



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

Lutheran Charity Association

Doing Business As

Jamestown Regional Medical Center

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

2422 20th Street SW

Room/suite

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

Jamestown, ND 584013360

F Name and address of principal officer

Brandon Vaughan

2422 20th Street SW

Jamestown, ND 584013360

H(a) Is this a group return for subordinates?

☐ Yes ☒ No

H(b) Are all subordinates included?

☐ Yes ☐ No

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

H(c) Group exemption number

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ☐ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website:

www.jrmcnd.com

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1927

M State of legal domicile

ND

Part I		Summary	
Activities & Governance	1	Briefly describe the organization's mission or most significant activities Jamestown Regional Medical Center will be the best rural hospital in the country for patients to receive care, employees to work, and physicians to practice	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets	
	3	Number of voting members of the governing body (Part VI, line 1a)	10
	4	Number of independent voting members of the governing body (Part VI, line 1b)	10
Revenue	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	426
	6	Total number of volunteers (estimate if necessary)	107
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	11,076
	b	Net unrelated business taxable income from Form 990-T, line 34	-11
		Prior Year	Current Year
	8	Contributions and grants (Part VIII, line 1h)	87,942
	9	Program service revenue (Part VIII, line 2g)	37,017,191
Expenses	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	353,459
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-133,843
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	37,324,749
	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	18,629,167
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0
Net Assets or Fund Balances	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0	
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	19,554,904
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	38,184,071
	19	Revenue less expenses Subtract line 18 from line 12	-859,322
		Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	70,952,952
	21	Total liabilities (Part X, line 26)	49,567,877
	22	Net assets or fund balances Subtract line 21 from line 20	21,385,075

Part II

Signature Block

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

Sign Here

Signature of officer

Brandon Vaughan CFO

Type or print name and title

2015-04-23

Date

Paid Preparer Use Only

Print/Type preparer's name

LISA CHAFFEE CPA

Preparer's signature

Date

2015-04-23

Check ☐ if self-employed

PTIN

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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y


















Form 990 (2013)

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

4e	Total program service expenses	36,656,029
-----------	---------------------------------------	-------------------

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	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)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	51	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	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.	426	
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).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	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.	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)?		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?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
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?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
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?		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
	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		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
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	No
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	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶Brandon Vaughan 2422 20th Street SW Jamestown,ND 584013360 (701) 252-1050

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) Connie Krapp	1 00	X		X				0	0	0
Chairperson	0 00									
(2) Dennis D Pozamsky	1 00	X		X				0	0	0
Vice Chairperson	1 00									
(3) Rev Terry Anderson	1 00	X		X				0	0	0
Secretary	0 00									
(4) Joanne H Ottmar	1 00	X		X				0	0	0
Treasurer	0 00									
(5) Derek Brickner MD	1 00	X						16,250	0	0
Board Member	0 00									
(6) Debra A Geier MD	1 00	X						18,125	0	0
Board Member	0 00									
(7) Eric Monson	1 00	X						0	0	0
Board Member	0 00									
(8) Pat Nygaard	1 00	X						0	0	0
Board Member	0 00									
(9) Myra Quanrud	1 00	X						0	0	0
Board Member	0 00									
(10) Wanda Vining-Alber	1 00	X						0	0	0
Board Member	0 00									
(11) KC DeBoer	40 00			X				0	0	0
CEO (as of 4/14)	1 00									
(12) Brandon Vaughan	40 00			X				117,877	0	15,065
CFO	1 00									
(13) Todd Huspeth	40 00			X				249,591	0	36,719
CEO (thru 12/13)	1 00									
(14) Dr Michael Dean	40 00					X		600,613	0	47,607
Orthopedic	0 00									
(15) Dr Philip Jystad	40 00					X		314,300	0	72,058
ER Physician	0 00									
(16) Dr Scott Goecke	40 00					X		297,985	0	58,711
ER Physician	0 00									
(17) Dr Manuel Harris	40 00					X		208,358	0	48,898
Podiatrst	0 00									

Part VII

[illegible]

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	1,995,145	0	311,258

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▶17

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	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? <i>If "Yes," complete Schedule J for such person</i>	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
Gary Wade, 2422 20th St NW Jamestown ND 58401	Radiology physician services	745,873

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 ►1

Part VIII

Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a			
	b	Membership dues	1b			
	c	Fundraising events	1c			
	d	Related organizations	1d	134,734		
	e	Government grants (contributions)	1e	84,228		
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	16,159		
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f		235,121		
Program Service Revenue	2a	Net Patient Service Revenue	Business Code 621400	37,443,049	37,443,049	
	b	Cafetera	900099	314,193	314,193	
	c	Wellness Center	900099	66,824	66,824	
	d	Commerce Bank Revenue	900099	11,076		11,076
	e					
	f	All other program service revenue		376,654	376,654	
	g	Total. Add lines 2a-2f		38,211,796		
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		256,607	
4		Income from investment of tax-exempt bond proceeds				
5		Royalties				
6a		Gross rents	(i) Real 27,912	(ii) Personal		
b		Less rental expenses	0			
c		Rental income or (loss)	27,912			
d		Net rental income or (loss)		27,912		27,912
7a		Gross amount from sales of assets other than inventory	(i) Securities 182,255	(ii) Other 707,990		
b		Less cost or other basis and sales expenses	0	214,775		
c		Gain or (loss)	182,255	493,215		
d		Net gain or (loss)		675,470		675,470
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a			
b		Less direct expenses	b			
c		Net income or (loss) from fundraising events				
9a		Gross income from gaming activities See Part IV, line 19	a			
b		Less direct expenses	b			
c		Net income or (loss) from gaming activities				
10a		Gross sales of inventory, less returns and allowances	a			
b		Less cost of goods sold	b			
c		Net income or (loss) from sales of inventory		32,119	32,119	
	Miscellaneous Revenue	Business Code				
11a						
b						
c						
d	All other revenue					
e	Total. Add lines 11a-11d					
12	Total revenue. See Instructions		39,439,025	38,232,839	11,076	959,989

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.	1,000	1,000		
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.	380,744	27,500	353,244	
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.	15,585,936	14,025,814	1,560,122	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	1,032,663	940,792	91,871	
9	Other employee benefits.	1,899,012	1,734,100	164,912	
10	Payroll taxes.	1,076,493	947,605	128,888	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	142,818		142,818	
c	Accounting.				
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.				
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	5,269,828	4,361,464	908,364	
12	Advertising and promotion.	162,040	46,020	116,020	
13	Office expenses.	469,083	228,900	240,183	
14	Information technology.				
15	Royalties.				
16	Occupancy.	1,061,831	1,022,775	39,056	
17	Travel.	220,165	133,976	86,189	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	80,743	42,870	37,873	
20	Interest.	2,175,770	2,175,770		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	3,959,917	3,959,917		
23	Insurance.	157,771	51,715	106,056	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	Medical Supplies	4,478,659	4,439,617	39,042	
b	Provision for Bad Debts	1,585,254	1,585,254		
c	Lease and Rental	665,875	665,875		
d	Food	264,251	264,251		
e	All other expenses	281,780	814	280,966	
25	Total functional expenses. Add lines 1 through 24e.	40,951,633	36,656,029	4,295,604	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		184,793	1	
	2	Savings and temporary cash investments		3,326,853	2	1,934,749
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		4,864,319	4	5,531,657
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		43,493	5	8,917
	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			7	
	8	Inventories for sale or use		565,772	8	677,337
	9	Prepaid expenses and deferred charges		123,579	9	135,768
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a62,476,244			
	b	Less accumulated depreciation	10b13,754,327	49,509,982	10c	48,721,917
	11	Investments—publicly traded securities		7,855,695	11	13,019,511
	12	Investments—other securities See Part IV, line 11		632,681	12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		3,845,785	15	1,772,947
	16	Total assets. Add lines 1 through 15 (must equal line 34)		70,952,952	16	71,802,803
Liabilities	17	Accounts payable and accrued expenses		3,045,667	17	3,752,152
	18	Grants payable			18	
	19	Deferred revenue		630,941	19	624,486
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		45,891,269	23	47,017,607
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			25	
	26	Total liabilities. Add lines 17 through 25		49,567,877	26	51,394,245
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		21,385,075	27	20,339,941
	28	Temporarily restricted net assets			28	68,617
	29	Permanently restricted net assets			29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		21,385,075	33	20,408,558
	34	Total liabilities and net assets/fund balances		70,952,952	34	71,802,803

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	39,439,025
2	Total expenses (must equal Part IX, column (A), line 25)	2	40,951,633
3	Revenue less expenses Subtract line 2 from line 1	3	-1,512,608
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	21,385,075
5	Net unrealized gains (losses) on investments	5	478,677
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	1,845,858
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-1,788,444
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	20,408,558

Part XII Financial Statements and Reporting

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

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the
Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization Lutheran Charity Association	Employer identification number 45-0231181
---	---

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 33¹/₃% 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 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated
- e

☐

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

☐

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

☐

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

(i)

A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

11g(i)

☐

Yes

☐

No

(ii)

A family member of a person described in (i) above?

11g(ii)

☐

Yes

☐

No

(iii)

A 35% controlled entity of a person described in (i) or (ii) above?

11g(iii)

☐

Yes

☐

No

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									

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

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2013

Part II

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage			
14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	14		
15 Public support percentage for 2012 Schedule A, Part II, line 14	15		
16a 33 1/3% support test—2013. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			▶
b 33 1/3% support test—2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			▶
17a 10%-facts-and-circumstances test—2013. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization			▶
b 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization			▶
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions			▶

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support tests—2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶		

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

Facts And Circumstances Test

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

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**
▶ **See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization Lutheran Charity Association	Employer identification number 45-0231181
--	--

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		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		
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														
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-															
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?		<input type="checkbox"/> Yes <input type="checkbox"/> 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)		(b)
		Yes	No	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?	Yes		6,266
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?		No	
j	Total. Add lines 1c through 1i.			6,266
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	The organization pays dues to various professional organizations. A portion of those dues are used towards lobbying expenses. These lobbying expenses go towards advocating for the organizations purpose and mission.

Part IV

[illegible]

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 Lutheran Charnty Association	Employer identification number 45-0231181
---	---

Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2

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

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

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

Part III

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

1a

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

b

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

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

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

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

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

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other
- 4 Provide a description of the organization’s collections and explain how they further the organization’s exempt purpose in Part XIII
- 5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization’s collection?

☐ Yes ☐ No

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☒ Yes ☐ No
- b If "Yes," explain the arrangement in Part XIII and complete the following table
- c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

	Amount
1c	5,608
1d	27,626
1e	16,423
1f	16,811
- 2a Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes ☒ No
- b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

☐

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

- | | (a)Current year | (b)Prior year | b (c)Two years back | (d)Three years back | (e)Four years back |
|--|-----------------|---------------|---------------------|---------------------|--------------------|
| 1a Beginning of year balance | | | | | |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |
- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a Board designated or quasi-endowment ▶

b Permanent endowment ▶

c Temporarily restricted endowment ▶
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
- 4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. 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	110,314	435,299		545,613
b Buildings		46,535,065	6,825,091	39,709,974
c Leasehold improvements		407,335	46,588	360,747
d Equipment		13,783,526	6,808,497	6,975,029
e Other		1,204,705	74,151	1,130,554
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				48,721,917

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	36,572,853
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	478,677
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	-3,362,495
e	Add lines 2a through 2d	2e	-2,883,818
3	Subtract line 2e from line 1	3	39,456,671
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	-17,646
c	Add lines 4a and 4b	4c	-17,646
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	39,439,025

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	39,395,228
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	45,272
e	Add lines 2a through 2d	2e	45,272
3	Subtract line 2e from line 1	3	39,349,956
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	1,601,677
c	Add lines 4a and 4b	4c	1,601,677
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	40,951,633

Part XIII

Supplemental Information

Provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Return Reference	Explanation
Part IV, Line 1b	There is an auxiliary which operates under the EIN of the Organization
Part X, Line 2	The Medical Center 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). The Medical Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization files an Exempt Organization Business Income Tax Return (Form 990T) with the IRS to report its unrelated business taxable income. The Organization 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 consolidated financial statements. The Organization 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 Organization's federal Form 990T filings are no longer subject to federal tax examinations by tax authorities for years before 2010.
Part XI, Line 2d - Other Adjustments	Provision for Bad Debts Included in Revenue on Financial Statements -1,585,254 Decrease in Interest in the Foundation -1,777,241
Part XI, Line 4b - Other Adjustments	Cost of Goods Sold Included in Expenses on Financial Statements -45,272 Auxiliary Revenues 27,626
Part XII, Line 2d - Other Adjustments	Cost of Goods Sold Included in Expenses on Financial Statements 45,272
Part XII, Line 4b - Other Adjustments	Provision for Bad Debts Included in Revenue on Financial Statements 1,585,254 Auxiliary Expenses 16,423

[illegible]

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
Lutheran Charity Association

Employer identification number
45-0231181

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

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)			449,000		449,000	1 140 %
b Medicaid (from Worksheet 3, column a)			2,109,387	2,029,262	80,125	0 200 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			2,558,387	2,029,262	529,125	1 340 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			4,795	3,675	1,120	0 %
f Health professions education (from Worksheet 5)			1,000		1,000	0 %
g Subsidized health services (from Worksheet 6)			4,332,652	3,048,895	1,283,757	3 260 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total Other Benefits			4,338,447	3,052,570	1,285,877	3 260 %
k Total . Add lines 7d and 7j			6,896,834	5,081,832	1,815,002	4 600 %

Part IICommunity Building Activities

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

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

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?

1

No

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

1,585,254

3Enter 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

967,005

4Provide 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

5Enter total revenue received from Medicare (including DSH and IME).

5

12,223,398

6Enter Medicare allowable costs of care relating to payments on line 5.

6

12,917,102

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7

-693,704

8Describe 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

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

9a

Yes

bIf "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 IVManagement Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

Section A. Hospital Facilities

Name, address, primary website address,
and state license number

Schedule H (Form 990) 2013

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)
Lutheran Charity Association

Name of hospital facility or facility reporting group

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

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

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No		
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9 Yes			
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>100 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10 Yes			
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11 Yes			
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12 Yes			
a <input checked="" type="checkbox"/> Income level					
b <input checked="" type="checkbox"/> Asset level					
c <input checked="" type="checkbox"/> Medical indigency					
d <input checked="" type="checkbox"/> Insurance status					
e <input type="checkbox"/> Uninsured discount					
f <input type="checkbox"/> Medicaid/Medicare					
g <input checked="" type="checkbox"/> State regulation					
h <input type="checkbox"/> Residency					
i <input type="checkbox"/> Other (describe in Part VI)					
13 Explained the method for applying for financial assistance?		13 Yes			
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14 Yes			
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website					
b <input type="checkbox"/> The policy was attached to billing invoices					
c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
f <input checked="" type="checkbox"/> The policy was available upon request					
g <input type="checkbox"/> Other (describe in Part VI)					
Billing and Collections					
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15 Yes			
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?				17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					

Part V

Facility Information *(continued)*

- 18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)
- a** ☒ Notified individuals of the financial assistance policy on admission

b ☒ Notified individuals of the financial assistance policy prior to discharge

c ☒ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills

d ☒ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy

e ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a <input checked="" type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d <input type="checkbox"/> Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	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? **1**

Name and address		Type of Facility (describe)
1	JRMC Clinic 2422 20th Street SW Jamestown,ND 58401	Clinic
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI

Supplemental Information

Provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
Part I, Line 7	Charity care expense was converted to cost on line 7a based on an overall cost-to-charge ratio addressing all patient segments Unreimbursed Medicaid on line 7b was calculated using the costing methods to prepare the cost reports Community health improvement services and Health Professions education line 7e and 7f, are reported based on actual expense amounts recorded in the general ledger The cost for subsidized health services reported on line 7g was determined using the Medicare Cost Report

Form and Line Reference	Explanation
Part I, Ln 7 Col(f)	The amount of bad debt expense removed from the denominator of the calculations was \$1,585,254

Form and Line Reference	Explanation
Part III, Line 4	Bad debt expense is reported at charges There were 278 patients given charity care in FY 2014 There was a total of \$476,670 given as charity care in FY 2014 The average claim per patient was \$1,715 and there were an additional 441 guarantors who took applications and did not return them The organization estimates that approximately 61% of the bad debt expense is attributable to patients eligible for charity care under the financial assistance policy Approximately 61% of charity care applications given out were denied due to lack of complete information The footnote to the Organization's financial statements can be found on page 8 of the attached audited financial statements

Form and Line Reference	Explanation
Part III, Line 8	IRS Rev Rul 69-545, which established the community benefit standard for nonprofit hospitals, states that if a hospital serves patients with government health benefits, including Medicare, then this is an indication that the hospital operates to promote the health of the community In some communities, Medicare is the largest payer, and hospitals must accept these patients regardless of whether they make a surplus or deficit from providing such services If the Medicare participation is premised on this fact, then providing Medicare services promotes access to healthcare services which is a community benefit Also, the elderly are often an underserved population who experience issues with access to healthcare services Without tax-exempt hospitals providing Medicare services, the government would bear the burden of directly providing services to the elderly Medicare allowable costs are based on the Medicare Cost Report The Medicare Cost Report is completed based on the rules and regulations set forth by Centers for Medicare and Medicaid Services

Form and Line Reference	Explanation
Part III, Line 9b	No collections effort will be made by Jamestown Regional Medical Center or its collection agencies on the percentage of community care approved. However, patients must have completed the community care application process, establish their eligibility, and have been approved. If an individual submits an incomplete financial assistance application an attempt is made to contact the patient via phone and a letter is sent to the patient requesting the missing information. When a completed financial assistance application is received a documentation of financial assistance eligibility is made. If a financial assistance application is received after collection actions have started, those actions will be reversed and/or stopped until a determination of financial assistance eligibility is made.

Form and Line Reference	Explanation
Part VI, Line 2	Jamestown Regional Medical Center has partnered with Central Valley Health and other local agencies and developed a Community Health Needs Assessment for the 5 counties, Stutsman, Barnes, Logan, Wells and LaMoure, served by Central Valley Health and Jamestown Regional Medical Center This role was a part of the hospital's 4 year strategic plan

Form and Line Reference	Explanation
Part VI, Line 3	All patients receive a "Payment Guidelines" brochure at time of registration, which notifies the patients on how to apply for charity care as well as explains the claim filing process, responsible party, co-pays and payments. All private pay patients receive a letter which lists charity care as a payment alternative to those who qualify. Our website contains a charity care link which explains the program and allows forms to be downloaded and printed.

Form and Line Reference	Explanation
Part VI, Line 4	Jamestown Regional Medical Center serves a nine county area of South Central North Dakota. The primary industry is agriculture. The population is 52,155 with 21% over the age of 65. The average age is 42. Male and female population is split evenly. Average income by household is \$53,650. There are two colleges within Jamestown Regional Medical Center trade area. Jamestown Regional Medical Center is the only birthing center within a 90 mile radius.

Form and Line Reference	Explanation
Part VI, Line 5	A majority of the Governing body is comprised of persons who reside in the organization's primary service area who are neither employees nor contractors of Jamestown Regional Medical Center, nor family members thereof. Jamestown Regional Medical Center extends medical staff privileges to all qualified physicians in the community. Jamestown Regional Medical Center recently moved into a new replacement hospital which has many upgrades in technology, most of which are related to improving patient care. Surplus funds, when available, are used to invest in both capital assets and medical equipment in order to improve patient care.

Additional Data

Software ID:
Software Version:
EIN: 45-0231181
Name: Lutheran Charity Association

990 Schedule H, Supplemental Information

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.	
Form and Line Reference	Explanation
Lutheran Charity Association	
Lutheran Charity Association	Part V, Section B, Line 4 Central Valley Health District, Sanford Health, Essentia Health, and ND State Hospital
Lutheran Charity Association	Part V, Section B, Line 7 Pursuant to the implementation strategy adopted by JRMC, the issues of children living in poverty and senior citizens living in poverty, will not be addressed since they were the lowest ranked issues in the prioritization matrix The top four issues being addressed were chosen based on which were easiest to identify and had the most realistic level of achieving
Lutheran Charity Association	Part V, Section B, Line 14g A summary of the policy is attached to billing invoices, is posted in registration and waiting areas, and provided to patients upon admission to the hospital

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
Lutheran Chanty Association

Employer identification number
45-0231181

Part I

Questions Regarding Compensation

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

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Todd Huspeth CEO (thru 12/13)	(i)	249,411	0	180	28,081	9,134	286,806	0
	(ii)	0	0	0	0	0	0	0
(2) Dr Michael Dean Orthopedic	(i)	600,337	0	276	36,692	11,412	648,717	0
	(ii)	0	0	0	0	0	0	0
(3) Dr Philip Jystad ER Physician	(i)	314,024	0	276	55,941	16,613	386,854	0
	(ii)	0	0	0	0	0	0	0
(4) Dr Scott Goecke ER Physician	(i)	297,805	0	180	51,617	7,591	357,193	0
	(ii)	0	0	0	0	0	0	0
(5) Dr Manuel Harris Podiatrist	(i)	207,566	0	792	31,678	17,717	257,753	0
	(ii)	0	0	0	0	0	0	0
(6) Lee Ellingson CRNA	(i)	171,774	0	272	15,269	17,379	204,694	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Return Reference	Explanation
Part I, Line 1a	K C DeBoer lived in the hospital-owned house from May 2014 - November 2014. The FMV of rent is \$850/month.
Part I, Line 7	There is an incentive plan specifically for the CEO. This plan is designed to encourage, recognize and reward superior job and organizational performance. Incentive awards that may be paid under the terms of this plan are determined by overall organizational and individual performance for the annual operating period. The Chair of the Board of Directors has the responsibility to implement this plan. The incentives for the CEO are expressed as a percentage of the participant's base salary at the end of the incentive plan year. The maximum award is approved by the Board for each plan year. There is a detailed criterion for the results of what the organization considers a superior job. The criteria uses goal driven measures that intend to incentivize important long term strategic objectives over short term efforts only. The CEO's performance is measured based on the following areas of focus: Service, Quality, Financial, People, Growth, Personal Growth. There is a ranking system for sets of criterion, and the Board of Directors is to utilize this system in determining the level of incentive the CEO will receive. For FY 2014, the incentive plan for the CEO was maxed out at 15% of his base salary.

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

Name of the organization
Lutheran Charnty Association

Employer identification number
45-0231181

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

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

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

2

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

► \$

3

Enter the amount of tax, if any, on line 2, above, reimbursed by the organization

► \$

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1) Dr Michael Dean	Highest compensated employee	Recruitment loan		X	100,000	8,917		No	Yes		Yes	
Total ► \$						8,917						

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

Part V

Supplemental Information

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

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

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 Lutheran Charity Association	Employer identification number 45-0231181
--	--

Return Reference	Explanation
Form 990, Part VI, Section A, line 1	The Governance Committee consists of the officers of the Board of Directors. A majority of the members of the Governance Committee constitutes a quorum. The Governance Committee: A. Reviews the performance of the President/Chief Executive Officer of the Jamestown Regional Medical Center on the anniversary date of employment and report the findings to the Board of Directors; B. Assists our board to fulfill its responsibilities for ensuring high levels of governance performance and contribution; C. Assists our board to appoint and re-appoint directors, and formulating policies regarding making decisions about and overseeing governance effectiveness, efficiency, creativity and adaptability; D. Takes action on behalf of our board in emergency situations when we cannot be convened, emergency actions taken by the Governance Committee must be reported to the, and discussed/ratified by, our board at its next regularly scheduled meeting.

Return Reference	Explanation
Form 990, Part VI, Section B, line 11	The preparer of the Form 990 emails a copy of the final 990 to the organization's Chief Financial Officer. The Chief Financial Officer performs a detailed review of Form 990. The Chief Financial Officer provides each voting Board Member with a copy of the Form 990 prior to submitting to the Internal Revenue Service.

Return Reference	Explanation
Form 990, Part VI, Section B, line 12c	<p>The conflict of interest policy covers employees and board members. The Compliance Officer reviews all potential conflicts and determines if a conflict exists. Directors are asked at every board meeting whether or not anyone has a duality of interest or conflict of interest. Directors having a duality of interest or a possible conflict of interest on any matter which comes before the board shall not vote on the matter or use their personal influence on the matter. The minutes of the meeting shall reflect that a disclosure of duality or conflict of interest was made, and the director making such a disclosure shall not be counted in declaring a quorum for the determination of the matter. This provision shall not be construed as preventing the director from briefly stating a position on the matter nor from answering pertinent questions.</p>

Return Reference	Explanation
Form 990, Part VI, Section B, line 15	<p>For the CEO, the Board Chairman converses with an HR consultant on market wages and evaluation process. Evaluation forms are typically completed by board members and the Board Chairman conducts the actual evaluation. Comparability data was used by those without conflict and the decisions were documented. This process takes place annually. The CFO is evaluated and compensated based on the Employee Performance Assessment policy that is standard for the organization. Comparability data is also used to determine adjustments to compensation.</p>

Return Reference	Explanation
Form 990, Part VI, Section C, line 19	The organization does not make its governing documents, conflict of interest policy and financial statements available to the public. Prior year 990s can be obtained by request or through GuideStar.

Return Reference	Explanation
Form 990, Part IX, line 11g	Consulting Services Program service expenses 17,098 Management and general expenses 114,304 Fundraising expenses 0 Total expenses 131,402 Maintenance and Repair Program service expenses 735,304 Management and general expenses 550,182 Fundraising expenses 0 Total expenses 1,285,486 Other Purchased Services Program service expenses 3,609,062 Management and general expenses 243,878 Fundraising expenses 0 Total expenses 3,852,940

Return Reference	Explanation
Form 990, Part XI, line 9	Decrease in Interest in the Foundation -1,777,241 Change in auxiliary net assets -11,203

Return Reference	Explanation
Form 990, Part XII, Line 2c	The Chief Financial Officer assumes oversight of the audit of the organizations financial statements The Board of Directors with the Chief Financial Officer assume responsibility for selection of an independent accountant

Return Reference	Explanation
Form 990, Part XI, Line 8	The organization is reporting a prior period adjustment in the amount of \$1,845,858. This is due to an Interest in the Foundation not previously being included as an Asset and Temporarily Restricted Net Asset on the balance sheet of the Form 990.

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
Lutheran Charity Association

Employer identification number
45-0231181

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.					
(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) Jamestown Regional Medical Center Foundation Inc 2422 20th St SW Jamestown, ND 58401 36-3348763	Fundraising	ND	501(c)(3)	Line 11a, I	Lutheran Charity Association	Yes	

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) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

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) Nierling Jamestown Hospital Trust 2422 20th Street SW Jamestown, ND 58401 91-2004888	Chantable Trust	ND	Lutheran Chanty Association (DBA Jamestown Regional Medical Center)	T	4,369	83,316	100 000 %	Yes	

Part V

Transactions With Related Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

j Lease of facilities, equipment, or other assets to related organization(s)

k Lease of facilities, equipment, or other assets from related organization(s)

l Performance of services or membership or fundraising solicitations for related organization(s)

m Performance of services or membership or fundraising solicitations by related organization(s)

n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

r Other transfer of cash or property to related organization(s)

s Other transfer of cash or property from related organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

1s

No

No

Yes

No

Yes

No

No

No

No

No

No

No

No

Yes

Yes

No

Yes

No

No

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Jamestown Hospital Foundation Inc	C	134,734	cost
(2) Jamestown Hospital Foundation Inc	Q	186,618	cost

Schedule R (Form 990) 2013

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.

[illegible]

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

**Jamestown Regional Medical Center
and Affiliate**

Jamestown Regional Medical Center

Table of Contents June 30, 2014 and 2013

Independent Auditor's Report	1
Consolidated Financial Statements	
Balance Sheets	3
Operations	4
Changes in Net Assets	5
Cash Flows	6
Notes to Consolidated Financial Statements	7
Supplementary Information	
Independent Auditor's Report on Consolidating and Supplementary Information	25
Consolidating Balance Sheet, June 30, 2014	26
Consolidating Statements of Operations, Year Ended June 30, 2014	27
Consolidating Statements of Changes in Net Assets, Year Ended June 30, 2014	28
Consolidating Balance Sheet, June 30, 2013	29
Consolidating Statements of Operations, Year Ended June 30, 2013	30
Consolidating Statements of Changes in Net Assets, Year Ended June 30, 2013	31
Schedules of Net Patient Service Revenue	32
Schedules of Other Revenue	33

Independent Auditor's Report

The Board of Directors
Lutheran Charity Association
d/b/a Jamestown Regional Medical Center
Jamestown, North Dakota

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Lutheran Charity Association, d/b/a Jamestown Regional Medical Center (Medical Center), which comprise the balance sheet as of June 30, 2014, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lutheran Charity Association, d/b/a Jamestown Regional Medical Center as of June 30, 2014, and the results of its operations, changes in net assets, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

Other Matter

The consolidated financial statements of Lutheran Charity Association, d/b/a Jamestown Regional Medical Center as of June 30, 2013, were audited by other auditors, whose report dated October 3, 2013, expressed an unmodified opinion on those statements

A handwritten signature in black ink that reads "Erik Sully LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota
October 27, 2014

(This page left blank intentionally)

	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,295,003	\$ 4,236,184
Assets limited as to use	1,651,378	291,023
Receivables		
Patient, net of estimated uncollectibles		
of \$3,045,000 in 2014 and \$2,797,000 in 2013	5,496,370	4,661,966
Estimated third-party settlements	391,000	125,011
Contributions receivable	47,368	66,752
Other	44,204	82,159
Supplies	677,337	565,772
Prepaid expenses	135,768	123,579
Total current assets	10,738,428	10,152,446
Investments	12,503,423	11,036,201
Assets Limited As to Use, Less Current Portion	2,108,154	1,944,505
Property and Equipment, Net	48,611,603	49,509,982
Other Assets		
Property held for investment, at cost	110,314	110,314
Beneficial interest in perpetual trust	88,100	78,952
Contributions receivable	-	132,986
Cash surrender value of life insurance	6,660	6,631
Deferred financing costs, net	1,259,097	1,291,843
Total other assets	1,464,171	1,620,726
Total assets	\$ 75,425,779	\$ 74,263,860

See Notes to Consolidated Financial Statements

Jamestown Regional Medical Center
Consolidated Balance Sheets
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	\$ 1,079,165	\$ 823,153
Accounts payable	764,096	625,774
Accrued expenses		
Salaries and paid time off	2,172,784	1,796,715
Health insurance	274,800	115,600
Interest	297,972	303,578
Pension	242,500	204,000
Other current liabilities	<u>25,733</u>	<u>22,136</u>
Total current liabilities	4,857,050	3,890,956
Long-Term Liabilities		
Annuities payable	87,207	76,317
Deferred rent	624,486	630,941
Long-term debt, less current maturities	<u>45,938,442</u>	<u>45,068,116</u>
Total liabilities	<u>51,507,185</u>	<u>49,666,330</u>
Net Assets		
Unrestricted	22,579,350	21,727,118
Temporarily restricted	418,141	1,985,549
Permanently restricted	<u>921,103</u>	<u>884,863</u>
Total net assets	<u>23,918,594</u>	<u>24,597,530</u>
Total liabilities and net assets	<u><u>\$ 75,425,779</u></u>	<u><u>\$ 74,263,860</u></u>

Jamestown Regional Medical Center
Consolidated Statements of Operations
Years Ended June 30, 2014 and 2013

	2014	2013
Unrestricted Revenues, Gains, and Other Support		
Net patient service revenue	\$ 37,443,049	\$ 36,170,613
Provision for bad debts	(1,585,254)	(1,303,811)
Net patient service revenue less provision for bad debts	35,857,795	34,866,802
Gain on disposal and sale of property and equipment	493,215	4,120
Other revenue	913,676	1,110,263
Total revenues, gains, and other support	37,264,686	35,981,185
Expenses		
Salaries and wages	16,051,775	15,319,425
Employee benefits	4,056,832	3,411,385
Supplies and other	13,378,578	12,224,251
Depreciation and amortization	3,959,917	3,931,815
Interest	2,175,770	2,207,935
Loss on impairment	-	401,984
Total expenses	39,622,872	37,496,795
Operating Loss	(2,358,186)	(1,515,610)
Other Income		
Investment income	555,672	440,864
Contributions	169,372	20,350
Rental income	6,996	15,473
Other income, net	732,040	476,687
Expenses in Excess of Revenues	(1,626,146)	(1,038,923)
Change in Unrealized Gains and Losses on Investments	619,695	167,673
Net Assets Released From Restrictions for Capital	1,858,683	68,442
Increase (decrease) in Unrestricted Net Assets	\$ 852,232	\$ (802,808)

Jamestown Regional Medical Center
Consolidated Statements of Change in Net Assets
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Unrestricted Net Assets		
Expenses in excess of revenues	\$ (1,626,146)	\$ (1,038,923)
Change in unrealized gains and losses on investments	619,695	167,673
Net assets released from restrictions for capital	<u>1,858,683</u>	<u>68,442</u>
Increase (decrease) in unrestricted net assets	<u>852,232</u>	<u>(802,808)</u>
Temporarily Restricted Net Assets		
Contributions for specific purposes	291,275	373,606
Net assets released from restrictions	<u>(1,858,683)</u>	<u>(68,442)</u>
Increase (decrease) in temporarily restricted net assets	<u>(1,567,408)</u>	<u>305,164</u>
Permanently Restricted Net Assets		
Contributions for endowment fund	<u>36,240</u>	<u>9,260</u>
Decrease in Net Assets	(678,936)	(488,384)
Net Assets, Beginning of Period	<u>24,597,530</u>	<u>25,085,914</u>
Net Assets, End of Period	<u><u>\$ 23,918,594</u></u>	<u><u>\$ 24,597,530</u></u>

Jamestown Regional Medical Center
Consolidated Statements of Cash Flows
Years Ended June 30, 2014 and 2013

	2014	2013
Operating Activities		
Change in net assets	\$ (678,936)	\$ (488,384)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	3,959,917	3,931,815
Provision for bad debts	1,585,254	1,303,811
Gain on disposal and sale of property and equipment	(493,215)	(4,120)
Loss on impairment	-	401,984
Change in unrealized gains and losses on investments	(619,695)	(167,673)
Realized gains on investments	(227,462)	(166,502)
Contributions restricted by donors	(327,515)	(382,866)
Changes in assets and liabilities		
Patient accounts receivable	(2,419,658)	(915,819)
Estimated third-party settlements	(265,989)	549,989
Other accounts receivable	37,955	138,924
Supplies	(111,565)	(12,936)
Prepaid expenses	(12,189)	(20,525)
Accounts payable	138,322	67,609
Accrued liabilities	568,163	(345,170)
Other current liabilities	3,597	2,813
Deferred rent revenue	(6,455)	(6,454)
Net Cash From Operating Activities	1,130,529	3,886,496
Investing Activities		
Purchase of property and equipment	(3,243,567)	(2,181,937)
Proceeds from the sale of property and equipment	707,990	5,350
Increase in assets limited as to use	(1,524,004)	(498,867)
Purchase of long-term investments	(1,908,961)	(2,157,695)
Sale of long-term investments	1,288,896	1,778,650
Decrease (increase) in cash surrender value of life insurance	(29)	18
Increase (decrease) in annuities payable	10,890	(12,185)
Net Cash Used For Investing Activities	(4,668,785)	(3,066,666)
Financing Activities		
Proceeds from the issuance of long-term debt	1,949,000	-
Principal payments on long-term debt	(822,662)	(684,615)
Contributions restricted by donors	327,515	382,866
Increase in beneficial interest in perpetual trust	(9,148)	(4,354)
Decrease in contributions receivable	152,370	184,237
Net Cash From (Used For) Financing Activities	1,597,075	(121,866)
Net Decrease in Cash and Cash Equivalents	(1,941,181)	697,964
Cash and Cash Equivalents, Beginning of Period	4,236,184	3,538,220
Cash and Cash Equivalents, End of Period	\$ 2,295,003	\$ 4,236,184
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for interest	\$ 1,877,798	\$ 2,447,554

Note 1 - Organization and Significant Accounting Policies

Organization

Lutheran Charity Association, d/b/a Jamestown Regional Medical Center, Inc. (Medical Center) is organized as a North Dakota nonprofit corporation and operates a 25 bed critical access hospital in Jamestown, North Dakota.

The Medical Center is the sole beneficiary of fund-raising activities sponsored by Jamestown Regional Medical Center Foundation, Inc. (Foundation), a North Dakota nonprofit corporation. The Medical Center's board of directors nominates the Foundation's Board members.

Principles of Consolidation

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

Income Taxes

The Medical Center and Foundation 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 Foundation are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organizations are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. The Organization files an Exempt Organization Business Income Tax Return (Form 990T) with the IRS to report its unrelated business taxable income.

The Organization 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 consolidated financial statements. The Organization 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 Organization's federal Form 990T filings are no longer subject to federal tax examinations by tax authorities for years before 2010.

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

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

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

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

Cash and Cash Equivalents

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

Patient Receivables

Patient receivables are uncollateralized patient and third-party payor obligations. The Organization does not have a policy to charge interest on past due accounts. Payments of patient receivables are allocated to the specific claims identified in the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

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

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

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

Promises to Give

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises.

Supplies

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

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 consolidated balance sheets. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in expenses in excess of revenues unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from expenses in excess of revenues unless the investments are trading securities. Investment income on funds held under indenture agreements is recorded as other operating revenue while all other investment income is recorded as nonoperating revenue in the consolidated statements of operations.

Assets Limited as to Use

Assets limited as to use include assets designated by the Board of Directors for self-funded health insurance benefits, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and assets held by a trustee under the bond indenture agreement. Amounts required to meet current liabilities of the Organization have been classified as current assets.

Property and Equipment

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

Land improvements	3-40 years
Buildings and fixed equipment	3-40 years
Equipment	2-20 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to unrestricted net assets, and are excluded from expenses in excess of revenues, 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.

Impairment of Long-Lived Assets

The Organization considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying values of assets are appropriate. If impairment exists, an impairment loss is recognized. In 2013, the Organization recognized impairment losses on improvements made to a modular office building that totaled \$401,984.

Deferred Financing Costs

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

Cash Surrender Value of Life Insurance

The Organization is the owner and sole beneficiary of individual life insurance policies. Increases in the cash surrender value and dividends received from these life insurance policies are recorded as other income in the accompanying consolidated statements of operations.

Charitable Gift Annuities

Charitable gift annuities are recorded at fair value at the date received. The Organization records a liability for the present value of the payments due under terms of the annuity contract.

A contribution is recorded for the difference between the fair value of the gift and the liability recorded. Investment income and gains and losses are charged to the appropriate investment account, and annuity payments are charged to the liability account. Periodically, an adjustment is made to the liability to record gain or loss due to recomputation of the liability based on revised life expectancy. Upon death of the donor annuitant, the Organization recognizes the existing liability as a change in the value of the annuity, and the related asset is available for use by the Organization.

Self-Insurance Reserves

The Organization provides for self-insurance reserves for estimated incurred but not reported claims and reported and unpaid claims for its employee health plan. These reserves, which are included in current liabilities on the balance sheets, are estimated based upon historical submission and payment data, cost trends, utilization history, and other relevant factors. Adjustments to reserves are reflected in the operating results in the period in which the change in estimate is identified.

Deferred Rent

Deferred rent consists of a single prepayment received for all base rent due under terms of a ground lease agreement with the developer of a medical office building constructed on land adjacent to the Organization's hospital building. The Organization has the option to purchase the medical office building at intervals specified in the ground lease agreement. If the Organization chooses to exercise the option to purchase the medical office building, any prepayments would be refundable to the developer. The prepaid rents are being amortized into rental revenue on a straight-line basis over the 99 year term of the ground lease agreement.

Temporarily and Permanently Restricted Net Assets

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

Net Patient Service Revenue

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

The Organization recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered, as noted above. For uninsured patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Organization's uninsured and other self-pay patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a significant provision for bad debts related to uninsured and other self-pay patients in the period the services are provided.

Net patient 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

	<u>2014</u>	<u>2013</u>
Net patient service revenue		
Third-party payors	\$ 35,373,887	\$ 34,159,392
Self-pay	<u>2,069,162</u>	<u>2,011,221</u>
Total all payors	<u><u>\$ 37,443,049</u></u>	<u><u>\$ 36,170,613</u></u>

Expenses in Excess of Revenues

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

Charity Care

The Organization provides health care services to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Since the Organization does not pursue collection of these amounts, they are not reported as patient service revenue. The estimated cost of providing these services was \$449,000 and \$565,000 for the years ended June 30, 2014 and 2013, calculated by multiplying the ratio of cost to gross charges for the Organization by the gross uncompensated charges associated with providing charity care to its patients.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When donor stipulated time restrictions or purpose restrictions are met or accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements 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 consolidated statements of operations.

Advertising Costs

Advertising costs are expensed as incurred

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 Service Revenue

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

Medicare. The Organization is licensed as a Critical Access Hospital (CAH). The Organization is 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 Organization subject to audits thereof by the Medicare intermediary. The Organization's Medicare cost reports have been audited by the Medicare fiscal intermediary through the year ended June 30, 2012. Clinical services are paid on a cost basis or fixed fee schedule.

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 reports. Clinical services are paid on a fixed fee schedule.

Blue Cross. Inpatient services rendered 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. Clinic services are paid on a fixed fee schedule.

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

Revenue from the Medicare, Medicaid, and Blue Cross programs accounted for approximately 40%, 9%, and 36% of the Organization's net patient service revenue for the year ended June 30, 2014 and 40%, 9%, and 34% for the year ended June 30, 2013. 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 service revenue for the years ended June 30, 2014 decreased approximately \$365,100 due to adjustments of previous estimates as a result of final settlements for years that are no longer likely subject to audits, reviews, and investigations.

A summary of patient service revenue and contractual adjustments for the years ended June 30, 2014 and 2013 is as follows

	<u>2014</u>	<u>2013</u>
Total patient service revenue	\$ 55,486,426	\$ 50,493,550
Contractual adjustments		
Medicare	(8,138,646)	(5,925,666)
Medicaid	(1,903,238)	(1,869,109)
Blue Cross	(6,881,516)	(5,593,735)
Other	(1,119,977)	(934,427)
Total contractual adjustments	<u>(18,043,377)</u>	<u>(14,322,937)</u>
Net patient service revenue	<u>\$ 37,443,049</u>	<u>\$ 36,170,613</u>

Note 3 - Contributions Receivable

The Organization has received promises to give from organizations and individuals in the community and surrounding area. Certain promises to give are receivable over a period of time. The following is a summary of contributions receivable, discounted to present value at rates ranging from 0.15% to 1.41% percent, at June 30, 2014 and 2013.

	<u>2014</u>	<u>2013</u>
Current contributions receivable	\$ 74,867	\$ 66,752
Receivable between one to five years	35,956	196,441
	<u>110,823</u>	<u>263,193</u>
Less discount to net present value	(9,455)	(9,455)
Less allowance for uncollectible amounts	<u>(54,000)</u>	<u>(54,000)</u>
Contributions receivable, net	<u>\$ 47,368</u>	<u>\$ 199,738</u>

Contributions receivable at June 30, 2014 and 2013 represents amounts from donors pledged to support the Organization's hospital construction project. Since the donors intended their pledges to be used to support the Organization's hospital construction project, the donor imposed restriction was considered met when funds are used by the Organization to pay for project costs.

Note 4 - Investments and Assets Limited as to Use

Investments

The composition of investments at June 30, 2014 and 2013 is shown in the following table. U.S. government obligations and mortgage backed securities, mutual funds, corporate equities, and corporate bonds are stated at fair value. Money market funds and certificates of deposit are stated at cost plus accrued interest.

	2014	2013
Money market funds	\$ 594,729	\$ 388,432
Certificates of deposit	831,012	1,022,375
U.S. government obligations and mortgage-backed securities	3,134,758	3,514,794
Mutual funds		
Bond funds	1,655,084	634,724
Equity funds	739,070	622,740
International funds	975,128	754,006
Corporate equities	3,078,742	2,537,312
Corporate bonds	1,494,900	1,561,818
	<u>\$ 12,503,423</u>	<u>\$ 11,036,201</u>

Assets Limited as to Use

Assets limited as to use, stated at cost, consisted of the following at June 30:

	2014	2013
Under bond indenture agreement		
Cash and cash equivalents	\$ 3,266,942	\$ 1,754,449
Board designated - self-funded health insurance benefits		
Cash and cash equivalents	492,590	481,079
	<u>\$ 3,759,532</u>	<u>\$ 2,235,528</u>

Investment Income

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

	2014	2013
Other income		
Interest and dividend income	\$ 328,210	\$ 309,715
Realized gains and losses on investments, net	227,462	131,149
	<u>\$ 555,672</u>	<u>\$ 440,864</u>
Other changes in unrestricted net assets		
Change in unrealized gains and losses on investments	<u>\$ 619,695</u>	<u>\$ 167,673</u>

Note 5 - Property and Equipment

Property and equipment consisted of the following at June 30

	2014		2013	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land and improvements	\$ 1,292,809	\$ 120,739	\$ 1,435,777	\$ 56,555
Buildings and fixed equipment	46,535,064	6,825,091	46,179,255	4,470,201
Major movable equipment	13,783,526	6,808,497	12,025,215	5,895,504
Construction in progress	754,531	-	291,995	-
	<u>\$ 62,365,930</u>	<u>\$ 13,754,327</u>	<u>\$ 59,932,242</u>	<u>\$ 10,422,260</u>
Net property and equipment		<u>\$ 48,611,603</u>		<u>\$ 49,509,982</u>

Construction in progress at June 30, 2014 represents costs for the construction of the MRI unit and other remodeling projects. These projects will be financed with additional borrowings and are scheduled to be completed September 2014. The estimated cost to complete these projects is \$900,000.

Note 6 - Leases

The Organization leases certain equipment under noncancelable long-term lease agreements. Certain leases have been recorded as capitalized leases and others as operating leases. Total lease expense for the years ended June 30, 2014 and 2013 for all operating leases was \$606,873 and \$572,562. The capitalized leased assets consist of

	2014	2013
Major movable equipment	\$ 2,853,819	\$ 1,523,819
Less accumulated amortization	<u>(1,165,415)</u>	<u>(918,368)</u>
	<u>\$ 1,688,404</u>	<u>\$ 605,451</u>

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

Year Ending June 30.	Capital Leases	Operating Leases
2015	\$ 361,714	\$ 521,295
2016	339,454	517,274
2017	188,098	141,156
2018	148,007	-
2019	148,007	-
Thereafter	740,037	-
Total minimum lease payments	<u>1,925,317</u>	<u>1,179,725</u>
Less interest	<u>(436,939)</u>	<u>\$ 1,179,725</u>
Present value of minimum lease payments - Note 8	<u>\$ 1,488,378</u>	

Note 7 - Beneficial Interest in Perpetual Trust

The Organization is the beneficiary of a trust created by a donor, the assets of which are invested by the trustee rather than the Organization. The Organization has legally enforceable rights and claims to such assets, including the right to income therefrom. Net unrealized gains (losses) related to the beneficial interest are reported as changes in permanently restricted net assets based on explicit donor stipulations. The fair value of the beneficial interest was \$88,100 and \$74,598 at June 30, 2014 and 2013.

Note 8 - Long-Term Debt

The following presents long-term debt activities for the years ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Senior Secured Rural America Bonds, Series 2010, 5 63%-8 58% serial bonds, due in varying annual installments to March 2040, secured by a mortgage on substantially all property and equipment of the Medical Center (A)	\$ 14,579,000	\$ 14,796,100
Secured Rural America Bonds, Series 2014, 3 65% serial bonds, due in monthly installments beginning July 2014 to June 2019, secured by a mortgage on substantially all property and equipment of the Medical Center (A)	885,000	-
USDA Promissory Note, 4% interest, due in monthly installments to March 2050, secured by a mortgage on substantially all property and equipment of the Medical Center	30,065,229	30,459,132
Capitalized lease obligations - Note 6	1,488,378	636,037
	<u>47,017,607</u>	<u>45,891,269</u>
Less current maturities	<u>(1,079,165)</u>	<u>(823,153)</u>
Long term debt, less current maturities	<u>\$ 45,938,442</u>	<u>\$ 45,068,116</u>

Long-term debt maturities are as follows

<u>Year Ending June 30.</u>	<u>Amount</u>
2015	\$ 1,079,165
2016	1,131,847
2017	1,033,560
2018	1,041,519
2019	1,090,780
Thereafter	<u>41,640,736</u>
Total	<u>\$ 47,017,607</u>

(A) Under the terms of the secured rural America bonds loan agreement, the Organization has made certain covenants in connection with the bonds, including a covenant that income available for debt service coverage must equal at least 110% of the maximum annual debt service requirement on all funded debt, the Organization maintain 90 days of unrestricted cash on hand, and other restrictive covenants

Note 9 - Temporarily and Permanently Restricted Net Assets

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

	2014	2013
New Medical Center building	\$ -	\$ 1,686,637
Nursery	6,949	2,766
Hospice	342,575	139,691
Medical Center programs and supplies	68,617	156,455
	<u>\$ 418,141</u>	<u>\$ 1,985,549</u>

Permanently restricted net assets at June 30, 2014 and 2013 are restricted to

	2014	2013
Endowment fund for support of operations	\$ 833,003	\$ 805,911
Beneficial interest in perpetual trust	88,100	78,952
	<u>\$ 921,103</u>	<u>\$ 884,863</u>

In 2014 and 2013, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of \$1,858,683 and \$68,442. These amounts are included in net assets released from restrictions in the accompanying consolidated financial statements.

Note 10 - Endowment Funds

The Organization's endowment (the Endowment) consists of approximately two individual funds established by donors to provide annual funding for specific activities and general operations. The Endowment also includes certain unrestricted net assets designated for quasi-endowment by the Board of Directors. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2014 and 2013, there were no such donor stipulations. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the Endowment, (b) the original value of subsequent gifts donated to the Endowment (including contributions receivable net of discount and allowance for doubtful accounts, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

At June 30, 2014 and 2013, the Organization had the following endowment net asset composition by type of fund

	Permanently Restricted
June 30, 2014	
Beneficial interest in perpetual trust	\$ 88,100
Donor-restricted for permanent endowment	833,003
	<u>\$ 921,103</u>
June 30, 2013	
Beneficial interest in perpetual trust	\$ 78,952
Donor-restricted for permanent endowment	805,911
	<u>\$ 884,863</u>

Investment and Spending Policies

The Organization has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. The target minimum rate of return is the Consumer Price Index plus 5% on an annual basis. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

The Organization appropriates all earnings for operations as earned.

Changes in Endowment net assets for the year ending June 30, 2014 are as follows

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ -	\$ -	\$ 884,863	\$ 884,863
Investment return				
Investment income, net of fees	5,369	-	-	5,369
Net realized and unrealized gain (loss)	800	-	-	800
Contributions	-	-	36,240	36,240
Distributions	(6,169)	-	-	(6,169)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 921,103</u>	<u>\$ 921,103</u>

Changes in Endowment net assets for the year ending June 30, 2013 are as follows

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ -	\$ -	\$ 875,603	\$ 875,603
Investment return				
Investment income, net of fees	32,155	-	-	32,155
Net realized and unrealized gain (loss)	10,217	-	-	10,217
Contributions	-	-	9,260	9,260
Distributions	(42,372)	-	-	(42,372)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 884,863</u>	<u>\$ 884,863</u>

Note 11 - Defined Contribution Retirement Plans

The Organization has a voluntary defined contribution retirement plan covering substantially all employees. The Organization matches employee contributions up to a maximum contribution of 1.5% of employee's compensation. The Organization's retirement plan expense under this plan totaled \$390,576 and \$382,133 for the years ended June 30, 2014 and 2013.

The Organization also has a noncontributory money purchase pension plan (Money Purchase Plan) covering substantially all employees. The Organization's contributions to the Money Purchase Plan are based on annual compensation and integrated with the Social Security Wage Base. The Organization's retirement plan expense under the Money Purchase Plan totaled \$654,658 and \$418,648 for the years ended June 30, 2014 and 2013. At June 30, 2014 and 2013, accrued pension costs were \$242,500 and \$204,000.

Note 12 - Concentrations of Credit Risk

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

	2014	2013
Medicare	31%	36%
Medicaid	10%	7%
Blue Cross	23%	18%
Managed care and commercial insurances	11%	7%
Other third-party payors and patients	25%	32%
	<u>100%</u>	<u>100%</u>

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

Note 13 - Functional Expenses

The Organization provides 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 healthcare services	\$ 32,317,184	\$ 30,591,726
General and administrative	7,236,120	6,842,248
Fundraising	69,568	62,821
	<u>\$ 39,622,872</u>	<u>\$ 37,496,795</u>

Note 14 - Fair Value Measurements

Assets measured at fair value on a recurring basis and the related fair values of these assets at June 30, 2014 and 2013 are as follows

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
June 30, 2014			
Assets			
Corporate bond	\$ -	\$ 1,494,900	\$ -
Corporate equities	3,078,742	-	-
Mutual funds - Bonds	1,655,084	-	-
Mutual funds - Equities	739,070	-	-
Mutual funds - International	975,128	-	-
U S government obligations and mortgage-backed securities	-	3,134,758	-
	<u>\$ 6,448,024</u>	<u>\$ 4,629,658</u>	<u>\$ -</u>
June 30, 2013			
Assets			
Corporate bond	\$ -	\$ 1,561,818	\$ -
Corporate equities	2,537,312	-	-
Mutual funds - Bonds	634,724	-	-
Mutual funds - Equities	622,740	-	-
Mutual funds - International	754,006	-	-
U S government obligations and mortgage-backed securities	-	3,514,794	-
	<u>\$ 4,548,782</u>	<u>\$ 5,076,612</u>	<u>\$ -</u>

The fair values for corporate equities and mutual funds are determined by reference to quoted market prices. The Organization values U S government obligations and mortgage-backed securities and corporate bonds using a variety of techniques including quoted market prices of similar items, broker/dealer quotes, or models using market interest rates or yield curves and are included in level two investments.

Note 15 - Self-Funded Health Care Plan

The Medical Center has a self-funded health care plan that provides medical and dental benefits to employees and their dependents. Employees share in the cost of health benefits. Health care expense is based on actual claims paid, reinsurance premiums, administration fees, and unpaid claims at year-end. The Organization buys reinsurance to cover catastrophic individual claims over \$35,000 per claim.

Health care expense was \$1,752,331 and \$1,186,777 for the years ended June 30, 2014 and 2013. A liability of \$274,800 and \$115,600 for unpaid claims and claims incurred but not reported at June 30, 2014 and 2013 has been recorded in accrued liabilities in the accompanying consolidated balance sheets. Management believes this liability is sufficient to cover estimated unpaid claims, including claims incurred but not yet reported.

Note 16 - Contingencies

Malpractice Insurance

The Organization 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 \$5 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.

Litigation, Claims, and Disputes

The Organization 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 litigation, claims, and disputes in process will not be material to the financial position, operations, or cash flows of the Organization.

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

The Organization has evaluated subsequent events through October 27, 2014, the date which the consolidated financial statements were available to be issued.

Supplementary Information
June 30, 2014 and 2013

**Jamestown Regional Medical Center
and Affiliate**

Independent Auditor's Report on Consolidating and Supplementary Information

The Board of Directors
Lutheran Charity Association
d/b/a Jamestown Regional Medical Center
Jamestown, North Dakota

We have audited the consolidated financial statements of Lutheran Charity Association d/b/a Jamestown Regional Medical Center as of and for the year ended June 30, 2014, and our report thereon dated October 27, 2014, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the June 30, 2014 consolidated financial statements as a whole. The consolidating schedules as of and for the years ended June 30, 2014 and 2013 on pages 26 to 31 and the supplemental schedules as of and for the years ended June 30, 2014 and 2013 on pages 32 to 33 are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the June 30, 2014 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 June 30, 2014 consolidated financial statements or to the June 30, 2014 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 year ended June 30, 2014, as a whole.

The consolidated financial statements of Lutheran Charity Association d/b/a Jamestown Regional Medical Center for the year ended June 30, 2013, were audited by other auditors and their report thereon dated October 3, 2013, expressed an unmodified opinion on those consolidated financial statements. Their report, as of the same date, on the consolidating schedules and the supplemental schedules related to the June 30, 2013 consolidated financial statements stated that, in their opinion, such information was fairly stated in all material respects in relation to the consolidated financial statements for the year ended June 30, 2013, as a whole.

A handwritten signature in black ink that reads "Erik Sully LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota
October 27, 2014

(This page left blank intentionally)

	Hospital	Foundation	Eliminations	Consolidated
Current Assets				
Cash and cash equivalents	\$ 1,934,749	\$ 360,254	\$ -	\$ 2,295,003
Assets limited as to use	1,651,378	-	-	1,651,378
Receivables				
Patient, net	5,496,370	-	-	5,496,370
Estimated third-party settlement	391,000	-	-	391,000
Related party	54,233	-	(54,233)	-
Contributions receivable, net	-	47,368	-	47,368
Other	44,204	-	-	44,204
Supplies	677,337	-	-	677,337
Prepaid expenses	135,768	-	-	135,768
Total current assets	10,385,039	407,622	(54,233)	10,738,428
Investments	9,259,979	3,243,444	-	12,503,423
Assets Limited As To Use, less current portion	2,108,154	-	-	2,108,154
Property and Equipment, net	48,611,603	-	-	48,611,603
Other Assets				
Property held for investment, at cost	110,314	-	-	110,314
Beneficial interest in perpetual trust	-	88,100	-	88,100
Cash surrender value of life insurance	-	6,660	-	6,660
Deferred financing costs, net	1,259,097	-	-	1,259,097
Interest in Foundation	68,617	-	(68,617)	-
Total other assets	1,438,028	94,760	(68,617)	1,464,171
Total assets	\$ 71,802,803	\$ 3,745,826	\$ (122,850)	\$ 75,425,779

Jamestown Regional Medical Center
Consolidating Balance Sheet
June 30, 2014

	<u>Hospital</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
Current Liabilities				
Current maturities				
Current maturities of long-term debt	\$ 1,079,165	\$ -	\$ -	\$ 1,079,165
Accounts payable				
Trade	764,096	-	-	764,096
Related party	-	54,233	(54,233)	-
Accrued expenses				
Salaries and paid time off	2,172,784	-	-	2,172,784
Health insurance	274,800	-	-	274,800
Interest	297,972	-	-	297,972
Pension	242,500	-	-	242,500
Other current liabilities	-	25,733	-	25,733
Total current liabilities	<u>4,831,317</u>	<u>79,966</u>	<u>(54,233)</u>	<u>4,857,050</u>
Long-Term Liabilities				
Annuities payable	-	87,207	-	87,207
Deferred rent revenue	624,486	-	-	624,486
Long-term debt, less current maturities	45,514,064	-	-	45,514,064
Obligations under capital lease, less current portion	<u>424,378</u>	<u>-</u>	<u>-</u>	<u>424,378</u>
Total liabilities	<u>51,394,245</u>	<u>167,173</u>	<u>(54,233)</u>	<u>51,507,185</u>
Net Assets				
Unrestricted	20,339,941	2,239,409	-	22,579,350
Temporarily restricted	68,617	418,141	(68,617)	418,141
Permanently restricted	<u>-</u>	<u>921,103</u>	<u>-</u>	<u>921,103</u>
Total net assets	<u>20,408,558</u>	<u>3,578,653</u>	<u>(68,617)</u>	<u>23,918,594</u>
Total liabilities and net assets	<u>\$ 71,802,803</u>	<u>\$ 3,745,826</u>	<u>\$ (122,850)</u>	<u>\$ 75,425,779</u>

Jamestown Regional Medical Center
Consolidating Statements of Operations
June 30, 2014

	Hospital	Foundation	Eliminations	Consolidated
Unrestricted Revenue, Gains, and Other Support				
Net patient service revenue	\$ 37,443,049	\$ -	\$ -	\$ 37,443,049
Provision for bad debts	(1,585,254)	-	-	(1,585,254)
Net patient service revenue less provision for bad debt	35,857,795	-	-	35,857,795
Gain on disposal and sale of property and equipment	493,215	-	-	493,215
Other revenue	913,676	-	-	913,676
Total revenues, gains, and other support	37,264,686	-	-	37,264,686
Expenses				
Salaries and wages	15,940,748	111,027	-	16,051,775
Employee benefits	4,048,337	8,495	-	4,056,832
Supplies and other	13,270,456	108,122	-	13,378,578
Depreciation and amortization	3,959,917	-	-	3,959,917
Interest	2,175,770	-	-	2,175,770
Total expenses	39,395,228	227,644	-	39,622,872
Operating Loss	(2,130,542)	(227,644)	-	(2,358,186)
Other Income				
Investment income	438,862	116,810	-	555,672
Contributions	26,139	143,233	-	169,372
Rental income	6,996	-	-	6,996
Other income, net	471,997	260,043	-	732,040
Revenues in Excess of (Less Than) Expenses	(1,658,545)	32,399	-	(1,626,146)
Change in Unrealized Gains and Losses on Investments	478,677	141,018	-	619,695
Net Assets Released From Restriction	-	1,858,683	-	1,858,683
Transfers From (To) Related Party	134,734	(134,734)	-	-
Increase (Decrease) in Unrestricted Net Assets	\$ (1,045,134)	\$ 1,897,366	\$ -	\$ 852,232

Jamestown Regional Medical Center
Consolidating Statements of Changes in Net Assets
June 30, 2014

	<u>Hospital</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
Unrestricted Net Assets				
Revenues in excess (less than) of expenses	\$ (1,658,545)	\$ 32,399	\$ -	\$ (1,626,146)
Change in unrealized gains and losses on investments	478,677	141,018	-	619,695
Net assets released from restriction	-	1,858,683	-	1,858,683
Transfers from (to) related party	134,734	(134,734)	-	-
	<u>(1,045,134)</u>	<u>1,897,366</u>	<u>-</u>	<u>852,232</u>
Increase (decrease) in unrestricted net assets				
Temporarily Restricted Net Assets				
Contributions for a specific purpose	-	291,275	-	291,275
Net assets released from restriction	-	(1,858,683)	-	(1,858,683)
Decrease in interest in Foundation	(1,777,241)	-	1,777,241	-
	<u>(1,777,241)</u>	<u>(1,567,408)</u>	<u>1,777,241</u>	<u>(1,567,408)</u>
Increase (decrease) in temporarily restricted net assets				
Permanently Restricted Net Assets				
Contributions for endowment fund	-	36,240	-	36,240
	<u>-</u>	<u>36,240</u>	<u>-</u>	<u>36,240</u>
Increase (Decrease) in Net Assets	(2,822,375)	366,198	1,777,241	(678,936)
Net Assets, Beginning of Year	23,230,933	3,212,455	(1,845,858)	24,597,530
Net Assets, End of Year	<u>\$ 20,408,558</u>	<u>\$ 3,578,653</u>	<u>\$ (68,617)</u>	<u>\$ 23,918,594</u>

	Hospital	Foundation	Eliminations	Consolidated
Current Assets				
Cash and cash equivalents	\$ 3,830,060	\$ 406,124	\$ -	\$ 4,236,184
Assets limited as to use	291,023	-	-	291,023
Receivables				
Patient, net	4,661,966	-	-	4,661,966
Third party reimbursement	125,011	-	-	125,011
Related party	38,676	-	(38,676)	-
Contributions receivable, net	-	66,752	-	66,752
Other	82,159	-	-	82,159
Supplies	565,772	-	-	565,772
Prepaid expenses	123,579	-	-	123,579
Total current assets	9,718,246	472,876	(38,676)	10,152,446
Investments	8,378,062	2,658,139	-	11,036,201
Assets Limited As To Use, less current portion	1,944,505	-	-	1,944,505
Property and Equipment, net	49,509,982	-	-	49,509,982
Other Assets				
Property held for investment, at cost	110,314	-	-	110,314
Beneficial interest in perpetual trust	-	78,952	-	78,952
Pledges receivable	-	132,986	-	132,986
Cash surrender value of life insurance	-	6,631	-	6,631
Deferred financing costs, net	1,291,843	-	-	1,291,843
Interest in Foundation	1,845,858	-	(1,845,858)	-
Total other assets	3,248,015	218,569	(1,845,858)	1,620,726
Total assets	\$ 72,798,810	\$ 3,349,584	\$ (1,884,534)	\$ 74,263,860

Jamestown Regional Medical Center
Consolidating Balance Sheet
June 30, 2013

	<u>Hospital</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
Current Liabilities				
Current maturities				
Current maturities of long-term debt	\$ 823,153	\$ -	\$ -	\$ 823,153
Accounts payable				
Trade	625,774	-	-	625,774
Related party	-	38,676	(38,676)	-
Estimated third-party settlements	-	-	-	-
Accrued expenses				
Salaries and paid time off	1,796,715	-	-	1,796,715
Health insurance	115,600	-	-	115,600
Interest	303,578	-	-	303,578
Pension	204,000	-	-	204,000
Other current liabilities	-	22,136	-	22,136
Total current liabilities	<u>3,868,820</u>	<u>60,812</u>	<u>(38,676)</u>	<u>3,890,956</u>
Long-Term Liabilities				
Annuities payable	-	76,317	-	76,317
Deferred rent revenue	630,941	-	-	630,941
Long-term debt, less current maturities	<u>45,068,116</u>	<u>-</u>	<u>-</u>	<u>45,068,116</u>
Total liabilities	<u>49,567,877</u>	<u>137,129</u>	<u>(38,676)</u>	<u>49,666,330</u>
Net Assets				
Unrestricted	21,385,075	342,043	-	21,727,118
Temporarily restricted	1,845,858	1,985,549	(1,845,858)	1,985,549
Permanently restricted	<u>-</u>	<u>884,863</u>	<u>-</u>	<u>884,863</u>
Total net assets	<u>23,230,933</u>	<u>3,212,455</u>	<u>(1,845,858)</u>	<u>24,597,530</u>
Total liabilities and net assets	<u>\$ 72,798,810</u>	<u>\$ 3,349,584</u>	<u>\$ (1,884,534)</u>	<u>\$ 74,263,860</u>

Jamestown Regional Medical Center
Consolidating Statements of Operations
June 30, 2013

	Hospital	Foundation	Eliminations	Consolidated
Unrestricted Revenue, Gains, and Other Support				
Net patient service revenue	\$ 36,170,613	\$ -	\$ -	\$ 36,170,613
Provision for bad debts	(1,303,811)	-	-	(1,303,811)
Net patient service revenue less provision for bad debt	34,866,802	-	-	34,866,802
Gain on disposal of property and equipment	4,120	-	-	4,120
Other revenue	1,110,263	-	-	1,110,263
Total revenues, gains, and other support	35,981,185	-	-	35,981,185
Expenses				
Salaries and wages	15,224,784	94,641	-	15,319,425
Employee benefits	3,404,383	7,002	-	3,411,385
Supplies and other	12,111,360	112,891	-	12,224,251
Depreciation and amortization	3,931,815	-	-	3,931,815
Interest	2,207,935	-	-	2,207,935
Loss on impairment	401,984	-	-	401,984
Total expenses	37,282,261	214,534	-	37,496,795
Operating Loss	(1,301,076)	(214,534)	-	(1,515,610)
Other Income (Expense)				
Investment income	349,339	91,525	-	440,864
Contributions	-	20,350	-	20,350
Rental income	15,473	-	-	15,473
Other income, net	364,812	111,875	-	476,687
Expenses in Excess of Revenues	(936,264)	(102,659)	-	(1,038,923)
Change in Unrealized Gains and Losses on Investments	136,980	30,693	-	167,673
Net Assets Released from Restriction	-	68,442	-	68,442
Transfers From (To) Related Party	76,942	(76,942)	-	-
Decrease in Unrestricted Net Assets	\$ (722,342)	\$ (80,466)	\$ -	\$ (802,808)

Jamestown Regional Medical Center
Consolidating Statements of Changes in Net Assets
June 30, 2013

	<u>Hospital</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Consolidated</u>
Unrestricted Net Assets				
Expenses in excess of revenues	\$ (936,264)	\$ (102,659)	\$ -	\$ (1,038,923)
Change in unrealized gains and losses on investments	136,980	30,693	-	167,673
Net assets released from restriction	-	68,442	-	68,442
Transfers from (to) related party	76,942	(76,942)	-	-
	<u>(722,342)</u>	<u>(80,466)</u>	<u>-</u>	<u>(802,808)</u>
Decrease in unrestricted net assets				
Temporarily Restricted Net Assets				
Contributions for a specific purpose	-	373,606	-	373,606
Net assets released from restriction	-	(68,442)	-	(68,442)
Increase in interest in Foundation	261,872	-	(261,872)	-
	<u>261,872</u>	<u>305,164</u>	<u>(261,872)</u>	<u>305,164</u>
Increase in temporarily restricted net assets				
Permanently Restricted Net Assets				
Contributions for endowment fund	-	9,260	-	9,260
	<u>-</u>	<u>9,260</u>	<u>-</u>	<u>9,260</u>
Increase (Decrease) in Net Assets	(460,470)	233,958	(261,872)	(488,384)
Net Assets, Beginning of Year	<u>23,691,403</u>	<u>2,978,497</u>	<u>(1,583,986)</u>	<u>25,085,914</u>
Net Assets, End of Year	<u><u>\$ 23,230,933</u></u>	<u><u>\$ 3,212,455</u></u>	<u><u>\$ (1,845,858)</u></u>	<u><u>\$ 24,597,530</u></u>

	2014		
	Inpatient	Outpatient	Total
Patient Service Revenue			
Routine services			
Adults and pediatrics	\$ 4,480,403	\$ 1,199,998	\$ 5,680,401
Coronary care	323,112	23,051	346,163
Nursery	752,576	3,155	755,731
	<u>5,556,091</u>	<u>1,226,204</u>	<u>6,782,295</u>
Ancillary services			
Orthopedics	643,369	645,322	1,288,691
Operating room	5,194,322	7,542,181	12,736,503
Pharmacy	914,835	3,137,009	4,051,844
CT scan	181,377	3,794,971	3,976,348
Emergency room	176,804	6,080,116	6,256,920
Laboratory	500,237	1,755,267	2,255,504
Radiology	222,148	5,026,256	5,248,404
Anesthesiology	775,420	1,128,092	1,903,512
Central service supplies	1,196,229	1,545,568	2,741,797
Nuclear medicine	8,434	636,841	645,275
Rehabilitation	592,620	1,850,862	2,443,482
Recovery room	309,929	1,171,478	1,481,407
Podiatrist	1,414	434,992	436,406
Home health	-	720,058	720,058
Hospice	8,835	909,200	918,035
Respiratory therapy	132,274	126,332	258,606
Audiology	8,373	386,050	394,423
Cardiac rehabilitation	-	425,226	425,226
Delivery room	481,737	38,525	520,262
Blood bank	194,187	197,615	391,802
Electrocardiography	12,250	100,310	112,560
Histology	26,173	102,367	128,540
ND Health tracks	-	18,163	18,163
Other	-	1,440	1,440
	<u>11,580,967</u>	<u>37,774,241</u>	<u>49,355,208</u>
	<u>\$ 17,137,058</u>	<u>\$ 39,000,445</u>	<u>56,137,503</u>
Charity care			<u>(651,077)</u>
Total patient service revenue			<u>55,486,426</u>
Contractual Adjustments			
Medicare			(8,138,646)
Medicaid			(1,903,238)
Blue Cross			(6,881,516)
Other			<u>(1,119,977)</u>
Total contractual adjustments			<u>(18,043,377)</u>
Net Patient Service Revenue			<u>\$ 37,443,049</u>

Jamestown Regional Medical Center
Schedules of Net Patient Service Revenue
Years Ended June 30, 2014 and 2013

2013		
Inpatient	Outpatient	Total
\$ 4,368,241	\$ 1,095,672	\$ 5,463,913
318,186	5,420	323,606
675,461	2,171	677,632
5,361,888	1,103,263	6,465,151
602,611	634,755	1,237,366
3,548,824	7,000,900	10,549,724
915,515	2,848,259	3,763,774
209,008	3,523,872	3,732,880
176,474	5,688,138	5,864,612
598,121	1,686,327	2,284,448
244,981	5,015,778	5,260,759
680,577	1,046,103	1,726,680
647,104	757,629	1,404,733
8,906	697,963	706,869
509,385	1,776,210	2,285,595
286,345	1,437,478	1,723,823
7,343	521,395	528,738
11	720,612	720,623
28,975	876,663	905,638
163,264	110,697	273,961
9,442	473,627	483,069
-	367,540	367,540
475,999	91,060	567,059
157,310	154,687	311,997
15,190	92,540	107,730
96	2,434	2,530
-	23,471	23,471
-	-	-
9,285,481	35,548,138	44,833,619
\$ 14,647,369	\$ 36,651,401	51,298,770
		(805,220)
		50,493,550
		(5,925,666)
		(1,869,109)
		(5,593,735)
		(934,427)
		(14,322,937)
		\$ 36,170,613

Jamestown Regional Medical Center
Schedules of Other Revenue
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Other Revenue		
Careline	\$ 91,095	\$ 113,940
Cafeteria	418,270	434,903
Consultation services	54,089	54,688
ERP Admission Services	50,378	68,004
Grants	92,430	11,000
In-house rent	1,500	-
Sleep studies	3,396	22,002
Sale of supplies and drugs	40,000	34,751
Gift shop	73,960	49,867
Linen contract	1,248	1,248
Other	87,310	319,860
	<u> </u>	<u> </u>
Total Other Revenue	<u>\$ 913,676</u>	<u>\$ 1,110,263</u>