456	232,875	243,735	951,892
d Grassroots nontaxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures			0	0	0

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

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

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

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

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

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

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Return Reference	Explanation
PART II-A LINE 1A-D	GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC , 1910 S AVE , LA CROSSE, WI 54601, 39-1606449 LOBBYING EXPENSE - $215,970 OTHER EXEMPT PURPOSE EXPENSE - $650,149,922 GUNDERSEN CLINIC, LTD 1836 S AVE , LA CROSSE, WI 54601, 39-1028657 LOBBYING EXPENSE - $ 27,765 OTHER EXEMPT PURPOSE EXPENSE - $413,782,789 GUNDERSEN LUTHERAN MEDICAL CENTER, INC , 1910 S AVE, LA CROSSE, WI 54601, 39-0813416 LOBBYING EXPENSE - $0 OTHER EXEMPT PURPOSE EXPENSE - $561,735,485 GUNDERSEN LUTHERAN HEALTH SYSTEM, INC , 1836 S AVE , LA CROSSE, WI 54601, 39-1866425 LOBBYING EXPENSE - $0 OTHER EXEMPT PURPOSE EXPENSE - $0

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Employer identification number
39-0813416

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. 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		3,723,381		3,723,381
b Buildings		362,543,554	90,686,095	271,857,459
c Leasehold improvements		4,439,043	3,336,275	1,102,768
d Equipment		114,567,131	68,684,138	45,882,993
e Other		0	0	0
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				322,566,601

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

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

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

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

Part IX **Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d See Form 990, Part X, line 15

(a) Description	(b) Book value
(1) INTERCOMPANY RECEIVABLES	505,627,590
(2) OTHER RECEIVABLES	3,833,844
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	509,461,434

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	0
ASSET RETIREMENT OBLIGATION	270,862
LONG-TERM MALPRACTICE CLAIMS RESERVE	1,009,573
LEASE CONTRACT PAYABLE	662,695
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	1,943,130

2. Liability for uncertain tax positions 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 Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

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

Part XIII Supplemental Information

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

Return Reference	Explanation
INCOME TAX MATTERS	PART X, LINE 2 THE OBLIGATED GROUP HAS REVIEWED ITS TAX POSITIONS FOR ALL OPEN YEARS AND HAS CONCLUDED THAT NO LIABILITIES EXIST FOR UNCERTAIN TAX POSITIONS AS OF DECEMBER 31, 2013 AND 2012 THE OBLIGATED GROUP'S INCOME TAX RETURNS ARE NO LONGER SUBJECT TO EXAMINATION FOR 2007 AND PRIOR

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Employer identification number
39-0813416

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
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 ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 325 %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			4,759,571		4,759,571	0 880 %
b Medicaid (from Worksheet 3, column a)			50,811,699	33,867,091	16,944,608	3 120 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			5,954,854	5,538,097	416,757	0 080 %
d **Total** Financial Assistance and Means-Tested Government Programs			61,526,124	39,405,188	22,120,936	4 080 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			978,251	111,559	866,692	0 160 %
f Health professions education (from Worksheet 5)			10,484,587	3,715,797	6,768,790	1 240 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total.** Other Benefits			11,462,838	3,827,356	7,635,482	1 400 %
k **Total.** Add lines 7d and 7j			72,988,962	43,232,544	29,756,418	5 480 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 5,702,483			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3			
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	91,423,992
6	Enter Medicare allowable costs of care relating to payments on line 5	6	84,780,270
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	6,643,722
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

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

	Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

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 GUNDERSEN LUTHERAN MEDICAL CENTERINC

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☑ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) Refer to Section C			
b	☑ Other website (list url) Refer to Section C			
c	☑ Available upon request from the hospital facility			
d	☑ 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 as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 % If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 325 % If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☑ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
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 individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

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 individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☑ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Part V, Section B, Line 1J	GUNDERSEN LUTHERAN MEDICAL CENTER, INC THE COMPASS NOW 2012 PROCESS INCLUDED A VARIETY OF DATA COLLECTION METHODS USED TO CREATE AN OVERALL DESCRIPTION OF THE ISSUES FACING OUR COMMUNITIES THESE METHODS INCLUDE A RANDOM HOUSEHOLD SURVEY, FOCUS GROUP DISCUSSIONS HELD WITH COMMUNITY MEMBERS, AN EXTENSIVE REVIEW OF SOCIO-ECONOMIC INDICATORS, AND AN INVENTORY OF COMMUNITY RESOURCES THE DATA COLLECTED GUIDED THE DEVELOPMENT OF 4 PILLAR PROFILES WE REFER TO THEM AS PILLARS SINCE THEY CREATE THE BUILDING BLOCKS TO A BETTER LIFE THE PILLARS OF THE COMPASS NOW REPORT ARE health, income, education, and community PART V, SECTION B, LINE 3 EIGHT KEY STAKEHOLDER MEETINGS WERE HELD EACH COUNTY FOCUS GROUP TEAM IDENTIFIED KEY COMMUNITY LEADERS REPRESENTING A BROAD RANGE OF COMMUNITY INTERESTS TO PARTICIPATE IN THESE MEETINGS TWO-HUNDRED FORTY COMMUNITY LEADERS REPRESENTING BUISNESS, CLERGY, HEALTHCARE PROVIDERS AND STAFF, ELECTED OFFICIALS, LAW ENFORCEMENT, EDUCATION, SCHOOL COUNSELORS, UNITED WAY PARTNER AGENCIES, FARMERS, AND COUNTY OFFICIALS FROM THE FIVE COUNTY AREA ATTENDED THE KEY STAKEHOLDER MEETINGS PART V, SECTION B, LINE 4 THE COMPASS NOW 2012 PARTNERSHIP IS MADE UP OF THE GREAT RIVERS UNITED WAY, GUNDERSEN LUTHERAN, MAYO CLINIC HEALTH SYSTEM, ST JOSEPH'S HEALTH SERVICES-GUNDERSEN LUTHERAN, TOMAH MEMORIAL HOSPITAL, TRI-COUNTY MEMORIAL, VERNON MEMORIAL HEALTHCARE, LA CROSSE COMMUNITY FOUNDATION, AND THE 5 COUNTY HEALTH DEPARTMENTS PART V, SECTION B, LINE 5A http //www gundersenhealth org/wellness/community-support PART V, SECTION B, LINE 5B http //www greatriversunitedway org/ our-community/community-needs-assessment/ PART V, SECTION B, LINE 5D THE DETAILED ASSESSMENT AND RELATED COMPONENTS ARE AVAILABLE VIA LINK ON WWW GUNDERSENHEALTH ORG, AVAILABLE ON REQUEST AND AVAILABLE FOR REVIEW AND LOAN AT THE MOONEY RESOURCE LIBRARY AT OUR LA CROSSE CAMPUS The Implementation Strategy is available via link on www gundersenhealth org/upload/docs/Services/CommunityPreventive/Community-Health-Implementation-Plan pdf PART V, SECTION B, LINE 7 IDENTIFY THE PRIORITIES FOR AREAS THAT WE ARE NOT DIRECTLY ADDRESSING, BUT THAT WE WILL MAINTAIN ACTIVE PARTNERSHIPS WITH AND REMAIN SUPPORTIVE OF THE LEAD ORGANIZATIONS FOCUSED ON THESE PRIORITIES PART V, SECTION B, LINE 12I MUST APPLY OR BE SCREENED FOR MEDICAID ELIGIBILITY BEFORE APPLYING FOR FINANCIAL ASSISTANCE PART V, SECTION B, LINE 14G GUNDERSEN LUTHERAN MEDICAL CENTER, INC GENERAL INFORMATION ABOUT THE POLICY IS POSTED IN THE EMERGENCY ROOM, ADMISSIONS OFFICE AND PROVIDED TO PATIENTS UPON ADMISSION THE POLICY IS REFERENCED ON BILLING INVOICES AND THE PHONE NUMBER AND WEBSITE ARE LISTED AS CONTACT INFORMATION

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? **10**

	Name and address	Type of Facility (describe)
1	GL HOSPICE INDUSTRIAL REHAB BUILDING 1843 SIMS PL LA CROSSE, WI 54601	HOSPICE SERVICES
2	GL SATELLITE DIALYSIS-ONALASKA 3075 S KINNEY COULEE RD ONALASKA, WI 54650	RENAL DIALYSIS CENTER
3	UNITY HOUSE FOR WOMEN 1918-1924 MILLER ST LA CROSSE, WI 54601	ALCOHOL AND OTHER DRUG ABUSE (AODA) SERVICES
4	UNITY HOUSE FOR MEN 1312 5TH AVE SO LA CROSSE, WI 54601	ALCOHOL AND OTHER DRUG ABUSE {AODA} SERVICES
5	GL SATELLITE DIALYSIS-VIROQUA 407 S MAIN ST VIROQUA, WI 54665	RENAL DIALYSIS CENTER
6	GL SATELLITE DIALYSIS-TOMAH 321 BUTTS AVE tomah, WI 54660	RENAL DIALYSIS CENTER
7	GL SATELLITE DIALYSIS-BLACK RVR FALLS 711 W ADAMS ST BLACK RIVER FALLS, WI 54615	RENAL DIALYSIS CENTER
8	GL SATELLITE DIALYSIS-PRAIRIE DU CHIEN 610 E TAYLOR ST PRAIRIE DU CHIEN, WI 53821	RENAL DIALYSIS CENTER
9	GL MENTAL HEALTH DAY TREAT BEHAV HLTH 123 16TH AVE S ONALASKA, WI 54656	OUTPATIENT PSYCHOLOGICAL SERVICES
10	GL SATELLITE DIALYSIS-RICHLAND CENTER 1313 W SEMINARY ST RICHLAND CENTER, WI 53581	RENAL DIALYSIS CENTER

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

Form and Line Reference	Explanation
PART I, LINE 3C	GUNDERSEN LUTHERAN MEDICAL CENTER, INC USES THE FEDERAL POVERTY GUIDELINES AS ONE MEANS OF DETERMINING ELIGIBILITY FOR CHARITY CARE THE FEDERAL POVERTY GUIDELINES ARE UPDATED AND PUBLISHED ANNUALLY BY THE U S DEPARTMENT OF HEALTH AND HUMAN SERVICES AS A GENERAL RULE, A PATIENT'S INCOME, BASED ON FAMILY SIZE, MUST BE AT OR BELOW 325% OF THE FEDERAL POVERTY GUIDELINES TO BE ELIGIBLE FOR THE FINANCIAL ASSISTANCE program A SLIDING SCALE BASED ON THE PATIENT'S INCOME LEVEL UNDER THE FEDERAL POVERTY GUIDELINES WILL BE USED TO DETERMINE THE PRECISE AMOUNT OF CHARITY CARE FOR WHICH A PATIENT WILL BE ELIGIBLE SOME PATIENTS MAY EXCEED 325% OF THE FEDERAL POVERTY GUIDELINES, BUT MAY STILL BE ELIGIBLE FOR CHARITY CARE WHEN ADDITIONAL CRITERIA SUCH AS CATASTROPHIC MEDICAL COSTS ARE CONSIDERED "CATASTROPHIC" IS DEFINED AS MEDICAL EXPENSES GREATER THAN 25% OF ANNUAL GROSS INCOME ADDITIONAL FACTORS ARE ALSO CONSIDERED WHEN DETERMINING ELIGIBILITY FOR CATASTROPHIC FINANCIAL ASSISTANCE 1) THE AMOUNT OWED IN RELATION TO THE PATIENT'S TOTAL MEANS 2) MEDICAL STATUS 3) EMPLOYMENT POTENTIAL IN LIGHT OF THE PATIENT'S MEDICAL CONDITION ALONG WITH SKILLS 4) DOES THE PATIENT LIVE ON A FIXED INCOME 5) EXISTING LIABILITIES 6) LEVEL AND TYPE OF ASSETS 7) ADDITIONAL FINANCIAL OBLIGATIONS AND TYPE
PART I,LINE 6A	GUNDERSEN LUTHERAN HEALTH SYSTEM, INC

Form and Line Reference	Explanation
PART I, LINE 7	COST TO CHARGE RATIO WAS USED AS A STARTING POINT IN DETERMINING THE COST OF SERVICES PROVIDED TO PATIENTS CERTAIN ADJUSTMENTS WERE MADE, CONSIDERING THE TYPES OF SERVICES PROVIDED, TO MORE ACCURATELY REFLECT THE ACTUAL COST OF SERVICES WE ALSO ENSURED THAT THE FINAL RESULT WAS WITHIN THE EXPECTED RANGE BASED ON OUR AVERAGE COST TO CHARGE RATIO
PART I, LINE 7 COLUMN(F)	THE PERCENT OF TOTAL EXPENSE WAS CALCULATED BY DIVIDING THE COMMUNITY BENEFIT COST BY TOTAL HOSPITAL EXPENSES Less the $17,875,029 Provision for Uncollectible accounts

Form and Line Reference	Explanation
PART I, LINE 6B	THE COMMUNITY BENEFIT REPORT IS FILED WITH THE WISCONSIN HOSPITAL ASSOCIATION (WHA) THE WHA MAKES AVAILABLE A COMBINED SUMMARY WITH ALL OF THE HOSPITALS IN WISCONSIN INCLUDED
PART II	THE GUNDERSEN LUTHERAN HEALTH SYSTEM, WHICH INCLUDES THE GUNDERSEN LUTHERAN MEDICAL CENTER, INC IS COMMITTED TO OUR COMMUNITIES AS VOICED IN OUR MISSION WE DISTINGUISH OURSELVES THROUGH EXCELLENCE IN PATIENT CARE, EDUCATION, RESEARCH, AND THROUGH IMPROVED HEALTH IN THE COMMUNITIES WE SERVE THE ACTIVITIES NOTED ABOVE ARE ONLY AN EXAMPLE OF THE INVOLVEMENT WITHIN OUR COMMUNITIES INCLUDING HEALTH IMPROVEMENT, ADVOCACY FOR PEOPLE WITH DISABILITIES, RECOGNITION OF DIVERSITY AND INCLUSION, MENTAL HEALTH, DOMESTIC VIOLENCE, WORKFORCE DEVELOPMENT, EDUCATION AND SAFETY ACTIVITIES ARE GUIDED BY COMMUNITY NEEDS ASSESSMENT CONDUCTED IN PARTNERSHIP WITH UNITED WAY, COUNTY HEALTH DEPARTMENTS AND OTHER REGIONAL HOSPITALS OTHER INFORMATION THAT GUIDES OUR WORK INCLUDES WORKSITE HEALTH RISK APPRAISALS, STATE AND NATIONAL DATA, AND OUR HEALTH SCORECARD MAINTAINED AT THE MEDICAL HEALTH SCIENCE CONSORTIUM AS A LARGER SYSTEM, COMMUNITY BUILDING ACTIVITIES ENCOMPASS ALL CORPORATIONS LEADERSHIP IN COMMUNITY HEALTH IMPROVEMENT IS EVIDENCED BY OUR ACTIVITY WITH SEVERAL COMMUNITY COALITIONS AND INITIATIVES WITH EMPHASIS ON REDUCING OBESITY BY IMPROVING NUTRITION AND ACTIVITY, ALCOHOL ABUSE AND ENHANCING MENTAL HEALTH SERVICES INCLUDING THE BUILDING OF A NEW INPATIENT BEHAVIORAL HEALTH FACILITY AS OFTEN AS POSSIBLE, ACTIVITIES ARE MEASURED AND OUTCOMES REPORTED DUE TO OUR CUTTING EDGE IMPROVEMENTS AND INNOVATIONS ON OUR LA CROSSE CAMPUS, OUR SUSTAINABILITY PLAN HAS GAINED NATIONAL ATTENTION AND HAS BECOME AN EXAMPLE FOR MANY BUSINESSES IN THE AREA SENSITIVE TO THE NEEDS OF OUR ENVIRONMENT

Form and Line Reference	Explanation
PART III, LINE 2	COST TO CHARGE RATIO WAS OUR STARTING POINT FOR DETERMINING THE COST OF SERVICES PROVIDED TO PATIENT'S ACCOUNTS WITH A BAD DEBT ADJUSTMENT THE COST OF SERVICES WAS ALLOCATED BETWEEN BAD DEBT ADJUSTMENT, PAYMENTS ON THE ACCOUNT, AND CHARITY ADJUSTMENTS WHERE APPLICABLE A RATIO OF THE AMOUNT ALLOCATED TO BAD DEBT AND THE TOTAL BAD DEBT ADJUSTMENTS IN THE ACCOUNTS REVIEWED IS MULTIPLIED BY THE TOTAL BAD DEBT EXPENSE TO CALCULATE THE COST APPLICABLE TO BAD DEBT
PART III, LINE 3	GUNDERSEN LUTHERAN'S FINANCIAL ASSISTANCE POLICY (FAP) PROVIDES FREE AND DISCOUNTED CARE UP TO 325% OF THE FEDERAL POVERTY GUIDELINES (FPG) SOME PATIENTS MAY EXCEED THE 325% FPG WHEN ADDITIONAL CRITERIA SUCH AS CATASTROPHIC MEDICAL COSTS ARE CONSIDERED THE DATA USED IS FROM THE US CENSUS BUREAU, 2008-2010 AMERICAN COMMUNITY SURVEY (ACS) 3-YEAR DATA SET FOR THE WISCONSIN COUNTIES AND ACS 5-YEAR DATA SET FOR HOUSTON COUNTY FOR HOUSTON COUNTY, WE USED THE MINNESOTA STATE AVERAGE BECAUSE 200% VALUE WAS SO HIGH FOR HOUSTON COUNTY WE OBTAINED THE AVERAGE OF THE FIVE COUNTIES BY USING THE INFORMATION AT THE 2 00-2 99 (299%) OF FEDERAL POVERTY LEVEL (FPL) AND BELOW THE NEXT RANGE WAS 3 00-3 99 RATIO OF INCOME TO POVERTY IN THE LAST 12 MONTHS WE MULTIPLIED THE FIVE COUNTY AVERAGE AT 299% OF FPL TO THE BAD DEBT AT COST WE DEDUCTED THE AMOUNT OF CHARITY CARE AT COST TO OBTAIN THE AMOUNT OF BAD DEBT AT COST TO PATIENTS ELIGIBLE UNDER FAP(BUT FOR WHOM INSUFFICIENT INFORMATION WAS OBTAINED TO DETERMINE THEIR ELIGIBILITY)

Form and Line Reference	Explanation
PART III, LINE 4	THE COLLECTION OF RECEIVABLES FROM THIRD-PARTY PAYORS AND PATIENTS IS THE OBLIGATED GROUP'S PRIMARY SOURCE OF CASH FOR OPERATIONS THE PRIMARY COLLECTION RISKS RELATE TO UNINSURED PATIENT ACCOUNTS AND PATIENT DEDUCTIBLES AND COINSURANCE ON INSURERS' ACCOUNTS PATIENT RECEIVABLES, INCLUDING THE PORTION THAT A THIRD-PARTY PAYOR IS RESPONSIBLE FOR, ARE CARRIED AT NET REALIZABLE VALUE, DETERMINED BY THE ORIGINAL CHARGE FOR THE SERVICE PROVIDED LESS AN ESTIMATE MADE FOR CONTRACTUAL ADJUSTMENTS OR DISCOUNTS PROVIDED TO THIRD-PARTY PAYORS PATIENT RECEIVABLES DUE DIRECTLY FROM THE PATIENTS ARE CARRIED ON THE ACCOMPANYING COMBINED BALANCE SHEETS AT THE ORIGINAL CHARGE FOR THE SERVICE PROVIDED LESS AMOUNTS COVERED BY THIRD-PARTY PAYORS, ALLOWANCES FOR OTHER DISCOUNTS, AND AN ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES THE OBLIGATED GROUP DOES NOT CHARGE INTEREST ON PAST DUE RECEIVABLES RECEIVABLES ARE WRITTEN OFF AFTER COLLECTION EFFORTS HAVE BEEN FOLLOWED IN ACCORDANCE WITH THE OBLIGATED GROUP'S POLICIES RECOVERIES OF RECEIVABLES PREVIOUSLY WRITTEN OFF ARE RECORDED AS A REDUCTION OF BAD DEBT EXPENSE ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, THE OBLIGATED GROUP ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS THE ANALYSIS IS PERFORMED USING A HINDSIGHT CALCULATION THAT UTILIZES WRITE-OFF DATA FOR ALL PAYOR CLASSES DURING A DETERMINED TIME PERIOD TO CALCULATE THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS AT A POINT IN TIME ACCOUNTS RECEIVABLE BALANCES, WITHOUT PAYMENT ARRANGEMENTS, OVER 365 DAYS ARE FULLY ALLOWED FOR AT DECEMBER 31, 2013 AND 2012, THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS WAS $26,763 AND $35,459 (DOLLARS IN THOUSANDS), RESPECTIVELY, WHICH AS A PERCENT OF ACCOUNTS RECEIVABLE, NET OF CONTRACTUAL ADJUSTMENTS, WAS 19 % AND 23%, RESPECTIVELY THE ALLOWANCE FOR DOUBTFUL ACCOUNTS DECReASED FROM 2012 TO 2013 DUE TO IMPROVED COLLECTION PROCESSES AND LOWER ESTIMATED ALLOWANCES REQUIRED ON OUTSTANDING RECEIVABLES
PART III, LINE 8	THE MEDICARE COST REPORT IS USED TO DETERMINE ALLOWABLE COSTS THE UNREIMBURSED MEDICARE COSTS ON PART III, SECTION B OF SCHEDULE H ARE ALLOWABLE COSTS PER THE MEDICARE COST REPORT THIS CALCULATION IS LIMITED TO PATIENTS WHO ARE COVERED UNDER THE MEDICARE FEE FOR SERVICE PLAN AND DOES NOT INCLUDE THOSE COVERED BY THE MEDICARE ADVANTAGE PLANS IT ALSO DOES NOT INCLUDE ALL SERVICES PROVIDED BY THE HOSPITAL TO PATIENTS COVERED UNDER THE MEDICARE FEE FOR SERVICE PLAN IT EXCLUDES HOSPICE SERVICES, AMBULANCE SERVICES, CLINICAL LABORATORY SERVICES, AND A FEW OTHER MISCELLANEOUS SERVICES INCORPORATING ALL SERVICES TO ALL MEDICARE BENEFICIARIES, THE UNREIMBURSED COST FOR MEDICARE IS $2,784,180

Form and Line Reference	Explanation
PART III, LINE 9B	WHEN A PATIENT HAS INDICATED OR DEMONSTRATED AN "INABILITY TO PAY", A GUNDERSEN LUTHERAN FINANCIAL REPRESENTATIVE (OR ANOTHER APPROPRIATE REPRESENTATIVE) WILL PROVIDE THE PATIENT WITH A FINANCIAL ASSISTANCE APPLICATION (FAA) AND FULL, EXPLICIT INSTRUCTIONS FOR ITS COMPLETION ALONG WITH A REQUEST FOR THE DOCUMENTS NECESSARY TO VERIFY POTENTIAL PATIENT ASSETS AND LIABILITIES DEPENDING ON A PATIENT'S ELIGIBILITY, PARTIAL OR ENTIRE ACCOUNT BALANCES THAT CANNOT BE SETTLED DUE TO FINANCIAL HARDSHIP CAN BE WRITTEN-OFF AS CHARITY CARE IF A FINANCIAL ASSISTANCE APPLICATION IS COMPLETED AND APPROVED IN DETERMINING THE AMOUNT OF CHARITY CARE FOR WHICH A PATIENT WILL BE ELIGIBLE, GUNDERSEN LUTHERAN WILL APPLY A SLIDING SCALE BASED ON THE PATIENT'S INCOME LEVEL UNDER THE FEDERAL POVERTY GUIDELINES AND TOTAL ASSETS
PART VI, LINE 2	IT IS THE POLICY OF GUNDERSEN LUTHERAN MEDICAL CENTER, INC TO ENGAGE IN PRACTICES WHICH PROVIDE A BENEFIT TO THE COMMUNITY THIS IS IN ACCORDANCE WITH ITS COMMUNITY SERVICE MISSION STATEMENT WHICH READS "WE SUPPORT AND STRENGTHEN THE COMMUNITIES WE SERVE WITH PARTNERSHIPS AND INVESTMENT THROUGH EFFECTIVE HEALTH IMPROVEMENT PROGRAMMING, CORPORATE CITIZENSHIP, VOLUNTEERISM, AND ECONOMIC CONTRIBUTIONS" DEFINITION OF COMMUNITY BENEFIT IN CONCERT WITH WISCONSIN HOSPITAL ASSOCIATION (WHA), CATHOLIC HOSPITAL ASSOCIATION (CHA), AND VETERANS HEALTH ADMINISTRATION (VHA), AND INTERPRETATION OF IRS GUIDELINES, GUNDERSEN LUTHERAN MEDICAL CENTER, INC DEFINES "COMMUNITY BENEFIT" AS PROGRAMS OR ACTIVITIES THAT PROVIDE TREATMENT AND/OR PROMOTE HEALTH AND HEALING AS A RESPONSE TO IDENTIFIED COMMUNITY NEEDS, REGARDLESS OF SOURCE OR AVAILABILITY OF PAYMENT THESE PROGRAMS OR ACTIVITIES PROVIDE MEASURABLE IMPROVEMENT IN HEALTH STATUS, ACCESS OR USE OF HEALTH CARE RESOURCES TO THE SERVICE COMMUNITY SPECIFICALLY, GOALS INCLUDE ACCESS AND COVERAGE, HEALTH PROMOTIONS, SOCIAL AND BASIC NEEDS, CORPORATE CITIZENSHIP, ACTIVITIES INCLUDING FINANCIAL CONTRIBUTIONS, DONATIONS OF MATERIALS AND EMPLOYEE VOLUNTEERISM BEGINNING IN LATE 2010 AND CONCLUDING IN JANUARY 2012, A COMMUNITY NEEDS ASSESSMENT WAS CONDUCTED FOR A 5-COUNTY GEOGRAPHIC AREA PARTNERS IN THE COMMUNITY NEEDS ASSESSMENT INCLUDED GUNDERSEN LUTHERAN AND 7 OTHER HOSPITALS, 5 COUNTY HEALTH DEPARTMENTS AND THE UNITED WAY A PAPER HOUSEHOLD SURVEY WAS CONDUCTED AND OVER 1,100 PEOPLE RESPONDED OVER 38 FOCUS GROUPS AND KEY STAKEHOLDER GROUPS (HELD IN 3 LANGUAGES AND INCLUDING PEOPLE OF VARYING AGES AND ABILITIES) WERE HELD INVOLVING OVER 350 INDIVIDUALS WELL OVER 100 SOCIOECONOMIC AND HEALTH INDICATORS WERE GATHERED TO SUPPORT THE MORE SUBJECTIVE DATA THE LEADERSHIP TEAM REPRESENTING THE PARTNERS AND OTHER CONTENT EXPERTS LED THIS DATA GATHERING, WILL REVIEW THE REPORT, AND BASED ON THE REPORT, THEIR EXPERTISE, AND THE ESTABLISHED CRITERIA, PRIORITIZE ISSUES, THAT WILL BE CONSIDERED TO BE OUR COMMUNITY'S NEEDS AN IMPLEMENTATION PLAN WAS DEVELOPED AND APPROVED BY THE BOARD OF GOVERNORS AND BOARD OF TRUSTEES IN AUGUST 2012 THAT INCLUDES GUNDERSEN LUTHERAN'S ACTION STEPS THAT WILL IMPACT THOSE IDENTIFIED NEEDS THE NEEDS ASSESSMENT AND IMPLEMENTATION PLAN ARE AVAILABLE ON THE WEBSITE AND IN OUR CONSUMER LIBRARY

Form and Line Reference	Explanation
PART VI, LINE 3	SUBJECT TO EMTALA REQUIREMENTS, WHEN A PATIENT IS ADMITTED TO GUNDERSEN LUTHERAN HOSPITAL, CHECKED-IN BY A RECEPTIONIST OR INITIALLY CONTACTED BY A HOME HEALTH REPRESENTATIVE, HE OR SHE IS NOTIFIED OF POTENTIAL OUT OF POCKET EXPENSE AND GUNdERSEN HEALTH SYSTEM'S PATIENT PAYMENT GUIDLINES IF THIS IS NOT POSSIBLE, THE PATIENT WILL BE ADVISED OF OUR POLICY REGARDING INSTALLMENT PAYMENTS AT THIS TIME, INSURANCE COVERAGE IS ALSO VERIFIED IF APPROPRIATE, FINANCIAL COUNSELING IS MADE AVAILABLE TO ASSIST PATIENTS TO BE SCREENED FOR ANY MEDICAL ASSISTANCE OR DISABILITY PROGRAMS, OR OTHER PAYMENT SOURCE WILL BE IDENTIFIED AND RECORDED HOWEVER, NEITHER OF THESE PROCEDURES WILL BE FOLLOWED IN ANY SITUATION THAT MAY VIOLATE EMTALA PROVISIONS (SEE POLICY GL-3001) IN THAT INSTANCE THE PATIENT'S INSURANCE STATUS WILL BE RECORDED AS SOON AFTER STABILIZATION AS POSSIBLE IF A PATIENT DOES NOT HAVE INSURANCE COVERAGE OR CANNOT PROVIDE EVIDENCE OF SUCH, HE OR SHE WILL BE CLASSIFIED AS "SELF-PAY" WITHIN THE PATIENT FINANCIAL SYSTEM UNINSURED PATIENT A PATIENT WITH NO THIRD-PARTY COVERAGE PROVIDED THROUGH A COMMERCIAL THIRD-PARTY INSURER, AN ERISA PLAN, A FEDERAL HEALTH CARE PROGRAM (INCLUDING WITHOUT LIMITATION MEDICARE, MEDICAID, SCHIP, AND CHAMPUS), WORKER'S COMPENSATION, OR OTHER THIRD PARTY ASSISTANCE AVAILABLE TO COVER THE COST OF A PATIENT'S HEALTHCARE EXPENSES UNINSURED DISCOUNT PATIENTS WITH NO THIRD-PARTY COVERAGE WILL BE PROVIDED A 46% UNINSURED DISCOUNT AT THE TIME THAT THE UNDISCOUNTED CHARGES ARE RENDERED THIS APPLIES TO PATIENTS WITH NO COVERAGE FOR PAYMENT FROM HEALTH CARE INSURANCE AND/OR OTHER 3RD PARTY PAYORS PATIENTS, OR PATIENT GUARANTORS, GRANTED THE UNINSURED DISCOUNT, ARE NOT PRECLUDED FROM APPLYING AND QUALIFYING FOR ADDITIONAL FINANCIAL ASSISTANCE PROVIDED HEREIN GUNDERSEN LUTHERAN MEDICAL CENTER, INC PAYMENT POLICIES ARE POSTED IN THE PATIENT REGISTRATION AREAS OF THE INSTITUTION AND FROM FINANCIAL COUNSELORS THROUGHOUT THE ORGANIZATION, AS WELL AS THE CORPORATE WEBSITE AT WWW GUNDERSENHEALTH ORG IN ADDITION GUNDERSEN LUTHERAN'S PAYMENT OPTIONS ARE PRINTED ON THE REVERSE OF ALL GUNDERSEN HEALTH SYSTEM BILLING STATEMENTS AND ARE AVAILABLE AT ANY TIME UPON PATIENT REQUEST
PART VI, LINE 4	GUNDERSEN LUTHERAN MEDICAL CENTER INC IS A MAJOR TERTIARY TEACHING HOSPITAL IN THE GUNDERSEN LUTHERAN HEALTH SYSTEM, INC LOCATED IN LA CROSSE, WI, THE HOSPITAL SERVES PATIENTS FROM THE LA CROSSE AND SURROUNDING AREAS INCLUDING 19 COUNTIES IN WESTERN WISCONSIN, SOUTHEASTERN MINNESOTA AND NORTHEASTERN IOWA LA CROSSE COUNTY, WITH A POPULATION OF SLIGHTLY OVER 115,500 PEOPLE, IS THE LARGEST COMMUNITY IN OUR SERVICE REGION TOTAL 19 COUNTY SERVICE AREA POPULATION IS APPROXIMATELY 570,000 WITH AN AVERAGE HOUSEHOLD INCOME OF $56,421 13 3% OF THE 19 COUNTY SERVICE AREA POPULATION IS COVERED BY MEDICAID (ACCORDING TO WI AND IA DATA) PROJECTED POPULATION GROWTH IS MUCH SLOWER AT 1 0% COMPARED TO THE NATIONAL POPULATION GROWTH PROJECTION OF 3 3% 22 5% OF THE POPULATION ARE AGE 17 OR UNDER COMPARED TO 23 7% NATIONALLY THE SERVICE AREA POPULATION OF 65 AND OLDER ADULTS IS 18 5% COMPARED TO 13 9% NATIONALLY 6 5% OF THE POPULATION IS NON-WHITE SEVERAL SMALLER RURAL COMMUNITY HOSPITALS ARE LOCATED THROUGHOUT THE REGION GUNDERSEN TRI-COUNTY HOSPITAL LOCATED IN WHITEHALL, WISCONSIN, GUNDERSEN ST JOSEPH'S HOSPITAL LOCATED HILLSBORO, WISCONSIN, PALMER LUTHERAN HEALTH CENTER LOCATED IN WEST UNION, IOWA AND GUNDERSEN BOSCOBEL AREA HOSPITAL LOCATED IN BOSCOBEL, WISCONSIN ARE AFFILITATES OF THE GUNDERSEN LUTHERAN HEALTH SYSTEM, INC SPECIALIZED SERVICES PERFORMED AT THE HOSPITAL INCLUDE ALLERGY, AUDIOLOGY, BEHAVIORAL MEDICINE, CARDIOLOGY, CARDIOTESTING LAB, CATH LAB, DERMATOLOGY, ECHOCARDIOGRAPHY, ENDOCRINOLOGY, ENDODONTICS, EXERCISE PHYSIOLOGY, GASTROENTEROLOGY, HEMATOLOGY, HOSPITALIST, INFECTIOUS DISEASE, NEPHROLOGY, NEUROLOGY, NEUROPSYCHOLOGY, OB/GYN, OCCUPATIONAL SERVICES, ONCOLOGY, OPTHALMOLOGY, OTOLARYNGOLOGY, PATHOLOGY, PEDIATRICS, PERIODONTICS, PHYSICAL MEDICINE AND REHAB, PHYSICAL THERAPY, PLASTIC SURGERY, PODIATRY, PROSTHODONTICS, PSYCHIATRIC, PULMONARY RENAL DIALYSIS, RHEUMATOLOGY, SPEECH PATHOLOGY, SPORTS MEDICINE, SURGERY, AND UROLOGY GUNDERSEN HEALTH SYSTEM PROVIDED SIGNIFICANT CHARITY CARE AND OTHER COMMUNITY BENEFITS AS DEFINED BY THE IRS IN ADDITION, WE PROVIDE A CRITICALLY IMPORTANT COMMUNITY BENEFIT, MUCH OF WHICH IS NOT QUANTIFIED OUR HOSPITAL, LIKE MOST COMMUNITY HOSPITALS, WAS CREATED AND IS MAINTAINED IN ORDER TO PROVIDE CARE LOCALLY, CARE THAT WITHOUT OUR HOSPITAL MAY NOT BE AVAILABLE LOCALLY

Form and Line Reference	Explanation
PART VI, LINE 5	A MAJORITY OF THE HEALTH SYSTEM'S BOARD OF TRUSTEES ARE INDIVIDUALS FROM THE COMMUNITY WHO RESIDE IN THE LA CROSSE AREA THESE INDIVIDUALS ARE NOT EMPLOYEES OF THE HEALTH SYSTEM MANY OTHER EXAMPLES EXIST REFLECTING THE HEALTH SYSTEM'S SUPPORT AND PROMOTION OF THE HEALTH OF THE COMMUNITY PROGRAMS FOR THE COMMUNITY ARE PROVIDED AT NO COST SUCH AS PHYSICAL ACTIVITY CHALLENGE, HEALTHY MENU PLANNING FOR LOCAL RESTAURANTS, AND HEALTH SCREENINGS AT NUMEROUS EVENTS THROUGHOUT THE YEAR A FREE NURSE ADVISOR LINE IS AVAILABLE FOR ALL TO ASSIST CALLERS PRIORITY ONE DESIGNATION ASSURES HEART ATTACK PATIENTS SEEN IN HOSPITALS THROuGHOUT THE REGION ARE CARED FOR WITH PROVEN PROTOCOLS AND TIMELY PROCEDURES GUNDERSEN LUTHERAN STAFF ARE ENCOURAGED TO PARTICIPATE IN THEIR LOCAL COMMUNITY ORGANIZATIONS STAFF LEND THEIR EXPERTISE IN LEADERSHIP POSITIONS TO ORGANIZATIONS SUCH AS THE UNITED WAY, HEALTH MISSION, CHAMBER OF COMMERCE, HUMAN SERVICE ORGANIZATIONS AND HEALTH IMPROVEMENT INITIATIVES STAFF FROM GUNDERSEN LUTHERAN HAVE BEEN INSTRUMENTAL IN ACHIEVING COMMUNITY NEEDS ASSESSMENTS AND IMPLEMENTATION OF COMMUNITY INITIATIVES IN AREAS OF OBESITY, ALCOHOL USE, CHILD SAFETY, DOMESTIC VIOLENCE, CHILD ABUSE AND ENVIRONMENTAL HEALTH PATIENT ADVISORY GROUPS FROM VARIOUS SECTORS OF OUR COMMUNITY ARE COORDINATED IN ORDER FOR US TO BETTER MEET THE NEEDS OF OUR PATIENTS
PART VI, LINE 6	ALL AFFILIATES OF THE HEALTH SYSTEM HAVE A RESPONSIBILITY TO PROMOTE THE HEALTH OF THE COMMUNITIES WE SERVE THE MAJORITY OF EMPLOYEES, BASED IN THE ADMINISTRATIVE CORPORATION, ARE ACTIVELY INVOLVED IN PROGRAMS AND SERVICES FOR THE COMMUNITY AS WELL AS MAINTAINING PARTNERSHIPS WITH A VARIETY OF ORGANIZATIONS, COALITIONS, INITIATIVES AND AGENCIES IN OUR COMMUNITIES THAT PROMOTE HEALTH THE ADMINISTRATIVE CORPORATION ALSO PROVIDES THE FINANCIAL CORPORATE CONTRIBUTIONS TO VARIOUS ORGANIZATIONS AND COMMUNITY ACTIVITIES OUR FOUNDATION PROVIDES SUPPORT FOR NUMEROUS COMMUNITY HEALTH PROMOTION PROGRAMS AS WELL, PROVIDED BY THE HEALTH SYSTEM OR OTHER ORGANIZATIONS IN OUR COMMUNITY CLINICAL STAFF SUPPORT SCREENINGS AND THE HEALTH MISSION OUR LOCAL RURAL HOSPITAL AFFILIATES PROVIDE SUPPORT TO THEIR RESPECTIVE COMMUNITIES OUR CLINICS, LOCATED IN OVER 20 COMMUNITIES PROVIDE SUPPORT UNIQUE TO THE NEEDS OF THAT COMMUNITY THE MEDICAL CENTER, AS PART OF AN INTEGRATED HEALTH CARE DELIVERY SYSTEM, WORKS WITH AND IS RELATED TO GUNDERSEN CLINIC, LTD WHICH PROVIDED UNCOMPENSATED CARE IN THE AMOUNT OF APPROXIMATELY $83,628,828 BASED ON POLICIES AND CONTRACTS ARRRANGED TO HELP SUPPORT THE COMMUNITY'S NEEDS RELATED TO HEALTH CARE SERVICES, THE $83,628,828 IS THE SUM OF UNREIMBURSED MEDICARE & MEDICAID COST PLUS CHARITY AT COST ALL OF THESE ARE CALCULATED USING THE SAME METHOD UTILIZED FOR THE HOSPITAL CALCULATION OF CHARITY COST AND UNREIMBURSED MEDICARE AND MEDICAID COSTS THE COST OF CHARITY IS CALCULATED BY ALLOCATING THE COST TO PROVIDE SERVICES TO A PATIENT BETWEEN ANY PAYMENTS, BAD DEBT, AND CHARITY WRITE-OFFS WHERE TOTAL PAYMENTS ARE LESS THAN THE COST OF SERVICES PROVIDED THE UNREIMBURSED MEDICARE AND MEDICAID COSTS ARE CALCULATED BY COMPARING THE COST OF SERVICES TO MEDICARE AND MEDICAID PATIENTS TO THE NET REVENUE FOR THOSE SAME PATIENTS UNREIMBURSED COST IS THE AMOUNT THE COST EXCEEDS THE NET REVENUE AMOUNTS ARE REPORTED IN GUNDERSEN CLINIC, LTD SEPARATE 990 AFFILIATED ENTITY CHARITY CARE AN AFFILIATE OF GUNDERSEN LUTHERAN MEDICAL CENTER, INC , GUNDERSEN CLINIC, LTD , IS NOT REQUIRED TO FILE SCHEDULE H OF FORM 990 GUNDERSEN CLINIC, LTD PROVIDED COMMUNITY BENEFIT OF CHARITY AT COST $6,067,353 MEDICARE UNREIMBURSED COST $71,968,379 MEDICAID UNREIMBURSED COST $5,593,096

Form and Line Reference	Explanation
PART VI, LINE 7	LIST OF STATES RECEIVING COMMUNITY BENEFIT REPORT WI

Additional Data

Software ID:
Software Version:
EIN: 39-0813416
Name: GUNDERSEN LUTHERAN MEDICAL CENTER INC

Form 990 Schedule H, Part V Section D. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?

	Name and address	Type of Facility (describe)
1	GL HOSPICE INDUSTRIAL REHAB BUILDING 1843 SIMS PL LA CROSSE, WI 54601	HOSPICE SERVICES
2	GL SATELLITE DIALYSIS-ONALASKA 3075 S KINNEY COULEE RD ONALASKA, WI 54650	HOSPICE SERVICES
3	UNITY HOUSE FOR WOMEN 1918-1924 MILLER ST LA CROSSE, WI 54601	HOSPICE SERVICES
4	UNITY HOUSE FOR MEN 1312 5TH AVE SO LA CROSSE, WI 54601	HOSPICE SERVICES
5	GL SATELLITE DIALYSIS-VIROQUA 407 S MAIN ST VIROQUA, WI 54665	HOSPICE SERVICES
6	GL SATELLITE DIALYSIS-TOMAH 321 BUTTS AVE tomah, WI 54660	HOSPICE SERVICES
7	GL SATELLITE DIALYSIS-BLACK RVR FALLS 711 W ADAMS ST BLACK RIVER FALLS, WI 54615	HOSPICE SERVICES
8	GL SATELLITE DIALYSIS-PRAIRIE DU CHIEN 610 E TAYLOR ST PRAIRIE DU CHIEN, WI 53821	HOSPICE SERVICES
9	GL MENTAL HEALTH DAY TREAT BEHAV HLTH 123 16TH AVE S ONALASKA, WI 54656	HOSPICE SERVICES
10	GL SATELLITE DIALYSIS-RICHLAND CENTER 1313 W SEMINARY ST RICHLAND CENTER, WI 53581	HOSPICE SERVICES

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

▶ **Information about Schedule I (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Employer identification number
39-0813416

Part I General Information on Grants and Assistance

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

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

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Gundersen Lutheran Medical Foundation Inc 1836 South Avenue La Crosse, WI 54601	39-1249705	501(c)(3)	8,195,784				Support of the GLMF

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

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

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) charity care	1769		11,318,753	BOOK	CHARITY CARE

Part IV **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
PART I, LINE 2	ASSISTANCE WAS MADE TO A RELATED ORGANIZATION THE FUNDS ARE MONITORED BY MANAGEMENT AND THE BOARD OF TRUSTEES AND BOARD OF GOVERNORS

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Employer identification number
39-0813416

Part I Questions Regarding Compensation

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

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

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

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

(A) Name and Title	**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported as deferred in prior Form 990
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

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

Return Reference	Explanation
PART I LINE 1A, 2 AND 3	ALL PERSONNEL SERVICES FOR GUNDERSEN LUTHERAN MEDICAL CENTER, INC ARE PERFORMED BY EMPLOYEES OF GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC AND ALL PAYMENTS TO VENDORS ARE MADE BY GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC
PART I, LINE 4A	SEVERANCE PAYMENT Daryl Applebury - $145,008

Additional Data

Software ID:
Software Version:
EIN: 39-0813416
Name: GUNDERSEN LUTHERAN MEDICAL CENTER INC

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Jeffrey Thompson MD Chief Executive Officer	(I)							0
	(II)	733,516	0	3,815	35,700	20,482	793,513	0
Stephen Shapiro MD Bd of Trustees/Bd of Gov-MBR	(I)							0
	(II)	433,416	4,000	381	35,700	23,916	497,413	0
Brian Sieck MD bd of gov -sec/treas/trustee	(I)							0
	(II)	370,016	0	431	35,700	23,916	430,063	0
Gregory Thompson MD Bd of Trustees/Bd of Gov-CMO	(I)							0
	(II)	344,016	2,500	9,261	35,700	20,482	411,959	0
Jonathan Zlabek MD Bd of Trustees/Bd of Gov-MBR	(I)							0
	(II)	269,017	3,000	3,138	35,700	18,894	329,749	0
Julio Bird MD EXEC VICE PRESIDENT/BD OF GOV	(I)							0
	(II)	659,516	0	3,455	35,700	17,982	716,653	0
Frank Aberger MD Board of Governors - Member	(I)							0
	(II)	380,916	0	3,985	35,700	18,582	439,183	0
William Agger MD Board of Governors - Member	(I)							0
	(II)	240,804	3,000	381	34,650	20,781	299,616	0
Kelley Bahr MD Board of Governors - Member	(I)							0
	(II)	243,000	1,500	2,526	29,940	5,054	282,020	0
Brian Mulrennan MD BOARD OF GOVERNORS - MEMBER	(I)							0
	(II)	290,017	11,000	3,360	34,179	20,482	359,038	0
Mary Kuffel MD MEDICAL VICE PRESIDENT	(I)							0
	(II)	439,412	0	3,575	35,700	1,506	480,193	0
Michael J Dolan MD Medical Vice President	(I)							0
	(II)	459,994	0	21	34,785	23,166	517,966	0
Marilu Bintz MD Medical Vice President	(I)							0
	(II)	517,065	0	38,011	35,700	9,042	599,818	0
Scott Rathgaber MD Medical Vice President	(I)							0
	(II)	496,016	0	3,865	35,700	20,482	556,063	0
Mary Lu Gerke Vice President	(I)							0
	(II)	199,064	5,000	0	28,700	11,062	243,826	0
Janice DeHaan Vice President	(I)							0
	(II)	266,388	5,000	4,394	31,022	22,256	329,060	0
Debra Rislow Vice President	(I)							0
	(II)	302,236		360	35,700	18,076	356,372	0
Bryan Erdmann Vice President	(I)							0
	(II)	173,420	0	3,339	24,850	21,370	222,979	0
Kelly Barton Vice President	(I)							0
	(II)	175,490	0	2,153	24,850	13,863	216,356	0
Kathleen Klock Senior Vice President	(I)							0
	(II)	398,000	25,000	360	35,700	3,488	462,548	0

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Gerald Arndt Senior Vice President	(I)							0
	(II)	387,412		0	35,700	4,932	428,044	0
Robert Trine Senior Vice President	(I)							0
	(II)	369,516	0	3,434	32,587	18,982	424,519	0
Mary Jafari Senior Physicist	(I)							0
	(II)	209,393	0	360	29,912	17,506	257,171	0
John Wochos Clinical Manager	(I)							0
	(II)	196,465	0	2,661	28,525	22,033	249,684	0
Alan Daus Senior Physicist	(I)							0
	(II)	195,633	0	360	27,650	17,982	241,625	0
Kimberly Schmidt Senior Physicist	(I)							0
	(II)	171,777	0	360	24,955	20,006	217,098	0
Ryan Holte Administrative Director	(I)							0
	(II)	161,079	0	1,600	22,551	54	185,284	0
Daryl Applebury Former Chief of Corp Ventures	(I)							0
	(II)	79,514	0	145,008	11,082	17,145	252,749	0

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Employer identification number
39-0813416

Return Reference	Explanation
FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION	GUNDERSEN LUTHERAN MEDICAL CENTER (GLMC) ESTABLISHED IN 1899, PROVIDES ACUTE AND TERTIARY CARE FOR 19 COUNTIES LOCATED THROUGHOUT WESTERN WISCONSIN, NORTHEASTERN IOWA AND SOUTHEASTERN MINNESOTA GLMC IS A TEACHING HOSPITAL WITH 255 AVAILABLE BEDS AND A LEVEL II TRAUMA AND EMERGENCY CENTER OUR MISSION IS TO DISTINGUISH OURSELVES THROUGH EXCELLENCE IN PATIENT CARE, EDUCATION, RESEARCH AND THROUGH IMPROVED HEALTH IN THE COMMUNITIES WE SERVE WE WILL WORK AS A TEAM TO DEMONSTRATE OUR VALUES INTEGRITY-PERFORM WITH HONESTY, RESPONSIBILITY AND TRANSPARENCY EXCELLENCE-ACHIEVE EXCELLENCE IN ALL ASPECTS OF DELIVERING HEALTHCARE, RESPECT-TREAT PATIENTS, FAMILIES AND COWORKERS WITH DIGNITY, INNOVATION-EMBRACE CHANGE AND NEW IDEAS, COMPASSION-PROVIDE COMPASSIONATE CARE TO PATIENTS AND FAMILIES

Return Reference	Explanation
FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION	GUNDERSEN LUTHERAN MEDICAL CENTER (GLMC) ESTABLISHED IN 1899, PROVIDES ACUTE AND TERTIARY CARE FOR 19 COUNTIES LOCATED THROUGHOUT WESTERN WISCONSIN, NORTHEASTERN IOWA AND SOUTHEASTERN MINNESOTA GLMC IS A TEACHING HOSPITAL WITH 255 AVAILABLE BEDS AND A LEVEL II TRAUMA AND EMERGENCY CENTER OUR MISSION IS TO DISTINGUISH OURSELVES THROUGH EXCELLENCE IN PATIENT CARE, EDUCATION, RESEARCH AND THROUGH IMPROVED HEALTH IN THE COMMUNITIES WE SERVE WE WILL WORK AS A TEAM TO DEMONSTRATE OUR VALUES INTEGRITY-PERFORM WITH HONESTY, RESPONSIBILITY AND TRANSPARENCY EXCELLENCE-ACHIEVE EXCELLENCE IN ALL ASPECTS OF DELIVERING HEALTHCARE, RESPECT-TREAT PATIENTS, FAMILIES AND COWORKERS WITH DIGNITY, INNOVATION-EMBRACE CHANGE AND NEW IDEAS, COMPASSION-PROVIDE COMPASSIONATE CARE TO PATIENTS AND FAMILIES FORM 990, PART III, LINE 3 SIGNIFICANT CHANGES TO PROGRAM SERVICES In 2013, the Clinic converted clinic based departments to hospital provider based departments

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	GUNDERSEN LUTHERAN HEALTH SYSTEM, INC IS THE SOLE MEMBER OF THIS ORGANIZATION

Return Reference	Explanation
FORM 990, PART VI SECTION A LINE 7A	GUNDERSEN LUTHERAN HEALTH SYSTEM, INC

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	GUNDERSEN LUTHERAN HEALTH SYSTEM, INC THE PARENT CORPORATION AND SOLE MEMBER OF THE CORPORATION, SHALL HAVE THE POWER TO RECOMMEND AND REVIEW, AS APPROPRIATE, AND APPROVE CERTAIN MATTERS ARTICLES OF INCORPORATION MAY BE AMENDED BY VOTE OF THE SOLE MEMBER OF THE CORPORATION

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11B	THE FORM 990 WILL BE AVAILABLE FOR ALL BOARD MEMBERS THROUGH THE DIRECTOR'S DESK WEBSITE and THE GUNDERSEN LUTHERAN HEALTH SYSTEM FINANCE COMMITTEE RECEIVES A COPY OF THE 990 BEFORE FILING AND UPON FURTHER REVIEW FROM THE EXECUTIVE DIRECTOR OF FINANCIAL OPERATIONS THE 990S ARE APPROVED AND FILED

Return Reference	Explanation
FORM 990 PART VI, SECTION B LINE 12C	GUNDERSEN LUTHERAN MEDICAL CENTER, INC MONITORS CONFLICTS ON AN ANNUAL BASIS BY REVIEWING DISCLOSURES ON COMPLETED CONFLICT OF INTEREST STATEMENTS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	ALL PERSONNEL SERVICES FOR GUNDERSEN LUTHERAN MEDICAL CENTER, INC ARE PERFORMED BY EMPLOYEES OF GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC THE COMPENSATION OF THE CEO IS DETERMINIED ANNUALLY BY A COMMITTEE MADE UP OF THE COMMUNITY MEMBERS OF THE BOARD OF TRUSTEES THEIR DETERMINATION IS MADE AFTER A REVIEW OF MARKET DATA OBTAINED FROM SEVERAL ORGANIZATIONS AND CEO PERFORMANCE MEETING MINUTES ARE TAKEN AND KEPT AT THE MEETINGS WHERE SUCH DISCUSSIONS TAKE PLACE RECOMMENDATIONS FOR COMPENSATION FOR THE ORGANIZATIONS' KEY MANAGEMENT EMPLOYEES ARE DEVELOPED ANNUALLY BY THE CEO, AFTER A REVIEW OF PERFORMANCE AND COMPARABLE MARKET DATA THE PROPOSED SALARIES ARE INDEPENDENTLY REVIWED BY AN OUTSIDE AUDITING FIRM THE COMPENSATION RECOMMENDATIONS, AUDIT REPORTS, ALONG WITH THE MARKET DATA, ARE PRESENTED TO A COMMITTEE MADE UP OF THE COMMUNITY MEMBERS OF THE BOARD OF TRUSTEES THE COMPENSATION AMOUNTS ARE NOT EFFECTIVE UNTIL THE BOARD COMMITTEE APPROVES THEM MEETING MINUTES ARE TAKEN AND KEPT AT THE MEETINGS WHERE THE BOARD REVIEWS AND APPROVES THE COMPENSATION OF THE KEY EMPLOYEES

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	REQUESTS FOR ALL DOCUMENTS ARE MADE THROUGH THE LEGAL DEPARTMENT AND THE APPROPRIATE DOCUMENTS ARE MADE AVAILABLE FOR INSPECTION IN THE LEGAL DEPARTMENT

Return Reference	Explanation
FORM 990, PART VII, SECTION A	ALL PERSONNEL SERVICES FOR GUNDERSEN LUTHERAN MEDICAL CENTER, INC ARE PERFORMED BY EMPLOYEES OF GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC

Return Reference	Explanation
FORM 990, PART VII, SECTION B	ALL PAYMENTS TO VENDORS ARE MADE BY GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC

Return Reference	Explanation
FORM 990, PART XII, LINE 2C	THE PROCESS ALLOWS THE AUDIT COMMITTEE OF GUNDERSEN LUTHERAN HEALTH SYSTEM, INC TO INDEPENDENTLY COMMUNICATE WITH THE EXTERNAL AUDIT FIRM THROUGHOUT THE YEAR, BUT FORMAL COMMUNICATION OCCURS BEFORE THE ENGAGEMENT AND UPON CONCLUSION THE AUDIT COMMITTEE MEETS WITH THE AUDIT FIRM FOR PRESENTATION OF THE STATEMENTS THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR

Return Reference	Explanation
FORM 990, PART IV, LINE 24A	TAX EXEMPT BONDs GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC IS A PART OF GUNDERSEN LUTHERAN'S OBLIGATED GROUP (GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC , GUNDERSEN LUTHERAN MEDICAL CENTER, INC , GUNDERSEN CLINIC, LTD , AND GUNDERSEN LUTHERAN MEDICAL FOUNDATION,INC) AND TAX-EXEMPT DEBT RESIDES ON THE BALANCE SHEET OF GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC FEIN 39-1606449

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Employer identification number
39-0813416

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
See Additional Data Table							

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) DEGEN BERGLUND INC 1709 LOSEY BLVD S LA CROSSE, WI 54601 39-0971110	rtl pharmacy	WI	GLHS	C CORP	0	0	0 %		No
(2) GUNDERSEN LUTHERAN ENVISION LLC 1836 SOUTH AVENUE LA CROSSE, WI 54601 26-4706546	renew energy	WI	GLHS	C CORP	0	0	0 %		No

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

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

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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Gundersen Health Plan Inc	P	94,305,059	Fair Value
(2) Gundersen Health Plan MN Inc	P	926,838	Fair Value

Part VI **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on 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 sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V?UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 39-0813416
Name: GUNDERSEN LUTHERAN MEDICAL CENTER INC

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

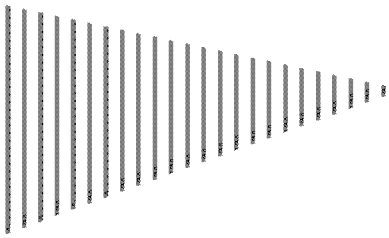
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) GUNDERSEN LUTHERAN HEALTH SYSTEM INC 1836 SOUTH AVENUE LA CROSSE, WI 54601 39-1866425	SUPTNG ORG	WI	501(C)(3)	LINE 11B II	NA		No
(1) GUNDERSEN CLINIC LTD 1910 SOUTH AVENUE LA CROSSE, WI 54601 39-1028657	health care	WI	501(c)(3)	LINE 3	GLHS		No
(2) GUNDERSEN LUTHERAN MEDICAL FDNINC 1836 SOUTH AVENUE LA CROSSE, WI 54601 39-1249705	FOUNDATION	WI	501(C)(3)	LINE 7	GLHS		No
(3) GUNDERSEN LUTHERAN ADMIN SERVICES INC 1910 SOUTH AVENUE LA CROSSE, WI 54601 39-1606449	SUPTNG ORG	WI	501(C)(3)	LINE 11B II	GLHS		No
(4) GUNDERSEN HEALTH PLAN INC 1836 SOUTH AVENUE LA CROSSE, WI 54601 39-1807071	HEALTH INS	WI	501(C)(4)		GLHS		No
(5) GUNDERSEN LUTHERAN CREDENTIALING SVCINC 1910 SOUTH AVENUE LA CROSSE, WI 54601 39-1856898	CREDENT SERV	WI	501(C)(3)	In 11c, III	GLHS		No
(6) TRI -COUNTY MEMORIAL HOSPITAL INC 18601 LINCOLN STREET WHITEHALL, WI 54773 39-0704510	HEALTH CARE	WI	501(C)(3)	LINE 3	GLHS		No
(7) HARMONY COMMUNITY HEALTHCARE INC 815 MAIN AVENUE S HARMONY, MN 55939 41-0711606	HEALTH CARE	MN	501(C)(3)	line 9	GLHS		No
(8) TWEETEN LUTHERAN HEALTHCARE CENTER INC 125 FIFTH AVENUE SE SPRING GROVE, MN 55974 41-1565003	HEALTH CARE	MN	501(C)(3)	LINE 9	GLHS		No
(9) TRI-STATE AMBULANCE INC 235 CAUSEWAY BLVD LA CROSSE, WI 54603 39-1965415	MED TRNSP	WI	501(C)(3)	LINE 3	GLHS		No
(10) TRI-STATE REGIONAL AMBULANCE INC 235 CAUSEWAY BLVD LA CROSSE, WI 54601 39-1962965	MED TRNSP	WI	501(C)(3)	LINE 9	GLHS		No
(11) LUTHERAN REAL ESTATE HOLDING CORP 1910 SOUTH AVENUE LA CROSSE, WI 54601 39-1480826	HOUSING	WI	501(C)(3)	In 11c, III	GLHS		No
(12) LUTHERAN HOUSING OF LA CROSSE INC 1900 SOUTH AVENUE LA CROSSE, WI 54601 39-1751934	INDP LIVING	WI	501(C)(3)	LINE 9	LREHC		No
(13) COMMUNITY HOUSING OF LA CROSSE INC 1900 SOUTH AVENUE LA CROSSE, WI 54601 39-1586700	INDP LIVIVG	WI	501(C)(3)	LINE 9	LREHC		No
(14) OPTIONS IN REPRODUCTIVE CARE INC 1201 CALEDONIA STREET LA CROSSE, WI 54603 39-1166634	HEALTH CARE	WI	501(C)(3)	LINE 3	GLHS		No
(15) ST JOSEPH' S HEALTH SERVICES INC 400 WATER AVENUE HILLSBORO, WI 54634 39-0929538	HEALTH CARE	WI	501(C)(3)	LINE 3	GLHS		No
(16) TRI-COUNTY MEMORIAL FOUNDATION INC 18601 LINCOLN STREET WHITEHALL, WI 54773 30-0093022	FOUNDATION	WI	501(C)(3)	LINE 11a, I	TRI-COUNTY		No
(17) GUNDERSEN LUTHERAN EXPRESS CARE INC 1836 SOUTH AVE LA CROSSE, WI 54061 90-0102388	HEALTH CARE	WI	501(C)(3)	LINE 11	GLHS		No
(18) ST JOSEPH'S MEMORIAL FOUNDATION INC 400 WATER STREET HILLSBORO, WI 54634 39-1455787	FOUNDATION	WI	501(C)(3)	LINE 11A, I	S JOSEPH HS		No
(19) GUNDERSEN HEALTH PLAN MN INC 1900 SOUTH AVE LA CROSSE, WI 54601 45-2633920	HEALTH INSUR	MN	501(C)(4)		GLHP		No

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(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
(21) Memorial Hospital of Boscobel 205 PARKER STREET BOSCOBEL, WI 53805 39-0845590	HEALTH CARE	WI	501(C)(3)	LINE 3	GLHS		No
(1) Memorial Hospital of Boscobel Foundation 205 PARKER STREET BOSCOBEL, WI 53805 39-1688793	FUNDRAISING	WI	501(C)(3)	LINE 7	NA		No
(2) Boscobel Area Health Care Partners 205 PARKER STREET BOSCOBEL, WI 53805 45-0498844	FUNDRAISING	WI	501(C)(3)	LINE 7	NA		No

Combined Financial Statements and Supplementary Information

Gundersen Health System Obligated Group
(Consisting of Gundersen Clinic, Ltd., Gundersen Lutheran Medical Center, Inc., Gundersen Lutheran Administrative Services, Inc., and Gundersen Lutheran Medical Foundation, Inc., Which Comprise an Obligated Group)
Years Ended December 31, 2013 and 2012
With Reports of Independent Auditors



Building a better working world

Gundersen Health System Obligated Group

Combined Financial Statements and
Supplementary Information

Years Ended December 31, 2013 and 2012

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Ernst & Young LLP
Suite 1600
Milwaukee, WI
T: +1 414
F: +1 414
ey.com

Building a better working world

Report of Independent Auditors

The Board of Trustees and the Board of Governors
Gundersen Health System Obligated Group

We have audited the accompanying combined financial statements of Gundersen Clinic, Ltd., Gundersen Lutheran Medical Center, Inc., Gundersen Lutheran Administrative Services, Inc., and Gundersen Lutheran Medical Foundation, Inc (collectively, the Obligated Group), which comprise the combined balance sheets as of December 31, 2013 and 2012, and the related combined statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the combined financial statements

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

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

Building a better working world

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Gundersen Health System Obligated Group at December 31, 2013 and 2012, and the combined results of its operations and its cash flows for the years then ended in conformity with U S generally accepted accounting principles

Ernst & Young LLP

April 24, 2014

Gundersen Health System Obligated Group

Combined Balance Sheets

(Dollars in Thousands)

	December 31	
	2013	**2012**
Assets		
Current assets		
Cash and cash equivalents	**$ 87,429**	$ 82,516
Investments	**519,206**	494,090
Current portion of investments whose use is limited	**15,936**	17,447
Patient accounts receivable, less allowance for uncollectible accounts of $26,763 in 2013 and $35,459 in 2012	**116,214**	118,814
Current portion of notes receivable from affiliates	**426**	1,574
Other current assets	**42,630**	34,421
Total current assets	**781,841**	748,862
Investments whose use is limited	**5,745**	61,927
Notes receivable from affiliates, net of current portion	**11,572**	9,280
Property and equipment, net	**553,392**	456,452
Other noncurrent assets	**24,720**	23,022
Total assets	**$ 1,377,270**	$ 1,299,543
Liabilities and net assets		
Current liabilities		
Accounts payable	**$ 28,880**	$ 27,561
Accrued payroll	**46,953**	45,194
Accrued liabilities	**58,088**	67,846
Current maturities of long-term debt and capital lease obligations	**8,376**	6,420
Other current liabilities	**8,922**	7,729
Total current liabilities	**151,219**	154,750
Long-term debt and capital lease obligations, net of current maturities	**397,483**	402,034
Obligation under swap contracts	**23,469**	41,490
Other noncurrent liabilities	**14,580**	13,199
Total liabilities	**586,751**	611,473
Net assets		
Unrestricted	**760,770**	656,705
Temporarily restricted	**13,320**	16,056
Permanently restricted	**16,429**	15,309
	790,519	688,070
Total liabilities and net assets	**$ 1,377,270**	$ 1,299,543

See accompanying notes

Gundersen Health System Obligated Group

Combined Statements of Operations
(Dollars in Thousands)

	Year Ended December 31 2013	2012
Operating revenue		
Net patient revenue before provision for uncollectible accounts	**$ 632,841**	$ 616,413
Provision for uncollectible accounts	**(23,295)**	(32,576)
Net patient revenue	**609,546**	583,837
Capitation revenue	**270,710**	268,172
Other revenue	**31,992**	30,179
	912,248	882,188
Operating expenses		
Salaries, wages, and benefits	**517,167**	501,483
Supplies	**111,440**	103,828
Purchased health services	**92,684**	88,101
Depreciation and amortization	**44,437**	41,787
Facilities	**24,598**	21,400
Purchased services	**26,828**	27,568
Interest	**9,841**	9,152
Other operating expenses	**44,756**	45,497
	871,751	838,816
Operating income	**40,497**	43,372
Nonoperating gains (losses)		
Investment return	**49,932**	37,819
Gain on sale of long-term investment	**126**	4,408
Change in fair value of swap contracts	**18,021**	(1,333)
Other nonoperating losses, net	**(769)**	(1,109)
	67,310	39,785
Revenue in excess of expenses	**107,807**	83,157
Net assets released from restrictions to purchase property and equipment	**9,875**	1,454
Transfers to affiliates	**(13,539)**	(10,981)
Amortization of accumulated gains related to swap contracts at the time of de-designation	**(78)**	(78)
Increase in unrestricted net assets	**$ 104,065**	$ 73,552

See accompanying notes

Gundersen Health System Obligated Group

Combined Statements of Changes in Net Assets

(Dollars in Thousands)

	Year Ended December 31	
	2013	**2012**
Unrestricted net assets		
Revenue in excess of expenses	**$ 107,807**	$ 83,157
Net assets released from restrictions to purchase property and equipment	**9,875**	1,454
Amortization related to swap contracts prior to de-designation	**(78)**	(78)
Transfers to affiliates	**(13,539)**	(10,981)
Increase in unrestricted net assets	**104,065**	73,552
Temporarily restricted net assets		
Contributions	**8,250**	8,776
Investment income	**664**	890
Net change in unrealized gains (losses) on investments	**1,780**	361
Net assets released from restriction	**(13,430)**	(5,314)
(Decrease) increase in temporarily restricted net assets	**(2,736)**	4,713
Permanently restricted net assets		
Contributions	**260**	257
Investment gain (loss)	**135**	(69)
Net change in unrealized gains (losses) on investments	**725**	444
Increase in permanently restricted net assets	**1,120**	632
Increase in net assets	**102,449**	78,897
Net assets at beginning of year	**688,070**	609,173
Net assets at end of year	**$ 790,519**	$ 688,070

See accompanying notes

Gundersen Health System Obligated Group

Combined Statements of Cash Flows

(Dollars in Thousands)

	Year Ended December 31	
	2013	**2012**
Operating activities		
Increase in net assets	**$ 102,449**	$ 78,897
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	**44,437**	41,787
Provision for uncollectible accounts	**23,295**	32,576
Change in fair value of swap contracts	**(18,021)**	1,333
Realized and change in unrealized gains (losses) on investments, net	**(39,843)**	(24,876)
Gain on sale of long-term investment	**(126)**	(4,408)
Transfers to affiliates	**13,539**	10,981
Restricted contributions	**(8,509)**	(9,033)
Changes in operating assets and liabilities		
Patient accounts receivable	**(20,695)**	(31,290)
Other current assets	**(8,209)**	12,853
Accounts payable, accrued, and other current liabilities	**(5,488)**	(1,578)
Other noncurrent assets and liabilities	**291**	(4,072)
Net cash provided by operating activities	**83,120**	103,170
Investing activities		
Purchases of investments, net	**71,908**	(35,764)
Purchases of property and equipment, net	**(135,728)**	(126,143)
Transfers to affiliates	**(13,539)**	(10,981)
Net proceeds from notes receivable from affiliates	**(1,144)**	8,522
Net cash used in investing activities	**(78,503)**	(164,366)
Financing activities		
Proceeds from issuance of long-term debt	**–**	70,000
Principal payments on long-term debt	**(8,213)**	(5,865)
Restricted contributions	**8,509**	9,033
Net cash provided by financing activities	**296**	73,168
Net increase in cash and cash equivalents	**4,913**	11,972
Cash and cash equivalents at beginning of year	**82,516**	70,544
Cash and cash equivalents at end of year	**$ 87,429**	$ 82,516
Supplemental disclosures of cash flow information		
Accrued amounts for the acquisition of property and equipment	**$ 12,638**	$ 14,346
Interest paid, net of capitalized interest of $8,308 in 2013 and $7,133 in 2012	**$ 9,234**	$ 8,221

See accompanying notes

Gundersen Health System Obligated Group

Notes to Combined Financial Statements
(Dollars in Thousands)

December 31, 2013

1. Organization and Basis of Presentation

The combined financial statements include the financial results of Gundersen Clinic, Ltd (the Clinic), Gundersen Lutheran Medical Center, Inc (the Hospital), Gundersen Lutheran Administrative Services, Inc (GLAS), and Gundersen Lutheran Medical Foundation, Inc (the Foundation), all of which are members of an obligated group (the Obligated Group or Gundersen) The combined financial statements are prepared for the purpose of presenting the operating results of the Obligated Group and do not include all the entities controlled by Gundersen Lutheran Health System, Inc (the Parent Corporation), which is the sole corporate member of the Obligated Group members but itself is not a member of the Obligated Group The Parent Corporation and each of the Obligated Group members qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the Code)

The Clinic provides comprehensive medical care to patients and conducts medical education and research programs primarily in Wisconsin with smaller facilities in Iowa and Minnesota The Hospital is located in La Crosse, Wisconsin, and provides medical care to patients from La Crosse and surrounding communities GLAS is engaged in various administrative transactions on behalf of the Parent Corporation and its affiliates in support of charitable health care activities The Foundation enhances and supports quality health care with an emphasis on medical and health/wellness education as well as clinically based research and community outreach

2. Summary of Significant Accounting Policies

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period Although estimates, including uncollectible and contractual allowances on patient accounts receivable, third-party payor settlements, self-insured liabilities, and valuation of swap contracts, are considered to be fairly stated at the time that the estimates were made, actual results could differ from those estimates

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include currency on hand, demand deposits with banks or other financial institutions, and short-term investments with original maturities of 90 days or less from the date of purchase The Obligated Group maintains cash and cash equivalents on deposit at financial institutions, which at times exceed the limits insured by the Federal Deposit Insurance Corporation and thereby exposes the Obligated Group to potential risk of loss in the event the financial institution becomes insolvent No losses have been incurred to date, and management does not consider the credit risk to be significant to the Obligated Group

Patient Accounts Receivable

The collection of receivables from third-party payors and patients is the Obligated Group's primary source of cash for operations The primary collection risks relate to uninsured patient accounts and patient deductibles and coinsurance on insurers' accounts Patient receivables, including the portion that a third-party payor is responsible for, are carried at net realizable value, determined by the original charge for the service provided less an estimate made for contractual adjustments or discounts provided to third-party payors Patient receivables due directly from the patients are carried on the accompanying combined balance sheets at the original charge for the service provided less amounts covered by third-party payors, allowances for other discounts, and an allowance for uncollectible receivables The Obligated Group does not charge interest on past due receivables Receivables are written off after collection efforts have been followed in accordance with the Obligated Group's policies Recoveries of receivables previously written off are recorded as a reduction of bad debt expense

Accounts receivable are reduced by an allowance for uncollectible accounts In evaluating the collectibility of accounts receivable, the Obligated Group analyzes its past history and identifies trends for each of its major payor sources to estimate the appropriate allowance for doubtful accounts and provision for bad debts The analysis is performed using a hindsight calculation that utilizes write-off data for all payor classes during a determined time period to calculate the allowance for uncollectible accounts at a point in time Accounts receivable balances, without payment arrangements, over 365 days are fully allowed for

2. Summary of Significant Accounting Policies (continued)

At December 31, 2013 and 2012, the allowance for uncollectible accounts was $26,763 and $35,459, respectively, which as a percent of accounts receivable, net of contractual adjustments, was 19% and 23%, respectively The allowance for doubtful accounts decreased from 2012 to 2013 due to improved collection processes and lower estimated allowances required on outstanding receivables

Investments and Investments Whose Use Is Limited

Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value in the combined balance sheets Investments in equity and debt securities are classified as trading, and accordingly, all unrealized gains and losses are recorded as nonoperating investment return The Obligated Group accounts for investment transactions on a settlement-date basis

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

Unrestricted investments are classified as current assets since they are available for operations Certain investments are limited as to use under the terms of a bond indenture, state insurance regulations, unemployment fund agreements, collateral posted against swap valuations, and internally designated for medical education by the Board of Trustees and the Board of Governors The Board of Trustees and the Board of Governors, at their discretion, can change these designations in the future

Inventories, Supplies, and Materials

Inventories, supplies, and materials are valued at the lower of cost (first-in, first-out method) or market value and included in other current assets in the combined balance sheets

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost, if purchased, or at fair value on the date received, if donated, less accumulated depreciation During periods of construction, interest costs are capitalized to the respective property accounts

Depreciation is provided on a straight-line basis over the following estimated useful lives

Land improvements	5–15 years
Building	30–40 years
Building additions and improvements	10–25 years
Equipment and furniture	3–15 years

The Obligated Group assesses potential impairment to its long-lived assets when there is evidence that events or changes in circumstances have made recovery of an asset's carrying value unlikely An impairment loss is indicated when the estimated total undiscounted future net cash flows is less than the carrying amounts The loss recognized is the difference between the fair value and the carrying amount No impairment loss was recognized at December 31, 2013 and 2012

The Obligated Group capitalizes expenditures for additions and improvements, while replacements, maintenance, and repairs that do not improve the useful lives of the assets are expensed as incurred The Obligated Group capitalizes interest on the financing of major capital, including projects financed with tax-exempt borrowings

Software Costs

Capitalized computer software costs include internally developed software Costs incurred in developing and installing internal use software are expensed or capitalized depending on whether they are incurred in the preliminary project stage, application development stage, or post-implementation stage

2. Summary of Significant Accounting Policies (continued)

Derivative Financial Instruments

The Obligated Group uses interest rate swap contracts as part of its risk management strategy to manage exposure to fluctuations in interest rates related to its variable rate debt All derivative instruments are recorded at fair value in the combined balance sheets, with the changes in the fair values recorded in nonoperating gains (losses) in the combined statements of operations

In April 2007, the Obligated Group de-designated its swaps, which formerly had been classified as cash flow hedges Prior to the de-designation, changes in the fair value of the hedged interest rate swaps were included in other changes in unrestricted net assets The accumulated gain in net assets prior to de-designation is being amortized over the remaining life of the term of debt

Insurance

The provision for estimated self-insured professional liability, workers' compensation, and employee health care claims includes estimates of the ultimate costs for both reported and incurred but not reported (IBNR) claims The accrual for self-insured professional liability, workers' compensation, and employee health care claims represents the estimated ultimate cost for both asserted and unasserted claims

Donated Assets and Services

Unconditional promises to give cash and other assets to the Obligated Group are reported at fair value at the date the promise is received Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received The gifts are reported as either temporarily or permanently restricted contributions if they are received with donor stipulations that limit the use of the donated assets When the terms of a donor restriction are met, temporarily restricted net assets are reclassified as unrestricted net assets and reported as net assets released from restriction Donor contributions whose restrictions are met within the same year as received are reported as unrestricted contributions

A large number of people contribute significant amounts of time to the Obligated Group without compensation The combined financial statements do not reflect the value of those contributed services, because although substantial, no reliable basis exists for determining an appropriate amount

2. Summary of Significant Accounting Policies (continued)

Net Assets

Resources are classified into three net asset categories as unrestricted, temporarily restricted, and permanently restricted, according to the absence or existence of donor-imposed restrictions Unrestricted net assets represent amounts that have no donor-imposed restrictions Temporarily restricted net assets are those assets whose use has been limited by donors to a specific purpose or time period Permanently restricted net assets are those assets for which donors require the principal of the gift to be maintained in perpetuity in order to provide a permanent source of income

Net Patient Revenue

Net patient revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered, excluding charges related to the Obligated Group's self-insured health benefits Net patient revenue includes estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future years as final settlements are determined

Capitation Revenue and Purchased Health Services

The Clinic and the Hospital provide health care services to enrollees of the Gundersen Lutheran Health Plan (the Health Plan), an affiliate controlled by the Parent Corporation, under a capitation arrangement The health care services covered by the Health Plan are paid for primarily on a capitated basis determined as a percentage of the member premiums, which transfers most insurance risk to the Clinic and Hospital under a provider reimbursement agreement Net capitation revenue is recognized in the year in which health care coverage is provided and is recorded net of amounts paid to other medical service providers Although the majority of services are provided to Health Plan enrollees by the Hospital and Clinic, certain services are provided by out-of-network providers on a contracted fee-for-service basis A reserve is recorded for out-of-network care rendered but not reported as of each year-end

2. Summary of Significant Accounting Policies (continued)

Charity and Uncompensated Care

The Clinic and the Hospital provide health care services to patients who meet certain criteria under their charity care policies without charge or at amounts less than established rates The Clinic and Hospital maintain records to identify and monitor the level of community care provided These records include the amount of costs incurred for services and supplies furnished under the charity care policy Since the Clinic and the Hospital do not pursue collection of these amounts, they are not reported as patient revenue

Electronic Health Record Incentive Payments

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH) The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology Eligibility for annual Medicare incentive payments depends on providers demonstrating meaningful use of EHR technology in each period over a four-year period Initial Medicaid incentive payments are available to providers that adopt, implement, or upgrade certified EHR technology Providers must demonstrate meaningful use of such technology in subsequent years to qualify for additional Medicaid incentive payments

The Obligated Group accounts for HITECH incentive payments as a gain contingency Income from Medicare incentive payments is recognized as revenue after the Obligated Group has demonstrated that it complied with the meaningful use criteria over the entire applicable compliance period and the cost report period that will be used to determine the final incentive payment has ended The Obligated Group recognized revenue from Medicaid incentive payments after it adopted certified EHR technology Incentive payments totaling $5,790 and $6,868 for 2013 and 2012, respectively, are included in operating revenue in the combined statements of operations Income from incentive payments is subject to retrospective adjustment as the incentive payments are calculated using Medicare cost data that is subject to audit In addition, the Obligated Group's compliance with the meaningful use criteria is subject to audit by government agencies

2. Summary of Significant Accounting Policies (continued)

Performance Indicator

The performance indicator is revenue in excess of expenses Changes in unrestricted net assets, which are excluded from revenue in excess of expenses, consistent with industry practice, include net assets released from restrictions to purchase property and equipment, transfers to affiliates, and amortization of accumulated gains on swap contracts at the time of de-designation

Income Tax Matters

The Obligated Group has reviewed its tax positions for all open years and has concluded that no liabilities exist for uncertain tax positions at December 31, 2013 and 2012 The Obligated Group's income tax returns are no longer subject to examination for 2007 and prior

Reclassifications

During 2013, the Obligated Group implemented a new general ledger chart of accounts, which improved the financial statement reporting process Certain prior year amounts in the combined financial statements have been reclassified to conform to the 2013 presentation These reclassifications had no effect on the change in net assets or net assets as previously reported

3. Net Patient Revenue

The Clinic and the Hospital derive patient revenue primarily from patients covered under the Medicare and Medicaid programs, agreements with commercial insurers, and managed care organizations, as well as from private pay patients The basis for payment under agreements with commercial insurers and managed care organizations includes prospectively determined rates, discounts from established charges, and allowable cost

The Clinic participates in the Medicare and Medicaid programs and is reimbursed based on fee schedules The Hospital also participates in the Medicare and Medicaid programs, under which substantially all inpatient services rendered to program beneficiaries are paid for based on prospectively determined amounts per discharge depending on the individual patient's diagnostic-related grouping of medical conditions The Hospital's Medicare outpatient services are predominantly paid based on prospectively determined amounts for each service provided depending on the ambulatory payment classification assigned to each service Amounts recorded by the Hospital for estimated cost report settlements can differ from actual settlements based on the results of subsequent cost report audits In addition, the Hospital appeals certain settlements related to Medicare and other programs Changes in estimated reimbursement related to prior periods, primarily related to the Medicare program, resulted in an increase in net patient service revenue of $964 and $2,488 for 2013 and 2012, respectively

For self-pay patients, management determines an allowance for uncollectible accounts by identifying amounts at risk, based on historical collection experience, aging of accounts, and current economic conditions The Obligated Group also has policies to provide a discount from established charges to uninsured patients

The Obligated Group has determined, based on an assessment at the reporting-entity level, that patient revenue is primarily recorded prior to assessing the patient's ability to pay, and as such, the entire provision for uncollectible accounts is recorded as a deduction from patient revenue in the combined statements of operations

(Dollars in Thousands)

3. Net Patient Revenue (continued)

Patient service revenue, net of contractual expense (but before the provision for bad debts), recognized from the Obligated Group's major payor sources is summarized as follows for the years ended December 31

	2013	2012
Third-party payors	**$ 593,134**	$ 577,409
Self-pay payors	**39,707**	39,004
	$ 632,841	$ 616,413

The Medicare program accounted for 26% and 23% of the Obligated Group's net patient revenue for 2013 and 2012, respectively Potential changes in the Medicare program and reduction of funding levels could have a material adverse effect on the Clinic and the Hospital in the near term

4. Charity Care

The Clinic and the Hospital provide medical care without charge or at reduced charges to residents of the communities they serve by providing services to patients who are uninsured or underinsured The cost of providing charity care has been estimated by applying a cost to gross charges ratio to the gross uncompensated charges associated with providing charity care to patients For 2013 and 2012, cost of providing charity care is estimated to be $6,763 and $5,138, respectively

(Dollars in Thousands)

5. Investments Whose Use Is Limited and Investment Return

Certain investments as of December 31 are limited as to use for the following purposes

	2013	2012
Board designated for medical education	**$ 3,747**	$ 3,747
Minimum funding as required by the Wisconsin Office of the Commissioner of Insurance (Note 11)	**8,649**	9,546
Minimum funding as required by the Wisconsin Unemployment Reserve Fund	**3,327**	3,071
Collateral posted against insurance claims	**650**	1,375
Principal and interest payments under a bond indenture	**248**	233
Collateral posted against swap valuations (Note 9)	**5,060**	19,153
Held for future capital expenditures under bond indenture	**–**	42,249
	$ 21,681	$ 79,374

Investment return consists of the following for the years ended December 31

	2013	2012
Dividends and interest	**$ 13,267**	$ 14,569
Gain on sale of long-term investment	**126**	4,408
Net realized gains	**6,241**	10,112
Net change in unrealized gains and losses	**33,728**	14,764
	$ 53,362	$ 43,853

Investment return is reported in the combined statements of operations and changes in net assets as follows for the years ended December 31

	2013	2012
Nonoperating gains, net	**$ 50,058**	$ 42,227
Temporarily restricted net assets	**2,444**	1,251
Permanently restricted net assets	**860**	375
	$ 53,362	$ 43,853

6. Fair Value Measurements and Investments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i e , an exit price) The fair value hierarchy 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 and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3) The three levels of the fair value hierarchy in Accounting Standards Codification 820, *Fair Value Measurement*, are described below

- Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities

- Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability Level 2 inputs include the following

  - Quoted prices for similar assets and liabilities in active markets

  - Quoted prices for identical or similar assets or liabilities in markets that are not active

  - Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e g , interest rate and yield curve quotes at commonly quoted intervals)

  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means

- Level 3 – Unobservable inputs for the asset or liability (i e , supported by little or no market activity) Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability including assumptions about risk

(Dollars in Thousands)

6. Fair Value Measurements and Investments (continued)

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level of input that is significant to the fair value measure in its entirety

The following tables present the financial instruments measured at fair value on a recurring basis at December 31, 2013 and 2012, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value

	December 31, 2013			
	Level 1	Level 2	Level 3	Total Value
Assets				
Cash equivalents	$ 19,659	$ 310	$ –	$ 19,969
Common stock	43,195	–	–	43,195
Equity mutual funds	122,948	–	–	122,948
Equity mutual funds – foreign government	63,324	–	–	63,324
Asset-backed securities	–	13,125	–	13,125
Fixed income securities				
U S government and agency obligations	92,826	–	–	92,826
Corporate bonds	–	71,976	–	71,976
Residential mortgage-backed securities	–	69,767	–	69,767
Commercial mortgage-backed securities	–	17,707	–	17,707
Instruments measured at fair value	341,952	172,885	–	514,837
Certificate of deposit	26,050	–	–	26,050
Total investments and investments whose use is limited	$ 368,002	$ 172,885	$ –	$ 540,887
Liabilities				
Obligation under swap contracts	$ –	$ 23,469	$ –	$ 23,469

(Dollars in Thousands)

6. Fair Value Measurements and Investments (continued)

	December 31, 2012			
	Level 1	Level 2	Level 3	Total Value
Assets				
Cash equivalents	$ 73,224	$ –	$ –	$ 73,224
Common stock	16,860	–	–	16,860
Equity mutual funds	162,457	–	–	162,457
Equity mutual funds – foreign government	10,672	–	–	10,672
Asset-backed securities	–	2,026	–	2,026
Fixed income securities				
U S government and agency obligations	72,829	40,414	–	113,243
Corporate bonds	–	58,767	–	58,767
Residential mortgage-backed securities	–	90,322	–	90,322
Commercial mortgage-backed securities	–	19,992	–	19,992
Instruments measured at fair value	336,042	211,521	–	547,563
Certificate of deposit	25,900	–	–	25,900
Total investments and investments whose use is limited	$ 361,942	$ 211,521	$ –	$ 573,463
Liabilities				
Obligation under swap contracts	$ –	$ 41,490	$ –	$ 41,490

The carrying values of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses are reasonable estimates of fair value due to the short-term nature of these financial instruments The carrying value of pledges (Level 2) approximates its fair value at December 31, 2013 and 2012

At December 31, 2013 and 2012, fair value of fixed interest long-term debt (Level 2), based on quoted market prices for the same or similar instruments, was $253,574 and $284,300, respectively, compared with its carrying value of $260,145 and $266,565, respectively Fair value of variable rate long-term debt (Level 2) approximated its carrying value at both December 31, 2013 and 2012

(Dollars in Thousands)

6. Fair Value Measurements and Investments (continued)

The fair value for obligation under swap contracts is determined through the use of widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flow of each derivative The analysis reflects the contractual terms of the interest rate swaps, including the period to maturity, and uses observable market-based inputs, such as interest rate curves In addition, credit value adjustments are included to reflect both the Obligated Group's nonperformance risk and the respective counterparty's nonperformance risk The Obligated Group pays annual fixed rates ranging from 3 26% to 3 79% and receives cash flows based on 67% of the London Interbank Offered Rate (LIBOR) At December 31, 2013 and 2012, the Obligated Group's fair value of obligations under interest rate swap contracts of $23,469 and $41,490, respectively, was recorded net of a credit value adjustment (CVA) of $1,442 and $2,597, respectively

7. Property and Equipment

Property and equipment as of December 31 consist of the following

	2013	2012
Land and land improvements	**$ 23,710**	$ 22,225
Buildings and building improvements	**366,220**	347,550
Capitalized software	**29,489**	68,317
Equipment and furniture	**299,131**	287,006
Capitalized leases	**8,798**	–
	727,348	725,098
Less accumulated depreciation and amortization	**420,063**	420,617
	307,285	304,481
Construction-in-progress	**246,107**	151,971
	$ 553,392	$ 456,452

Depreciation expense was $44,437 and $41,787 for 2013 and 2012, respectively

The Obligated Group capitalizes payroll and payroll-related costs associated with the development of software for internal use In 2013 and 2012, $1,080 and $578, respectively, of payroll and payroll-related costs were capitalized

(Dollars in Thousands)

8. Long-Term Debt and Capital Lease Obligations

Long-term debt as of December 31 consists of the following

	2013	2012
Wisconsin Health and Educational Facilities Authority (WHEFA), Series 2012 (Gundersen), annual interest from 2 0% to 5 0%, principal due in varying amounts through 2044	**$ 69,845**	$ 70,000
WHEFA Bonds, Series 2011A (Gundersen), annual interest from 1 00% to 5 25%, principal due in varying amounts through 2039	**150,300**	156,565
WHEFA Series 2011B (Gundersen), adjustable demand, principal due starting in 2038 (average annual interest rate in 2013 and 2012 of 0 12% and 0 18%, respectively)	**40,000**	40,000
WHEFA Series 2009A (Gundersen), adjustable demand, principal due in varying amounts through 2033 (average annual interest rate in 2013 and 2012 of 1 03% and 1 06%, respectively)	**45,305**	45,305
WHEFA Series 2009B (Gundersen), adjustable demand, principal due in varying amounts through 2033 (average annual interest rate in 2013 and 2012 of 1 03% and 1 06%, respectively)	**33,410**	33,410
WHEFA Series 2008B (Gundersen), adjustable demand, principal due in varying amounts through 2033 (average annual interest rate in 2013 and 2012 of 0 90% and 1 04%, respectively)	**61,400**	61,400
Capital lease obligations	**2,607**	–
Unamortized premium	**2,992**	1,774
Total long-term debt and capital lease obligations	**405,859**	408,454
Less current maturities	**8,376**	6,420
	$ 397,483	$ 402,034

In September 2011, the Hospital, the Clinic, GLAS, and the Foundation entered into a Restated Master Trust Indenture with a bank that established an Obligated Group, which currently includes the Hospital, the Clinic, GLAS, and the Foundation Each Obligated Group member is jointly and severally liable for the payment of all obligations issued under the Restated Master Trust Indenture, which are secured ratably by a pledge of the unrestricted receivables of the Obligated Group The Restated Master Trust Indenture contains, among other things, provisions placing restrictions on additional debt, asset transfers, and liens and requires the maintenance of a debt service coverage ratio Additional covenants, including liquidity and capitalization, are included in other loan agreements relating to the obligations

8. Long-Term Debt and Capital Lease Obligations (continued)

In September 2012, WHEFA issued Series 2012 bonds on behalf of the Obligated Group in an aggregate par amount of $70,000 and bear interest at fixed rates The bonds are subject to optional, mandatory, extraordinary redemption and purchase in lieu of redemption prior to maturity The proceeds have been used to finance new construction

In September 2011, WHEFA issued Series 2011A and Series 2011B bonds on behalf of the Obligated Group The Series 2011A bonds were issued in an aggregate par amount of $162,430 and bear interest at fixed rates The Series 2011B bonds were issued in an aggregate amount of $40,000 and bear interest at variable rates that are initially set weekly The Series 2011B bonds are subject to optional and mandatory tender and are supported by an irrevocable direct pay letter of credit issued by a bank, which expires in September 2016 Under the terms of the agreement with the bank, the Obligated Group may elect to convert any liquidity draw made under the letter of credit into a bank loan that amortizes in equal quarterly installments over a three-year period, commencing no sooner than 367 days after the date of the draw, provided that there is no event of default and the representations made at the time of the draw are accurate

In May 2008, WHEFA issued Series 2008A and Series 2008B bonds on behalf of GLAS in the aggregate amount of $89,300 bearing interest at a variable rate In August 2010, the Obligated Group caused a tender of the Series 2008A and Series 2008B bonds, which were placed directly with a bank Under the terms of the agreement with the bank, GLAS was required to purchase the Series 2008B bonds from the bank in August 2013 The Series 2008A bonds were refunded with proceeds of the Series 2011A bonds and Series 2011B bonds in September 2011 In October 2012, the date that GLAS was required to repurchase the Series 2008B bonds was extended to October 1, 2015

(Dollars in Thousands)

8. Long-Term Debt and Capital Lease Obligations (continued)

In May 2009, WHEFA issued Series 2009A and Series 2009B bonds on behalf of GLAS in the aggregate amount of $78,715 The proceeds of those bonds were used to refund the Series 2003B and Series 2003C bonds In March 2011, the Obligated Group caused a tender of the Series 2009A and Series 2009B bonds, which were placed directly with a bank Under the terms of the agreement with the bank, GLAS was required to purchase the Series 2009A and Series 2009B bonds from the bank in March 2014 In October 2012, the date that GLAS was required to repurchase the Series 2009A and Series 2009B bonds was extended to October 1, 2017

At December 31, 2013, the aggregate maturities and sinking fund requirements of long-term debt, for each of the five subsequent years and thereafter, assuming that all bonds are successfully remarketed with the original maturity dates and the Obligated Group is able to renew the letter of credit, which expires in September 2016, are as follows

2014	$ 6,580
2015	6,905
2016	7,160
2017	7,395
2018	7,715
Thereafter	364,505
	$ 400,260

The Obligated Groups capital lease obligations for software and equipment will expire over the next five years Future commitments under capital leases in effect as of December 31, 2013, for each of the five subsequent years are as follows

2014	$ 1,986
2015	199
2016	199
2017	199
2018	115
Total	2,698
Amount representing interest	91
Present value of minimum lease payments	2,607
Current portion	1,796
Long term	$ 811

(Dollars in Thousands)

9. Derivative Financial Instruments

The Obligated Group has entered into interest rate swaps, which are recorded at fair value as noncurrent liabilities in the combined balance sheets as of December 31, as follows

	2013	2012
Notional amount $33,000 Series 2009B (previously Series 2003C), fixed annual rate 3 50%, variable interest equal to 67% of the one-month LIBOR	**$ 4,189**	$ 7,350
Notional amount $40,470 Series 2011B (previously Series 2000B), fixed annual rate 3 26%, variable interest equal to 67% of the one-month LIBOR	**4,251**	7,778
Notional amount $44,750 Series 2009A (previously Series 2003B), fixed annual rate 3 28%, variable interest equal to 67% of the one-month LIBOR	**4,840**	9,340
Notional amount $60,725 Series 2008B, fixed annual rate 3 79%, variable interest equal to 67% of the one-month LIBOR	**10,189**	17,022
	$ 23,469	$ 41,490

The increase (decrease) in the value of the swap contracts of $18,021 and ($1,333) for 2013 and 2012, respectively, was recorded as an unrealized gain (loss) and is included in nonoperating gains (losses) in the combined statements of operations

Derivative transactions contain credit risk in the event the parties are unable to meet the terms of the contract, credit risk is generally limited to the fair value due from counterparties on outstanding contracts At December 31, 2013, the counterparties had a Standard & Poor's credit quality rating of A-

9. Derivative Financial Instruments (continued)

The interest rate swap contracts contain collateral provisions applicable to both parties to mitigate credit risk The collateral provided by the Obligated Group to the counterparties was $5,060 and $19,153 as of December 31, 2013 and 2012, respectively, and is included in investments whose use is limited in the combined balance sheets

The net settlements for the interest rate swap contracts of $6,010 and $5,945 for 2013 and 2012, respectively, are included in interest expense in the combined statements of operations

10. Retirement Plan

The Obligated Group maintains a defined contribution and 401(k) plan covering substantially all of its employees Retirement plan expense was $45,861 and $47,985 for 2013 and 2012, respectively The Obligated Group contributes matching funding on a monthly basis, with the remainder contributed annually At December 31, 2013 and 2012, the total liability for employer contributions was $34,892 and $37,534, respectively, and is included in accrued liabilities in the combined balance sheets

11. Insurance

The Clinic is self-insured for Wisconsin professional liability up to base limits of insurance coverage ($1,000 per claim and $3,000 annually on an occurrence basis at December 31, 2013 and 2012) Additionally, under the Wisconsin professional liability, self-insured limits are in place per physician/certified registered nurse anesthetist (CRNA) ($1,000 per physician/CRNA per claim and $3,000 annually per physician/CRNA on an occurrence basis at December 31, 2013 and 2012) The Clinic has established a professional liability insurance plan and irrevocable trust as required by Wisconsin statutes The funding requirements of the plan are established annually based on third-party actuarial calculations, as prescribed by the Commissioner of Insurance for the State of Wisconsin All professional liability claims or judgments occurring in Wisconsin in excess of the base level of coverage are paid from the Injured Patients and Families Compensation Fund, which insures all claims incurred regardless of when the claim is filed The Injured Patients and Families Compensation Fund has no upper limit on losses

The Clinic has purchased professional liability insurance on a claims-made basis to cover Iowa and Minnesota risks, including umbrella and excess coverage to minimize exposure

(Dollars in Thousands)

11. Insurance (continued)

The Hospital has purchased professional liability insurance on a claims-made basis to cover claim losses The Hospital is also insured through the Injured Patients and Families Compensation Fund for losses on professional liability claims ($1,000 per claim and $3,000 annually at December 31, 2013 and 2012) The Injured Patients and Families Compensation Fund has no upper limit on losses

The Obligated Group maintains self-insurance programs for health care costs of its active employees The Obligated Group has purchased stop-loss insurance with an annual deductible of $700 per individual In addition, the Obligated Group is insured for workers' compensation exposures under an incurred loss retrospective rating plan

The liability for professional and general liability, workers' compensation, and employee health insurance claims is based on actual claims to date and a projection of the estimated future liability for such claims and IBNR claims At December 31, 2013 and 2012, the total recorded liability was $19,359 and $21,452, respectively, of which a current portion of $11,091 and $12,270, respectively, is included in accrued liabilities, and the noncurrent portion of $8,268 and $9,182, respectively, is included in other noncurrent liabilities in the combined balance sheets At December 31, 2013 and 2012, the estimated receivable related to insurance recoveries of $861 and $2,451, respectively, is included in other current assets in the combined balance sheets

12. Commitments and Contingencies

The Obligated Group has leases for equipment and satellite office facilities, which are classified as operating leases Rental expense under these operating leases totaled $4,921 and $4,855 for 2013 and 2012, respectively Future commitments under operating leases in effect as of December 31, 2013, for each of the five subsequent years and thereafter are as follows

2014	$ 1,635
2015	964
2016	756
2017	553
2018	447
Thereafter	1,017
	$ 5,372

12. Commitments and Contingencies (continued)

The Clinic and the Hospital are defendants in legal proceedings arising in the ordinary course of business Although the outcome of these proceedings cannot be determined, management of the Obligated Group considers it unlikely that the disposition of these proceedings will have a material adverse effect on the financial position or operations of the Obligated Group However, there can be no assurance that this will be the case

The Clinic, Hospital, and GLAS have entered into an agreement with the city of La Crosse in conjunction with the city's establishment of Tax Incremental Financing District No 14 (TIF 14) The agreement requires the construction of one or more parking ramps that will accommodate 1,000 vehicles, with qualifying costs not to exceed $18,500 At December 31, 2009, a 537-vehicle ramp adjacent to the Clinic was completed In 2010, a second ramp was completed to satisfy the requirement of available vehicle space and is considered for the tax incentives offered under the TIF 14 agreement This ramp is adjacent to the area designated for the new hospital described below as part of a campus renewal plan Additionally, the agreement creates property tax incentives for further taxable development on the Obligated Group La Crosse campus by the Obligated Group and other developers The benefit that the Obligated Group will derive from participation in TIF 14 depends on the size of future development over the next 20 years

The Obligated Group has established a campus renewal plan, which includes the addition of a 400,000 square foot, six-story hospital building on the main campus, adjacent to the existing Hospital facility The hospital addition, which began in January 2011, was placed in service January 2014 This initial phase is projected to cost $218,000 under a guaranteed maximum price contract with a general contractor The Obligated Group is funding this addition with cash flow from operations, debt financing, and fund-raising

(Dollars in Thousands)

12. Commitments and Contingencies (continued)

Compliance with Laws and Regulations

The health care industry is governed by various laws and regulations of federal, state, and local governments These laws and regulations are subject to ongoing government review and interpretation and include matters such as licensure, accreditation, reimbursement for patient services, and referrals for Medicare and Medicaid beneficiaries Compliance with these laws and regulations is required for participation in government health care programs Certain governmental agencies routinely investigate and pursue allegations concerning possible overpayments resulting from violation of fraud and abuse statutes by health care providers These investigations may result in settlements involving fines and penalties as well as repayment of improper reimbursement The Obligated Group has implemented procedures for monitoring and enforcing compliance with laws and regulations and is not aware of instances of noncompliance

While management believes that the Obligated Group is in material compliance with fraud and abuse laws and regulations as well as other applicable government laws and regulations, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term Changes in reimbursement from the Medicare program, including reduction of funding levels, could have a material adverse effect on the Obligated Group

13. Concentration of Credit Risk

The Clinic and the Hospital grant credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements Amounts due from various payors and patients as of December 31 included in net patient accounts receivable are as follows

	2013	2012
Medicare	**15%**	9%
Medicaid	**3**	2
Commercial insurance, private pay, and other	**82**	89
	100%	100%

(Dollars in Thousands)

14. Functional Expenses

Expenses related to providing patient care are as follows for the years ended December 31

	2013	2012
Health care services	**$ 700,253**	$ 668,988
General and administrative, including fund-raising	**171,498**	169,828
	$ 871,751	$ 838,816

15. Related-Party Transactions

The Clinic and the Hospital have an agreement with the Health Plan to provide health care services to the Health Plan's insured enrollees The Clinic and the Hospital are paid on a fully capitated basis Reinsurance contracts exist for medical and hospital expenses in excess of $700 per enrollee per contract year Capitation revenue recorded by the Clinic and the Hospital that was earned under the agreement with the Health Plan totaled $270,710 and $268,172 for 2013 and 2012, respectively At December 31, 2013 and 2012, amounts due to the Health Plan were $2,782 and $1,967, respectively, and are included in other current liabilities in the combined balance sheets

Under terms of an administrative services agreement with the Health Plan, the Obligated Group provides substantially all general and administrative services necessary for the Health Plan's operations at amounts that are intended to approximate cost The cost of these services to the Health Plan was $12,554 and $11,369 in 2013 and 2012, respectively, and is deducted from the Obligated Group's expenses in the combined statements of operations Amounts due from the Health Plan as of December 31, 2013 and 2012, related to the administrative services agreement were $2,377 and $1,434, respectively, and are included in other current assets in the combined balance sheets

The Health Plan leases office space from the Obligated Group Rental payments were $306 for 2013 and 2012

(Dollars in Thousands)

15. Related-Party Transactions (continued)

At December 31, 2013 and 2012, notes receivable from affiliates totaling $11,998 and $10,854, respectively, which are recorded net of allowances for uncollectible amounts of $144, represent loans to affiliates to finance their activities Notes receivable from affiliates have terms ranging from 1 to 15 years, with annual interest rates ranging from 3 8% to 6 0%

16. Restricted Net Assets

Temporarily restricted net assets as of December 31 are available for the following purposes or periods

	2013	2012
Purpose restrictions		
Education	**$ 1,062**	$ 750
Research	**1,299**	599
Community and affiliate programs	**869**	687
Buildings and equipment	**9,431**	13,422
Other	**381**	364
Time restrictions for future periods	**278**	234
	$ 13,320	$ 16,056

Income from permanently restricted net assets is used for the following purposes as of December 31

	2013	2012
Education	**$ 5,368**	$ 4,915
Research	**4,663**	4,639
Community health initiatives	**2,559**	2,340
General operations	**3,839**	3,415
	$ 16,429	$ 15,309

(Dollars in Thousands)

17. Pledges

The timing of receipt of pledges at December 31 is estimated as follows

	2013	2012
Within one year	**$ 219**	$ 312
One to five years	**6,014**	4,194
After five years	**5,101**	5,046
	11,334	9,552
Present value discount and allowances for uncollectible pledges	**(1,591)**	(1,309)
	$ 9,743	$ 8,243

Pledges receivable were discounted at annual rates ranging from 3 70% to 4 87% at December 31, 2013, and from 3 63% to 5 60% at December 31, 2012 Pledges due within one year are recorded in other current assets, and all other pledges are recorded in other noncurrent assets

18. Subsequent Events

The Obligated Group has evaluated events and transactions that have occurred subsequent to December 31, 2013 through April 24, 2014, the date on which the combined financial statements were issued During this period, there were no subsequent events requiring recognition or disclosure in the combined financial statements

Supplementary Information

Ernst & Young LLP
[illegible]
[illegible]
T-l +1 414 [illegible]
F · +1 414 [illegible]
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Building a better working world

Report of Independent Auditors on Supplementary Information

The Board of Trustees and the Board of Governors
Gundersen Health System Obligated Group

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole The combining balance sheet and statement of operations and changes in net assets are presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole

Ernst & Young LLP

April 24, 2014

[illegible]

Gundersen Health System Obligated Group

Combining Balance Sheet
(Dollars in Thousands)

December 31, 2013

Assets	Gundersen Lutheran Medical Center, Inc	Gundersen Clinic, Ltd	Gundersen Lutheran Administrative Services, Inc	Gundersen Lutheran Medical Foundation, Inc	Eliminating Entries	Combined
Current assets						
Cash and cash equivalents	$ (183)	$ 324	$ 84 996	$ 2 292	$ –	$ 87 429
Investments	15 000	–	462 253	45 700	(3 747)	519 206
Current portion of investments whose use is limited	–	3 297	12 639	–	–	15 936
Patient accounts receivable less allowance for uncollectible accounts	108 552	7 662	–	–	–	116 214
Current portion of notes receivable from affiliates	–	–	426	–	–	426
Interaffiliate balances	505 627	–	2 690	–	(505 627)	2 690
Other	7 052	7 092	22 127	4 593	(924)	39 940
Total current assets	636 048	18 375	585 131	52 585	(510 298)	781 841
Investments whose use is limited	–	5 353	(3 355)	–	3 747	5 745
Notes receivable from affiliates net of current portion	–	–	11 572	–	–	11 572
Property and equipment net	322 567	148 144	81 583	1 098	–	553 392
Other noncurrent assets	250	20	9 606	14 844	–	24 720
Total assets	$ 958 865	$ 171 892	$ 684 537	$ 68 527	$ (506 551)	$ 1 377 270
Liabilities and net assets						
Current liabilities						
Accounts payable	$ 162	$ 27	$ 28 419	$ 1 196	$ (924)	$ 28 880
Accrued payroll	–	–	46 953	–	–	46 953
Accrued liabilities	366	13 646	44 076	–	–	58 088
Current maturities of long-term debt	–	–	8 376	–	–	8 376
Interaffiliate balances	–	368 071	136 084	1 472	(505 627)	–
Other	1 958	2 452	3 105	1 407	–	8 922
Total current liabilities	2 486	384 196	267 013	4 075	(506 551)	151 219
Long-term debt and capital lease obligations net of current maturities	663	–	396 820	–	–	397 483
Obligation under swap contracts	–	–	23 469	–	–	23 469
Other noncurrent liabilities	1 281	9 483	3 415	401	–	14 580
Total liabilities	4 430	393 679	690 717	4 476	(506 551)	586 751
Net assets						
Unrestricted	954 435	(221 787)	(6 180)	31 615	2 687	760 770
Temporarily restricted	–	–	–	16 007	(2 687)	13 320
Permanently restricted	–	–	–	16 429	–	16 429
Total net assets	954 435	(221 787)	(6 180)	64 051	–	790 519
Total liabilities and net assets	$ 958 865	$ 171 892	$ 684 537	$ 68 527	$ (506 551)	$ 1 377 270

Gundersen Health System Obligated Group

Combining Statement of Operations and Changes in Net Assets
(Dollars in Thousands)

Year Ended December 31, 2013

	Gundersen Lutheran Medical Center, Inc	Gundersen Clinic, Ltd	Gundersen Lutheran Administrative Services, Inc	Gundersen Lutheran Medical Foundation, Inc	Eliminating Entries	Combined
Operating revenue						
Net patient revenue before provision for uncollectible accounts	$ 610 843	$ 73 973	$ (182)	$ –	$ (51 793)	$ 632 841
Provision for uncollectible accounts	(17 874)	(5 341)	(80)	–	–	(23 295)
Net patient revenue	592 969	68 632	(262)	–	(51 793)	609 546
Capitation revenue	182 179	88 531	–	–	–	270 710
Other revenue	5 861	12 490	13 117	28 799	(28 275)	31 992
Total operating revenue and gains	781 009	169 653	12 855	28 799	(80 068)	912 248
Expenses						
Salaries, wages, and benefits	255 066	182 541	111 494	12 875	(44 809)	517 167
Supplies	74 090	33 809	2 743	811	(13)	111 440
Purchased health services	30 575	62 109	–	–	–	92 684
Depreciation and amortization	13 239	9 802	21 238	158	–	44 437
Facilities	7 039	6 555	11 593	223	(812)	24 598
Purchased services	13 326	4 837	20 463	3 884	(15 682)	26 828
Interest	–	–	9 841	–	–	9 841
Other	79 058	89 302	(117 132)	12 309	(18 781)	44 756
Total operating expenses	472 393	388 955	60 240	30 260	(80 097)	871 751
Operating income (loss)	308 616	(219 302)	(47 385)	(1 461)	29	40 497
Nonoperating gains (losses)						
Investment return	60	13	44 189	5 670	–	49 932
Gain on sale of long-term investment	–	–	126	–	–	126
Change in fair value of swap contracts	–	–	18 021	–	–	18 021
Other nonoperating losses, net	(772)	–	–	–	3	(769)
Revenue in excess of (less than) expenses	307 904	(219 289)	14 951	4 209	32	107 807
Net assets released from restrictions to purchase property and equipment	9 875	–	–	–	–	9 875
Transfers to affiliates	–	(735)	(12 804)	–	–	(13 539)
Amortization of accumulated gains related to swap contracts at the time of de-designation	–	–	(78)	–	–	(78)
Increase (decrease) in unrestricted net assets	317 779	(220 024)	2 069	4 209	32	104 065
Temporarily restricted net assets						
Contributions	–	–	–	8 250	–	8 250
Investment income	–	–	–	664	–	664
Net change in unrealized gains (losses) on investments	–	–	–	1 780	–	1 780
Net assets released from restriction	(5 613)	–	–	(7 785)	(32)	(13 430)
(Decrease) increase in temporarily restricted net assets	(5 613)	–	–	2 909	(32)	(2 736)
Permanently restricted net assets						
Contributions	–	–	–	260	–	260
Investment gain	–	–	–	135	–	135
Net change in unrealized gains (losses) on investments	–	–	–	725	–	725
Increase in permanently restricted net assets	–	–	–	1 120	–	1 120
Increase (decrease) in net assets	312 166	(220 024)	2 069	8 238	–	102 449
Net assets at beginning of year	642 269	(1 763)	(8 249)	55 813	–	688 070
Net assets at end of year	$ 954 435	$ (221 787)	$ (6 180)	$ 64 051	$ –	$ 790 519

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