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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

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

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 07-01-2013 , 2013, and ending 06-30-2014

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

C Name of organization
MADISON COMMUNITY HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
917 N WASHINGTON AVE

City or town, state or province, country, and ZIP or foreign postal code
MADISON, SD 57042

D Employer identification number
46-0228038

E Telephone number
(605) 256-6551

G Gross receipts $ 15,898,914

F Name and address of principal officer
TAMARA MILLER
917 N WASHINGTON AVE
MADISON, SD 57042

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 MADISONHOSPITAL COM

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

L Year of formation 1955

M State of legal domicile SD

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROVIDE HEALTH CARE SERVICES TO AREA RESIDENTS

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	11
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	178
6	Total number of volunteers (estimate if necessary)	**6**	11
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,124,816	304,706
9	Program service revenue (Part VIII, line 2g)	14,858,672	15,539,255
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	29,465	54,453
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	950	500
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	16,013,903	15,898,914
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	7,646,479	8,150,890
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	6,115,345	6,621,296
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	13,761,824	14,772,186
19	Revenue less expenses Subtract line 18 from line 12	2,252,079	1,126,728

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	14,832,248	27,510,135
21	Total liabilities (Part X, line 26)	1,441,199	12,992,358
22	Net assets or fund balances Subtract line 21 from line 20	13,391,049	14,517,777

Net Assets or Fund Balances

Part II Signature Block

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

Sign Here

****** | 2015-02-26
Signature of officer | Date

TAMARA MILLER CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
LAURIE HANSON		2015-02-26		P00851848

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

Firm's address ▶ 200 EAST 10TH ST PO BOX 5125
SIOUX FALLS, SD 571175125 | Phone no (605) 339-1999

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

MADISON COMMUNITY HOSPITAL SERVES AS A COMMUNITY HEALTH FOCAL POINT THROUGH THE PROVISION AND MAINTENANCE OF A PROGRESSIVE, EFFICIENT, AND WELL MANAGED HEALTHCARE INSTITUTION, COMMITTED TO QUALITY MEDICAL PRACTICE, AND HIGH ETHICAL STANDARDS MADISON COMMUNITY HOSPITAL SERVES AS A COMMUNITY AND SERVICE AREA BASED PRIMARY CARE INSTITUTION WITH BASIC SECONDARY CARE SUPPORT SERVICES, AND FACILITIES PROVIDED TO MEET DEMONSTRATED NEEDS WHICH CAN BE MET WITHIN THE FINANCIAL AND RESOURCE CONSTRAINTS OF THE ORGANIZATION

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 12,681,021 including grants of $) (Revenue $ 15,563,370)

MADISON COMMUNITY HOSPITAL (HOSPITAL) IS A 25-BED ACUTE CARE HOSPITAL LOCATED IN MADISON, SOUTH DAKOTA FOR THE YEAR ENDED JUNE 30, 2014 ACUTE PATIENT DAYS = 908, NEWBORN DAYS = 22, SKILLED DAYS = 1,504, AND INTERMEDIATE DAYS = 71

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

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

4e **Total program service expenses** ▶ 12,681,021

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		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? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	14		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	178		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	11		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	11		
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**		No
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**		

Section C. Disclosure

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

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

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

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

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

▶MRS TAMARA MILLER 917 N WASHINGTON AVE
MADISON, SD 57042 (605) 256-6551

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) BRAD WILKENS PRESIDENT	1 00 1 00	X		X				0	0	0
(2) GREG HOLLISTER VICE PRESIDENT	1 00 0 00	X		X				0	0	0
(3) LOIS NIEDERT SECRETARY	1 00 0 00	X		X				0	0	0
(4) CHRIS LEMAIR TREASURER	1 00 0 00	X		X				0	0	0
(5) DAN BROWN TRUSTEE	1 00 0 00	X						0	0	0
(6) PEGGY CASANOVA TRUSTEE	1 00 0 00	X						0	0	0
(7) ROBIN SCHWEBACH TRUSTEE	1 00 1 00	X						0	0	0
(8) LELAND WHITE TRUSTEE	1 00 1 00	X						0	0	0
(9) ABBY OFTEDAL TRUSTEE	1 00 0 00	X						0	0	0
(10) CINDY CALLIES TRUSTEE	1 00 1 00	X						0	0	0
(11) KEVIN HOFF TRUSTEE	1 00 0 00	X						0	0	0
(12) TAMARA MILLER CEO	40 00 1 00			X				152,887	0	28,743
(13) ROBERT SUMMERER SURGEON	40 00 0 00					X		397,342	0	31,068
(14) DARREL SIMON CRNA	40 00 1 00					X		202,272	0	10,297
(15) RONALD JORGENSEN DIRECTOR OF PURCHASING/AMBULANCE	40 00 0 00					X		113,216	0	14,055
(16) IAN ALVERSON DIRECTOR OF PHARMACY	40 00 0 00					X		102,773	0	8,952

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** ▶										
c **Total from continuation sheets to Part VII, Section A** ▶										
d **Total (add lines 1b and 1c)** ▶								968,490	0	93,115

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 ▶ 5

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
INTERLAKES MEDICAL CENTER 903 N WASHINGTON AVE MADISON SD 57042	ER CALL COVERAGE	380,588
UNIVERSAL HOSPTIAL SERVICES 7505 S LOUISE AVE SIOUX FALLS SD 57108	BIO-MED CONTRACT	328,340
NORTHLAND FAMILY PRACTICE 220 NE 9TH ST MADISON SD 57042	ER CALL COVERAGE & CONTRACTED PHYSICIANS	253,009
HEALTHCARE CAPITOL 14066 MAHOGANY AVE JACKSONVILLE FL 32258	FINANCIAL CONSULTING	190,000
AVERA MCKENNAN HOSPITAL 1325 S CLIFF AVE SIOUX FALLS SD 57117	PURCHASED SERVICES	176,246

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 ▶ 10

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				
	e	Government grants (contributions)	1e	265,152			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	39,554			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		304,706			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE REVENUE	621300	15,354,266	15,354,266		
	b	MEALS	624210	102,494	102,494		
	c	MCMC REVENUE	621110	93,184	93,184		
	d	MISCELLANEOUS	900009	13,426	13,426		
	e	LOSS ON SUBSIDIARY	900009	-24,115			-24,115
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		15,539,255			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		39,414			39,414
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents	500				
	b	Less rental expenses	0				
	c	Rental income or (loss)	500				
	d	Net rental income or (loss) . . . . . ▶			500	500	
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		15,039			
	b	Less cost or other basis and sales expenses		0			
	c	Gain or (loss)		15,039			
	d	Net gain or (loss) . . . . . ▶			15,039		15,039
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶					
	12	**Total revenue.** See Instructions . . . . . ▶		15,898,914	15,563,870	0	30,338

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns All other organizations must complete column (A)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	194,483		194,483	
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	6,295,194	5,654,690	640,504	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	270,976	244,364	26,612	
9 Other employee benefits	875,836	770,368	105,468	
10 Payroll taxes	514,401	446,761	67,640	
11 Fees for services (non-employees)				
a Management				
b Legal				
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)	1,180,874	713,298	467,576	
12 Advertising and promotion	137,346		137,346	
13 Office expenses	599,415	474,796	124,619	
14 Information technology				
15 Royalties . .				
16 Occupancy	145,379	145,379		
17 Travel	35,138	34,844	294	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	56,481	37,672	18,809	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	568,196	568,196		
23 Insurance	241,085		241,085	
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	2,328,553	2,328,553		
b BAD DEBTS	826,915	826,915		
c MAINTENANCE AND REPAIRS	379,936	379,936		
d DUES AND SUBSCRIPTIONS	24,183		24,183	
e All other expenses	97,795	55,249	42,546	
25 **Total functional expenses.** Add lines 1 through 24e	14,772,186	12,681,021	2,091,165	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing			1	
	2	Savings and temporary cash investments		6,120,228	2	10,695,130
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		2,021,494	4	1,784,828
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		161,653	7	181,736
	8	Inventories for sale or use		354,830	8	349,888
	9	Prepaid expenses and deferred charges		152,034	9	397,876
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 22,268,096			
	b	Less accumulated depreciation	10b 8,208,734	5,956,581	10c	14,059,362
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		65,428	15	41,315
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		14,832,248	16	27,510,135
Liabilities	17	Accounts payable and accrued expenses		1,380,678	17	2,934,244
	18	Grants payable			18	
	19	Deferred revenue		60,521	19	58,114
	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			23	10,000,000
	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		1,441,199	26	12,992,358
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		13,190,873	27	14,400,535
	28	Temporarily restricted net assets		200,176	28	117,242
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		13,391,049	33	14,517,777
	34	Total liabilities and net assets/fund balances		14,832,248	34	27,510,135

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	15,898,914
2	Total expenses (must equal Part IX, column (A), line 25)	2	14,772,186
3	Revenue less expenses Subtract line 2 from line 1	3	1,126,728
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	13,391,049
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	14,517,777

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MADISON COMMUNITY HOSPITAL

Employer identification number
46-0228038

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test		
Return Reference	Explanation	

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SCHEDULE 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
MADISON COMMUNITY HOSPITAL

Employer identification number
46-0228038

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		4,661,529	3,111,925	1,549,604
c Leasehold improvements				
d Equipment		6,372,166	4,909,251	1,462,915
e Other		11,234,401	187,558	11,046,843
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				14,059,362

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

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

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

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

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

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

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

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

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

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

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

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

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

Part XIII **Supplemental Information**

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

Return Reference	Explanation
PART X, LINE 2	THE HOSPITAL IS A SOUTH 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 FOUNDATION IS ORGANIZED AS A TAX EXEMPT ORGANIZATION UNDER THE SAME INTERNAL REVENUE CODE AND IS IN THE PROCESS OF OBTAINING ITS TAX EXEMPTION THE HOSPITAL AND FOUNDATION ARE ANNUALLY REQUIRED TO FILE A RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX (FORM 990) WITH THE IRS THE HOSPITAL AND FOUNDATION ARE SUBJECT TO INCOME TAX ON NET INCOME THAT IS DERIVED FROM BUSINESS ACTIVITIES THAT ARE UNRELATED TO ITS EXEMPT PURPOSE THE CENTER IS ORGANIZED AS A SOUTH DAKOTA TAXABLE CORPORATION AND IS REQUIRED TO FILE A TAX RETURN (FORM 1120) ON AN ANNUAL BASIS THE HOSPITAL, FOUNDATION, AND CENTER BELIEVE THAT THEY HAVE APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN AFFECTING THEIR ANNUAL FILING REQUIREMENTS, AND AS SUCH, DO NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE CONSOLIDATED FINANCIAL STATEMENTS THE HOSPITAL, FOUNDATION, AND CENTER 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 HOSPITAL AND FOUNDATION HAS DETERMINED THAT THEY ARE NOT SUBJECT TO UNRELATED BUSINESS INCOME TAX AND HAS NOT FILED AN EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN (FORM 990T) WITH THE IRS THE CENTER'S 1120 FILINGS ARE NO LONGER SUBJECT TO FEDERAL EXAMINATIONS BY TAX AUTHORITIES FOR YEARS BEFORE 2011

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493065000135

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
MADISON COMMUNITY HOSPITAL

Employer identification number
46-0228038

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			120,000		120,000	0 810 %
b Medicaid (from Worksheet 3, column a)			458,374	385,084	73,290	0 500 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			578,374	385,084	193,290	1 310 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			10,760		10,760	0 070 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			2,866,477	2,111,844	754,633	5 110 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total.** Other Benefits			2,877,237	2,111,844	765,393	5 180 %
k **Total.** Add lines 7d and 7j			3,455,611	2,496,928	958,683	6 490 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2 826,915		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3 116,595		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	5,767,062
6	Enter Medicare allowable costs of care relating to payments on line 5	6	5,799,508
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-32,446
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

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

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

Part V Facility Information

Section A. Hospital Facilities

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group MADISON COMMUNITY HOSPITAL

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

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

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☐ Medical indigency			
d ☑ Insurance status			
e ☐ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Residency			
i ☑ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☐ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

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

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

Policy Relating to Emergency Medical Care

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

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

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

Part V Facility Information *(continued)*

Section 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? _____

	Name and address	Type of Facility (describe)
1		
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 LINE 7B AND LINE 7G WERE DETERMINED USING THE MEDICARE COST REPORT LINE 7E WAS DETERMINED USING THE GENERAL LEDGER

Form and Line Reference	Explanation
PART I, LINE 7G	LINE 7G INCLUDES DIRECT COSTS OF $717,847 AND INDIRECT COSTS OF $349,952 FROM A PHYSICIAN CLINIC THE NET COMMUNITY BENEFIT EXPENSE RELATED TO THE PHYSICIAN CLINIC IS $22,524

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	BAD DEBT EXPENSE OF $826,915 WAS SUBTRACTED FROM TOTAL OPERATING EXPENSE

Form and Line Reference	Explanation
PART III, LINE 4	A) BAD DEBT RECOVERIES AND DISCOUNTS APPLIED DURING THE COLLECTION PROCESS ARE POSTED IN A SEPARATE ACCOUNT ON THE GENERAL LEDGER THIS ACCOUNT IS COMBINED WITH THE BAD DEBT EXPENSE ACCOUNT TO RESULT IN A NET BAD DEBT EXPENSE AMOUNT ON THE AUDITED FINANCIAL STATEMENT THE BAD DEBT ALLOWANCE AND EXPENSE TAKES CONTRACTUAL ALLOWANCES INTO ACCOUNT THE AMOUNT OF BAD DEBT SHOWN IS BASED ON CHARGES B) THE HOSPITAL APPLIED THE 2014 POVERTY LEVEL PERCENTAGE FOR ITS AREA TO THE TOTAL AMOUNT SENT TO COLLECTIONS DURING THE FISCAL YEAR ENDED JUNE 30, 2014 TO DETERMINE AN ESTIMATE OF ELIGIBLE CHARITY CARE REPORTED AS BAD DEBT C) FOOTNOTE FROM FINANCIAL STATEMENT PLEASE SEE PAGE 8 OF THE ATTACHED FINANCIAL STATEMENT FOR THE PATIENT RECEIVABLES FOOTNOTE

Form and Line Reference	Explanation
PART III, LINE 8	MEDICARE ALLOWABLE COST OF CARE WAS CALCULATED FROM THE MEDICARE COST REPORT FOR THE FISCAL YEAR ENDING 6/30/2014 THE ENTIRE SHORTFALL SHOULD BE TREATED AS A COMMUNITY BENEFIT THE SHORTFALL IS THE DIRECT RESULT OF SEQUESTRATION ENACTMENTS PUT IN PLACE BY THE FEDERAL GOVERNMENT

Form and Line Reference	Explanation
PART III, LINE 9B	ACCOUNTS THAT MEET THE CRITERIA FOR THE FINANCIAL ASSISTANCE POLICY WILL BE WRITTEN OFF IN ACCORDANCE WITH THE FINANCIAL ASSISTANCE POLICY ACCOUNTS THAT DO NOT MEET THE CRITERIA FOR FINANCIAL ASSISTANCE WILL PROCEED THROUGH THE COLLECTION PROCESS IF, DURING THE COLLECTION PROCESS, IT IS DETERMINED THAT AN ACCOUNT IN COLLECTION BELONGS TO A PATIENT WHO IS ELIGIBLE FOR FINANCIAL ASSISTANCE, THE ACCOUNT WILL BE REMOVED FROM COLLECTION AND RETURNED TO THE HOSPITAL FOR RESOLUTION

Form and Line Reference	Explanation
PART VI, LINE 2	A COMMUNITY HEALTH NEEDS ASSESSMENT AND A DEMOGRAPHIC AND SERVICE LINE ANALYSIS TO DETERMINE COMMUNITY HEALTHCARE NEEDS WERE COMPLETED DURING THE PRIOR YEAR

Form and Line Reference	Explanation
PART VI, LINE 3	A SUMMARY OF THE FACILITY'S FINANCIAL ASSISTANCE POLICY IS AVAILABLE ON THE HOSPITAL'S WEBSITE, ATTACHED TO BILLING INVOICES, POSTED IN THE EMERGENCY ROOM OR WAITING ROOMS, POSTED IN THE ADMISSIONS OFFICE, GIVEN TO PATIENTS ON ADMISSION, AND UPON REQUEST DISCHARGE PLANNING PERSONNEL IN THE BUSINESS OFFICE COUNSEL PATIENTS UPON ADMISSION AND THROUGH THE DISCHARGE PLANNING PROCESS ON MEDICAID, COUNTY WELFARE PROGRAMS, CHARITY CARE, ETC FINANCIAL ASSISTANCE PROGRAMS ARE DETAILED EITHER IN PERSON OR THROUGH A BROCHURE THAT EXPLAINS THE HOSPITAL'S FINANCIAL ASSISTANCE AND PAYMENT REQUIREMENTS COVERED VS NON-COVERED CHARGES ARE DISCUSSED WITH THE PATIENT A PATIENT ASSESSMENT, INCLUDING A DISCUSSION ON FINANCIAL RESPONSIBILITIES, CONCERNS, AND GOVERNMENT PROGRAMS, IS COMPLETED ON EACH INPATIENT BY DISCHARGE PLANNING A FINANCIAL COUNSELOR MEETS ONE-ON-ONE WITH PATIENTS PRIOR TO DISCHARGE TO GO OVER INSURANCE COVERAGE AND WHAT TO EXPECT ONCE INSURANCE IS PROCESSED

Form and Line Reference	Explanation
PART VI, LINE 4	MADISON COMMUNITY HOSPITAL IS THE ONLY HOSPITAL IN THE SERVICE AREA FIVE PHYSICIANS AND TWO PHYSICIAN EXTENDERS PRACTICE IN THE COMMUNITY THE SERVICE AREA FOR MCH INCLUDES 14 ZIP CODE COMMUNITIES THAT ARE WITHIN A 21-MILE RADIUS OF THE HOSPITAL IT INCLUDES ALL OF LAKE COUNTY AND PORTIONS OF BROOKINGS, KINGSBURY, MINER, MOODY, MCCOOK AND MINNEHAHA COUNTIES TOTAL SERVICE AREA POPULATION WAS CALCULATED AT 19,625 IN 2010 ESTIMATED MEDIAN HOUSEHOLD INCOME IN 2013 $54,453

Form and Line Reference	Explanation
PART VI, LINE 5	THE GOVERNING BODY OF MADISON COMMUNITY HOSPITAL IS COMPRISED OF COMMUNITY MEMBERS, NONE OF WHOM ARE EMPLOYEES OR CONTRACTORS OF THE HOSPITAL MEDICAL STAFF PRIVILEGES ARE EXTENDED TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY SURPLUS FUNDS ARE USED TO IMPROVE PATIENT CARE AND FACILITIES THE HOSPITAL OPERATES AN EMERGENCY ROOM WHICH IS AVAILABLE TO ALL REGARDLESS OF THEIR ABILITY TO PAY THE HOSPITAL PARTICIPATES IN EDUCATION AND TRAINING OF HEALTHCARE PROFESSIONALS THROUGH RESIDENCIES AND INTERNSHIPS FOR NURSING STUDENTS, THERAPY STUDENTS, PHYSICIANS AND PHYSICIAN'S ASSISTANTS THE HOSPITAL PARTICIPATES IN SEVERAL GOVERNMENT SPONSORED HEALTH PROGRAMS, INCLUDING BUT NOT LIMITED TO MEDICARE, MEDICAID, VA, TRI-CARE, AND ALL-WOMEN-COUNT THE HOSPITAL OFFERS VOLUNTEER OPPORTUNITIES TO MEMBERS OF THE COMMUNITY

Additional Data

Software ID:
Software Version:
EIN: 46-0228038
Name: MADISON COMMUNITY HOSPITAL

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
MADISON COMMUNITY HOSPITAL	
MADISON COMMUNITY HOSPITAL	PART V, SECTION B, LINE 6I THE IMPLEMENTATION STRATEGY BEGINS ON PAGE 5 OF OUR COMMUNITY HEALTH NEEDS ASSESSMENT IT IS AVAILABLE UPON REQUEST AND THROUGH THE LINK ON OUR WEBPAGE AT 5A, ABOVE
MADISON COMMUNITY HOSPITAL	PART V, SECTION B, LINE 12I HOUSEHOLD SIZE
MADISON COMMUNITY HOSPITAL	PART V, SECTION B, LINE 14G PLEASE REFER TO THE NARRATIVE FOR SCHEDULE H PART VI LINE 3

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MADISON COMMUNITY HOSPITAL

Employer identification number
46-0228038

Part I Questions Regarding Compensation

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

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)TAMARA MILLER CEO	(i) (ii)	152,887 0	0 0	0 0	8,190 0	20,554 0	181,631 0	0 0
(2)ROBERT SUMMERER SURGEON	(i) (ii)	397,342 0	0 0	0 0	12,750 0	18,318 0	428,410 0	0 0
(3)DARREL SIMON CRNA	(i) (ii)	202,272 0	0 0	0 0	10,101 0	196 0	212,569 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

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MADISON COMMUNITY HOSPITAL

Employer identification number
46-0228038

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 1	
FORM 990, PART VI, SECTION B, LINE 11	THE ADMINISTRATOR AND CHIEF FINANCIAL OFFICER REVIEW THE 990 IN DETAIL AFTER THEIR REVIEW , THE 990 IS PROVIDED TO EACH BOARD MEMBER THE ADMINISTRATOR PRESENTS THE 990 TO THE BOAR D OF DIRECTORS AT THE MEETING HELD PRIOR TO ITS FILING IF SO REQUESTED BY ANY BOARD MEMBER WHETHER PRESENTED IN A BOARD MEETING OR NOT, THE 990 IS NOT FILED UNTIL EACH BOARD MEMBE R HAS BEEN GIVEN A COPY OF IT AND GIVEN AMPLE TIME TO REVIEW IT
FORM 990, PART VI, SECTION B, LINE 12C	ALL BOARD MEMBERS AND OFFICERS ARE COVERED UNDER THE CONFLICT OF INTEREST POLICY THE BOAR D WILL REVIEW ACTUAL CONFLICTS AND MAKE DETERMINATIONS WHETHER A CONFLICT EXISTS THE REST RICTIONS ARE IMPOSED ON A CASE BY CASE BASIS BASED ON THE BOARD'S DETERMINATION
FORM 990, PART VI, SECTION B, LINE 15A	THE CEO'S COMPENSATION AND BENEFITS ARE REVIEWED ON AN ANNUAL BASIS IN EXECUTIVE SESSION A T THE BOARD OF TRUSTEE MEETING THE BOARD OF TRUSTEES APPROVES THE SALARY AND BENEFITS COM PENSATION
FORM 990, PART VI, SECTION C, LINE 19	THESE DOCUMENTS ARE AVAILABLE TO THE GENERAL PUBLIC UPON REQUEST
PART XII, LINE 2C EXPLANATION	THE ENTIRE BOARD OF DIRECTORS IS RESPONSIBLE FOR THE SELECTION AND OVERSIGHT OF THE INDEPENDENT PUBLIC ACCOUNTANT

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MADISON COMMUNITY HOSPITAL

Employer identification number
46-0228038

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) MADISON COMMUNITY HOSPITAL FOUNDATION INC 917 N WASHINGTON AVE MADISON, SD 57042 46-3925885	SUPPORT	SD	501(C)(3)	LINE 11A, I	MADISON COMMUNITY HOSPITAL		No

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) MADISON COMMUNITY MEDICAL CENTER 917 N WASHINGTON AVENUE MADISON, SD 57045 46-0398320	OFFICE RENTAL	SD	MADISON COMMUNITY HOSPITAL	C	-24,113	238,389	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.

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d	Yes	
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o		No
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q		No
r Other transfer of cash or property to related organization(s)	1r	Yes	
s Other transfer of cash or property from related organization(s)	1s		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) MADISON COMMUNITY MEDICAL CENTER	P	93,184	FMV

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

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

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

Part VII Supplemental Information

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

Return Reference	Explanation

Consolidated Financial Statements
June 30, 2014 and 2013

Madison Community Hospital

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Trustees
Madison Community Hospital
Madison, South Dakota

Report on the Consolidated Financial Statements
We have audited the accompanying consolidated financial statements of Madison Community Hospital, which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the 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 these 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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.

200 E 10th St , Ste 500 , P O Box 5125 ; Sioux Falls, SD 57117-5125 , T 605 339 1999 ; F 605 339 1306 , EOE

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

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued a report dated October 3, 2014 on our consideration of Madison Community Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison Community Hospital's internal control over financial reporting and compliance.

Eide Bailly LLP

Sioux Falls, South Dakota
October 3, 2014

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	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	$ 3,693,047	$ 4,535,830
Current portion of assets limited as to use	1,941,949	-
Receivables		
Patient, net of estimated uncollectibles of $1,569,000 in 2014 and $1,713,000 in 2013	1,741,282	1,916,765
Other	24,720	42,413
Supplies	349,888	354,830
Prepaid expenses	161,198	152,034
Total current assets	7,912,084	7,001,872
Assets Limited as to Use		
By board for capital improvements	1,498,022	1,413,314
Under indenture agreement	3,505,881	-
By donors for specific purposes	165,770	200,176
Total assets limited as to use	5,169,673	1,613,490
Property and Equipment, Net	14,259,986	6,172,474
Other Assets		
Deferred financing costs, net of accumulated amortization of $6,328 in 2014	236,679	-
Noncurrent receivables	18,825	62,316
Total other assets	255,504	62,316
Total assets	$ 27,597,247	$ 14,850,152

See Notes to Consolidated Financial Statements

Madison Community Hospital
Consolidated Balance Sheets
June 30, 2014 and 2013

Liabilities and Net Assets	2014	2013
Current Liabilities		
Accounts payable		
Trade and construction	$ 2,242,810	$ 613,565
Estimated third-party payor settlements, net	75,000	230,000
Accrued expenses		
Salaries and wages	150,304	113,699
Vacation	443,473	413,170
Payroll taxes and other	25,415	16,379
Property taxes	12,582	11,769
Deferred revenue	58,114	60,521
Total current liabilities	3,007,698	1,459,103
Long-Term Debt	10,000,000	-
Total liabilities	13,007,698	1,459,103
Net Assets		
Unrestricted	14,423,779	13,190,873
Temporarily restricted	165,770	200,176
Total net assets	14,589,549	13,391,049
Total liabilities and net assets	$ 27,597,247	$ 14,850,152

Madison Community Hospital
Consolidated Statements of Operations
Years Ended June 30, 2014 and 2013

	2014	2013
Unrestricted Revenue, Gains and Other Support		
Net patient service revenue	$ 15,354,265	$ 14,663,727
Provisions for bad debts	(826,915)	(899,852)
Net patient service revenue, less provision for bad debt	14,527,350	13,763,875
Gains and other support	511,791	685,506
Total unrestricted revenue, gains and other support	15,039,141	14,449,381
Expenses		
Salaries and wages	6,985,630	6,544,858
Employee benefits	1,194,677	1,125,032
Supplies and other expenses	5,255,572	4,645,319
Depreciation and amortization	583,465	611,041
Total expenses	14,019,344	12,926,250
Operating Income	1,019,797	1,523,131
Other Income (Expense)		
Investment income	39,426	58,123
Unrestricted contributions	50,465	8,226
Gain (loss) on disposal of equipment	15,039	(28,658)
Other income, net	104,930	37,691
Revenues in Excess of Expenses	1,124,727	1,560,822
Contributions Restricted for Purchases of Equipment	5,995	538,355
Net Assets Released from Restrictions	102,184	294
Change in Unrestricted Net Assets	$ 1,232,906	$ 2,099,471

Madison Community Hospital
Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2014 and 2013

	2014	2013
Unrestricted Net Assets		
Revenues in excess of expenses	$ 1,124,727	$ 1,560,822
Contributions restricted for purchases of equipment	5,995	538,355
Net assets released from restrictions	102,184	294
Change in unrestricted net assets	1,232,906	2,099,471
Temporarily Restricted Net Assets		
Contributions for specific purposes	67,778	124,859
Net assets released from restrictions	(102,184)	(294)
Change in temporarily restricted net assets	(34,406)	124,565
Change in Net Assets	1,198,500	2,224,036
Net Assets, Beginning of Year	13,391,049	11,167,013
Net Assets, End of Year	$ 14,589,549	$ 13,391,049

	2014	2013
Operating Activities		
Change in net assets	$ 1,198,500	$ 2,224,036
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	583,465	611,041
Contributions restricted by donors	(73,773)	(663,214)
(Gain) loss on disposal of equipment	(15,039)	28,658
Changes in assets and liabilities		
Receivables	236,667	(59,722)
Supplies	4,942	(11,343)
Prepaid expenses	(9,164)	87,256
Accounts payable	(35,271)	97,441
Estimated third-party payor settlements	(155,000)	132,000
Accrued expenses	76,757	56,618
Deferred revenue	(2,407)	(354,666)
Net Cash from Operating Activities	1,809,677	2,148,105
Investing Activities		
Purchase of property and equipment	(6,985,096)	(2,711,518)
Net change in cash held under indenture agreement	(5,447,830)	-
Purchase of investments and assets limited as to use	(2,148,000)	(2,148,000)
Sales and maturities of investments and assets limited as to use	2,097,700	2,151,548
Net Cash used for Investing Activities	(12,483,226)	(2,707,970)
Financing Activities		
Proceeds from issuance of long term debt	10,000,000	-
Payment of deferred financing costs	(243,007)	-
Contributions restricted by donors	73,773	563,214
Net Cash from Financing Activities	9,830,766	563,214
Net (Decrease) Increase in Cash and Cash Equivalents	(842,783)	3,349
Cash and Cash Equivalents, Beginning of Year	4,535,830	4,532,481
Cash and Cash Equivalents, End of Year	$ 3,693,047	$ 4,535,830
Supplemental Disclosure of Noncash Investing and Financing Activities		
Accounts payable - construction in progress	$ 1,941,949	$ 277,433
Contributions of property	$ -	$ 100,000
Supplemental Disclosure of Cash Flow Information		
Amount of interest capitalized for construction project	$ 507,617	$ -

Note 1 - Organization and Significant Accounting Policies

Organization

Madison Community Hospital (Hospital) is a 25-bed acute care hospital located in Madison, South Dakota. Madison Community Medical Center, Inc. (Center) is a for-profit corporation wholly owned by the Hospital. The Center rents office space to various physicians and organizations. Madison Community Foundation, Inc. (Foundation) was organized as a non-profit corporation to support the Madison Community Hospital and the healthcare needs of the greater Madison community.

Consolidation

The consolidated financial statements as of and for the years ended June 30, 2014 and 2013, include the accounts of the following entities:

Madison Community Hospital
Madison Community Medical Center, Inc.
Madison Community Hospital Foundation, Inc.

Significant intercompany accounts and transactions have been eliminated in the consolidation.

Use of Estimates

The preparation of the consolidated 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 disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

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

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

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

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less, excluding assets limited as to use.

Patient Receivables

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

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 Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients, which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

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

Supplies

Supplies are valued 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 balance sheet. The fair value of certificates of deposit that are not publically traded are recorded at cost plus accrued interest. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from revenues in excess of expenses unless the investments are trading securities. 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 set aside by the Board of Trustees for future capital improvements and debt redemption, over which the Board retains control and may at its discretion subsequently use for other purposes; assets held by trustees under indenture agreements; and assets restricted by donors for specific purposes. Assets limited as to use that are available for obligations classified as current liabilities are reported in 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 class of depreciable asset and is computed on the straight-line method. The estimated useful lives of property and equipment are as follows:

Land improvements	8-20 years
Buildings	5-40 years
Equipment	5-20 years

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when donated or 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. No impairment was identified for the years ended June 30, 2014 and 2013.

Deferred Financing Costs

Deferred financing costs are amortized over the period the related obligation is outstanding using the straight line method which is a reasonable estimate of the effective interest method.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity. At June 30, 2014 and 2013, the Hospital did not have any permanently restricted net assets.

Revenues in Excess of Expenses

Revenues in excess of expenses excludes contributions of long-lived assets, including assets acquired using contributions which were restricted by donors.

Net Patient Service Revenue

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

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

	2014	2013
Net patient service revenue		
Third-party payors	$ 13,685,069	$ 13,114,167
Self-pay	1,669,196	1,549,560
Total all payors	$ 15,354,265	$ 14,663,727

Charity Care

The Hospital provides health care services to patients who meet certain criteria under its charity care policy without charge or at amounts less that established rates. Since the Hospital does not pursue collection of these amounts, they are not reported as patient service revenue. The estimated cost of providing these services was $120,000 and $104,000 for the years ended June 30, 2014 and 2013, calculated by multiplying the ratio of cost to gross charges for the Hospital by the gross uncompensated charges associated with providing charity care to its patients.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital 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 a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the consolidated statements of operations.

Advertising Costs

The Hospital expenses advertising costs as incurred. Advertising expenses totaled $93,200 and $75,200 for the years ended June 30, 2014 and 2013, respectively.

Income Taxes

The Hospital is a South 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 Foundation is organized as a tax exempt organization under the same Internal Revenue Code and is in the process of obtaining its tax exemption. The Hospital and Foundation are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. The Hospital and Foundation are subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Center is organized as a South Dakota taxable corporation and is required to file a tax return (Form 1120) on an annual basis.

The Hospital, Foundation, and Center believe that they have appropriate support for any tax positions taken affecting their annual filing requirements, and as such, do not have any uncertain tax positions that are material to the consolidated financial statements. The Hospital, Foundation, and Center 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 Hospital and Foundation has determined that they are not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990T) with the IRS. The Center's 1120 filings are no longer subject to federal examinations by tax authorities for years before 2011.

Electronic Health Record (EHR) Incentives

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

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

The Hospital recognizes EHR incentive payments as revenue when there is reasonable assurance that the Hospital will comply with the conditions attached to the incentive payments. The EHR incentive payment is included in other operating revenue in the accompanying financial statements. The amount of EHR incentive payments recognized are based on management's best estimate and those amounts are subject to change with such changes impacting the period in which they occur. During the years ended June 30, 2014 and 2013, the Hospital received $-0- and $144,556 related to the Medicare program and $64,000 in both 2014 and 2013 related to the Medicaid program for meaningful use incentives.

Deferred Revenue

The Organization recognizes deferred revenue for amounts received for which the services have not yet been performed. Grants are also recorded as deferred revenue when the Organization receives grant money in advance of qualifying grant expenditures. Grant revenue is recognized and included in income at the time qualifying expenditures are made by the Organization.

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 consolidated operating results or changes in net assets

Subsequent Events

The Hospital has evaluated subsequent events through October 3, 2014, the date which the financial statements were available to be issued.

Note 2 - Net Patient Service Revenue

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

Medicare - The Hospital is licensed as a Critical Access Hospital (CAH). The Hospital is reimbursed for most inpatient and outpatient services at cost with final settlement determined after submission of annual cost reports by the Hospital and are subject to audits thereof by the Medicare intermediary. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2012.

Medicaid - Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Outpatient services related to Medicaid beneficiaries are paid based on discounts from established charges.

Blue Cross – Services rendered to Blue Cross subscribers are reimbursed under a prospectively determined percentage of charges and fixed payment methodologies.

Clinics – The Hospital is reimbursed for most services provided in its clinics under the respective payer's fee schedules.

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

Revenue from the Medicare and Medicaid programs accounted for approximately 43% and 4% of the Hospital's net patient service revenue for the year ended June 30, 2014 and 51% and 4% for the year ended June 30, 2013, respectively. 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. The net patient service revenue for the years ended June 30, 2014 and 2013 increased by approximately $159,000 and $77,000 due to removal of allowances previously estimated that are no longer necessary as a result of final settlements and years that are no longer likely subject to audits, reviews, and investigations.

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

	2014	2013
Total patient service revenue	$ 22,514,034	$ 21,258,760
Contractual adjustments		
Medicare	(4,564,357)	(4,416,997)
Medicaid	(619,133)	(597,406)
Blue Cross and other	(1,976,279)	(1,580,630)
Total contractual adjustments	(7,159,769)	(6,595,033)
Net patient service revenue	15,354,265	14,663,727
Provision for bad debts	(826,915)	(899,852)
Net patient service revenue less provision for bad debts	$ 14,527,350	$ 13,763,875

Note 3 - Investments and Investment Income

Assets Limited as to use

The composition of assets limited as to use at June 30, 2014 and 2013, is set forth in the following table. Cash and certificates of deposit are stated at historical cost plus accrued interest. Cash and cash equivalents held by Trustees are stated at fair value.

	2014	2013
By board for capital improvements and debt redemption		
Cash and certificates of deposit	$ 1,498,022	$ 1,413,314
Under bond indenture agreement - held by Trustee		
Cash and cash equivalents	$ 5,447,830	$ -
By donors for specific purposes		
Cash and certificates of deposit	$ 165,770	$ 200,176

Investment Income

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

	2014	2013
Interest income	$ 39,426	$ 58,123

Note 4 - Property and Equipment

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

	2014		2013	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land and improvements	$ 319,827	$ 197,420	$ 319,827	$ 188,387
Buildings	5,147,200	3,418,318	5,149,198	3,271,271
Equipment	6,510,764	5,044,159	6,894,802	5,249,454
Construction in progress	10,942,092	-	2,517,759	-
	$ 22,919,883	$ 8,659,897	$ 14,881,586	$ 8,709,112
Net property and equipment		$ 14,259,986		$ 6,172,474

Construction in progress at June 30, 2014 consists of expenditures related to the construction of a new hospital and clinic building which will replace the current facilities that are in use. The estimate cost of the project is approximately $37,000,000 and is expected to be completed in July 2015. The Hospital has commitments related to the construction of approximately $19,700,000 which will be financed with long term borrowings and Hospital investments.

Note 5 - Leases

The Hospital leases certain equipment under non-cancelable long-term lease agreements. Total lease expense for the years ended June 30, 2014 and 2013, for all operating leases was $223,311 and $189,765.

Minimum future lease payments for the operating leases are as follows:

Years Ending June 30,	
2015	$ 246,053
2016	53,027
	$ 299,080

Note 6 - Long Term Debt

Long-term debt consists of:

	2014	2013
2013 Series A Bonds, 6.87%, which will be reduced to 5.35% upon issuance and delivery of a guaranty by the United States Department of Agriculture. Due in monthly payments of interest only through September 2014 with monthly principle and interest payments thereafter until September 2043.	$ 9,000,000	$ -
2013 Series B Bonds, 6.87%, Due in monthly payments of interest only through September 2014 with monthly principle and interest payments thereafter until September 2043.	1,000,000	-
Total long term debt	$ 10,000,000	$ -

Long-term debt maturities are as follows:

Years Ending June 30,	
2015	$ -
2016	115,400
2017	161,400
2018	170,500
2019	180,000
Thereafter	9,372,700
	$ 10,000,000

Substantially all of the Organization's assets have been pledged as collateral for these debt obligations. The loan agreement also places limits on the incurrence of additional borrowings and requires that the Organization satisfy certain measures of financial performance.

Note 7 - Temporarily Restricted Net Assets

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

	2014	2013
Property and equipment acquisitions and various healthcare related programs and services	$ 165,770	$ 200,176

In 2014 and 2013, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of $102,183 and $294, respectively. These amounts are included in net assets released from restrictions in the accompanying consolidated financial statements.

Note 8 - Fair Value Measurements

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

	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
June 30, 2014				
Assets				
Cash and cash equivalents	$ 5,447,830	$ 5,447,830	$ -	$ -
June 30, 2013				
Assets				
Cash and cash equivalents	$ -	$ -	$ -	$ -

The fair value of cash and cash equivalents is determined by reference to quoted market prices.

Note 9 - Pension Plan

The Hospital has a defined contribution pension plan under which employees may become participants upon reaching age 22 and completion of one year of service. Employer contributions of 5% of annual compensation are deposited with the plan trustee who invests the plan assets. Total pension plan expense for the years ended June 30, 2014 and 2013, was $279,775 and $257,437, respectively.

Note 10 - Concentrations of Credit Risk

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

	2014	2013
Private Pay	40%	36%
Medicare	34%	33%
Commercial insurance	17%	22%
Blue Cross	7%	7%
Medicaid	2%	2%
	100%	100%

The Organization's cash balances are maintained in various bank deposit accounts. At various times throughout the years ended June 30, 2014 and 2013, the Organization's balance in these deposit accounts exceeded federally insured limits.

Note 11 - Functional Expenses

The Organization provides health care services to patients 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 health care services	$ 11,915,254	$ 11,177,555
General and administrative	2,104,090	1,748,695
	$ 14,019,344	$ 12,926,250

Note 12 - Contingency

Malpractice Insurance

The Hospital has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of one million per claim and an annual aggregate limit of three 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 services.

Note 13 - Income Taxes

Madison Community Medical Center, Inc. is a wholly-owned subsidiary of Madison Community Hospital and is organized as a for-profit corporation under the laws of the state of South Dakota.

Net deferred tax assets consist of the following components as of June 30, 2014 and 2013:

	2014	2013
Deferred tax assets		
Operating loss carryforwards	$ 28,699	$ 24,342
Valuation allowance	(28,699)	(24,342)
Net deferred tax asset	$ -	$ -

Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that deductible temporary differences and carryforwards are expected to be available to reduce taxable income. Due to operating losses of the Center in prior years, the level of income for the year ended June 30, 2014, and future budgeted operating results, a valuation allowance has been recorded to the deferred tax assets.

Operating loss carryforwards for tax purposes as of June 30, 2014, have the following expiration dates:

Expiration Date	
2021	$ 28,247
2022	19,413
2023	7,654
2024	14,036
2028	4,153
2029	12,312
2030	21,500
2031	23,127
2032	31,838
2033	29,048
Total operating loss carryforwards	$ 191,328

Supplementary Information
June 30, 2014 and 2013

Madison Community Hospital

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Supplementary Information

The Board of Trustees
Madison Community Hospital
Madison, South Dakota

We have audited the consolidated financial statements of Madison Community Hospital as of and for the years ended June 30, 2014 and 2013 and our report thereon dated October 3, 2014, which expressed an unmodified opinion on those consolidated financial statements appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information on pages 20 to 23 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and is not a required part of the consolidated financial statements. The schedules of net patient service revenue, schedules of gains and other support, and schedules of expenses on pages 24 to 28 is also presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Eide Bailly LLP

Sioux Falls, South Dakota
October 3, 2014

200 E 10th St , Ste 500 , P O Box 5125 ; Sioux Falls, SD 57117-5125 , T 605 339 1999 ; F 605 339 1306 , EOE

Madison Community Hospital
Consolidating Balance Sheets
Year Ended June 30, 2014

	Hospital	Center	Foundation	Eliminations	Consolidated
Assets					
Current Assets					
Cash and cash equivalents	$ 3,632,038	$ 37,765	23,244	$ -	$ 3,693,047
Assets limited as to use	1,941,949	-	-	-	1,941,949
Receivables					
Patient, net of estimated uncollectibles	1,741,282	-	-	-	1,741,282
Due from Madison Community Medical Center, Inc	181,734	-	-	(181,734)	-
Other	24,720	-	-	-	24,720
Supplies	349,888	-	-	-	349,888
Prepaid expenses	161,198	-	-	-	161,198
Total current assets	8,032,809	37,765	23,244	(181,734)	7,912,084
Assets Limited as to Use					
By board for capital improvements	1,498,022	-	-	-	1,498,022
Under indenture agreement	3,505,881	-	-	-	3,505,881
By donors for specific purposes	117,242	-	48,528	-	165,770
Total assets limited as to use	5,121,145	-	48,528	-	5,169,673
Property and Equipment	14,059,362	200,624	-	-	14,259,986
Other Assets					
Deferred financing costs, net of accumulated amortization of $6,328 in 2014	236,679	-	-	-	236,679
Noncurrent receivables	18,825	-	-	-	18,825
Investment in Madison Community Medical Center, Inc	41,315	-	-	(41,315)	-
Total other assets	296,819	-	-	(41,315)	255,504
Total assets	$ 27,510,135	$ 238,389	$ 71,772	$ (223,049)	$ 27,597,247
Liabilities and Net Assets					
Current Liabilities					
Accounts payable	$ 2,240,052	$ 2,758	$ -	$ -	$ 2,242,810
Estimated third-party payor settlements, net	75,000	-	-	-	75,000
Accrued expenses					
Salaries and wages	150,304	-	-	-	150,304
Vacation	443,473	-	-	-	443,473
Payroll taxes and other	25,415	-	-	-	25,415
Property taxes	-	12,582	-	-	12,582
Deferred revenue	58,114	-	-	-	58,114
Due to Madison Community Hospital	-	181,734	-	(181,734)	-
Total current liabilities	2,992,358	197,074	-	(181,734)	3,007,698
Long-Term Debt	10,000,000	-	-	-	10,000,000
Total liabilities	12,992,358	197,074	-	(181,734)	13,007,698
Net Assets					
Unrestricted	14,400,535	41,315	23,244	(41,315)	14,423,779
Temporarily restricted	117,242	-	48,528	-	165,770
Total net assets	14,517,777	41,315	71,772	(41,315)	14,589,549
Total liabilities and net assets	$ 27,510,135	$ 238,389	$ 71,772	$ (223,049)	$ 27,597,247

Madison Community Hospital
Consolidating Balance Sheets
Year Ended June 30, 2013

Assets	Hospital	Center	Eliminations	Consolidated
Current Assets				
Cash and cash equivalents	$ 4,506,738	$ 29,092	$ -	$ 4,535,830
Receivables				
Patient, net of estimated uncollectibles	1,916,765	-	-	1,916,765
Due from Madison Community Medical Center, Inc	161,653	-	(161,653)	-
Other	42,413	-	-	42,413
Supplies	354,830	-	-	354,830
Prepaid expenses	152,034	-	-	152,034
Total current assets	7,134,433	29,092	(161,653)	7,001,872
Assets Limited as to Use				
By board for capital improvements	1,413,314	-	-	1,413,314
By donors for specific purposes	200,176	-	-	200,176
Total assets limited as to use	1,613,490	-	-	1,613,490
Property and Equipment	5,956,581	215,893	-	6,172,474
Other Assets				
Noncurrent receivables	62,316	-		62,316
Investment in Madison Community Medical Center, Inc	65,428	-	(65,428)	-
Total other assets	127,744	-	(65,428)	62,316
Total assets	$ 14,832,248	$ 244,985	$ (227,081)	$ 14,850,152
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	$ 607,430	$ 6,135	$ -	$ 613,565
Estimated third-party payor settlements, net	230,000	-	-	230,000
Accrued expenses				
Salaries and wages	113,699	-	-	113,699
Vacation	413,170	-	-	413,170
Payroll taxes and other	16,379	-	-	16,379
Property taxes	-	11,769	-	11,769
Deferred revenues	60,521	-	-	60,521
Due to Madison Community Hospital	-	161,653	(161,653)	-
Total current liabilities	1,441,199	179,557	(161,653)	1,459,103
Net Assets				
Unrestricted	13,190,873	65,428	(65,428)	13,190,873
Temporarily restricted	200,176	-	-	200,176
Total net assets	13,391,049	65,428	(65,428)	13,391,049
Total liabilities and net assets	$ 14,832,248	$ 244,985	$ (227,081)	$ 14,850,152

Madison Community Hospital
Consolidating Statements of Operations
Year Ended June 30, 2014

	Hospital	Center	Foundation	Eliminations	Consolidated
Unrestricted Revenue, Gains and Other Support					
Net patient service revenue	$ 15,354,265	$ -	$ -	$ -	$ 15,354,265
Provision for bad debts	(826,915)	-	-	-	(826,915)
Net patient service revenue less provision for bad debts	14,527,350	-		-	14,527,350
Gains and other support	474,756	130,219	-	(93,184)	511,791
Total unrestricted revenue, gains and other support	15,002,106	130,219	-	(93,184)	15,039,141
Expenses					
Salaries and wages	6,985,630	-	-	-	6,985,630
Employee benefits	1,194,677	-	-	-	1,194,677
Supplies and other expenses	5,196,768	139,063	12,925	(93,184)	5,255,572
Depreciation and amortization	568,196	15,269	-	-	583,465
Total expenses	13,945,271	154,332	12,925	(93,184)	14,019,344
Operating Income (Loss)	1,056,835	(24,113)	(12,925)	-	1,019,797
Other Income					
Investment income	39,413	-	13	-	39,426
Unrestricted contributions	14,309	-	36,156	-	50,465
Loss from wholly owned subsidiary	(24,113)	-	-	24,113	-
Gain on disposal of equipment	15,039	-	-	-	15,039
Other income, net	44,648	-	36,169	24,113	104,930
Revenues in Excess of (Less Than) Expenses	1,101,483	(24,113)	23,244	24,113	1,124,727
Contributions Restricted for Purchases of Equipment	5,995	-	-	-	5,995
Net Assets Released from Restrictions for Capital	102,184	-	-	-	102,184
Change in Unrestricted Net Assets	$ 1,209,662	$ (24,113)	$ 23,244	$ 24,113	$ 1,232,906

Madison Community Hospital
Consolidating Statements of Operations
Year Ended June 30, 2013

	Hospital	Center	Eliminations	Consolidated
Unrestricted Revenue, Gains and Other Support				
Patient service revenue	$ 14,663,727	$ -	$ -	$ 14,663,727
Provision for bad debts	(899,852)	-	-	(899,852)
Net patient service revenue	13,763,875	-	-	13,763,875
Gains and other support	649,271	119,539	(83,304)	685,506
Total revenue, gains and other support	14,413,146	119,539	(83,304)	14,449,381
Expenses				
Salaries and wages	6,544,858	-	-	6,544,858
Employee benefits	1,125,032	-	-	1,125,032
Supplies and other expenses	4,596,779	131,844	(83,304)	4,645,319
Depreciation	595,303	15,738	-	611,041
Total expenses	12,861,972	147,582	(83,304)	12,926,250
Operating Income (Loss)	1,551,174	(28,043)	-	1,523,131
Other Income				
Investment income	58,123	-	-	58,123
Unrestricted contributions	8,226	-	-	8,226
Loss from wholly owned subsidiary	(28,043)	-	28,043	-
Loss on disposal of equipment	(28,658)	-	-	(28,658)
Other income, net	9,648	-	28,043	37,691
Revenues in Excess of (Less Than) Expenses	1,560,822	(28,043)	28,043	1,560,822
Contributions Restricted for Purchases of Equipment	538,355	-	-	538,355
Net Assets Released from Restrictions for Capital	294	-	-	294
Change in Unrestricted Net Assets	$ 2,099,471	$ (28,043)	$ 28,043	$ 2,099,471

Madison Community Hospital
Schedules of Net Patient Service Revenue
Years Ended June 30, 2014 and 2013

	2014	2013
Patient Service Revenue		
Routine services	$ 1,884,843	$ 1,763,603
Coronary care	37,600	37,752
Observation beds	930,862	953,678
Nursery	16,742	51,117
Operating room	1,707,307	1,384,836
Delivery and labor room	33,262	62,071
Anesthesiology	393,840	335,036
Radiology	5,246,072	4,567,002
Laboratory	2,309,763	2,071,174
Inhalation therapy	596,693	527,661
Cardiac rehab	82,390	111,894
Ambulance	539,351	508,580
Physical therapy	899,397	943,960
Speech therapy	101,738	102,794
Electrocardiology	567,908	493,234
Occupational therapy	630,732	610,130
Central supply	1,700,185	1,798,647
Pharmacy	2,157,723	2,394,317
Emergency room	945,502	814,400
Summerer Clinic	1,020,344	917,501
Northland Family Practice	599,590	633,242
Diabetes education	22,006	29,619
Hospice	60,644	67,737
Home health	230,119	260,180
Charity care	(200,579)	(181,405)
Total patient service revenue	22,514,034	21,258,760
Contractual Adjustments		
Medicare	4,564,357	4,416,997
Medicaid	619,133	597,406
Blue Cross and other	1,976,279	1,580,630
Total contractual adjustments	7,159,769	6,595,033
Net Patient Service Revenue	$ 15,354,265	$ 14,663,727

Madison Community Hospital
Schedules of Gains and Other Support
Years Ended June 30, 2014 and 2013

	2014	2013
Gains and Other Support		
Clinic	$ 130,219	$ 119,539
Meals	102,495	95,511
Rehab	8,792	9,648
Rent	500	950
Sales of medical records	1,317	2,140
Grants	201,151	244,820
Electronic health record incentive	64,000	208,556
Other	3,317	4,342
Total gains and other support	$ 511,791	$ 685,506

	2014	2013
Routine Services		
Salaries and wages	$ 1,444,040	$ 1,327,502
Supplies and other expenses	112,605	154,730
	1,556,645	1,482,232
Coronary Care		
Salaries and wages	7,931	9,368
Nursing Administration		
Salaries and wages	182,200	183,102
Nursery		
Salaries and wages	6,390	22,722
Operating Room		
Salaries and wages	164,296	161,725
Delivery and Labor Room		
Salaries and wages	6,661	17,239
Anesthesiology		
Salaries and wages	392,519	280,470
Supplies and other expenses	2,671	437
	395,190	280,907
Radiology		
Salaries and wages	520,941	482,443
Supplies and other expenses	308,717	290,675
	829,658	773,118
Laboratory		
Salaries and wages	279,791	271,380
Supplies and other expenses	470,929	416,042
	750,720	687,422
Nuclear Medicine & Ultrasounds		
Salaries and wages	175,556	181,760
Supplies and other expenses	41,456	51,294
	217,012	233,054
Ambulance		
Salaries and wages	261,947	184,374
Supplies and other expenses	17,315	19,770
	279,262	204,144

	2014	2013
Physical Therapy		
Salaries and wages	$ 309,319	$ 307,188
Supplies and other expenses	22,374	11,437
	331,693	318,625
Speech Therapy		
Salaries and wages	66,197	67,893
Supplies and other expenses	9,131	10,020
	75,328	77,913
Occupational Therapy		
Salaries and wages	186,824	173,791
Supplies and other expenses	14,792	11,918
	201,616	185,709
Central Supply		
Salaries and wages	98,618	95,710
Supplies and other expenses	425,469	366,660
	524,087	462,370
Pharmacy		
Salaries and wages	183,047	187,830
Supplies and other expenses	964,432	954,635
	1,147,479	1,142,465
Emergency Room		
Salaries and wages	45,113	79,562
Supplies and other expenses	697,529	421,719
	742,642	501,281
Summerer Clinic		
Salaries and wages	469,728	458,770
Supplies and other expenses	14,490	13,696
	484,218	472,466
Northland Family Practice		
Salaries and wages	274,837	281,956
Supplies and other expenses	29,788	40,764
	304,625	322,720
Hospice		
Salaries and wages	47,604	53,808
Supplies and other expenses	2,845	4,369
	50,449	58,177

	2014	2013
Home Health		
Salaries and wages	$ 150,232	$ 148,546
Supplies and other expenses	15,233	17,915
	165,465	166,461
Dietary		
Salaries and wages	306,577	315,346
Supplies and other expenses	139,851	124,752
	446,428	440,098
Plant Operations		
Salaries and wages	213,288	222,633
Supplies and other expenses	241,305	227,556
	454,593	450,189
Medical Records		
Salaries and wages	171,417	165,768
Supplies and other expenses	34,286	40,592
	205,703	206,360
Housekeeping		
Salaries and wages	103,105	84,858
Supplies and other expenses	680	65
	103,785	84,923
Laundry and Linen		
Salaries and wages	33,271	36,854
Supplies and other expenses	91,602	69,899
	124,873	106,753
Administrative Services		
Salaries and wages	884,181	742,260
Supplies and other expenses	1,539,268	1,347,834
	2,423,449	2,090,094
Clinic		
Supplies and other expenses	49,879	48,540
Foundation		
Supplies and other expenses	8,925	-
Unassigned Expenses		
Employee benefits	1,194,677	1,125,032
Depreciation	583,465	611,041
	1,778,142	1,736,073
Total expenses	$ 14,019,344	$ 12,926,250