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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 07-01-2013 , 2013, and ending 06-30-2014

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

C Name of organization
St Alexius Medical Center

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
900 East Broadway Avenue

City or town, state or province, country, and ZIP or foreign postal code
Bismarck, ND 585014520

D Employer identification number
45-0226711

E Telephone number
(701) 530-7000

G Gross receipts $ 309,763,712

F Name and address of principal officer
Joseph Messmer
900 East Broadway Avenue
Bismarck, ND 585014520

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 ▶ 0928

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

J Website: ▶ www st alexius org

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
Providing healthcare

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**	15
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	8
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	3,064
6	Total number of volunteers (estimate if necessary)	**6**	249
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	5,065,906
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	195,297

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,159,046	1,646,884
9	Program service revenue (Part VIII, line 2g)	283,731,137	296,083,288
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-2,407,481	2,628,038
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	8,936,690	8,250,891
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	291,419,392	308,609,101
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	453,859	476,652
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)	120,662,800	122,166,130
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶644,238		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	172,255,586	171,743,930
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	293,372,245	294,386,712
19	Revenue less expenses Subtract line 18 from line 12	-1,952,853	14,222,389

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	277,166,394	307,733,402
21	Total liabilities (Part X, line 26)	117,889,411	132,895,075
22	Net assets or fund balances Subtract line 21 from line 20	159,276,983	174,838,327

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

****** | 2015-05-13
Signature of officer | Date

Joseph Messmer Interim CEO/President
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
LISA CHAFFEE CPA		2015-05-13		P00193453

Firm's name ▶ EIDE BAILLY LLP | Firm's EIN ▶ 45-0250958

Firm's address ▶ 4310 17TH AVE S PO BOX 2545
FARGO, ND 581082545 | Phone no (701) 239-8500

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

Based on the Gospel values and our own heritage of healing, the mission of St Alexius Medical Center is to use our community presence as a means of touching and healing people in a Christ-like manner, and to always exhibit the hospitality as reflected in the rule of St Benedict "Let all be received as Christ "

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 $ 34,410,220 including grants of $) (Revenue $ 145,226,056)

St Alexius Medical Center began as a 20-bed hospital 129 years ago but has evolved into a 306-bed, full-service, certified Level II Trauma Acute Care Center that provides advanced healthcare services St Alexius served 12,304 inpatients during the fiscal year ended June 30th, 2014 With over 1,500 births each year, mothers in the region choose to have their baby at St Alexius Medical Center Our family-focused care provides a wide range of services for mother and baby, and our specially trained nurses and physicians are prepared to handle every birthing experience with care St Alexius' 24-bed Level III NICU has served the region for more than 25 years, which is staffed by neonatal nurses, therapists, board-certified neonatologists, a pediatric neurologist and the region's only pediatric cardiologist St Alexius' Heart & Vascular Center provides comprehensive care to patients with cardiovascular, lung, and peripheral artery disease We are comprised of an interventional radiologist, cardiologists, heart and vascular surgeons as well as other highly trained support personnel

4b (Code) (Expenses $ 44,083,435 including grants of $) (Revenue $ 41,583,741)

Specialty Clinics The Clinics of St Alexius is a unique multi-specialty group practice located mainly inside St Alexius Medical Center Over 26 providers in 14 different specialties work together to care for patients Specialists must complete seven or more years of medical school and post-graduate training and then complete fellowships in their chosen specialties All physicians are board eligible or board certified in one or more specialties We provide clinic services in many off site satellite clinics and bring specialty services to the region The Clinics of St Alexius include Center for Family Medicine Mandan, Minot Medical Clinic, Infectious Disease, Children's Services, Infusion Center, Nephrology, Neurosurgery, Pain, Neurology, Adult Physical Medicine, Primary Care, Rheumatology, and Urology St Alexius operates an outpatient family service program called Archway Family Services This program offers sensitive and responsive services for individual, marital and family problems This program is keeping with St Alexius Medical Center's philosophy of being a leader in progressive and quality services to the people of North Dakota Archway services are also provided in Hazen, Garrison and Linton, ND

4c (Code) (Expenses $ 186,214,645 including grants of $ 476,652) (Revenue $ 115,070,580)

Great Plains Rehabilitation Services is a division of St Alexius Medical Center that provides Home Medical Equipment, Orthotic & Prosthetic, Home Respiratory Care, ADA Environmental, and Rehabilitation Technology services Great Plains provides needed medical equipment and supplies to help individuals lead active and independent lives Great Plains services all of North Dakota, Central and Eastern Montana, and Northern South Dakota OTHER -St Alexius Medical Center served 12,304 inpatients, 134,619 outpatients, 28,081 emergency patients, and 12,998 Home Health Care patients during the fiscal year ended June 30, 2014 -St Alexius Medical Center provided community activities and services at reduced or no cost Those included 1 EMPLOYEE ASSISTANCE - 224 employer contracts servicing 39,548 employees by providing problem assessment, short term counseling and referral to appropriate resources for follow-up care 2 EMPLOYEE ACTIVITIES - In keeping with the Medical Center's commitment to its employees -Actively participated in the United Way fund campaign -Journey Beyond Excellence program - we have seven teams that assist with our journey - behavioral standards, employer of choice, rewards & recognition, communications, patient satisfaction, physician satisfaction, & service recovery These teams work together with our leadership to resolve challenges & engage all in our mission -Nursing Education Council develops and implements a preceptor reward and recognition program -The vacation donation program assisted employees who used 1,100 hours of donated vacation Employees have donated 237 vacation hours -The Employee Emergency Fund is for any St Alexius employee who experiences a crisis or is directly affected by a crisis involving a family member The funds are available to employees who are facing personal tragedies or hardships for reasons such as a loss of a spouse or child, catastrophic illness, loss of home by fire or flood, or other calamities 3 ACUTE CARE FACILITY - St Alexius is a partner with another acute care facility to operate a radiation therapy facility known as The Cancer Center The Cancer Center helps to ensure that patients with cancer receive quality care and management of their disease without having to drive a long distance to receive the same type of care 4 AWARDS/ACCOMPLISHMENTS - US News and World Report/Best Hospitals Ranked #1 in North Dakota and is recognized among the Best Hospitals in the Great Plains (ND) St Alexius is high-performing in cancer, gastroenterology and GI surgery, geriatrics, gynecology, orthopedics, and pulmonology Comparion Medical Analytics 2014 Quality Recognition Ranked #1 in the state for medical excellence in one or more clinical categories based on Comparion Medical Analytics CareChex Hospital Quality Ratings ESGR (Employer Support of the Guard and Reserve) Committee Pro Patria Award Received in recognition for St Alexius' efforts to care for Guard and Reserve employees This is the highest award that can be given at the state level (St Alexius was nominated for the award by Colonel/Dr Gordy Leingang, ER Physician)The Joint Commission Top Performer on Key Quality Measures (2012) "St Alexius is among 1,099 hospitals being recognized as a top performer for 2012 (top 33% of all TJC-accredited hospitals reporting accountability measure performance data for 2012) Top Performer hospitals will be formally announced on 10/30/13 when TJC publishes its Improving America's Hospitals annual report "CareChex Patient Safety Overall Hospital Care, Patient Safety Overall Medical Care St Alexius ranked number 1 in the state for patient safety in two areas (overall hospital care and overall medical care) Our composite score for overall hospital care was 95 2, and 95 2 for overall medical care Sanford ranked 3 in the state with an overall hospital care rating of 85 7 and 2 in overall medical care with a composite rating of 90 5 ACTION Registry - GWTG Silver Performance Achievement Award NCDR (National Cardiovascular Data Registry) award recognizes participating hospital that have maintained a rate of performance of 90% or better for four consecutive quarters St Alexius is one of only 130 hospitals nationwide to receive this recognition HomeCare Elite 2013 Top Agency Recognition of the top-performing home health agencies in the United States Winners are ranked by an analysis of publicly available performance measures in quality outcomes, best practice (process measure) implementation, patient experience (Home Health CAHPS), quality improvement and consistency, and financial performance In order to be considered, an agency must be Medicare-certified and have data for at least one outcome in Home Health Compare Out of 9,969 agencies considered, 2,496 are elite Women's Choice Award America's Best Hospitals Heart Care Named to Women Certified's Best Hospital of Patient Experience in Heart Care Women Certified bills itself as the voice of female patients St Alexius was selected based on our record with regard to treatment of heart attacks and heart failure as well as our patient satisfaction scores Women's Choice Award Best Hospitals for Patient Experience in Emergency CareOne of 241 hospitals to receive the honor of Best Hospital Patient Experience in Emergency Care St Alexius was selected based on analysis of the data hospitals submitted to the Centers for Medicare and Medicaid Services regarding emergency department performance We ranked highly on the measures women feel are most important in emergency care Women's Choice Award America's Best Hospitals for Cancer Care St Alexius was chosen based on our high Commission on Cancer standing, Oncology services and patient recommendations iVantage Health Analytics HEALTHSTRONG Hospital Highlights top performing hospitals rated as part of iVantage's Hospital Strength INDEX The Hospital Strength INDEX is the industry's most comprehensive rating system of hospitals The INDEX rates hospitals based on 66 performance metrics including quality, outcomes, patient perspective, affordability, and efficiency American Heart Association/American Stroke Association Get With The Guidelines - Stroke Silver Quality Achievement Award This marks the third consecutive year that St Alexius has been recognized with a quality achievement award for stroke care Award granted for implementing specific quality improvement measures for the rapid diagnosis and treatment of stroke patients at a set level for a designated period American Association for Respiratory Care (AARC) Quality Respiratory Care Provider (Great Plains Rehabilitation Services) GPRS is the only provider in ND to receive this recognition under a new program that aims to make sure patients who receive respiratory care services through home care organizations are getting quality care provided by a qualified respiratory therapist This is the eleventh year GPRS has been honored with this distinction American Heart Association Mission Lifeline Receiving Center-Bronze Level Recognition Award The AHA recognizes St Alexius for achieving 85% or higher composite adherence to all Mission Lifeline STEMI Receiving Center Performance Achievement indicators for consecutive 90-day intervals and 75% or higher compliance on all Mission Lifeline STEMI Receiving Center quality measures to improve the quality of care for STEMI patients This award is based upon your Mission Lifeline achievements through the ACTION Registry-GWTG data submitted for the 2013 calendar year Our medical center is certified by The Joint Commission Advanced as a Primary Stroke Center St Alexius is certified by The Joint Commission CoC - Commission on Cancer of Acos (American College of Surgeons) Our cancer program earned a three-year accreditation with commendation for demonstrating a commendation level of compliance with one or more standards that represent the full scope of the cancer program-cancer committee leadership, cancer data management, clinical services, research, community outreach, and quality improvement The St Alexius Medical Center Rehabilitation Center has been accredited from the Commission on Accreditation of Rehabilitation Facilities (CARF) This accreditation represents the highest level ofaccreditation that can be awarded to an organization and shows the organization's substantial conformance to the standards established by CARF ND Dept of Health (ESRD-End Stage Renal Disease facility survey) Our Dickinson ESRD facility is in compliance with all standards set forth for certification and participation in the Medicare Program

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 264,708,300

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	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	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19	Yes	
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		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**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *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**	Yes	
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**	Yes	
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**		No
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	250		
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		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	3,064		
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		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
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		Yes	
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**	15		
	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**	8		
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**			No
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
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**	Yes	
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**	Yes	

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

▶Joseph Messmer 900 East Broadway Avenue
Bismarck, ND 585014520 (701) 530-7610

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) John Castleberry Chair (July - Feb)	3 00	X		X				9,100	0	0
(2) John Giese Director(Jul-Feb)/Chair(Mar-Jun)	3 00	X		X				5,200	0	0
(3) Sr Nancy Miller President	3 00	X		X				0	0	0
(4) Sr Thomas Welder Vice President	3 00	X		X				0	0	0
(5) Sr Gerard Wald Secretary	3 00	X		X				0	0	0
(6) Sr Rosanne Zastoupil Treasurer	3 00	X		X				0	0	0
(7) Dr Michael Brown Director/Cardiovascular Surgeon	40 00	X						696,260	0	18,181
(8) Vernon Dosch Director	3 00	X						3,200	0	0
(9) Robert Gayton Director	3 00	X						4,500	0	0
(10) Ernest Godfread Director	3 00	X						4,000	0	0
(11) Sr Joann Krebsbach Director	3 00	X						0	0	0
(12) Nicholas Neumann MD Director	3 00	X						4,400	0	0
(13) Charles Reichert Director	3 00	X						4,200	0	0
(14) Pamela Schmidt Director	3 00	X						3,700	0	0
(15) Leslie Bakken Oliver Director	3 00	X						0	0	0
(16) Gary Miller President/CEO	50 00	X		X				546,756	0	14,943
(17) Syed Hyder VP Medical Affairs	40 00				X			410,361	0	28,228

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) Rosanne Schmidt VP Chief Nursing Officer	40 00				X			208,954	0	26,393
(19) Duwayne Schlittenhard VP Heart Vascular/Prof Services	40 00				X			189,442	0	16,059
(20) Wanda Pfaff VP Human Resources	40 00				X			174,724	0	16,328
(21) Frank Kilzer VP Material & Facility Resources	40 00				X			169,232	0	24,365
(22) Kurt Waldbillig VP Physician Services & Outreach	40 00				X			162,456	0	24,295
(23) Dr Eric Belanger Neurosurgeon	40 00					X		1,931,380	0	28,228
(24) Dr Steven Kraljic Neurosurgeon	40 00					X		1,538,802	0	25,728
(25) Dr Christopher Fukuda Urologist	40 00					X		740,510	0	25,728
(26) Dr Brent Herbel Interventional Radiologist	40 00					X		743,034	0	25,728
(27) Dr Allen Booth Cardiovascular & Thoracic Surgery	40 00					X		690,500	0	28,228

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	8,240,711	0	302,432

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 ▶196

			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
Bismarck Radiology Associates 810 E Rosser Ave Ste 201 Bismarck ND 58501	Radiology Services	4,785,473
Northern Plains Laboratory LLC PO Box 2036 Bismarck ND 58502	Pathology Services	4,510,161
DMS Health Technologies 2101 N University Dr Fargo ND 58104	Radiology Services	928,646
Northland Nuclear Medicine LLC 2124 E Thayer Ave Bismarck ND 58501	Radiology Services	683,301
Lawrence Recruiting Specialists Inc 38505 149th St Ste 65 Omaha NE 68144	Traveling Nurse Service	533,801

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 ▶25

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	290,265			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,356,619			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		1,646,884			
Program Service Revenue			Business Code				
	2a	Patient Service Revenue	541900	285,517,309	285,517,309		
	b	Other Revenue	900099	9,032,207	6,564,990	2,467,217	
	c	Cafeteria	900099	1,378,469	1,378,469		
	d	Health and Education	900099	155,303	155,303		
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		296,083,288			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		983,729			983,729
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross rents	935,348				
	b	Less rental expenses	1,007,215				
	c	Rental income or (loss)	-71,867				
	d	Net rental income or (loss)		-71,867		25,340	-97,207
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	1,014,443 / 629,866				
	b	Less cost or other basis and sales expenses	0 / 0				
	c	Gain or (loss)	1,014,443 / 629,866				
	d	Net gain or (loss)		1,644,309			1,644,309
	8a	Gross income from fundraising events (not including $ 290,265 of contributions reported on line 1c) See Part IV, line 18	a 81,116				
	b	Less direct expenses	b 124,435				
	c	Net income or (loss) from fundraising events		-43,319			-43,319
	9a	Gross income from gaming activities See Part IV, line 19	a 18,600				
	b	Less direct expenses	b 22,961				
	c	Net income or (loss) from gaming activities		-4,361			-4,361
	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	Community Pharmacy	446110	5,965,630	5,255,720	709,910	
	b	Northern Plains Lab	621500	1,381,520	321,058	1,060,462	
	c	Outside Lab	621500	802,977		802,977	
	d	All other revenue		220,311	220,311		
	e	**Total.** Add lines 11a–11d		8,370,438			
	12	**Total revenue.** See Instructions		308,609,101	299,413,160	5,065,906	2,483,151

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	476,652	476,652		
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	2,395,634		2,395,634	
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	95,128,865	82,705,929	12,292,921	130,015
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,891,947	3,437,604	449,417	4,926
9 Other employee benefits	12,538,834	10,957,838	1,564,291	16,705
10 Payroll taxes	8,210,850	7,194,753	1,006,516	9,581
11 Fees for services (non-employees)				
a Management				
b Legal	153,383		153,383	
c Accounting	88,478		88,478	
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)	1,774,218	683,477	1,090,741	
12 Advertising and promotion				
13 Office expenses	30,309,795	21,085,115	8,742,944	481,736
14 Information technology				
15 Royalties				
16 Occupancy	2,588,100	2,266,101	321,999	
17 Travel	1,299,766	1,138,988	160,063	715
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	3,295,952	3,295,952		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	18,935,243	18,880,725	54,518	
23 Insurance	1,171,659	1,161,976	9,683	
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 Physician Fees	44,483,957	44,148,133	335,824	
b Medical Supplies	39,347,170	39,347,170		
c Pharmacy	22,178,551	22,178,551		
d Equipment Rental/Mainte	6,117,658	5,749,336	367,762	560
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	294,386,712	264,708,300	29,034,174	644,238
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			1	
	2	Savings and temporary cash investments		36,847,848	2	39,447,763
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		43,111,241	4	42,325,631
	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		1,512,528	7	2,235,706
	8	Inventories for sale or use		4,325,206	8	6,615,505
	9	Prepaid expenses and deferred charges		1,616,784	9	1,496,751
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 344,487,628			
	b	Less accumulated depreciation	10b 207,472,178	141,013,083	10c	137,015,450
	11	Investments—publicly traded securities		34,595,058	11	36,021,545
	12	Investments—other securities See Part IV, line 11		12,659,380	12	40,343,471
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		1,485,266	15	2,231,580
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		277,166,394	16	307,733,402
Liabilities	17	Accounts payable and accrued expenses		38,350,428	17	32,528,400
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		54,514,006	20	89,185,281
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		18,427,836	23	6,326,973
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		6,597,141	25	4,854,421
	26	**Total liabilities.** Add lines 17 through 25		117,889,411	26	132,895,075
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		157,517,051	27	172,255,535
	28	Temporarily restricted net assets		1,759,932	28	2,333,821
	29	Permanently restricted net assets			29	248,971
		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		159,276,983	33	174,838,327
	34	Total liabilities and net assets/fund balances		277,166,394	34	307,733,402

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	308,609,101
2	Total expenses (must equal Part IX, column (A), line 25)	2	294,386,712
3	Revenue less expenses Subtract line 2 from line 1	3	14,222,389
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	159,276,983
5	Net unrealized gains (losses) on investments	5	1,298,574
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	40,380
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	174,838,327

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
St Alexius Medical Center

Employer identification number
45-0226711

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

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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
St Alexius Medical Center	45-0226711

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		14,433
j	Total Add lines 1c through 1i			14,433
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	Portion of membership dues attributable to lobbying expenditures

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
St Alexius Medical Center

Employer identification number
45-0226711

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	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	4,168,921	3,654,924	3,639,568	3,419,691	3,228,718
b	Contributions	1,294,587	958,033	494,559	448,744	347,995
c	Net investment earnings, gains, and losses	243,129	120,568	137,978	93,749	50,166
d	Grants or scholarships					
e	Other expenditures for facilities and programs	596,057	548,054	601,477	305,526	202,661
f	Administrative expenses	17,693	16,550	15,704	17,090	4,526
g	End of year balance	5,092,887	4,168,921	3,654,924	3,639,568	3,419,692

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

- a Board designated or quasi-endowment ▶ 100 000 %
- b Permanent endowment ▶ 0 %
- c Temporarily restricted endowment ▶ 0 %

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)		No
(ii) related organizations	3a(ii)		No
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		12,609,825		12,609,825
b Buildings		212,231,070	115,291,273	96,939,797
c Leasehold improvements				
d Equipment		112,939,544	88,653,578	24,285,966
e Other		6,707,189	3,527,327	3,179,862
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				137,015,450

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other See Additional Data Table		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶	40,343,471	

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

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

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

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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	
Capital lease obligations	4,811,921
Insurance Liability	42,500
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	4,854,421

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	286,670,763
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	1,298,574		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	-7,655,930		
e	Add lines **2a** through **2d**			2e	-6,357,356
3	Subtract line **2e** from line **1**			3	293,028,119
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	15,580,982		
c	Add lines **4a** and **4b**			4c	15,580,982
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	308,609,101

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	272,098,610
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	1,154,610		
e	Add lines **2a** through **2d**			2e	1,154,610
3	Subtract line **2e** from line **1**			3	270,944,000
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	23,442,712		
c	Add lines **4a** and **4b**			4c	23,442,712
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	294,386,712

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 V, Line 4	The endowment is utilized to provide funding to continue to enhance patient care at St Alexius Medical Center set forth in our mission, "Let all be received as Christ "
Part X, Line 2	St Alexius is organized as a North Dakota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) St Alexius is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS In addition, St Alexius is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose St Alexius files an Exempt Organization Business Income Tax Return (Form 990T) with the IRS to report its unrelated business taxable income St Alexius believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements St Alexius would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred St Alexius' federal Form 990T filings are no longer subject to federal tax examinations by tax authorities for years before 2009
Part XI, Line 2d - Other Adjustments	Income from subsidiary included in revenue for financial statements -7,305,930 Grant Expense included in income for financial statements -350,000
Part XI, Line 4b - Other Adjustments	Temporarily Restricted Contributions 573,889 Permanantly Restricted Contributions 248,971 Revenues of Disregarded Entity-St Alexius Heart and Lung 15,786,782 Contribution of Long-Lived Assets 125,950 Fundraising Expenses reported in Expenses in the Financial Statement -124,435 Gaming Expenses reported in Expenses in the Financial Statement -22,960 Rent Expense included in income for financial statements -1,007,215
Part XII, Line 2d - Other Adjustments	Fundraising Expenses reported in Expenses in the Financial Statement 124,435 Gaming Expenses reported in Expenses in the Financial Statement 22,960 Rent Expense included in Income for Financial Statements 1,007,215
Part XII, Line 4b - Other Adjustments	Expenses of Disregarded Entity-St Alexius Heart and Lung 23,092,712 Grant Expense included in Income for Financials Statements 350,000

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 45-0226711
Name: St Alexius Medical Center

Form 990, Schedule D, Part VII - Investments Other Securities

(a) Description of security or cateory (including name of security)	**(b)**Book value	**(c)** Method of valuation Cost or end-of-year market value
(3)Other (A) Cancer Center	7,074,809	C
(B) Cancer Center Foundation	282,040	C
(C) Cash & Cash Equivalents	2,229,684	C
(D) Mandan Pharmacy	10,463	C
(E) Central Dakota Laundry	-21,464	C
(F) Coop	64,454	C
(G) NCHCA Primecare	21,563	C
(H) Northern Plains Lab	2,971,631	C
(I) Real Estate and Specialty Assets	92,833	C
(J) SA Health Services Inc	1,263	C
(K) Under Bond Indenture Agreement	27,620,445	C
(L) Heart & Lung Net Asset Adjustment	-4,250	C

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
St Alexius Medical Center

Employer identification number
45-0226711

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

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- **a** ☐ Mail solicitations
- **b** ☐ Internet and email solicitations
- **c** ☐ Phone solicitations
- **d** ☐ In-person solicitations
- **e** ☐ Solicitation of non-government grants
- **f** ☐ Solicitation of government grants
- **g** ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

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

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

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

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

		(a) Event #1 Night for the Stars (event type)	(b) Event #2 SKAT (event type)	(c) Other events 2 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	298,918	48,901	23,562	371,381
	2 Less Contributions	239,526	40,926	9,813	290,265
	3 Gross income (line 1 minus line 2)	59,392	7,975	13,749	81,116
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	7,172	288		7,460
	7 Food and beverages	14,112	46	5,783	19,941
	8 Entertainment	8,750			8,750
	9 Other direct expenses	80,755	2,239	5,290	88,284
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(124,435)
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				-43,319

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

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1 Gross revenue			18,600	18,600
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes			22,525	22,525
	4 Rent/facility costs				
	5 Other direct expenses			436	436
	6 Volunteer labor	☐ Yes % ☐ No	☐ Yes % ☐ No	☐ Yes 83.000 % ☑ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				22,961
	8 Net gaming income summary Subtract line 7 from line 1, column (d) ▶				-4,361

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

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

b If "No," explain

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

b If "Yes," explain

Our license did expire due to a misunderstanding regarding filings and when renewal applications needed to be complete We have a letter from the State stating they understand the miscommunication and our license is okay to continue

11

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

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☑ No

13 Indicate the percentage of gaming activity operated in

a	The organization's facility	13a	0 %
b	An outside facility	13b	100 000 %

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

Name ▶ Kilee Harmon

Address ▶ 900 E Broadway Ave
Bismarck, ND 58501

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☑ No

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

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

Name ▶

Address ▶

16 Gaming manager information

Name ▶ Kilee Harmon

Gaming manager compensation ▶ $

Description of services provided ▶

☐ Director/officer ☑ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☑ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $ 0

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

Return Reference	Explanation

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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
St Alexius Medical Center

Employer identification number
45-0226711

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %			
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	3b	Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	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		No
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		
6a	Did the organization prepare a community benefit report during the tax year?	6a		No
b	If "Yes," did the organization make it available to the public?	6b		
	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)			1,475,000		1,475,000	0 520 %
b Medicaid (from Worksheet 3, column a)			11,563,785	9,448,000	2,115,785	0 750 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			13,038,785	9,448,000	3,590,785	1 270 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			131,599		131,599	0 050 %
f Health professions education (from Worksheet 5)			1,685,831		1,685,831	0 600 %
g Subsidized health services (from Worksheet 6)			59,231,968	43,494,506	15,737,462	5 570 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			476,652		476,652	0 170 %
j **Total.** Other Benefits			61,526,050	43,494,506	18,031,544	6 390 %
k **Total.** Add lines 7d and 7j			74,564,835	52,942,506	21,622,329	7 660 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2 11,869,673		
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 1,424,361		
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	83,706,018
6	Enter Medicare allowable costs of care relating to payments on line 5	6	84,052,492
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-346,474
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	1 Northern Plains Lab	Labratory Services	50 000 %		50 000 %
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 2

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group St Alexius 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 begining 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) https //www st alexius org/about/communit			
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 200 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 400 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**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

Section 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 Turtle Lake Community Memorial Hospital

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) 2

			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 communitymh com/health_assessm			
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 200 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**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

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

Form and Line Reference	Explanation
See Additional Data Table	

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? 6

	Name and address	Type of Facility (describe)
1	St Alexius Heart & Lung Clinic 310 North 10th Street Bismarck, ND 58501	Heart, Lung & Peripheral Vascular Disease Clinic
2	Great Plains Rehabilitation Services 1212 East Main Bismarck, ND 58501	Provide Home Medical Products to General Public
3	St Alexius Minot Medical Clinic 2700 8th St NW Minot, ND 58701	Family Medicine Clinic
4	St Alexius Mandan Clinic - North 2500 Sunset Dr NW Bismarck, ND 58501	Family Medicine Clinic
5	St Alexius Mandan Clinic - South 403 Burlington Street SE Mandan, ND 58554	Family Medicine Clinic
6	St Alexius Mandan Clinic - East 2008 Twin City Drive Mandan, ND 58554	Family Medicine Clinic
7		
8		
9		
10		

Part VI Supplemental Information

Provide the following information

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

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

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
Part I, Line 7	The charity care included in Part I, Line 7a is based on the average cost to gross charges calculated from audited financial The unreimbursed Medicaid in Part I, Line 7b is based on gross charges and claims from our Accounts Receivable System The community health services and education in Part I, Lines 7e and f are estimates The contributions in Part I, line 7i are based on actual expenses The subsidized health services in Part I, Line 7g are based on estimated costs from the internal cost accounting general ledger systems

Form and Line Reference	Explanation
Part I, Line 7g	Subsidized health services includes $59,081,413 in costs attributable to physician clinics

Form and Line Reference	Explanation
Part I, Ln 7 Col(f)	The amount of bad debt expense included in Form 990, Part IX, Line 25, Column (A), but subtracted for purposes of calculating the percentage in this column is $11,869,673

Form and Line Reference	Explanation
Part III, Line 3	The estimated amount of the organization's bad debt expense that is attributable to patients eligible under the organization's charity care policy is approximately $1,424,361 This was based off the most recent community needs assessment reported in March 2011, which indicated that 12% of the population is below the Federal Poverty Guidelines The 12% was applied to the amount of bad debt expense Discounts and payments on accounts are applied directly to the principal of the account The Hospital does not charge interest or fees related to the use of a collection agency to collect these payments

Form and Line Reference	Explanation
Part III, Line 4	The footnote to the organization's financial statements that describes bad debt expenses is located in Footnote 1 on page 13 of the attached financial statements

Form and Line Reference	Explanation
Part III, Line 8	Medicare allowable cost is based on the Medicare cost report The Medicare cost report is completed based on the rules & regulations set forth by the Centers for Medicare and Medicaid Services St Alexius Medical Center provides medically necessary care to all regardless of the ability to pay Therefore the shortfall should be treated as a community benefit

Form and Line Reference	Explanation
Part III, Line 9b	Reasonable efforts are taken for patients qualifying under financial assistance policy before turning over the account to a third party collector Any individual who indicates the financial inability to pay a bill for a medically necessary service shall be evaluated for Charity Care assistance The Financial Counselor along with the Social Work Department staff attempt to identify all inpatients prior to discharge and begin the discussion of available programs including, but not limited to, the charity care program Determination of eligibility should be made prior to discharge or as close to the date of service as possible However, retroactive determinations are also eligible The Customer Service staff in Patient Financial Services discusses Charity Care options with patients after services are rendered, usually, after the patient has received their first statement and provided the necessary documentation

Form and Line Reference	Explanation
Part VI, Line 2	The Organization completed a community health needs assessment during fiscal year 2013

Form and Line Reference	Explanation
Part VI, Line 3	The charity care policy is available on our website Currently patients are contacted through pre-admissions and they meet with patient financial staff that go through information prior to procedures Patient Financial Services also works with patients that need assistance with their billings Free copies of the policy and application are available by mail, phone, or at the hospital campus

Form and Line Reference	Explanation
Part VI, Line 4	St Alexius provides outreach services across its service area of central and western North Dakota St Alexius operates the Garrison Memorial Hospital in Garrison, North Dakota and manages the Community Memorial Hospital in Turtle Lake St Alexius owns and operates clinics in Mandan, Minot, Garrison, and Washburn North Dakota's population is 672,591 of which 61,272 reside in the city of Bismarck The population is 90 0% white, 5 4% Native American, and the remaining 4 6% being African American, Asian, and Hispanic By the year 2020, 45 of the 53 counties will have more than 22% of their population age 65 or older From 2000-2005 our state had a 15% decrease in the number of youth and a 13 8% increase in the minority population which was primarily Native American Reservations North Dakota has 12% of their population living in poverty The leading causes of death in Burleigh county ranked in order are Diseases of the Heart, Alzheimers, Respiratory Cancer, Accidental, Cerebrovascular Disease, COPD, Diabetes, Breast Cancer, and Colorectal Cancer Health related behaviors influence cardiovascular diseases such as smoking, physical inactivity, poor nutrition, and unhealthy weight status Hypertension is a chronic disease associated with aging that has a high risk factor for heart disease and stroke In North Dakota, 26% adults have high blood pressure North Dakota adults are a part of the national trend towards increased obesity 63% of the adults here have an unhealthy weight/BMI Some of the health screenings that St Alexius is conducting throughout the service region are vascular, wellness, memory, sleep apnea, and chronic obstructive pulmonary disease Those individuals that are being screened at no or minimal cost are being alerted of health risks that might go undetected Through screenings, it is our hope that these individuals seek further treatment and are empowered to make healthier lifestyle choices

Form and Line Reference	Explanation
Part VI, Line 5	The governing body is comprised of people in the community who are knowledgeable to advise the organization and are compensated for their expertise and time (see Part VII of Form 990) The organization extends medical staff privileges to Primecare physicians The organization applies surplus funds, if available, to their reinvestment in equipment and facilities to improve patient care The Hospital provides several services at reduced or no costs Those included are as follows 1 INTERACTIVE NETWORK - Consists of twenty five communities located in Montana, South and North Dakota covering 70,000 square miles are serviced by the St Alexius Medical Center network INTERACTIVE NETWORK provides electrocardiogram management, interactive cardiac management, remote cardiac monitoring, electroencephalogram monitoring, fetal monitoring, biomedical services, dialysis and infant pneumocardiograms to patients in western and central North Dakota These services might not be provided if not for the Hospital servicing these areas 2 OTHER ACTIVITES INCLUDED ON PART 1, LINE 7E - In keeping with the Hospital's commitment to serve all members of its community St Alexius Medical Center -participated in health fairs-provided patient educational materials and classes-provided patient support groups for different diseases-conducted health screenings-sponsored "Wellness" type programs ranging from Lamaze instruction and parenting to babysitting to diet and weight control to social issues -operated a Hospice Program-has telemedicine capabilities set-up in several rural communities-provides PAC's (radiology) services and radiology reading to many rural communities -tumor registry3 St Alexius manages a non-profit critical access hospital in Turtle Lake North Dakota St Alexius offers administrative expertise and purchasing economies that it passes on to this facility This allows the facility to continue to provide health care services and operate more efficiently Turtle Lake also provides primary care providers to clinics in McClusky and Washburn, ND 4 St Alexius manages a non-profit critical access hospital in Garrison North Dakota Garrison Memorial Hospital operates a 22 bed acute care hospital and a 26 bed skilled nursing facility They also operate a 24 hour, Level IV Certified Emergency Room 5 St Alexius operates a Telemedicine network, known as The Telecare Network It is a service St Alexius Medical Center and affiliated physicians offer in cooperation with 27 healthcare providers throughout the Dakotas The service features telemedicine consultations between rural physicians and specialists in Bismarck using real time video and audio telepresence equipment Consultations of both urgent and routine nature are available 6 St Alexius provides support to many other rural communities in terms of Critical Access Hospital management, primary care physician coverage, and visiting specialists

Additional Data

Software ID:
Software Version:
EIN: 45-0226711
Name: St Alexius Medical Center

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
St Alexius Medical Center	Part V, Section B, Line 7 1 It was noted in the community health needs assessment that Alzheimer's disease in North Dakota had the 2nd highest per capita number of deaths related to Alzheimer's Although we have offered education, memory screenings and support groups for Alzheimer's, the availability of medical specialists that treat Alzheimer's and other mental health issues is still a need Recruitment efforts have not been completed thus far to meet the need, due to diminished availability of psychiatrists and/or neuropsychologists 2 Although Diabetes and Obesity associated issues were identified as being prevalent in our minority Native American population, we continue to see a lack of participation by Native Americans at free/low cost community health screenings that have been offered The reasons why participation from this population is low requires further investigation

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
Turtle Lake Community Memorial Hospital	Part V, Section B, Line 7 It was noted in our community needs assessment that the respondents would like to have more local access and availability to more specialized care Turtle Lake Community Hospital has a few specialists that provide services locally At present time we have an orthopedic specialist that visits Turtle Lake on a monthly basis In the past we have had OB/GYN physician and a General Surgeon but due to the lack of patient numbers they no longer are willing to provide services in Turtle Lake Community Memorial Hospital is located in a small community and the chances of getting specialists to provide on site services is cost prohibitive We will explore offering more specialized services through tele-medicine

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
St Alexius Medical Center	Part V, Section B, Line 14g In addition to having the full financial assistance policy available upon request or via website, St Alexius contacts patients through pre-admissions and meets with them to discuss the policy prior to procedures Patient financial staff is available during normal office hours to discuss patient payment options and explain where the full financial assistance policy is available St Alexius also attaches a summary of the financial assistance policy to billing invoices, posts a summary in the facilities emergency and waiting rooms, and provides a summary to patients on admission to the hospital

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
Turtle Lake Community Memorial Hospital	Part V, Section B, Line 14g In addition to having the full financial assistance policy available upon request or via website, Community Memorial Hospital contacts patients through pre-admissions and meets with them to discuss the policy prior to procedures Patient financial staff is available during normal office hours to discuss patient payment options and explain where the full financial assistance policy is available Community Memorial Hospital also attaches a summary of the financial assistance policy to billing invoices, posts a summary in the facilities emergency and waiting rooms, and provides a summary to patients on admission to the hospital

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
St Alexius Medical Center	Part V, Section B, Line 20d The maximum amount charged to a patient by St Alexius under the financial assistance policy for emergency and medically necessary care is 45% of the gross charges The organization determines the amount generally billed using a blended rate of Medicare and non-government payors This is calculated annually

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
Turtle Lake Community Memorial Hospital	Part V, Section B, Line 20d The maximum amount charged to a patient by Community Memorial Hospital under the financial assistance policy for emergency and medically necessary care is 94 68% of the gross charges The organization determines the amount generally billed using a blended rate of Medicare and non-government payors This is calculated annually

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
St Alexius Medical Center

Employer identification number
45-0226711

Part I General Information on Grants and Assistance

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

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

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Bismarck Recreation Council 400 E Front Ave Bismarck, ND 58504	45-0384442	501(c)(3)	10,000				Support for the Frances Leach High Prairie Arts & Science Complex
(2) Sakakawea Medical Center 510 8th Ave NE Hazen, ND 58545	45-0308379	501(c)(3)	75,000				Outreach Care Grant
(3) West River Regional 1000 Highway 12 Hettinger, ND 58639	45-0340688	501(c)(3)	350,000				Rural Healthcare Support Grant
(4) Missouri Slope Areawide United Way PO Box 2111 Bismarck, ND 58501	45-0387741	501(c)(3)	11,809				Support United Way

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 4

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 0

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

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

Return Reference	Explanation
Part I, Line 2	St Alexius makes donations to entities with charitable missions to ensure that our donations are used for the purposes intended

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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
St Alexius Medical Center

Employer identification number
45-0226711

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**	Yes	
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**	Yes	
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**		No
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**	Yes	
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**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
Part I, Line 1a	President/CEO is allowed up to annual maximum executive benefit allowance of $10,000 for expenses incurred for airline, club memberships, wellness/fitness programs, financial planning and tax preparation services, membership in community club, and cell phone and wireless connectivity The amount of benefit used is included in taxable income
Part I, Line 7	At the beginning of each fiscal year, the Compensation Committee establishes a financial threshold which must be met before any awards are paid and establishes guidelines defining the size of any awards available to participants At the end of the plan year, the Committee decides whether to make any awards to participants and how large any award shall be, in accordance with the guidelines established at the beginning of the plan year Incentive compensation is earned as a percent of base salary Base salary is defined as the annualized rate of pay (summation of monthly base salary for the plan year)

Additional Data

Software ID:
Software Version:
EIN: 45-0226711
Name: St Alexius Medical Center

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Dr Michael Brown Director/Cardiovascular Surgeon	(I) (II)	696,260 0	0 0	0 0	10,200 0	10,014 0	716,474 0	0 0
Gary Miller President/CEO	(I) (II)	546,756 0	0 0	0 0	10,200 0	10,660 0	567,616 0	0 0
Syed Hyder VP Medical Affairs	(I) (II)	410,361 0	0 0	0 0	10,200 0	26,272 0	446,833 0	0 0
Rosanne Schmidt VP Chief Nursing Officer	(I) (II)	208,954 0	0 0	0 0	8,430 0	24,706 0	242,090 0	0 0
Duwayne Schlittenhard VP Heart Vascular/Prof Services	(I) (II)	189,442 0	0 0	0 0	7,539 0	10,283 0	207,264 0	0 0
Wanda Pfaff VP Human Resources	(I) (II)	174,724 0	0 0	0 0	6,957 0	13,367 0	195,048 0	0 0
Frank Kilzer VP Material & Facility Resources	(I) (II)	169,232 0	0 0	0 0	6,741 0	21,795 0	197,768 0	0 0
Kurt Waldbillig VP Physician Services & Outreach	(I) (II)	162,456 0	0 0	0 0	6,671 0	18,390 0	187,517 0	0 0
Dr Eric Belanger Neurosurgeon	(I) (II)	1,560,028 0	371,352 0	0 0	10,200 0	21,005 0	1,962,585 0	0 0
Dr Steven Kraljic Neurosurgeon	(I) (II)	1,450,608 0	88,194 0	0 0	10,200 0	18,413 0	1,567,415 0	0 0
Dr Christopher Fukuda Urologist	(I) (II)	599,156 0	86,061 0	55,293 0	10,200 0	17,444 0	768,154 0	0 0
Dr Brent Herbel Interventional Radiologist	(I) (II)	743,034 0	0 0	0 0	10,200 0	17,667 0	770,901 0	0 0
Dr Allen Booth Cardiovascular & Thoracic Surgery	(I) (II)	690,500 0	0 0	0 0	10,200 0	20,060 0	720,760 0	0 0

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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
St Alexius Medical Center

Employer identification number
45-0226711

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 Garrison	45-6002076		12-20-2007	3,200,000	2007-Improvements to the Infrastructure Relating to Energy Management		X		X		X
B	Burleigh County	45-6002204	120906DR0	01-31-2012	40,208,479	Bond Refinance for 12/01/98, 4/15/09, 5/27/10, 11/16/10 and 3/31/11 Bonds		X		X		X
C	Burleigh County	45-6002204	120906EP3	06-26-2014	49,349,559	Bond Refinance 98 New Construction Projects		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	645,126	1,800,000		
2	Amount of bonds legally defeased				
3	Total proceeds of issue	3,200,000	40,208,479	49,349,559	
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds		798,251	200,437	
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	3,200,000		9,085,415	
11	Other spent proceeds		39,410,228	13,873,125	
12	Other unspent proceeds			25,853,602	
13	Year of substantial completion	2008	2012		

		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	X		X			
15	Were the bonds issued as part of an advance refunding issue?		X	X			X		
16	Has the final allocation of proceeds been made?	X		X			X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		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		X		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		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		X		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		X		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 ▶	0 %		0 %		0 %			
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 ▶	0 %		0 %		0 %			
6	Total of lines 4 and 5	0 %		0 %		0 %			
7	Does the bond issue meet the private security or payment test?		X		X		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		X		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		X		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		X		X		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X		X		
b	Exception to rebate?		X		X		X		
c	No rebate due?		X		X		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			X		X		
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X		X		
b	Name of provider	US Bank NA							
c	Term of hedge	10 000000000000							
d	Was the hedge superintegrated?		X						
e	Was the hedge terminated?		X						

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		X		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		X		X		
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X		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		X		X		

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

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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
St Alexius Medical Center

Employer identification number
45-0226711

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? 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
Total ▶ $												

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

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

Part V Supplemental Information

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

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 45-0226711
Name: St Alexius Medical Center

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

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of transaction	**(d)** Description of transaction	**(e)** Sharing of organization's revenues?	
				Yes	**No**
(1) Blue Cross Blue Shield	Gary Miller BCBS board member	1,916,610	Insurance services		No
(2) Wells Fargo	John Giese is Wells Fargo CEO	599,353	Banking and insurance services		No
(3) Lynn Dosch	Spouse of Board Member	11,673	Employee		No
(4) David Gayton	Brother of Board Member	415,423	Employee		No
(5) Kari Emery	Daughter of Board Member	48,813	Employee		No
(6) Skylar Dosch	Daughter-in-law of Board Member	50,232	Employee		No
(7) UND School of Medicine	Nicholas Neumann is Associate Dean	464,907	Resident/CME Program		No
(8) Karen Brown	Spouse of Board Member	328,834	Employee		No
(9) Adam Miller	Son of CEO	38,479	Employee		No
(10) Eric Kilzer	Son of Key Employee	81,709	Employee		No
(11) Joleen Waldbillig	Spouse of Key Employee	36,139	Employee		No
(12) Jarin Sprecher	Stepson of Key Employee	10,046	Employee		No
(13) Michael Anderson	Stepson of Key Employee	32,127	Employee		No
(14) Daniel Holland	Son-In-Law of Key Employee	80,467	Employee		No
(15) Jacob Alexander	Son-in-law of Board Member	11,398	Employee		No
(16) Lukas Neuman	Son of Board Member	10,346	Employee		No

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
St Alexius Medical Center

Employer identification number
45-0226711

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art	X	2	0	
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications	X		0	
5 Clothing and household goods	X		0	
6 Cars and other vehicles	X	1	0	
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (Gift Baskets)	X	20	0	
26 Other ▶ (Trips)	X	9	0	
27 Other ▶ (Beverages/foo)	X	8	0	
28 Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . **29**

		Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		No
b	If "Yes," describe the arrangement in Part II		
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?		No
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		No
b	If "Yes," describe in Part II		
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II		

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Return Reference	Explanation
Part I, Line 33	All items reported were given away at fundraising events through silent autions, live autions, or door prizes

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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
St Alexius Medical Center

Employer identification number
45-0226711

Return Reference	Explanation
Form 990, Part III, Line 4c, Program Service Accomplishments Continued	St Alexius has been awarded an accreditation by the Commission on Laboratory Accreditation of the College of American Pathologists (CAP) The CAP accreditation program is recognized by the federal government as being equal to or more stringent than the government's own inspection program The inspectors examine the laboratory's records and quality control of procedures for the preceding two years This stringent inspection program is designed to specifically ensure the highest standard of care for the laboratory's patients St Alexius provides and supports an inpatient Psychiatric Unit and a Partial Psych outpatient unit The American Society for Metabolic & Bariatric Surgery (ASMBS) designated St Alexius Medical Center as a Bariatric Surgery Center of Excellence Dr Brandon Helbling and Dr Gaylord Kavlie of Mid Dakota Clinic perform surgical weight loss procedures at this ASMBS-accredited center Earning the ASMBS Bariatric Surgery Center of Excellence designation signifies St Alexius Medical Center's ability to meet the standards of care for bariatric surgery patients St Alexius Medical Center has been designated as a Blue Distinction Center for Bariatric Surgery by Blue Cross Blue Shield of North Dakota, an independent licensee of the Blue Cross and Blue Shield Association Designation as Blue Distinction Centers means a facility's overall experience and aggregate data met objective criteria established in collaboration with expert clinicians' and leading professional organizations' recommendations St Alexius Medical Center is designated as a Blue Distinction Centers+ for knee and hip replacement Earning this designation means a facilities' overall experience and aggregate data met objective criteria established in collaboration with expert clinicians' and leading professional organizations' recommendations

Return Reference	Explanation
Form 990, Part VI, Section A, line 2	John Giese and Gary Miller have a business relationship

Return Reference	Explanation
Form 990, Part VI, Section A, line 6	Members The corporation shall have one class of members, which shall consist of members of the monastic community known as the Benedictine Sisters of the Annunciation, BMV, who have made their perpetual monastic profession and who have been elected to or appointed to the Sponsorship Group of the Benedictine Sisters of the Annunciation, BMV

Return Reference	Explanation
Form 990, Part VI, Section A, line 7a	Joint Powers of Members and Board of Directors The following powers shall be reserved jointly to the members of the corporation and the board of directors 1 Approve a new candidate appointed to serve as President/Chief Executive Officer of the corporation 2 Approve any person to be elected to serve on the board of directors 3 Remove any director if this action is indicated The power of the board of directors to act on any of these matters is subject to the requirement that the members of the corporation shall approve such action prior to the submission of the matter to a vote of the board of directors

Return Reference	Explanation
Form 990, Part VI, Section A, line 7b	Powers Reserved to Members Exercise of the following powers shall be reserved exclusively to the members of the corporation to 1 Change the sponsorship, reserved powers or mission of the corporation as an institution founded on Gospel values, the Benedictine heritage of healing and the healing ministry of Jesus 2 Make any major policy change on ethical issues 3 Authorize the sale or encumbrance of all or substantially all of the assets or property of the corporation 4 Merge, liquidate or dissolve the corporation 5 Change the name of the corporation 6 Change or amend the structure of the board of directors of the corporation 7 Amend, alter or repeal the articles of incorporation and/or the bylaws of the corporation 8 Approve or disapprove a proposed course of action which could reasonably be anticipated to adversely affect the sponsorship or mission of the corporation as an institution founded on Gospel values, the Benedictine heritage of healing and the healing ministry of Jesus

Return Reference	Explanation
Form 990, Part VI, Section A, line 8b	There are no committees with the authority to act on behalf of the board of directors

Return Reference	Explanation
Form 990, Part VI, Section B, line 11	Internal staff will present to the audit and compliance committee and that committee recommends approval to the board. A draft is presented at a board meeting

Return Reference	Explanation
Form 990, Part VI, Section B, line 12c	Annually all employees are asked conflict of interest questions at evaluation time Employees are responsible for disclosing potential conflicts of interest by completing a disclosure form Each year the compliance officer initiates a review of all conflicts of interests within the medical center The following annually complete a disclosure form board members, President/CEO, Vice Presidents, Directors/Managers, other employees with significant decision making authority or who are in a position to influence decisions The forms are reviewed by the compliance officer and if a conflict is "new" or requires review, the CEO and the Audit & Compliance Committee discuss the conflict and determine appropriate course of action

Return Reference	Explanation
Form 990, Part VI, Section B, line 15	Compensation is reviewed annually by an independent group using comparability data and recommendations are presented to the President/CEO and/or Board of Directors for approval

Return Reference	Explanation
Form 990, Part VI, Section C, line 19	An annual report is available to the public that includes financial statements

Return Reference	Explanation
Form 990, Part XI, line 9	Fair Value of Interest Rate Swap 40,380

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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
St Alexius Medical Center

Employer identification number
45-0226711

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
(1) St Alexius Heart & Lung Clinic LLC 900 East Broadway Avenue Bismarck, ND 58501 86-1123162	Speciality Clinic-Cardiology, etc	ND	15,786,782	1,944,324	N/A

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) Garrison Memorial Hospital 407 3rd Ave SE Garrison, ND 58540 45-0227752	Hospital	ND	501(c)(3)	Line 3	St Alexius Medical Center		No
(2) Benedictine Sisters of the Annunciation BMV 7520 University Drive BISMARCK, ND 58504 45-0261530	Religious Purposes	ND	501(c)(3)	Line 1	N/A		No

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	

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
(1) St Alexius Health Services Inc 900 East Broadway Ave Bismarck, ND 58501 45-0402817	General Business Purpose	ND	St Alexius Medical Center	C		1,263	100 000 %		No
(2) North Central Health Care Alliance PO Box 5538 Bismarck, ND 58506 45-0439894	Insurance Contracting Network	ND	N/A	C					No

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

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

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation

Consolidated Financial Statements
June 30, 2014 and 2013

St. Alexius Medical Center and Subsidiaries

St. Alexius Medical Center and Subsidiaries

Table of Contents
June 30, 2014 and 2013

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
St Alexius Medical Center and Subsidiaries
Bismarck, North Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of St Alexius Medical Center and Subsidiaries (St Alexius) which comprise the consolidated balance sheets as of June 30, 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 financial statements

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St Alexius Medical Center and Subsidiaries as of June 30, 2014 and 2013, and the results of its operations, changes in net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Eide Bailly LLP

Fargo, North Dakota
September 23, 2014

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	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	$ 39,586,212	$ 36,936,999
Assets limited as to use	3,121,170	2,085,722
Receivables		
Patient and resident, net of estimated uncollectibles of $54,514,000 in 2014 and $48,649,000 in 2013	42,093,333	42,496,360
Other	2,371,170	2,146,183
Supplies	6,876,278	4,533,333
Prepaid expenses	1,685,812	1,606,358
Total current assets	95,733,975	89,804,955
Assets Limited as to Use		
Under bond indenture agreements	25,450,975	800,806
By Board for expansion and replacement	38,344,062	36,305,927
Total assets limited as to use	63,795,037	37,106,733
Property and Equipment, Net	135,017,944	139,521,155
Other Assets		
Rental property, net of accumulated depreciation of $1,101,192 in 2014 and $1,061,790 in 2013	4,763,239	4,219,655
Deferred financing costs, net of accumulated amortization of $113,068 in 2014 and $1,055,183 in 2013	1,483,776	881,745
Estimated professional liability insurance receivable	42,500	160,000
Other investments	12,636,215	10,452,706
Total other assets	18,925,730	15,714,106
Total assets	$ 313,472,686	$ 282,146,949

See Notes to Consolidated Financial Statements

	2014	2013
Liabilities and Net Assets		
Current Liabilities		
Notes payable to bank	$ -	$ 15,800,000
Current maturities of long-term debt	3,634,634	4,564,647
Accounts payable		
Trade	10,951,411	10,653,174
Estimated third-party payor settlements	3,594,040	7,540,615
Construction payables	1,354,327	4,235,097
Accrued expenses		
Salaries and wages	6,620,828	6,037,707
Vacation pay	7,457,382	7,112,984
Professional fees	856,312	689,089
Interest	820,668	1,173,874
Payroll taxes and other	795,817	832,596
Self-funded health insurance reserve	1,483,678	1,084,583
Total current liabilities	37,569,097	59,724,366
Obligation Under Interest Rate Swap Agreement	69,833	110,212
Estimated Liability Claims Payable	42,500	160,000
Long-Term Debt, Less Current Maturities	97,557,317	60,066,584
Total liabilities	135,238,747	120,061,162
Net Assets		
Unrestricted	175,651,147	160,325,855
Temporarily restricted	2,333,821	1,759,932
Permanently restricted	248,971	-
Total net assets	178,233,939	162,085,787
Total liabilities and net assets	$ 313,472,686	$ 282,146,949

St. Alexius Medical Center and Subsidiaries

Consolidated Statements of Operations

Years Ended June 30, 2014 and 2013

	2014	2013
Unrestricted Revenues, Gains and Other Support		
Net patient and resident service revenue	$ 305,684,460	$ 295,175,681
Provision for bad debts	(12,285,434)	(13,071,674)
Net patient service revenue less provision for bad debts	293,399,026	282,104,007
Other revenue	19,319,062	16,708,507
Total revenues, gains and other support	312,718,088	298,812,514
Expenses		
Nursing services	52,032,247	50,615,053
Other professional services	161,535,126	161,655,861
General and administrative	50,755,251	49,499,186
Depreciation and amortization	19,678,848	20,061,414
Property and household	11,156,481	10,939,132
Dietary	3,964,063	3,804,861
Interest	3,280,230	3,393,446
Total expenses	302,402,246	299,968,953
Operating Income (Loss)	10,315,842	(1,156,439)
Other Income (Loss)		
Investment income	987,362	215,396
Gain (loss) on disposal of equipment	586,962	(3,582,227)
Loss on refinancing of long-term debt	(302,490)	-
Other	2,272,714	2,575,912
Other income (loss), net	3,544,548	(790,919)
Revenues in Excess of (Less Than) Expenses	13,860,390	(1,947,358)
Change in Unrealized Gains and Losses on Investments	1,298,572	978,704
Change in Fair Value of Interest Rate Swap Agreement	40,380	57,024
Contributions for Long-Lived Assets	125,950	198,074
Increase (Decrease) in Unrestricted Net Assets	$ 15,325,292	$ (713,556)

St. Alexius Medical Center and Subsidiaries

Consolidated Statements of Changes in Net Assets

Years Ended June 30, 2014 and 2013

	2014	2013
Unrestricted Net Assets		
Revenues in excess of (less than) expenses	$ 13,860,390	$ (1,947,358)
Change in unrealized gains and losses on investments	1,298,572	978,704
Change in fair value of interest rate swap agreement	40,380	57,024
Contributions for long-lived assets	125,950	198,074
Increase (decrease) in unrestricted net assets	15,325,292	(713,556)
Temporarily Restricted Net Assets		
Restricted contributions and interest	1,124,161	745,070
Net assets released from restrictions	(550,272)	(500,906)
Increase in temporarily restricted net assets	573,889	244,164
Permanently Restricted Net Assets		
Restricted contributions and interest	248,971	-
Increase (Decrease) in Net Assets	16,148,152	(469,392)
Net Assets, Beginning of Year	162,085,787	162,555,179
Net Assets, End of Year	$ 178,233,939	$ 162,085,787

	2014	2013
Operating Activities		
Change in net assets	$ 16,148,152	$ (469,392)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	19,678,848	20,061,414
Depreciation on rental property	92,846	568,479
Amortization of original issue discount	26,626	34,479
Provision for bad debts	12,285,434	13,071,674
Loss (gain) on sale of equipment	(586,962)	3,582,227
Loss on refinancing of long-term debt	302,490	-
Restricted contributions and interest	(1,124,161)	(745,070)
Change in unrealized gains and losses on investments	(1,298,572)	(978,704)
Gain on investments recognized on the equity method	(2,853,209)	(3,077,724)
Other changes in net assets	(166,330)	(255,098)
Changes in assets and liabilities		
Receivables	(12,075,785)	(14,355,038)
Supplies	(2,342,945)	(444,126)
Prepaid expenses	(79,454)	119,102
Accounts payable	(3,648,338)	(130,004)
Accrued expenses	704,757	1,321,793
Self-funded health insurance reserve	399,095	(50,109)
Net Cash from Operating Activities	25,462,492	18,253,903
Investing Activities		
Purchase and construction of property and equipment	(10,185,955)	(18,269,874)
Proceeds from the sale of property and equipment	729,328	-
Purchase of assets limited as to use	(26,425,180)	(970,476)
Distributions from affiliates	1,375,800	2,195,000
Decrease (increase) in other investments	(60,310)	18,534
Purchase of rental property	(636,430)	(794,615)
Decrease (increase) in notes receivable, net	(754,788)	(960,272)
Net Cash used for Investing Activities	(35,957,535)	(18,781,703)
Financing Activities		
Repayment of long-term debt	(22,199,711)	(4,940,597)
Increase (decrease) in construction payables	(2,880,770)	1,501,483
Restricted contributions and interest	1,124,161	745,070
Contributions for long-lived assets	125,950	198,074
Payment of deferred financing costs	(874,933)	(29,636)
Proceeds from issuance of long-term debt	53,649,559	2,050,000
Increase (decrease) in notes payable	(15,800,000)	4,800,000
Net Cash from Financing Activities	13,144,256	4,324,394

	2014	2013
Net Increase in Cash and Cash Equivalents	$ 2,649,213	$ 3,796,594
Cash and Cash Equivalents, Beginning of Year	36,936,999	33,140,405
Cash and Cash Equivalents, End of Year	$ 39,586,212	$ 36,936,999
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	$ 3,606,810	$ 3,231,638

Supplemental Disclosure of Noncash Investing and Financing Activities
In 2014 and 2013, St. Alexius entered into capital leases for equipment of $5,084,246 and $1,236,482

Supplemental Disclosure of Noncash Investing Activities
In 2013, St. Alexius transferred $5,392,250 of rental property to property used for operations

Note 1 - Organization and Significant Accounting Policies

Organization and Principles of Consolidation

St Alexius Medical Center (Medical Center) operates a 308-bed acute care hospital, including a 19-bed transitional care unit, in Bismarck, North Dakota The Medical Center also operates a 25-bed acute care hospital in Turtle Lake, North Dakota, and several clinics The Medical Center is the sole member of Garrison Memorial Hospital (Garrison), a 22-bed acute care hospital and 26-bed nursing facility in Garrison, North Dakota The Medical Center also owns 100% of the St Alexius Heart and Lung Clinic, LLC (Heart and Lung)

The Board of Directors of the Medical Center consists of no fewer than eleven persons and no more than fifteen persons At least five members of the Board of Directors are required to be members of the Benedictine Sisters of the Annunciation, B M V , a religious community The remaining directors may be members of the civic community Various members of the religious community also comprise at least the majority of the governing boards of other entities separately incorporated in the State of North Dakota, as follows

- Benedictine Sisters of the Annunciation, B M V
- University of Mary

The accompanying consolidated financial statements include the accounts of the Medical Center, Garrison, and Heart and Lung (collectively referred to as St Alexius) All significant inter-company balances and transactions have been eliminated in the consolidated financial statements

Income Taxes

The Medical Center and Garrison are organized as North Dakota nonprofit corporations and have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) The Medical Center and Garrison are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS In addition, The Medical Center and Garrison are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes The Medical Center and Garrison file an Exempt Organization Business Income Tax Return (Form 990T) with the IRS to report their unrelated business taxable income Hearth and Lung is not subject to income taxes as a wholly owned LLC

St Alexius believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements St Alexius would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred The Medical Center's and Garrison's federal Form 990T filings are no longer subject to federal tax examinations by tax authorities for years before 2009

Use of Estimates

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

Fair Value Measurements

St Alexius has determined the fair value of certain assets and liabilities using a framework for measuring fair value under generally accepted accounting principles

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs A fair value hierarchy has also been established, which prioritizes the valuation inputs into three broad levels

Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability Level 3 inputs are unobservable inputs related to the asset or liability

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with a maturity of three months or less, excluding assets limited as to use

Patient and Resident Receivables

Patient receivables are uncollateralized patient, resident, and third-party payor obligations Payments of patient and resident receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim

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

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

St Alexius' process for calculating the allowance for doubtful accounts for self-pay patients has not significantly changed from June 30, 2013 to June 30, 2014 St Alexius does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write offs from third-party payors St Alexius has not significantly changed its charity care or uninsured discount policies during fiscal years 2014 or 2013

Supplies

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

Equity Investments

Investments in jointly owned companies in which St Alexius has a 20% to 50% interest or otherwise exercises significant influence are recorded under the equity method of accounting Under the equity method, the initial investment is recorded at cost, adjusted for St Alexius' proportionate share of their undistributed earnings or losses, net of any additional investments or distributions St Alexius' share of net earnings or losses of these companies is included in other operating revenue

Assets Limited as to Use

Assets limited as to use include assets set aside by the Board of Directors for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets held by trustees under bond indenture agreements Assets limited as to use that are available for obligations classified as current liabilities are reported as current assets

Property and Equipment

Property and equipment acquisitions in excess of $1,000 are capitalized and recorded at cost Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method Equipment under capital lease obligations is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment Amortization is included in depreciation in the financial statements The estimated useful lives of property and equipment are as follows

Land improvements	5-25 years
Buildings and fixed equipment	5-40 years
Major movable equipment	3-20 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to unrestricted net assets and are excluded from revenues in excess of (less than) expenses unless explicit donor stipulations specify how the donated assets must be used Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted net assets Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when donated or when acquired long-lived assets are placed in service

Rental Property

Rental property consists of certain property that is not used in operations and is available for rental to third parties Rental income, net of depreciation expense on this property, is recorded as other income

Deferred Financing Costs and Original Issue Discounts

Deferred financing costs are amortized over the period the related obligation is outstanding using the bonds outstanding method. Amortization of deferred financing costs is included in depreciation and amortization in the accompanying consolidated financial statements.

Original issue discounts are amortized to interest expense over the period the related obligation is outstanding using the bonds outstanding method. Amortization of original issue discount is included in interest expense in the accompanying consolidated financial statements.

Investments and Investment Income

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

Interest Rate Swap

St. Alexius uses derivative financial instruments primarily to optimize borrowing costs under its financing strategy. St. Alexius entered into derivative contracts, known as interest rate swaps, which effectively change the interest rate of its borrowings. These contracts hedge interest rate exposure for periods consistent with their underlying exposures and do not constitute investments independent of these exposures. St. Alexius does not hold or issue financial instruments for trading purposes.

Interest rate swaps converted a portion of St. Alexius' floating rate bank debt into fixed rate debt on notional amounts. The notional amounts of derivative financial instruments do not represent actual amounts exchanged by the parties, but instead represented the amounts on which the contracts were based. The floating interest rate payments under these swaps are based on a LIBOR rate plus 1%, the sum of which is multiplied by 69%. Interest to be paid or received on these contracts currently adjusts interest expense.

Self-Funded Health Insurance Reserves

Self-funded health insurance reserves include claims reported as of the balance sheet date and estimates (based on projections from historical data) of health care costs expenses incurred but not paid. Estimates are continually monitored and reviewed, and as settlements are made or estimates adjusted, differences are reflected in current operations.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by St. Alexius has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by St. Alexius in perpetuity.

Revenues in Excess of (Less Than) Expenses

Revenues in excess of (less than) expenses excludes unrealized gains and losses on investments other than trading securities, transfers of assets to and from related parties for other than goods and services, change in fair value of effective interest rate swap hedges, and contributions of long-lived assets, including assets acquired using contributions which were restricted by donors

Net Patient and Resident Service Revenue

St Alexius has agreements with third-party payors that provide for payments to St Alexius at amounts different from its established rates Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments Net patient and resident service revenue is reported at the estimated net realizable amounts from patients, residents, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined

St Alexius recognizes patient and resident service revenue associated with services provided to patients and residents who have third-party payor coverage on the basis of contractual rates for the services rendered, as noted above For uninsured patients that do not qualify for charity care, St Alexius recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy) On the basis of historical experience, a significant portion of St Alexius' uninsured patients and residents will be unable or unwilling to pay for the services provided Thus, St Alexius records a significant provision for bad debts related to uninsured patients and residents in the period the services are provided Net patient and resident service revenue, but before the provision for bad debts, recognized for the years ended June 30, 2014 and 2013 from these major payor sources, is as follows

	2014	2013
Net patient and resident service revenue		
Third-party payors	$ 288,043,392	$ 276,758,313
Self-pay	17,641,068	18,417,368
Total all payors	$ 305,684,460	$ 295,175,681

Charity Care

St Alexius provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates Because St Alexius does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue The amount of charges foregone for services provided under St Alexius' charity care policy were approximately $3,302,000 and $4,656,000 for the years ended June 30, 2014 and 2013 Total direct and indirect costs related to these foregone charges were $1,516,000 and $2,105,000 at June 30, 2014 and 2013, based on average ratios of cost to gross charges

Electronic Health Record Incentive Payments

The American Recovery and Reinvestment Act of 2009 (ARRA) amended the Social Security Act to establish incentive payments under the Medicare and Medicaid programs for certain hospitals and professionals that meaningfully use certified Electronic Health Records (EHR) technology

To qualify for the EHR incentive payments, hospitals and physicians must meet designated EHR meaningful use criteria In addition, hospitals must attest that they have used certified EHR technology, satisfied the meaningful use objectives, and specify the EHR reporting period This attestation is subject to audit by the federal government or its designee The EHR incentive payment to hospitals for each payment year is calculated as a product of (1) an initial amount, (2) the Medicare share, and (3) a transition factor applicable to that payment year

St Alexius recognizes EHR incentive payments as revenue when there is reasonable assurance that St Alexius will comply with the conditions attached to the incentive payments EHR incentive payments are included in other operating revenue in the accompanying financial statements The amount of EHR incentive payments recognized are based on management's best estimate and those amounts are subject to change with such changes impacting the period in which they occur

Donor-restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When donor stipulated time restrictions or purpose restrictions are met or accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the statement of operations

Advertising

St Alexius expenses advertising costs as they are incurred Advertising costs for the years ended June 30, 2014 and 2013 were approximately $503,000 and $475,000

Reclassifications

Reclassifications have been made to the June 30, 2013 financial information to make it conform to the current year presentation The reclassifications had no effect on previously reported operating results or changes in net assets

Note 2 - Net Patient and Resident Service Revenue

St Alexius has agreements with third-party payors that provide for payments to St Alexius at amounts different from its established rates A summary of the payment arrangements with major third-party payors is as follows

Medicare The Medical Center is reimbursed under a prospective payment system Acute care services provided to Medicare program beneficiaries are paid at prospectively determined rates These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors The Medical Center is reimbursed for cost reimbursable items at a tentative rate, less sequestration reduction, with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare fiscal intermediary The Medical Center's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2011

The hospitals in Turtle Lake and Garrison are licensed as Critical Access Hospitals (CAH) Those hospitals are reimbursed for most inpatient and outpatient services at cost plus 1%, less sequestration reduction, with final settlement determined after submission of annual cost reports by the Turtle Lake and Garrison hospitals and are subject to audits thereof by the Medicare intermediary Certain services are subject to cost limits or fee schedules Turtle Lake and Garrison's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2012

The Centers for Medicare and Medicaid Services (CMS) has implemented a Recovery Audit Contractor (RAC) program under which claims subsequent to October 1, 2007, are reviewed by contractors for validity, accuracy, and proper documentation A demonstration project completed in several other states resulted in the identification of potential overpayments, some being significant The potential exists that the Medical Center may incur an additional liability for a claims overpayment at a future date The Medical Center is unable to determine the extent of the liability of overpayments, if any As the outcome of such reviews is unknown and cannot be reasonably estimated, it is the Medical Center's policy to adjust revenue for deductions from overpayment amounts or additions from underpayment amounts determined under the RAC audits at the time a change in reimbursement is agreed upon between the Medical Center and CMS

Medicaid Inpatient and outpatient hospital services provided to Medicaid program beneficiaries are paid on a cost related basis Inpatient services are reimbursed using Medicare interim per diem rates, decreased by 1%, and outpatient services are paid at the Medicare interim payment rates Final cost settlements are determined based on the audited Medicare cost report

Blue Cross Inpatient services provided to Blue Cross subscribers are paid at prospectively determined rates per discharge Outpatient services are reimbursed at outpatient payment fee screens or at charges less a prospectively determined discount The prospectively determined discount is not subject to retroactive adjustment

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

St Alexius is reimbursed for private pay and Medicaid residents at a prospectively determined rate as prescribed by North Dakota Department of Human Services regulations St Alexius also participates in the Medicare program for nursing facility residents for which payment for services is made on a prospectively determined per diem rate which varies based on a case-mix adjusted resident classification system

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term Net patient and resident service revenue for the year ended June 30, 2014 increased by approximately $2,837,000 due to changes in estimates and final settlements of prior year cost reports Net patient and resident service revenue for the year ended June 30, 2013 increased by approximately $2,346,000 due to changes in estimates and final settlements of prior year cost reports

A summary of patient and resident service revenue and contractual adjustments is as follows

	2014	2013
Total patient and resident service revenue	$ 616,372,095	$ 594,038,662
Contractual adjustments		
Hospitals		
Medicare	(151,470,902)	(144,263,294)
Medicaid	(17,170,889)	(19,682,880)
Blue Cross	(72,954,346)	(68,721,540)
Workers' compensation	(4,867,148)	(4,698,955)
Other	(30,368,036)	(27,576,895)
Clinics		
Neurology Clinic	(1,502,360)	(1,466,210)
Neurosurgery Clinic	(6,552,725)	(5,857,261)
Urology Clinic	(2,616,396)	(2,664,953)
Minot Clinic	(1,645,564)	(1,399,445)
Radiology Clinic	(2,831,515)	(2,967,649)
Pain Clinic	(1,645,083)	(1,679,049)
EOPD Physicians	(2,636,064)	(3,049,861)
Hospitalist Physicians	(2,782,671)	(2,593,299)
Great Plains Rehabilitation	(1,673,898)	(1,648,238)
Other	(9,970,038)	(10,593,452)
Total contractual adjustments	(310,687,635)	(298,862,981)
Net patient and resident service revenue	305,684,460	295,175,681
Less provision for bad debts	(12,285,434)	(13,071,674)
Net patient and resident service revenue less provision for bad debts	$ 293,399,026	$ 282,104,007

Note 3 - Investments and Investment Income

Assets Limited as to Use

The composition of assets limited as to use at June 30, 2014 and 2013 is shown in the following tables U S Treasury, corporate, and government obligations, mutual funds, and common stock are stated at fair value Cash and cash equivalents and certificates of deposit are stated at cost plus accrued interest

	2014	2013
Under bond indenture agreements - held by trustees		
Cash and cash equivalents	$ 28,572,145	$ 2,549,022
U S Treasury obligations	-	337,506
	28,572,145	2,886,528
Less amount shown as current	(3,121,170)	(2,085,722)
	$ 25,450,975	$ 800,806

	2014	2013
By Board for expansion and replacement		
Cash and cash equivalents	$ 2,229,684	$ 1,875,146
Government obligations	6,479,549	6,215,386
Corporate bonds	13,016,603	12,897,532
Certificates of deposit	7,755,233	7,981,875
Mutual funds	1,838,590	1,723,492
Common stock	6,931,570	5,439,267
Cash surrender value of life insurance and other	92,833	173,229
	$ 38,344,062	$ 36,305,927

Investment Income

Investment income and gains and losses on assets limited as to use, notes receivable, and cash equivalents consist of the following for the years ended June 30, 2014 and 2013

	2014	2013
Other income		
Interest income and realized gains and losses	$ 987,362	$ 215,396
Other changes in unrestricted net assets		
Change in unrealized gains and losses on investments	$ 1,298,572	$ 978,704

Note 4 - Property and Equipment

A summary of property and equipment at June 30, 2014 and 2013 follows

	2014		2013	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land and improvements	$ 15,502,923	$ 3,527,327	$ 15,443,808	$ 3,179,527
Buildings and fixed equipment	213,391,958	118,731,871	201,366,917	110,018,584
Major movable equipment	115,617,067	90,798,032	112,073,387	82,123,810
Construction in progress	3,563,226	-	5,958,964	-
	$ 348,075,174	$ 213,057,230	$ 334,843,076	$ 195,321,921
Net property and equipment		$ 135,017,944		$ 139,521,155

Construction in progress at June 30, 2014 represents costs for various construction and remodeling projects These projects will be financed with assets limited as to use and will be completed at varying phases through 2015

Note 5 - Other Investments

Other investments consist of the following at June 30, 2014 and 2013

	2014	2013
Investments in affiliates (1)	$ 10,338,944	$ 8,796,535
Notes receivable from various entities, interest rates of 6% to 8 25%, non-current	2,235,706	1,512,527
Other	61,565	143,644
	$ 12,636,215	$ 10,452,706

(1) Investments in various related health care ventures are being recorded on the equity method The net gain on these investments, totaling $2,853,209 in 2014 and $3,077,724 in 2013, is included in other income St Alexius received distributions of $1,375,800 and $2,195,000 from these investments in 2014 and 2013

A summary of investments recorded on the equity method as of June 30, 2014 and 2013 follows

	2014	2013
Bismarck Cancer Center	$ 7,074,809	$ 5,506,360
Northern Plains Laboratory	2,971,631	3,005,112
Other	292,504	285,063
	$ 10,338,944	$ 8,796,535

As of June 30, 2014 and 2013, Bismarck Cancer Center had total assets of approximately $17,095,000 and $15,035,000, liabilities of $2,945,000 and $4,022,000, and net assets of $14,150,000 and $11,013,000 with total revenues of approximately $11,384,000 and $11,257,000 and expenses of $8,601,000 and $7,228,000 for the years then ended Northern Plains Laboratory had total assets of approximately $6,551,000 and $6,563,000, liabilities of $608,000 and $553,000, and net assets of $5,943,000 and $6,010,000 with total revenues of approximately $13,793,000 and $12,038,000 and expenses of $9,015,000 and $9,202,000 for the year then ended

Note 6 - Notes Payable and Long-Term Debt

Notes payable consists of the following as of June 30, 2014 and 2013

	2014	2013
2 5% note payable to bank	$ -	$ 8,000,000
4% note payable to bank	-	2,000,000
3 5% note payable to bank	-	5,800,000
	$ -	$ 15,800,000

Long-term debt consists of the following

	2014	2013
Health Care Revenue Bonds, Series 2012A		
2.5% to 5% serial bonds, due in varying annual installments to July 2022	$ 12,945,000	$ 13,860,000
4.5% term bonds, due July 2032, with varying annual sinking fund requirements commencing July 2023	13,925,000	13,925,000
5% term bonds, due July 2038, with varying annual sinking fund requirements commencing July 2033	11,965,000	11,965,000
Original issue discount	(344,782)	(371,408)
Health Care Revenue Bonds, Series 2014A		
4% to 5% serial bonds, due in varying annual installments to July 2029, commencing July 2019	24,060,000	-
5% term bonds, due July 2031, with varying annual sinking fund requirements commencing July 2030	6,750,000	-
5% term bonds, due July 2035, with varying annual sinking fund requirements commencing July 2032	15,670,000	-
Original issue premium	2,869,559	-
Health Care Revenue Bonds, Series 1998A		
5% term bonds (2)	-	13,500,000
Original issue discount	-	(81,827)
4.15% Municipal Industrial Development Act Revenue Bonds, Series 2007, due in monthly installments of $32,721 to December 2017, secured by property and equipment (1)	1,275,671	1,607,029
Variable rate note payable (3.375% at June 30, 2014), due in monthly installments of $19,007 including interest, to January 2017, secured by building and leasehold improvements	645,126	814,468
4.38% Municipal Industrial Development Refunding Bonds, Series 2003, due in semi-annual installments of $85,574, including interest, to December 2015	245,875	401,135
6.0% note payable, due in monthly installments of $3,347, including interest, to March 2016, secured by building and leasehold improvements	66,570	101,595
5.5% note payable, due in monthly installments of $16,301, including interest, to December 2014, secured by building	112,041	295,961
1% note payable, due in monthly installments of $10,946, including interest, to June 2023, unsecured	1,129,987	1,250,000
1% note payable, due in monthly installments of $7,009, including interest, to January 2023, unsecured	691,734	761,325
Non-interest bearing note payable, due in monthly installments of $1,852, to April 2019, unsecured	107,407	129,629
3.5% note payable, due in monthly installments of $30,900 including interest, to February 2019, with a final payment of $3,148,564 due March 2019, unsecured	4,234,245	-
Capital lease obligations, imputed interest of 2.61% to 11.17%, secured by equipment - Note 7	4,811,921	6,437,141
Other notes payable	31,597	36,183
	101,191,951	64,631,231
Less current maturities	(3,634,634)	(4,564,647)
Long-term debt, less current maturities	$ 97,557,317	$ 60,066,584

(1) The Municipal Industrial Development Act Revenue Bonds, Series 2007, initially had a variable interest rate of LIBOR plus 1% However, in December 2007, the Medical Center entered into an interest rate swap contract that effectively converted the debt into a fixed rate of 4 15% Under the swap contract, the Medical Center pays interest at LIBOR plus 1% and receives interest at a LIBOR rate plus 1%, the sum of which is multiplied by 69%

The interest rate swap related to the Municipal Industrial Development Act Revenue Bonds, Series 2007, was issued at market terms so that it had no fair value at its inception The carrying amount of the swap has been adjusted to its fair value at the end of the year which, because of changes in forecasted levels of LIBOR, resulted in reporting a liability of $69,833 and $110,212 at June 30, 2014 and 2013, for the fair value of the future net payments forecasted under the swap The liability is classified as noncurrent since management does not intend to settle it during 2015 Since the critical terms of the swap and the note were the same, the swap was assumed to be completely effective as a hedge, and none of the change in its fair value was included in revenues in excess of (less than) expenses Accordingly, all of the adjustment of the swap's carrying amount was reported as another change in unrestricted net assets

(2) During 2014, the Medical Center refinanced the remaining Series 1998A Health Care Revenue Bonds with a portion of the proceeds from the Series 2014A Health Care Revenue Bonds This resulted in a loss on refinancing of $302,490, which is reported as other income (loss) in the accompanying financial statements

Long-term debt maturities are as follows

Year Ending June 30,	Amount
2015	$ 3,634,634
2016	3,621,239
2017	3,737,835
2018	3,769,619
2019	5,524,508
Thereafter	78,379,339
Original issue premium, net	2,524,777
Total	$ 101,191,951

Under the terms of the revenue bonds loan agreement, St Alexius has made certain covenants in connection with the revenue bonds, including a covenant that income available for debt service coverage must equal at least 125% of the maximum annual debt service requirement on all funded debt The loan agreements also place limits on the incurrence of additional borrowings

Note 7 - Leases

St Alexius leases certain equipment under noncancelable long-term lease agreements Certain leases have been recorded as capitalized leases and others as operating leases Total rent expense for the years ended June 30, 2014 and 2013 for all operating leases was $3,155,409 and $2,158,967 The capitalized leased assets consist of

	2014	2013
Major movable equipment	$ 7,204,329	$ 15,321,895
Less accumulated amortization (included in depreciation and amortization in the accompanying financial statements)	(3,427,861)	(7,343,844)
	$ 3,776,468	$ 7,978,051

Minimum future lease payments for the capital and operating leases are as follows

Year Ending June 30,	Capital Leases	Operating Leases
2015	$ 1,838,424	$ 2,462,585
2016	1,838,424	2,288,252
2017	992,856	1,757,317
2018	1,107,000	965,878
2019	-	731,414
Total minimum lease payments	5,776,704	$ 8,205,446
Less interest	(964,783)	
Present value of minimum lease payments - Note 6	$ 4,811,921	

Note 8 - Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2014 and 2013

	2014	2013
Health care services		
Various patient related programs	$ 2,333,821	$ 1,759,932

In 2014 and 2013, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of $550,272 and $500,906 These amounts are included in other revenue and net assets released from restrictions in the accompanying financial statements

Permanently restricted net assets at June 30, 2014 totaled $248,971 and were restricted to investments to be held in perpetuity, the income from which is expendable to support various health care services

Note 9 - Cooperative Laundry Facility

St Alexius and Sanford Health Bismarck (formerly Medcenter One, Inc , an unrelated nonprofit organization) jointly own Central Dakota Hospital Laundry, Inc (CDHL), a cooperative association that provides all laundry services for both hospitals CDHL's operating costs, interest expense, debt payment requirements, and other specified funding requirements are allocated and charged to each facility based upon its proportionate share of the total pounds of laundry processed St Alexius' payments to CDHL were $793,896 in 2014 and $777,685 in 2013

Note 10 - Pension Plan

St Alexius has a defined contribution pension plan under which employees become participants upon reaching age 21 and completion of one year of service Employee contributions up to the maximum allowed under the Internal Revenue Code and employer contributions of 3% of employee compensation are deposited with the plan trustee who invests the plan assets Total pension plan expense for the years ended June 30, 2014 and 2013 was $4,035,209 and $4,020,169

Note 11 - Concentrations of Credit Risk

St Alexius grants credit without collateral to its patients and residents, most of whom are insured under third-party payor agreements The mix of receivables from third-party payors, patients, and residents at June 30, 2014 and 2013 was as follows

	2014	2013
Medicare	42%	40%
Blue Cross	17%	19%
Commercial insurance	6%	6%
Medicaid	5%	5%
Other third-party payors, patients, and residents	30%	30%
	100%	100%

St Alexius' cash balances are maintained in various bank deposit accounts At various times during the year, the balance of these deposits was in excess of federally insured limits

Note 12 - Functional Expenses

St Alexius provides general health care services to residents within its geographic location Expenses related to providing these services by functional class for the years ended June 30, 2014 and 2013 are as follows

	2014	2013
Patient and resident health care services	$ 261,592,548	$ 262,106,979
General and administrative	40,805,198	37,861,974
	$ 302,397,746	$ 299,968,953

Note 13 - Fair Value of Assets and Liabilities

Assets and liabilities measured at fair value on a recurring basis at June 30, 2014 and 2013 are as follows

	2014	2013
Assets		
Government obligations	$ 6,479,549	$ 6,215,386
U S Treasury obligations	-	337,506
Corporate bonds	13,016,603	12,897,532
Common stock	6,931,570	5,439,267
Mutual funds	1,838,590	1,723,492
	$ 28,266,312	$ 26,613,183
Liabilities		
Interest rate swap agreement	$ (69,833)	$ (110,212)

The related fair values of these assets and liabilities are determined as follows

June 30, 2014	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets			
Government obligations	$ 6,479,549	$ -	$ -
Corporate bonds			
Financial	-	7,368,406	-
Technology	-	2,576,006	-
Services	-	1,389,061	-
Utilities	-	648,942	-
Industrial goods	-	705,641	-
Consumer goods	-	328,547	-
Common stock			
Financial	1,275,308	-	-
Technology	1,569,870	-	-
Services	1,093,075	-	-
Utilities	622,467	-	-
Industrial goods	878,672	-	-
Consumer goods	974,930	-	-
Healthcare	517,248	-	-
Mutual funds			
Medium growth	506,522	-	-
Medium blend	1,001,904	-	-
Broad basket	330,164	-	-
Total assets	$ 15,249,709	$ 13,016,603	$ -
Liabilities			
Interest rate swap agreement	$ -	$ (69,833)	$ -

June 30, 2013	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets			
Government obligations	$ 6,215,386	$ -	$ -
U S Treasury obligations	337,506	-	-
Corporate bonds			
Financial	-	7,737,451	-
Technology	-	2,121,923	-
Services	-	1,410,909	-
Utilities	-	580,333	-
Industrial goods	-	712,963	-
Consumer goods	-	333,953	-
Common stock			
Financial	1,039,407	-	-
Technology	1,275,664	-	-
Services	945,367	-	-
Utilities	598,454	-	-
Industrial goods	320,788	-	-
Consumer goods	801,896	-	-
Healthcare	457,691	-	-
Mutual funds			
Medium growth	519,000	-	-
Medium blend	898,339	-	-
Broad basket	306,153	-	-
Total assets	$ 13,715,651	$ 12,897,532	$ -
Liabilities			
Interest rate swap agreement	$ -	$ (110,212)	$ -

The fair values for government and U S Treasury obligations, corporate bonds, common stock, and mutual funds are determined by reference to quoted market prices The fair value of the interest rate swap is based upon estimates of the related LIBOR swap rate during the term of the swap agreement

Note 14 - Electronic Health Record Incentive Payments

St Alexius recognized revenue of approximately $2,226,000 for the year ended June 30, 2014 related to Medicare EHR incentive payments These incentive payments are included in other revenue in the accompanying financial statements

Note 15 - Fair Value of Financial Instruments

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value

Cash Equivalents

The carrying amount approximates fair value because of the short maturity of those instruments

Accounts Receivable and Accounts Payable

Accounts receivable has been recorded at net realizable value which is believed to approximate fair value Account payable approximates fair value because of the short time for which accounts payable are outstanding

Investments

The fair value of U S Treasury, corporate, and government obligations is estimated based on quoted market prices for those or similar investments For other investments, for which there are no quoted prices, a reasonable estimate of fair value could not be made without incurring excessive costs

Long-Term Debt

The fair value of long-term debt is based on current traded value Management has estimated the fair value of these obligations to be approximately $102,951,000 and $64,014,000 at June 30, 2014 and 2013

Note 16 - Commitment and Contingencies

Lease Agreements

The Medical Center entered into a five-year lease and management agreement, renewable for up to three additional five-year terms, with Turtle Lake Community Hospital (Turtle Lake) during 1991 The current agreement with Turtle Lake expires in the year 2015

Malpractice Insurance

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

Self-Funded Health Insurance

St Alexius is self-insured for health and dental insurance In connection therewith, St Alexius charged to operations amounts representing the employer's portion of actual claims paid adjusted for the actuarially determined estimates of liabilities relating to claims resulting from services provided prior to the respective plan period St Alexius has a stop-loss policy that limits the organizations liability to $75,000 per member The liability relating to self-insured health and dental insurance was $1,483,678 and $1,084,583 at June 30, 2014 and 2013

Litigations, Claims, and Disputes

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

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

Note 17 - Subsequent Events

St Alexius has evaluated subsequent events through September 23, 2014, the date which the financial statements were available to be issued

On August 20, 2014, the Medical Center entered into an Affiliation Agreement (Agreement) with Catholic Health Initiatives (CHI) The Agreement includes an Effective Date of October 1, 2014 In accordance with the Agreement, CHI will become the sole member of St Alexius

On September 22, 2014, the Medical Center entered into a mortgage agreement with Wells Fargo Bank, National Association This agreement provides certain property and equipment of the Medical Center as collateral for the Series 2014A bonds issued during the year

Consolidating and Supplementary Information
June 30, 2014 and 2013

St. Alexius Medical Center and Subsidiaries

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Consolidating and Supplementary Information

The Board of Directors
St Alexius Medical Center and Subsidiaries
Bismarck, North Dakota

We have audited the consolidated financial statements of St Alexius Medical Center and Subsidiaries as of and for the years ended June 30, 2014 and 2013, and our report thereon dated September 23, 2014, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2 Our audits were conducted for the purpose of forming an opinion on such consolidated financial statements as a whole The consolidating schedules on pages 27 through 34 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 and 2013 consolidated financial statements The information has been subjected to the auditing procedures applied in the audit of those consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements for the years ended June 30, 2014 and 2013, as a whole

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheets of St Alexius Medical Center and Subsidiaries as of June 30, 2012, 2011, and 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for each of those three years (none of which is presented herein), and we expressed unmodified opinions on those financial statements Those audits were conducted for purposes of forming an opinion on the financial statements as a whole The operational, statistical, and financial highlights on page 35 are presented for purposes of additional analysis and are not a required part of the financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014, 2013, 2012, 2011, and 2010 financial statements The operational highlights have been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the operational highlights are fairly stated in all material respects in relation to the basic financial statements from which it has been derived

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The statistical and financial highlights on page 35, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements The statistical and financial highlights have not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on them

Eide Bailly LLP

Fargo, North Dakota
September 23, 2014

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	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 39,180,221	$ 196,615	$ -	$ 39,376,836
Assets limited as to use	3,121,170	-	-	3,121,170
Receivables				
Patient and resident, net	38,631,117	455,691	-	39,086,808
Other	4,320,003	-	(1,532,960)	2,787,043
Supplies	6,520,376	95,129	-	6,615,505
Prepaid expenses	1,377,065	45,715	-	1,422,780
Total current assets	93,149,952	793,150	(1,532,960)	92,410,142
Assets Limited as to Use				
Under bond indenture agreements	24,499,275	-	-	24,499,275
By Board for expansion and replacement	38,344,062	-	-	38,344,062
Total assets limited as to use	62,843,337	-	-	62,843,337
Property and Equipment, Net	130,715,967	1,369,092	-	132,085,059
Other Assets				
Rental property, net	4,763,239	-	-	4,763,239
Deferred financing costs, net	1,483,776	-	-	1,483,776
Estimated liability insurance receivable	42,500	-	-	42,500
Other investments	14,574,862	-	-	14,574,862
Total other assets	20,864,377	-	-	20,864,377
Total assets	$ 307,573,633	$ 2,162,242	$ (1,532,960)	$ 308,202,915

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ 138,449	$ 70,927	$ 39,586,212	$ -	$ 39,586,212
-	-	3,121,170	-	3,121,170
1,374,251	1,632,274	42,093,333	-	42,093,333
59,317	-	2,846,360	(475,190)	2,371,170
260,773	-	6,876,278	-	6,876,278
189,061	73,971	1,685,812	-	1,685,812
2,021,851	1,777,172	96,209,165	(475,190)	95,733,975
951,700	-	25,450,975	-	25,450,975
-	-	38,344,062	-	38,344,062
951,700	-	63,795,037	-	63,795,037
2,765,733	167,152	135,017,944	-	135,017,944
-	-	4,763,239	-	4,763,239
-	-	1,483,776	-	1,483,776
-	-	42,500	-	42,500
-	-	14,574,862	(1,938,647)	12,636,215
-	-	20,864,377	(1,938,647)	18,925,730
$ 5,739,284	$ 1,944,324	$ 315,886,523	$ (2,413,837)	$ 313,472,686

	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Liabilities and Net Assets				
Current Liabilities				
Current maturities of long-term debt	$ 3,394,951	$ -	$ -	$ 3,394,951
Accounts payable				
Trade	10,655,354	-	-	10,655,354
Estimated third-party payor settlements	3,189,252	294,000	-	3,483,252
Related parties	-	1,532,960	(1,532,960)	-
Construction payables	1,354,327	-	-	1,354,327
Accrued expenses				
Salaries and wages	6,414,750	-	-	6,414,750
Vacation pay	7,032,004	149,786	-	7,181,790
Professional fees	856,312	-	-	856,312
Interest	821,769	-	-	821,769
Payroll taxes and other	594,842	151,839	-	746,681
Self-funded health insurance reserve	1,483,678	-	-	1,483,678
Total current liabilities	35,797,239	2,128,585	(1,532,960)	36,392,864
Obligation Under Interest Rate Swap Agreement	69,833	-	-	69,833
Estimated Liability Claims Payable	42,500	-	-	42,500
Long-Term Debt, Less Current Maturities	96,859,391	-	-	96,859,391
Total liabilities	132,768,963	2,128,585	(1,532,960)	133,364,588
Net Assets				
Unrestricted	172,221,878	33,657	-	172,255,535
Temporarily restricted	2,333,821	-	-	2,333,821
Permanently restricted	248,971	-	-	248,971
Total net assets	174,804,670	33,657	-	174,838,327
Total liabilities and net assets	$ 307,573,633	$ 2,162,242	$ (1,532,960)	$ 308,202,915

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ 239,683	$ -	$ 3,634,634	$ -	$ 3,634,634
290,380	5,677	10,951,411	-	10,951,411
110,788	-	3,594,040	-	3,594,040
475,190	45,431,001	45,906,191	(45,906,191)	-
-	-	1,354,327	-	1,354,327
206,078	-	6,620,828	-	6,620,828
275,592	-	7,457,382	-	7,457,382
-	-	856,312	-	856,312
(1,101)	-	820,668	-	820,668
49,136	-	795,817	-	795,817
-	-	1,483,678	-	1,483,678
1,645,746	45,436,678	83,475,288	(45,906,191)	37,569,097
-	-	69,833	-	69,833
-	-	42,500	-	42,500
697,926	-	97,557,317	-	97,557,317
2,343,672	45,436,678	181,144,938	(45,906,191)	135,238,747
3,395,612	(43,492,354)	132,158,793	43,492,354	175,651,147
-	-	2,333,821	-	2,333,821
-	-	248,971	-	248,971
3,395,612	(43,492,354)	134,741,585	43,492,354	178,233,939
$ 5,739,284	$ 1,944,324	$ 315,886,523	$ (2,413,837)	$ 313,472,686

	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Unrestricted Revenues, Gains and Other Support				
Net patient and resident service revenue	$ 275,059,602	$ 4,234,831	$ -	$ 279,294,433
Provision for bad debts	(10,552,595)	(14,137)	-	(10,566,732)
Net patient service revenue less provision for bad debts	264,507,007	4,220,694	-	268,727,701
Other revenue	13,060,112	93,263	-	13,153,375
Total revenues, gains and other support	277,567,119	4,313,957	-	281,881,076
Expenses				
Nursing services	47,733,720	1,376,122	-	49,109,842
Other professional services	141,744,302	1,298,465	-	143,042,767
General and administrative	43,220,078	1,002,938	-	44,223,016
Depreciation and amortization	18,964,591	147,178	-	19,111,769
Property and household	9,614,667	202,954	-	9,817,621
Dietary	3,324,427	211,179	-	3,535,606
Interest	3,257,990	-	-	3,257,990
Total expenses	267,859,775	4,238,836	-	272,098,611
Operating Income (Loss)	9,707,344	75,121	-	9,782,465
Other Income (Loss)				
Investment income	982,953	856	-	983,809
Gain (loss) on disposal of equipment	639,462	-	-	639,462
Loss on refinancing of long-term debt	(302,490)	-	-	(302,490)
Other	2,246,313	124,380	(200,357)	2,170,336
Other income (loss), net	3,566,238	125,236	(200,357)	3,491,117
Revenues in Excess of (Less Than) Expenses	13,273,582	200,357	(200,357)	13,273,582
Change in Unrealized Gains and Losses on Investments	1,298,572	-	-	1,298,572
Change in Fair Value of Interest Rate Swap Agreement	40,380	-	-	40,380
Contributions for Long-Lived Assets	125,950	-	-	125,950
Support to St Alexius	-	(200,357)	200,357	-
Increase (Decrease) in Unrestricted Net Assets	$ 14,738,484	$ -	$ -	$ 14,738,484

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ 9,294,261	$ 17,095,766	$ 305,684,460	$ -	$ 305,684,460
(415,761)	(1,302,941)	(12,285,434)	-	(12,285,434)
8,878,500	15,792,825	293,399,026	-	293,399,026
124,980	46,457	13,324,812	5,994,250	19,319,062
9,003,480	15,839,282	306,723,838	5,994,250	312,718,088
2,893,731	28,674	52,032,247	-	52,032,247
2,833,374	16,382,555	162,258,696	(723,570)	161,535,126
1,359,993	5,244,042	50,827,051	(71,800)	50,755,251
435,172	131,907	19,678,848	-	19,678,848
549,636	1,305,534	11,672,791	(516,310)	11,156,481
428,457	-	3,964,063	-	3,964,063
22,240	-	3,280,230	-	3,280,230
8,522,603	23,092,712	303,713,926	(1,311,680)	302,402,246
480,877	(7,253,430)	3,009,912	7,305,930	10,315,842
3,553	-	987,362	-	987,362
-	(52,500)	586,962	-	586,962
-	-	(302,490)	-	(302,490)
102,378	-	2,272,714	-	2,272,714
105,931	(52,500)	3,544,548	-	3,544,548
586,808	(7,305,930)	6,554,460	7,305,930	13,860,390
-	-	1,298,572	-	1,298,572
-	-	40,380	-	40,380
-	-	125,950	-	125,950
-	-	-	-	-
$ 586,808	$ (7,305,930)	$ 8,019,362	$ 7,305,930	$ 15,325,292

	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Unrestricted Net Assets				
Revenues in excess of (less than) expenses	$ 13,273,582	$ 200,357	$ (200,357)	$ 13,273,582
Changes in unrealized gains and losses on investments	1,298,572	-	-	1,298,572
Change in fair value of interest rate swap agreement	40,380	-	-	40,380
Contribution for long-lived assets	125,950	-	-	125,950
Support to St Alexius	-	(200,357)	200,357	-
Increase in unrestricted net assets	14,738,484	-	-	14,738,484
Temporarily Restricted Net Assets				
Restricted contributions and interest	1,124,161	-	-	1,124,161
Net assets released from restrictions	(550,272)	-	-	(550,272)
Increase in temporarily restricted net assets	573,889	-	-	573,889
Permanently Restricted Net Assets				
Restricted contributions and interest	248,971	-	-	248,971
Change in Net Assets	15,561,344	-	-	15,561,344
Net Assets, Beginning of Year	159,243,326	33,657	-	159,276,983
Net Assets, End of Year	$ 174,804,670	$ 33,657	$ -	$ 174,838,327

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ 586,808	$ (7,305,930)	$ 6,554,460	$ 7,305,930	$ 13,860,390
-	-	1,298,572	-	1,298,572
-	-	40,380	-	40,380
-	-	125,950	-	125,950
-	-	-	-	-
586,808	(7,305,930)	8,019,362	7,305,930	15,325,292
-	-	1,124,161	-	1,124,161
-	-	(550,272)	-	(550,272)
-	-	573,889	-	573,889
-	-	248,971	-	248,971
586,808	(7,305,930)	8,842,222	7,305,930	16,148,152
2,808,804	(36,186,424)	125,899,363	36,186,424	162,085,787
$ 3,395,612	$ (43,492,354)	$ 134,741,585	$ 43,492,354	$ 178,233,939

	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 36,622,644	$ 203,719	$ -	$ 36,826,363
Assets limited as to use	2,085,722	-	-	2,085,722
Receivables				
Patient and resident, net	38,322,115	524,228	-	38,846,343
Other	3,484,843	23,979	(1,429,161)	2,079,661
Supplies	4,232,428	92,778	-	4,325,206
Prepaid expenses	1,435,158	58,507	-	1,493,665
Total current assets	86,182,910	903,211	(1,429,161)	85,656,960
Assets Limited as to Use Under Bond Indenture Agreements	-	-	-	-
By Board for expansion and replacement	36,305,927	-	-	36,305,927
Total assets limited as to use	36,305,927	-	-	36,305,927
Property and Equipment, Net	135,290,078	1,340,239	-	136,630,317
Other Assets				
Rental property, net	4,167,155	-	-	4,167,155
Deferred financing costs, net	881,745	-	-	881,745
Estimated liability insurance receivable	160,000	-	-	160,000
Other investments	13,313,508	-	-	13,313,508
Total other assets	18,522,408	-	-	18,522,408
Total assets	$ 276,301,323	$ 2,243,450	$ (1,429,161)	$ 277,115,612

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ 89,151	$ 21,485	$ 36,936,999	$ -	$ 36,936,999
-	-	2,085,722	-	2,085,722
1,208,149	2,441,868	42,496,360	-	42,496,360
30,904	109,500	2,220,065	(73,882)	2,146,183
208,127	-	4,533,333	-	4,533,333
42,073	70,620	1,606,358	-	1,606,358
1,578,404	2,643,473	89,878,837	(73,882)	89,804,955
800,806	-	800,806	-	800,806
-	-	36,305,927	-	36,305,927
800,806	-	37,106,733	-	37,106,733
2,675,227	215,611	139,521,155	-	139,521,155
-	52,500	4,219,655	-	4,219,655
-	-	881,745	-	881,745
-	-	160,000	-	160,000
-	77,389	13,390,897	(2,938,191)	10,452,706
-	129,889	18,652,297	(2,938,191)	15,714,106
$ 5,054,437	$ 2,988,973	$ 285,159,022	$ (3,012,073)	$ 282,146,949

	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Liabilities and Net Assets				
Current Liabilities				
Notes payable to bank	$ 15,800,000	$ -	$ -	$ 15,800,000
Current maturities of long-term debt	4,332,612	-	-	4,332,612
Accounts payable				
Trade	10,475,007	-	-	10,475,007
Estimated third-party payor settlements	6,678,287	512,328	-	7,190,615
Related parties	-	1,429,161	(1,429,161)	-
Construction payables	4,235,097	-	-	4,235,097
Accrued expenses				
Salaries and wages	5,829,901	-	-	5,829,901
Vacation pay	6,697,015	143,696	-	6,840,711
Professional fees	689,089	-	-	689,089
Interest	1,173,817	-	-	1,173,817
Payroll taxes and other	656,218	124,608	-	780,826
Self-funded health insurance reserve	1,084,583	-	-	1,084,583
Total current liabilities	57,651,626	2,209,793	(1,429,161)	58,432,258
Obligation Under Interest Rate Swap Agreement	110,212	-	-	110,212
Estimated Liability Claims Payable	160,000	-	-	160,000
Long-Term Debt, Less Current Maturities	59,136,159	-	-	59,136,159
Total liabilities	117,057,997	2,209,793	(1,429,161)	117,838,629
Net Assets				
Unrestricted	157,483,394	33,657	-	157,517,051
Temporarily restricted	1,759,932	-	-	1,759,932
Total net assets	159,243,326	33,657	-	159,276,983
Total liabilities and net assets	$ 276,301,323	$ 2,243,450	$ (1,429,161)	$ 277,115,612

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ -	$ -	$ 15,800,000	$ -	$ 15,800,000
232,035	-	4,564,647	-	4,564,647
127,385	50,782	10,653,174	-	10,653,174
350,000	-	7,540,615	-	7,540,615
73,882	39,124,615	39,198,497	(39,198,497)	-
-	-	4,235,097	-	4,235,097
207,806	-	6,037,707	-	6,037,707
272,273	-	7,112,984	-	7,112,984
-	-	689,089	-	689,089
57	-	1,173,874	-	1,173,874
51,770	-	832,596	-	832,596
-	-	1,084,583	-	1,084,583
1,315,208	39,175,397	98,922,863	(39,198,497)	59,724,366
-	-	110,212	-	110,212
-	-	160,000	-	160,000
930,425	-	60,066,584	-	60,066,584
2,245,633	39,175,397	159,259,659	(39,198,497)	120,061,162
2,808,804	(36,186,424)	124,139,431	36,186,424	160,325,855
-	-	1,759,932	-	1,759,932
2,808,804	(36,186,424)	125,899,363	36,186,424	162,085,787
$ 5,054,437	$ 2,988,973	$ 285,159,022	$ (3,012,073)	$ 282,146,949

	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Unrestricted Revenues, Gains and Other Support				
Net patient and resident service revenue	$ 265,216,210	$ 3,990,143	$ -	$ 269,206,353
Provision for bad debts	(10,694,538)	(14,472)	-	(10,709,010)
Net patient service revenue less provision for bad debts	254,521,672	3,975,671	-	258,497,343
Other revenue	10,280,045	116,786	-	10,396,831
Total revenues, gains and other support	264,801,717	4,092,457	-	268,894,174
Expenses				
Nursing services	46,707,043	1,267,498	-	47,974,541
Other professional services	142,072,913	1,188,212	-	143,261,125
General and administrative	42,277,998	953,460	-	43,231,458
Depreciation and amortization	19,421,739	134,308	-	19,556,047
Property and household	9,459,348	194,575	-	9,653,923
Dietary	3,228,854	197,126	-	3,425,980
Interest	3,368,130	-	-	3,368,130
Total expenses	266,536,025	3,935,179	-	270,471,204
Operating Income (Loss)	(1,734,308)	157,278	-	(1,577,030)
Other Income (Loss)				
Investment income	211,325	600	-	211,925
Loss on disposal of equipment	(3,580,547)	-	-	(3,580,547)
Other	2,708,439	80,280	(238,158)	2,550,561
Other income, net	(660,783)	80,880	(238,158)	(818,061)
Revenues in Excess of (Less Than) Expenses	(2,395,091)	238,158	(238,158)	(2,395,091)
Change in Unrealized Gains and Losses on Investments	978,704	-	-	978,704
Change in Fair Value of Interest Rate Swap Agreement	57,024	-	-	57,024
Contributions for Long-Lived Assets	176,267	21,807	-	198,074
Support to St Alexius	-	(238,158)	238,158	-
Increase (Decrease) in Unrestricted Net Assets	$ (1,183,096)	$ 21,807	$ -	$ (1,161,289)

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ 8,739,029	$ 17,230,299	$ 295,175,681	$ -	$ 295,175,681
(229,171)	(2,133,493)	(13,071,674)	-	(13,071,674)
8,509,858	15,096,806	282,104,007	-	282,104,007
117,552	37,503	10,551,886	6,156,621	16,708,507
8,627,410	15,134,309	292,655,893	6,156,621	298,812,514
2,599,314	41,198	50,615,053	-	50,615,053
2,981,601	16,132,520	162,375,246	(719,385)	161,655,861
1,327,068	5,015,076	49,573,602	(74,416)	49,499,186
403,773	101,594	20,061,414	-	20,061,414
490,866	1,310,653	11,455,442	(516,310)	10,939,132
378,881	-	3,804,861	-	3,804,861
25,316	-	3,393,446	-	3,393,446
8,206,819	22,601,041	301,279,064	(1,310,111)	299,968,953
420,591	(7,466,732)	(8,623,171)	7,466,732	(1,156,439)
3,471	-	215,396	-	215,396
(1,680)	-	(3,582,227)	-	(3,582,227)
25,351	-	2,575,912	-	2,575,912
27,142	-	(790,919)	-	(790,919)
447,733	(7,466,732)	(9,414,090)	7,466,732	(1,947,358)
-	-	978,704	-	978,704
-	-	57,024	-	57,024
-	-	198,074	-	198,074
-	-	-	-	-
$ 447,733	$ (7,466,732)	$ (8,180,288)	$ 7,466,732	$ (713,556)

	St Alexius Medical Center			
	St Alexius Medical Center	Turtle Lake Community Hospital	Intracompany Eliminations	Total
Unrestricted Net Assets				
Revenues in excess of (less than) expenses	$ (2,395,091)	$ 238,158	$ (238,158)	$ (2,395,091)
Change in unrealized gains and losses on investments	978,704	-	-	978,704
Change in fair value of interest rate swap agreement	57,024	-	-	57,024
Contribution for long-lived assets	176,267	21,807	-	198,074
Support to St Alexius	-	(238,158)	238,158	-
Increase (decrease) in unrestricted net assets	(1,183,096)	21,807	-	(1,161,289)
Temporarily Restricted Net Assets				
Restricted contributions and interest	745,070	-	-	745,070
Net assets released from restrictions	(500,906)	-	-	(500,906)
Increase in temporarily restricted net assets	244,164	-	-	244,164
Change in Net Assets	(938,932)	21,807	-	(917,125)
Net Assets, Beginning of Year	160,182,258	11,850	-	160,194,108
Net Assets, End of Year	$ 159,243,326	$ 33,657	$ -	$ 159,276,983

Garrison Memorial Hospital	Heart and Lung	Total	Elimination Entries	Consolidated
$ 447,733	$ (7,466,732)	$ (9,414,090)	$ 7,466,732	$ (1,947,358)
-	-	978,704	-	978,704
-	-	57,024	-	57,024
-	-	198,074	-	198,074
-	-	-	-	-
447,733	(7,466,732)	(8,180,288)	7,466,732	(713,556)
-	-	745,070	-	745,070
-	-	(500,906)	-	(500,906)
-	-	244,164	-	244,164
447,733	(7,466,732)	(7,936,124)	7,466,732	(469,392)
2,361,071	(28,719,692)	133,835,487	28,719,692	162,555,179
$ 2,808,804	$ (36,186,424)	$ 125,899,363	$ 36,186,424	$ 162,085,787

St. Alexius Medical Center and Subsidiaries

Operational, Statistical, and Financial Highlights

Five Years Ended June 30, 2014

	2014	2013	2012	2011	2010
			($000's omitted)		
Operational					
Unrestricted Revenues, Gains and Other Support					
Patient and resident service revenue					
Inpatient services	$ 312,142	$ 319,368	$ 302,362	$ 268,770	$ 266,738
Outpatient services	292,400	263,473	251,561	251,952	232,199
Home Care services	6,201	6,659	6,638	6,721	6,462
Rehabilitation services	8,931	9,195	9,956	9,435	9,516
Less charity care	(3,302)	(4,656)	(4,622)	(5,552)	(3,985)
Total patient and resident service revenue	616,372	594,039	565,895	531,326	510,930
Contractual adjustments	(310,688)	(298,863)	(288,653)	(272,481)	(266,341)
Net patient and resident service revenue	305,684	295,176	277,242	258,845	244,589
Provision for bad debts	(12,285)	(13,072)	(9,544)	(8,216)	(8,305)
Net patient service revenue less provision for bad debts	293,399	282,104	267,698	250,629	236,284
Other revenue	19,314	16,709	17,634	16,178	15,701
Total revenues, gains and other support	312,713	298,813	285,332	266,807	251,985
Expenses					
Salaries and wages	143,292	140,255	127,929	122,651	92,230
Supplies and other	136,146	136,259	126,221	117,016	134,350
Depreciation and amortization	19,679	20,061	18,343	14,937	13,723
Interest	3,280	3,394	2,863	2,557	2,533
Total expenses	302,397	299,969	275,356	257,161	242,836
Operating Income (Loss)	10,316	(1,156)	9,976	9,646	9,149
Other Income (Loss)	3,544	(791)	158	2,461	1,912
Revenues in Excess of (Less than) Expenses	$ 13,860	$ (1,947)	$ 10,134	$ 12,107	$ 11,061
Statistical (Unaudited)					
Number of acute beds at year-end (staffed)	292	292	292	292	292
Available bed days	106,580	106,580	106,872	106,580	106,580
Patient days					
Acute	48,027	49,298	46,588	41,884	43,093
Swing bed	12,635	11,187	10,568	9,295	11,660
Percent of occupancy	56.9%	56.8%	53.5%	48.0%	51.4%
Number of nursing home beds	45	45	45	45	45
Available nursing bed days	16,425	16,425	16,470	16,425	16,425
Resident days	14,728	14,993	15,686	15,747	14,486
Percentage of occupancy	89.7%	91.3%	95.2%	95.9%	88.2%
Discharges (acute)	10,721	11,311	11,023	10,253	10,605
Average acute length of stay in days	4.5	4.4	4.2	4.1	4.1
Financial (Unaudited)					
Current ratio	2.5	1.5	1.6	1.6	2.2
Days revenue in patient and resident receivables	52	55	53	53	54