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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

EXCELLENCE IN THE PROVISION OF HEALTH CARE AND RELATED SERVICES, GOVERNED AS A NOT-FOR-PROFIT COMMUNITY ORGANIZATION, SERVING THE NEEDS OF OUR PEOPLE WITH SUPERIOR QUALITY AND VALUE

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

YesNo

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

YesNo

4

Describe the organization’s program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 3,660,671 including grants of \$ 2,715) (Revenue \$ 4,281,685)

COMMUNITY MEMORIAL HOSPITAL, INC , A 16-BED ACUTE CARE HOSPITAL, PROMOTES HEALTH OF THE COMMUNITY BY PROVIDING A VARIETY OF HEALTH CARE SERVICES DURING 2013, COMMUNITY MEMORIAL HOSPITAL HAD 4,054 CLINIC VISITS IN BURKE AND 831 CLINIC VISITS IN BONESTEEL COMMUNITY MEMORIAL HOSPITAL HAS TAKEN STEPS TO ENHANCE PREVENTIVE CARE ON A YEARLY BASIS FOR PEOPLE OF ALL AGES THROUGH THE DEVELOPMENT OF SPECIALTY CLINICS TO ENSURE THAT THOSE WHO COME HERE FOR PREVENTIVE CARE RECEIVE THE SCREENINGS AND RECOMMENDATIONS APPROPRIATE TO THEIR PERSONAL AND FAMILY HISTORY JUST A FEW OF THE SPECIALTY CLINICS PROVIDED ARE A WOMEN'S HEALTH CLINIC, MEN'S HEALTH CLINIC, VASCULAR SCREENING CLINIC, FLU CLINIC, AND A SKIN CLINIC FREE CHOLESTEROL SCREENINGS ARE OFFERED TWICE PER YEAR COMMUNITY MEMORIAL HOSPITAL TAKES GREAT PRIDE IN THE CARE PROVIDED TO THE COMMUNITY IT SERVES

4b

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

4c

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

4d

Other program services (Describe in Schedule O)




















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

4e

Total program service expenses ▶ 3,660,671

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	No
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 Yes	
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e	No
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b	No
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or 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 Yes	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III 	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	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? <i>If so, complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response 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.	5	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a	68
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		2b	Yes
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		3a	No
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.		3b	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a	No
b If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a	No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b	No
c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		7a	No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year.		7d	
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f	No
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g	
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8	
9 Sponsoring organizations maintaining donor advised funds.			
a Did the organization make any taxable distributions under section 4966?		9a	
b Did the organization make a distribution to a donor, donor advisor, or related person?		9b	
10 Section 501(c)(7) organizations. Enter			
a Initiation fees and capital contributions included on Part VIII, line 12.		10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		10b	
11 Section 501(c)(12) organizations. Enter			
a Gross income from members or shareholders.		11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		13a	
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		13b	
c Enter the amount of reserves on hand.		13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?		14a	No
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		14b	

Part VI

Governance, Management, and Disclosure

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

Check if Schedule O contains a response 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	9	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent	5	
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	Yes
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
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	a The governing body?	8a	Yes
8b	b Each committee with authority to act on behalf of the governing body?	8b	No
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
10b	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
11b	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
12b	b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	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?		
15a	a The organization's CEO, Executive Director, or top management official	15a	Yes
15b	b Other officers or key employees of the organization	15b	No
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	No
16b	b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶JAMES FRANK PO BOX 319 BURKE,SD 575230319 (605) 775-2621

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			
(1) TOM GLOVER CHAIRMAN	2 00	X		X				0	0	0
(2) JIM WATERBURY VICE CHAIRMAN	1 00	X		X				0	0	0
(3) KAREN MARTIN SECRETARY	1 00	X		X				0	0	0
(4) AJ STEFFEN DIRECTOR	1 00	X						0	0	0
(5) RICH DOBESH DIRECTOR	1 00	X						0	0	0
(6) JON DYER DIRECTOR	1 00	X						0	0	0
(7) MICHAEL KARBO DIRECTOR	1 00	X						0	0	0
(8) CLAYTON STEELE DIRECTOR	1 00	X						0	0	0
(9) KATE WITT DIRECTOR	1 00	X						0	0	0
(10) JAMES FRANK CEO	40 00			X				94,698	0	26,851

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	94,698	0	26,851

\$100,000 of reportable compensation from the organization

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

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
SANFORD HEALTH NETWORK 1305 W 18TH ST SIOUX FALLS SD 57117	MANAGEMENT FEES/SALARY REIMBURSEMENT	332,933

\$100,000 of compensation from the organization ■-1

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	34,209		
	d	Related organizations	1d			
	e	Government grants (contributions)	1e	116,914		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	76,252		
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f		227,375		
Program Service Revenue	2a	PATIENT SERVICE REVENUE	Business Code 622110	3,241,505	3,241,505	
	b	CLINIC REVENUE	621498	773,638	773,638	
	c	OTHER REVENUE	621990	205,394	205,394	
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		4,220,537		
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		26,904	
4		Income from investment of tax-exempt bond proceeds				
5		Royalties				
6a		Gross rents	(i) Real 61,148	(ii) Personal		
b		Less rental expenses	0			
c		Rental income or (loss)	61,148			
d		Net rental income or (loss)		61,148	61,148	
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
b		Less cost or other basis and sales expenses				
c		Gain or (loss)				
d		Net gain or (loss)				
8a		Gross income from fundraising events (not including \$ 34,209 of contributions reported on line 1c) See Part IV, line 18	a	4,932		
b		Less direct expenses	b	4,932		
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				
10a		Gross sales of inventory, less returns and allowances	a			
b		Less cost of goods sold	b			
c		Net income or (loss) from sales of inventory				
	Miscellaneous Revenue	Business Code				
11a						
b						
c						
d	All other revenue					
e	Total. Add lines 11a-11d					
12	Total revenue. See Instructions		4,535,964	4,281,685	0	26,904

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.				
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	2,715	2,715		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	122,318		122,318	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	416,624	416,624		
7	Other salaries and wages.	1,526,840	1,431,792	95,048	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	48,871	46,036	2,835	
9	Other employee benefits.	247,006	221,406	25,600	
10	Payroll taxes.	141,420	135,158	6,262	
11	Fees for services (non-employees):				
a	Management.	45,553		45,553	
b	Legal.	2,102		2,102	
c	Accounting.				
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.				
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	671,085	524,477	146,608	
12	Advertising and promotion.	15,389	8,998	6,391	
13	Office expenses.	95,896	79,257	16,639	
14	Information technology.				
15	Royalties.				
16	Occupancy.	65,222	63,795	1,427	
17	Travel.	17,646	13,529	4,117	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	5,277	1,686	3,591	
20	Interest.	20,203	20,203		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	203,353	203,353		
23	Insurance.	35,547		35,547	
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	MEDICAL SUPPLIES	383,247	383,247		
b	EQUIPMENT & MAINTENANCE	63,114	58,267	4,847	
c	BAD DEBT EXPENSE	41,719	41,719		
d	LICENSES, DUES & SUBSCR	22,500	7,940	14,560	
e	All other expenses	11,572	468	6,172	4,932
25	Total functional expenses. Add lines 1 through 24e.	4,205,219	3,660,671	539,617	4,932
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

					(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing				1	
	2	Savings and temporary cash investments			1,347,103	2	2,098,880
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			988,251	4	528,219
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net			180,000	7	130,000
	8	Inventories for sale or use			50,365	8	74,947
	9	Prepaid expenses and deferred charges			18,502	9	24,041
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	3,039,898			
	b	Less accumulated depreciation	10b	2,527,475	657,818	10c	512,423
	11	Investments—publicly traded securities				11	
	12	Investments—other securities See Part IV, line 11			50,638	12	188,052
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets See Part IV, line 11				15	
16	Total assets. Add lines 1 through 15 (must equal line 34)			3,292,677	16	3,556,562	
Liabilities	17	Accounts payable and accrued expenses			370,185	17	405,682
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D				21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			359,247	23	245,657
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D				25	
	26	Total liabilities. Add lines 17 through 25			729,432	26	651,339
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			2,563,245	27	2,890,140
	28	Temporarily restricted net assets			0	28	15,083
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			2,563,245	33	2,905,223
	34	Total liabilities and net assets/fund balances			3,292,677	34	3,556,562

Part XI Reconciliation 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	4,535,964
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,205,219
3	Revenue less expenses Subtract line 2 from line 1	3	330,745
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,563,245
5	Net unrealized gains (losses) on investments	5	11,233
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	2,905,223

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the
Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**
▶ **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 COMMUNITY MEMORIAL HOSPITAL INC	Employer identification number 46-0219795
--------------------------------------------------------------------	-----------------------------------------------------

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	<input type="checkbox"/>	A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2	<input type="checkbox"/>	A school described in section 170(b)(1)(A)(ii). (Attach Schedule E)
3	<input checked="" type="checkbox"/>	A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
4	<input type="checkbox"/>	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	<input type="checkbox"/>	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	<input type="checkbox"/>	A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7	<input type="checkbox"/>	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	<input type="checkbox"/>	A community trust described in section 170(b)(1)(A)(vi) (Complete Part II)
9	<input type="checkbox"/>	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	<input type="checkbox"/>	An organization organized and operated exclusively to test for public safety See section 509(a)(4).
11	<input type="checkbox"/>	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 <input type="checkbox"/> Type I b <input type="checkbox"/> Type II c <input type="checkbox"/> Type III - Functionally integrated d <input type="checkbox"/> Type III - Non-functionally integrated
e	<input type="checkbox"/>	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	<input type="checkbox"/>	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	<input type="checkbox"/>	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? (ii) A family member of a person described in (i) above? (iii) A 35% controlled entity of a person described in (i) or (ii) above?
h	<input type="checkbox"/>	Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

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

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 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 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 COMMUNITY MEMORIAL HOSPITAL INC	Employer identification number 46-0219795
--------------------------------------------------------------------	---------------------------------------------------------

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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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

Part III

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

1a

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

b

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

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

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

Part III

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

- 3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

- 1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No
- b

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

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	
- 2a

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

☐ Yes

☐ No
- b

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

☐

Part V

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

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

- 2

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

a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment

The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

4

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

Part VI

Land, Buildings, and Equipment. 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		7,000		7,000
b Buildings		1,455,894	1,334,674	121,220
c Leasehold improvements				
d Equipment		1,471,516	1,167,921	303,595
e Other		105,488	24,880	80,608
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				512,423

Schedule D (Form 990) 2013

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	4,505,478
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	11,233
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	-41,719
e	Add lines 2a through 2d	2e	-30,486
3	Subtract line 2e from line 1	3	4,535,964
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	0
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)	5	4,535,964

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	4,163,500
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	4,163,500
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	41,719
c	Add lines 4a and 4b	4c	41,719
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)	5	4,205,219

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
PART X, LINE 2	THE HOSPITAL BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN AFFECTING ITS ANNUAL FILING REQUIREMENTS, AND AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS. THE HOSPITAL WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES RELATED TO UNRECOGNIZED TAX BENEFITS AND LIABILITIES IN INCOME TAX EXPENSE IF SUCH INTEREST AND PENALTIES ARE INCURRED.
PART XI, LINE 2D - OTHER ADJUSTMENTS	BAD DEBT EXPENSE -41,719
PART XII, LINE 4B - OTHER ADJUSTMENTS	BAD DEBT EXPENSE 41,719

[illegible]

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

▶ Information about Schedule G (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 COMMUNITY MEMORIAL HOSPITAL INC	Employer identification number 46-0219795
-------------------------------------------------------------	--------------------------------------------------

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

- 1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a

☐ Mail solicitations
- e

☐ Solicitation of non-government grants
- b

☐ Internet and email solicitations
- f

☐ Solicitation of government grants
- c

☐ Phone solicitations
- g

☐ Special fundraising events
- d

☐ In-person solicitations
- 2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes ☐ No
- b

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

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total ▶						

- 3

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

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

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		<u>GALA</u> (event type)	 (event type)	 (total number)	(add col (a) through col (c))
Revenue	1	Gross receipts	39,141		39,141
	2	Less Contributions	34,209		34,209
	3	Gross income (line 1 minus line 2)	4,932		4,932
Direct Expenses	4	Cash prizes			
	5	Noncash prizes			
	6	Rent/facility costs			
	7	Food and beverages	4,932		4,932
	8	Entertainment			
	9	Other direct expenses			
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			
	11	Net income summary Subtract line 10 from line 3, column (d) ▶			
					0

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

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1	Gross revenue			
	2	Cash prizes			
	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
Direct Expenses	6	Volunteer labor			
	7	Direct expense summary Add lines 2 through 5 in column (d) ▶			
	8	Net gaming income summary Subtract line 7 from line 1, column (d) ▶			

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

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

b If "No," explain _____

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

b If "Yes," explain _____

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

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

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

14

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

Name 

Address 

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☐ No

b

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

c

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

Name 

Address 

16

Gaming manager information

Name 

Gaming manager compensation  \$ _____

Description of services provided 

☐ Director/officer

☐ Employee

☐ Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☐ No

b

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

Part IV

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

Return Reference	Explanation
------------------	-------------

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
COMMUNITY MEMORIAL HOSPITAL INC

Employer identification number
46-0219795

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a Yes	
b	If "Yes," was it a written policy?	1b Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year		
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care <input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input checked="" type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	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 eligible 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)			33,000		33,000	0 780 %
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b) . .						
d Total Financial Assistance and Means-Tested Government Programs . .			33,000		33,000	0 780 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			16,411	3,563	12,848	0 310 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			1,054,347	792,265	262,082	6 230 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			550		550	0 010 %
j Total Other Benefits			1,071,308	795,828	275,480	6 550 %
k Total. Add lines 7d and 7j . .			1,104,308	795,828	308,480	7 330 %

Part II

Community Building Activities

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

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

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?

1

No

2

Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

41,719

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

13,767

4

Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.

Section B. Medicare

5

Enter total revenue received from Medicare (including DSH and IME).

5

2,284,720

6

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

6

2,293,467

7

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

7

-8,747

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)

COMMUNITY MEMORIAL HOSPITAL INC

Name of hospital facility or facility reporting group

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 If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>13</u>		
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	No
5 Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website (list url) <u>HTTP //WWW.SANFORDHEALTH.ORG/CONTENT/PDFS</u>		
b <input type="checkbox"/> Other website (list url)		
c <input checked="" type="checkbox"/> Available upon request from the hospital facility		
d <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide plan		
d <input type="checkbox"/> Participation in the execution of a community-wide plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input checked="" type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	No
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No		
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes		
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>100 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes		
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes		
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes		
a <input checked="" type="checkbox"/> Income level					
b <input checked="" type="checkbox"/> Asset level					
c <input checked="" type="checkbox"/> Medical indigency					
d <input checked="" type="checkbox"/> Insurance status					
e <input checked="" type="checkbox"/> Uninsured discount					
f <input type="checkbox"/> Medicaid/Medicare					
g <input type="checkbox"/> State regulation					
h <input type="checkbox"/> Residency					
i <input type="checkbox"/> Other (describe in Part VI)					
13 Explained the method for applying for financial assistance?		13	Yes		
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes		
a <input type="checkbox"/> The policy was posted on the hospital facility's website					
b <input type="checkbox"/> The policy was attached to billing invoices					
c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
f <input checked="" type="checkbox"/> The policy was available upon request					
g <input checked="" type="checkbox"/> Other (describe in Part VI)					
Billing and Collections					
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes		
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in 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 <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in 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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

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

20	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input checked="" type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> 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? If "Yes," explain in Part VI		No
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? If "Yes," explain in Part VI		No

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.

[illegible]

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? 2

Name and address		Type of Facility (describe)
1	BONESTEEL MEDICAL CLINIC 314 MELLETTE BONESTEEL, SD 57317	RURAL HEALTH CLINIC
2	BURKE MEDICAL CLINIC 9TH AND JACKSON BURKE, SD 57523	RURAL HEALTH CLINIC
3		
4		
5		
6		
7		
8		
9		
10		

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	INDIVIDUALS WILL NOT BE DENIED CHARITY CARE BASED ON RACE, CREED, SEX, NATIONAL ORIGIN, DISABILITY, AGE OR ABILITY TO PAY BUSINESS OFFICE STAFF TRY TO IDENTIFY ELIGIBLE INDIVIDUALS AT THE TIME OF ADMISSION, HOWEVER INDIVIDUALS CAN BECOME ELIGIBLE FOR CHARITY CARE AT ANY POINT DURING OR AFTER THEIR MEDICAL ENCOUNTER ONCE AN INDIVIDUAL IS IDENTIFIED AS A POTENTIAL CHARITY CARE RECIPIENT, COMMUNITY MEMORIAL HOSPITAL UTILIZES BOTH AN INCOME AND AN ASSET TEST TO EVALUATE ELIGIBILITY FOR CHARITY CARE THE HOSPITAL REVIEWS A SCHEDULE OF THE PATIENT'S CURRENT INCOME AND EXPENSES AND ASSET LEVELS TO DETERMINE IF THE PATIENT CAN REASONABLY BE EXPECTED TO MAKE PAYMENT OF MEDICAL EXPENSES PLEASE SEE PART V LINE 12 FOR ADDITIONAL INFORMATION
PART I, LINE 7	CHARITY CARE EXPENSE WAS CONVERTED TO COST ON LINE 7A BASED ON AN OVERALL COST-TO-CHARGE RATIO ADDRESSING ALL PATIENT SEGMENTS LINE 7E AND LINE 7I WERE OBTAINED UTILIZING THE ACTUAL GENERAL LEDGER SYSTEM LINE 7G WAS OBTAINED FROM THE MEDICARE COST REPORT

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	THE AMOUNT OF BAD DEBT EXPENSE BASED ON CHARGES OF \$41,719 WAS SUBTRACTED FROM TOTAL OPERATING EXPENSE
PART III, LINE 4	A) BAD DEBT WRITE-OFFS ARE RECORDED USING GROSS CHARGES IF AN ACCOUNT IS WRITTEN OFF TO BAD DEBTS, PAYMENTS RECEIVED AFTER THE WRITE OFF OF THE ACCOUNT ARE POSTED TO THE ALLOWANCE FOR BAD DEBT ACCOUNT THE ALLOWANCE FOR BAD DEBT IS CALCULATED USING AN ESTIMATED UNCOLLECTIBLE PERCENTAGE OF ACCOUNTS RECEIVABLE THE DIFFERENCE BETWEEN THE ESTIMATE AND THE AMOUNT RECORDED TO THE ALLOWANCE FOR BAD DEBT IS RECORDED TO BAD DEBT EXPENSE B) BAD DEBT EXPENSE ATTRIBUTABLE TO CHARITY CARE IS ESTIMATED BASED ON INCOME LEVELS IN THE AREA A SUBSTANTIAL PORTION OF CMH CHARGES ARE GENERATED BY THE MEDICALLY INDIGENT AND CERTAIN ETHNIC GROUPS WHICH TEND TO HAVE LOWER INCOME LEVELS CMH ESTIMATES APPROXIMATELY 33% OF BAD DEBT EXPENSE IS ATTRIBUTABLE TO PERSONS WHO WOULD QUALIFY FOR CHARITY CARE C) FOOTNOTE FROM FINANCIAL STATEMENT PLEASE SEE NOTE 1, FINANCIAL STATEMENT, PATIENT RECEIVABLES ON PAGE 6-7

Form and Line Reference	Explanation
PART III, LINE 8	MEDICARE ALLOWABLE COSTS OF CARE WAS CALCULATED FROM THE MEDICARE COST REPORT FOR FISCAL YEAR ENDING 12/31/2013 THE ENTIRE SHORTFALL SHOULD BE TREATED AS A COMMUNITY BENEFIT THE SHORTFALL IS THE DIRECT RESULT OF SEQUESTRATION ENACTMENTS PUT IN PLACE BY THE FEDERAL GOVERNMENT
PART III, LINE 9B	ONCE A DECISION HAS BEEN MADE GRANTING FINANCIAL ASSISTANCE AND THE PATIENT/GUARANTOR HAS BEEN NOTIFIED, CMH WILL NO LONGER ATTEMPT TO COLLECT THE DISCOUNTED AMOUNT IF, DURING THE COLLECTION PROCESS, IT IS DETERMINED THAT SOMEONE MAY QUALIFY FOR FINANCIAL ASSISTANCE, THE COLLECTION PROCESS STOPS AND THE FINANCIAL ASSISTANCE APPLICATION PROCESS BEGINS COLLECTION IS HALTED UNTIL THE FINANCIAL ASSISTANCE APPLICATION IS REVIEWED AND QUALIFICATION IS DETERMINED APPROVED FINANCIAL ASSISTANCE REQUESTS WILL BE WRITTEN OFF WITHIN TEN DAYS FROM THE DATE APPROVED THE DECISION TO WRITE OFF THE ACCOUNT IS PERMANENT

Form and Line Reference	Explanation
PART VI, LINE 2	COMMUNITY MEMORIAL HOSPITAL CONDUCTED A FORMAL COMMUNITY NEEDS ANALYSIS DURING 2013 PLEASE REFER TO SCHEDULE H PART V FOR ADDITIONAL INFORMATION
PART VI, LINE 3	PLEASE REFER TO PART V, LINE 14 FOR ADDITIONAL INFORMATION

Form and Line Reference	Explanation
PART VI, LINE 4	COMMUNITY MEMORIAL HOSPITAL SERVES SEVERAL COMMUNITIES IN SOUTH CENTRAL SOUTH DAKOTA AND NORTH CENTRAL NEBRASKA WE SERVE A RURAL POPULATION THAT IS VERY HOMOGENEOUS IN COMPOSITION THE AREAS SERVED ARE PRIMARILY FARMING/RANCHING AND RETIREMENT COMMUNITIES WE HAVE A VERY LOW PERCENTAGE OF UNINSURED RESIDENTS IN OUR AREA WE ARE LOCATED IN A FEDERAL HEALTH PROFESSIONAL SHORTAGE AREA 72 1% OF THE ORGANIZATION'S REVENUE WAS FROM SERVING THE MEDICARE POPULATION, 6 3% WAS FROM TITLE 19 AND 18 7% FROM COMMERCIAL INSURANCE
PART VI, LINE 5	THE GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN THE ORGANIZATION'S SERVICE AREA WHO ARE NEITHER EMPLOYEES NOR CONTRACTORS OF THE ORGANIZATION FAMILY MEMBERS OF FOUR MEMBERS OF THE GOVERNING BODY ARE EMPLOYED BY THE ORGANIZATION DUE TO THE SMALL POPULATION OF THE COMMUNITY THE ORGANIZATION EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITY SURPLUS FUNDS, IF ANY, ARE REINVESTED FOR FACILITY AND EQUIPMENT UPGRADES, AND IMPROVING TECHNICAL SKILLS OF EMPLOYEES MOST IMPROVEMENTS IN THE FACILITY AND EQUIPMENT IN THE PAST FEW YEARS WERE PURCHASED USING DONATIONS BY COMMUNITY MEMBERS DUE TO LACK OF SURPLUS FUNDS COMMUNITY MEMORIAL HOSPITAL PROVIDES THE FOLLOWING TYPES OF COMMUNITY EDUCATION A HEALTH FAIR IS PROVIDED SEMI-ANNUALLY FOR THE COMMUNITY WITH MANY DIFFERENT ASPECTS OF HEALTH CARE REPRESENTED BLOOD DRAWS, BLOOD PRESSURES, GLUCOSE TESTING, AND DIFFERENT SCREENING TESTS ARE JUST A FEW OF THE SERVICES OFFERED BY THE HEALTH FAIR IN ADDITION, EDUCATION FOR ALL SCHOOL AGES IS PROVIDED DURING A WEEK OF ACTIVITIES AT THE HOSPITAL ACTIVITIES INCLUDE TOURS OF DIFFERENT DEPARTMENTS, HAND WASHING TECHNIQUES, POISON CONTROL EDUCATION, AND A TEDDY BEAR CLINIC WHICH ENTAILS A TRIP TO THE EMERGENCY DEPARTMENT WITH THE TEDDY BEAR BEING THE PATIENT AND STUDENT BEING THE PARENT DESCRIBING THE COMPLAINTS COMMUNITY MEMORIAL HOSPITAL ALSO PROVIDES CPR TRAINING TO BOTH THE STAFF AND COMMUNITY MEMBERS DISASTER PREPAREDNESS TRAINING IS PROVIDED TO THE LOCAL FIRE DEPARTMENT ADVANCED CARDIAC LIFE SUPPORT (ACLS) CLASSES AND TRAUMA NURSE CURRICULUM COURSE (TNCC) IS PROVIDED TO STAFF AS WELL AS NURSES FROM SURROUNDING COMMUNITIES COMMUNITY MEMORIAL HOSPITAL SPONSORS DIFFERENT ACTIVITIES IN THE COMMUNITY AS WELL AS PARTICIPATES IN COMMUNITY PROJECTS, INCLUDING SCHOOL YEAR BOOK, AFTER PROM PARTY, PARADES AND OTHER COMMUNITY EVENTS A GREAT DEAL OF PRIDE IS TAKEN IN THE COMMUNITY WITH THE COMMUNITY GIVING AS MUCH TO THE HOSPITAL AS THE HOSPITAL GIVES BACK TO THE COMMUNITY

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
COMMUNITY MEMORIAL HOSPITAL INC

Employer identification number
46-0219795

Part I

Questions Regarding Compensation

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

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JAMES FRANK	CEO	(i) 94,698 (ii) 0	0 0	0 0	4,144 0	23,475 0	122,317 0	0 0

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	CMH PAYS A FLAT FEE MONTHLY MEMBERSHIP TO A FITNESS CENTER. ANYONE WORKING AT THE HOSPITAL IS ABLE TO USE THE FITNESS CENTER, WHETHER EMPLOYEED BY THE HOSPITAL OR BY THE MANAGEMENT COMPANY.
PART I, LINE 1B	PAYMENT OF THE MONTHLY MEMBERSHIP FEE IS MADE DIRECTLY BY THE HOSPITAL, THUS, REIMBURSEMENT IS NOT APPLICABLE.
PART II	JAMES FRANK IS COMPENSATED THROUGH A MANAGEMENT AGREEMENT WITH SANFORD HEALTH NETWORK, AN UNRELATED ORGANIZATION.

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2013

Open to Public Inspection

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

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

► Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization
COMMUNITY MEMORIAL HOSPITAL INC

Employer identification number
46-0219795

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
See Additional Data Table					

Part V Supplemental Information

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

Return Reference	Explanation
------------------	-------------

Additional Data

Software ID:

Software Version:

EIN: 46-0219795

Name: COMMUNITY MEMORIAL HOSPITAL INC

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) MARK BENTER	FAMILY MEMBER OF JAMES FRANK, CEO	44,918	BASE WAGES		No
(2) NANCY BENTER	FAMILY MEMBER OF JAMES FRANK, CEO	50,537	BASE WAGES		No
(3) DEBRA LEIBEL	FAMILY MEMBER OF TOM GLOVER, BOARD CHAIRMAN	107,096	BASE WAGES		No
(4) CAROLE STEFFEN	FAMILY MEMBER OF AJ STEFFEN, BOARD DIRECTOR	26,418	BASE WAGES		No
(5) JOLENE VANMETRE	FAMILY MEMBER OF KAREN MARTIN, BOARD SECRETARY	28,569	BASE WAGES		No
(6) KIM SHEPPERD	FAMILY MEMBER OF AJ STEFFEN, BOARD DIRECTOR	32,617	BASE WAGES		No
(7) ANDREA STEFFEN	FAMILY MEMBER OF AJ STEFFEN, BOARD DIRECTOR	32,195	BASE WAGES		No
(8) AMY JURACEK	FAMILY MEMBER OF KATE WITT, BOARD DIRECTOR	94,274	BASE WAGES		No

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 COMMUNITY MEMORIAL HOSPITAL INC	Employer identification number 46-0219795
-------------------------------------------------------------	----------------------------------------------

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 3	
FORM 990, PART VI, SECTION A, LINE 6	COMMUNITY MEMORIAL HOSPITAL HAS ONE CLASS OF GENERAL MEMBERSHIP
FORM 990, PART VI, SECTION A, LINE 7A	GOVERNING BOARD MEMBERS ARE ELECTED BY THE MEMBERSHIP
FORM 990, PART VI, SECTION A, LINE 7B	APPROVAL BY THE MEMBERS OF THE ORGANIZATION IS REQUIRED TO ESTABLISH MISSION STATEMENT AP PROVE THE SALE OF REAL PROPERTY ELECT OR REMOVE THE BOARD OF DIRECTORS APPROVE AMENDMENTS TO THE ARTICLES OF INCORPORATION REVIEW THE ANNUAL REPORT AND FINANCIAL AUDIT ESTABLISH SE RVICES TO MEET THE NEEDS OF THE COMMUNITY
FORM 990, PART VI, SECTION A, LINE 8B	NO COMMITTEES MET DURING 2013
FORM 990, PART VI, SECTION B, LINE 11	THE CEO DOES A DETAILED REVIEW OF THE FORM 990 AND IT IS DISCUSSED AT A REGULAR BOARD MEET ING TWO BOARD MEMBERS ALSO PERFORM A DETAILED REVIEW OF THE 990
FORM 990, PART VI, SECTION B, LINE 12C	THE CONFLICT OF INTEREST DISCLOSURE IS REQUIRED TO BE COMPLETED BI-ANNUALLY AND RESPONSES ARE REVIEWED BY THE CEO IF A CONFLICT IS DEEMED TO EXIST, THE MEMBER(S) INVOLVED IS REQUI RED TO ABSTAIN FROM DISCUSSION, DELIBERATION, AND VOTING ON THE MATTER CAUSING THE CONFLIC T
FORM 990, PART VI, SECTION B, LINE 15A	SANFORD HEALTH NETWORK DETERMINES THE CEO'S COMPENSATION, AND RANGES ARE DETERMINED USING STATE SALARY SURVEY RESULTS
FORM 990, PART VI, SECTION C, LINE 19	FINANCIAL STATEMENTS ARE DISTRIBUTED AT THE ANNUAL MEMBERSHIP MEETING, AND OTHER ITEMS ARE PROVIDED UPON REQUEST
FORM 990, PART IX, LINE 11G	CONTRACTED SERVICES PROGRAM SERVICE EXPENSES 524,377 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 524,377 OTHER PURCHASED SERVICES PROGRAM SERVIC E EXPENSES 100 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 100 PURCHASED SERVICES PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 146, 608 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 146,608



Financial Statements
December 31, 2013 and 2012

Community Memorial Hospital, Inc.

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Independent Auditor's Report

The Board of Directors
Community Memorial Hospital, Inc
Burke, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of Community Memorial Hospital, Inc., which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Sioux Falls, South Dakota
March 26, 2014

Community Memorial Hospital, Inc.
Balance Sheets
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,083,797	\$ 1,347,103
Receivables		
Patient, net of estimated uncollectibles		
of \$210,000 in 2013 and \$350,000 in 2012	520,555	912,503
Estimated third-party payor settlements	-	55,500
Other receivable	546	13,701
Notes receivable	130,000	180,000
Supplies	74,948	50,365
Prepaid expenses	24,041	18,502
Total current assets	<u>2,833,887</u>	<u>2,577,674</u>
Property and Equipment, Net	<u>512,423</u>	<u>657,818</u>
Other Assets		
Cash and cash equivalents restricted by donors	15,083	-
Investments	188,052	50,638
Beneficial interest in South Dakota Community Foundation	7,118	6,547
Total other assets	<u>210,253</u>	<u>57,185</u>
Total assets	<u><u>\$ 3,556,563</u></u>	<u><u>\$ 3,292,677</u></u>
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 26,398	\$ 113,590
Accounts payable		
Trade	100,796	102,145
Estimated third-party payor settlements	10,000	-
Accrued expenses		
Salaries and wages	69,727	60,179
Vacation	155,155	141,340
Payroll taxes and other	70,005	66,521
Total current liabilities	<u>432,081</u>	<u>483,775</u>
Long-Term Debt, Less Current Maturities	<u>219,259</u>	<u>245,657</u>
Total liabilities	<u>651,340</u>	<u>729,432</u>
Net Assets		
Unrestricted	2,890,140	2,563,245
Temporarily restricted	15,083	-
Total net assets	<u>2,905,223</u>	<u>2,563,245</u>
Total liabilities and net assets	<u><u>\$ 3,556,563</u></u>	<u><u>\$ 3,292,677</u></u>

See Notes to Financial Statements

Community Memorial Hospital, Inc.
Statements of Operations
Years Ended December 31, 2013 and 2012

	2013	2012
Unrestricted Revenues, Gains, and Other Support		
Net patient service revenue	\$ 4,015,144	\$ 4,377,536
Provision for bad debts	(41,719)	(104,395)
Net patient service revenue		
less provision for bad debts	3,973,425	4,273,141
Other revenue	385,514	498,844
Total revenues, gains, and other support	4,358,939	4,771,985
Expenses		
Professional care of patients	2,662,549	2,696,052
General and administrative	949,864	938,484
Property and household	205,396	221,011
Depreciation and amortization	203,353	222,774
Dietary	122,135	129,522
Interest	20,203	29,633
Total expenses	4,163,500	4,237,476
Operating Income	195,439	534,509
Other Income		
Investment income	24,845	17,642
Contributions	37,680	20,929
Gain on sale of equipment	-	7,500
Total other income	62,525	46,071
Revenues in Excess of Expenses	257,964	580,580
Change in Unrealized Gains on Investments	11,233	638
Contributions for Long-Lived Assets	57,698	46,203
Net Assets Released from Restrictions for Capital	-	5,041
Change in Unrestricted Net Assets	\$ 326,895	\$ 632,462

Community Memorial Hospital, Inc.
Statements of Changes in Net Assets
Years Ended December 31, 2013 and 2012

	2013	2012
Unrestricted Net Assets		
Revenues in excess of expenses	\$ 257,964	\$ 580,580
Change in Unrealized Gains on Investments	11,233	638
Contributions for long-lived assets	57,698	46,203
Net assets released from restrictions for capital	-	5,041
	<u>326,895</u>	<u>632,462</u>
Change in unrestricted net assets		
Temporarily Restricted Net Assets		
Contributions and grants for specific purposes	15,083	-
Net assets released from restrictions	-	(5,041)
	<u>15,083</u>	<u>(5,041)</u>
Change in temporarily restricted net assets		
Change in Net Assets	341,978	627,421
Net Assets, Beginning of Year	<u>2,563,245</u>	<u>1,935,824</u>
Net Assets, End of Year	<u><u>\$ 2,905,223</u></u>	<u><u>\$ 2,563,245</u></u>

Community Memorial Hospital, Inc.
Statements of Cash Flows
Years Ended December 31, 2013 and 2012

	2013	2012
Operating Activities		
Change in net assets	\$ 341,978	\$ 627,421
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	203,353	222,774
Gain on sale of equipment	-	(7,500)
Provision for bad debts	41,719	104,395
Unrealized gain on investments	(11,233)	(638)
Contributions and grants restricted by donors	(72,781)	(46,203)
Changes in assets and liabilities		
Receivables	418,884	(398,446)
Supplies	(24,583)	17,474
Prepaid expenses	(5,539)	14,228
Accounts payable	8,651	20,484
Accrued expenses	26,847	119,288
Net Cash from Operating Activities	<u>927,296</u>	<u>673,277</u>
Investing Activities		
Purchase of property and equipment	(57,958)	(401,756)
Proceeds from sale of equipment	-	7,500
Increase in beneficial interest in South Dakota Community Foundation	(571)	(511)
Purchase of investments	(126,181)	(50,000)
(Increase) decrease in donor restricted cash and cash equivalents	<u>(15,083)</u>	<u>5,041</u>
Net Cash used for Investing Activities	<u>(199,793)</u>	<u>(439,726)</u>
Financing Activities		
Advance of long-term debt	-	304,562
Repayment of long-term debt	(113,590)	(96,873)
Contributions and grants restricted by donors	72,781	46,203
Repayment of notes receivable	<u>50,000</u>	<u>60,000</u>
Net Cash from Financing Activities	<u>9,191</u>	<u>313,892</u>
Net Increase in Cash and Cash Equivalents	736,694	547,443
Cash and Cash Equivalents, Beginning of Year	<u>1,347,103</u>	<u>799,660</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,083,797</u></u>	<u><u>\$ 1,347,103</u></u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u><u>\$ 20,203</u></u>	<u><u>\$ 29,633</u></u>

Note 1 - Organization and Significant Accounting Policies

Organization

Community Memorial Hospital, Inc. (Hospital) is a 16-bed acute care hospital and medical clinic located in Burke, South Dakota and a medical clinic located in Bonesteel, South Dakota. The Hospital is organized as a South Dakota nonprofit corporation and is exempt from federal income tax.

Management services are provided to the Hospital by Sanford Regional Health Network under a management services agreement (Note 12).

Income Taxes

The Hospital is organized as a South Dakota nonprofit corporation and has been recognized by the Internal Revenue Service as exempt from federal income taxes under Internal Revenue Service Code Section 501(c)(3). The Hospital is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Hospital is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Hospital believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Hospital would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less.

Patient Receivables

Patient receivables are uncollateralized customer and third-party payor obligations. Unpaid patient receivables, excluding amounts due from third-party payors, with invoice dates over 90 days old have interest assessed at 0.75 percent per month. Interest income is recognized at the time it is charged to the account.

Payments of patient receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Hospital's process for calculating the allowance for doubtful accounts for self-pay patients has not significantly changed from December 31, 2012. The Hospital does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write offs from third-party payors. The Hospital has not significantly changed its charity care or uninsured discount policies during fiscal years 2013 or 2012.

Notes Receivable

The notes receivable is stated at the principal amount plus accrued interest and is collateralized. Payments of notes receivable is allocated first to accrued and unpaid interest with the remainder to the outstanding principal balance. Management reviews the notes receivable periodically and estimates a portion, if any, of the balance that will not be collected.

Supplies

Supplies are stated at lower of cost (first-in, first-out) or market.

Investment and Interest Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from revenues in excess of expenses unless the investments are trading securities.

Fair Value Measurements

The Hospital has determined the fair value of certain assets and liabilities in accordance with generally accepted accounting principles, which provides a framework for measuring fair value.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels. Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

Property and Equipment

Property and equipment acquisitions in excess of \$5,000 are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed on the straight-line method. The estimated useful lives of property and equipment are as follows:

Land improvements	3-15 years
Buildings and improvements	5-30 years
Equipment	5-20 years

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

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

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity. At December 31, 2013 and 2012, the Hospital did not have any permanently restricted net assets.

Revenue in Excess of Expenses

Revenues in excess of expenses excludes unrealized gains and losses on investments other than trading securities, transfers of assets to and from related parties for other than goods and services, and contributions of long-lived assets, including assets acquired using contributions which were restricted by donors.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include reimbursed costs, discounted charges and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including 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 periods as final settlements are determined.

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered, as noted above. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided. Net patient service revenue, but before the provision for bad debts, recognized for the years ended December 31, 2013 and 2012 from these major payor sources, is as follows:

	2013	2012
Net patient service revenue		
Third-party payors	\$ 3,914,539	\$ 4,223,400
Self-pay	100,605	154,136
	<u>\$ 4,015,144</u>	<u>\$ 4,377,536</u>
Total all payors		

Charity Care

The Hospital provides health care services to patients who meet certain criteria under its Charity Care Policy without charge or at amounts less than its established rates. Since the Hospital does not pursue collection of amounts, they are not reported as patient service revenue. The estimated cost of providing these services was \$33,000 and \$10,000 for the years ended December 31, 2013 and 2012, calculated by multiplying the ratio of cost to gross charges for the Hospital by the gross uncompensated charges associated with providing charity care to it patients.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets 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 support if they are received with donor stipulations that limit the use of the donated assets. When donor stipulated time restriction or purpose restrictions are met or accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the statements of operations.

Advertising Costs

The Hospital expenses advertising costs as incurred

Electronic Health Records Incentive Payments

To qualify for the EHR incentive payments, hospitals and physicians must meet designated EHR meaningful use criteria. In addition, hospitals must attest that they have used certified EHR technology, satisfied the meaningful use objectives, and specify the EHR reporting period. This attestation is subject to audit by the federal government or its designee. The EHR incentive payment to hospitals for each payment year is calculated as a product of (1) allowable costs as defined by the Centers for Medicare & Medicaid Services (CMS) and (2) the Medicare share. Once the initial attestation of meaningful use is completed, critical access hospitals receive the entire EHR incentive payment for submitted allowable costs of the respective periods in a lump sum, subject to a final adjustment on the cost report.

The Hospital recognizes EHR incentive payments as revenue when there is reasonable assurance that the Hospital will comply with the conditions attached to the incentive payments. EHR incentive payments are included in other operating revenue in the accompanying financial statements. The amount of EHR incentive payments recognized are based on management's best estimate and those amounts are subject to change due to Medicare audits with such changes impacting the period in which they occur. The amount of EHR incentive payment revenue for the year ended December 31, 2013 for Medicare and Medicaid was \$-0- and \$104,000, respectively. The amount of EHR incentive payment revenue for the year ended December 31, 2012 for Medicare and Medicaid was \$124,023 and \$104,000, respectively.

Note 2 - Net Patient Service Revenue

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

Medicare: The Hospital is licensed as a Critical Access Hospital (CAH). The Hospital is reimbursed for most acute care services under a cost reimbursement methodology with final settlement determined after submission of annual cost reports by the Hospital and are subject to audits thereof by the Medicare intermediary. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through the year ended December 31, 2011.

Medicare – Clinic: The Burke clinic is designated as a Certified Provider Based Rural Health Clinic by the Medicare program. As a result, clinical services rendered to Medicare program beneficiaries are reimbursed at cost based on a tentative rate with final settlement determined after submission of the Hospital's annual cost reports and audits thereof by the Medicare fiscal intermediary.

Medicaid: Inpatient acute care services rendered to Medicaid program beneficiaries are paid on a percentage of charges basis. These rates currently are 95% for inpatient and 90% for outpatient. Clinical services are paid on a fixed fee schedule for rural health clinic services.

Blue Cross: Services rendered to Blue Cross subscribers are reimbursed under a prospectively determined percentage of charges methodology.

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

Revenue from the Medicare and Medicaid programs accounted for approximately 67.5% and 7.2% of the Hospital's net patient service revenue for the year ended December 31, 2013 and 67.4% and 6.9% for the year ended December 31, 2012. Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

A summary of patient service revenue and contractual adjustments for the years ended December 31, 2013 and 2012 is as follows:

	2013	2012
Total patient service revenue	\$ 4,913,120	\$ 5,591,850
Contractual adjustments		
Medicare	(643,269)	(935,482)
Medicaid	(54,415)	(68,753)
Other	(200,292)	(210,079)
Total contractual adjustments	(897,976)	(1,214,314)
Net patient service revenue	\$ 4,015,144	\$ 4,377,536

Note 3 - Investments

Investments include the following at December 31, 2013 and 2012:

	2013	2012
Mutual Funds		
Growth	\$ 103,468	\$ 28,150
Growth and Income	50,015	12,501
Bond	34,569	9,987
	\$ 188,052	\$ 50,638

Investment Income

Investment income on investments consists of the following for the years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Investment income		
Interest and dividend income	\$ 24,845	\$ 17,642
Change in unrealized gains on investments	<u>11,233</u>	<u>638</u>
	<u>\$ 36,078</u>	<u>\$ 18,280</u>

Note 4 - Fair Value of Assets

Assets measured at fair value on a recurring basis at December 31, 2013 and 2012, respectively are as follows

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
<u>December 31, 2013</u>			
Mutual Funds	<u>\$ 188,052</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2012</u>			
Mutual Funds	<u>\$ 50,638</u>	<u>\$ -</u>	<u>\$ -</u>

The fair value of mutual funds is determined by reference to quoted market prices

Note 5 - Property and Equipment

A summary of property and equipment at December 31, 2013 and 2012, follows

	2013		2012	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	\$ 7,000	\$ -	\$ 7,000	\$ -
Land improvements	68,013	24,880	68,013	20,569
Buildings and improvements	1,455,894	1,334,674	1,455,894	1,310,174
Equipment	1,471,516	1,167,921	1,425,558	993,378
Construction in progress	37,475	-	25,474	-
	<u>\$ 3,039,898</u>	<u>\$ 2,527,475</u>	<u>\$ 2,981,939</u>	<u>\$ 2,324,121</u>
Net property and equipment		<u>\$ 512,423</u>		<u>\$ 657,818</u>

Construction in progress at December 31, 2013 represents costs incurred for consultations on whether to build a new facility

Note 6 - Capital Lease

The Hospital leases certain equipment under noncancelable long-term lease agreements. Certain leases have been recorded as capitalized leases and others as operating leases. Total lease expense in December 31, 2013 and 2012 for all operating leases was \$28,581 and \$24,476. The capitalized leased assets consist of

	2013	2012
Major moveable equipment	\$ -	\$ 343,000
Less accumulated amortization (included as depreciation on the accompanying financial statements)	-	(308,700)
	<u>\$ -</u>	<u>\$ 34,300</u>

Note 7 - Long Term Debt

Long term debt consists of

	<u>2013</u>	<u>2012</u>
6 5% notes payable, due in yearly installments of \$42,366 including interest, through March 2021, unsecured	\$ 245,657	\$ 270,444
Capitalized lease obligation - Note 6	<u>-</u>	<u>88,803</u>
	245,657	359,247
Less current maturities	<u>(26,398)</u>	<u>(113,590)</u>
	<u><u>\$ 219,259</u></u>	<u><u>\$ 245,657</u></u>

Future maturities of long-term debt are as follows

Year Ending December 31,

2014	\$ 26,398
2015	28,114
2016	29,942
2017	31,888
2018	33,960
Thereafter	<u>95,355</u>
	<u><u>\$ 245,657</u></u>

Note 8 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Grants and contributions for specific purposes and capital purchases	<u>\$ 15,083</u>	<u>\$ -</u>

In 2013 and 2012, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of \$-0- and \$5,041. These amounts are included in net assets released from restrictions in the accompanying financial statements.

Note 9 - Pension Plan

The Hospital has a defined contribution pension plan under which employees become participants upon reaching age 21, completion of one year of service and work a minimum of 1,000 hours per year. Employer contributions of 3 percent for 2013 and 2012 of annual compensation were deposited with the plan trustee who invests the plan assets. Total pension expense for the years ended December 31, 2013 and 2012, was \$48,870 and \$44,676, respectively.

Note 10 - Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The mix of receivables from third-party payors and patients at December 31, 2013 and 2012, was as follows:

	2013	2012
Medicare	39%	54%
Medicaid	5%	4%
Blue Cross	11%	12%
Commercial	10%	17%
Other third-party payor and patients	35%	13%
	<u>100%</u>	<u>100%</u>

The Hospital's cash balances are maintained in various bank deposit accounts. At times, the balances of these deposits may be in excess of federally insured limits.

Note 11 - Functional Expenses

The Hospital provides general health care services to patients within its geographic location. Expenses related to providing these services by functional class for the years ended December 31, 2013 and 2012 are as follows:

	2013	2012
Patient health care services	\$ 3,616,237	\$ 3,704,121
General and administrative	542,331	529,915
Fundraising	4,932	3,440
	<u>\$ 4,163,500</u>	<u>\$ 4,237,476</u>

Note 12 - Contingencies

Management Agreements

The Hospital's management agreement with Winner Regional Healthcare Center and Sanford Regional Health Network (Sanford) to manage the Hospital and provide certain management advisory services and information system services. The agreement shall continue through July 31, 2022, however either party may cancel this agreement without cause by providing 180 days written notice. Under the terms of the management agreements, the Hospital is to reimburse Sanford for the salary and benefits of the Hospital's Chief Executive Officer, who is an employee of Sanford, plus an annual base amount which totaled \$37,403 and \$36,744 for the years ended December 31, 2013 and 2012, for management services provided. The information system fees incurred totaled \$99,236 and \$66,994 for the years ended December 31, 2013 and 2012, respectively.

Malpractice Insurance

The Hospital has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of \$1 million per claim and an annual aggregate limit of \$3 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, will be uninsured.

Litigations, Claims, and Other Disputes

The Hospital is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. In the opinion of management, the ultimate settlement of litigation, claims, and disputes in process will not be material to the financial position of the Hospital.

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

Note 13 - Subsequent Events

The Hospital has evaluated subsequent events through March 26, 2014, the date which the financial statements were available to be issued. In March 2014, the Hospital purchased a heart monitoring system for approximately \$98,000.



Supplementary Information
December 31, 2013 and 2012

Community Memorial Hospital, Inc.



Independent Auditor's Report on Supplementary Information

The Board of Directors
Community Memorial Hospital, Inc
Burke, South Dakota

We have audited the financial statements of Community Memorial Hospital, Inc. as of and for the year ended December 31, 2013 and 2012, and our report thereon dated March 26, 2014 which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The Schedules of Net Patient Service Revenue, Other Revenue, and Expenses on pages 18 through 22 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Statistical Information on page 23, which is the responsibility of management, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Sioux Falls, South Dakota
March 26, 2014

Community Memorial Hospital, Inc.
Schedules of Net Patient Service Revenue
Years Ended December 31, 2013 and 2012

	2013	2012
Patient Service Revenue		
Routine services	\$ 468,505	\$ 625,560
Observation	221,908	216,720
Swingbed	587,965	798,970
Laboratory	733,148	839,081
Medical clinics	773,638	837,301
Radiology	852,339	996,299
Pharmacy	854,224	761,225
Emergency room	180,118	219,334
Cardiac rehab	129,788	120,377
Physical therapy	75,810	107,469
Medical supplies	13,192	19,709
EKG	29,635	27,700
Homemaker services	25,882	21,657
Occupational therapy	9,978	12,861
Speech therapy	1,018	1,633
Charity care	(44,028)	(14,046)
	<u>\$ 4,913,120</u>	<u>\$ 5,591,850</u>
Total patient service revenue *		
	<u>\$ 4,913,120</u>	<u>\$ 5,591,850</u>
Total Patient Service Revenue - Reclassified *		
Inpatients	\$ 1,002,180	\$ 1,301,105
Outpatients	2,277,378	2,385,189
Swingbed	903,952	1,082,301
Burke Medical Clinic	773,638	837,301
Charity care	(44,028)	(14,046)
	<u>4,913,120</u>	<u>5,591,850</u>
Total revenue		
	<u>4,913,120</u>	<u>5,591,850</u>
Deductions from Patient Service Revenue		
Contractual adjustments		
Medicare	(643,269)	(935,482)
Medicaid	(54,415)	(68,753)
Other	(200,292)	(210,079)
	<u>(897,976)</u>	<u>(1,214,314)</u>
Total contractual adjustments		
	<u>(897,976)</u>	<u>(1,214,314)</u>
Net Patient Service Revenue	<u>\$ 4,015,144</u>	<u>\$ 4,377,536</u>

Community Memorial Hospital, Inc.
Schedules of Other Revenue
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Other Revenue		
Pharmacy	\$ 62,097	\$ 44,330
Rental	61,148	61,596
Dietary	6,159	7,831
Medimate	(657)	6,760
Grants	116,914	118,114
Medicare Health Records Incentive	-	124,023
Medicaid Health Records Incentive	104,000	104,000
Miscellaneous	<u>35,853</u>	<u>32,190</u>
Total Other Revenue	<u>\$ 385,514</u>	<u>\$ 498,844</u>

Community Memorial Hospital, Inc.
Schedules of Expenses
Years Ended December 31, 2013 and 2012

	2013	2012
<i>Professional care of patients</i>		
Routine Services		
Salaries and wages	\$ 689,981	\$ 719,700
Purchased Services	2,628	3,713
Supplies and other expenses	78,157	106,317
	<u>770,766</u>	<u>829,730</u>
Nursing Administration		
Salaries and wages	77,877	81,995
Supplies and other expenses	717	1,537
	<u>78,594</u>	<u>83,532</u>
Central Services and Supply		
Salaries and wages	24,752	26,076
Purchased Services	853	14,240
Supplies and other expenses	19,068	21,752
	<u>44,673</u>	<u>62,068</u>
Emergency Room		
Salaries and wages	163,575	153,821
Supplies and other expenses	2,821	9,639
	<u>166,396</u>	<u>163,460</u>
Laboratory		
Salaries and wages	113,973	115,414
Medical specialist fees	81,592	73,431
Supplies and other expenses	63,081	58,053
	<u>258,646</u>	<u>246,898</u>
EKG		
Salaries and wages	3,269	5,353
Purchased services	33,881	8,014
	<u>37,150</u>	<u>13,367</u>
Radiology		
Salaries and wages	98,400	98,023
Medical specialist fees	138,256	150,616
Supplies and other expenses	5,160	7,539
	<u>241,816</u>	<u>256,178</u>
Pharmacy		
Purchased services	42,913	42,990
Supplies and other expenses	256,143	205,007
	<u>299,056</u>	<u>247,997</u>

Community Memorial Hospital, Inc.
Schedules of Expenses
Years Ended December 31, 2013 and 2012

	2013	2012
Physical Therapy		
Contracted services	\$ 43,970	\$ 62,179
Occupational Therapy		
Contracted services	5,867	8,259
Speech Therapy		
Contracted services	390	1,110
Cardiac Rehab		
Salaries and wages	-	1,252
Homemaker Program		
Salaries and wages	26,890	26,683
Supplies and other expenses	3,517	2,323
	<u>30,407</u>	<u>29,006</u>
Medical Records		
Salaries and wages	24,336	25,369
Purchased services	-	706
Supplies and other expenses	356	596
	<u>24,692</u>	<u>26,671</u>
Social Services		
Salaries and wages	-	9,492
Purchased services	1,430	1,289
	<u>1,430</u>	<u>10,781</u>
Activities		
Salaries and wages	270	-
Burke Medical Clinic		
Salaries and wages	447,468	428,257
Purchased services	136,000	136,099
Supplies and other expenses	74,958	89,208
	<u>658,426</u>	<u>653,564</u>
Total professional care of patients	<u>2,662,549</u>	<u>2,696,052</u>
<i>General and administrative</i>		
Administrative Services		
Salaries and wages	95,048	100,130
Purchased services	316,580	266,667
Supplies and other expenses	107,242	150,317
Employee benefits	430,994	421,370
Total general and administrative	<u>949,864</u>	<u>938,484</u>

Community Memorial Hospital, Inc.
Schedules of Expenses
Years Ended December 31, 2013 and 2012

	2013	2012
<i>Property and household</i>		
Plant Operations and Maintenance		
Salaries and wages	\$ 66,017	\$ 68,856
Supplies and other expenses	74,988	84,412
	<u>141,005</u>	<u>153,268</u>
Housekeeping		
Salaries and wages	40,295	40,653
Supplies and other expenses	8,902	12,224
	<u>49,197</u>	<u>52,877</u>
Laundry and Linen		
Salaries and wages	2,388	1,900
Contract laundry	9,613	11,600
Supplies and other expenses	3,193	1,366
	<u>15,194</u>	<u>14,866</u>
Total property and household	<u>205,396</u>	<u>221,011</u>
Depreciation and amortization	<u>203,353</u>	<u>222,774</u>
Dietary		
Salaries and wages	83,195	87,203
Professional fees	4,320	4,320
Supplies and other expenses	34,620	37,999
Total dietary	<u>122,135</u>	<u>129,522</u>
Interest	<u>20,203</u>	<u>29,633</u>
Total Expenses	<u><u>\$ 4,163,500</u></u>	<u><u>\$ 4,237,476</u></u>

Community Memorial Hospital, Inc.
Statistical Information - Unaudited
Years Ended December 31, 2013, 2012 and 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Number of Admissions (Excluding Swingbed)	139	175	141
Patient Days (Excluding Swingbed)	457	596	502
Swingbed Days	1,192	1,636	1,357
Number of Beds	16	16	16
Percent of Occupancy	28 2%	38 1%	31 8%
Year-End Routine Service Rates			
Private-rooms	\$ 1,050	\$ 1,000	\$ 970
Semi-private rooms	1,050	1,000	970
CCU	1,475	1,425	1,425