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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](http://www.irs.gov/form990)

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 10-01-2013, 2013, and ending 09-30-2014

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

MEMORIAL MEDICAL CENTER INC

Doing Business As

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

1615 MAPLE LANERoom/suite

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

ASHLAND, WI 54806

F Name and address of principal officer

JASON DOUGLAS

1615 MAPLE LANE

ASHLAND, WI 54806

D Employer identification number

23-7013497

E Telephone number

(715) 685-5515

G Gross receipts \$ 76,673,428

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.ASHLANDMMC.COM

K Form of organization

☒ Corporation☐ Trust☐ Association☐ Other

L Year of formation 1968

M State of legal domicile WI

Part I Summary																																																																													
Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>INPATIENT AND OUTPATIENT MEDICAL SERVICES</div><div></div><div></div><div></div></div>																																																																												
	<div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>																																																																												
	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>3</td><td>14</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>4</td><td>13</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2013 (Part V, line 2a)</td><td>5</td><td>429</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>6</td><td>164</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>7a</td><td>46,500</td></tr><tr><td>b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>7b</td><td>5,051</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	3	14	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	429	6	Total number of volunteers (estimate if necessary)	6	164	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	46,500	b	Net unrelated business taxable income from Form 990-T, line 34	7b	5,051																																																				
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<table><tr><th rowspan="6">Revenue</th><th rowspan="6"></th><th colspan="2">Prior Year</th><th colspan="2">Current Year</th></tr><tr><td>8</td><td>Contributions and grants (Part VIII, line 1h)</td><td>59,392</td><td>75,261</td></tr><tr><td>9</td><td>Program service revenue (Part VIII, line 2g)</td><td>57,648,116</td><td>63,729,229</td></tr><tr><td>10</td><td>Investment income (Part VIII, column (A), lines 3, 4, and 7d)</td><td>171,880</td><td>674,946</td></tr><tr><td>11</td><td>Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</td><td>109,979</td><td>128,823</td></tr><tr><td>12</td><td>Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)</td><td>57,989,367</td><td>64,608,259</td></tr><tr><td rowspan="8">Expenses</td><td>13</td><td>Grants and similar amounts paid (Part IX, column (A), lines 1–3)</td><td>0</td><td>0</td></tr><tr><td>14</td><td>Benefits paid to or for members (Part IX, column (A), line 4)</td><td>0</td><td>0</td></tr><tr><td>15</td><td>Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)</td><td>28,057,674</td><td>28,449,841</td></tr><tr><td>16a</td><td>Professional fundraising fees (Part IX, column (A), line 11e)</td><td>0</td><td>0</td></tr><tr><td>b</td><td>Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0</td><td></td><td></td></tr><tr><td>17</td><td>Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)</td><td>26,066,653</td><td>27,902,183</td></tr><tr><td>18</td><td>Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)</td><td>54,124,327</td><td>56,352,024</td></tr><tr><td>19</td><td>Revenue less expenses Subtract line 18 from line 12</td><td>3,865,040</td><td>8,256,235</td></tr><tr><td rowspan="4">Net Assets or Fund Balances</td><td rowspan="4"></td><th colspan="2">Beginning of Current Year</th><th colspan="2">End of Year</th></tr><tr><td>20</td><td>Total assets (Part X, line 16)</td><td>91,772,531</td><td>99,146,014</td></tr><tr><td>21</td><td>Total liabilities (Part X, line 26)</td><td>18,122,456</td><td>16,793,640</td></tr><tr><td>22</td><td>Net assets or fund balances Subtract line 21 from line 20</td><td>73,650,075</td><td>82,352,374</td></tr></table>	Revenue		Prior Year		Current Year		8	Contributions and grants (Part VIII, line 1h)	59,392	75,261	9	Program service revenue (Part VIII, line 2g)	57,648,116	63,729,229	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	171,880	674,946	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	109,979	128,823	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	57,989,367	64,608,259	Expenses	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)	28,057,674	28,449,841	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0			17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	26,066,653	27,902,183	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	54,124,327	56,352,024	19	Revenue less expenses Subtract line 18 from line 12	3,865,040	8,256,235	Net Assets or Fund Balances		Beginning of Current Year		End of Year		20	Total assets (Part X, line 16)	91,772,531	99,146,014	21	Total liabilities (Part X, line 26)	18,122,456	16,793,640	22	Net assets or fund balances Subtract line 21 from line 20	73,650,075	82,352,374
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Part II

Signature Block

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

Sign Here

Signature of officer

KENT DUMONSEAU CFO

Type or print name and title

2015-04-24

Date

Paid Preparer Use Only

Prnt/Type preparer's name

MARY BETH SANTORI

Firm's name

MCGLADREY LLP

Firm's address

227 W FIRST ST STE 700

DULUTH, MN 558021926

Preparer's signature

Date

Check ☐ if self-employed

PTIN

P00023783

Firm's EIN

42-0714325

Phone no

(218) 727-5025

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2013)

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

MEMORIAL MEDICAL CENTER WILL REACH OUT AS A TRUSTED PARTNER PROVIDING THE HEALTHCARE SERVICES PEOPLE NEED TO ACHIEVE INDEPENDENT AND PRODUCTIVE LIVES COLLABORATING WITH OUR COMMUNITIES, WE WILL PROVIDE LEADERSHIP IN INTEGRATING HEALTH SERVICES FOR THE GREATER SOUTH SHORE REGION OF LAKE SUPERIOR

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 \$ 46,807,448 including grants of \$) (Revenue \$ 63,858,052)

MEMORIAL MEDICAL CENTER (MMC) IS A CRITICAL ACCESS HOSPITAL WITH OVER 60 FULL-TIME PHYSICIANS ON STAFF AND OVER 400 EMPLOYEES LOCATED IN THE CITY OF ASHLAND, MMC SERVES AS A REGIONAL MEDICAL REFERRAL CENTER FOR PATIENTS FROM SEVEN NORTHWESTERN WISCONSIN COUNTIES AND THE NEIGHBORING GOGEBIC COUNTY OF MICHIGAN MMC OFFERS INPATIENT AND OUTPATIENT SERVICES INCLUDING MEDICAL-SURGICAL, INTENSIVE CARE, OBSTETRICS INCLUDING LABOR, DELIVERY, POSTPARTUM AND RECOVERY (LDPR) SUITES, BEHAVIORAL HEALTH, AND 24-HOUR EMERGENCY CARE INPATIENT AND OUTPATIENT SURGERIES INCLUDE ORTHOPEDIC, UROLOGY, OPHTHALMOLOGY, ENT AND OB/GYN IN ADDITION TO GENERAL SURGERY SUPPORT DIAGNOSTIC SERVICES INCLUDE LABORATORY, RADIOLOGY WITH MRI, CT AND DIAGNOSTIC ULTRASOUND, NUTRITIONAL SERVICES, PHARMACY, ENDOSCOPY SUITES AND A SLEEP DISORDER CENTER REHABILITATION SERVICES INCLUDE CARDIAC REHABILITATION AND CARDIOPULMONARY REHABILITATION, PHYSICAL THERAPY AND SPORTS MEDICINE LIFELINE EMERGENCY RESPONSE SYSTEM, HOSPICE SERVICES AND SOCIAL SERVICES ARE ALSO AVAILABLE WITHIN MMC AN ADDITIONAL BUILDING ON THE MMC CAMPUS HOUSES THE BEHAVIORAL HEALTH SERVICES PROVIDING INPATIENT AND OUTPATIENT AODA AND MENTAL HEALTH CARE AND THERAPIES MMC OPENED AS A PRIVATE, NOT-FOR-PROFIT HOSPITAL IN 1972, COMBINING THE SERVICES PREVIOUSLY PROVIDED BY TRINITY HOSPITAL AND ASHLAND COMMUNITY HOSPITAL, BOTH LOCATED IN ASHLAND MMC IS THE ONLY HOSPITAL LOCATED IN ASHLAND, BAYFIELD AND IRON COUNTIES

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 46,807,448

Part IV Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	53	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c		Yes	
2a		429	
2b		Yes	
3a		Yes	
3b		Yes	
4a			No
b			
5a			No
5b			No
5c			
6a			No
6b			
7			
7a			No
7b			
7c			No
7d			
7e			No
7f			No
7g			
7h			
8			
9			
9a			
9b			
10			
10a			
10b			
11			
11a			
11b			
12a			
12b			
13			
13a			
13b			
13c			
14a			No
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	14	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent	13	
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	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	8a	Yes
8b	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
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	15a	Yes
15b	Other officers or key employees of the organization	15b	Yes
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	No
16b	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▶WI
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ART MERTIG 1615 MAPLE LANE ASHLAND,WI 54806 (715) 685-5500

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) DANIEL HYMANS PRESIDENT/CEO - MMC	37 00 3 00	X		X				248,478	0	30,652
(2) MATTHEW ANICH CHAIR	1 00 2 00	X		X				0	0	0
(3) SCOTT WARREN MD BOARD MEMBER	1 00 1 00	X						0	0	0
(4) JOHN OUJIRI MD BOARD MEMBER	1 00 1 00	X						0	0	0
(5) ANNE SULLIVAN SECRETARY	1 00 2 00	X		X				0	0	0
(6) PATRICIA SCHRAUFNAGEL VICE CHAIR	1 00 1 00	X		X				0	0	0
(7) THOMAS JOKINEN BOARD MEMBER	1 00 1 00	X						0	0	0
(8) CHRISTINE IVERSON TREASURER	1 00 1 00	X		X				0	0	0
(9) T JAY JONES BOARD MEMBER	1 00 1 00	X						0	0	0
(10) WILLIAM SLOAN BOARD MEMBER	1 00 1 00	X						0	0	0
(11) THOMAS CUNNINGHAM MD BOARD MEMBER	1 00 1 00	X						0	0	0
(12) MICHAEL MILLER BOARD MEMBER	1 00 1 00	X						0	0	0
(13) JASON DOUGLAS PRESIDENT/CEO - MMC	37 00 3 00	X		X				92,144	0	7,380
(14) JAMES LEAN MD MEDICAL STAFF PRESIDENT	1 00 1 00	X		X				0	0	0
(15) STEVE BITZER BOARD MEMBER	1 00 1 00	X						0	0	0
(16) LESLIE J WHITEAKER CHIEF FINANCIAL OFFICER - MMC	39 00 1 00			X				225,735	0	23,070
(17) KAREN HANSEN CHIEF OPERATING OFFICER - MMC	40 00 1 00			X				145,134	0	32,511

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	1,405,909	66,938	241,986

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 14

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
SUPERIOR ANESTHESIA ASSOCIATES 301 ELLIS AVENUE SUITE 3 ASHLAND WI 54806	ANESTHESIA SERVICES	1,382,805
JAMES LEAN, 101 THOMPSON ROAD WASHBURN WI 54891	PSYCH PRO-FEES	355,964
ESSENTIA HEALTH 1625 MAPLE LANE ASHLAND WI 54806	ER ON-CALL SERVICES	262,508
LAKE SUPERIOR LAUNDRY PO BOX 4488 SUPERIOR WI 54880	LAUNDRY SERVICES	141,332
KEITH HENRY, 1615 MAPLE LANE ASHLAND WI 54806	PATHOLOGY FEES	130,000

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 ▶5

Part VIII

Statement of Revenue

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	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	59,311			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	15,950			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		75,261			
Program Service Revenue	2a	PATIENT SERV REV	Business Code 621500	63,166,343	63,119,843	46,500	
	b	CAFETERIA	722210	228,585	228,585		
	c	MEDICAID EHR INCENTIVE PAYMENTS	524114	200,000	200,000		
	d	OTHER OPERATING REVENUE	900099	134,301	134,301		
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		63,729,229			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		381,505		381,505
4		Income from investment of tax-exempt bond proceeds					
5		Royalties					
6a		Gross rents	(i) Real 128,823	(ii) Personal			
		b	Less rental expenses	0			
		c	Rental income or (loss)	128,823			
		d	Net rental income or (loss)		128,823		128,823
7a		Gross amount from sales of assets other than inventory	(i) Securities 12,320,260	(ii) Other 38,350			
		b	Less cost or other basis and sales expenses	11,984,009	81,160		
		c	Gain or (loss)	336,251	-42,810		
		d	Net gain or (loss)		293,441		293,441
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		64,608,259	63,682,729	46,500	803,769	

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.	691,545		691,545	
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.	20,626,832	18,655,689	1,971,143	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	852,500	756,101	96,399	
9	Other employee benefits.	4,735,789	4,205,519	530,270	
10	Payroll taxes.	1,543,175	1,353,206	189,969	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	147,876		147,876	
c	Accounting.	290,080		290,080	
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).	3,005,417		3,005,417	
12	Advertising and promotion.				
13	Office expenses.	1,473,240		1,473,240	
14	Information technology.				
15	Royalties.				
16	Occupancy.				
17	Travel.				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.				
20	Interest.	298,474	242,694	55,780	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	3,310,360	2,667,071	643,289	
23	Insurance.	127,736		127,736	
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	UBI TAX	13,378		13,378	
b	OTHER PROFESSIONAL SERV	7,072,018	7,072,018		
c	NURSING SUPPLIES & OTHE	5,509,967	5,509,967		
d	PROVISION FOR BAD DEBTS	4,572,725	4,572,725		
e	All other expenses	2,080,912	1,772,458	308,454	
25	Total functional expenses. Add lines 1 through 24e.	56,352,024	46,807,448	9,544,576	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		44,663,998	2	55,016,015
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		7,821,237	4	8,842,917
	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		3,598,108	7	3,003,950
	8	Inventories for sale or use		2,160,963	8	2,122,618
	9	Prepaid expenses and deferred charges		124,230	9	305,085
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a67,028,663			
	b	Less accumulated depreciation	10b45,583,734	23,488,945	10c	21,444,929
	11	Investments—publicly traded securities		7,609,579	11	8,016,573
	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		2,305,471	15	393,927
	16	Total assets. Add lines 1 through 15 (must equal line 34)		91,772,531	16	99,146,014
Liabilities	17	Accounts payable and accrued expenses		5,407,753	17	5,490,949
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		12,314,703	20	9,856,828
	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	
	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		400,000	25	1,445,863
	26	Total liabilities. Add lines 17 through 25		18,122,456	26	16,793,640
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		73,650,075	27	82,352,374
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		73,650,075	33	82,352,374
	34	Total liabilities and net assets/fund balances		91,772,531	34	99,146,014

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	64,608,259
2	Total expenses (must equal Part IX, column (A), line 25)	2	56,352,024
3	Revenue less expenses Subtract line 2 from line 1	3	8,256,235
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	73,650,075
5	Net unrealized gains (losses) on investments	5	446,064
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	82,352,374

Part XII Financial Statements and Reporting

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

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

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 MEMORIAL MEDICAL CENTER INC	Employer identification number 23-7013497
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Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33¹/₃% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

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

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2013

Part II

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

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

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

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

Part IIISupport Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

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

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

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

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

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

Facts And Circumstances Test

Return Reference	Explanation	
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SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of the organization
MEMORIAL MEDICAL CENTER INC

Employer identification number
23-7013497

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

- 1 Provide a description of the organization’s direct and indirect political campaign activities in Part IV
- 2 Political expenditures ▶ \$
- 3 Volunteer hours

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
- 4a Was a correction made? ☐ Yes ☐ No
- b If "Yes," describe in Part IV

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

Part II-A

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

- A
- Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B
- Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No													

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

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

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		4,260
j	Total. Add lines 1c through 1i.			4,260
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

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

Part III-B

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

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

Part IV

Supplemental Information

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

Return Reference	Explanation
PART II-B, LINE 1	MEMORIAL MEDICAL CENTER PAYS DUES TO CERTAIN ORGANIZATIONS RELATED TO THE INDUSTRY WHICH HAVE LOBBYING EXPENSES. THE AMOUNT LISTED IS THE PERCENTAGE OF THE DUES PAID THAT WERE USED FOR LOBBYING.

Part IV

Return Reference

Explanation

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 MEMORIAL MEDICAL CENTER INC	Employer identification number 23-7013497
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Part I

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

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

Part II

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

1

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

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

2

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

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

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

Part III

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

1a

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

b

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

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

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2013

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

- 3

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

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

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

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

☐ Yes

☐ No

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

- 1a

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

☐ Yes

☐ No
- b

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

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

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

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

☐ Yes

☐ No
- b

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

☐

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

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

- 2

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

Board designated or quasi-endowment
- b

Permanent endowment
- c

Temporarily restricted endowment

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

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

4

Describe in Part XIII the intended uses of the organization's endowment funds
- Part VI Land, Buildings, and Equipment.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.
- | Description of property | (a) Cost or other basis (investment) | (b)Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|--------------------------------|------------------------------|----------------|
| 1a Land | | 127,376 | | 127,376 |
| b Buildings | | 27,571,924 | 17,988,351 | 9,583,573 |
| c Leasehold improvements | | | | |
| d Equipment | | 36,251,951 | 25,215,695 | 11,036,256 |
| e Other | | 3,077,412 | 2,379,688 | 697,724 |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 21,444,929 |
- Schedule D (Form 990) 2013

Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	60,524,408
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	446,064
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	446,064
3	Subtract line 2e from line 1	3	60,078,344
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	4,529,915
c	Add lines 4a and 4b	4c	4,529,915
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	64,608,259

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	51,822,109
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	42,810
e	Add lines 2a through 2d	2e	42,810
3	Subtract line 2e from line 1	3	51,779,299
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	4,572,725
c	Add lines 4a and 4b	4c	4,572,725
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	56,352,024

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	NOT-FOR-PROFIT ORGANIZATIONS MAY BECOME SUBJECT TO INCOME TAXES IF QUALIFICATION AS A TAX-EXEMPT ENTITY CHANGES, IF UNRELATED BUSINESS INCOME IS GENERATED, AND IN CERTAIN OTHER INSTANCES. NOT-FOR-PROFIT ORGANIZATIONS ARE REQUIRED TO ASSESS THE CERTAINTY OF THEIR TAX POSITIONS RELATED TO THESE MATTERS AND, IN SOME CASES, RECORD LIABILITIES FOR POTENTIAL TAXES, INTEREST AND PENALTIES ACCOMPANIED BY FOOTNOTE DISCLOSURES. THE HOSPITAL HAS NOT IDENTIFIED ANY UNCERTAIN TAX POSITIONS THAT WOULD REQUIRE THE ACCRUAL OF AN INCOME TAX PROVISION. GENERALLY, THE HOSPITAL IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS BY THE U.S. FEDERAL OR STATE TAX AUTHORITIES FOR YEARS BEFORE 2011.
PART XI, LINE 4B - OTHER ADJUSTMENTS	PROVISION FOR DOUBTFUL RECEIVABLES 4,572,725. LOSS ON DISPOSAL OF PROPERTY - 42,810.
PART XII, LINE 2D - OTHER ADJUSTMENTS	LOSS ON DISPOSAL OF PROPERTY 42,810.
PART XII, LINE 4B - OTHER ADJUSTMENTS	PROVISION FOR DOUBTFUL RECEIVABLES 4,572,725.

[illegible]

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MEMORIAL MEDICAL CENTER INC

Employer identification number
23-7013497

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			463,248		463,248	0 890 %
b Medicaid (from Worksheet 3, column a)			10,538,859	9,626,018	912,841	1 760 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . .						
d Total Financial Assistance and Means-Tested Government Programs . .			11,002,107	9,626,018	1,376,089	2 650 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			20,500		20,500	0 040 %
f Health professions education (from Worksheet 5)			12,126		12,126	0 020 %
g Subsidized health services (from Worksheet 6)			8,573,805	7,414,158	1,159,647	2 240 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			85,149		85,149	0 160 %
j Total. Other Benefits			8,691,580	7,414,158	1,277,422	2 460 %
k Total. Add lines 7d and 7j . .			19,693,687	17,040,176	2,653,511	5 110 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
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 IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1

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

1

Yes

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

4,572,725

3

Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

0

4

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

Section B. Medicare

5

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

5

17,287,282

6

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

6

17,292,321

7

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

7

-5,039

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

No

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

No

Part IVManagement Companies and Joint Ventures

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

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

Section A. Hospital Facilities

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

Schedule H (Form 990) 2013

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

MEMORIAL MEDICAL CENTER

Name of hospital facility or facility reporting group

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

1

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

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No		
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		9	Yes		
10 Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>100 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		10	Yes		
11 Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>200 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		11	Yes		
12 Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)		12	Yes		
a <input checked="" type="checkbox"/> Income level					
b <input type="checkbox"/> Asset level					
c <input checked="" type="checkbox"/> Medical indigency					
d <input checked="" type="checkbox"/> Insurance status					
e <input checked="" type="checkbox"/> Uninsured discount					
f <input checked="" type="checkbox"/> Medicaid/Medicare					
g <input checked="" type="checkbox"/> State regulation					
h <input type="checkbox"/> Residency					
i <input type="checkbox"/> Other (describe in Part VI)					
13 Explained the method for applying for financial assistance?		13	Yes		
14 Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		14	Yes		
a <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website					
b <input checked="" type="checkbox"/> The policy was attached to billing invoices					
c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms					
d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices					
e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility					
f <input checked="" type="checkbox"/> The policy was available upon request					
g <input checked="" type="checkbox"/> Other (describe in Part VI)					
Billing and Collections					
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		15	Yes		
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?				17	No
If "Yes," check all actions in which the hospital facility or a third party engaged					
a <input type="checkbox"/> Reporting to credit agency					
b <input type="checkbox"/> Lawsuits					
c <input type="checkbox"/> Liens on residences					
d <input type="checkbox"/> Body attachments					
e <input type="checkbox"/> Other similar actions (describe in Section C)					

Part V

Facility Information (continued)

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

☐ Notified individuals of the financial assistance policy on admission
- b

☐ Notified individuals of the financial assistance policy prior to discharge
- c

☐ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- d

☐ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- e

☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

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

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

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

[illegible]

Part V

Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

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

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
PART I, LINE 7	COSTS ARE CALCULATED USING FINANCIAL DATA AND THE COST TO CHARGE RATIO FROM THE AS FILED 2014 MEDICARE COST REPORT
PART I, LINE 7G	SUBSIDIZED HEALTH SERVICES INCLUDE LABOR & DELIVERY, PHYSICAL THERAPY, PSYCHIATRIC/PSYCHOLOGICAL SERVICES, EMERGENCY, AND OBSERVATION BEDS
PART I, LN 7 COL(F)	BAD DEBT EXPENSE FROM FINANCIAL STATEMENTS IS \$4,572,725
PART III, LINE 4	PATIENT RECEIVABLES DUE DIRECTLY FROM THE PATIENTS ARE CARRIED AT ORIGINAL CHARGE FOR THE SERVICE PROVIDED, LESS AMOUNTS COVERED BY THIRD-PARTY PAYORS AND LESS AN ESTIMATED ALLOWANCE FOR DOUBTFUL RECEIVABLES MANAGEMENT DETERMINES THE ALLOWANCE FOR DOUBTFUL ACCOUNTS BY IDENTIFYING TROUBLED ACCOUNTS AND BY USING HISTORICAL EXPERIENCE APPLIED TO AN AGING OF ACCOUNTS PATIENT RECEIVABLES ARE WRITTEN OFF WHEN DEEMED UNCOLLECTIBLE RECOVERIES OF RECEIVABLES PREVIOUSLY WRITTEN OFF ARE RECORDED WHEN RECEIVED AT MEMORIAL MEDICAL CENTER, INC BAD DEBT IS CONSIDERED THE UNWILLINGNESS TO PAY, WHILE CHARITY CARE AND FREE CARE ARE INABILITY TO PAY
PART III, LINE 8	MEMORIAL MEDICAL CENTER, INC IS A CRITICAL ACCESS HOSPITAL THAT IS REIMBURSED AT 101% OF COST (LESS 2% MEDICARE SEQUESTRATION) THE MEDICARE FEES FOR REIMBURSED SERVICES RESULTED IN NET REVENUE OF \$448,981 AND ALLOWABLE COSTS OF \$1,028,311 RESULTING IN A SHORTFALL OF \$579,330 THE SHORTFALL IS THE RESULT OF UNREIMBURSED PROFESSIONAL CARE THE MEDICARE ADVANTAGE FEES FOR REIMBURSED SERVICES RESULTED IN NET REVENUE OF \$4,435,097 AND ALLOWABLE COSTS OF \$4,485,750 RESULTING IN A SHORTFALL OF \$50,653 THE HOSPITAL FOLLOWED MEDICARE'S PRESCRIBED METHODS OF DETERMINING COSTS PAYABLE UNDER TITLE XVIII (MEDICARE) IN COMPLETING ITS ANNUAL MEDICARE COST REPORT (COST REPORT) USING DATA AVAILABLE FROM THE INSTITUTION'S BASIC ACCOUNTS, AS USUALLY MAINTAINED, TO ARRIVE AT EQUITABLE AND PROPER PAYMENT FOR SERVICES THE COST REPORT WAS COMPLETED USING THE HOSPITAL'S TRIAL BALANCE OF EXPENSES, AS WELL AS OTHER STATISTICAL AND FINANCIAL RECORDS MAINTAINED BY THE HOSPITAL AS REQUIRED BY MEDICARE REGULATIONS, CERTAIN RECLASSIFICATIONS AND ADJUSTMENTS TO COSTS WERE INCLUDED IN THE COST REPORT TO DETERMINE MEDICARE ALLOWABLE COSTS AFTER MEDICARE ALLOWABLE COSTS ARE DETERMINED, THE COST REPORT PROVIDES FOR THE STEP DOWN METHOD OF COST FINDING THIS METHOD PROVIDES FOR ALLOCATING THE COST OF SERVICES RENDERED BY EACH GENERAL SERVICE COST CENTER TO OTHER COST CENTERS, WHICH UTILIZE THE SERVICES ONCE THE COSTS OF A GENERAL SERVICE COST CENTER HAVE BEEN ALLOCATED, THAT COST CENTER IS CONSIDERED CLOSED ONCE CLOSED, IT DOES NOT RECEIVE ANY OF THE COSTS SUBSEQUENTLY ALLOCATED FROM THE REMAINING GENERAL SERVICE COST CENTERS AFTER ALL COSTS OF THE GENERAL SERVICE COST CENTERS HAVE BEEN ALLOCATED TO THE REMAINING COST CENTERS, THE TOTAL COSTS OF THESE REMAINING COST CENTERS ARE FURTHER DISTRIBUTED TO THE DEPARTMENTAL CLASSIFICATION TO WHICH THEY PERTAIN, E G , HOSPITAL GENERAL INPATIENT ROUTINE, SUBPROVIDER, ANCILLARY, ETC AFTER THE STEP-DOWN PROCESS, THE COST REPORT PROVIDES FOR THE APPORTIONMENT OF COSTS TO THE MEDICARE PROGRAM BASED ON A NUMBER OF DIFFERENT METHODOLOGIES INCLUDING PER PATIENT DAY, PER VISIT, AND PERCENTAGE OF CHARGES, AS MOST PREVALENT MEDICARE COSTS AS DETERMINED BY THE COST REPORT METHODOLOGIES DESCRIBED PREVIOUSLY WE RE UTILIZED TO COMPLETE THE APPLICABLE MEDICARE ALLOWABLE COSTS OF CARE FOR SCHEDULE H (FORM 990) PART III SECTION B LINE 6
PART VI, LINE 2	MEMORIAL MEDICAL CENTER IS WORKING WITH LOCAL ORGANIZATIONS INCLUDING ASHLAND AND BAYFIELD COUNTY AND LOCAL SENIOR CITIZEN GROUPS TO PUT TOGETHER A 3 YEAR COMMUNITY NEEDS ASSESSMENT THE PROCESS WILL INCLUDE SURVEYS OF AREA GROUPS AND INDIVIDUALS TO GAIN A PERSPECTIVE OF NEEDS THAT LOCAL CITIZENS BELIEVE ARE NECESSARY TO MEET THE HEALTHCARE NEEDS OF THE AREA
PART VI, LINE 3	NOTICES ARE PUBLISHED IN THE LOCAL NEWSPAPER, INTERVIEWS ARE CONDUCTED AT ADMISSION AND FOR THOSE PATIENTS PREADMITTED INFORMATION IS DISTRIBUTED AND INTERVIEWS CONDUCTED TO EXPLORE ALL THE AVENUES AVAILABLE FOR PAYMENT OF THEIR HEALTHCARE SERVICES TO INCLUDE THEIR ELIGIBILITY FOR CHARITY CARE
PART VI, LINE 4	MEMORIAL MEDICAL CENTER SERVES AN AREA THAT EXTENDS 25 MILES WEST, 75 MILES EAST AND 45 MILES SOUTH OUR PRIMARY SERVICE AREA HAS A POPULATION OF APPROX 35,000 PEOPLE THE AVERAGE INCOME OF OUR SERVICE AREA IS WELL BELOW STATE AVERAGES
PART VI, LINE 5	MEMORIAL MEDICAL CENTER DOES HAVE AN OPEN MEDICAL STAFF WITH A BROAD RANGE OF SPECIALTIES THE MEMBERS OF THE MEDICAL STAFF PROVIDE SERVICES OUT OF TWO LARGER CLINICS AS WELL AS MANY SMALL INDEPENDENT PRACTICES ALL HAVE EQUAL PRIVILEGES ON THE MEDICAL STAFF IN ADDITION WE HAVE A BOARD OF DIRECTORS THAT REPRESENT THE LARGER SERVICE AREA BOARD OF DIRECTORS COME FROM COMMUNITIES 30-40 MILES FROM ASHLAND AS WELL AS REPRESENTATIVES FROM ASHLAND AND WASHBURN (10 MILES AWAY)
PART VI, LINE 6	MEMORIAL MEDICAL CENTER IS NOT PART OF AN AFFILIATED HEALTH CARE SYSTEM
PART VI, LINE 7, REPORTS FILED WITH STATES	WI

Additional Data

Software ID:
Software Version:
EIN: 23-7013497
Name: MEMORIAL MEDICAL CENTER INC

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
MEMORIAL MEDICAL CENTER	
MEMORIAL MEDICAL CENTER	PART V, SECTION B, LINE 5D THE NEEDS ASSESSMENT IS PROVIDED ON THE TWO COUNTIES WEBSITES AS WELL
MEMORIAL MEDICAL CENTER	PART V, SECTION B, LINE 7 THE COORDINATED TEAM OF MEMORIAL MEDICAL CENTER, INC STAFF AND COUNTY HEALTH PROFESSIONALS FROM THE TWO COUNTIES INVOLVED DETERMINED THAT IT WAS ESSENTIAL TO CONCENTRATE ON THE NUMBER 1 HEALTH ISSUE IDENTIFIED TO REALLY MAKE AN IMPACT ON THE OVERALL COMMUNITY
MEMORIAL MEDICAL CENTER	PART V, SECTION B, LINE 14G THE FINANCIAL ASSISTANCE POLICY IS PUBLISHED IN THE LOCAL NEWSPAPER

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
MEMORIAL MEDICAL CENTER INC

Employer identification number
23-7013497

Part I

Questions Regarding Compensation

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

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DANIEL HYMANS PRESIDENT/CEO - MMC	(i) (ii)	233,753 0	14,725 0	0 0	9,586 0	21,066 0	279,130 0	0 0
(2) LESLIE J WHITEAKER CHIEF FINANCIAL OFFICER - MMC	(i) (ii)	193,162 0	32,573 0	0 0	6,097 0	16,973 0	248,805 0	0 0
(3) KAREN HANSEN CHIEF OPERATING OFFICER - MMC	(i) (ii)	145,134 0	0 0	0 0	7,232 0	25,279 0	177,645 0	0 0
(4) DANIEL GARDNER PSYCHOLOGIST	(i) (ii)	129,948 0	0 0	0 0	6,741 0	23,244 0	159,933 0	0 0
(5) WILLIAM MATTILA PHARMACY DIRECTOR	(i) (ii)	149,465 0	0 0	0 0	7,448 0	28,419 0	185,332 0	0 0
(6) PATRICK MARSHALL PHARMACIST	(i) (ii)	137,198 0	0 0	0 0	7,198 0	20,601 0	164,997 0	0 0
(7) KATHRYN TUTTLE CLINICAL DIRECTOR	(i) (ii)	133,641 0	0 0	0 0	6,703 0	28,372 0	168,716 0	0 0
(8) STUART SHEETS PSYCHIATRIST	(i) (ii)	144,166 0	0 0	0 0	7,177 0	5,164 0	156,507 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 MEMORIAL MEDICAL CENTER INC	Employer identification number 23-7013497
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Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	REGIONAL ENTERPRISES, INC IS THE SOLE CORPORATE MEMBER OF MEMORIAL MEDICAL CENTER, INC

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	REGIONAL ENTERPRISES, INC MAY ELECT ONE OR MORE MEMBERS OF THE GOVERNING BODY

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	IN ADDITION TO DOING ALL THINGS REQUIRED BY LAW, REI, AS THE SOLE MEMBER OF MMC, SHALL HAVE THE FOLLOWING RESERVE POWERS A) THE POWER TO MAKE, AMEND, OR REPEAL MMC'S BYLAWS AND ARTICLES OF INCORPORATION B) TO APPROVE ANY CHANGE IN MMC'S PHILOSOPHY, MISSION OR VISION STATEMENTS, AND APPROVE THE LONG-RANGE GOALS AND STRATEGIC PLAN FOR MMC C) TO APPROVE THE ANNUAL OPERATING AND CAPITAL BUDGET D) TO APPROVE ALL BUILDING PROGRAMS THAT EXCEED \$1,000,000 IN VALUE E) TO SELECT AND RETAIN AN INDEPENDENT AUDING FIRM F) TO APPROVE THE PURCHASE, SALE, LEASE, DISPOSITION, OR ALIENATION OF ANY REAL PROPERTY OWNED BY MMC G) TO APPROVE ANY PLAN OF DISSOLUTION OR MERGER, CONSOLIDATION, ACQUISITION OR DISPOSITION OF REAL PROPERTY OR RELOCATION OF THE FACILITIES OF MMC H) BASED ON A RECOMMENDATION FROM THE BOARD OF DIRECTORS OF MMC, TO APPOINT AND MONITOR THE PERFORMANCE OF THE PRESIDENT/CEO OF REI, WHO SHALL ALSO SIMULTANEOUSLY SERVE AS THE PRESIDENT/CEO OF MMC

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 MUST GO THROUGH AN ADMINISTRATIVE REVIEW AND THEN BE APPROVED BY THE BOARD OF DIRECTORS BEFORE IT IS FILED

Return Reference	Explanation	
	FORM 990, PART VI, SECTION B, LINE 12C	<p>A DEFINITIONS 1 AN "INTERESTED PERSON" MEANS ANY CURRENT DIRECTOR, PRINCIPAL OFFICER OR MEMBER OF A COMMITTEE THAT REPORTS TO THE BOARD OF DIRECTORS IF A PERSON MEETS THE DEFINITION OF AN INTERESTED PERSON FOR REI OR ANY OF ITS AFFILIATED CORPORATIONS, THAT PERSON SHALL BE CONSIDERED AN INTERESTED PERSON FOR ALL CORPORATIONS WITH THE REI SYSTEM 2 AN "INSIDER" MEANS ANY PERSON WHO IS IN A POSITION TO EXERCISE SUBSTANTIAL INFLUENCE OVER THE AFFAIRS OF REI FOR PURPOSES OF APPLYING THE PROCEDURES OF THIS POLICY, THE FOLLOWING WILL BE CONSIDERED INSIDERS ANY INTERESTED PERSON AS DEFINED HEREIN, THE MANAGERS AT REI AND ITS AFFILIATED CORPORATIONS, AND MEMBERS OF THE VARIOUS MEDICAL STAFFS AT MEMBERS' HOSPITALS FOR PURPOSES OF THIS PROTOCOL, A "MANAGER" INCLUDES ANY PERSON WHO MANAGES A DISCRETE SEGMENT OR ACTIVITY OF REI, OR ANY OF ITS AFFILIATES, THAT REPRESENTS A SUBSTANTIAL PORTION (IE, 10% OR MORE) OF THE ACTIVITIES, ASSETS, INCOME, OR EXPENSES OF REI OR SUCH AFFILIATE AS COMPARED TO THE ORGANIZATION AS A WHOLE FINALLY, ANYONE WHO HAS BEEN AN INTERESTED PERSON AT ANY TIME IN THE PAST FIVE (5) YEARS AND ANYONE WHO WAS A MEMBER OF ANY MEDICAL STAFF OF A MEMBER HOSPITAL AT SOME TIME IN THE PAST FIVE (5) YEARS, SHALL BE CONSIDERED AN INSIDER 3 FOR PURPOSES OF THIS POLICY, "FAMILY" OF AN INSIDER SHALL MEAN A SUCH INDIVIDUAL'S SPOUSE AND THE PARENTS AND SIBLINGS OF THE SPOUSE B SUCH INDIVIDUAL'S PARENTS, GRANDPARENTS, SIBLINGS (WHOLE OR HALF BLOOD OR BY ADOPTIONS), CHILDREN, GRANDCHILDREN AND GREAT GRANDCHILDREN, AND C SPOUSES OF SUCH INDIVIDUAL'S GRANDPARENTS, SIBLINGS, CHILDREN, GRANDCHILDREN, AND GREAT GRANDCHILDREN B DISCLOSURE 1 EACH DIRECTOR AND OFFICER SHALL DISCLOSE TO THE BOARD OF DIRECTORS, OR TO THE OTHER MEMBERS OF ANY COMMITTEE CONSIDERING A PROPOSED BUSINESS TRANSACTION OR ARRANGEMENT, THE EXISTENCE AND NATURE OF ANY FINANCIAL INTEREST SUCH PERSON OR A MEMBER OF SUCH PERSON'S FAMILY MAY HAVE WITH RESPECT TO SUCH PROPOSED TRANSACTION OR ARRANGEMENT EACH DIRECTOR AND PRINCIPAL OFFICER SHALL PROMPTLY MAKE DISCLOSURES AS MAY BE NECESSARY TO KEEP THE BOARD OR COMMITTEE FULLY APPRISED OF SUCH PERSON'S FINANCIAL INTERESTS DISCLOSURE SHALL ALSO BE ACCOMPLISHED ON AN ANNUAL BASIS BY HAVING EACH DIRECTOR AND PRINCIPAL OFFICER EXECUTE AND DELIVER TO REI A CERTIFICATE REGARDING CONFLICTS OF INTEREST IN SUBSTANTIALLY THE FORM ATTACHED TO THIS POLICY 2 THE REQUIREMENT THAT INTERESTED PERSONS DISCLOSE THEIR FINANCIAL INTERESTS SUBSTANTIALLY REQUIRES EACH DIRECTOR AND PRINCIPAL OFFICER TO DISCLOSE ANY INSIDER TRANSACTION IN WHICH HE OR SHE, HIS/HER FAMILY MEMBERS OR A CONTROLLED ENTITY ARE INVOLVED THIS OCCURS BECAUSE THE DEFINITION OF A FINANCIAL INTEREST IS BROADER THAN THE DEFINITION OF AN INSIDER TRANSACTION HOWEVER, NOT ALL FINANCIAL INTERESTS DISCLOSED WILL RESULT IN A CONFLICT OF INTEREST OR AN INSIDER TRANSACTION A TRANSACTION INVOLVING A DIRECTOR OR OFFICER WILL FALL INTO ONE OF THE FOLLOWING THREE CATEGORIES (I) IT NEITHER INVOLVES AN INTERESTED PERSON NOR IS AN INSIDER TRANSACTION, (II) IT INVOLVES AN INTERESTED PERSON, BUT IS NOT AN INSIDER TRANSACTION, OR (III) IT INVOLVES AN INTERESTED PERSON AND IS AN INSIDER TRANSACTION C RESPONSE TO DISCLOSURES IF ANY DIRECTOR OR PRINCIPAL OFFICER DISCLOSES A POTENTIAL FINANCIAL INTEREST TO THE BOARD OF DIRECTORS OR ANY COMMITTEE REGARDING A PROPOSED TRANSACTION OR ARRANGEMENT, THE BOARD OR COMMITTEE SHALL FIRST DETERMINE WHETHER THE PROPOSED TRANSACTION OR ARRANGEMENT COULD BE CONSIDERED AN INSIDER TRANSACTION IF THE BOARD OR COMMITTEE IS CERTAIN THAT THE TRANSACTION OR ARRANGEMENT WILL NOT INVOLVE AN INSIDER, THE BOARD OR COMMITTEE SHALL FOLLOW ONLY THE PROCEDURES SET FORTH IN SECTION III(C)(1) BELOW IF THE TRANSACTION OR ARRANGEMENT INVOLVES OR MAY INVOLVE AN INSIDER, THE BOARD OR COMMITTEE SHALL FOLLOW THE PROCEDURES IN BOTH SECTION III(C)(1) AND SECTION III(C)(2) 1 PROCEDURES FOR DISCLOSURES OF ANY FINANCIAL INTEREST THAT MAY RESULT IN A CONFLICT OF INTEREST ON THE PART OF AN INTERESTED PERSON THAT DOES NOT MEET THE DEFINITION OF AN INSIDER TRANSACTION A THE INTERESTED PERSON SHALL LEAVE THE BOARD OR COMMITTEE MEETING WHILE THE FINANCIAL INTEREST IS DISCUSSED THE REMAINING BOARD OR COMMITTEE MEMBERS SHALL DECIDE IF A CONFLICT OF INTEREST EXISTS IF IT IS DETERMINED NO CONFLICT EXISTS, THE INTERESTED PERSON MAY REJOIN THE MEETING AND PARTICIPATE IN THE DISCUSSIONS AND ACTIONS REGARDING THIS AGENDA ITEM B THE BOARD OR COMMITTEE SHALL DETERMINE WHETHER REI CAN OBTAIN A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT WITH REASONABLE EFFORTS FROM A PERSON OR ENTITY THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST I IF A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT IS NOT REASONABLY ATTAINABLE, THAT BODY SHALL DETERMINE BY A MAJORITY VOTE OF THE DISINTERESTED DIRECTORS WHETHER THE TRANSACTION OR ARRANGEMENT IS IN REI'S BEST INTEREST AND WHETHER THE TRANSACTION IS FAIR AND REASONABLE TO REI II IF THE BOARD OR COMMITTEE BELIEVES</p>

Return Reference	Explanation	
	FORM 990, PART VI, SECTION B, LINE 12C	<p>AN ALTERNATE TRANSACTION COULD BE CONSIDERED THAT WOULD BE MORE ADVANTAGEOUS TO REI, THE CHAIRPERSON OF THE BOARD OR COMMITTEE SHALL APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE ALTERNATIVES TO THE PROPOSED TRANSACTION. FURTHER ACTION BY THE BOARD OR COMMITTEE SHALL BE TABLED UNTIL SUCH TIMES AS THE DISINTERESTED PERSON HAS BEEN ABLE TO REPORT HIS OR HER FINDINGS TO THE APPROPRIATE GOVERNING BODY. C THE BOARD OR COMMITTEE SHALL NOT APPROVE ANY TRANSACTION OR ARRANGEMENT THAT IS NOT IN THE BEST INTERESTS OF REI AND THAT IS NOT FAIR AND REASONABLE TO REI. D ONCE DISCUSSION AND/OR ACTION REGARDING THE AGENDA ITEM RELATING TO THE DIRECTOR'S FINANCIAL INTEREST HAS BEEN COMPLETED, THE INTERESTED PERSON MAY REJOIN THE BOARD OR COMMITTEE MEETING. 2 PROCEDURES FOR DISCLOSURE OF ANY FINANCIAL INTEREST THAT MAY RESULT IN A CONFLICT OF INTEREST THAT IS ALSO A POTENTIAL INSIDER TRANSACTION. A THE INSIDER SHALL LEAVE THE BOARD OR COMMITTEE MEETING WHILE THE INSIDER TRANSACTION IS DISCUSSED. IN ADDITION, THE REMAINING BOARD OR COMMITTEE MEMBERS SHALL ALSO DECIDE WHETHER THE TRANSACTION OR ARRANGEMENT UNDER CONSIDERATION COULD CONSTITUTE AN INSIDER TRANSACTION. AS A PART OF THIS CONSIDERATION, THE BOARD OR COMMITTEE SHALL ALSO CONSIDER WHETHER THEIR ACTION COULD BE CONSTRUED TO BE AN EXCESS BENEFIT TRANSACTION SUBJECT TO THE INTERMEDIATE SANCTIONS DISCUSSED ABOVE. B IN DETERMINING WHETHER A TRANSACTION OR ARRANGEMENT IS AN EXCESS BENEFIT TRANSACTION, THE BOARD OR COMMITTEE CONSIDERING THE TRANSACTION OR ARRANGEMENT SHOULD REVIEW APPROPRIATE DATA AS TO COMPARABILITY. THE BOARD OR COMMITTEE MAY RELY ON SUCH INFORMATION OR DATA PROVIDED BY REI'S MANAGEMENT. C THE BOARD OR COMMITTEE SHALL NOT APPROVE ANY TRANSACTION OR ARRANGEMENT THAT IS AN EXCESS BENEFIT TRANSACTION. D RECORDS OF PROCEEDINGS. 1 THE MINUTES OF THE BOARD AND COMMITTEE MEETINGS SHALL CONTAIN: A THE NAMES OF PERSONS WHO DISCLOSED OR OTHERWISE WERE FOUND TO HAVE A FINANCIAL INTEREST WITH RESPECT TO ANY PROPOSED TRANSACTION OR ARRANGEMENT WITH REI, THE NATURE OF THE FINANCIAL INTEREST, ANY ACTION TAKEN TO DETERMINE WHETHER A CONFLICT OF INTEREST WAS PRESENT, AND A RECORD OF ANY VOTES TAKEN IN CONNECTION WITH THE BOARD'S OR COMMITTEE'S DECISION AS TO WHETHER A CONFLICT OF INTEREST IN FACT EXISTED. B THE NAMES OF THE PERSONS WHO DISCLOSED OR OTHERWISE WERE FOUND TO BE A PARTY TO AN INSIDER TRANSACTION, THE NATURE OF THE INSIDER'S RELATIONSHIP TO REI, AND A RECORD OF ALL VOTES TAKEN IN CONNECTION WITH THE BOARD'S DECISION AS TO WHETHER THE INSIDER TRANSACTION WAS AN EXCESS BENEFIT TRANSACTION. C THE NAMES OF THE PERSONS WHO WERE PRESENT FOR DISCUSSIONS AND VOTES RELATING TO ANY TRANSACTION OR ARRANGEMENT, THE CONTENT OF THE DISCUSSION, INCLUDING ANY ALTERNATIVES TO PROPOSED TRANSACTION OR A ARRANGEMENT, AND A RECORD OF ANY VOTES TAKEN APPROVING OR REJECTING ANY PROPOSED TRANSACTION OR ARRANGEMENT. 2 REI SHALL DOCUMENT THE BASIS FOR ITS DETERMINATION REGARDING WHETHER ANY INSIDER TRANSACTION IS AN EXCESS BENEFIT TRANSACTION. E VIOLATIONS OF THE PROTOCOL. 1 IF THE BOARD OR COMMITTEE HAS REASONABLE CAUSE TO BELIEVE THAT A DIRECTOR OR PRINCIPAL OFFICER HAS FAILED TO DISCLOSE A FINANCIAL INTEREST, IT SHALL INFORM THE DIRECTOR OR PRINCIPAL OFFICER OF THE BASIS FOR SUCH BELIEF AND AFFORD THE DIRECTOR OR PRINCIPAL OFFICER AN OPPORTUNITY TO EXPLAIN WHY DISCLOSURE WAS NOT MADE. 2 IF, AFTER HEARING THE RESPONSE OF THE DIRECTOR OR PRINCIPAL OFFICER AND MAKING SUCH FURTHER INVESTIGATION AS MAY BE WARRANTED IN THE CIRCUMSTANCES, THE BOARD OR COMMITTEE DETERMINES THAT THE DIRECTOR HAS IN FACT FAILED TO DISCLOSE A FINANCIAL INTEREST, IT SHALL TAKE APPROPRIATE DISCIPLINARY AND/OR CORRECTIVE ACTION, WHICH MAY INCLUDE, BUT NOT BE LIMITED TO: SUSPENSION OF VOTING RIGHTS, RESCISSION OF ANY AGREEMENTS, AND TERMINATION OF DIRECTOR OR OFFICER STATUS.</p>

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	MMC PARTICIPATES IN SALARY SURVEYS SPECIFIC TO ADMINISTRATOR POSITIONS. THIS INFORMATION IS USED TO DEVELOP SALARY RANGES FOR THE ADMINISTRATIVE STAFF. THE BOARD OF DIRECTORS PARTICIPATES IN DEVELOPMENT OF RANGES AND ESTABLISHMENT OF SALARIES FOR THE THREE SENIOR LEADERS OF THE ORGANIZATION AS DESCRIBED IN CORPORATE BY LAWS AND BOARD POLICIES. ANY CHANGES TO THE BENEFIT PACKAGE MUST BE APPROVED BY THE MMC BOARD OF DIRECTORS. THE BOARD APPROVES ALL COMPENSATION CHANGES FOR THE PRESIDENT AS OUTLINED IN CORPORATE BY LAWS AND BOARD POLICIES. CHANGES IN COMPENSATION FOR THE VICE-PRESIDENTS ARE DETERMINED BY THE PRESIDENT USING RANGES ESTABLISHED AND APPROVED BY THE BOARD, IN CONJUNCTION WITH SALARY SURVEY INFORMATION.

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 18	THE FORM 1023, 990, AND 990-T ARE AVAILABLE UPON REQUEST FROM ADMINISTRATION

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST FROM ADMINISTRATION FOR THE SAME PERIOD OF DISCLOSURE AS SET FORTH IN SECTION 6104(D)

Return Reference	Explanation
FORM 990, PART VII, SECTION A	<p>KENT DUMONSEAU TIME ALLOCATION REI MEDICAL CLINICS, INC 1 HOUR PER WEEK REGIONAL ENTERPRISES, INC 1 HOUR PER WEEK MEDICAL SERVICES, INC 13 HOUR PER WEEK MEMORIAL MEDICAL CENTER 25 HOURS PER WEEK COMPENSATION RELATED TO REI MEDICAL CLINICS, INC REPORTABLE COMPENSATION = \$0 OTHER COMPENSATION = \$0 COMPENSATION RELATED TO REGIONAL ENTERPRISES, INC REPORTABLE COMPENSATION = \$ 66,938 OTHER COMPENSATION = \$ 7,306 COMPENSATION RELATED TO MEDICAL SERVICES, INC REPORTABLE COMPENSATION = \$0 OTHER COMPENSATION = \$0 COMPENSATION RELATED TO MEMORIAL MEDICAL CENTER REPORTABLE COMPENSATION = \$0 OTHER COMPENSATION = \$0</p> <p>DANIEL HYMANS TIME ALLOCATION REI MEDICAL CLINICS, INC 1 HOUR PER WEEK REGIONAL ENTERPRISES, INC 1 HOUR PER WEEK MEDICAL SERVICES, INC 1 HOUR PER WEEK MEMORIAL MEDICAL CENTER 37 HOURS PER WEEK COMPENSATION RELATED TO REI MEDICAL CLINICS, INC REPORTABLE COMPENSATION = \$0 OTHER COMPENSATION = \$0 COMPENSATION RELATED TO REGIONAL ENTERPRISES, INC REPORTABLE COMPENSATION = \$0 OTHER COMPENSATION = \$0 COMPENSATION RELATED TO MEDICAL SERVICES, INC REPORTABLE COMPENSATION = \$0 OTHER COMPENSATION = \$0 COMPENSATION RELATED TO MEMORIAL MEDICAL CENTER REPORTABLE COMPENSATION = \$248,478 OTHER COMPENSATION = \$ 30,652</p> <p>TIMOTHY GULLINGSRUD TIME ALLOCATION REI MEDICAL CLINICS, INC 1 HOUR PER WEEK REGIONAL ENTERPRISES, INC 1 HOUR PER WEEK MEDICAL SERVICES, INC 38 HOURS PER WEEK COMPENSATION RELATED TO REI MEDICAL CLINICS, INC REPORTABLE COMPENSATION = \$0 OTHER COMPENSATION = \$0 COMPENSATION RELATED TO REGIONAL ENTERPRISES, INC REPORTABLE COMPENSATION = \$0 OTHER COMPENSATION = \$0 COMPENSATION RELATED TO MEDICAL SERVICES, INC REPORTABLE COMPENSATION = \$184,403 OTHER COMPENSATION = \$ 39,977</p> <p>JASON DOUGLAS TIME ALLOCATION REI MEDICAL CLINICS, INC 1 HOUR PER WEEK REGIONAL ENTERPRISES, INC 1 HOUR PER WEEK MEDICAL SERVICES, INC 1 HOUR PER WEEK MEMORIAL MEDICAL CENTER 37 HOURS PER WEEK COMPENSATION RELATED TO REI MEDICAL CLINICS, INC REPORTABLE COMPENSATION = \$0 OTHER COMPENSATION = \$0 COMPENSATION RELATED TO REGIONAL ENTERPRISES, INC REPORTABLE COMPENSATION = \$0 OTHER COMPENSATION = \$0 COMPENSATION RELATED TO MEDICAL SERVICES, INC REPORTABLE COMPENSATION = \$0 OTHER COMPENSATION = \$0 COMPENSATION RELATED TO MEMORIAL MEDICAL CENTER REPORTABLE COMPENSATION = \$ 92,144 OTHER COMPENSATION = \$ 7,380</p>

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
MEMORIAL MEDICAL CENTER INC

Employer identification number
23-7013497

Part I Identification of Disregarded Entities

Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

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

Part II Identification of Related Tax-Exempt Organizations

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) MEDICAL SERVICES INC 11040 N STATE ROAD 77 HAYWARD, WI 54843 39-1536207	HEALTH CARE	WI	501(C)(3)	LINE 4	REGIONAL ENTERPRISES INC		No
(2) REGIONAL ENTERPRISES INC 1615 MAPLE LANE ASHLAND, WI 54806 39-1555837	SUPPORT	WI	501(C)(3)	LINE 11B, II	N/A		No
(3) REI MEDICAL CLINICS INC 1615 MAPLE LANE ASHLAND, WI 54806 39-1701306	SUPPORT	WI	501(C)(3)	LINE 11B, II	REGIONAL ENTERPRISES INC		No
(4) TAMARACK PROFESSIONAL GROUP INC 1615 MAPLE LANE ASHLAND, WI 54806 39-1198085	HEALTH CARE	WI	501(C)(3)	LINE 11B, II	REGIONAL ENTERPRISES INC		No
(5) MMC DEVELOPMENT CORP INC 1615 MAPLE LANE ASHLAND, WI 54806 39-1360035	SUPPORT	WI	501(C)(3)	LINE 8	N/A		No

Part III

Identification of Related Organizations Taxable as a Partnership

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

Part V

Transactions With Related Organizations

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

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

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

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)

- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses

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

	Yes	No
1a		No
1b		No
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l	Yes	
1m	Yes	
1n		No
1o		No
1p		No
1q		No
1r	Yes	
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

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

[illegible]

Part VII

Supplemental Information

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

Return Reference	Explanation
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Financial Report
September 30, 2014

September 30, 2014

[REDACTED]

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Independent Auditor's Report

To the Board of Directors
 Memorial Medical Center, Inc
 Ashland, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of Memorial Medical Center, Inc. which comprise the balance sheets as of September 30, 2014 and 2013, and the related statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

McGladrey LLP

Duluth, Minnesota
 January 26, 2015

Memorial Medical Center, Inc.

Balance Sheets

September 30, 2014 and 2013

	2014	2013
Assets		
Current Assets		
Cash	\$ 13,345,367	\$ 5,963,957
Investments (Note 3)	41,670,648	38,700,041
Current portion of assets limited as to use	-	1,421,289
Receivables		
Patient, less allowance for doubtful accounts of \$4,514,000		
in 2014 and \$3,387,000 in 2013 (Note 6)	8,842,917	7,821,237
Related entities (Note 7)	2,698,849	2,947,107
Electronic Health Record Incentive	300,000	278,095
Other	203,602	46,383
Current maturities of notes and advances receivable		
from related entities (Notes 2 and 7)	79,241	88,117
Inventories	2,122,618	2,160,963
Prepaid expenses	305,085	295,376
Estimated third-party payor settlements	-	1,732,000
Total current assets	69,568,327	61,454,565
Assets Limited as to Use (Note 4)	8,016,573	7,609,579
Less current portion of assets limited as to use	-	1,421,289
	8,016,573	6,188,290
Property and Equipment (Note 5)	67,028,663	67,913,074
Less accumulated depreciation	45,583,734	44,424,129
	21,444,929	23,488,945
Investments and Other Assets		
Notes and advances receivable from related entities,		
less current maturities (Notes 2 and 7)	22,258	516,501
Debt issue costs, net of accumulated amortization	93,927	124,230
	116,185	640,731
	\$ 99,146,014	\$ 91,772,531
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt (Note 6)	\$ 1,485,683	\$ 1,416,727
Accounts payable, trade	1,472,379	1,386,373
Accrued expenses		
Salaries, wages, and professional fees	546,020	544,758
Compensated absences	3,352,898	3,323,659
Payroll taxes and other	119,652	152,963
Estimated third-party payor settlements	1,445,863	400,000
Total current liabilities	8,422,495	7,224,480
Long-Term Debt, less current maturities (Note 6)	8,371,145	10,897,976
Net Assets, unrestricted	82,352,374	73,650,075
	\$ 99,146,014	\$ 91,772,531

See Notes to Financial Statements

Memorial Medical Center, Inc.

Statements of Activities
Years Ended September 30, 2014 and 2013

	2014	2013
Patient Service Revenue, net of contractual allowances and discounts (Note 6)	\$ 63,166,343	\$ 60,801,275
Provision for Doubtful Receivables	(4,572,725)	(3,882,040)
Net patient service revenue	58,593,618	56,919,235
Other Operating Revenues	566,970	413,132
Electronic Health Record Incentive Payments	200,000	612,382
Total operating revenues	59,360,588	57,944,749
Operating Expenses		
Nursing services	14,945,911	14,552,996
Other professional services	13,843,958	13,552,607
General services	3,954,354	3,674,923
Fiscal services	4,345,453	3,851,104
Administrative services and fringe benefits	11,111,092	10,840,844
Depreciation	3,280,057	3,480,464
Interest	298,474	289,349
Loss on disposal of property and equipment	42,810	5,571
Total operating expenses	51,822,109	50,247,858
Income from operations	7,538,479	7,696,891
Nonoperating Gains		
Investment income	381,505	177,451
Realized and unrealized gain on investments	782,315	1,121,873
Total nonoperating gains	1,163,820	1,299,324
Excess of revenues and gains over expenses	\$ 8,702,299	\$ 8,996,215

See Notes to Financial Statements

Memorial Medical Center, Inc.

Statements of Changes in Net Assets
Years Ended September 30, 2014 and 2013

	2014	2013
Balance, beginning	\$ 73,650,075	\$ 64,653,860
Excess of revenues and gains over expenses	8,702,299	8,996,215
Balance, ending	<u>\$ 82,352,374</u>	<u>\$ 73,650,075</u>

See Notes to Financial Statements

Memorial Medical Center, Inc.

Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities		
Excess of revenues over expenses	\$ 8,702,299	\$ 8,996,215
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities		
Depreciation	3,280,057	3,480,464
Loss on disposal of property and equipment	42,810	5,571
Amortization	30,303	29,128
Net gain on investments	(782,315)	(1,121,873)
Changes in assets and liabilities		
Receivables	(952,546)	1,596,934
Inventories	38,345	(184,714)
Prepaid expenses	(9,709)	(142,162)
Payables	86,006	236,437
Estimated third-party payor settlements	2,777,863	(1,732,000)
Accrued expenses	(2,810)	(197,945)
Net cash provided by operating activities	13,210,303	10,966,055
Cash Flows from Investing Activities		
Increase in assets limited as to use	(406,994)	(1,411,849)
Purchases of investments	(4,727,944)	(3,747,614)
Proceeds from maturities and sales of investments	2,539,652	2,287,512
Proceeds from sale of property and equipment	38,350	3,000
Purchase of property and equipment	(1,317,201)	(3,715,379)
Principal payments received on notes and advances receivable	503,119	142,083
Net cash used in investing activities	(3,371,018)	(6,442,247)
Cash Flows from Financing Activities		
Principal payments on long-term debt	(2,457,875)	(1,383,434)
Net cash used in financing activities	(2,457,875)	(1,383,434)
Net increase in cash	7,381,410	3,140,374
Cash		
Beginning	5,963,957	2,823,583
Ending	<u>\$ 13,345,367</u>	<u>\$ 5,963,957</u>
Supplemental Disclosures		
Cash payments for interest, net of capitalized interest of \$0 in 2014 and \$54,315 in 2013	<u>\$ 298,474</u>	<u>\$ 289,349</u>

See Notes to Financial Statements

Memorial Medical Center, Inc.

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization: Memorial Medical Center, Inc. (the Hospital) is a Wisconsin nonstock, nonprofit corporation, the purpose of which is the operation of an acute care hospital to provide high quality health care to residents of Ashland, Wisconsin and surrounding areas. Regional Enterprises, Inc. is the sole corporate member of Memorial Medical Center, Inc.

A summary of significant accounting policies follows:

Net assets: Unrestricted net assets are those funds presently available for use by or on behalf of the Hospital including amounts available for general and administrative expenses. Temporarily restricted net assets are contributions that have donor-imposed stipulations that can be fulfilled by certain actions of the Hospital. Permanently restricted net assets are contributions that have donor-imposed restrictions whereby the amount of the gift is to be held in perpetuity and only the income generated can be used as stipulated by the donor. There were no temporarily restricted or permanently restricted net assets as of September 30, 2014 or 2013.

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

Changes in the Hospital's allowance for doubtful accounts for self-pay patients are detailed below:

	2014	2013
Allowance for doubtful accounts, beginning balance	\$ 3,387,000	\$ 2,707,000
Write-off of accounts receivable, net of recoveries	(3,445,725)	(3,202,040)
Provision for doubtful receivables	4,572,725	3,882,040
Allowance for doubtful accounts, ending balance	<u>\$ 4,514,000</u>	<u>\$ 3,387,000</u>
Accounts receivable, self-pay and other	<u>\$ 10,196,353</u>	<u>\$ 8,181,452</u>
Allowance for doubtful accounts as a percent of self-pay and other	<u>44.3%</u>	<u>41.4%</u>

Receivables or payables related to estimated settlements on various risk contracts that the Hospital participates in are reported as third-party payor receivables or payables.

Inventories: Inventories are stated at the lower of cost (first-in, first-out method) or market value.

Notes to Financial Statements

Assets limited as to use: Assets limited as to use include assets set aside by the Board for capital improvements over which the Board retains control and may, at its discretion, subsequently use for other purposes

Investments: The Hospital classifies all certificates of deposit, money market savings and certain cash accounts, except those classified as assets limited as to use, as investments and are carried at cost which approximates fair value. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Management has classified investments as trading securities, therefore, unrealized gains and losses are included in excess of revenues over expenses.

Investment income consists of \$381,505 and \$177,451 of interest and dividends for the years ended September 30, 2014 and 2013, respectively. The Hospital also recognized realized gains of \$336,251 and \$317,753 and unrealized gains of \$446,064 and \$804,120 in 2014 and 2013, respectively.

Fair value measurements: The Hospital reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by Generally Accepted Accounting Principles (GAAP), requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1.* Quoted prices for identical assets or liabilities in active markets to which the Hospital has access at the measurement date.
- *Level 2.* Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - quoted prices for similar assets or liabilities in active markets,
 - quoted prices for identical or similar assets in markets that are not active,
 - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves), and
 - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3.* Unobservable inputs for the asset or liability should be used to measure the fair value to the extent that observable inputs are not available.

When available, the Hospital measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for many of the assets and liabilities that the Hospital is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

The primary uses of fair value measures in the Hospital's financial statements are for the valuation of mutual funds and equities.

Changes in fair value levels: To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period.

The significance of transfers between levels is evaluated based upon the nature of the investment and size of the transfer relative to total net assets available for benefits. For the year ended September 30, 2014, there were no transfers in or out of Levels 1, 2, or 3.

Memorial Medical Center, Inc.

Notes to Financial Statements

Property, equipment and depreciation: Property and equipment is stated at cost if purchased or, if donated, at fair market value at date of donation which then becomes its cost. Depreciation is computed by the straight-line method for financial statements and third-party cost reimbursement purposes. The estimated useful lives of property and equipment are as follows:

	Years
Land improvements	10 - 15
Buildings and improvements	30 - 40
Building service equipment	15 - 20
Fixed equipment	10 - 20
Movable equipment	5 - 15

Debt issue costs: Debt issue costs are being amortized on the effective interest method over the life of the related debt.

Excess of revenues and gains over expenses: The statement of activities includes excess of revenues and gains over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Net patient service revenue: 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 has agreements with third-party payors which provide for reimbursement to the Hospital at amounts different from its established rates. The primary program is Medicare.

The Hospital is designated as a Critical Access Hospital (CAH). As a CAH, inpatient care services and outpatient services rendered to Medicare program beneficiaries are paid on a cost reimbursement method. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the fiscal intermediary.

Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates-per-discharge. These rates vary according to the patient classification system. Outpatient services related to Medicaid beneficiaries are paid based upon a predetermined fee schedule.

Revenue from the Medicare and Medicaid programs accounted for approximately 35.9 percent and 15.2 percent, respectively, of the Hospital's net patient revenue for 2014 and 37.0 percent and 13.9 percent, respectively, of the Hospital's net patient revenue for 2013.

The Hospital has also entered into reimbursement agreements with certain commercial insurance carriers and health maintenance organizations. The basis for reimbursement under these agreements includes discounts from established charges and prospectively determined rates-per-discharge.

The laws and regulations under which the Medicare and Medicaid programs operate are complex, subject to change and subject to interpretation. As part of operating under these programs, there is a possibility that governmental authorities may review the Hospital's compliance with these laws and regulations. Such review may result in adjustments to Medicare and Medicaid reimbursements previously received and subject the Hospital to fines and penalties. Although no assurances can be given, management believes they have complied with the requirements of the Medicare and Medicaid programs.

Memorial Medical Center, Inc.

Notes to Financial Statements

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. 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 portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a provision for doubtful accounts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for doubtful accounts), recognized in the period from these major payor sources, is as follows:

	2014	2013
Patient service revenue (net of contractual allowances and discounts)		
Third-party payors	\$ 57,187,274	\$ 54,041,856
Self-pay	5,979,069	6,759,419
	<u>\$ 63,166,343</u>	<u>\$ 60,801,275</u>

Net patient service revenue for the year ended September 30, 2013 includes the effect of changes in the estimate of the amounts due to third-party payors. The effect of these change in estimate is an increase in net patient service revenue of \$1,860,000 for the year ended September 30, 2013 and is related to adjustments based on the final settlements and estimated settlements of Medicare and Medicaid cost reports. There was no such change in estimate for the year ended September 30, 2014.

Charity care: The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The Hospital maintains records to identify and monitor the level of charity care it provides. The Hospital estimates the cost of providing charity care based on a cost to charge ratio obtained from gross revenues and operating expenses. The total estimated cost of providing charity care was \$298,560 and \$273,843 for the years ended September 30, 2014 and 2013, respectively.

Income taxes: The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Not-for-profit organizations may become subject to income taxes if qualification as a tax-exempt entity changes, if unrelated business income is generated, and in certain other instances. Not-for-profit organizations are required to assess the certainty of their tax positions related to these matters and, in some cases, record liabilities for potential taxes, interest and penalties accompanied by footnote disclosures. The Hospital has not identified any uncertain tax positions that would require the accrual of an income tax provision. Generally, the Hospital is no longer subject to income tax examinations by the U.S. federal or state tax authorities for years before 2011.

Use of estimates in the preparation of financial statements: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events: Management has evaluated subsequent events through January 26, 2015, the date the financial statements were available to be issued.

Memorial Medical Center, Inc.**Notes to Financial Statements****Note 2. Notes and Advances Receivable**

	2014	2013
8 25% note receivable, REI Medical Clinics, Inc , due in monthly installments of \$1,394 including interest to February 2017, when the remaining balance is due, uncollateralized	\$ 36,499	\$ 49,618
Advance receivable, REI Medical Clinics, Inc , amounts to be repaid from rental payments on the hospice building	65,000	75,000
Advance receivable, paid in full during the year	-	480,000
	101,499	604,618
Less current maturities	79,241	88,117
	<u>\$ 22,258</u>	<u>\$ 516,501</u>

Note 3. Investments

	2014	2013
Money market savings	\$ 17,103,133	\$ 16,731,257
Equity securities	12,025,300	10,982,196
Certificates of deposit, negotiable	181,682	183,534
Certificates of deposit	12,360,533	10,803,054
	<u>\$ 41,670,648</u>	<u>\$ 38,700,041</u>

As discussed in Note 1 to these financial statements, the Hospital is required to report its fair value measurements in three levels, which are based on the ability to observe in the marketplace the inputs to the Hospital's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of the reporting date. Level 2 is for investments measured using inputs such as quoted prices for similar assets, quoted prices for the identical asset in inactive markets, and for investments measured at net asset value that can be redeemed in the near-term. Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

Memorial Medical Center, Inc.

Notes to Financial Statements

The following summarize the levels in the fair value hierarchy of the Hospital investments carried at fair value at September 30, 2014 and 2013

September 30, 2014	Level 1	Level 2	Level 3	Total
Mutual funds				
Money market funds	\$ 117,710	\$ -	\$ -	\$ 117,710
International	2,554,113	-	-	2,554,113
Large Cap	3,836,260	-	-	3,836,260
Mid Cap	820,483	-	-	820,483
Small Cap	871,849	-	-	871,849
Index Fund	368,674	-	-	368,674
Bond Funds	2,650,589	-	-	2,650,589
Growth	358,825	-	-	358,825
Other	446,796	-	-	446,796
Certificates of deposit, negotiable	-	181,682	-	181,682
	<u>\$ 12,025,300</u>	<u>\$ 181,682</u>	<u>\$ -</u>	<u>\$ 12,206,982</u>

September 30, 2013	Level 1	Level 2	Level 3	Total
Mutual funds				
Money market funds	\$ 85,139	\$ -	\$ -	\$ 85,139
International	2,183,480	-	-	2,183,480
Large Cap	2,781,041	-	-	2,781,041
Mid Cap	997,002	-	-	997,002
Small Cap	683,073	-	-	683,073
Index Fund	332,887	-	-	332,887
Bond Funds	2,232,894	-	-	2,232,894
Growth	324,781	-	-	324,781
Other	1,361,899	-	-	1,361,899
Certificates of deposit, negotiable	-	183,534	-	183,534
	<u>\$ 10,982,196</u>	<u>\$ 183,534</u>	<u>\$ -</u>	<u>\$ 11,165,730</u>

Note 4. Assets Limited as to Use

The composition of assets limited as to use at September 30, 2014 and 2013, is set forth in the following table

	2014	2013
Money market savings		
By Board for funded depreciation	\$ 8,016,573	\$ 4,741,805
By loan agreement	-	2,867,774
	<u>\$ 8,016,573</u>	<u>\$ 7,609,579</u>

Memorial Medical Center, Inc.

Notes to Financial Statements

Note 5. Property and Equipment

	2014	2013
Land	\$ 127,376	\$ 127,376
Land improvements	2,544,349	2,531,920
Buildings and improvements	27,571,924	27,299,909
Building service equipment	15,962,880	15,846,711
Fixed equipment	1,762,227	1,730,600
Movable equipment	18,526,844	20,202,877
Construction in progress	533,063	173,681
	<u>\$ 67,028,663</u>	<u>\$ 67,913,074</u>

Note 6. Long-Term Debt

	2014	2013
2.63% \$10 million revenue bond, due in monthly installments of \$104,084 to September 2016, at which point the bond is subject to a rate adjustment to LIBOR plus 2.75%, monthly installments will be adjusted to an amount sufficient to fully amortize the bond by September 1, 2021, secured by pledged revenues and accounts receivable	\$ 7,131,034	\$ 8,908,834
2.63% \$3.83 million revenue bond, due in monthly installments of \$39,841 to September 2016, at which point the bond is subject to a rate adjustment to LIBOR plus 2.75%, monthly installments will be adjusted to an amount sufficient to fully amortize the bond by September 1, 2021, secured by pledged revenues and accounts receivable	2,725,794	3,405,869
	<u>9,856,828</u>	<u>12,314,703</u>
Less current maturities	<u>1,485,683</u>	<u>1,416,727</u>
	<u>\$ 8,371,145</u>	<u>\$ 10,897,976</u>

Long-term debt matures during the years ending September 30, as follows

	Amount
2015	\$ 1,485,683
2016	1,525,231
2017	1,565,831
2018	1,607,513
2019	1,650,304
Thereafter	2,022,266
	<u>\$ 9,856,828</u>

Memorial Medical Center, Inc.

Notes to Financial Statements

In connection with the revenue bonds, the Hospital has agreed, among other things, to maintain the following

- A minimum debt service coverage ratio of 1.25 to 1
- At the end of each fiscal year, maintain a maximum debt to tangible net worth ratio of 1.0
- At the end of each fiscal year maintain at least 80 days of cash on hand
- Capital expenditures after September 30, 2013 are not to exceed the amount of depreciation expense incurred in the prior year with limited carry-over provisions

Note 7. Related Party Transactions

Regional Enterprises, Inc. (REI) is the sole corporate member of Memorial Medical Center, Inc., Medical Services, Inc. and REI Medical Clinics, Inc. REI also owns all of the outstanding stock of Healthcare Services, Inc.

The Hospital had notes and long-term advances receivable of \$480,000 at September 30, 2013, from REI as indicated in Note 2. There were no such notes or long-term advances receivable at September 30, 2014. The Hospital also advances funds to REI for equipment purchases and various projects. The balance of such advances was \$2,689,824 at September 30, 2014 and \$2,928,769 at September 30, 2013. REI provided services totaling \$3,392,604 during the year ended September 30, 2014 and \$2,831,282 during the year ended September 30, 2013. The Hospital paid expenses and purchased equipment for REI totaling \$543,097 during the year ended September 30, 2014 and \$445,240 during the year ended September 30, 2013.

The Hospital paid expenses for and provided services to Medical Services, Inc. of \$301,141 during the year ended September 30, 2014 and \$254,429 during the year ended September 30, 2013. The Hospital had a receivable due from Medical Services, Inc. of \$9,080 and \$9,857 at September 30, 2014 and 2013, respectively.

The Hospital had a note receivable from REI Medical Clinics, Inc. of \$36,499 at September 30, 2014 and \$49,618 at September 30, 2013. The Hospital had an advance receivable from REI Medical Clinics, Inc. of \$65,000 and \$75,000 at September 30, 2014 and 2013, respectively. In addition, the Hospital paid rent to REI Medical Clinics of \$12,565 and \$24,798 at September 30, 2014 and 2013, respectively.

Note 8. Retirement Plan

The Hospital has a defined contribution retirement plan covering substantially all employees. The Hospital contributes, on behalf of covered employees, an amount matching employee contributions up to 5 percent of employees' earnings. Total retirement plan expense was \$862,246 in 2014 and \$904,451 in 2013. The Hospital's policy is to fund pension costs on a monthly basis.

Notes to Financial Statements

Note 9. Medical Malpractice Insurance

The Hospital is covered by professional liability insurance on a claims-made basis. Losses on medical malpractice claims are estimated based on claims in excess of per claim or aggregate coverage and claims incurred but not reported during the claim year. Management estimates that no losses in excess of insurance coverage occurred during 2014 and 2013.

Note 10. Concentrations of Credit Risk

The Hospital is located in Ashland, Wisconsin. The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. At year-end, the mix of receivables from patients and third-party payors was as follows:

	2014	2013
Medicare	14%	18%
Medicaid	6	6
Blue Cross	6	6
Other third-party payors	30	26
Patients	44	44
	<u>100%</u>	<u>100%</u>

At September 30, 2014, the Hospital has deposits in financial institutions which exceed Federal Depository Insurance Corporation limits. Management believes that credit risk related to these deposits is minimal.

Note 11. Functional Expenses

The Hospital provides general health care services. Expenses related to providing these services are as follows:

	2014	2013
Health care services	\$ 42,137,455	\$ 41,128,586
General and administrative	9,684,654	9,119,272
	<u>\$ 51,822,109</u>	<u>\$ 50,247,858</u>

Note 12. Recently Adopted Accounting Standards

The Hospital adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2012-05, *Statement of Cash Flows (Topic 230): Not-for-profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows* (a consensus of the FASB Emerging Issues Task Force), which requires that not-for-profit entities classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated financial assets that upon receipt were directed without any not-for-profit-imposed limitations for sale and were converted nearly immediately into cash. This guidance is effective for fiscal year ending September 30, 2014. The adoption of this guidance did not have a material impact on the Hospital's balance sheet, or statements of activities, changes in net assets or cash flows.

Note 13. Recent Accounting Pronouncements

The FASB issued ASU 2013-06, *Not-for-Profit Entities (Topic 958): Services Received from Personnel of an Affiliate*. The revenue recognition guidance for not-for-profit entities requires that contributed services be recognized at fair value if employees of separately governed affiliated entities regularly perform services (in other than an advisory capacity) for and under the direction of the donee. In addition, that guidance indicates that those contributed services should be recognized only if they (1) create or enhance nonfinancial assets or (2) require specialized skills, are provided by individuals possessing those skills, and typically would need to be purchased if not provided by donation. A contribution is defined in the Master Glossary of the *FASB Accounting Standards Codification* as "an unconditional transfer of cash or other assets to an entity or a settlement or cancellation of its liabilities in a voluntary nonreciprocal transfer by another entity acting other than as an owner." This ASU is effective prospectively for fiscal years beginning after June 15, 2014.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 supersedes the revenue recognition requirements in *Revenue Recognition (Topic 605)*, and requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. ASU 2014-09 is effective for fiscal years beginning on January 1, 2018, including interim periods within that reporting period. Management is currently evaluating the effect that adopting this new accounting guidance will have on the statements of activities, cash flows and financial position. Management does not, at this time, anticipate a material impact to the financial statements once implemented.

Note 14. Electronic Health Records Incentive

The Electronic Health Records (EHR) Incentive Program, enacted as part of the American Recovery and Reinvestment Act of 2009, provides for incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified EHR technology. As a critical access hospital, Medicare payments are made in a lump sum as the facility attests that it has attained meaningful use and has incurred qualified costs for EHR technology. The final Medicare amount for any payment is determined based upon an audit by the fiscal intermediary. Medicaid payments will be received over a three year period, based on a statutory formula, and will be received at 50 percent, 40 percent and 10 percent of the total.

The Hospital demonstrated meaningful use for the years ended September 30, 2014 and 2013. The Hospital recorded a receivable of \$100,000 from Medicare and \$178,095 from Medicaid at September 30, 2013. At September 30, 2014, the Hospital has a receivable of \$300,000 from Medicare. Revenue of \$200,000 and \$612,382 is recognized in other operating revenue in the statement of activities for the years ended September 2014 and 2013, respectively.

Note 15. Subsequent Events

Subsequent to September 30, 2014, the Hospital entered into a debt agreement in the amount of \$7,120,000. The debt has an initial interest rate of 2.89 percent, and requires the Hospital to maintain various debt covenants including a debt service coverage ratio of 1.25 to 1.0, a minimum of 80 days cash on hand, and a maximum of debt to tangible net worth ratio of 1.0. The loan proceeds will be used to fund a \$11.3 million Cancer Center addition to the Hospital.



Independent Auditor's Report on the Supplementary Information

To the Board of Directors
 Memorial Medical Center, Inc
 Ashland, Wisconsin

We have audited the financial statements of Memorial Medical Center, Inc. as of and for the years ended September 30, 2014 and 2013, and have issued our report thereon which contains an unmodified opinion on those financial statements. See page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McGladrey LLP

Duluth, Minnesota
 January 26, 2015

Memorial Medical Center, Inc.

Statements of Activities
Years Ended September 30, 2014 and 2013

	2014	2013
Patient Service Revenue		
Inpatient	\$ 28,773,752	\$ 24,928,622
Outpatient	70,651,987	66,008,349
Total patient service revenue	99,425,739	90,936,971
Contractual Allowances and Adjustments	36,259,396	30,135,696
Provision for Doubtful Receivables	4,572,725	3,882,040
Net patient service revenue	58,593,618	56,919,235
Other Operating Revenue		
Other operating revenues	566,970	413,132
Electronic Health Record Incentive Payments	200,000	612,382
Total operating revenues	59,360,588	57,944,749
Operating Expenses		
Nursing services	14,945,911	14,552,996
Other professional services	13,843,958	13,552,607
General services	3,954,354	3,674,923
Fiscal services	4,345,453	3,851,104
Administrative services and fringe benefits	11,111,092	10,840,844
Depreciation	3,280,057	3,480,464
Interest	298,474	289,349
Loss on disposal of property and equipment	42,810	5,571
Total operating expenses	51,822,109	50,247,858
Income from operations	7,538,479	7,696,891
Nonoperating Gains		
Investment income	381,505	177,451
Realized and unrealized gain on investments	782,315	1,121,873
Total nonoperating gains	1,163,820	1,299,324
Excess of revenues and gains over expenses	\$ 8,702,299	\$ 8,996,215

Memorial Medical Center, Inc.

Patient Service Revenue
Years Ended September 30, 2014 and 2013

	2014			2013
	Inpatient	Outpatient	Total	
Daily Patient Services				
Medical and surgical	\$ 3,617,506	\$ -	\$ 3,617,506	\$ 3,081,358
Mental health and treatment center	2,453,740	-	2,453,740	2,250,170
ICU - CCU	1,283,458	-	1,283,458	1,169,399
Obstetrics	956,704	-	956,704	893,591
Nursery	437,630	-	437,630	413,995
Total daily patient services	8,749,038	-	8,749,038	7,808,513
Other Nursing Services				
Perioperative room	4,536,758	12,926,289	17,463,047	15,987,609
Delivery room	283,800	-	283,800	258,390
Central supplies	721,773	755,722	1,477,495	1,370,107
Emergency room	624,048	10,704,902	11,328,950	10,540,905
Total other nursing services	6,166,379	24,386,913	30,553,292	28,157,011
Other Professional Services				
Laboratory	2,975,019	7,058,728	10,033,747	9,234,752
Blood	107,080	191,415	298,495	238,893
Cardiac rehabilitation	-	721,597	721,597	537,326
Electrocardiography	91,604	745,625	837,229	714,394
EEG	5,866	13,346	19,212	16,356
Radiology	598,210	4,506,247	5,104,457	4,502,539
Nuclear medicine	41,903	1,395,933	1,437,836	1,305,456
Ultrasound	461,473	2,470,206	2,931,679	2,742,430
MRI	133,055	5,047,324	5,180,379	4,787,424
CT scanner	870,102	8,496,672	9,366,774	8,031,084
Oncology	-	2,263,025	2,263,025	2,741,476
Pharmacy	4,181,177	3,820,304	8,001,481	7,450,667
Anesthesiology	1,224,467	2,197,777	3,422,244	3,346,064
Inhalation therapy	1,808,435	1,178,020	2,986,455	2,618,937
Rehabilitation services	481,532	2,670,084	3,151,616	2,577,087
Psychiatric and psychological services	858,973	2,735,732	3,594,705	3,506,399
Pulmonary function	-	221,335	221,335	175,960
Pain management	19,439	531,704	551,143	444,203
Total other professional services	13,858,335	46,265,074	60,123,409	54,971,447
Total patient service revenue	\$ 28,773,752	\$ 70,651,987	\$ 99,425,739	\$ 90,936,971

Memorial Medical Center, Inc.

**Allowances and Adjustments and Other Operating Revenues
Years Ended September 30, 2014 and 2013**

	2014	2013
Allowances and Adjustments		
Allowances for		
Blue Cross	\$ 449,402	\$ 370,480
Medicare	22,051,113	16,421,106
Medicaid	10,245,396	9,823,015
Employees	306,063	314,444
Community Care	573,291	495,648
Other	2,634,131	2,711,003
Total allowances and adjustments	\$ 36,259,396	\$ 30,135,696
Other Operating Revenues		
Cafeteria	\$ 228,585	\$ 216,053
Other	134,301	27,708
Contributions and grants, unrestricted	75,261	59,392
Rental revenue, Medical Center offices	128,823	109,979
Total other operating revenues	\$ 566,970	\$ 413,132
Medicaid EHR Incentive Payments	\$ 200,000	\$ 612,382

Memorial Medical Center, Inc.

Nursing and Other Professional Services Expenses
Years Ended September 30, 2014 and 2013

	2014			2013
	Salaries and Wages	Supplies and Expense	Total	
Daily Patient Services				
Administration	\$ 1,264,293	\$ 115,325	\$ 1,379,618	\$ 1,465,917
Medical and surgical	2,574,858	290,326	2,865,184	2,779,615
Mental health and treatment center	1,014,468	52,696	1,067,164	1,039,467
Obstetrics	1,002,061	77,576	1,079,637	1,061,682
Total daily patient services	5,855,680	535,923	6,391,603	6,346,681
Other Nursing Services				
Perioperative	1,663,220	2,670,915	4,334,135	3,728,934
Central supply	182,025	114,164	296,189	277,958
Emergency room	1,735,019	2,188,965	3,923,984	4,199,423
Total other nursing services	3,580,264	4,974,044	8,554,308	8,206,315
Total nursing services	\$ 9,435,944	\$ 5,509,967	\$ 14,945,911	\$ 14,552,996
Other Professional Services				
Laboratory	\$ 1,022,533	\$ 667,316	\$ 1,689,849	\$ 1,756,909
Blood	-	175,020	175,020	141,583
Cardiac rehabilitation	186,292	13,827	200,119	172,281
Electrocardiography	-	21,365	21,365	14,915
Radiology	1,382,031	736,542	2,118,573	2,023,229
Pharmacy	665,191	3,056,394	3,721,585	3,716,682
Cancer Center	-	3,086	3,086	-
Anesthesiology	-	1,447,835	1,447,835	1,418,737
Inhalation therapy	545,394	110,528	655,922	635,004
Rehabilitation services	819,202	126,566	945,768	899,004
Psychiatric and psychological services	1,350,364	619,840	1,970,204	1,897,904
Medical records	646,438	55,425	701,863	678,942
Quality control	154,495	38,274	192,769	197,417
Total other professional services	\$ 6,771,940	\$ 7,072,018	\$ 13,843,958	\$ 13,552,607

Memorial Medical Center, Inc.

General, Fiscal, and Administrative Services Expenses
Years Ended September 30, 2014 and 2013

	2014			2013
	Salaries and Wages	Supplies and Expense	Total	
General Services				
Dietary	\$ 893,095	\$ 225,771	\$ 1,118,866	\$ 1,091,755
Operation of plant	495,929	1,262,363	1,758,292	1,593,571
Housekeeping	758,892	93,532	852,424	779,377
Laundry	47,024	177,748	224,772	210,220
Total general services	\$ 2,194,940	\$ 1,759,414	\$ 3,954,354	\$ 3,674,923
Fiscal Services				
Fiscal	\$ 726,806	\$ 172,554	\$ 899,360	\$ 929,431
Collection fees	-	150,596	150,596	162,884
Consulting and professional fees	-	3,295,497	3,295,497	2,758,789
Total fiscal services	\$ 726,806	\$ 3,618,647	\$ 4,345,453	\$ 3,851,104
Administrative Services				
Administrative	\$ 1,220,342	\$ 1,119,600	\$ 2,339,942	\$ 2,318,875
Chaplain	83,013	4,788	87,801	91,108
Human resources	277,213	111,973	389,186	398,975
Social services	169,852	8,256	178,108	185,227
Development and marketing	130,430	191,191	321,621	250,891
Purchasing	238,030	39,176	277,206	304,597
Compliance	-	131,780	131,780	130,722
Amortization	-	30,303	30,303	29,128
Physician recruiting	-	26,078	26,078	30,000
Insurance and bonding	-	127,736	127,736	155,606
Employee benefits				
Retirement	-	862,246	862,246	904,451
Health and welfare	-	4,645,290	4,645,290	4,391,286
Payroll taxes	-	1,543,175	1,543,175	1,550,736
Workers' compensation insurance	-	150,620	150,620	99,242
Total administrative services	\$ 2,118,880	\$ 8,992,212	\$ 11,111,092	\$ 10,840,844