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Form **990**

Department of the Treasury
Internal Revenue Service

# Return of Organization Exempt From Income Tax

**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)**

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

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

OMB No 1545-0047

**2013**

**Open to Public Inspection**

**A For the 2013 calendar year, or tax year beginning 04-01-2013 , 2013, and ending 03-31-2014**

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

**C** Name of organization
GOOD SAMARITAN HOSPITAL ASSOCIATION

Doing Business As
HEART OF AMERICA MEDICAL CENTER

Number and street (or P O box if mail is not delivered to street address) | Room/suite
800 SOUTH MAIN AVENUE

City or town, state or province, country, and ZIP or foreign postal code
RUGBY, ND 583682118

**D Employer identification number**
45-0226419

E Telephone number
(701) 776-5261

**G** Gross receipts $ 24,903,221

**F** Name and address of principal officer
JEFFREY LINGERFELT
800 SOUTH MAIN AVENUE
RUGBY, ND 583682118

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

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

**H(c)** Group exemption number ▶

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

**J Website:** ▶ WWW HAMC COM

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

**L** Year of formation 1905

**M** State of legal domicile ND

## Part I Summary

**1** Briefly describe the organization's mission or most significant activities
PROVIDE QUALITY MEDICAL CARE BASED ON THE NEEDS AND DEMOGRAPHICS OF NORTH CENTRAL NORTH DAKOTA

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

Activities & Governance

| | | | |
|---|---|---|---|
| **3** | Number of voting members of the governing body (Part VI, line 1a) | **3** | 12 |
| **4** | Number of independent voting members of the governing body (Part VI, line 1b) | **4** | 9 |
| **5** | Total number of individuals employed in calendar year 2013 (Part V, line 2a) | **5** | 465 |
| **6** | Total number of volunteers (estimate if necessary) | **6** | 161 |
| **7a** | Total unrelated business revenue from Part VIII, column (C), line 12 | **7a** | 54,744 |
| **b** | Net unrelated business taxable income from Form 990-T, line 34 | **7b** | -30,087 |

| | | Prior Year | Current Year |
|---|---|---|---|
| **8** | Contributions and grants (Part VIII, line 1h) | 458,136 | 850,460 |
| **9** | Program service revenue (Part VIII, line 2g) | 22,133,681 | 23,647,437 |
| **10** | Investment income (Part VIII, column (A), lines 3, 4, and 7d ) | 204,076 | 170,237 |
| **11** | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 109,826 | 198,769 |
| **12** | Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 22,905,719 | 24,866,903 |
| **13** | Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) | 0 | 0 |
| **14** | Benefits paid to or for members (Part IX, column (A), line 4) | 0 | 0 |
| **15** | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) | 15,635,817 | 15,844,072 |
| **16a** | Professional fundraising fees (Part IX, column (A), line 11e) | 0 | 0 |
| **b** | Total fundraising expenses (Part IX, column (D), line 25) ▶ 62,790 | | |
| **17** | Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) | 8,310,926 | 9,009,918 |
| **18** | Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) | 23,946,743 | 24,853,990 |
| **19** | Revenue less expenses Subtract line 18 from line 12 | -1,041,024 | 12,913 |

Revenue

Expenses

| | | Beginning of Current Year | End of Year |
|---|---|---|---|
| **20** | Total assets (Part X, line 16) | 15,305,948 | 17,725,714 |
| **21** | Total liabilities (Part X, line 26) | 5,384,708 | 7,369,513 |
| **22** | Net assets or fund balances Subtract line 21 from line 20 | 9,921,240 | 10,356,201 |

Net Assets or Fund Balances

## Part II Signature Block

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

**Sign Here**

****** | 2015-02-11
Signature of officer | Date

JEFFREY LINGERFELT CEO
Type or print name and title

**Paid Preparer Use Only**

| Print/Type preparer's name | Preparer's signature | Date | Check ☐ if self-employed | PTIN |
|---|---|---|---|---|
| TIM A RITTER CPA | | 2015-02-11 | | P00732856 |

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

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

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

**Part III Statement of Program Service Accomplishments**

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

**1** Briefly describe the organization's mission

TO DELIVER COMPASSIONATE CARE BY ADVANCING THE PHYSICAL AND SPIRITUAL WELL-BEING OF THE COMMUNITIES WE SERVE THROUGH SMART MEDICINE AND EXCEPTIONAL SERVICE

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

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

**4a** (Code ) (Expenses $ 20,343,391 including grants of $ 0 ) (Revenue $ 23,592,812 )

GOOD SAMARITAN HOSPITAL ASSOCIATION'S (GSHA) PRIMARY FOCUS IS HEALTHCARE WITHIN AND AROUND THE COMMUNITY OF RUGBY, ND GSHA HAS 25 LICENSED ACUTE/SWING BEDS AS A CRITICAL ACCESS HOSPITAL, 3 RURAL HEALTH CLINICS ALONG WITH A SURGICAL CLINIC, 80 MEDICARE SKILLED NURSING HOME BEDS, 68 BASIC CARE BEDS, AND 37 ASSISTED LIVING APARTMENTS WE ALSO SERVICE THE COMMUNITY THROUGH A HOSPITAL BASED HOSPICE GSHA PROVIDES NUMEROUS COMMUNITY AND SOCIAL PROGRAMS INCLUDING BUT NOT LIMITED TO THE FOLLOWING CHARITY CARE OF $220,606 GROSS CHARGES FORGONE DURING THE YEAR ENDED 3/31/2014, DIABETIC EDUCATION PROGRAM, PUBLIC HEALTHCARE EDUCATIONAL AND INFORMATIONAL NOTICES, TESTING AND INFORMATION DURING HEALTH SHOWS AND COMMUNITY EVENTS, AMBULANCE VOLUNTEERS, PROVIDES EMT COURSES FOR AMBULANCES, EDUCATIONAL OUTREACH FOR SCHOOL SYSTEM, PROVIDES SENIOR CITIZEN MEALS AT MINIMAL FEE, FREE BLOOD PRESSURE CHECKS, COMMUNITY EDUCATION, PHYSICAL THERAPY, PROVIDES MEETING ROOM FOR VARIOUS ORGANIZATIONS AND CHURCHES, CPR TRAINING, WELLNESS PROGRAMS, SPONSOR LPN/RN SCHOOL PROGRAM THROUGH CONSORTIUM OF FACILITIES AND COLLEGES

**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** ▶ 20,343,391

## Part IV Checklist of Required Schedules

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

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

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

## Part V Statements Regarding Other IRS Filings and Tax Compliance

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

| | | | | Yes | No |
|---|---|---|---|---|---|
| 1a | Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . . | 1a | 53 | | |
| b | Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable | 1b | 0 | | |
| c | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . . | 1c | | | |
| 2a | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return . . . . . | 2a | 465 | | |
| 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 | | Yes | |
| b | If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . . | 3b | | Yes | |
| 4a | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . . | 4a | | | No |
| b | If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts | | | | |
| 5a | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . | 5a | | | No |
| b | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5b | | | No |
| c | If "Yes," to line 5a or 5b, did the organization file Form 8886-T? . . . . . | 5c | | | |
| 6a | Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . . | 6a | | | No |
| b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . . | 6b | | | |
| 7 | **Organizations that may receive deductible contributions under section 170(c).** | | | | |
| a | Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor? . . . . . | 7a | | | No |
| b | If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . . | 7b | | | |
| c | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . . | 7c | | | No |
| d | If "Yes," indicate the number of Forms 8282 filed during the year . . . . | 7d | | | |
| e | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . . | 7e | | | No |
| f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . | 7f | | | No |
| g | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . . . . | 7g | | | |
| h | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . . . . . | 7h | | | |
| 8 | **Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . . | 8 | | | |
| 9 | **Sponsoring organizations maintaining donor advised funds.** | | | | |
| a | Did the organization make any taxable distributions under section 4966? . . . . . | 9a | | | |
| b | Did the organization make a distribution to a donor, donor advisor, or related person? . . . . . | 9b | | | |
| 10 | **Section 501(c)(7) organizations.** Enter | | | | |
| a | Initiation fees and capital contributions included on Part VIII, line 12 . . . | 10a | | | |
| b | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | 10b | | | |
| 11 | **Section 501(c)(12) organizations.** Enter | | | | |
| a | Gross income from members or shareholders . . . . . | 11a | | | |
| b | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them ) . . . . . | 11b | | | |
| 12a | **Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041? | 12a | | | |
| b | If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . . . . | 12b | | | |
| 13 | **Section 501(c)(29) qualified nonprofit health insurance issuers.** | | | | |
| a | Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O | 13a | | | |
| b | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans . . . . | 13b | | | |
| c | Enter the amount of reserves on hand . . . . . | 13c | | | |
| 14a | Did the organization receive any payments for indoor tanning services during the tax year? . . . . . | 14a | | | No |
| b | If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . . | 14b | | | |

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

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

## Section A. Governing Body and Management

| | | | | Yes | No |
|---|---|---|---|---|---|
| **1a** | Enter the number of voting members of the governing body at the end of the tax year . . . . . | **1a** | 12 | | |
| | If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O | | | | |
| **b** | Enter the number of voting members included in line 1a, above, who are independent . . . . . | **1b** | 9 | | |
| **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** Yes | |
| **3** | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . | | | **3** | No |
| **4** | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . . | | | **4** | No |
| **5** | Did the organization become aware during the year of a significant diversion of the organization's assets? . | | | **5** | No |
| **6** | Did the organization have members or stockholders? . . . . . | | | **6** Yes | |
| **7a** | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . . | | | **7a** Yes | |
| **b** | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . . | | | **7b** Yes | |
| **8** | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following | | | | |
| **a** | The governing body? . . . . . | | | **8a** Yes | |
| **b** | Each committee with authority to act on behalf of the governing body? . . . . . | | | **8b** Yes | |
| **9** | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O* . . . . . | | | **9** | No |

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

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

## Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

**19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization

▶JEFFREY LINGERFELT 800 S MAIN AVENUE
RUGBY,ND 583682118 (701)776-5261

**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) RICHARD ANDERSON<br>TRUSTEE | 1 00 | X | | | | | | 0 | 0 | 0 |
| (2) ARLYSS BERGRUD<br>TRUSTEE (THRU OCTOBER) | 1 00 | X | | | | | | 0 | 0 | 0 |
| (3) WES BLACK<br>TRUSTEE | 1 00 | X | | | | | | 0 | 0 | 0 |
| (4) ARLAND GEISZLER<br>TRUSTEE | 1 00 | X | | | | | | 0 | 0 | 0 |
| (5) BONITA LINDSETH<br>TRUSTEE | 1 00<br>1 00 | X | | | | | | 0 | 0 | 0 |
| (6) BRETT MCATEE<br>TRUSTEE | 1 00 | X | | | | | | 0 | 0 | 0 |
| (7) JOHN MCCLINTOCK JR<br>TRUSTEE | 1 00 | X | | | | | | 0 | 0 | 0 |
| (8) TOM MOLLER JR<br>TRUSTEE | 1 00 | X | | | | | | 0 | 0 | 0 |
| (9) STACEY SCHMITT<br>TRUSTEE | 1 00 | X | | | | | | 0 | 0 | 0 |
| (10) RONALD SKIPPER<br>TRUSTEE/SURGEON | 40 00 | X | | | | | | 311,418 | 0 | 36,921 |
| (11) PAT TRACY<br>TRUSTEE | 1 00 | X | | | | | | 0 | 0 | 0 |
| (12) JON NELSON<br>CHAIRMAN | 1 50 | X | | X | | | | 0 | 0 | 0 |
| (13) RUSTY GEBHARDT<br>VICE CHAIRMAN (THRU SEPTEMBER) | 1 50 | X | | X | | | | 0 | 0 | 0 |
| (14) MARK SCHAAN<br>VICE CHAIRMAN | 1 50 | X | | X | | | | 0 | 0 | 0 |
| (15) JEFFREY LINGERFELT<br>CEO/SECRETARY | 40 00<br>1 00 | | | X | | | | 163,544 | 0 | 41,581 |
| (16) AMANDA LOUGHMAN<br>CFO/TREASURER | 40 00 | | | X | | | | 55,240 | 0 | 2,163 |
| (17) OSCAR FERNANDEZ<br>ER PHYSICIAN | 40 00 | | | | | X | | 364,844 | 0 | 12,672 |

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

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W- 2/1099-MISC) | (E) Reportable compensation from related organizations (W- 2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (18) JULIA GARCIA<br>PHYSICIAN | 40 00 | | | | | X | | 195,248 | 0 | 18,228 |
| (19) HUBERT SEILER<br>PHYSICIAN | 40 00 | | | | | X | | 142,179 | 0 | 18,856 |
| (20) DUSTIN HAGER<br>MIDLEVEL PROVIDER | 40 00 | | | | | X | | 112,145 | 0 | 17,021 |
| (21) ERIK CHRISTENSON<br>PHARMACIST | 40 00 | | | | | X | | 109,558 | 0 | 9,221 |
| | | | | | | | | | | |
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| | | | | | | | | | | |
| **1b Sub-Total** | | | | | | | | | | |
| **c Total from continuation sheets to Part VII, Section A** | | | | | | | | | | |
| **d Total (add lines 1b and 1c)** | | | | | | | | 1,454,176 | 0 | 156,663 |

**2** Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 8

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

## Section B. Independent Contractors

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

| (A) Name and business address | (B) Description of services | (C) Compensation |
|---|---|---|
| DMS IMAGING PO BOX 86 MINNEAPOLIS MN 55486 | NUCLEAR IMAGING SERVICES | 224,437 |
| EIDE BAILLY LLP PO BOX 2545 FARGO MN 58108 | BUSINESS OFFICE CONSULTING | 167,321 |
| DEANE ZIMMERMAN 3621 11TH AVE S MOORHEAD MN 56560 | ANESTHESIA CONTRACT SERVICES | 106,150 |
| | | |
| | | |

**2** Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 3

**Part VIII Statement of Revenue**

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

| | | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512-514 |
|---|---|---|---|---|---|---|---|
| Contributions, Gifts, Grants and Other Similar Amounts | 1a | Federated campaigns . . | 1a | | | | |
| | b | Membership dues . . . . | 1b | | | | |
| | c | Fundraising events . . . . | 1c | | | | |
| | d | Related organizations . . . | 1d | 266,754 | | | |
| | e | Government grants (contributions) | 1e | 455,013 | | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above | 1f | 128,693 | | | |
| | g | Noncash contributions included in lines 1a-1f $ | | | | | |
| | h | **Total.** Add lines 1a-1f . . . . . ▶ | | 850,460 | | | |
| Program Service Revenue | | | Business Code | | | | |
| | 2a | PATIENT SERVICE REVENUE | 621610 | 22,340,590 | 22,340,590 | | |
| | b | PHARMACY SERVICES | 900099 | 728,534 | 728,534 | | |
| | c | PT/OT SERVICES | 621610 | 238,561 | 238,561 | | |
| | d | RENTAL REVENUE | 531110 | 87,073 | 87,073 | | |
| | e | ALS SERVICES | 621610 | 84,509 | 84,509 | | |
| | f | All other program service revenue | | 168,170 | 113,545 | 54,625 | |
| | g | **Total.** Add lines 2a–2f . . . . . ▶ | | 23,647,437 | | | |
| | 3 | Investment income (including dividends, interest, and other similar amounts) . . . . . ▶ | | 69,711 | | | 69,711 |
| | 4 | Income from investment of tax-exempt bond proceeds . . ▶ | | | | | |
| | 5 | Royalties . . . . . ▶ | | | | | |
| | | | (i) Real / (ii) Personal | | | | |
| | 6a | Gross rents | 38,095 / | | | | |
| | b | Less rental expenses | 36,318 / | | | | |
| | c | Rental income or (loss) | 1,777 / | | | | |
| | d | Net rental income or (loss) . . . . . ▶ | | 1,777 | | 119 | 1,658 |
| | | | (i) Securities / (ii) Other | | | | |
| | 7a | Gross amount from sales of assets other than inventory | 61,291 / 39,235 | | | | |
| | b | Less cost or other basis and sales expenses | 0 / 0 | | | | |
| | c | Gain or (loss) | 61,291 / 39,235 | | | | |
| | d | Net gain or (loss) . . . . . ▶ | | 100,526 | | | 100,526 |
| Other Revenue | 8a | Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a | | | | | |
| | b | Less direct expenses . . . b | | | | | |
| | c | Net income or (loss) from fundraising events . . ▶ | | | | | |
| | 9a | Gross income from gaming activities See Part IV, line 19 . . . a | | | | | |
| | b | Less direct expenses . . . b | | | | | |
| | c | Net income or (loss) from gaming activities . . ▶ | | | | | |
| | 10a | Gross sales of inventory, less returns and allowances . a | | | | | |
| | b | Less cost of goods sold . . b | | | | | |
| | c | Net income or (loss) from sales of inventory . . ▶ | | | | | |
| | | Miscellaneous Revenue | Business Code | | | | |
| | 11a | CAFETERIA SERVICES | 900099 | 139,518 | | | 139,518 |
| | b | | | | | | |
| | c | | | | | | |
| | d | All other revenue . . . . | | 57,474 | | | 57,474 |
| | e | **Total.** Add lines 11a–11d . . . . . ▶ | | 196,992 | | | |
| | 12 | **Total revenue.** See Instructions . . . . . ▶ | | 24,866,903 | 23,592,812 | 54,744 | 368,887 |

## 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 | | | | |
| 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 . . . . | 277,215 | | 277,215 | |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . | | | | |
| 7 Other salaries and wages | 13,376,490 | 11,615,090 | 1,710,968 | 50,432 |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . . . | 81,319 | 44,922 | 35,973 | 424 |
| 9 Other employee benefits . . . . . | 1,090,271 | 734,412 | 351,714 | 4,145 |
| 10 Payroll taxes . . . . . | 1,018,777 | 690,563 | 324,391 | 3,823 |
| 11 Fees for services (non-employees) | | | | |
| a Management . . . . . | | | | |
| b Legal . . . . . | 14,909 | | 14,909 | |
| c Accounting . . . . . | 83,870 | | 83,870 | |
| 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) . . . . . | 2,081,294 | 1,988,441 | 92,853 | |
| 12 Advertising and promotion . . . . | 87,427 | | 87,427 | |
| 13 Office expenses . . . . . | 2,212,108 | 1,559,012 | 652,730 | 366 |
| 14 Information technology . . . . . | 105 | | 105 | |
| 15 Royalties . . | | | | |
| 16 Occupancy . . . . . | 753,891 | 703,228 | 50,663 | |
| 17 Travel . . . . . | 305,630 | 170,717 | 131,313 | 3,600 |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . . | | | | |
| 19 Conferences, conventions, and meetings . . . . | 6,028 | 68 | 5,960 | |
| 20 Interest . . . . . | 145,451 | 98,592 | 46,859 | |
| 21 Payments to affiliates . . . . . | | | | |
| 22 Depreciation, depletion, and amortization . . . . . | 973,070 | 675,236 | 297,834 | |
| 23 Insurance . . . . . | 260,897 | | 260,897 | |
| 24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O ) | | | | |
| a BAD DEBT EXPENSE | 753,411 | 753,411 | | |
| b ACUTE DRUGS | 674,158 | 674,158 | | |
| c RAW FOOD | 496,680 | 496,680 | | |
| d LAB & TESTING EXPENSE | 122,307 | 122,307 | | |
| e All other expenses | 38,682 | 16,554 | 22,128 | |
| 25 **Total functional expenses.** Add lines 1 through 24e | 24,853,990 | 20,343,391 | 4,447,809 | 62,790 |
| 26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) | | | | |

**Part X Balance Sheet**

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

| | | | | (A) Beginning of year | | (B) End of year |
|---|---|---|---|---|---|---|
| Assets | 1 | Cash–non-interest-bearing | | 106,530 | 1 | 169,812 |
| | 2 | Savings and temporary cash investments | | 75,084 | 2 | 546,047 |
| | 3 | Pledges and grants receivable, net | | | 3 | |
| | 4 | Accounts receivable, net | | 3,744,593 | 4 | 4,188,555 |
| | 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 | | 500,414 | 7 | 255,864 |
| | 8 | Inventories for sale or use | | 149,591 | 8 | 167,825 |
| | 9 | Prepaid expenses and deferred charges | | 45,867 | 9 | 84,988 |
| | 10a | Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D | 10a 24,582,314 | | | |
| | b | Less accumulated depreciation | 10b 18,703,394 | 4,301,120 | 10c | 5,878,920 |
| | 11 | Investments—publicly traded securities | | 5,111,081 | 11 | 341,381 |
| | 12 | Investments—other securities See Part IV, line 11 | | 1,146,835 | 12 | 1,681,144 |
| | 13 | Investments—program-related See Part IV, line 11 | | | 13 | |
| | 14 | Intangible assets | | 124,833 | 14 | 71,333 |
| | 15 | Other assets See Part IV, line 11 | | 0 | 15 | 4,339,845 |
| | 16 | **Total assets.** Add lines 1 through 15 (must equal line 34) | | 15,305,948 | 16 | 17,725,714 |
| Liabilities | 17 | Accounts payable and accrued expenses | | 1,995,447 | 17 | 1,939,148 |
| | 18 | Grants payable | | | 18 | |
| | 19 | Deferred revenue | | | 19 | |
| | 20 | Tax-exempt bond liabilities | | 24,999 | 20 | 1,166,322 |
| | 21 | Escrow or custodial account liability Complete Part IV of Schedule D | | 22,564 | 21 | 27,302 |
| | 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 | | 2,708,275 | 23 | 3,405,974 |
| | 24 | Unsecured notes and loans payable to unrelated third parties | | 633,423 | 24 | 182,230 |
| | 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 | | 0 | 25 | 648,537 |
| | 26 | **Total liabilities.** Add lines 17 through 25 | | 5,384,708 | 26 | 7,369,513 |
| Net Assets or Fund Balances | | **Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.** | | | | |
| | 27 | Unrestricted net assets | | 9,512,302 | 27 | 9,884,870 |
| | 28 | Temporarily restricted net assets | | 408,938 | 28 | 471,331 |
| | 29 | Permanently restricted net assets | | | 29 | |
| | | **Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.** | | | | |
| | 30 | Capital stock or trust principal, or current funds | | | 30 | |
| | 31 | Paid-in or capital surplus, or land, building or equipment fund | | | 31 | |
| | 32 | Retained earnings, endowment, accumulated income, or other funds | | | 32 | |
| | 33 | Total net assets or fund balances | | 9,921,240 | 33 | 10,356,201 |
| | 34 | Total liabilities and net assets/fund balances | | 15,305,948 | 34 | 17,725,714 |

## Part XI Reconcilliation of Net Assets

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

| | | | |
|---|---|---|---|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 24,866,903 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 24,853,990 |
| 3 | Revenue less expenses Subtract line 2 from line 1 | 3 | 12,913 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 9,921,240 |
| 5 | Net unrealized gains (losses) on investments | 5 | 359,655 |
| 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 | 62,393 |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 10,356,201 |

## Part XII Financial Statements and Reporting

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

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

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# SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

## Public Charity Status and Public Support

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

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

OMB No 1545-0047

**2013**

**Open to Public Inspection**

**Name of the organization**
GOOD SAMARITAN HOSPITAL ASSOCIATION

**Employer identification number**
45-0226419

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Section A. Public Support

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

## Section B. Total Support

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

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

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

## Section C. Computation of Public Support Percentage

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

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

16a **33 1/3% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

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

## Section A. Public Support

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

## Section B. Total Support

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

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

## Section C. Computation of Public Support Percentage

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

## Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶☐

**Part IV** **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

| Facts And Circumstances Test | | |
|---|---|---|
| | | |
| Return Reference | Explanation | |

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# SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

# Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

**2013**

**Open to Public Inspection**

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

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

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

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

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

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

| Name of the organization | **Employer identification number** |
|---|---|
| GOOD SAMARITAN HOSPITAL ASSOCIATION | 45-0226419 |

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ **Yes** ☐ **No**

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| Lobbying Expenditures During 4-Year Averaging Period — Calendar year (or fiscal year beginning in) | (a) 2010 | (b) 2011 | (c) 2012 | (d) 2013 | (e) Total |
|---|---|---|---|---|---|
| 2a Lobbying nontaxable amount | | | | | |
| b Lobbying ceiling amount (150% of line 2a, column(e)) | | | | | |
| c Total lobbying expenditures | | | | | |
| d Grassroots nontaxable amount | | | | | |
| e Grassroots ceiling amount (150% of line 2d, column (e)) | | | | | |
| f Grassroots lobbying expenditures | | | | | |

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

| *For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.* | | (a) Yes | (a) No | (b) Amount |
|---|---|---|---|---|
| 1 | During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of | | | |
| a | Volunteers? | | No | |
| b | Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? | | No | |
| c | Media advertisements? | | No | |
| d | Mailings to members, legislators, or the public? | | No | |
| e | Publications, or published or broadcast statements? | | No | |
| f | Grants to other organizations for lobbying purposes? | | No | |
| g | Direct contact with legislators, their staffs, government officials, or a legislative body? | | No | |
| h | Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? | | No | |
| i | Other activities? | Yes | | 2,766 |
| j | Total Add lines 1c through 1i | | | 2,766 |
| 2a | Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? | | No | |
| b | If "Yes," enter the amount of any tax incurred under section 4912 | | | |
| c | If "Yes," enter the amount of any tax incurred by organization managers under section 4912 | | | |
| d | If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? | | | |

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

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

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

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

## Part IV Supplemental Information

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

| Return Reference | Explanation |
|---|---|
| PART II-B, LINE 1 | GOOD SAMARITAN HOSPITAL ASSOCIATION IS A MEMBER OF SEVERAL ORGANIZATIONS THAT TAKE PART IN LOBBYING THESE ORGANIZATIONS INCLUDE THE NORTH DAKOTA HOSPITAL ASSOCIATION, THE AHA, AND THE NORTH DAKOTA LTC ASSOCIAION A PORTION OF THE DUES PAID TO THE VARIOUS ORGANIZATION IS FOR LOBBYING COSTS THESE VARIOUS ORGANIZATIONS ADVOCATE ON BEHALF OF THEIR MEMBERS BY SUPPORTING LEGISLATION THAT IS IN THEIR COLLECTIVE INTERESTS THESE ORGANIZATIONS WORK TO ENSURE THAT LAWS AND REGULATIONS PROVIDE A REASONABLE AND EQUITABLE ENVIRONMENT IN WHICH HEALTH CARE FACILITIES CAN PROVIDE AFFORDABLE, HIGH QUALITY CARE |
| | |
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**Part IV Supplemental Information *(continued)***

| Return Reference | Explanation |
|---|---|
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**SCHEDULE D** (Form 990)

Department of the Treasury
Internal Revenue Service

# Supplemental Financial Statements

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

OMB No 1545-0047

**2013**

**Open to Public Inspection**

**Name of the organization**
GOOD SAMARITAN HOSPITAL ASSOCIATION

**Employer identification number**
45-0226419

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|---|---|---|---|---|
| 1a Land | | 137,447 | | 137,447 |
| b Buildings | | 10,273,027 | 8,574,798 | 1,698,229 |
| c Leasehold improvements | | | | |
| d Equipment | | 13,934,189 | 10,128,596 | 3,805,593 |
| e Other | | 237,651 | | 237,651 |
| **Total.** Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶ | | | | 5,878,920 |

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

| (a) Description of security or category (including name of security) | (b) Book value | (c) Method of valuation Cost or end-of-year market value |
|---|---|---|
| (1) Financial derivatives | | |
| (2) Closely-held equity interests | | |
| (3) Other | | |
| (A) CERTIFICATE OF DEPOSIT | 1,209,813 | F |
| (B) INTEREST IN NET ASSETS OF FOUNDATION | 471,331 | F |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| **Total.** *(Column (b) must equal Form 990, Part X, col (B) line 12 )* ▶ | 1,681,144 | |

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

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

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

| (a) Description | (b) Book value |
|---|---|
| (1) INVESTMENT OBLIGATION FROM FOUNDATION | 4,339,845 |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| **Total.** *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶ | 4,339,845 |

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

| 1 (a) Description of liability | (b) Book value |
|---|---|
| Federal income taxes | |
| DUE TO FOUNDATION | 648,537 |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| **Total.** *(Column (b) must equal Form 990, Part X, col (B) line 25 )* ▶ | 648,537 |

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

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

| | | | | | |
|---|---|---|---|---|---|
| 1 | Total revenue, gains, and other support per audited financial statements | | | 1 | 24,529,505 |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12 | | | | |
| a | Net unrealized gains on investments | 2a | 359,655 | | |
| b | Donated services and use of facilities | 2b | | | |
| c | Recoveries of prior year grants | 2c | | | |
| d | Other (Describe in Part XIII ) | 2d | 56,358 | | |
| e | Add lines **2a** through **2d** | | | 2e | 416,013 |
| 3 | Subtract line **2e** from line **1** | | | 3 | 24,113,492 |
| 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 | 753,411 | | |
| c | Add lines **4a** and **4b** | | | 4c | 753,411 |
| 5 | Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12 ) | | | 5 | 24,866,903 |

**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 | 24,156,937 |
| 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 | 56,358 | | |
| e | Add lines **2a** through **2d** | | | 2e | 56,358 |
| 3 | Subtract line **2e** from line **1** | | | 3 | 24,100,579 |
| 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 | 753,411 | | |
| c | Add lines **4a** and **4b** | | | 4c | 753,411 |
| 5 | Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18 ) | | | 5 | 24,853,990 |

**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 IV, LINE 2B | THE ASSOCIATION HOLDS FUNDS UNDER AN AGENCY RELATIONSHIP FOR THE RESIDENTS OF THE HOSPITAL'S LONG-TERM CARE FACILITY, SWING-BED UNITES, AND BASIC CARE FACILITY, AS WELL AS DAMAGE DEPOSITS |
| PART X, LINE 2 | IN ORDER TO ACCOUNT FOR ANY UNCERTAIN TAX POSITIONS, THE ORGANIZATION DETERMINES WHETHER IT IS MORE LIKELY THAN NOT THAT A TAX POSITION WILL BE SUSTAINED UPON EXAMINATION BY THE TAXING AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION, ASSUMING THE TAXING AUTHORITY HAS FULL KNOWLEDGE OF ALL INFORMATION IF THE TAX POSITION DOES NOT MEET THE MORE-LIKELY-THAN-NOT RECOGNITION THRESHOLD, THE BENEFIT OF THE TAX POSITION IS NOT RECOGNIZED IN THE FINANCIAL STATEMENTS THE ORGANIZATION HAS NOT RECORDED ANY ASSETS OR LIABILITIES RELATED TO UNCERTAIN TAX POSITIONS OR UNRECOGNIZED TAX BENEFITS AS OF MARCH 31, 2014 OR 2013 THE ORGANIZATION'S FEDERAL RETURNS FOR TAX YEARS 2011 AND BEYOND REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE |
| PART XI, LINE 2D - OTHER ADJUSTMENTS | RENTAL EXPENSES 36,318 REVENUE ELIMINATED WITHIN AFFILIATES 20,040 |
| PART XI, LINE 4B - OTHER ADJUSTMENTS | BAD DEBT EXPENSE 753,411 |
| PART XII, LINE 2D - OTHER ADJUSTMENTS | RENTAL EXPENSES 36,318 EXPENSES ELIMINATED WITHIN ESTIMATES 20,040 |
| PART XII, LINE 4B - OTHER ADJUSTMENTS | BAD DEBT EXPENSE 753,411 |
| | |

**Part XIII Supplemental Information *(continued)***

| Return Reference | Explanation |
|---|---|
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**SCHEDULE H (Form 990)**

Department of the Treasury
Internal Revenue Service

# Hospitals

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

OMB No 1545-0047

**2013**

**Open to Public Inspection**

**Name of the organization**
GOOD SAMARITAN HOSPITAL ASSOCIATION

**Employer identification number**
45-0226419

## 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<br>☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities<br>☐ Generally tailored to individual hospital facilities | | | |
| 3 | Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year | | | |
| a | Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care<br>☑ 100% ☐ 150% ☐ 200% ☐ Other _____ % | 3a | Yes | |
| b | Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care<br>☑ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ 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 eligibile for free or discounted care? | 5c | | No |
| 6a | Did the organization prepare a community benefit report during the tax year? | 6a | Yes | |
| b | If "Yes," did the organization make it available to the public? | 6b | Yes | |
| | Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H | | | |

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

| Financial Assistance and Means-Tested Government Programs | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|---|---|---|---|---|---|---|
| a Financial Assistance at cost (from Worksheet 1) | | | 155,618 | | 155,618 | 0 650 % |
| b Medicaid (from Worksheet 3, column a) | | | 1,917,151 | 1,650,438 | 266,713 | 1 110 % |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | 12,029 | 2,193 | 9,836 | 0 040 % |
| d **Total** Financial Assistance and Means-Tested Government Programs | | | 2,084,798 | 1,652,631 | 432,167 | 1 800 % |
| **Other Benefits** | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | | | 1,000 | | 1,000 | 0 % |
| f Health professions education (from Worksheet 5) | | | | | | |
| g Subsidized health services (from Worksheet 6) | | | 1,282,855 | 627,202 | 655,653 | 2 720 % |
| h Research (from Worksheet 7) | | | | | | |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | | 1,391 | | 1,391 | 0 010 % |
| j **Total.** Other Benefits | | | 1,285,246 | 627,202 | 658,044 | 2 730 % |
| k **Total.** Add lines 7d and 7j | | | 3,370,044 | 2,279,833 | 1,090,211 | 4 530 % |

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

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

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

**Section A. Bad Debt Expense**

| | | | Yes | No |
|---|---|---|---|---|
| 1 | Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15? | 1 | Yes | |
| 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 2 502,944 | | | |
| 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 0 | | | |
| 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 | 6,544,050 |
| 6 | Enter Medicare allowable costs of care relating to payments on line 5 | 6 | 6,380,870 |
| 7 | Subtract line 6 from line 5 This is the surplus (or shortfall) | 7 | 163,180 |
| 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 | | | | | |
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| 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 | | | | | | | | | | |
| | | | | | | | | | | | |
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## Part V Facility Information *(continued)*

### Section B. Facility Policies and Practices

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

**Name of hospital facility or facility reporting group** HEART OF AMERICA MEDICAL CENTER

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

| | | | Yes | No |
|---|---|---|---|---|
| **Community Health Needs Assessment** (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012) | | | | |
| **1** | During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 | **1** | Yes | |
| | If "Yes," indicate what the CHNA report describes (check all that apply) | | | |
| **a** | ☑ A definition of the community served by the hospital facility | | | |
| **b** | ☑ Demographics of the community | | | |
| **c** | ☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | | |
| **d** | ☑ How data was obtained | | | |
| **e** | ☑ The health needs of the community | | | |
| **f** | ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | | |
| **g** | ☑ The process for identifying and prioritizing community health needs and services to meet the community health needs | | | |
| **h** | ☐ The process for consulting with persons representing the community's interests | | | |
| **i** | ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs | | | |
| **j** | ☐ Other (describe in Part VI) | | | |
| **2** | Indicate the tax year the hospital facility last conducted a CHNA 20 12 | | | |
| **3** | In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted | **3** | Yes | |
| **4** | Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI | **4** | | No |
| **5** | Did the hospital facility make its CHNA report widely available to the public? | **5** | Yes | |
| | If "Yes," indicate how the CHNA report was made widely available (check all that apply) | | | |
| **a** | ☑ Hospital facility's website (list url) HTTP //WWW HAMC COM/UPLOADS/RESOURCES/141 | | | |
| **b** | ☐ Other website (list url) | | | |
| **c** | ☑ Available upon request from the hospital facility | | | |
| **d** | ☑ Other (describe in Part VI) | | | |
| **6** | If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year) | | | |
| **a** | ☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA | | | |
| **b** | ☑ Execution of the implementation strategy | | | |
| **c** | ☐ Participation in the development of a community-wide plan | | | |
| **d** | ☐ Participation in the execution of a community-wide plan | | | |
| **e** | ☐ Inclusion of a community benefit section in operational plans | | | |
| **f** | ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA | | | |
| **g** | ☑ Prioritization of health needs in its community | | | |
| **h** | ☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community | | | |
| **i** | ☐ Other (describe in Part VI) | | | |
| **7** | Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs | **7** | | No |
| **8a** | Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? | **8a** | | No |
| **b** | If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? | **8b** | | |
| **c** | If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $ | | | |

## Part V Facility Information *(continued)*

| Financial Assistance Policy | | Yes | No |
|---|---|---|---|
| **9** Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? | **9** | Yes | |
| **10** Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care? | **10** | Yes | |
| If "Yes," indicate the FPG family income limit for eligibility for free care 100 000000000000% If "No," explain in Part VI the criteria the hospital facility used | | | |
| **11** Used FPG to determine eligibility for providing *discounted* care? | **11** | Yes | |
| If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used | | | |
| **12** Explained the basis for calculating amounts charged to patients? | **12** | Yes | |
| If "Yes," indicate the factors used in determining such amounts (check all that apply) | | | |
| **a** ☑ Income level | | | |
| **b** ☐ Asset level | | | |
| **c** ☑ Medical indigency | | | |
| **d** ☑ Insurance status | | | |
| **e** ☑ Uninsured discount | | | |
| **f** ☑ Medicaid/Medicare | | | |
| **g** ☐ State regulation | | | |
| **h** ☐ Residency | | | |
| **i** ☐ Other (describe in Part VI) | | | |
| **13** Explained the method for applying for financial assistance? | **13** | Yes | |
| **14** Included measures to publicize the policy within the community served by the hospital facility? | **14** | Yes | |
| If "Yes," indicate how the hospital facility publicized the policy (check all that apply) | | | |
| **a** ☑ The policy was posted on the hospital facility's website | | | |
| **b** ☑ The policy was attached to billing invoices | | | |
| **c** ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms | | | |
| **d** ☑ The policy was posted in the hospital facility's admissions offices | | | |
| **e** ☑ The policy was provided, in writing, to patients on admission to the hospital facility | | | |
| **f** ☑ The policy was available upon request | | | |
| **g** ☐ Other (describe in Part VI) | | | |

| Billing and Collections | | | |
|---|---|---|---|
| **15** Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? | **15** | | No |
| **16** Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP | | | |
| **a** ☐ Reporting to credit agency | | | |
| **b** ☐ Lawsuits | | | |
| **c** ☐ Liens on residences | | | |
| **d** ☐ Body attachments | | | |
| **e** ☐ Other similar actions (describe in Section C) | | | |
| **17** Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? | **17** | | No |
| If "Yes," check all actions in which the hospital facility or a third party engaged | | | |
| **a** ☐ Reporting to credit agency | | | |
| **b** ☐ Lawsuits | | | |
| **c** ☐ Liens on residences | | | |
| **d** ☐ Body attachments | | | |
| **e** ☐ Other similar actions (describe in Section C) | | | |

## Part V Facility Information *(continued)*

**18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☑ Other (describe in Section C)

### Policy Relating to Emergency Medical Care

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

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

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

## Part V Facility Information *(continued)*

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

| Form and Line Reference | Explanation |
|---|---|
| See Additional Data Table | |
| | |
| | |
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| | |
| | |

**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? **8**

| | Name and address | Type of Facility (describe) |
|---|---|---|
| 1 | HEART OF AMERICA NURSING FACILITY<br>800 S MAIN AVE<br>RUGBY,ND 58368 | SKILLED LONG TERM CARE FACILITY |
| 2 | HAALAND ESTATES BASIC CARE<br>1025 3RD AVE SE<br>RUGBY,ND 58368 | BASIC CARE FACILITY |
| 3 | RUGBY EMERGENCY MEDICAL SERVICES<br>800 S MAIN AVE<br>RUGBY,ND 58368 | AMBULANCE |
| 4 | HAALAND ESTATES ASSISTED LIVING<br>1025 3RD AVE SE<br>RUGBY,ND 58368 | ASSISTED LIVING FACILITY |
| 5 | HEART OF AMERICA HOSPICE<br>800 S MAIN AVE<br>RUGBY,ND 58368 | HOSPICE |
| 6 | RUGBY CLINIC<br>880 S MAIN AVE<br>RUGBY,ND 58368 | RURAL HEALTH CLINIC |
| 7 | DUNSEITH CLINIC<br>215 MAIN ST SE<br>DUNSEITH,ND 58329 | RURAL HEALTH CLINIC |
| 8 | MADDOCK CLINIC<br>301 ROOSEVELT AVE<br>MADDOCK,ND 58348 | RURAL HEALTH CLINIC |
| 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 | HEART OF AMERICA MEDICAL CENTER USES A SLIDING FEE SCHEDULE BASED OF FPG THERE IS 100% BENEFIT AT 100% FPG, 80% BENEFIT AT 125% FPG, 60% BENEFIT AT 150% FPG, 40% BENEFIT AT 175% FPG, 20% BENEFIT AT 200% FPG, AND 0% BENEFIT FOR THOSE GREATER THAN 200% FPG |

| Form and Line Reference | Explanation |
| --- | --- |
| PART I, LINE 7 | THE COSTING METHOD USED IS THE COST TO CHARGES RATIO CALCULATED USING THE TOTAL OPERATING EXPENSES LESS ANY NON PATIENT CARE ACTIVITIES, THEN DIVIDED INTO THE GROSS PATIENT CHARGES FOR THE FACILITY THE COST TO CHARGE RATIO WAS 71% IN 2013 |

| Form and Line Reference | Explanation |
| --- | --- |
| PART I, LINE 7G | SUBSIDIZED HEALTH SERVICES INCLUDES CARDIAC REHAB, OCCUPATIONAL THERAPY, AND SPEECH THERAPY |

| Form and Line Reference | Explanation |
| --- | --- |
| PART I, LINE 7, COLUMN (F) | THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 753,411 |

| Form and Line Reference | Explanation |
| --- | --- |
| PART II, COMMUNITY BUILDING ACTIVITIES | NO SPECIFIC COMMUNITY BUILDING ACTIVITIES DURING YEAR ENDING MARCH 2014 |

| Form and Line Reference | Explanation |
| --- | --- |
| PART III, LINE 2 | THIS AMOUNT IS CALCULATED BY MULTIPLYING THE TOTAL CHARGES FOR SERVICES WRITTEN OFF AS BAD DEBT BY THE COST TO CHARGE RATIO |

| Form and Line Reference | Explanation |
| --- | --- |
| PART III, LINE 4 | THE FINANCIAL STATEMENTS DO NOT HAVE BAD DEBT EXPENSE FOOTNOTE THIS IS THE PATIENT ACCOUNTS RECEIVABLE AND CREDIT POLICY FOOTNOTE IN EVALUATING THE COLLECTABILITY OF PATIENT AND RESIDENT ACCOUNTS RECEIVABLE, THE ORGANIZATION ANALYZES PAST RESULTS AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYER SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYER SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS SPECIFICALLY, FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS AND RESIDENTS WHO HAVE THIRD-PARTY COVERAGE, THE ORGANIZATION ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYER HAS NOT YET PAID, OR FOR PAYERS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS AND RESIDENTS WITHOUT INSURANCE AND PATIENTS AND RESIDENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE ORGANIZATION RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS OR RESIDENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE |

| Form and Line Reference | Explanation |
| --- | --- |
| PART III, LINE 8 | MEDICARE REVENUE AND ALLOWABLE COSTS WERE OBTAINED FROM THE MEDICARE COST REPORT FOR THE FISCAL YEAR ENDING MARCH 2014 |

| Form and Line Reference | Explanation |
| --- | --- |
| PART III, LINE 9B | OUR ACCOUNTS ARE WORKED EFFECTIVELY AND THOROUGHLY WITH SELF PAY STATEMENTS PRINTED MONTHLY ONCE INSURANCES HAVE MET THEIR OBLIGATIONS THE GOAL IS TO OBTAIN PAYMENT IN FULL, ESTABLISH ACCEPTABLE PAYMENT ARRANGEMENTS, LOOK AT OTHER APPROPRIATE AGENCIES OR LOW INCOME PROGRAMS, OR OFFER THE CHARITY CARE PROGRAM IF NEEDED IN THE COLLECTION PROCESS, THE BILL GUARANTOR IS REMINDED THEY MAY QUALIFY FOR OUR CHARITY CARE PROGRAM AND ARE GIVEN INFORMATION ON HOW TO APPLY OUR CHARITY PROGRAM IS INCOME BASED, AND USES 200% OF THE FEDERAL POVERTY GUIDELINES IF THEY QUALIFY THE BILL IS WRITTEN OFF 100% TO CHARITY CARE REFERRAL TO A COLLECTION AGENCY AND WRITE OFF OF BAD DEBT HAPPENS ONCE IT IS DETERMINED THAT THE PATIENT IS UNCOOPERATIVE WITH NON-PAYMENT, SKIP ACCOUNTS, OR IS UNWILLING TO APPLY FOR THE CHARITY CARE PROGRAM AND THERE IS NO OTHER VALID REASON TO HOLD THE ACCOUNT FURTHER |

| Form and Line Reference | Explanation |
| --- | --- |
| PART VI, LINE 2 | HEART OF AMERICA MEDICAL CENTER SERVES A SMALLER COMMUNITY WHERE PROVIDERS KNOW THEIR PATIENTS AND THE GSHA BOARD OF DIRECTORS LIVE IN AND ARE MEMBERS OF THE LOCAL AND SURROUNDING COMMUNITIES FOR THE YEAR ENDING MARCH 2013 NEEDS WERE ASSESSED THROUGH A COMMUNITY HEALTH FORUM HELD BY FORUM FACILITATOR, BRAD GIBBENS, MPA FROM THE ND RURAL HOSPITAL FLEXIBILITY PROGRAM IN MAY 2011, BRAD GIBBENS CREATED A FINAL REPORT BASED ON THE FORUM DISCUSSION AND SURVEYS IN THE FALL OF 2012, FOCUS GROUPS WERE HELD TO ASSIST IN THE DEVELOPMENT OF A COMMUNITY WIDE SURVEY IN DECEMBER 2012, A SURVEY WAS MAILED TO EACH HOUSEHOLD IN THE RUGBY AREA RESULTS AND INPUT FROM THE SURVEYS WERE ANALYZED IN THE SPRING OF 2013 AN ACTION PLAN WAS DEVELOPED BASED ON BOTH THE FOCUS GROUPS AND THE SURVEYS |

| Form and Line Reference | Explanation |
| --- | --- |
| PART VI, LINE 3 | OUR CHARITY CARE POLICY AND APPLICATION IS PROVIDED TO ALL ADMITS TO OUR HOSPITAL UPON ADMISSIONS THIS INCLUDES ASSISTANCE CONTACT INFORMATION AT THE ADMISSION AREA THERE ARE BROCHURES ON CHARITY CARE PROGRAM AND PROMPT PAYMENT DISCOUNT WHICH ADDRESS OUR CHARITY CARE PROGRAM ALSO IN PROCESSING THE SELF PAY BILLS, THE PATIENT IS ENCOURAGED TO COMPLETE OUR CHARITY CARE APPLICATION IF APPLICABLE TO ASSIST IN TAKING CARE OF THEIR BILL OUR SOCIAL SERVICE DEPARTMENT IS ALSO VERY INVOLVED WITH ASSISTING OUR PATIENTS AND RESIDENTS WITH GOVERNMENTAL BENEFITS PRIMARILY NORTH DAKOTA MEDICAID WE ARE ALSO UPDATING OUR WEBSITE TO INCLUDE INFORMATION ON OUR CHARITY CARE PROGRAM INCLUDING CONTACT INFORMATION AS WELL AS THE APPLICATION |

| Form and Line Reference | Explanation |
| --- | --- |
| PART VI, LINE 4 | HEART OF AMERICA MEDICAL CENTER (HAMC) IS A RURAL CRITICAL ACCESS HOSPITAL LOCATED IN NORTH CENTRAL NORTH DAKOTA WITH THE CLOSEST TERTIARY FACILITY 65 MILES AWAY TO THE WEST THE CLOSEST SMALLER HOSPITAL IS 43 MILES AWAY HAMC BASICALLY SERVES IN WHOLE OR IN PART THE COUNTIES OF PIERCE, BENSON, MCHENRY, ROLETTE, AND BOTTINEAU COUNTIES OUR PRIMARY SERVICE AREA IS ABOUT A 45 MILES RADIUS WITH A TARGET POPULATION OF APPROXIMATELY 16,000 PEOPLE PIERCE COUNTY ALONE HAD A POPULATION OF 4357 IN 2010 ACCORDING TO THE US CENSUS BUREAU WITH 94% WHITE PERSONS AND 24% AGE 65 OR OLDER RUGBY HAS A POPULATION OF 2876 BASED ON 2010 CENSUS DATA OF OUR HOSPITAL INPATIENTS, APPROXIMATELY 72% ARE MEDICARE AND 6% MEDICAID WITHIN OUR MARKET AREA APPROXIMATELY 22 8% OF THE POPULATION IS BELOW THE FEDERAL POVERTY GUIDELINES |

| Form and Line Reference | Explanation |
|---|---|
| PART VI, LINE 5 | GOOD SAMARITAN HOSPITAL ASSOCIATION (GSHA) IS OWNED BY 32 MEMBER CHURCHES LOCATED THROUGHOUT OUR SERVICE AREA THE GSHA BOARD OF DIRECTORS IS VOTED IN BY THE MEMBER CHURCHES AND THEY ARE COMMUNITY MEMBERS WHO RESIDE IN OUR PRIMARY SERVICE AREA -- BOTH RUGBY AND THE SURROUNDING SATELLITE COMMUNITIES THEY ARE NOT EMPLOYEES OR CONTRACTORS OF GSHA, BUT SERVE IN VARIOUS OCCUPATIONS AND INVOLVED IN VARIOUS COMMUNITY ACTIVITIES GSHA EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS AND MID-LEVELS IN THE COMMUNITY AND IS CONTINUOUSLY STRIVING TO BRING IN MORE PROVIDERS IN ORDER TO MAINTAIN PROVIDERS TO PROVIDE THE CARE NEEDED BY OUR PATIENTS AND PROMOTE HEALTH WITHIN OUR COMMUNITIES WHEN SURPLUS FUNDS ARE AVAILABLE THEY ARE USED TO PURCHASE AND UPGRADE EQUIPMENT, AND INVESTED BACK INTO THE FACILITY AND SERVICES WE PROVIDE TO MAINTAIN HIGH QUALITY PATIENT CARE WE CONTINUALLY STRIVE TO MEET THE HEALTHCARE NEEDS WITHIN OUR COMMUNITY AND THE SURROUNDING AREA EFFECTIVE AUGUST 1, 2010 THE FAMILY PRACTICE CLINIC IN RUGBY MERGED WITH GSHA IN ORDER TO BETTER MEET THE HEALTHCARE NEEDS OF OUR COMMUNITIES THIS MERGER HAS STRENGTHENED OUR ABILITIES TO SERVE THE COMMUNITIES BY PROVIDING US WITH A BETTER PHYSICIAN / MID-LEVEL RECRUITMENT PLATFORM AND HIGHER CONTINUITY OF CARE IN STRIVING TO MEET THE NEEDS OF THE COMMUNITIES WE PROVIDE SERVICES INCLUDING ASSISTED LIVING, BASIC CARE, SKILLED NURSING, MEDICAL & SURGICAL HOSPITAL, RURAL HEALTH CLINICS, SURGICAL CLINIC, AND NUMEROUS OTHER OUTPATIENT SERVICES AND THERAPIES WE HAVE LOST MONEY ON SOME OF THESE SERVICES SUCH AS CARDIAC REHAB, OUR CLINICS, AND OUR HOSPICE PROGRAM BUT CONTINUE TO MAINTAIN THESE SERVICES BECAUSE OF THE NEEDS WITHIN THE COMMUNITIES IF WE DID NOT PROVIDE SERVICES SUCH AS THESE, THE SERVICES WOULD BE UNAVAILABLE IN THE COMMUNITY PATIENTS WOULD HAVE TO GO OUT OF TOWN TO GET THE SERVICES WHICH IS NOT ALWAYS POSSIBLE, SO SOME WOULD NOT HAVE ACCESS TO THESE SERVICES IF WE DID NOT PROVIDE THEM CURRENTLY WE ARE NOT INVOLVED MUCH IN COMMUNITY BUILDING ACTIVITIES BEING A SMALL CAH FACILITY WITH LIMITED RESOURCES, OUR FOCUS IS MORE ON HEALTH RELATED PROGRAMS AND SERVICES NEEDED WITHIN OUR COMMUNITY IF WE DID NOT PROVIDE THE SERVICE, IT WOULD NOT BE AVAILABLE WITHIN THE COMMUNITY GSHA IS NOT PART OF ANY AFFILIATED HEALTHCARE SYSTEM, HOWEVER, AS A CAH WE DO HAVE RURAL HEALTH NETWORK AGREEMENTS WITH BOTH TRINITY MEDICAL CENTER IN MINOT AND MEDCENTER ONE IN BISMARCK IN ORDER TO HELP AND PROMOTE THE AVAILABILITY OF A RANGE OF HIGH-QUALITY CARE THEY ENHANCE THE CONTINUITY OF HEALTHCARE DELIVERY AMONG ALL LEVELS OF CARE NEEDED BY OUR PATIENTS BY IDENTIFYING AND FORMING A PROCESS TO FACILITATE PATIENT REFERRAL AND TRANSFER BETWEEN FACILITIES AND ALSO ENHANCE THE COMMUNICATIONS BETWEEN US GSHA IS ALSO PART OF A CONSORTIUM OF SMALLER CAH FACILITIES TO SHARE COMPUTER HARDWARE THIS HAS ALLOWED US TO EXPAND OUR COMPUTER CAPABILITIES AT A LOWER COST WHICH PROVIDES THE OPPORTUNITY TO BETTER SERVE OUR PATIENTS AND MEET THEIR HEALTHCARE NEEDS |

| Form and Line Reference | Explanation |
| --- | --- |
| PART VI, LINE 6 | N/A - NOT PART OF AN AFFILIATED HEALTHCARE SYSTEM |

| Form and Line Reference | Explanation |
| --- | --- |
| LINE 7 | N/A |

## Additional Data

**Software ID:**
**Software Version:**
**EIN:** 45-0226419
**Name:** GOOD SAMARITAN HOSPITAL ASSOCIATION

### 990 Schedule H, Supplemental Information

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

| Form and Line Reference | Explanation |
|---|---|
| HEART OF AMERICA MEDICAL CENTER | |
| HEART OF AMERICA MEDICAL CENTER | PART V, SECTION B, LINE 5D THE ORGANIZATION ATTACHED A COPY OF THE CHNA TO THE TAX RETURN |
| HEART OF AMERICA MEDICAL CENTER | PART V, SECTION B, LINE 7 ONE NEED IDENTIFIED WAS THE NEED FOR INTERNAL MEDICINE SPECIALI<br>STS WE HAVE BEEN UNABLE TO RECRUIT AN INTERNAL MEDICINE SPECIALIST AT OUR FACILITY WE AR<br>E STILL WORKING ON CONTRACTING WITH LARGER HOSPITALS FOR OTHER SPECIALISTS, AND WE ARE CUR<br>RENTLY IN THE PROCESS OF IMPLEMENTING TELEHEALTH PSYCHIATRIC SERVICES |
| HEART OF AMERICA MEDICAL CENTER | PART V, SECTION B, LINE 11 HEART OF AMERICA MEDICAL CENTER USES A SLIDING FEE SCHEDULE BA<br>SED OF FPG THERE IS 100% BENEFIT AT 100% FPG, 80% BENEFIT AT 125% FPG, 60% BENEFIT AT 150<br>% FPG, 40% BENEFIT AT 175% FPG, 20% BENEFIT AT 200% FPG, AND 0% BENEFIT FOR THOSE GREATER<br>THAN 200% FPG |
| HEART OF AMERICA MEDICAL CENTER | PART V, SECTION B, LINE 18E ANY THIRD PARTY SELF PAY COMPANY NOTIFIES INDIVIDUALS OF FINA<br>NCIAL ASSISTANCE POLICY DURING FOLLOW UP COLLECTION PHONE CALLS |

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**Schedule J** (Form 990)

Department of the Treasury
Internal Revenue Service

# Compensation Information

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

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

OMB No 1545-0047

**2013**

**Open to Public Inspection**

Name of the organization
GOOD SAMARITAN HOSPITAL ASSOCIATION

**Employer identification number**
45-0226419

## Part I Questions Regarding Compensation

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

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

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

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

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported as deferred in prior Form 990 |
|---|---|---|---|---|---|---|---|---|
| | | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| (1)RONALD SKIPPER<br>TRUSTEE/SURGEON | (i)<br>(ii) | 311,418<br>0 | 0<br>0 | 0<br>0 | 18,000<br>0 | 18,921<br>0 | 348,339<br>0 | 0<br>0 |
| (2)JEFFREY LINGERFELT<br>CEO/SECRETARY | (i)<br>(ii) | 163,290<br>0 | 0<br>0 | 254<br>0 | 30,000<br>0 | 11,581<br>0 | 205,125<br>0 | 0<br>0 |
| (3)OSCAR FERNANDEZ ER<br>PHYSICIAN | (i)<br>(ii) | 364,844<br>0 | 0<br>0 | 0<br>0 | 0<br>0 | 12,672<br>0 | 377,516<br>0 | 0<br>0 |
| (4)JULIA GARCIA<br>PHYSICIAN | (i)<br>(ii) | 195,175<br>0 | 0<br>0 | 73<br>0 | 3,567<br>0 | 14,661<br>0 | 213,476<br>0 | 0<br>0 |
| (5)HUBERT SEILER<br>PHYSICIAN | (i)<br>(ii) | 141,860<br>0 | 0<br>0 | 319<br>0 | 6,354<br>0 | 12,502<br>0 | 161,035<br>0 | 0<br>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 4A | IN FY 2014, BONNIE KUEHNEMUND RECEIVED SEVERANCE PAY TOTALING $1,633 |

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# Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

## Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

**2013**

Open to Public Inspection

Name of the organization
GOOD SAMARITAN HOSPITAL ASSOCIATION

Employer identification number
45-0226419

## Part I Bond Issues

| | (a) Issuer name | (b) Issuer EIN | (c) CUSIP # | (d) Date issued | (e) Issue price | (f) Description of purpose | (g) Defeased | | (h) On behalf of issuer | | (i) Pool financing | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Yes | No | Yes | No | Yes | No |
| A | CITY OF RUGBY NORTH DAKOTA HEALTH CARE FACILITY REVENUE BONDS SERIES 2013 | 45-6002152 | | 09-19-2013 | 1,215,000 | IMPROVEMENTS TO HOSPITAL AND CLINIC | | X | | X | | X |

## Part II Proceeds

| | | A | B | C | D |
|---|---|---|---|---|---|
| 1 | Amount of bonds retired | 48,678 | | | |
| 2 | Amount of bonds legally defeased | | | | |
| 3 | Total proceeds of issue | 1,215,000 | | | |
| 4 | Gross proceeds in reserve funds | | | | |
| 5 | Capitalized interest from proceeds | | | | |
| 6 | Proceeds in refunding escrows | | | | |
| 7 | Issuance costs from proceeds | 15,000 | | | |
| 8 | Credit enhancement from proceeds | | | | |
| 9 | Working capital expenditures from proceeds | | | | |
| 10 | Capital expenditures from proceeds | 1,200,000 | | | |
| 11 | Other spent proceeds | | | | |
| 12 | Other unspent proceeds | | | | |
| 13 | Year of substantial completion | 2013 | | | |

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

## Part III Private Business Use

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

## Part III Private Business Use *(Continued)*

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

## Part IV Arbitrage

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

## Part IV Arbitrage *(Continued)*

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

## Part V Procedures To Undertake Corrective Action

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

## Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

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

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**Schedule L** (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

# Transactions with Interested Persons

▶ 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.

OMB No 1545-0047

**2013**

**Open to Public Inspection**

Name of the organization
GOOD SAMARITAN HOSPITAL ASSOCIATION

**Employer identification number**
45-0226419

## 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 |
|---|---|---|---|---|
| | | | | |
| | | | | |
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| | | | | |

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? To | From | (e) Original principal amount | (f) Balance due | (g) In default? Yes | No | (h) Approved by board or committee? Yes | No | (i) Written agreement? Yes | No |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | |
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| | | | | | | | | | | | | |
| 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 |
|---|---|---|---|---|
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## 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 |
| (1) JULIE BAUSTAD | FAMILY MEMBER OF BOARD MEMBER RICHARD ANDERSON | 97,655 | EMPLOYMENT | | No |
| (2) JODI SCHAAN | FAMILY MEMBER OF BOARD MEMBER MARK SCHAAN | 50,506 | EMPLOYMENT | | No |
| (3) KRISTINE EVENSON | FAMILY MEMBER OF OFFICER AMANDA LOUGHMAN | 44,678 | EMPLOYMENT | | No |
| (4) JESSE SERVOLD | FAMILY MEMBER OF OFFICER AMANDA LOUGHMAN | 32,679 | EMPLOYMENT | | No |
| | | | | | |
| | | | | | |

## Part V Supplemental Information

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

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

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

Department of the Treasury
Internal Revenue Service

# Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

**2013**

**Open to Public Inspection**

Name of the organization
GOOD SAMARITAN HOSPITAL ASSOCIATION

**Employer identification number**
45-0226419

## 990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| FORM 990, PART VI, SECTION A, LINE 2 | MARK SCHAAN, GSHA DIRECTOR, IS BROTHER TO PAUL SCHAAN, GOOD SAMARITAN HEALTH SERVICE FOUNDATION DIRECTOR |
| FORM 990, PART VI, SECTION A, LINE 6 | GSHA IS OWNED BY THE LOCAL CHURCHES WHOSE DELEGATES VOTE AT THE ANNUAL MEETING ON ELECTION<br>OF THE GSHA BOARD MEMBERS AND OTHER PERTINENT BUSINESS AS PRESENTED AT THE ANNUAL MEETING<br>THERE ARE NO MEMBERSHIP FEES ANY LOCAL CHURCH WISHING TO BE A MEMBER OF GSHA CAN DO SO<br>THRU VOTE AT THE ANNUAL MEETING |
| FORM 990, PART VI, SECTION A, LINE 7A | EACH MEMBER CHURCH HAS UP TO TWO VOTING DELEGATES AT OUR ANNUAL MEETING WHERE THE BOARD OF<br>DIRECTORS ARE ELECTED TO SERVE ON THE BOARD OF DIRECTORS |
| FORM 990, PART VI, SECTION A, LINE 7B | AT THE ANNUAL MEETING THE VOTING DELEGATES FROM THE CHURCHES WILL VOTE ON CHANGES TO BY-LAWS OR ARTICLES OF INCORPORATION |
| FORM 990, PART VI, SECTION B, LINE 11 | THE CEO AND CFO REVIEW THE 990 FIRST AND IT IS THEN SENT ELECTRONICALLY TO ALL BOARD MEMBERS FOR THEIR REVIEW ANY BOARD MEMBER QUESTIONS OR DISCUSSION ITEMS ARE SENT TO ADMINISTRA<br>TION VIA EMAIL PRIOR TO SUBMISSION TO THE INTERNAL REVENUE SERVICE |
| FORM 990, PART VI, SECTION B, LINE 12C | A CONFLICT OF INTEREST STATEMENT IS REVIEWED ANNUALY IT IS MONITORED DURING YEAR A MEMBER WILL ABSTAIN FROM VOTING ON AN ISSUE IF A CONFLICT OF INTEREST IN THE MATTER IS PRESENT<br>CEO RECEIVES AND REVIEWS THE RESPONSES REGARDING THE ANNUAL DISCLOSURE |
| FORM 990, PART VI, SECTION B, LINE 15 | COMPARATIVE DATA IS REVIEWED AND INCORPORATED INTO THE REVIEW PROCESS SUCH AS LOOKING AT S<br>TATE WAGE SURVEY DATA FOR THE CEO, EACH BOARD MEMBER COMPLETES THEIR OWN EVALUATION FORM<br>THE HUMAN RESOURCE COMMITTEE REVIEWS THE RESPONSES AND MAKES A RECOMMENDATION TO THE FULL<br>BOARD FULL BOARD DECIDES ON ANY CHANGES TO THE CEO COMPENSATION REVIEW IS DONE ANNUALLY<br>AT TIME OF ANNIVERSARY DATE OF CONTRACT BOARD TYPICALLY DOES NOT APPROVE WAGES FOR OTHER<br>POSITIONS CEO APPROVES THE CFO WAGES COMPARATIVE DATA IS USED THROUGHOUT THE FACILITY A<br>ND INCORPORATED INTO THE ANNUAL REVIEW OF EMPLOYEE WAGES DONE BY THE DEPARTMENT HEAD OR SU<br>PERVISOR WAGES ARE COMPARED TO THE NDHA ANNUAL SALARY SURVEY REPORT AT THE TIME OF THEIR<br>ANNUAL REVIEW |
| FORM 990, PART VI, SECTION C, LINE 19 | THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST |
| FORM 990, PART XI, LINE 9 | INCREASE IN INTEREST IN FOUNDATION 62,393 |

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# SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

## Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

**2013**

**Open to Public Inspection**

Name of the organization
GOOD SAMARITAN HOSPITAL ASSOCIATION

**Employer identification number**
45-0226419

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

| (a) Name, address, and EIN (if applicable) of disregarded entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Total income | (e) End-of-year assets | (f) Direct controlling entity |
|---|---|---|---|---|---|
| | | | | | |
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**Part II Identification of Related Tax-Exempt Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled entity? Yes | (g) No |
|---|---|---|---|---|---|---|---|
| **(1)** GOOD SAMARITAN HEALTH SERVICES FOUNDATION<br>800 SOUTH MAIN AVE<br>RUGBY, ND 58368<br>36-3513553 | FUNDRAISING FOR GOOD SAMARITAN HOSPITAL ASSOCIATION | ND | 501(C)(3) | LINE 7 | GOOD SAMARITAN HOSPITAL ASSOCIATION | Yes | |
| | | | | | | | |
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**Part III** **Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Predominant income(related, unrelated, excluded from tax under sections 512-514) | (f) Share of total income | (g) Share of end-of-year assets | (h) Disproprtionate allocations? | | (i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Yes | No | | Yes | No | |
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**Part IV** **Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total income | (g) Share of end-of-year assets | (h) Percentage ownership | (i) Section 512 (b)(13) controlled entity? | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Yes | No |
| | | | | | | | | | |
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**Part V** **Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

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

| (a) Name of related organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|---|---|---|---|
| **(1)** GOOD SAMARITAN HEALTH SERVICES FOUNDATION | C | 266,754 | COST |
| **(2)** GOOD SAMARITAN HEALTH SERVICES FOUNDATION | E | 648,537 | COST |
| | | | |
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**Part VI** **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

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

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

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

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

# Good Samaritan Hospital Association and Affiliate

Rugby, North Dakota

## Consolidated Financial Statements and Supplementary Information

Years Ended March 31, 2014 and 2013

# Good Samaritan Hospital Association and Affiliate

## Consolidated Financial Statements and Supplementary Information

Years Ended March 31, 2014 and 2013

## Table of Contents

WIPFLi LLP

## Independent Auditor's Report

Board of Directors
Good Samaritan Hospital Association and Affiliate
Rugby, North Dakota

We have audited the accompanying consolidated financial statements of Good Samaritan Hospital Association and Affiliate (the "Organization"), which comprise the consolidated balance sheets as of March 31, 2014 and 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Good Samaritan Hospital Association and Affiliate as of March 31, 2014 and 2013, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Wipfli LLP

Wipfli LLP

September 12, 2014
Minneapolis, Minnesota

# Good Samaritan Hospital Association and Affiliate

## Consolidated Balance Sheets

March 31, 2014 and 2013

| *Assets* | 2014 | 2013 |
|---|---|---|
| Current assets | | |
| Cash and cash equivalents | $ 369,421 | $ 246,413 |
| Short-term investments | 116,669 | 395,303 |
| Assets limited as to use | - | 27,565 |
| Patient and resident accounts receivable - Net | 3,713,221 | 3,236,238 |
| Other accounts receivable | 368,627 | 190,831 |
| Due from third-party reimbursement programs | 108,027 | 270,000 |
| Supplies | 167,825 | 149,591 |
| Prepaid expenses and other | 84,988 | 45,867 |
| Total current assets | 4,928,778 | 4,561,808 |
| Assets limited as to use - Net of amounts required for current liabilities | 4,949,414 | 4,319,751 |
| Property and equipment - Net | 5,878,920 | 4,301,120 |
| Other assets. | | |
| Long-term investments | 2,235,482 | 1,795,255 |
| Surplus notes receivable | - | 354,182 |
| Notes receivable | 255,864 | 146,232 |
| Investment in unconsolidated affiliate | - | 9,800 |
| Intangible assets - Net | 71,333 | 124,833 |
| Resident trust funds | 25,559 | 21,416 |
| Total other assets | 2,588,238 | 2,451,718 |
| TOTAL ASSETS | $ 18,345,350 | $ 15,634,397 |

# Good Samaritan Hospital Association and Affiliate

## Consolidated Balance Sheets

March 31, 2014 and 2013

| *Liabilities and Net Assets* | 2014 | 2013 |
|---|---|---|
| Current liabilities | | |
| Lines of credit | $ 1,821,000 | $ 1,847,000 |
| Current maturities of long-term debt | 138,986 | 56,821 |
| Current portion of obligations under capital leases | 387,094 | 39,385 |
| Accounts payable - Trade | 562,435 | 558,443 |
| Accrued liabilities | | |
| Salaries and wages | 339,572 | 277,992 |
| Paid time off | 883,598 | 824,624 |
| Payroll taxes and other | 154,283 | 286,091 |
| Interest | - | 477 |
| Total current liabilities | 4,286,968 | 3,890,833 |
| Long-term liabilities | | |
| Charitable gift annuities | 8,869 | 3,529 |
| Resident trust funds | 27,302 | 22,564 |
| Trust obligations | 5,485 | 5,241 |
| Long-term debt - Less current maturities | 1,683,405 | 596,817 |
| Obligations under capital leases - Less current portion | 724,041 | 93,854 |
| Total long-term liabilities | 2,449,102 | 722,005 |
| Total liabilities | 6,736,070 | 4,612,838 |
| Net assets | | |
| Unrestricted | 10,956,050 | 10,452,222 |
| Temporarily restricted | 491,331 | 408,938 |
| Permanently restricted | 161,899 | 160,399 |
| Total net assets | 11,609,280 | 11,021,559 |
| TOTAL LIABILITIES AND NET ASSETS | $ 18,345,350 | $ 15,634,397 |

See accompanying notes to consolidated financial statements.

# Good Samaritan Hospital Association and Affiliate

## Consolidated Statements of Operations

Years Ended March 31, 2014 and 2013

| | 2014 | 2013 |
|---|---|---|
| Revenue | | |
| Patient and resident service revenue, net of contractual adjustments and discounts | $ 22,340,590 | $ 21,058,958 |
| Provision for bad debts | 753,411 | 877,053 |
| Net patient and resident service revenue - Less provision for bad debts | 21,587,179 | 20,181,905 |
| Other operating income | 1,528,774 | 1,143,563 |
| Total revenue | 23,115,953 | 21,325,468 |
| Expenses. | | |
| Professional care of patients and residents | 14,222,219 | 13,793,330 |
| Administration and general | 5,428,849 | 5,223,238 |
| Property and household | 2,064,696 | 1,918,075 |
| Dietary | 1,312,388 | 1,213,082 |
| Interest | 127,829 | 106,331 |
| Depreciation and amortization | 996,166 | 841,046 |
| Total expenses | 24,152,147 | 23,095,102 |
| Loss from operations | (1,036,194) | (1,769,634) |
| Other income | | |
| Investment income | 623,018 | 455,757 |
| Gain on disposal of property and equipment | 39,235 | 2,000 |
| Contributions | 796,977 | 224,322 |
| Ambulance subsidy | 45,468 | 59,807 |
| Total other income | 1,504,698 | 741,886 |
| Excess (deficiency) of revenue over expenses | 468,504 | (1,027,748) |
| Other changes in net assets | | |
| Contributions for long-lived assets | 55,324 | 109,260 |
| Reclassification of net assets | (20,000) | - |
| Increase (decrease) in unrestricted net assets | $ 503,828 | $ (918,488) |

See accompanying notes to consolidated financial statements.

# Good Samaritan Hospital Association and Affiliate

## Consolidated Statements of Changes in Net Assets

Years Ended March 31, 2014 and 2013

| | 2014 | 2013 |
|---|---|---|
| Unrestricted net assets | | |
| Excess (deficiency) of revenue over expenses | $ 468,504 | $ (1,027,748) |
| Contributions for long-lived assets | 55,324 | 109,260 |
| Reclassification of net assets | (20,000) | - |
| Increase (decrease) in unrestricted net assets | 503,828 | (918,488) |
| Temporarily restricted net assets | | |
| Contributions | 5,408 | 13,106 |
| Investment income | 56,985 | 36,706 |
| Reclassification of net assets | 20,000 | - |
| Increase in temporarily restricted net assets | 82,393 | 49,812 |
| Permanently restricted net assets - Contributions | 1,500 | 14,220 |
| Increase (decrease) in net assets | 587,721 | (854,456) |
| Net assets at beginning | 11,021,559 | 11,876,015 |
| Net assets at end | $ 11,609,280 | $ 11,021,559 |

See accompanying notes to consolidated financial statements.

# Good Samaritan Hospital Association and Affiliate

## Consolidated Statements of Cash Flows

Years Ended March 31, 2014 and 2013

| | 2014 | 2013 |
|---|---|---|
| Increase (decrease) in cash and cash equivalents. | | |
| Cash flows from operating activities | | |
| Increase (decrease) in net assets | $ 587,721 | $ (854,456) |
| Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities | | |
| Depreciation and amortization | 996,166 | 841,046 |
| Provision for bad debts | 753,411 | 877,053 |
| Net unrealized gains on investments | (532,927) | (256,072) |
| Net realized gains on investments | (78,052) | (182,242) |
| Gain on disposal of property and equipment | (39,235) | (2,000) |
| Contributions for long-lived assets | (56,824) | (109,260) |
| Change in valuation of charitable gift annuities | 6,640 | - |
| Change in investment in unconsolidated affiliate | 9,800 | - |
| Principal forgiven on notes receivable | 26,266 | - |
| Changes in operating assets and liabilities. | | |
| Patient and resident accounts receivable | (1,230,394) | 6,820 |
| Other accounts receivable | (177,796) | (39,412) |
| Due from third-party reimbursement programs | 161,973 | (237,000) |
| Supplies | (18,234) | 31,167 |
| Prepaid expenses and other | (39,121) | (2,812) |
| Resident trust funds | 595 | (865) |
| Accounts payable - Trade | 3,992 | 138,952 |
| Accrued liabilities | (11,731) | 70,443 |
| Total adjustments | (225,471) | 1,135,818 |
| Net cash provided by operating activities | 362,250 | 281,362 |

# Good Samaritan Hospital Association and Affiliate

## Consolidated Statements of Cash Flows (Continued)

Years Ended March 31, 2014 and 2013

| | 2014 | 2013 |
|---|---|---|
| Cash flows from investing activities. | | |
| Purchase of property and equipment | $ (1,243,373) | $ (968,706) |
| Proceeds from sale of property and equipment | 92,467 | 2,000 |
| Purchases of assets limited as to use | (122,010) | (392,314) |
| Proceeds from (purchases of) short-term investments | 278,634 | (2,400) |
| (Purchases) sales of long-term investments | (309,092) | 328,434 |
| Payments received from surplus note receivable | 354,182 | - |
| Payments received from notes receivable | 29,102 | 3,200 |
| Disbursements provided for notes receivable | (165,000) | - |
| Payment of charitable gift annuity obligations | (1,300) | - |
| Net cash used in investing activities | (1,086,390) | (1,029,786) |
| Cash flows from financing activities | | |
| Net proceeds from lines of credit | 1,174,000 | 527,000 |
| Repayments of lines of credit | (1,200,000) | - |
| Proceeds from long-term debt | 1,273,213 | - |
| Principal payments on long-term debt | (104,460) | (90,387) |
| Payments on capital leases | (352,429) | (37,100) |
| Contributions for long-lived assets | 56,824 | 109,260 |
| Net cash provided by financing activities | 847,148 | 508,773 |
| Net increase (decrease) in cash and cash equivalents | 123,008 | (239,651) |
| Cash and cash equivalents at beginning | 246,413 | 486,064 |
| Cash and cash equivalents at end | $ 369,421 | $ 246,413 |
| **Supplemental cash flow information:** | | |
| Cash paid during the year for interest | $ 128,306 | $ 107,032 |
| **Noncash investing and financing activities:** | | |
| Principal forgiven on notes receivable | $ 26,266 | $ - |
| Equipment acquired under capital lease obligation | 1,330,325 | - |

See accompanying notes to consolidated financial statements.

## Note 1 Summary of Significant Accounting Policies

### The Entity

Good Samaritan Hospital Association (the "Association") consists of Heart of America Medical Center (the "Hospital") and Haaland Estates located in Rugby, North Dakota. The Association is the sole member of Good Samaritan Health Services Foundation (the "Foundation").

The Association and Foundation are organized as North Dakota nonprofit corporations. The Hospital operates a 25-bed acute-care hospital, an 80-bed long-term-care skilled nursing facility, and rural health clinics located in the cities of Rugby, Dunseith, and Maddock, North Dakota.

Haaland Estates operates a 68-bed basic-care nursing facility and a 37-unit assisted living complex.

The Foundation is organized to raise funds to support the mission of the Association.

### Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Association and the Foundation (collectively "the Organization"). All material intercompany accounts and transactions have been eliminated in consolidation.

### Financial Statement Presentation

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

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

### Use of Estimates in Preparation of Consolidated Financial Statements

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

### Cash and Cash Equivalents

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

### Short-Term Investments

Nonnegotiable certificates of deposit, whose use is not limited, with original maturities greater than three months and remaining maturities less than one year, are classified as short-term investments and are carried at cost plus accrued interest in the accompanying consolidated balance sheets.

### Patient and Resident Accounts Receivable and Credit Policy

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

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

**Patient and Resident Accounts Receivable and Credit Policy** (Continued)

The Organization has a policy to charge interest on past-due accounts where the patient or resident has not entered into a payment plan or has not made required payments under such payment plan.

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

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

### Patient and Resident Accounts Receivable and Credit Policy (Continued)

In evaluating the collectibility of patient and resident accounts receivable, the Organization analyzes past results and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. Specifically, for receivables associated with services provided to patients and residents who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely. For receivables associated with self-pay patients (which includes both patients and residents without insurance and patients and residents with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Organization records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients or residents 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.

### Assets Limited as to Use

Assets limited as to use include assets set aside under terms of a bond indenture agreement, funds held for scholarships, and assets set aside by the Board of Directors for future capital improvements over which the Board of Directors retains control and may at its discretion subsequently use for other purposes. Amounts required to meet current liabilities of the Organization have been classified as current assets.

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

### Investments and Investment Income

Investments are recorded at fair value in the accompanying consolidated balance sheets.

Investment income (including unrealized and realized gains and losses on investments, interest, and dividends) is reported as other income and is included in the excess (deficiency) of revenue over expenses unless the income or loss is restricted by donor or law. Realized gains or losses are determined by specific identification.

### Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Assets or liabilities measured and reported at fair value are classified and disclosed in one of the three following categories:

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

Level 2 - Inputs to the valuation methodology include

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

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

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

**Fair Value Measurements** (Continued)

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

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

**Property, Equipment, and Depreciation**

Property and equipment acquisitions are recorded at cost or, if donated, at fair value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter of the estimated useful life of the equipment or the lease term. Such amortization is included with depreciation expense in the accompanyingconsolidated financial statements. Estimated useful lives range from 5 to 20 years for land improvements, 5 to 20 years for major movable equipment and equipment under capital lease obligations, and from 5 to 40 years for buildings and fixed equipment.

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

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support and are excluded from excess (deficiency) of revenue over 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 the donated or acquired long-lived assets are placed in service.

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

### Asset Impairment

The Organization reviews its property, equipment, and intangible assets to determine potential impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable by comparing the carrying value with the estimated future net discounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future net cash flows be less than the carrying value, the Organization would recognize an impairment loss at that time. No asset impairment losses were recognized in 2014 and 2013.

### Asset Retirement Obligations

ASC Topic 410, *Accounting for Conditional Asset Retirement Obligations*, clarifies when an entity is required to recognize a liability for a conditional asset retirement obligation. The Organization has considered ASC Topic 410, specifically as it relates to its legal obligation to perform asset retirement activities, such as asbestos removal, on its existing properties. The Organization believes there is an indeterminate settlement date for the asset retirement obligations because the range of time over which the Organization may settle the obligation is unknown and cannot be estimated. As a result, the Organization cannot reasonably estimate the liability related to these asset retirement activities as of March 31, 2014 and 2013.

### Resident Trust Funds

The Association holds funds under an agency relationship for the residents of the Hospital's long-term care facility, swing-bed units, and basic-care facility and also holds damage deposits for the residents of Haaland Estates. Resident trust funds are recorded as an asset and liability in the accompanying consolidated balance sheets.

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

### Notes Receivable

Notes receivable consists of promissory notes ("Notes") issued from providers and employees of the Organization. Some Notes require principal and interest due the Organization in monthly installments, while other Notes provide for the forgiveness of principal subject to certain conditions. Should the conditions in the Notes not be satisfied, any unforgiven balance becomes due and payable to the Organization.

### Intangible Assets

Intangible assets, which include assets acquired with the purchase of the rural health clinics in 2011, are amortized on the straight-line basis over the expected useful lives.

### Investments in Unconsolidated Affiliate

The investment in an unconsolidated affiliate is accounted for using the equity method.

### Charitable Gift Annuities

Proceeds from charitable gift annuities are recognized as temporarily restricted contributions in the year received. The present value of payments due under the annuity contracts are recorded as a liability that is reduced by payments to the annuitant and is periodically adjusted for changes in the expected life of the annuitant. Upon the death of the annuitant, the contribution becomes unrestricted and net assets are released from restrictions.

### Trust Obligations

Trust obligations consist of funds held under an agency relationship for a scholarship fund. Related investments are included in assets limited as to use in the accompanying consolidated balance sheets.

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

### Net Assets

Unrestricted net assets consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of the Organization and include those expendable resources that have been designated for special use by the Organization's Board of Directors. Temporarily restricted net assets are those whose use by the Organization has been limited by donors or state statute to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity.

### Net Patient and Resident Service Revenue

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

For uninsured patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy).

### Charity Care

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

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

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

### Contributions

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

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

### Excess (Deficiency) of Revenue Over Expenses

The accompanying consolidated statements of operations and changes in net assets include the classification excess (deficiency) of revenue over expenses, which is considered the operating indicator. Changes in unrestricted net assets, which are excluded from the operating indicator, include permanent transfer of assets to and from affiliates for other than goods and services and contributions of long-lived assets, including assets acquired using contributions that by donor restriction were to be used for the purposes of acquiring such assets.

### Advertising Costs

Advertising costs are expensed as incurred.

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

### Income Taxes

The Hospital, Foundation, and Haaland Estates are tax-exempt corporations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal and state income taxes on related income pursuant to Section 509(a)(2) of the Code.

In order to account for any uncertain tax positions, the Organization determines whether it is more likely than not that a tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more-likely-than-not recognition threshold, the benefit of the tax position is not recognized in the financial statements. The Organization has not recorded any assets or liabilities related to uncertain tax positions or unrecognized tax benefits as of March 31, 2014 or 2013.

The Organization's federal returns for tax years 2011 and beyond remain subject to examination by the Internal Revenue Service.

### Subsequent Events

Subsequent events have been evaluated through September 12, 2014, which is the date the consolidated financial statements were available to be issued.

## Note 2 Reimbursement Arrangements With Third-Party Payers

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

### Hospital

*Medicare and Medicaid* - The Hospital is designated a critical access hospital. As such, all inpatient and outpatient hospital services rendered to Medicare and Medicaid beneficiaries are paid based on a cost-reimbursement methodology, with the exception of certain types of laboratory, mammography, and therapy services, which are reimbursed on prospectively determined fee schedules.

*Blue Cross* - Inpatient services rendered to Blue Cross subscribers are paid at prospectively determined rates per discharge. Outpatient services are reimbursed at outpatient fee screen amounts or at established charges less a prospectively determined discount. The prospectively determined discount is not subject to retroactive adjustments.

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

## Note 2 Reimbursement Arrangements With Third-Party Payers (Continued)

### Skilled Nursing Facility and Basic Care Facility

*Medicare* - Reimbursement for Part A residents under the Medicare program in the Association's skilled nursing facility is based on a prospectively based case-mix system.

*Medicaid and Private Pay* - The Association is reimbursed for services provided to residents of the skilled nursing and basic care facilities at established billing rates that are determined on a cost-regulated basis subject to certain limitations as prescribed by North Dakota Department of Human Services regulations. These rates are subject to retroactive adjustment by field audit.

By North Dakota statute, a skilled nursing facility may not charge its private-pay residents in multiple-occupancy rooms per diem rates in excess of the approved Medicaid rates for similar services.

### Clinics

Certain physician and professional services rendered to Medicare and Medicaid beneficiaries qualify for reimbursement as Medicare-approved rural health clinic services. Qualifying services are reimbursed based on a cost-reimbursement methodology. Under federal law, a rural health clinic is also entitled to receive a wraparound payment for the difference between cost and the amount paid by Medicaid managed-care health plans.

### Accounting for Contractual Arrangements

The Association is reimbursed for cost-reimbursable items at tentative rates, with final settlements determined after audit of the related annual cost reports by the respective Medicare and Medicaid fiscal intermediary. Estimated provisions to approximate the final expected settlements after review by the intermediaries are included in the accompanyingconsolidated financial statements. The Hospital's Medicare cost reports have been examined by the Medicare fiscal intermediary through March 31, 2013. The Hospital's Medicaid cost reports have been examined by the Medicaid fiscal intermediary through March 31, 2011. The Association's skilled nursing facility and basic care facility cost reports have been examined by the North Dakota Department of Human Services through the cost reporting period ended June 30, 2013.

## Note 2 Reimbursement Arrangements With Third-Party Payers (Continued)

### Laws and Regulations

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and billing regulations. Government activity with respect to investigations and allegations concerning possible violations of such regulations by health care providers has increased. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayment for patient and resident services previously billed. Management believes that the Organization is in compliance with applicable government laws and regulations. Although no significant regulatory inquiries have been made of the Organization, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

The Centers for Medicare & Medicaid Services (CMS) uses recovery audit contractors (RACs) as part of its efforts to ensure accurate payments under the Medicare program. RACs search for potentially inaccurate Medicare payments that may have been made to health care providers and not detected through existing CMS program-integrity efforts. Once a RAC identifies a claim it believes is inaccurate, the RAC makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. The organization may either accept or appeal the RAC's findings. The Association's policy is to adjust revenue for decreases in reimbursement from the RAC reviews when these amounts are estimatable and to adjust revenue for increases in reimbursement from the RAC reviews when the increase in reimbursement is agreed upon. A RAC review of the Association's Medicare claims is anticipated, however, the outcome of such a review is unknown, and any financial impact cannot be reasonably estimated at March 31, 2014.

## Note 3 Patient and Resident Accounts Receivable

Patient and resident accounts receivable consisted of the following at March 31.

| | 2014 | 2013 |
|---|---|---|
| Gross patient and resident accounts receivable | $ 6,144,400 | $ 5,332,922 |
| Less | | |
| Contractual adjustments | 1,489,432 | 1,056,953 |
| Allowance for doubtful accounts | 941,747 | 1,039,731 |
| Patient and resident accounts receivable - Net | $ 3,713,221 | $ 3,236,238 |

The Organization's allowance for doubtful accounts for self-pay patients and residents increased from 72% of self-pay accounts receivable at March 31, 2013, to 84% self-pay accounts receivable at March 31, 2014. In addition, the Organization's self-pay write-offs increased $588,000 from $474,000 for fiscal year 2013 to $1,062,000 for fiscal year 2014. The increase in write-offs was the result of a new program and contract with an outside agency to work self-pay accounts resulting in accounts being written off in a more timely manner after reasonable efforts to collect outstanding balances had been exhausted. The Organization has not changed its charity care or uninsured discount policies during fiscal years 2014 or 2013. The Organization does not maintain a material allowance for doubtful accounts from third-party payers, however, the Organization has incurred write-offs of third-party payer receivables totaling $52,000 and $554,000, in 2014 and 2013, respectively.

## Note 4 Investments and Assets Limited as to Use

### Investments

Investments consisted of the following at March 31

| | 2014 | 2013 |
|---|---|---|
| Cash | $ 43,845 | $ 16,276 |
| Certificates of deposit - Nonnegotiable | 1,205,445 | 1,201,791 |
| Mutual funds | 680,465 | 604,136 |
| Common stock | 422,396 | 368,355 |
| Total investments | 2,352,151 | 2,190,558 |
| Less - Short-term investments | 116,669 | 395,303 |
| Long-term investments | $ 2,235,482 | $ 1,795,255 |

## Note 4 Investments and Assets Limited as to Use (Continued)

### Assets Limited as to Use

Assets limited as to use, stated at fair value, consisted of the following at March 31:

| | 2014 | 2013 |
|---|---|---|
| Under bond indenture agreements - Cash | $ - | $ 27,565 |
| Scholarship fund - Mutual funds | 5,485 | 5,241 |
| Board-designated for capital improvements | | |
| Cash | 7,701 | 29,879 |
| Money market funds | 392,744 | 298,002 |
| Certificates of deposit - Nonnegotiable | 455,244 | 452,988 |
| Mutual funds | 2,766,254 | 2,293,270 |
| Government obligations | 314,981 | 352,024 |
| Common stock | 955,578 | 835,771 |
| Corporate debt securities | 51,427 | 52,396 |
| Total board-designated for capital improvements | 4,943,929 | 4,314,330 |
| Total assets limited as to use | 4,949,414 | 4,347,136 |
| Less - Amount required for current liabilities | - | 27,565 |
| Assets limited as to use - Net of amounts required for current liabilities | $ 4,949,414 | $ 4,319,571 |

## Note 4 Investments and Assets Limited as to Use (Continued)

### Investment Income

Investment income, primarily interest income, realized gains and losses, and unrealized gains and losses on cash equivalents, investments, and assets limited as to use consisted of the following at March 31

| | 2014 | 2013 |
|---|---|---|
| Unrestricted investment income | | |
| Interest, dividends, and realized gains and losses | $ 144,191 | $ 199,685 |
| Change in investment in unconsolidated affiliate | (9,800) | - |
| Net unrealized gains on investments | 488,627 | 256,072 |
| Total unrestricted investment income | 623,018 | 455,757 |
| Temporarily restricted investment income: | | |
| Interest, dividends, and realized gains and losses | 12,685 | 10,050 |
| Net unrealized gains on investments | 44,300 | 26,656 |
| Total temporarily restricted investment income | 56,985 | 36,706 |
| Total investment income | $ 680,003 | $ 492,463 |

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

## Note 5 Fair Value Measurements

Information regarding the fair value of assets measured at fair value on a recurring basis as of March 31, 2014, follows

| | | Recurring Fair Value Measurements Using | | |
|---|---|---|---|---|
| | Assets Measured at Fair Value | Level 1 | Level 2 | Level 3 |
| Assets | | | | |
| Money market funds | $ 436,646 | $ - | $ 436,646 | $ - |
| Mutual funds - International | 592,743 | 592,743 | - | - |
| Mutual funds - U.S. equities | 2,191,247 | 2,191,247 | - | - |
| Mutual funds - U.S. fixed income | 668,214 | 668,214 | - | - |
| Government obligations | 314,981 | - | 314,981 | - |
| Common stock | 1,377,974 | 1,377,974 | - | - |
| Corporate debt securities | 51,427 | - | 51,427 | - |
| Total assets | $ 5,633,232 | $ 4,830,178 | $ 803,054 | $ - |

## Note 5 Fair Value Measurements (Continued)

Information regarding the fair value of assets measured at fair value on a recurring basis as of March 31, 2013, follows

| | | Recurring Fair Value Measurements Using | | |
|---|---|---|---|---|
| | Assets Measured at Fair Value | Level 1 | Level 2 | Level 3 |
| Assets | | | | |
| Money market funds | $ 308,795 | $ - | $ 308,795 | $ - |
| Mutual funds - International | 535,383 | 535,383 | - | - |
| Mutual funds - U.S. equities | 1,711,655 | 1,711,655 | - | - |
| Mutual funds - U.S. fixed income | 655,789 | 655,789 | - | - |
| Government obligations | 352,024 | - | 352,024 | - |
| Common stock | 1,204,126 | 1,204,126 | - | - |
| Corporate debt securities | 52,396 | - | 52,396 | - |
| Totals | $ 4,820,168 | $ 4,106,953 | $ 713,215 | $ - |

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

*Mutual funds and common stock* - The carrying value of mutual funds and common stock is based on quoted market prices.

*Government obligations and corporate debt securities* - The fair value is estimated using a variety of techniques including quoted market prices of similar items, broker/dealer quotes, or models using market interest rates.

*Money market funds* - The fair value of money market funds is established by using $1 as the net asset value.

## Note 5 Fair Value Measurements (Continued)

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

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

## Note 6 Property, Equipment, and Depreciation

Property and equipment consisted of the following at March 31.

| | 2014 | 2013 |
|---|---|---|
| Land | $ 137,447 | $ 137,447 |
| Land improvements | 747,818 | 745,418 |
| Buildings | 9,525,209 | 9,409,364 |
| Fixed equipment | 5,285,610 | 4,816,566 |
| Major movable equipment | 8,648,579 | 6,905,434 |
| Total property and equipment | 24,344,663 | 22,014,229 |
| Less - Accumulated depreciation | 18,703,394 | 17,788,842 |
| Net depreciated value | 5,641,269 | 4,225,387 |
| Construction in progress | 237,651 | 75,733 |
| Property and equipment - Net | $ 5,878,920 | $ 4,301,120 |

## Note 6 Property, Equipment, and Depreciation (Continued)

Construction in progress at March 31, 2014, consisted of costs associated primarily with a daycare project and facility master plan that had not yet been placed into service.

Cost of equipment under capital lease obligations, which are included in major movable equipment and fixed equipment, was $1,530,082 and $199,757, and accumulated amortization for equipment under capital lease obligations was $238,590 and $45,778 at March 31, 2014 and 2013, respectively.

## Note 7 Surplus Notes Receivable

The Organization had advanced funds under the terms of note agreements to Heart of America Health Plan (HAHP). The note agreement bore interest at 2.00%, but accrued only upon the approval of the North Dakota State Insurance Commissioner. Principal and interest payments on the note agreements were made when approved by the North Dakota State Insurance Commissioner based on the annual financial performance of HAHP. The note was received in full in 2014.

## Note 8 Investment in Unconsolidated Affiliate

The operating results of this investment are reported in the consolidated statements of operations and changes in net assets in investment income. Detail for the investment in the unconsolidated affiliate at and for the years ended March 31 follows.

| | 2014 | | 2013 | |
|---|---|---|---|---|
| | Investments | Increase (Decrease) in Equity | Investments | Increase (Decrease) in Equity |
| Heart of America Clinic Pharmacy, Inc. | $ - | $ (9,800) | $ 9,800 | $ 9,800 |

The Organization owns 49% of the common stock of Heart of America Clinic Pharmacy, Inc. At March 31, 2014, Heart of America Clinic Pharmacy, Inc. had assets totaling $212,508, liabilities totaling $231,029, and an accumulated deficit of $18,522.

## Note 9 Long-Term Debt

Long-term debt consisted of the following at March 31.

| | 2014 | 2013 |
|---|---|---|
| 4.40% Health Care Facilities Revenue Bonds, Series 2013, due in monthly installments to September 2023 and secured by a mortgage on real property | $ 1,166,322 | $ - |
| 2.00% mortgage note payable, due in varying annual installments to February 2034 and secured by property. | 473,839 | 490,216 |
| Promissory note payable, due in monthly installments of $510 to December 2023. | 56,365 | - |
| 3.27% Health Care Facilities Revenue Bonds - Series 1998A, paid in full in 2014. | - | 24,999 |
| 4.00% special assessments, due in annual installments of $13,406 including interest to October 2025. | 125,865 | 138,423 |
| Total long-term debt | 1,822,391 | 653,638 |
| Less - Current maturities | 138,986 | 56,821 |
| Long-term portion | $ 1,683,405 | $ 596,817 |

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

The bond indentures also provide for various restrictive covenants including maintenance of various financial ratios and limitations on additional borrowing. Management believes the Organization was in compliance with all covenants at March 31, 2014.

## Note 9 Long-Term Debt (Continued)

Scheduled principal payments on long-term debt at March 31, 2014, including current maturities, are summarized as follows

| | |
|---|---|
| 2015 | $ 138,986 |
| 2016 | 144,464 |
| 2017 | 149,693 |
| 2018 | 155,144 |
| 2019 | 160,827 |
| Thereafter | 1,073,277 |
| Total long-term debt | $ 1,822,391 |

## Note 10 Capital Lease Obligations

The Organization uses certain equipment under lease agreements classified as capital leases. Capital lease obligations consisted of the following at March 31

| | 2014 | 2013 |
|---|---|---|
| Phillips Medical Capital, LLC lease obligations at imputed interest rates of 5.99%, with payments due in monthly installments through May 2016, collateralized by medical equipment. | $ 885,807 | $ - |
| Toshiba lease obligation at imputed interest rates of 1.5%, with payments due in monthly installments through March 2018, collateralized by MRI equipment. | 128,786 | - |
| Celtic Commercial Finance lease obligations at imputed interest rates of 3.73%, with payments due in monthly installments through January 2015, collateralized by information technology equipment. | 96,542 | 133,239 |
| Totals | 1,111,135 | 133,239 |
| Less - Current maturities | 387,094 | 39,385 |
| Long-term portion | $ 724,041 | $ 93,854 |

## Note 10 Capital Lease Obligations (Continued)

Minimum future payments under capital lease obligations are as follows.

| | | |
|---|---|---|
| 2015 | $ | 405,564 |
| 2016 | | 274,597 |
| 2017 | | 238,704 |
| 2018 | | 228,301 |
| Total minimum lease payments | | 1,147,166 |
| Amount representing interest | | 36,031 |
| Present value of net minimum lease payments | | 1,111,135 |
| Less - Current portion | | 387,094 |
| Long-term obligation under capital lease | $ | 724,041 |

Rental expense totaled $144,560 and $136,193 in 2014 and 2013, respectively.

## Note 11 Lines of Credit

At March 31, 2014 and 2013, the Organization had various lines of credit totaling $2,250,000 and $3,450,000, respectively, with various banks, bearing interest from 3.00% to 4.25%. The lines of credit are secured by accounts of the Organization and mature during 2014. Outstanding borrowings were $1,821,000 and $1,847,000 at March 31, 2014 and 2013, respectively.

## Note 12 Temporarily Restricted Net Assets

Temporarily restricted net assets of $491,331 and $408,938 at March 31, 2014 and 2013, respectively, were available for a hospice program and to satisfy statutory reserve requirements for charitable gift annuities.

## Note 13 Permanently Restricted Net Assets

The Organization's permanently restricted net assets consist of funds established by donors to benefit the operations of the Association. Net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

### Donor-Restricted Endowments

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

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

## Note 13 Permanently Restricted Net Assets (Continued)

### Investment Return Objectives, Risk Parameters, and Strategies

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

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

### Spending Policy

The Organization has a policy of appropriating for operating expenses the investment earnings from its endowment assets that are held in perpetuity. The Organization's spending policy is such that the corpus of the endowment will be maintained in perpetuity.

### Funds With Shortfalls

From time to time, the fair value of assets associated with the individual donor-restricted endowment funds may fall below the historical dollar value of the fund. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. It is the Organization's policy to fund any deficiencies. There were no such deficiencies at March 31, 2014 and 2013.

## Note 13 Permanently Restricted Net Assets (Continued)

Changes in the endowment net assets were as follows.

| | Temporarily Restricted | Permanently Restricted |
|---|---|---|
| Endowment net assets at March 31, 2012 | $ - | $ 146,179 |
| Contributions | - | 14,220 |
| Investment income (loss) | | |
| Interest, dividends, and realized gains | 10,068 | - |
| Net unrealized losses | 26,638 | - |
| Appropriated for expenditures | (36,706) | - |
| Endowment net assets at March 31, 2013 | - | 160,399 |
| Contributions | - | 1,500 |
| Investment income. | | |
| Interest, dividends, and realized gains | 12,685 | - |
| Net unrealized gains | 44,300 | - |
| Appropriated for expenditures | (56,985) | - |
| Endowment net assets at March 31, 2014 | $ - | $ 161,899 |

## Note 14 Patient and Resident Service Revenue, Net of Contractual Adjustments and Discounts

Patient and resident service revenue, net of contractual adjustments and discounts consisted of the following for the years ended March 31

| | 2014 | 2013 |
|---|---|---|
| Gross patient and resident service revenue | | |
| Medicare | $ 12,828,009 | $ 11,658,625 |
| Medicaid | 6,226,043 | 5,759,616 |
| Blue Cross Blue Shield | 5,134,878 | 4,358,187 |
| Other third-party payers | 4,797,780 | 4,620,479 |
| Self-pay | 2,090,895 | 2,701,024 |
| Totals | 31,077,605 | 29,097,931 |
| Less - Contractual adjustments and discounts | 8,737,015 | 8,038,973 |
| Patient and resident service revenue, net of contractual adjustments and discounts | $ 22,340,590 | $ 21,058,958 |

Patient service revenue, net of contractual adjustments and discounts, (but before the provision for bad debts), recognized in the period from these major payer sources, was as follows for the years ended March 31

| | 2014 | 2013 |
|---|---|---|
| Medicare | $ 7,809,634 | $ 7,385,699 |
| Medicaid | 5,158,705 | 4,599,470 |
| Blue Cross Blue Shield | 3,555,965 | 3,064,963 |
| Other third-party payers | 3,736,386 | 3,332,065 |
| Self-pay | 2,079,900 | 2,676,761 |
| Totals | $ 22,340,590 | $ 21,058,958 |

## Note 15 Charity Care

Consistent with the mission of the Organization, care is provided to patients and residents regardless of their ability to pay, including providing services to those who cannot afford health insurance because of inadequate resources or who are underinsured. Patients and residents who meet certain criteria for charity care, generally based on federal poverty guidelines, are provided care without charge or at a reduced rate, as determined by qualifying criteria defined in the Organization's charity care policy and from applications completed by patients and residents and their families.

The estimated cost of providing care to patients under the Organization's charity care policy was approximately $158,000 and $250,000 in 2014 and 2013 respectively.

In addition to the direct care provided to patients and residents under the Organization's charity care policy, the Organization provides health care services and other financial support through various programs that are designed, among other matters, to benefit the broader community. Benefits for the community include health screenings, community education through seminars and classes, and other health-related services.

## Note 16 Retirement Plan

The Organization has a defined contribution retirement plan covering substantially all employees. The Organization makes discretionary contributions totaling 2.0% of the employee's compensation for all eligible employees. The Organization's retirement plan expense totaled $112,977 and $180,847 in 2014 and 2013, respectively.

## Note 17 Professional Liability Insurance

The Organization's professional liability insurance for claim losses of less than $1,000,000 per claim and $5,000,000 per year covers professional liability claims reported during a policy year ("claims made" coverage). The professional liability insurance policy is renewable annually and has been renewed by the insurance carrier for the annual period extending through January 1, 2015.

Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with the Organization. Although there exists the possibility of claims arising from services provided to patients through March 31, 2014, which have not yet been asserted, the Organization is unable to determine the ultimate cost, if any, of such possible claims and, accordingly, no provisions have been made for them.

## Note 18 Functional Expenses

The Organization provides general health care services to residents within its geographic location. Expenses related to providing these services consisted of the following for the years ended March 31

| | 2014 | 2013 |
|---|---|---|
| Health care services | $ 19,916,440 | $ 19,044,775 |
| General and administrative | 4,171,094 | 3,988,542 |
| Fundraising | 64,613 | 61,785 |
| Total expenses | $ 24,152,147 | $ 23,095,102 |

## Note 19 Concentration of Credit Risk

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

## Note 19 Concentration of Credit Risk (Continued)

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

The mix of receivables from patients, residents, and third-party payers was as follows at March 31.

| | 2014 | 2013 |
|---|---|---|
| Medicare | 39 % | 33 % |
| Medicaid | 17 % | 18 % |
| Blue Cross | 12 % | 11 % |
| Other third-party payers | 14 % | 11 % |
| Self-pay | 18 % | 27 % |
| Totals | 100 % | 100 % |

The Organization maintains depository relationships with area financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). The Organization maintains cash in interest-bearing and non-interest-bearing accounts at these institutions which are insured by the FDIC up to $250,000. At March 31, 2014, the Organization exceeded the insured limits by approximately $1,176,000. In addition, other investments held by the financial institutions are uninsured.

## Note 20 Reclassifications

Certain reclassifications have been made to the 2013 consolidated financial statements to conform to the 2014 classifications.

# Supplementary Information

WIPFLi LLP

## Independent Auditor's Report on Supplementary Information

Board of Directors
Good Samaritan Hospital Association and Affiliate
Rugby, North Dakota

We have audited the consolidated financial statements of Good Samaritan Hospital Association and Affiliate as of and for the years ended March 31, 2014 and 2013, and our report thereon dated September 12, 2014, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information appearing on pages 43 through 50 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Wipfli LLP

Wipfli LLP

September 12, 2014
Minneapolis, Minnesota

# Good Samaritan Hospital Association and Affiliate

## Consolidating Balance Sheets

March 31, 2014

| | Good Samaritan Hospital Association | | | Good Samaritan Health Services | | | |
|---|---|---|---|---|---|---|---|
| | Hospital Division | Haaland Estates | Total | Foundation | Total | Eliminations | Consolidated |
| Current assets | | | | | | | |
| Cash and cash equivalents | $ 173,282 | $ 64,255 | $ 237,537 | $ 131,884 | $ 369,421 | $ - | $ 369,421 |
| Short-term investments | - | 116,669 | 116,669 | - | 116,669 | - | 116,669 |
| Assets limited as to use | - | - | - | - | - | - | - |
| Patient and resident accounts receivable - Net | 3,625,977 | 87,244 | 3,713,221 | - | 3,713,221 | - | 3,713,221 |
| Other accounts receivable | 364,643 | 2,664 | 367,307 | 1,320 | 368,627 | - | 368,627 |
| Due from third-party reimbursement programs | 108,027 | - | 108,027 | - | 108,027 | - | 108,027 |
| Due from related party | 38,827 | 15,206 | 54,033 | - | 54,033 | (54,033) | - |
| Supplies | 156,665 | 11,160 | 167,825 | - | 167,825 | - | 167,825 |
| Prepaid expenses and other | 72,881 | 12,107 | 84,988 | - | 84,988 | - | 84,988 |
| Total current assets | 4,540,302 | 309,305 | 4,849,607 | 133,204 | 4,982,811 | (54,033) | 4,928,778 |
| Assets limited as to use - Net of amounts required for current liabilities | - | 5,138,357 | 5,138,357 | 4,799,439 | 9,937,796 | (4,988,382) | 4,949,414 |
| Property and equipment - Net | 5,069,994 | 808,926 | 5,878,920 | - | 5,878,920 | - | 5,878,920 |
| Other assets: | | | | | | | |
| Long-term investments | - | 1,088,776 | 1,088,776 | 1,146,706 | 2,235,482 | - | 2,235,482 |
| Surplus notes receivable | - | - | - | - | - | - | - |
| Notes receivable | 255,864 | - | 255,864 | - | 255,864 | - | 255,864 |
| Investment in unconsolidated affiliate | - | - | - | - | - | - | - |
| Intangible assets - Net | 71,333 | - | 71,333 | - | 71,333 | - | 71,333 |
| Resident trust funds | 8,716 | 16,843 | 25,559 | - | 25,559 | - | 25,559 |
| Interest in net assets of the Foundation | 471,331 | - | 471,331 | - | 471,331 | (471,331) | - |
| Total other assets | 807,244 | 1,105,619 | 1,912,863 | 1,146,706 | 3,059,569 | (471,331) | 2,588,238 |
| TOTAL ASSETS | $ 10,417,540 | $ 7,362,207 | $ 17,779,747 | $ 6,079,349 | $ 23,859,096 | $ (5,513,746) | $ 18,345,350 |

# Good Samaritan Hospital Association and Affiliate

## Consolidating Balance Sheets (Continued)

March 31, 2014

| | Good Samaritan Hospital Association | | | Good Samaritan | | | |
|---|---|---|---|---|---|---|---|
| | Hospital Division | Haaland Estates | Total | Health Services Foundation | Total | Eliminations | Consolidated |
| Current liabilities | | | | | | | |
| Lines of credit | $ 1,821,000 | $ - | $ 1,821,000 | $ - | $ 1,821,000 | $ - | $ 1,821,000 |
| Current maturities of long-term debt | 130,926 | 8,060 | 138,986 | - | 138,986 | - | 138,986 |
| Current portion of obligations under capital leases | 387,094 | - | 387,094 | - | 387,094 | - | 387,094 |
| Accounts payable - Trade | 534,283 | 27,412 | 561,695 | 740 | 562,435 | - | 562,435 |
| Accrued liabilities | | | | | | | |
| Salaries and wages | 312,141 | 27,431 | 339,572 | - | 339,572 | - | 339,572 |
| Paid time off | 828,854 | 54,744 | 883,598 | - | 883,598 | - | 883,598 |
| Payroll taxes and other | 139,217 | 15,066 | 154,283 | - | 154,283 | - | 154,283 |
| Interest | - | - | - | - | - | - | - |
| Due to related party | - | 54,033 | 54,033 | - | 54,033 | (54,033) | - |
| Total current liabilities | 4,153,515 | 186,746 | 4,340,261 | 740 | 4,341,001 | (54,033) | 4,286,968 |
| Long-term liabilities | | | | | | | |
| Charitable gift annuities | - | - | - | 8,869 | 8,869 | - | 8,869 |
| Resident trust funds | 8,716 | 18,586 | 27,302 | - | 27,302 | - | 27,302 |
| Trust obligations | - | - | - | 4,345,330 | 4,345,330 | (4,339,845) | 5,485 |
| Long-term debt - Less current maturities | 2,260,218 | 71,724 | 2,331,942 | - | 2,331,942 | (648,537) | 1,683,405 |
| Obligations under capital leases - Less current portion | 724,041 | - | 724,041 | - | 724,041 | - | 724,041 |
| Total long-term liabilities | 2,992,975 | 90,310 | 3,083,285 | 4,354,199 | 7,437,484 | (4,988,382) | 2,449,102 |
| Total liabilities | 7,146,490 | 277,056 | 7,423,546 | 4,354,939 | 11,778,485 | (5,042,415) | 6,736,070 |
| Net assets | | | | | | | |
| Unrestricted | 2,799,719 | 7,085,151 | 9,884,870 | 1,071,180 | 10,956,050 | - | 10,956,050 |
| Temporarily restricted | 471,331 | - | 471,331 | 491,331 | 962,662 | (471,331) | 491,331 |
| Permanently restricted | - | - | - | 161,899 | 161,899 | - | 161,899 |
| Total net assets | 3,271,050 | 7,085,151 | 10,356,201 | 1,724,410 | 12,080,611 | (471,331) | 11,609,280 |
| TOTAL LIABILITIES AND NET ASSETS | $ 10,417,540 | $ 7,362,207 | $ 17,779,747 | $ 6,079,349 | $ 23,859,096 | $ (5,513,746) | $ 18,345,350 |

# Good Samaritan Hospital Association and Affiliate

## Consolidating Balance Sheets (Continued)

March 31, 2013

| | Good Samaritan Hospital Association | | | Good Samaritan Health Services | | | |
|---|---|---|---|---|---|---|---|
| | Hospital Division | Haaland Estates | Total | Foundation | Total | Eliminations | Consolidated |
| Current assets | | | | | | | |
| Cash and cash equivalents | $ (61,235) | $ 191,982 | $ 130,747 | $ 115,666 | $ 246,413 | $ - | $ 246,413 |
| Short-term investments | - | 395,303 | 395,303 | - | 395,303 | - | 395,303 |
| Assets limited as to use | 27,565 | - | 27,565 | - | 27,565 | - | 27,565 |
| Patient and resident accounts receivable - Net | 3,184,260 | 51,978 | 3,236,238 | - | 3,236,238 | - | 3,236,238 |
| Other accounts receivable | 186,592 | 3,114 | 189,706 | 1,125 | 190,831 | - | 190,831 |
| Due from third-party reimbursement programs | 270,000 | - | 270,000 | - | 270,000 | - | 270,000 |
| Due from related party | 34,812 | 13,837 | 48,649 | - | 48,649 | (48,649) | - |
| Supplies | 139,029 | 10,562 | 149,591 | - | 149,591 | - | 149,591 |
| Prepaid expenses and other | 38,731 | 7,136 | 45,867 | - | 45,867 | - | 45,867 |
| Total current assets | 3,819,754 | 673,912 | 4,493,666 | 116,791 | 4,610,457 | (48,649) | 4,561,808 |
| Assets limited as to use - Net of amounts required for current liabilities | - | 4,639,273 | 4,639,273 | 4,255,475 | 8,894,748 | (4,574,997) | 4,319,751 |
| Property and equipment - Net | 3,466,145 | 834,975 | 4,301,120 | - | 4,301,120 | - | 4,301,120 |
| Other assets: | | | | | | | |
| Long-term investments | - | 806,488 | 806,488 | 988,767 | 1,795,255 | - | 1,795,255 |
| Surplus notes receivable | 354,182 | - | 354,182 | - | 354,182 | - | 354,182 |
| Notes receivable | 146,232 | - | 146,232 | - | 146,232 | - | 146,232 |
| Investment in unconsolidated affiliate | 9,800 | - | 9,800 | - | 9,800 | - | 9,800 |
| Intangible assets - Net | 124,833 | - | 124,833 | - | 124,833 | - | 124,833 |
| Resident trust funds | 6,256 | 15,160 | 21,416 | - | 21,416 | - | 21,416 |
| Interest in net assets of the Foundation | 408,938 | - | 408,938 | - | 408,938 | (408,938) | - |
| Total other assets | 1,050,241 | 821,648 | 1,871,889 | 988,767 | 2,860,656 | (408,938) | 2,451,718 |
| TOTAL ASSETS | $ 8,336,140 | $ 6,969,808 | $ 15,305,948 | $ 5,361,033 | $ 20,666,981 | $ (5,032,584) | $ 15,634,397 |

# Good Samaritan Hospital Association and Affiliate

## Consolidating Balance Sheets (Continued)

March 31, 2013

| | Good Samaritan Hospital Association | | | Good Samaritan Health Services | | | |
|---|---|---|---|---|---|---|---|
| | Hospital Division | Haaland Estates | Total | Foundation | Total | Eliminations | Consolidated |
| Current liabilities | | | | | | | |
| Lines of credit | $ 1,847,000 | $ - | $ 1,847,000 | $ - | $ 1,847,000 | $ - | $ 1,847,000 |
| Current maturities of long-term debt | 48,761 | 8,060 | 56,821 | - | 56,821 | - | 56,821 |
| Current portion of obligations under capital leases | 39,385 | - | 39,385 | - | 39,385 | - | 39,385 |
| Accounts payable - Trade | 536,684 | 20,930 | 557,614 | 829 | 558,443 | - | 558,443 |
| Accrued liabilities | | | | | | | |
| Salaries and wages | 255,834 | 22,158 | 277,992 | - | 277,992 | - | 277,992 |
| Paid time off | 767,129 | 57,495 | 824,624 | - | 824,624 | - | 824,624 |
| Payroll taxes and other | 277,739 | 8,352 | 286,091 | - | 286,091 | - | 286,091 |
| Interest | 477 | - | 477 | - | 477 | - | 477 |
| Due to related party | - | 48,649 | 48,649 | - | 48,649 | (48,649) | - |
| Total current liabilities | 3,773,009 | 165,644 | 3,938,653 | 829 | 3,939,482 | (48,649) | 3,890,833 |
| Long-term liabilities | | | | | | | |
| Charitable gift annuities | - | - | - | 3,529 | 3,529 | - | 3,529 |
| Resident trust funds | 6,256 | 16,308 | 22,564 | - | 22,564 | - | 22,564 |
| Trust obligations | - | - | - | 3,847,418 | 3,847,418 | (3,842,177) | 5,241 |
| Long-term debt - Less current maturities | 1,249,934 | 79,703 | 1,329,637 | - | 1,329,637 | (732,820) | 596,817 |
| Obligations under capital leases - Less current portion | 93,854 | - | 93,854 | - | 93,854 | - | 93,854 |
| Total long-term liabilities | 1,350,044 | 96,011 | 1,446,055 | 3,850,947 | 5,297,002 | (4,574,997) | 722,005 |
| Total liabilities | 5,123,053 | 261,655 | 5,384,708 | 3,851,776 | 9,236,484 | (4,623,646) | 4,612,838 |
| Net assets | | | | | | | |
| Unrestricted | 2,804,149 | 6,708,153 | 9,512,302 | 939,920 | 10,452,222 | - | 10,452,222 |
| Temporarily restricted | 408,938 | - | 408,938 | 408,938 | 817,876 | (408,938) | 408,938 |
| Permanently restricted | - | - | - | 160,399 | 160,399 | - | 160,399 |
| Total net assets | 3,213,087 | 6,708,153 | 9,921,240 | 1,509,257 | 11,430,497 | (408,938) | 11,021,559 |
| TOTAL LIABILITIES AND NET ASSETS | $ 8,336,140 | $ 6,969,808 | $ 15,305,948 | $ 5,361,033 | $ 20,666,981 | $ (5,032,584) | $ 15,634,397 |

# Good Samaritan Hospital Association and Affiliate

## Consolidating Statements of Operations

Year Ended March 31, 2014

| | Good Samaritan Hospital Association | | | Good Samaritan Health Services | | | |
|---|---|---|---|---|---|---|---|
| | Hospital Division | Haaland Estates | Total | Foundation | Total | Eliminations | Consolidated |
| Revenue | | | | | | | |
| Patient and resident service revenue, net of contractual adjustments and discounts | $ 20,417,434 | $ 1,923,156 | $ 22,340,590 | $ - | $ 22,340,590 | $ - | $ 22,340,590 |
| Provision for bad debts | 753,411 | - | 753,411 | - | 753,411 | - | 753,411 |
| Net patient and resident service revenue - | | | | | | | |
| Less provision for bad debts | 19,664,023 | 1,923,156 | 21,587,179 | - | 21,587,179 | - | 21,587,179 |
| Other operating income | 1,487,016 | 61,798 | 1,548,814 | 55,270 | 1,604,084 | (75,310) | 1,528,774 |
| Total revenue | 21,151,039 | 1,984,954 | 23,135,993 | 55,270 | 23,191,263 | (75,310) | 23,115,953 |
| Expenses | | | | | | | |
| Professional care of patients and residents | 13,591,183 | 631,036 | 14,222,219 | - | 14,222,219 | - | 14,222,219 |
| Administrative and general | 4,989,087 | 426,930 | 5,416,017 | 88,142 | 5,504,159 | (75,310) | 5,428,849 |
| Property and household | 1,690,133 | 374,563 | 2,064,696 | - | 2,064,696 | - | 2,064,696 |
| Dietary | 936,202 | 376,186 | 1,312,388 | - | 1,312,388 | - | 1,312,388 |
| Interest | 141,941 | 3,510 | 145,451 | - | 145,451 | (17,622) | 127,829 |
| Depreciation and amortization | 884,502 | 111,664 | 996,166 | - | 996,166 | - | 996,166 |
| Total expenses | 22,233,048 | 1,923,889 | 24,156,937 | 88,142 | 24,245,079 | (92,932) | 24,152,147 |
| Income (loss) from operations | (1,082,009) | 61,065 | (1,020,944) | (32,872) | (1,053,816) | 17,622 | (1,036,194) |
| Other income | | | | | | | |
| Investment income | (9,814) | 500,471 | 490,657 | 149,983 | 640,640 | (17,622) | 623,018 |
| Gain on disposal of property and equipment | 37,985 | 1,250 | 39,235 | - | 39,235 | - | 39,235 |
| Contributions | 487,980 | 8,094 | 496,074 | 300,903 | 796,977 | - | 796,977 |
| Ambulance subsidy | 45,468 | - | 45,468 | - | 45,468 | - | 45,468 |
| Total other income | 561,619 | 509,815 | 1,071,434 | 450,886 | 1,522,320 | (17,622) | 1,504,698 |
| Excess (deficiency) of revenue over expenses | (520,390) | 570,880 | 50,490 | 418,014 | 468,504 | - | 468,504 |
| Contributions for long-lived assets | 55,324 | - | 55,324 | - | 55,324 | - | 55,324 |
| Reclassification of net assets | - | - | - | (20,000) | (20,000) | - | (20,000) |
| Transfers from (to) affiliate | 460,636 | (193,882) | 266,754 | (266,754) | - | - | - |
| Increase (decrease) in unrestricted net assets | $ (4,430) | $ 376,998 | $ 372,568 | $ 131,260 | $ 503,828 | $ - | $ 503,828 |

# Good Samaritan Hospital Association and Affiliate

## Consolidating Statements of Operations (Continued)

Year Ended March 31, 2013

| | Good Samaritan Hospital Association | | | Good Samaritan Health Services | | | |
|---|---|---|---|---|---|---|---|
| | Hospital Division | Haaland Estates | Total | Foundation | Total | Eliminations | Consolidated |
| Revenue | | | | | | | |
| Patient and resident service revenue, net of contractual adjustments and discounts | $ 19,062,167 | $ 1,996,791 | $ 21,058,958 | $ - | $ 21,058,958 | $ - | $ 21,058,958 |
| Provision for bad debts | 877,053 | - | 877,053 | - | 877,053 | - | 877,053 |
| Net patient and resident service revenue - | | | | | | | |
| Less provision for bad debts | 18,185,114 | 1,996,791 | 20,181,905 | - | 20,181,905 | - | 20,181,905 |
| Other operating income | 1,103,637 | 57,828 | 1,161,465 | 53,896 | 1,215,361 | (71,798) | 1,143,563 |
| Total revenue | 19,288,751 | 2,054,619 | 21,343,370 | 53,896 | 21,397,266 | (71,798) | 21,325,468 |
| Expenses. | | | | | | | |
| Professional care of patients and residents | 13,192,024 | 601,306 | 13,793,330 | - | 13,793,330 | - | 13,793,330 |
| Administrative and general | 4,810,944 | 404,665 | 5,215,609 | 79,427 | 5,295,036 | (71,798) | 5,223,238 |
| Property and household | 1,577,387 | 340,688 | 1,918,075 | - | 1,918,075 | - | 1,918,075 |
| Dietary | 856,307 | 356,775 | 1,213,082 | - | 1,213,082 | - | 1,213,082 |
| Interest | 123,356 | 1,915 | 125,271 | - | 125,271 | (18,940) | 106,331 |
| Depreciation and amortization | 707,166 | 133,880 | 841,046 | - | 841,046 | - | 841,046 |
| Total expenses | 21,267,184 | 1,839,229 | 23,106,413 | 79,427 | 23,185,840 | (90,738) | 23,095,102 |
| Income (loss) from operations | (1,978,433) | 215,390 | (1,763,043) | (25,531) | (1,788,574) | 18,940 | (1,769,634) |
| Other income | | | | | | | |
| Investment income | 39,259 | 345,059 | 384,318 | 90,379 | 474,697 | (18,940) | 455,757 |
| Gain (loss) on disposal of property and equipment | - | 2,000 | 2,000 | - | 2,000 | - | 2,000 |
| Contributions | 97,069 | 4,089 | 101,158 | 123,164 | 224,322 | - | 224,322 |
| Ambulance subsidy | 59,807 | - | 59,807 | - | 59,807 | - | 59,807 |
| Total other income | 196,135 | 351,148 | 547,283 | 213,543 | 760,826 | (18,940) | 741,886 |
| Excess (deficiency) of revenue over expenses | (1,782,298) | 566,538 | (1,215,760) | 188,012 | (1,027,748) | - | (1,027,748) |
| Contributions for long-lived assets | 109,260 | - | 109,260 | - | 109,260 | - | 109,260 |
| Transfers from (to) affiliate | 497,511 | (299,605) | 197,906 | (197,906) | - | - | - |
| Increase (decrease) in unrestricted net assets | $ (1,175,527) | $ 266,933 | $ (908,594) | $ (9,894) | $ (918,488) | $ - | $ (918,488) |

See Independent Auditor's Report on Supplementary Information.

# Good Samaritan Hospital Association and Affiliate

## Consolidating Statements of Changes in Net Assets

Year Ended March 31, 2014

| | Good Samaritan Hospital Association | | | Good Samaritan Health Services | | | |
|---|---|---|---|---|---|---|---|
| | Hospital Division | Haaland Estates | Total | Foundation | Total | Eliminations | Consolidated |
| Unrestricted net assets | | | | | | | |
| Excess (deficiency) of revenue over expenses | $ (520,390) | $ 570,880 | $ 50,490 | $ 418,014 | $ 468,504 | $ - | $ 468,504 |
| Contributions for long-lived assets | 55,324 | - | 55,324 | - | 55,324 | - | 55,324 |
| Reclassification of net assets | | | - | (20,000) | (20,000) | - | (20,000) |
| Transfers from (to) affiliate | 460,636 | (193,882) | 266,754 | (266,754) | - | - | - |
| Increase (decrease) in unrestricted net assets | (4,430) | 376,998 | 372,568 | 131,260 | 503,828 | - | 503,828 |
| Temporarily restricted net assets | | | | | | | |
| Contributions | - | - | - | 5,408 | 5,408 | - | 5,408 |
| Investment income | - | - | - | 56,985 | 56,985 | - | 56,985 |
| Reclassification of net assets | - | - | - | 20,000 | 20,000 | - | 20,000 |
| Increase in interest in net assets of Foundation | 62,393 | - | 62,393 | - | 62,393 | (62,393) | - |
| Increase in temporarily restricted net assets | 62,393 | - | 62,393 | 82,393 | 144,786 | (62,393) | 82,393 |
| Permanently restricted net assets. | | | | | | | |
| Contributions | - | - | - | 1,500 | 1,500 | - | 1,500 |
| Increase (decrease) in net assets | 57,963 | 376,998 | 434,961 | 215,153 | 650,114 | (62,393) | 587,721 |
| Net assets at beginning | 3,213,087 | 6,708,153 | 9,921,240 | 1,509,257 | 11,430,497 | (408,938) | 11,021,559 |
| Net assets at end | $ 3,271,050 | $ 7,085,151 | $ 10,356,201 | $ 1,724,410 | $ 12,080,611 | $ (471,331) | $ 11,609,280 |

# Good Samaritan Hospital Association and Affiliate

## Consolidating Statements of Changes in Net Assets (Continued)

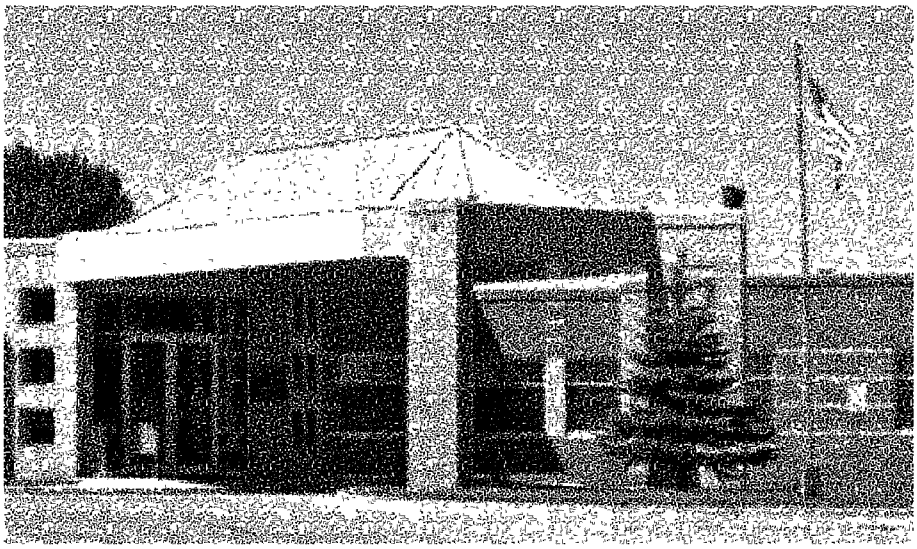
Year Ended March 31, 2013

| | Good Samaritan Hospital Association | | | Good Samaritan | | | |
|---|---|---|---|---|---|---|---|
| | Hospital Division | Haaland Estates | Total | Health Services Foundation | Total | Eliminations | Consolidated |
| Unrestricted net assets | | | | | | | |
| Excess (deficiency) of revenue over expenses | $ (1,782,298) | $ 566,538 | $ (1,215,760) | $ 188,012 | $ (1,027,748) | | $ (1,027,748) |
| Contributions for long-lived assets | 109,260 | - | 109,260 | - | 109,260 | - | 109,260 |
| Transfers from (to) affiliate | 497,511 | (299,605) | 197,906 | (197,906) | - | - | - |
| Increase (decrease) in unrestricted net assets | (1,175,527) | 266,933 | (908,594) | (9,894) | (918,488) | - | (918,488) |
| Temporarily restricted net assets. | | | | | | | |
| Contributions | - | - | - | 13,106 | 13,106 | - | 13,106 |
| Investment income | - | - | - | 36,706 | 36,706 | - | 36,706 |
| Increase in interest in net assets of Foundation | 49,812 | - | 49,812 | - | 49,812 | (49,812) | - |
| Increase in temporarily restricted net assets | 49,812 | - | 49,812 | 49,812 | 99,624 | (49,812) | 49,812 |
| Permanently restricted net assets | | | | | | | |
| Contributions | - | - | - | 14,220 | 14,220 | - | 14,220 |
| Increase (decrease) in net assets | (1,125,715) | 266,933 | (858,782) | 54,138 | (804,644) | (49,812) | (854,456) |
| Net assets at beginning | 4,338,802 | 6,441,220 | 10,780,022 | 1,455,119 | 12,235,141 | (359,126) | 11,876,015 |
| Net assets at end | $ 3,213,087 | $ 6,708,153 | $ 9,921,240 | $ 1,509,257 | $ 11,430,497 | $ (408,938) | $ 11,021,559 |

See Independent Auditor's Report on Supplementary Information.

Heart of America

medical center



# Community Health Needs Assessment

2013

Completed by: Amanda Loughman

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# Heart of America Medical Center

Heart of America Medical Center provides crucial medical services to more than 13,000 people within a 50-mile radius of Rugby, North Dakota HAMC is the largest employer in Rugby with approximately 330 employees

Heart of America Medical Center was founded in 1910 by a group of dedicated ministers and is sustained by Good Samaritan Hospital Association, a non-denominational, non-profit organization supported by 32 area churches

Today the Good Samaritan Hospital Association, doing business as Heart of America Medical Center, includes a 20-bed critical access hospital, surgical suite, and an 80-bed nursing facility Haaland Estates, the association's 68-bed basic care facility and assisted living apartments, first opened as an intermediate care nursing home in 1962

Johnson Clinic, founded in 1933 by Dr Olafur W Johnson, merged with Heart of America Medical Center to form Heart of America Johnson Clinics in 2010 The

Heart of America Medical Center Emergency Department is staffed 24 hours a day by a team of physicians, physician assistants, family nurse practitioners, and registered nurses trained in emergency medicine The registered nurses are certified in basic and advanced cardiac life support, pediatric advanced life support, and trauma nursing Lab, radiology, respiratory therapy, anesthesia, and surgical staff are on call 24 hours a day

Each year HAMC Emergency Department treats approximately 3,000 patients Designated as a Level V Trauma Center by the ND State Trauma Committee, HAMC is equipped to handle medical emergencies ranging from lacerations to life-threatening illnesses and injuries All beds are equipped with cardiac/respiratory monitors, which transmit data to nurses' stations for constant, visual monitoring of each patient's status

Other support services include physical therapy, occupational therapy, speech therapy, cardiac and pulmonary rehab, digital mammography, MRIs, CT Scans, nuclear medicine, ultrasounds, diabetic education, and dietary counseling

The mission of the Heart of America Medical Center is

> *To deliver compassionate care by advancing the physical and spiritual wellbeing of the communities we serve through smart medicine and exceptional service.*

# Community Assessment Process

In May 2011, Brad Gibbens created a report for the Heart of America Medical Center based on information gathered at the Community Health Forum held March 31, 2011 HAMC wanted to expand this assessment with additional surveys and focus groups

During the summer of 2012, an employee of Heart of America Center, Amanda Loughman, volunteered to begin the assessment process After several meetings with the CEO of HAMC, Jeffrey Lingerfelt, an assessment plan was in place

The first step in the assessment was to gather focus groups to interview Three to four focus groups would be needed, and each focus group was to be unique from the others It was decided to have one focus group for senior citizens over 65 to target Medicare, the second group was for middle-aged business owners/managers, and the third group was for mothers of young children Linda Duchscher, volunteer coordinator, and Dani Schell, marketing coordinator, were asked to join the Community Assessment Team Linda Duchscher did most of the recruitment work for the focus groups HAMC was able to recruit 27 people to participate, including the Rugby mayor The focus groups included nine males and eighteen females, ranging from age 40 to over 80 The focus groups were held November 13th and 14th for 90 minutes each The facilitators of the focus groups were Amanda Loughman and Dani Schell

Another step in the assessment was to survey health care professionals Health care professionals included physicians, physician assistants, registered nurses, licensed practical nurses, lab techs, radiology techs, and therapists These surveys were handed out shortly before the focus groups were held and were due back by November 16 The response rate to the health care professional survey was 31% Responses from the focus groups and professional survey were used to compile a community-wide survey

The community-wide survey created was two pages front and back The survey included twelve demographic questions, a service awareness section, and participants were asked to choose their top choices for services and programs needed

The community-wide survey was delayed for mailing until after the holiday season passed There was a concern that many residents would be busy with the holidays and a survey in the mail would be easily misplaced or forgotten Approximately 1800 surveys were mailed December 28th with a deadline of January 11th The response rate on the community survey was approximately 18% Survey results were compiled by Amanda Loughman The results were presented to Jeffrey Lingerfelt, CEO, for analysis and implementation planning

# Addressing Needs

Heart of America Medical Center used the information from the surveys to prioritize needs based on responses HAMC has already addressed some of these needs and expects to address several more within the next several months

## Hospice Program

The need for hospice was expressed through the results HAMC realizes their hospice program was not active when needed this past year The goal is to reactivate the program, and HAMC has already designated a new Hospice director to begin accepting admissions

## Diabetes Education

HAMC has been looking for ways to establish diabetic education in Rugby for several years In July 2011, HAMC recruited a certified diabetic educator to the area With her assistance, HAMC received its AADE Accreditation in May 2012 However, HAMC's diabetic education resigned in September 2012 During the time the surveys were sent out, the diabetes education was not a full-time program Both diabetes and obesity was named as big concerns in Rugby The need for diabetic education was obvious HAMC is pleased to announce that the diabetic education program is back to full-time status as of March 11th with the addition of a new diabetic educator

## Internal Medicine Specialists

Internal Medicine was the highest requested specialty based on the community surveys received HAMC is currently expecting two internal medicine specialists to begin in late August or September 2013

## Shortage of Providers

HAMC has faced the need for more providers for years, and this is a problem many rural hospitals face HAMC is excited for the return of a previous family practice physician expected to start in early June 2013 In March 2013, HAMC welcomed a new nurse practitioner to their Dunseith Clinic site

## ER Abuse

HAMC feels that the ER abuse concerns seen in the professional survey are partly due to shortage of providers and patients not able to get clinic appointments HAMC has been restructuring the ER department Beginning April 1, 2013, HAMC will have one physician and two nurse practitioners staffing the ER They will also be available to see the clinic overflow when not seeing ER patients This new restructuring will allow patients to be seen in the clinic setting rather than the ER in non-emergent situations

# Focus Groups

The demographics of the focus groups were

1 Age of participant
40-54 - 10
55-64 - 6
65-up - 11

2 Gender of participant
Male - 9
Female - 18

3 Highest level of education
High School diploma/GED - 5
Some college - 8
Associate's Degree - 1
Bachelor's Degree - 9
Master's Degree of higher - 4

4 Current marital status
Single/Never married - 2
Widowed - 1
Married - 24

5 Household income
25k – 50k - 3
50k – 100k - 17
Above 100k - 5
No response - 2

6 Occupation
Housewife/Homemaker - 4
Business owner/manager – 9
Assistant/Secretarial - 1
Teacher/Coach – 2
Farmer - 1
Retired - 8
Accounting – 1
Physical Therapist - 1

7 Household size (excluding participant)
0 – 3
1 – 15
2 – 4
3 – 3
4 - 2

8 Ages of household members (excluding participant)
Under 18 - 14
18-29 - 2
30-39 - 1
40-54 - 9
55-64 - 6
65-up - 8

9 Considers health
Excellent - 11
Good - 14
Fair - 2

10 Last physical exam
Within the last year - 15
1-2 years ago - 11
2-5 years ago - 1

11 Last dental exam
Within the last year - 20
1-2 years ago - 6
2-5 years ago - 1

12 Types of insurance
Health only – 19
Health and Vision – 3
Health and Dental - 2
Health, Dental, and Vision – 3

13 Insurance providers
Medicare & Medica – 1
Medicare & HAHP – 1
Medicare & BCBS – 6
Medicare & Thrivent – 1
BCBS & Guardian – 1
BCBS – 14
HAHP - 3

The focus group was conducted with several open-ended questions regarding the healthcare in the community The following comments are anonymous but were made during a focus group

**What is causing residents to leave the area for services that could be done here?**

There were a couple of concerns about privacy, or knowing everyone too well, for sensitive exams (urology, colonoscopy, etc ) One person stated that she still goes to her dentist in Devils Lake after she moved to Rugby because her history is there Mothers are taking their babies and children out of town to where they delivered the baby because the pediatrician is familiar with their case Mostly, residents are going out of town for services because they were referred to a specialist

**What services are residents being referred out of town for? (most often expressed ***)**

Obstetrics***
Prenatal services***
Pediatricians***
Internal Medicine***
Cardiology***
Rheumatology
Dermatology
Oncology
Orthopedics
Bone & Joint
Heart & Lung
Pain Center
Back Surgeries
Dialysis
Monocular
Ear/Nose/Throat
Allergies
Neurologist
Neuro-ophthalmology
Urologist for children

**What services other than specialties do we need in Rugby?**

Home Health
Expand or promote Hospice more
Parenting classes, breastfeeding classes, Wellness classes

**What are other concerns or suggestions?**

We could start sending out wellness check reminders from the clinic Another hospital is sending out reminders to our mammogram patients that may not even have HAMC listed as a provider

ER is not confidential or laid-out correctly There is too much traffic coming through and no privacy for grieving or concerned family members

Contract staff does not follow AIDET

Neither ER nor Clinic is child friendly Perhaps have one ER room and one clinic room decorated to comfort a child waiting for the doctor It may attract more mothers to bring children for wellness checks

We don't have enough physicians Sometimes patients cannot get an appointment and must go to ER They would like to be able to have a family doctor that they see every time Some patients prefer the MD over the PA, which is not always available

If Rugby lost their healthcare, many residents would move away  Elderly stay in this community because of the services we offer

We need a payment or bill explanation at time of service  People are too surprised when they receive a separate professional billing from a different location and city they don't even recognize  The place they will be receiving the bill from later should be explained to them before hand so they will expect the bill

Education to Medicare patients on what their coverage will cover, how many days, services, etc

Haaland Estates is much appreciated

HAMC has never breached confidentiality  HAMC was highly rated on privacy of our patients

Our vision center is too overpriced compared to other towns  This is causing Rugby residents to shop out of town

We are teaching our young couples starting families to shop out of town  If we are sending our young expectant mothers out of town for prenatal and to deliver, she will become familiar with those doctors and nurses and will seek that place for all health care for her entire family  And since they are traveling for healthcare, they will make appointments for dental and vision just to get everything done in one trip

Sometimes a business has to do things that are not very profitable to bring business in for the profitable services

Spend a little more to get the best doctors, and business will come to you

Young families may be choosing not to move to Rugby because there is no OB

Why are specialists able to go to smaller towns, but we can't get them?

Are the satellite clinics necessary, or are they taking too much of the doctor's time?

Doctors coming out of school are choosing specialties instead of becoming a general practitioner, which is causing a shortage

In sensitive areas, such as receiving chemo, patients would like to have the same nurse do the procedure and do it right so they are comfortable  Maybe allow nurses to specialize in these areas?

# Health Care Professional Survey

**How could your workplace be improved to better meet the needs of the patients?**

Evening extended clinic hours to decrease non-emergency ER visits

We get burned out from having the same swingbed pts - especially for 100 days - staff more

Home health - home vists after discharge

Outpatient services or infusion clinic separately staffed (for example: chemo, antibiotic infusions) Promote that people do not have to travel

Would be nice to have volunteer show people not familiar with the building (like a transporter) show them around or where to go The volunteer now just sits at the desk

Offer OB

Provide after hour clinic & on weekends

Provide OB service

Have more specialists (cardiology, oncology, ENT)

Evening/after hour clinic

Specialist visiting for better follow-up care and possibly do some procedures here

Many have asked us about using OB again - is difficult but we should be promoting Peds

Promote infusions/injections

More Home Health/Visiting Nurse to prevent re-admits

Offering outside options, extended care & assurance of assistance post discharge

We need more funding and our own staff to care for residents - decrease contract staff

Communication between department For example, LTC with surgery & surgery with LTC is now a work in progress

To have a radiologist on staff would be a great benefit - we have the work load to support them

It would be better if we had an x-ray table that was adjustable in height

We need a new CT machine, and room could be updated

New stress machine

We could use handicap bathroom in lab

Family bathroom by Acute

We need privacy in the lab drawing area

Better handicap restrooms

More info to public that we can do their outside lab orders - no need to travel to Minot, Bismarck, DL, etc for routine testing Have commercials providing info not just for surgery or radiology or clinic

Wellness center open more hours

More nusteps People waiting for them M-W-F due to cardiac rehab busy

A handicap restroom would be a real plus

A handicap accessible door into the lab would come in handy for many elderly & wheelchair patients

We are in need of a radiology room that is efficient and more safety conscience of our pts at this point it is very difficult for our patients to get off and on our x-ray table This equipment is very old and the newer models all have tables that go up and down

I would like HAMC to have an insurance advocate/informate to review what their benefits are relating to what services they are receiving @ HAMC

Floors need to be redone in pt rooms Bar to hold onto along hallways - one of our patients will end up falling due to it

There are safety concerns with the carpet in exam rooms, which is also an infection risk

More user friendly EMR

We need more providers

Get another doctor & better housekeeper who keeps the clinic clean

Handrails on hallway

Carpet in exam room replaced

Exam rooms cleaned properly

More space - admitting area's too small & only have 3

Computer program that works, more computers @ nurses' station

Exam rooms clean and presentable to clients & family

Lower the threshold on the entry door

Double provider coverage would help

Interior of Dunseith clinic needs a "facelift"

More phone lines into clinic - 5 at least

Chairs in the exam rooms with arm rests

More space for charts

The ability to record messages regarding hours etc on the incoming phone lines

Help residents manuever thru the maze of medical care, insurance, and available services in our county

**What resources would help you better meet the health needs of the patients?**

More eduction for staff for mental health issues, especially post suicide attempt

Internal medicine physicians!!!

More staff members

Home services - to prevent readmissions

More monies available to low-income people set up in a manner where they still have some responsibility to pay

Offer OB

Better computer system

Provide education for patients with CHF

Provide education for diabetes

Specialists could be visiting (cardiac, cancer, ENT, Ortho, continue Optamology & Urology) Internal medicine would help in house

Is the idea of dialysis something to consider again?

Further community needs outside the facility

Psychologist - many residents need speciality evals in this area & must be

transported, usually by family to get evals & treated

Psych doctor present to help with referrals or medication changes

A Rad-table that lowered - easier for pts & techs

Adjustable table in x-ray room

MRI machine for stroke protocal patients

As of getting an MRI machine, will more than likely need one more full-time tech!

We should have a survey for residents to fill out on Lab only so we know how they feel

Wellness programs

More doctors especially internal med

A wheelchair in the lab or at admissions at all times would help the patients get to the next station

Financial support for new radiology table

More computers, printers, & phones at our work stations

Better/closer access to specialists

We need a baby scale

Better phone systems & computer systems that work

More computers & phone @ stations & systems that work

Need more Drs - OB, peds, Internal Med

More computers

Mammography clinic

New baby scale

X-large wheel chair

Xray and lab available at time of services

**What health programming do the residents of our community need?**

More education on proper use of ER & what is an "emergency"

Suicide awareness to the public

Home health

Post-hospital stay visits

Walk-in clinics to decrease non-emergent ER visits

People need to be educated on how and when to use the clinic/ER They run to the doctor too often without even trying OTC items

OB

CHF support group with education

Support group for people with cancer

Support group for people caring for disabled people - like Alzheimer's

It would be helpful to have an OB/GYN in this city

Diabetes & Cardiac Support Groups we have - could expand on & add increased chronic disease management

Re-start CA Support groups

More on community safety & Peds issues

Home care, med admin, baths, ADL

Most residents depend on Medicaid

More information regarding home health

Info on all over wellness/fitness - obesity is causing a health care crisis in our country

Education on diet & exercise

Informed on upcoming events via the paper or radio

Home Health Care

Hospice Care

Diabetic care

Chemo transport

Obesity program

More diabetic education for patients

Youth wellness programs

Home health

More community education

Better diabetic teaching

Better transportation for our elderly pts

Education on pain management

Diabetes education

Vaccine education

Home inspections - welfare of children education

More physicians

Education on new laws

OB care

Shuttle service from outside area to facility for elderly & disabled

Drug abuse, smoking, alcohol

Vaccines

Safety, nutrition

Diabetic education

Dietician

Physical Therapy

**What populations are underserved?**

Pediatrics

Those with mental health issues

Obstetrics/diabetes/hospice/cancer groups

People who have no insurance - usually younger people

The elderly

Pregnant women

OB & Peds By losing OB, we lose a lot of Peds When we delivered the baby in the ER, the mom said "I wish you did Peds here - I'd rather bring my kids here" and we replied "We do!"

Elderly

Residents with psych needs - our physicians will send res to a pediatrist for toes but don't want to consult a psych for behaviors?

Middle class - people who have quit taking out insurance because of rising costs

Rural population

The elderly

Children

Pregnant women - no babies born here at HAMC!!

Those without insurance - can't afford healthcare

Uninsured or with financial issues

Elderly pts - because of transportation

Dunseith & Belcourt area - poverty area

Elderly

Children

Pregnant females

Elderly

Elderly

Obstetrics patients

Diabetics

Elderly

Self-employed

**What prevents patients from getting the health care they need?**

Not enough population to make us efficient

Not completely knowledgable

Lack of experience with staff

Cost

Work schedules

Specialist needs

Lack of physicians - people don't always want to see a PA or have multiple complex issues

Money

Transportation

Transportation

Easy access to services

No physicians

Money

Transportation

Many should be in LTC but can't afford it and don't qualify for MA

Lack of insurance

Limited resources and inconvenience for specialties

No coverage or none for residents/community - high insurance rates

Uninsured, unable to afford it

Finding people to get them to their appointments (drivers)

The weather

The rising costs of insurance, gas, groceries, meds - it's hard for them due to their income

Help get people to clinic and hospital

Not enough providers - but am aware of how hard it is to recruit providers & how hard Jim is trying

Not knowing what services HAMC provides (wound care, post chemo labs, etc )

Not enough docs

Need internal med for elderly patients

Diagnosis needs to be seen by MD instead of PA

Cost - co-pays, deductibles, meds, etc

The expense of healthcare

$ - if they do not have health insurance, they may not seek the care they need

Forgot the appt date/time

Not able to understand the doctor

Transportation

Do not have rides to get to their appts

Medicare

No physicians to do care & deliveries

Transportation from areas outside of Rugby

Transportation

Finances

Knowledge barriers

Transportation

Cost of medication

**What do you see as the three most important health issues in our community?**

Suicide awareness - especially young adults/adolescents

Misuse of antibiotics - not taking as prescribed

Over prescribed/easy access to narcotics - drug seeking behaviors

Home health to prevent hospital readmissions

Clinic/hospital physicians to keep people from seeking care elsewhere Physician recruitment and retention is HUGE

Falls for seniors

People have no idea what medication they take & will just skip their important meds some days & then end up in the hospital

Education for the public on a regular basis/Diabetes education/COPD/Stroke/MI, etc

Maybe Drs could occasionally give talks in community for education including ER dr/surgeon/family practice

Need more physicians is the bottom line - & specialists

Too many people using the ER as a convenience and coming in because they can't wait for an appointment

Drug seeking people who want narcotics to use or sell

Transportation for the older people who don't drive and who don't have family here, especially after hours or on weekends

Not enough doctors

Need internal med doctor to keep more business at home

Patients want to see their own doctors on weekends; not locums

The elderly having to travel for appointments with specialists

The increased amount of people without health insurance and higher deductibles

Maintaining the hospital's ability to provide surgical services

Geriatric care

OB/GYN

Diabetes - need to expand process we have in place

Elderly - assistance/follow-up at home

Wellness - community & staff ed & care

Need free preventative care - lack of insurance causes pts to wait too long for medical care

Lack of maternity/delivery & maternal care

The increase of population, lack of decent housing for young families

Preventative health

Accepting psych as a medical problem - should be treated no different than CHF

OB-GYN - many babies have been born here in last 5 years OBGYN contracts in Bottineau from Trinity to do prenatals I would have taken advantage of this I always wanted my Dr to know me better than a month before I have my kids But traveling for prenatal visits gets really old! Ok not to deliver here, but just to have the opportunity to get to know your physician better & have a specialist care for you Not that I don't trust current physicians But this does seem to be the way medicine is going

Common illness: cold, flu, eye infections recently

Obesity

Diabetes

Drug & alcoholism

Overweight/diabetes

Alcohol/drug abuse

Falls with elderly patients

Obesity

Drug & alcoholism

Diabetes

Diabetes

Cancer

Thyroid

Drinking/smoking/texting while driving/drunk driving/no seatbelts

Retention of employees (hospital & clinic)

Keeping existing services - we offer a nice range of services for a small hospital and need to keep what we offer in place

Keeping services affordable for the community

Get docs - internal med and general to keep people here

Obesity program

More availability to get appointments with physician of choice

Need affordable healthcare/timely and accurate billing/affordable insurance

Lack of internal med & specialty dr Lots of travel involved in referrals

Lack of speciality services in internal medicine, orthopedics, alceurology (sp?)

Prevention of disease programs

Access to excellent care in ER/trauma services

What is the future for Medicare patients?

Not enough doctors in rural area

Not enough pts to keep our acute unit up & going - are nurses jobs going to be cut? What's going to happen to our health insurance benefits?

Lack of providers

Aging population increases demand for services

Aging physical plant - lack of funding to replace equipment/infrastructure

Pain med abuse, alcohol & other drug abuse

Children behind on immunizations & well child exams

Obesity

Diabetes

Over weight

Respiratory

Shortage of doctors

Care of our aging population

Care of OB patients & the babies/children

Orthopedic (Bones & Joints) physicians, skin care - dermatologist, Diabetes education

Alcohol & drug abuse including prescription meds

Obesity

Diabetes

Diabetes & Obesity

Hypertension & Smoking

OB service for prenatal gals

**Are there any other comments you would like to make regarding health care in our community?**

Need to continue with diabetic education

Collect upfront $ since self pay visits up & continue to have increased charity care (unpaid bills)

Specialists @ clinic (cardiology, OB, etc ) to see patients 1-2 times a month

Billing for services as being a paying customer - we don't get our bills for 8 - 16 months after the services It's frustrating as you think your bill is paid & then here comes another one from 9 months ago Have heard this from many others

I think the healthcare in our community is great for our size We have good doctors and PAs here, although we could use more Would be nice to have an after hours outpatient clinic again I don't see this happening, though (no one to staff it) I also feel the clinic, hospital, dental offices need to be strict on their payment plans, so if people can't pay right away they have options Some people come to the ER, just so they don't have to pay the bill

It is very good

Would like to see an internal medicine provider

We hear a lot of times patients are unable to get to appointments in clinic due to the decreased number of providers in the Rugby clinic

Would like to see the hospital more involved in providing exercise and health classes in the community, especially with the elderly

We are in a bind with our current lack of providers Much work is being done here & I know what a challenge this is But ultimately patients go where their Dr is We have to promote what we do have & keep on working hard @ Dr recruitment With elderly population in small communities - would be nice to have enough providers to cover more satelite clinics

It would be nice to have a walk-in clinic on weekends instead of using ER for minor conditions Also would like to see Rugby get an OB doctor here due to the increase in young couples and babies

I often wonder if there was a way to convey to the public the abuse of the ER system How it causes our health care cost to rise Unfortunately, it's abused by the very people who don't pay their bills

We have a wonderful facility that is capable of taking care of the surrounding area with very capable physicians and staff!

I feel that our hours of operation should also include clinic to be open on Sat That would make less people coming into the ER for simple colds, flu, etc and calling dept staff in on call We pay out a lot of money to an on call ER doctor and other dept staff

Rugby hospital is a wonderful place with wonderful talented staff Acute care has a great bunch of nurses prepared to serve People are going to other towns because of not enough docs here And need specialized care

It would be nice to see a flexible specimen collection plan where one of the lab employees would go into the home when the patient is bed ridden or doesn't have a ride or the weather is bad We do this now on a very limited basis but I think there is a way we could actually charge for this service & insurance may pay

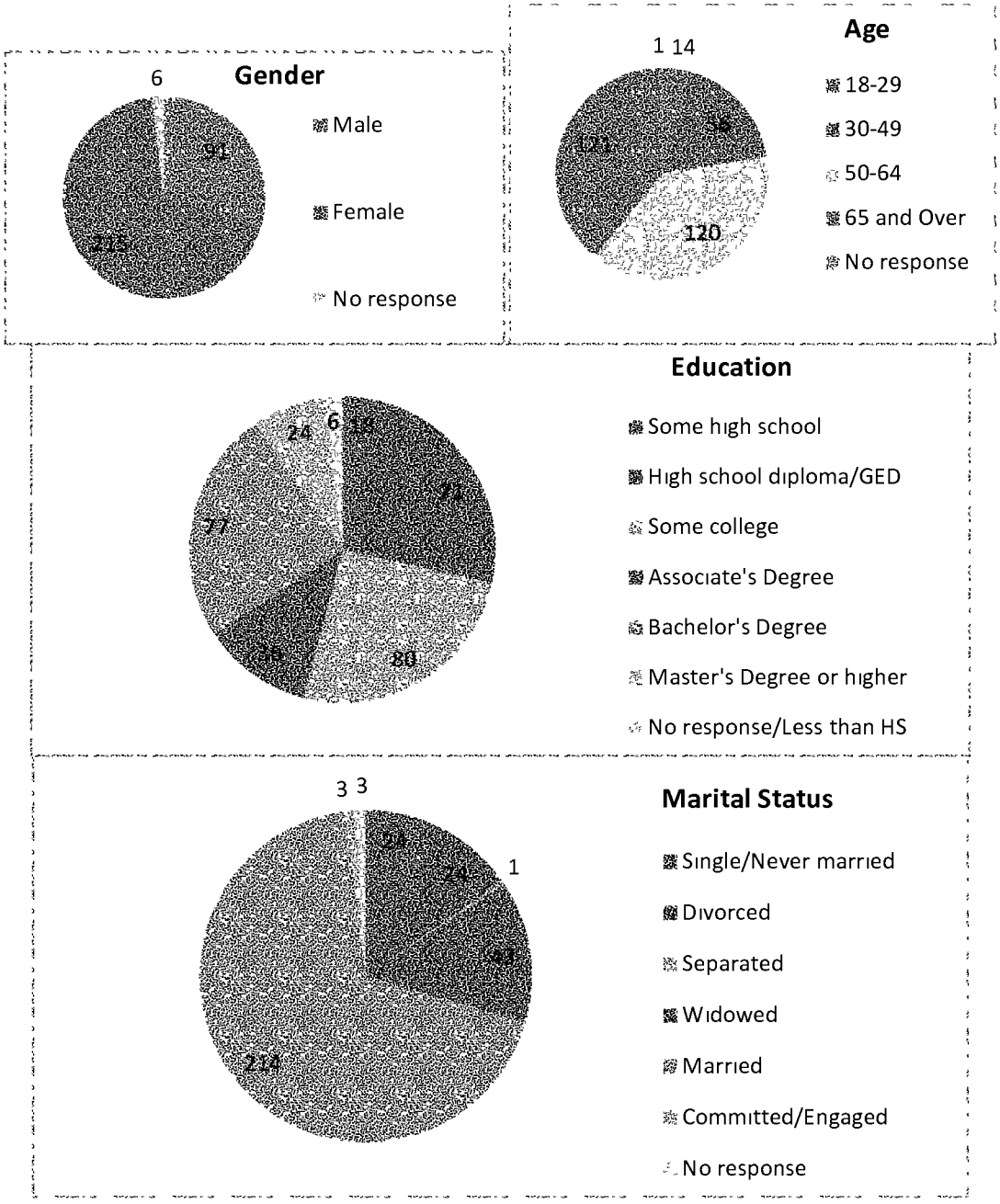
Help control pain med misuse; provide help to alcoholics & drug users; more providers needed

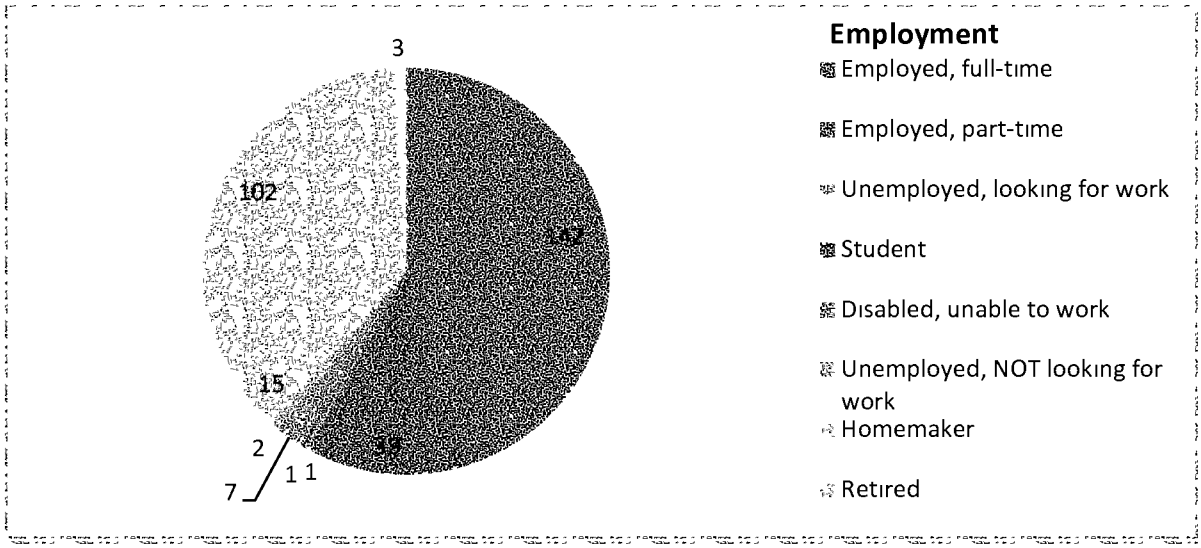
Our clinic has a wonderful front entrance but back in the hallway & exam rooms are hazardous with walkers and need to be cleaned There is dust everywhere Rooms need to be painted and staff is willing but are not getting the ok to do it

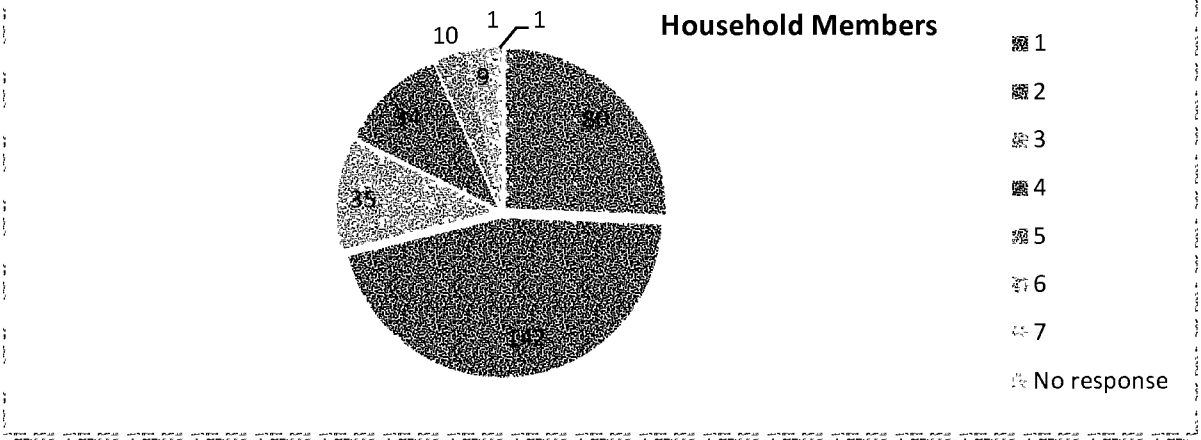
It would be a great service if patients could see specialists closer to home for OB, cardiology, etc - if specialists could come to Rugby periodically (or another community close than Minot, etc )

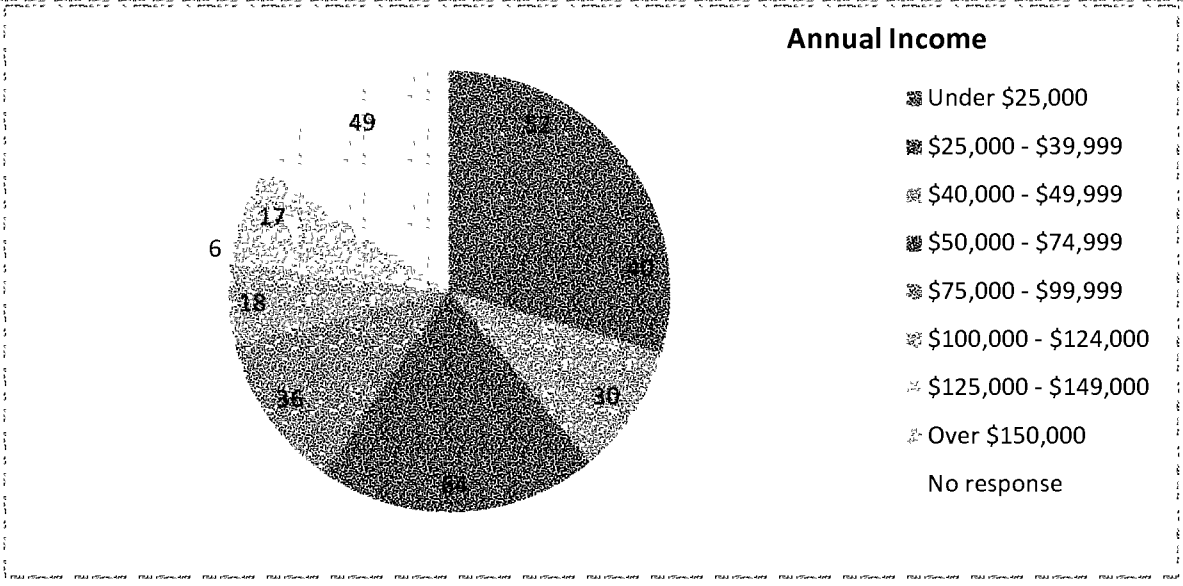
I believe our staff does an excellent job with what we have available Every day we wish we had more resources for these patients

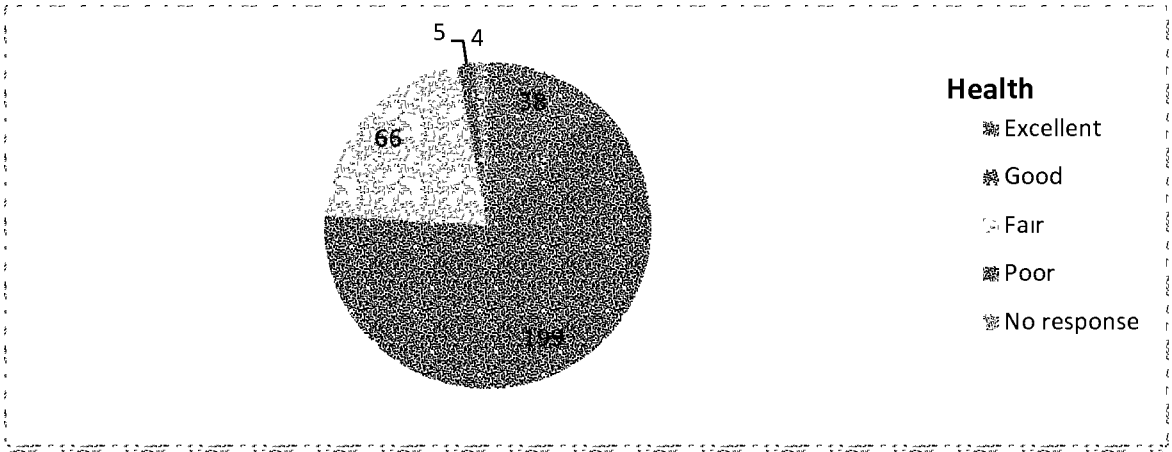
# Community Survey

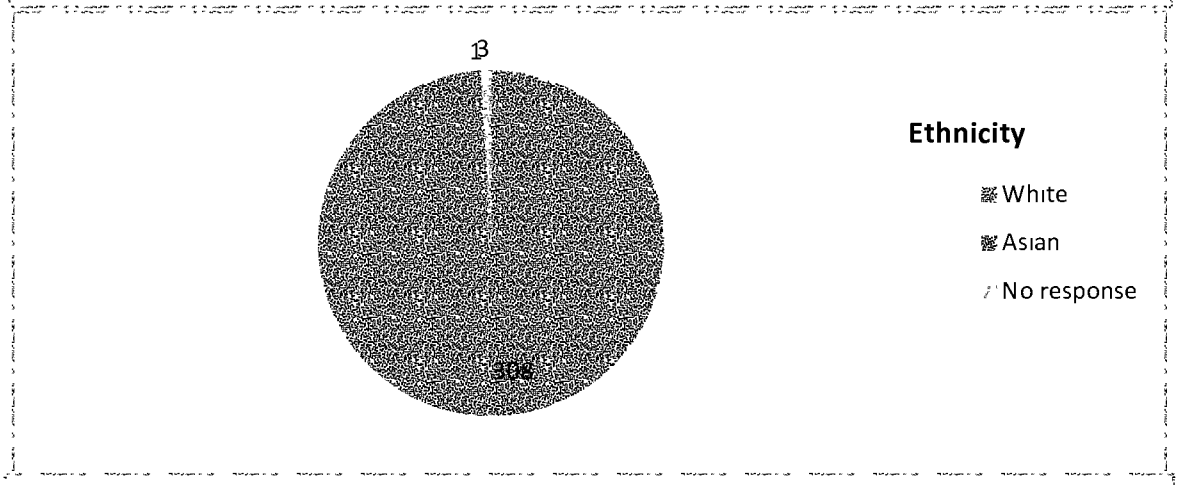


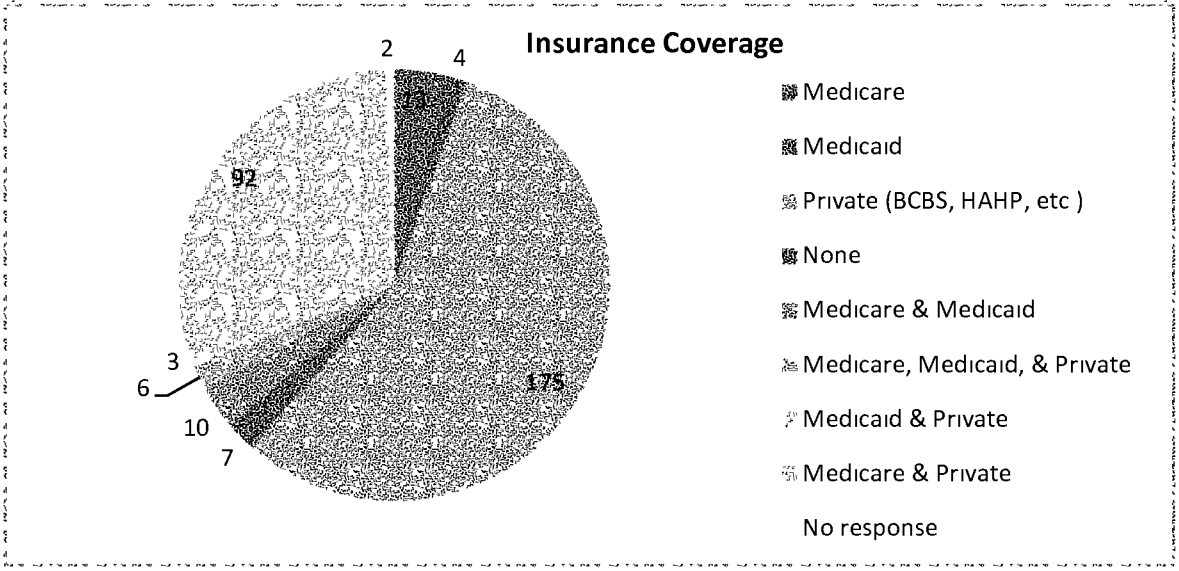

Employment
3
102
162
15
35
2
1
1
7
Employed, full-time
Employed, part-time
Unemployed, looking for work
Student
Disabled, unable to work
Unemployed, NOT looking for work
Homemaker
Retired


Household Members
10
1
1
9
80
35
1
2
3
4
5
6
7
No response

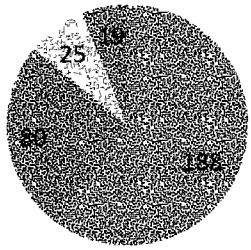

Annual Income
49
52
17
6
18
36
30
64
Under $25,000
$25,000 - $39,999
$40,000 - $49,999
$50,000 - $74,999
$75,000 - $99,999
$100,000 - $124,000
$125,000 - $149,000
Over $150,000
No response


5
4
38
66
194
Health
Excellent
Good
Fair
Poor
No response


13
306
Ethnicity
White
Asian
No response

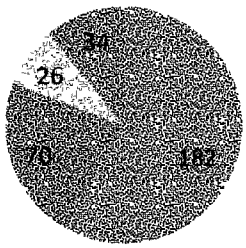

Insurance Coverage
2
4
92
3
6
10
7
175
Medicare
Medicaid
Private (BCBS, HAHP, etc )
None
Medicare & Medicaid
Medicare, Medicaid, & Private
Medicaid & Private
Medicare & Private
No response

## Last Physical Exam



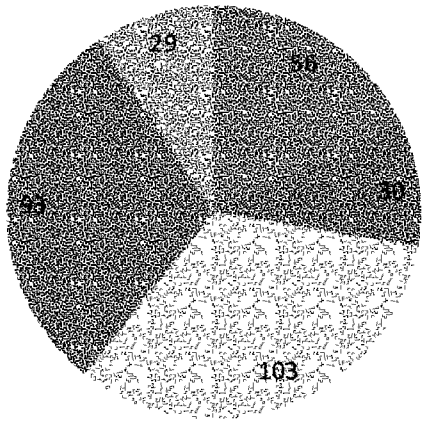

- Within the last year
- 1-2 years ago
- 2-5 years ago
- More than 5 years

## Last Dental Exam



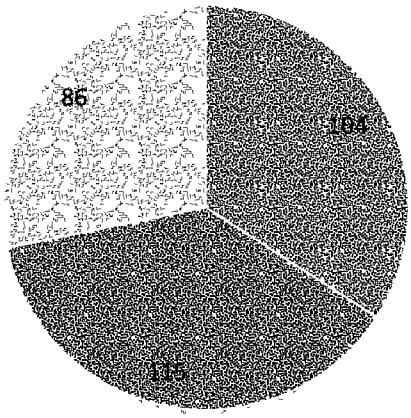

- Within the last year
- 1-2 years ago
- 2-5 years ago
- More than 5 years

## Would you contribute to the Foundation?



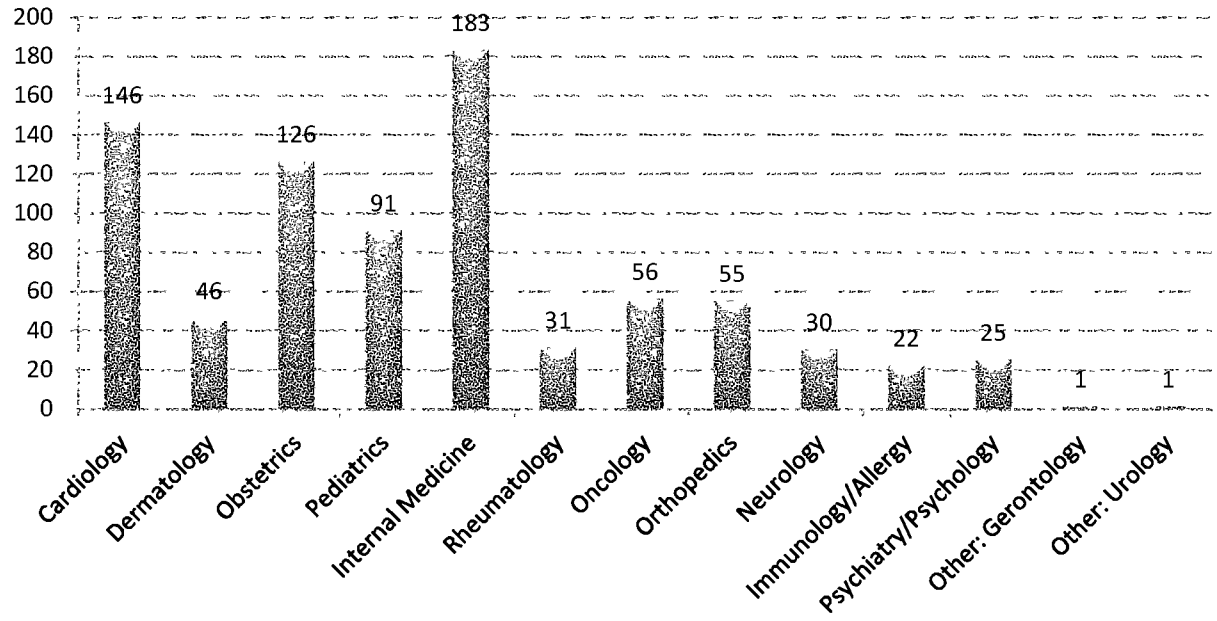

- I already do
- Yes
- Maybe
- No
- No response

## Did you know you can pay your bill online?

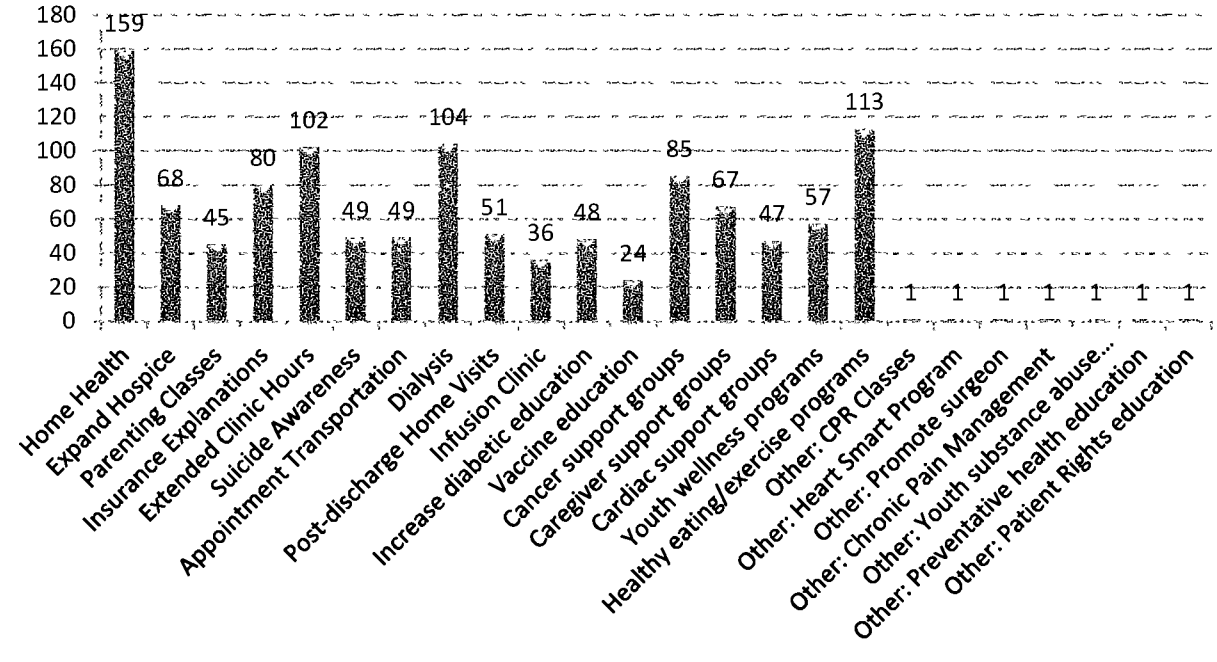


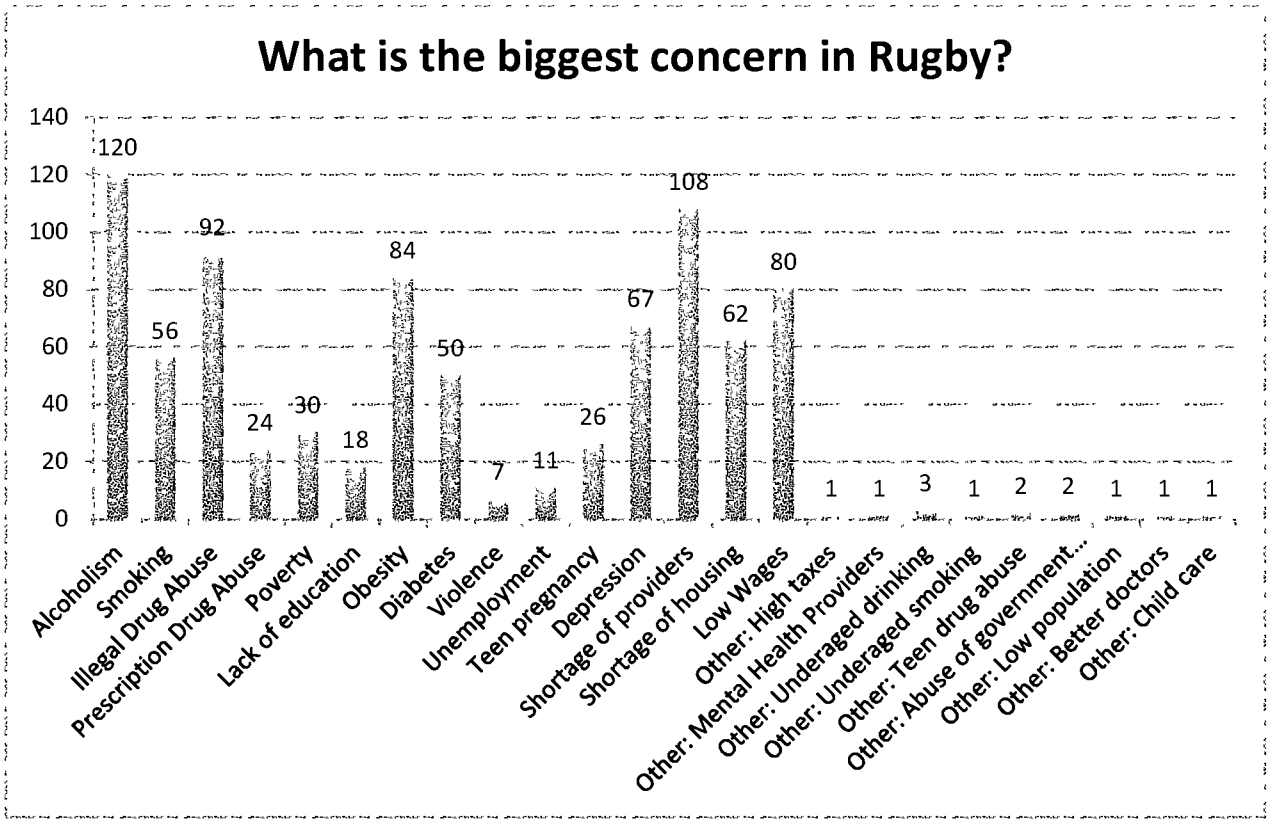

- Yes
- No
- No response

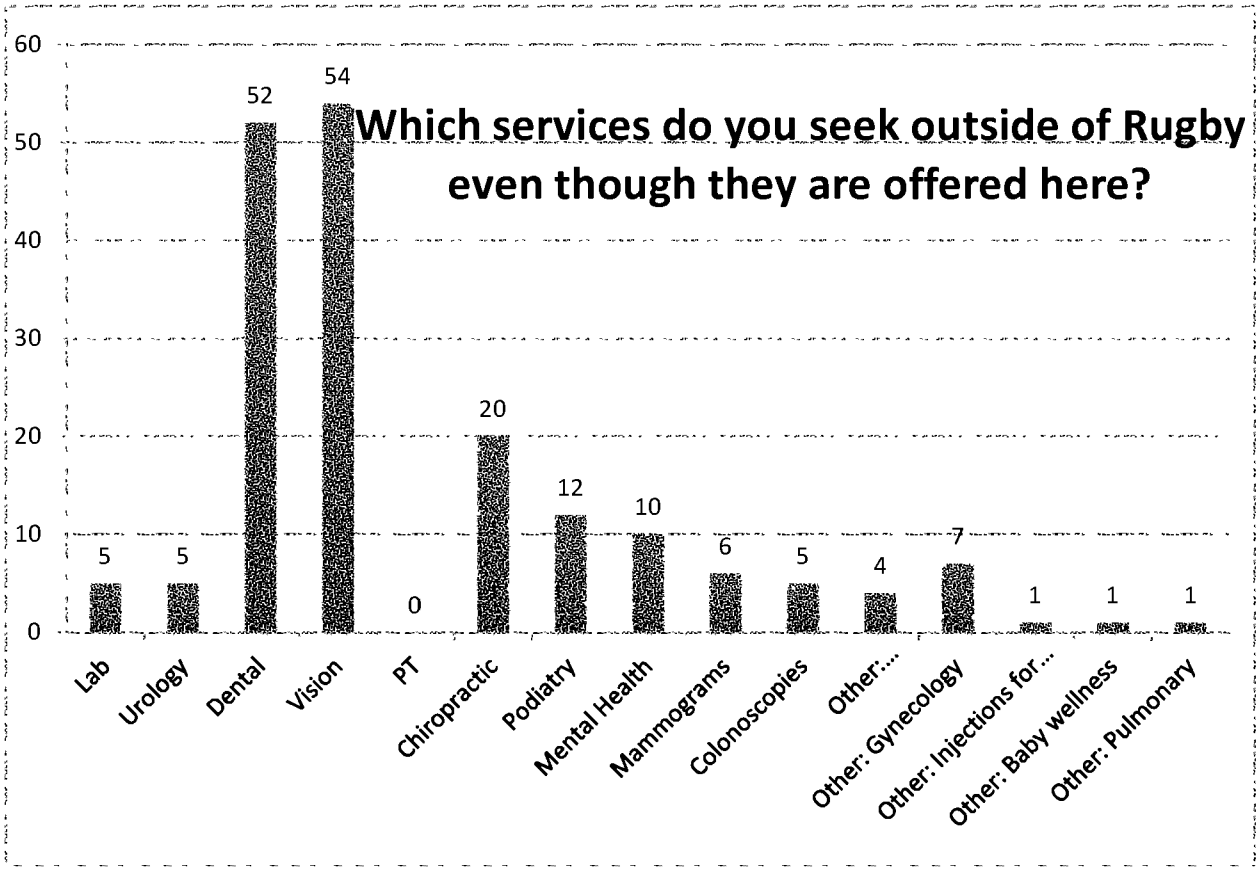
## Which specialty is most needed in Rugby?



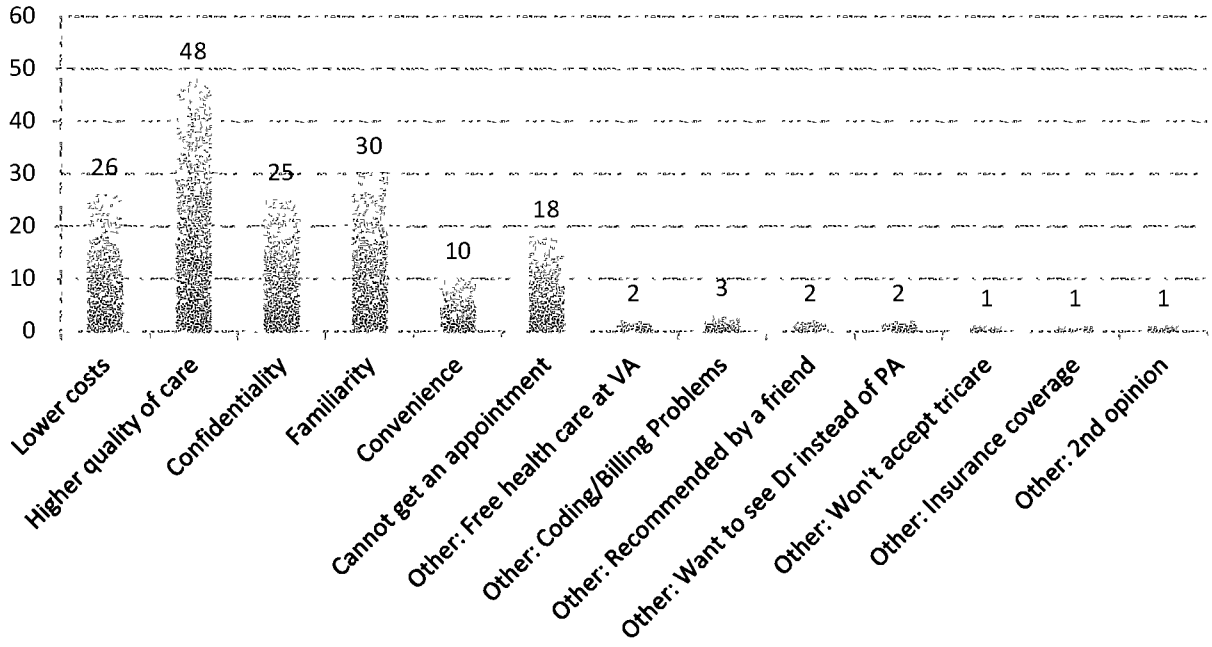

## Which service/education/program is most needed in Rugby?



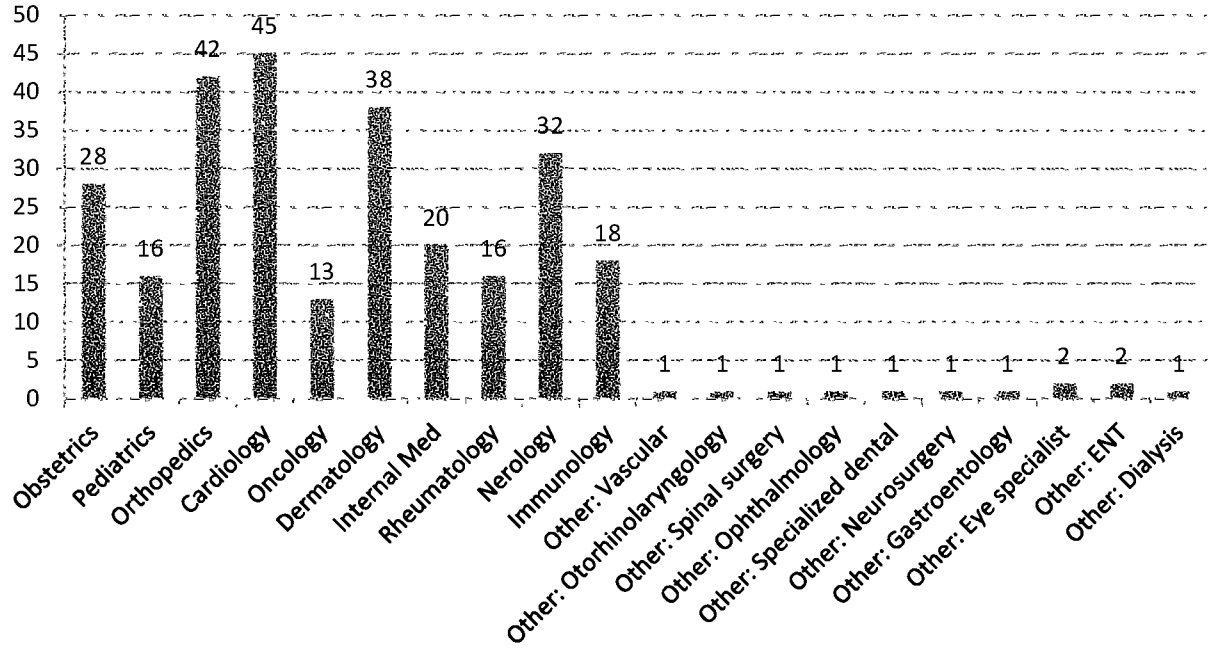

What is the biggest concern in Rugby?
140
120
100
80
60
40
20
0
120
56
92
24
30
18
84
50
7
11
26
67
108
62
80
1
1
3
1
2
2
1
1
1
Alcoholism
Smoking
Illegal Drug Abuse
Prescription Drug Abuse
Poverty
Lack of education
Obesity
Diabetes
Violence
Unemployment
Teen pregnancy
Depression
Shortage of providers
Shortage of housing
Low Wages
Other: High taxes
Other: Mental Health Providers
Other: Underaged drinking
Other: Underaged smoking
Other: Teen drug abuse
Other: Abuse of government...
Other: Low population
Other: Better doctors
Other: Child care

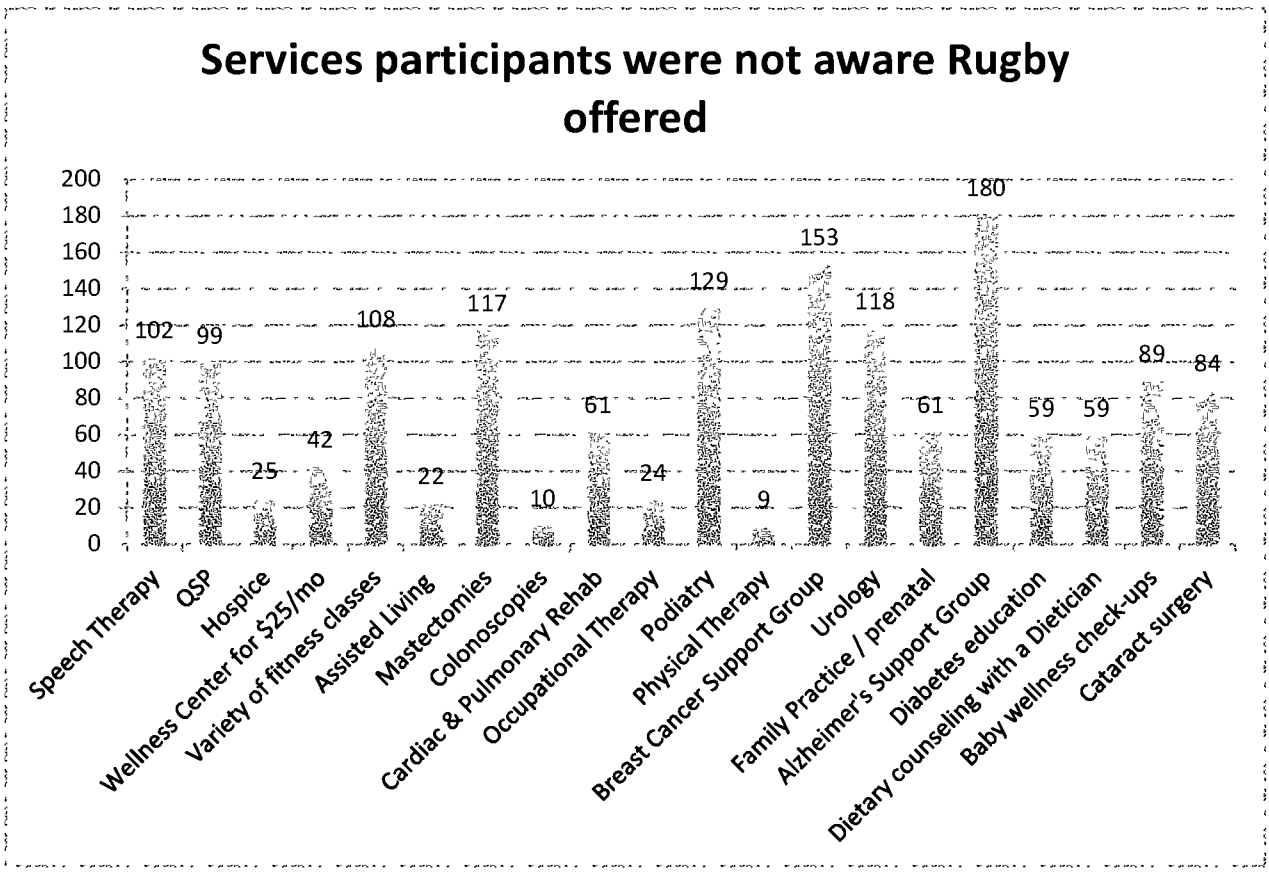

Which services do you seek outside of Rugby even though they are offered here?
60
50
40
30
20
10
0
5
5
52
54
0
20
12
10
6
5
4
7
1
1
1
Lab
Urology
Dental
Vision
PT
Chiropractic
Podiatry
Mental Health
Mammograms
Colonoscopies
Other:...
Other: Gynecology
Other: Injections for...
Other: Baby wellness
Other: Pulmonary

## Reasons for seeking services outside of Rugby that are offered here




## Which services do you seek outside of Rugby because they are not offered here?




Services participants were not aware Rugby offered
200
180
160
140
120
100
80
60
40
20
0
102
99
25
42
108
22
117
10
61
24
129
9
153
118
61
180
59
59
89
84
Speech Therapy
QSP
Hospice
Wellness Center for $25/mo
Variety of fitness classes
Assisted Living
Mastectomies
Colonoscopies
Cardiac & Pulmonary Rehab
Occupational Therapy
Podiatry
Physical Therapy
Breast Cancer Support Group
Urology
Family Practice / prenatal
Alzheimer's Support Group
Diabetes education
Dietary counseling with a Dietician
Baby wellness check-ups
Cataract surgery