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

OMB No 1545-0047

2014

Open to Public Inspection

A For the 2014 calendar year, or tax year beginning 01-01-2014 , and ending 12-31-2014

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
STEVENS COMMUNITY MEDICAL CENTER

Doing business as

Number and street (or P O box if mail is not delivered to street address) | Room/suite
PO BOX 660

City or town, state or province, country, and ZIP or foreign postal code
MORRIS, MN 56267

D Employer identification number
36-3311936

E Telephone number
(320) 589-1313

G Gross receipts $ 39,632,515

F Name and address of principal officer
JOHN RAU
PO BOX 660
MORRIS, MN 56267

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 SCMCINC ORG

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

L Year of formation 1984

M State of legal domicile MN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROMOTION OF HEALTH

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
5	Total number of individuals employed in calendar year 2014 (Part V, line 2a)	5	372
6	Total number of volunteers (estimate if necessary)	6	152
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	392
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
Revenue 8	Contributions and grants (Part VIII, line 1h)	111,920	273,387
9	Program service revenue (Part VIII, line 2g)	38,792,338	39,143,705
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	170,675	147,806
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	56,780	53,532
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	39,131,713	39,618,430
Expenses 13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	21,839	31,113
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)	21,229,248	20,578,655
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	14,601,559	14,657,070
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	35,852,646	35,266,838
19	Revenue less expenses Subtract line 18 from line 12	3,279,067	4,351,592

		Beginning of Current Year	End of Year
Net Assets or Fund Balances 20	Total assets (Part X, line 16)	42,716,548	46,482,638
21	Total liabilities (Part X, line 26)	5,640,348	5,055,624
22	Net assets or fund balances Subtract line 21 from line 20	37,076,200	41,427,014

Part II Signature Block

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

Sign Here

****** | 2015-08-13
Signature of officer | Date

JOHN RAU PRESIDENT/CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
SARAH VOGT CPA	SARAH VOGT CPA	2015-08-12		P00978242

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

Firm's address ▶ 800 NICOLLET MALL STE 1300
MINNEAPOLIS, MN 554027033 — Phone no (612) 253-6500

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

STEVENS COMMUNITY MEDICAL CENTER'S MISSION IS TO STRIVE FOR EXCELLENCE IN THE DELIVERY OF INPATIENT AND OUTPATIENT CARE THROUGH COOPERATION WITH QUALIFIED HEALTH CARE PROVIDERS, THROUGH THE PROVISION OF APPROPRIATE FACILITIES AND TECHNOLOGY, AND THROUGH ACTIVE PROMOTION OF HEALTH EDUCATION AMONG THE PUBLIC OUR PLEDGE TO THE RECIPIENTS OF THIS MEDICAL CENTER'S HEALTH CARE IS TO ADDRESS THEIR NEEDS IN AS EXPERT, EFFICIENT, COMPASSIONATE, AND CONVENIENT MANNER AS POSSIBLE

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 $ 29,278,796 including grants of $ 31,113) (Revenue $ 39,143,705)

STEVENS COMMUNITY MEDICAL CENTER IS A NOT-FOR-PROFIT INTEGRATED HEALTH CARE SYSTEM THE MISSION OF THE MEDICAL CENTER IS TO MAKE AVAILABLE HIGH QUALITY HEALTH CARE THE MEDICAL CENTER SERVES THE POPULATION OF WEST CENTRAL MINNESOTA AND IS BECOMING A REGIONAL HEALTH CARE CENTER "CARING IS OUR REASON FOR BEING"SCMC PROVIDES QUALITY MEDICAL HEALTHCARE REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY ALTHOUGH REIMBURSEMENT FOR SERVICES RENDERED IS CRITICAL TO THE OPERATION AND STABILITY OF SCMC, IT IS RECOGNIZED THAT NOT ALL INDIVIDUALS POSSESS THE ABILITY TO PURCHASE ESSENTIAL MEDICAL SERVICES TO FURTHER THAT, OUR MISSION IS TO SERVE THE COMMUNITY WITH RESPECT TO PROVIDING HEALTH CARE SERVICES AND HEALTH CARE EDUCATION FOR EXAMPLE, THE MEDICAL CENTER IS COMMITTED TO PROVIDING MEDICAL SERVICES TO ALL MEMBERS OF ITS COMMUNITY, PROVIDE FREE CARE AND/OR SUBSIDIZED CARE, PROMOTE HEALTH ACTIVITIES AND PROGRAMS TO SUPPORT THE COMMUNITY, AND PROVIDE CARE TO PERSONS COVERED BY GOVERNMENTAL PROGRAMS AT BELOW COST THEREFORE, FINANCIAL ASSISTANCE WILL BE CONSIDERED WHERE THE NEED AND/OR AN INDIVIDUAL'S INABILITY TO PAY EXISTS SCMC HAD 38,145 HOSPITAL OUTPATIENT VISITS, 28,587 CLINIC AND URGENT CARE VISITS, 2,906 INPATIENT DAYS, 8,555 OUTPATIENT COUNSELING VISITS, 108 DELIVERIES, 560 SURGERIES, 2,556 EMERGENCY ROOM VISITS, AND 21,390 THERAPY TREATMENTS IN 2014 SCMC ALSO OWNS AND OPERATES THE COURAGE COTTAGE, AN ADULT FOSTER CARE FACILITY SPECIALIZING IN CARE FOR THE TERMINALLY ILL IN 2014, 18 RESIDENTS WERE SERVED, AND THE COST TO PROVIDE THEIR CARE WAS SUBSIDIZED BY COMMUNITY DONATIONS RECOGNIZING ITS MISSION TO THE COMMUNITY, SCMC PROVIDES SERVICES TO MEDICARE, MEDICAID, AND OTHER PATIENTS COVERED BY GOVERNMENTAL PROGRAMS, SOMETIMES AT A REIMBURSEMENT BELOW COST THE TOTAL DISCOUNTS ACCEPTED FOR PROVIDING CARE TO PATIENTS WAS $22,612,660 IN 2014 THE CHARGES FOREGONE FOR SERVICES SUPPLIED UNDER SCMC'S CHARITY CARE POLICY (FREE AND/OR SUBSIDIZED CARE) WAS $610,000 IN 2014 CHARITY CARE IS ALSO PROVIDED THROUGH MANY REDUCED PRICE SERVICES AND FREE SCMC PROGRAMS AND INFORMATION OFFERED THROUGHOUT THE YEAR BASED ON ACTIVITIES AND SERVICES WHICH SCMC BELIEVES WILL SERVE A BONA FIDE COMMUNITY NEED THESE INCLUDE VARIOUS BROCHURES TO EDUCATE PATIENTS, STAFF SPEAKING FOR A VARIETY OF COMMUNITY EVENTS INCLUDING SCMC SPONSORED "HEALTH NIGHTS," ELDERLY AND ADULT EDUCATION, SPONSORING A SMOKING CESSATION PROGRAM AND A VARIETY OF OTHER "WELLNESS" TYPE PROGRAMS AT SUBSIDIZED COST, PROVIDING MEETING FACILITIES FOR VARIOUS COMMUNITY GROUPS, OFFERING SUPPORT GROUPS, AND PROVIDING ASSISTANCE TO EDUCATORS THROUGH OUR WORK WITH STUDENT NURSES

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** ▶ 29,278,796

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9	Yes	
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	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 domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**		No
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)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	95		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	372		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8			
9a	Did the sponsoring organization make any taxable distributions under section 4966? . . .	9a			
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? . . .	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	13		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	9		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	**2**			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	**3**			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	**4**			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	**5**			No
6	Did the organization have members or stockholders?	**6**			No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	**7a**			No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	**7b**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**			No
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

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

Section C. Disclosure

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

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

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

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

20 State the name, address, and telephone number of the person who possesses the organization's books and records ▶ KERRIE ERICKSON

400 E 1ST ST
MORRIS, MN 56267 (320) 589-7627

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) DAVID PAUL CHAIR	1 00	X		X				0	0	0
(2) PAUL GRONEBERG VICE CHAIR	1 00	X		X				0	0	0
(3) JAN HAGEN TREASURER	1 00	X		X				0	0	0
(4) WARD VOORHEES SECRETARY	1 00	X		X				0	0	0
(5) PIERANNA GARAVASO DIRECTOR	1 00	X						0	0	0
(6) JODI DECAMP DIRECTOR	1 00	X						0	0	0
(7) BART FINZEL DIRECTOR	1 00	X						0	0	0
(8) PAUL MARTIN DIRECTOR	1 00	X						0	0	0
(9) DARRYL LARSON DIRECTOR	1 00	X						0	0	0
(10) OLYN WERNSING MD DIRECTOR / PHYSICIAN	40 00	X						169,536	0	18,882
(11) KIM TATSUMI MD DIRECTOR / PHYSICIAN	40 00	X						146,100	0	26,745
(12) GREG ABLER MD DIRECTOR/PHYSICIAN	40 00	X						237,801	0	35,673
(13) JOAN LUNZER MD DIRECTOR/PHYSICIAN	40 00	X						217,775	0	27,496
(14) JOHN RAU PRESIDENT / CEO	40 00	X		X				308,945	0	43,735

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(15) KERRIE ERICKSON DIRECTOR OF FINANCE/IS	40 00			X				146,677	0	29,303
(16) ANDREA GIAMBI DO RADIOLOGIST	40 00					X		513,894	0	21,428
(17) MICHAEL HOLTE MD ORTHOPEDIC SURGEON	40 00					X		643,278	0	40,880
(18) RANDELL LUSSENDEN CRNA	40 00					X		475,657	0	30,666
(19) JACK MUTNICK MD ALLERGIST	40 00					X		576,655	0	42,630
(20) SOMKIAT VIRATYOSIN MD GENERAL SURGEON	40 00					X		309,132	0	41,180

1b	**Sub-Total** ▶			
c	**Total from continuation sheets to Part VII, Section A** ▶			
d	**Total (add lines 1b and 1c)** ▶	3,745,450	0	358,618

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 28

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
NORTH STAR PHYSICIANS SERVICES 2680 28TH AVE SW CAMBRIDGE, MN 55008	ER AND URGENT CARE MD SERVICES	1,007,400
NOVACARE REHABILITATION 4714 GETTYSBURG RD MECHANICSBURG, PA 17055	THERAPY SERVICES	543,054
JE DUNN NORTH CENTRAL INC 800 WASHINGTON AVE N STE 600 MINNEAPOLIS, MN 55401	CONSTRUCTION SERVICES	506,697
CERNER HEALTH SERV INCSIEMENS 51 VALLEY STREAM PARKWAY MALVERN, PA 19355	IS SUPPORT	459,833
BMJ ENTERPRISES INC 151 20TH ST SW BENSON, MN 56215	CRNA SERVICES	403,855

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 ▶ 12

Part VIII Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 273,387				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f		273,387			
Program Service Revenue		Business Code				
	2a PATIENT SERVICE REVENUE	622110	39,047,035	39,047,035		
	b SUPPORTING REVENUE	900099	96,278	96,278		
	c NON PATIENT SALES	900099	392		392	
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f		39,143,705			
	3 Investment income (including dividends, interest, and other similar amounts)		149,815			149,815
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
		(i) Real / (ii) Personal				
	6a Gross rents	51,669				
	b Less rental expenses	0				
	c Rental income or (loss)	51,669				
	d Net rental income or (loss)		51,669			51,669
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	3,510				
	b Less cost or other basis and sales expenses	5,519				
	c Gain or (loss)	-2,009				
	d Net gain or (loss)		-2,009			-2,009
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b Less direct expenses	b				
	c Net income or (loss) from fundraising events					
	9a Gross income from gaming activities See Part IV, line 19	a				
	b Less direct expenses	b				
	c Net income or (loss) from gaming activities					
	10a Gross sales of inventory, less returns and allowances	a 10,429				
	b Less cost of goods sold	b 8,566				
	c Net income or (loss) from sales of inventory		1,863			1,863
	Miscellaneous Revenue	Business Code				
	11a					
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d					
	12 **Total revenue.** See Instructions		39,618,430	39,143,313	392	201,338

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21	31,113	31,113		
2 Grants and other assistance to domestic individuals See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,385,570	870,734	514,836	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	15,402,340	12,768,375	2,633,965	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	835,801	703,799	132,002	
9 Other employee benefits	1,907,303	1,287,794	619,509	
10 Payroll taxes	1,047,641	826,381	221,260	
11 Fees for services (non-employees)				
a Management				
b Legal	1,649		1,649	
c Accounting	60,857		60,857	
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)	4,018,435	3,575,427	443,008	
12 Advertising and promotion	71,732	3,811	67,921	
13 Office expenses	1,852,538	1,393,383	459,155	
14 Information technology	413,840		413,840	
15 Royalties				
16 Occupancy	442,859	41,352	401,507	
17 Travel	118,655	110,805	7,850	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	61,965	51,282	10,683	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,939,800	1,939,800		
23 Insurance	365,633	365,633		
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEDICAL SUPPLIES	3,586,913	3,586,913		
b BAD DEBTS EXPENSE	809,580	809,580		
c MN CARE TAX	613,088	613,088		
d DHS MEDICARE SURCHARGE	299,526	299,526		
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	35,266,838	29,278,796	5,988,042	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		267,070	1	221,807
	2	Savings and temporary cash investments		7,552,419	2	11,896,003
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		5,797,292	4	6,117,966
	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			7	
	8	Inventories for sale or use		1,310,391	8	1,172,537
	9	Prepaid expenses and deferred charges		348,010	9	405,101
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 37,482,375			
	b	Less accumulated depreciation	10b 21,682,341	15,872,928	10c	15,800,034
	11	Investments—publicly traded securities		11,320,854	11	10,710,882
	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		247,584	15	158,308
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		42,716,548	16	46,482,638
Liabilities	17	Accounts payable and accrued expenses		4,627,848	17	4,704,624
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties		612,500	24	262,500
	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	88,500
	26	**Total liabilities.** Add lines 17 through 25		5,640,348	26	5,055,624
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		36,863,042	27	41,056,935
	28	Temporarily restricted net assets		213,158	28	370,079
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		37,076,200	33	41,427,014
	34	Total liabilities and net assets/fund balances		42,716,548	34	46,482,638

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	39,618,430
2	Total expenses (must equal Part IX, column (A), line 25)	2	35,266,838
3	Revenue less expenses Subtract line 2 from line 1	3	4,351,592
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	37,076,200
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-778
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	41,427,014

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ **Attach to Form 990 or Form 990-EZ.**

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
STEVENS COMMUNITY MEDICAL CENTER

Employer identification number
36-3311936

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

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

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

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

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

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

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

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

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

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

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

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

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

a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**

b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**

c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**

d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**

e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization

f Enter the number of supported organizations . . . . . _____

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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 VI)						
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 section 501(c)(3) organization, check this box and **stop here** . . . . . ▶☐

Section C. Computation of Public Support Percentage

14	Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f))	**14**
15	Public support percentage for 2013 Schedule A, Part II, line 14	**15**

16a **33 1/3% support test—2014.** 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—2013.** 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—2014.** 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 VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2013.** 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 VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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 VI)						
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 section 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2013 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2014** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2013** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2014.** 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—2013.** 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 Supporting Organizations

(Complete only if you checked a box on line 11 of Part I If you checked 11a of Part I, complete Sections A and B If you checked 11b of Part I, complete Sections A and C If you checked 11c of Part I, complete Sections A, D, and E If you checked 11d of Part I, complete Sections A and D, and complete Part V)

Section A. All Supporting Organizations

			Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No," describe in* ***Part VI*** *how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.*	1		
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *how the organization determined that the supported organization was described in section 509(a)(1) or (2).*	2		
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer (b) and (c) below.*	3a		
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in* ***Part VI*** *when and how the organization made the determination.*	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in* ***Part VI*** *what controls the organization put in place to ensure such use.*	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.*	4a		
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations. . . .*	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.*	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).*	5a		
b	**Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c	**Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations, (b) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in* ***Part VI.***	6		
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990) .*	7		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? *If "Yes," complete Part II of Schedule L (Form 990).*	8		
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509 (a)(1) or (2))? *If "Yes," provide detail in* ***Part VI.***	9a		
b	Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in* ***Part VI.***	9b		
c	Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in* ***Part VI.***	9c		
10a	Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer b below.*	10a		
b	Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings).*	10b		
11	Has the organization accepted a gift or contribution from any of the following persons?			
a	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a		
b	A family member of a person described in (a) above?	11b		
c	A 35% controlled entity of a person described in (a) or (b) above? *If "Yes" to a, b, or c, provide detail in Part VI.*	11c		

Part IV Supporting Organizations (continued)

Section B. Type I Supporting Organizations

		Yes	No
1	Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? *If "No," describe in* ***Part VI*** *how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.*	1		
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *If "Yes," explain in* ***Part VI*** *how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.*	2		

Section C. Type II Supporting Organizations

		Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *If "No," describe in* ***Part VI*** *how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).*	1		

Section D. All Type III Supporting Organizations

		Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1		
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? *If "No," explain in* ***Part VI*** *how the organization maintained a close and continuous working relationship with the supported organization(s).*	2		
3	By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If "Yes," describe in* ***Part VI*** *the role the organization's supported organizations played in this regard.*	3		

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year **(see instructions)**

- **a** ☐ The organization satisfied the Activities Test Complete **line 2** below
- **b** ☐ The organization is the parent of each of its supported organizations Complete **line 3** below
- **c** ☐ The organization supported a governmental entity Describe in Part VI how you supported a government entity (see instructions)

			Yes	No
2	Activities Test **Answer (a) and (b) below.**			
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in* ***Part VI identify those supported organizations and explain*** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.*	2a		
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in* ***Part VI*** *the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.*	2b		
3	Parent of Supported Organizations **Answer (a) and (b) below.**			
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *Provide details in Part VI.*	3a		
b	Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? *If "Yes," describe in Part VI the role played by the organization in this regard.*	3b		

Part V – Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov 20, 1970 **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E

Section A - Adjusted Net Income

			(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1		
2	Recoveries of prior-year distributions	2		
3	Other gross income (see instructions)	3		
4	Add lines 1 through 3	4		
5	Depreciation and depletion	5		
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7	Other expenses (see instructions)	7		
8	**Adjusted Net Income** (subtract lines 5, 6 and 7 from line 4)	8		

Section B - Minimum Asset Amount

			(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)	1		
a	Average monthly value of securities	1a		
b	Average monthly cash balances	1b		
c	Fair market value of other non-exempt-use assets	1c		
d	**Total** (add lines 1a, 1b, and 1c)	1d		
e	**Discount** claimed for blockage or other factors (explain in detail in Part VI) _____			
2	Acquisition indebtedness applicable to non-exempt use assets	2		
3	Subtract line 2 from line 1d	3		
4	Cash deemed held for exempt use Enter 1-1/2% of line 3 (for greater amount, see instructions)	4		
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6	Multiply line 5 by 035	6		
7	Recoveries of prior-year distributions	7		
8	**Minimum Asset Amount** (add line 7 to line 6)	8		

Section C - Distributable Amount

				Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2	Enter 85% of line 1	2		
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4	Enter greater of line 2 or line 3	4		
5	Income tax imposed in prior year	5		
6	**Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6		
7	☐ Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions)			

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 **Total annual distributions.** Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2014 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2014	(iii) Distributable Amount for 2014
1 Distributable amount for 2014 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2014 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2014			
a From 2009.			
b From 2010.			
c From 2011.			
d From 2012.			
e From 2013.			
f **Total** of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2014 distributable amount			
i Carryover from 2009 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2014 from Section D, line 7 $ _____			
a Applied to underdistributions of prior years			
b Applied to 2014 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2014, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2014 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 **Excess distributions carryover to 2015.** Add lines 3j and 4c			
8 Breakdown of line 7			
a From 2010.			
b From 2011.			
c From 2012.			
d From 2013.			
e From 2014.			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493229032815

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
STEVENS COMMUNITY MEDICAL CENTER

Employer identification number
36-3311936

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 value of contributions to (during year)		
3	Aggregate value of grants from (during year)		
4	Aggregate value at end of year		

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		Amount
c Beginning balance	1c	24,489
d Additions during the year	1d	10,429
e Distributions during the year	1e	9,651
f Ending balance	1f	25,267

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☑ No

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

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		262,917		262,917
b Buildings		21,884,802	10,324,571	11,560,231
c Leasehold improvements				
d Equipment		14,445,925	11,116,443	3,329,482
e Other		888,731	241,327	647,404
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				15,800,034

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

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

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

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

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

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

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

1 (a) Description of liability	(b) Book value
Federal income taxes	
ESTIMATED THIRD PARTY PAYOR SETTLEMENTS	88,500
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	88,500

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

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

1	Total revenue, gains, and other support per audited financial statements			1	38,651,151
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains (losses) on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	-690,944		
e	Add lines **2a** through **2d**			2e	-690,944
3	Subtract line **2e** from line **1**			3	39,342,095
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	276,335		
c	Add lines **4a** and **4b**			4c	276,335
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	39,618,430

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	34,457,258
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	34,457,258
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	809,580		
c	Add lines **4a** and **4b**			4c	809,580
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	35,266,838

Part XIII Supplemental Information

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

Return Reference	Explanation
PART IV, LINE 1B	THE ORGANIZATION HOLDS THE ASSETS FOR THE STEVENS COMMUNITY MEDICAL CENTER LADIES' AUXILIARY/GIFT SHOP THE ASSETS ARE NOT INCLUDED ON THE BOOKS OF THE MEDICAL CENTER THE REVENUE AND EXPENSE HAVE BEEN RECORDED ON THE APPLICABLE LINES OF THE FORM 990
PART X, LINE 2	THE MEDICAL CENTER IS ORGANIZED AS A MINNESOTA NONPROFIT CORPORATION AND HAS BEEN RECOGNIZED BY THE INTERNAL REVENUE SERVICE (IRS) AS EXEMPT FROM FEDERAL INCOME TAXES UNDER INTERNAL REVENUE CODE SECTION 501(C)(3) THE MEDICAL CENTER IS ANNUALLY REQUIRED TO FILE A RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX (FORM 990) WITH THE IRS IN ADDITION, THE MEDICAL CENTER IS SUBJECT TO INCOME TAX ON NET INCOME THAT IS DERIVED FROM BUSINESS ACTIVITIES THAT ARE UNRELATED TO ITS EXEMPT PURPOSE THE MEDICAL CENTER HAS DETERMINED IT IS NOT SUBJECT TO UNRELATED BUSINESS INCOME TAX AND HAS NOT FILED AN EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN (FORM 990T) WITH THE IRS THE MEDICAL CENTER BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN AFFECTING ITS ANNUAL FILING REQUIREMENTS, AND AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS THE MEDICAL CENTER WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES RELATED TO UNRECOGNIZED TAX BENEFITS AND LIABILITIES IN INCOME TAX EXPENSE IF SUCH INTEREST AND PENALTIES ARE INCURRED
PART XI, LINE 2D - OTHER ADJUSTMENTS	NET ASSETS RELEASED FROM RESTRICTIONS FOR OPERATIONS 117,551 PROVISION FOR BAD DEBTS IN REVENUE FOR FINANCIAL STATEMENTS -809,580 AUXILIARY CONTRIBUTION ELIMINATED FOR TAX 1,085
PART XI, LINE 4B - OTHER ADJUSTMENTS	CONTRIBUTIONS RECORDED IN FUND BALANCE FOR FINANCIAL STATEMENTS 274,472 AUXILIARY INCOME NOT INCLUDED IN FINANCIAL STATEMENTS 1,863
PART XII, LINE 4B - OTHER ADJUSTMENTS	PROVISION FOR BAD DEBTS IN REVENUE FOR FINANCIAL STATEMENTS 809,580

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
STEVENS COMMUNITY MEDICAL CENTER

Employer identification number
36-3311936

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☑ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 19000 0000000000 %	3b	Yes	
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	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)			327,376		327,376	0 950 %
b Medicaid (from Worksheet 3, column a)			4,251,970	3,430,452	821,518	2 380 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			2,883,980	2,232,729	651,251	1 890 %
d **Total** Financial Assistance and Means-Tested Government Programs			7,463,326	5,663,181	1,800,145	5 220 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			113,646		113,646	0 330 %
f Health professions education (from Worksheet 5)			75,820		75,820	0 220 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			10,903		10,903	0 030 %
j **Total.** Other Benefits			200,369		200,369	0 580 %
k **Total.** Add lines 7d and 7j			7,663,695	5,663,181	2,000,514	5 800 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support			31,113		31,113	0 090 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other			71,482		71,482	0 210 %
10	**Total**			102,595		102,595	0 300 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	809,580		
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	137,629		
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	10,400,918
6	Enter Medicare allowable costs of care relating to payments on line 5	6	10,456,529
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-55,611
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

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

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

Part V Facility Information

Section A. Hospital Facilities

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

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

	Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group STEVENS COMMUNITY MEDICAL CENTER

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

			Yes	No
Community Health Needs Assessment				
1	Was the hospital facility first licensed, registered, or similarly recognized by a State as a hospital facility in the current tax year or the immediately preceding tax year?	1		No
2	Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2		No
3	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 12	3	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The significant health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Section C)			
4	Indicate the tax year the hospital facility last conducted a CHNA 2013			
5	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 Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	Yes	
6a	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a		No
b	Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities?" If "Yes," list the other organizations in Section C	6b	Yes	
7	Did the hospital facility make its CHNA report widely available to the public?	7	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) HTTP //WWW SCMCINC ORG/NEWS/COMMUNITY-HEALTH-NEEDS-ASSE			
b	☐ Other website (list url)			
c	☑ Made a paper copy available for public inspection without charge at the hospital facility			
d	☐ Other (describe in Section C)			
8	Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	Yes	
9	Indicate the tax year the hospital facility last adopted an implementation strategy 2013			
10	Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	Yes	
a	If "Yes" (list url) HTTP //WWW SCMCINC ORG/NEWS/COMMUNITY-HEALTH-NEEDS-ASSESSMENT			
b	If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b		No
11	Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed			
12a	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)?	12a		No
b	If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b		
c	If "Yes" to line 12b, 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)*

STEVENS COMMUNITY MEDICAL CENTER

Name of hospital facility or letter of facility reporting group

			Yes	No
Financial Assistance Policy (FAP)				
	Did the hospital facility have in place during the tax year a written financial assistance policy that			
13	Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	13	Yes	
	If "Yes," indicate the eligibility criteria explained in the FAP			
a	☑ Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of 100.000000000000% and FPG family income limit for eligibility for discounted care of 190.000000000000%			
b	☐ Income level other than FPG (describe in Section C)			
c	☑ Asset level			
d	☑ Medical indigency			
e	☑ Insurance status			
f	☑ Underinsurance discount			
g	☑ Residency			
h	☑ Other (describe in Section C)			
14	Explained the basis for calculating amounts charged to patients?	14	Yes	
15	Explained the method for applying for financial assistance?	15	Yes	
	If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply)			
a	☑ Described the information the hospital facility may require an individual to provide as part of his or her application			
b	☑ Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application			
c	☑ Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process			
d	☐ Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications			
e	☑ Other (describe in Section C)			
16	Included measures to publicize the policy within the community served by the hospital facility?	16	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	☐ The FAP was widely available on a website (list url)			
b	☐ The FAP application form was widely available on a website (list url)			
c	☐ A plain language summary of the FAP was widely available on a website (list url)			
d	☑ The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
e	☑ The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)			
f	☑ A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)			
g	☑ Notice of availability of the FAP was conspicuously displayed throughout the hospital facility			
h	☐ Notified members of the community who are most likely to require financial assistance about availability of the FAP			
i	☐ Other (describe in Section C)			
Billing and Collections				
17	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 all of the actions the hospital facility or other authorized party may take upon non-payment?	17	Yes	
18	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a	☐ Reporting to credit agency(ies)			
b	☐ Selling an individual's debt to another party			
c	☐ Actions that require a legal or judicial process			
d	☐ Other similar actions (describe in Section C)			
e	☐ None of these actions or other similar actions were permitted			

Part V Facility Information *(continued)*

STEVENS COMMUNITY MEDICAL CENTER

Name of hospital facility or letter of facility reporting group

			Yes	No
19	Did the hospital facility or other 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?	**19**		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
a	☐ Reporting to credit agency(ies)			
b	☐ Selling an individual's debt to another party			
c	☐ Actions that require a legal or judicial process			
d	☐ Other similar actions (describe in Section C)			
20	Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 18 (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)			
f	☐ None of these efforts were made			
Policy Relating to Emergency Medical Care				
21	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required 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?	**21**	Yes	
	If "No," indicate why			
a	☐ The hospital facility did not provide care for any emergency medical conditions			
b	☐ The hospital facility's policy was not in writing			
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
d	☐ Other (describe in Section C)			
Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)				
22	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a	☑ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b	☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c	☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d	☐ Other (describe in Section C)			
23	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?	**23**		No
	If "Yes," explain in Section C			
24	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?	**24**		No
	If "Yes," explain in Section C			

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Form and Line Reference	Explanation
STEVENS COMMUNITY MEDICAL CENTER	PART V, SECTION B, LINE 5 STEVENS COMMUNITY MEDICAL CENTER WORKED CLOSELY WITH STEVENS TRAVERSE GRANT COUNTY PUBLIC HEALTH, AS WELL AS A REPRESENTATIVE FROM THE UNIVERSITY OF MINNESOTA EXTENSION CENTER FOR COMMUNITY VITALITY, IN CONDUCTING OUR 2013 NEEDS ASSESSMENT WE BEGAN WITH A LARGE AMOUNT OF DATA MINING TO DEFINE AND IDENTIFY THE COMMUNITY SERVED, ITS DEMOGRAPHICS, HEALTH ISSUES, AND OTHER COMMUNITY NEEDS IN ADDITION, WE HELD A COMMUNITY FORUM IN JUNE 2013 ATTENDED BY 30 INDIVIDUALS PARTICIPANTS INCLUDED WIDE REPRESENTATION FROM THE COMMUNITY INCLUDING THE AREAS OF CHILD CARE, ELDER CARE, AGRICULTURE, MINORITY POPULATIONS, HUMAN SERVICES, LOCAL BUSINESS MANAGERS, PHYSICIANS, MENTAL HEALTH PROVIDERS, THE UNIVERSITY AND OTHERS WE UTILIZED A "WORLD CAFE" FORMAT FOR ENGAGING IN DISCUSSION TO IDENTIFY THE MOST SIGNIFICANT COMMUNITY HEALTH NEEDS AS WELL AS THE COMMUNITY'S CURRENT STRENGTHS AND WEAKNESSES IN MEETING THOSE NEEDS ADDITIONAL INTERVIEWS WERE HELD WITH LAW ENFORCEMENT, PUBLIC HEALTH, AND SCHOOL ADMINISTRATION EMPLOYEES TO GATHER FURTHER INPUT FROM THERE, SCMC DETERMINED HOW WE MIGHT BEST BE ABLE TO ADDRESS SOME OF THE IDENTIFIED NEEDS OVER THE NEXT 3 YEARS
STEVENS COMMUNITY MEDICAL CENTER	PART V, SECTION B, LINE 11 2014 EFFORTS IN ADDRESSING THE SIGNIFICANT NEEDS IDENTIFIED IN CHNA1 MENTAL HEALTH - IN ADDRESSING THE NEED FOR MORE SERVICES AND RESOURCES, SCMC CONTINUED ITS SEARCH FOR AN ADDITIONAL PSYCHIATRIST OUR BEHAVIORAL MEDICINE DIRECTOR INTERVIEWED ONE CANDIDATE, WHO WAS DETERMINED TO NOT BE A VIABLE CANDIDATE FOR THE POSITION IN ADDITION, LAKELAND MENTAL HEALTH CENTER CONTACTED US ABOUT ANOTHER PSYCHIATRIST WHO WAS LOOKING FOR NEW EMPLOYMENT IN OUR AREA ULTIMATELY, THAT CANDIDATE CHOSE TO STAY AT HIS CURRENT LOCATION DUE TO CONTRACTUAL ISSUES WE HAVE NOT MOVED IN THE DIRECTION OF A PSYCHIATRIC NURSE OR EXPANSION OF TELEMEDICINE YET, AS WE ARE STILL HOPING TO HIRE A PSYCHIATRIST WE CONTINUED OUR EFFORTS FOR MORE INTEGRATED CARE BETWEEN A PATIENT'S PRIMARY DOCTOR AND THEIR MENTAL HEALTH PROVIDER DR BARNSTUBLE (FAMILY PRACTICE PHYSICIAN WITH PAST EXPERIENCE AT A V A FACILITY) AGREED TO BE THE PHYSICIAN CHAMPION FOR THIS EFFORT PHYSICAL SPACE IS A HURDLE, AS THE CLINIC DOES NOT HAVE MUCH SPACE AVAILABLE THE BEHAVIORAL MEDICINE DEPARTMENT IS NOT IN CLOSE PROXIMITY TO THE CLINIC, AS IT IS LOCATED ON THE SECOND FLOOR IN THE OLDER PART OF THE HOSPITAL THE THERAPIST CHAMPION FOR THIS EFFORT ATTENDED TRAINING WORKSHOPS IN 2014 RELATED TO CARE INTEGRATION MANY OF THE NEWER PHYSICIANS ARE REGULARLY USING THE UNIVERSAL SCREENING TOOLS FOR ANXIETY AND DEPRESSION AS PART OF THE EFFORT TO ENCOURAGE THIS, THE QUALITY MEDICAL DIRECTOR BRINGS INFORMATION ON THE RELATED Q9 QUALITY MEASURE REPORTING TO THE OTHER PHYSICIANS AT THE CLINIC OVERSIGHT COMMITTEE MEETINGS THE PROBLEM WITH A LACK OF INPATIENT BEDS FOR MENTAL HEALTH SEEMS TO BE GETTING WORSE WE WERE PART OF THE 5 COUNTY CONSORTIUM THAT HOSTED A "DAY AT HOME" FOR THE LOCAL LEGISLATORS IN OCTOBER 2014 THE TOPIC OF INPATIENT BEDS FOR MENTAL HEALTH WAS SPECIFICALLY DISCUSSED WITH THEM THEY SAID THEY WOULD LOOK INTO IT IT APPEARS THERE IS A TREND TOWARD MORE COMMUNITY BASED SERVICES, BUT WE FEEL STRONGLY THAT FOR CERTAIN PATIENTS AT CERTAIN TIMES, AN INPATIENT STAY IS THE BEST OPTION 2 AGING DEMOGRAPHICS - SCMC'S COURAGE COTTAGE HOUSE CONTINUES TO SERVE A GREAT COMMUNITY NEED IN 2014, WE BEGAN PLANS FOR AN EXPANSION WITH THE GOAL OF HAVING THE CAPACITY TO SERVE 5 PATIENTS AT ALL TIMES ALSO IN 2014, SCMC HOSTED THE FIRST ANNUAL "FALL INTO HEALTH" COMMUNITY EVENT, WHICH HAD 550 ATTENDEES, INCLUDING A VERY GOOD REPRESENTATION OF THE LOCAL SENIOR POPULATION WE PROVIDED OVER 170 FREE LAB DRAWS (GLUCOSE, CHOLESTEROL AND HEMOGLOBIN) AS PART OF THAT EVENT WE PROVIDED A FREE HEALTHY MEAL, HAD INFORMATIONAL BOOTHS REPRESENTED BY SCMC STAFF AND COMMUNITY PARTNERS IN HEALTH CARE, AND HAD A PANEL OF 5 HEALTHCARE PROVIDERS ANSWER QUESTIONS FROM THE COMMUNITY IN ADDITION, THE EVENT INCLUDED KEYNOTE SPEAKER JOE SCHMIT, KSTP EYEWITNESS NEWS SPORTS ANCHOR AND AUTHOR OF "SILENT IMPACT" THIS EVENT WAS A VERY SUCCESSFUL PARTNERSHIP WITH OTHER COMMUNITY ORGANIZATIONS AND BUSINESSES 3 HEALTH IMPACT OF POOR LIFESTYLE CHOICES - A) POOR EATING HABITS - OUR REGISTERED DIETICIAN HAD SPEAKING ENGAGEMENTS AT COMMUNITY BUSINESSES OR ORGANIZATIONS ROUGHLY 4 TIMES IN 2014, DISCUSSING HEALTHY EATING CHOICES SHE WORKED WITH THE DIETICIAN FROM THE MORRIS HEALTH EATING INITIATIVE TO PLAN THE HEALTHY MEAL FOR THE "FALL INTO HEALTH" COMMUNITY EVENT, ENSURING THAT IT MET NUTRITIONAL GUIDELINES AT THAT EVENT, SCMC PROVIDED EDUCATION AND BROCHURES AROUND THE THEME "CHOOSE MY PLATE" INTERNALLY, THE DIETARY DEPARTMENT HAS ADDED A STOPLIGHT THEMED BOARD FOR HEALTHY EATING CHOICES IN THE HOSPITAL CAFETERIA MENU ITEMS ARE CATEGORIZED AS GREEN, YELLOW OR RED CHOICES B) LACK OF PHYSICAL ACTIVITY - IN 2014, OUR REGISTERED DIETICIAN DESIGNED A DIET FOR REGULAR EXERCISERS AT THE UNIVERSITY OF MINNESOTA-MORRIS REGIONAL FITNESS CENTER SCMC SUCCESSFULLY ROLLED OUT OUR "BIKE DURING YOUR BREAK" PROGRAM, WHICH BECAME VERY POPULAR WITH OUR EMPLOYEES WE ALSO BEGAN OFFERING YOGA CLASSES AT LUNCHTIME IN THE FACILITY AND BEGAN PLANNING A "RENEW WEIGHT MANAGEMENT" PROGRAM TO BE OFFERED TO THE COMMUNITY IN 2015 C) USE OF DRUGS AND TOBACCO - PATIENTS ARE ROUTINELY ASKED IF THEY WOULD LIKE TO VISIT WITH SOMEONE OR RECEIVE AN INFORMATION PACKET ABOUT SMOKING CESSATION IF THEY WANT TO VISIT WITH SOMEONE, TYPICALLY THE BEHAVIORAL MEDICINE OR RESPIRATORY THERAPY DIRECTOR MEETS WITH THEM THIS CONSULTATION IS A SERVICE SCMC IS PROVIDING FREE OF CHARGE AT THE "FALL INTO HEALTH" COMMUNITY EVENT, THE RESPIRATORY THERAPY DIRECTOR, ALONG WITH A REPRESENTATIVE FROM WINMAR DIAGNOSTICS, HAD AN INFORMATION BOOTH CENTERED AROUND SLEEP STUDIES AND THE USE OF A CPAP A COMPLIMENTARY CPAP ASSESSMENT WAS ALSO AVAILABLE TO ATTENDEES
STEVENS COMMUNITY MEDICAL CENTER	PART V, SECTION B, LINE 13H FEDERAL GUIDELINES AND MINNESOTA ATTORNEY GENERAL AGREEMENT PERCENTAGE DISCOUNTS WERE USED TO DETERMINE ELIGIBILITY FOR DISCOUNTS
STEVENS COMMUNITY MEDICAL CENTER	PART V, SECTION B, LINE 15E WE SEND APPLICATIONS FOR MNSURE AND ASSIST PATIENTS IN APPLYING FOR PROGRAMS WHERE THERE IS A NEED AND POSSIBILITY FOR BASIS OF ELIGIBILITY

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? 3

	Name and address	Type of Facility (describe)
1	STARBUCK CLINIC 501 POLER STREET STARBUCK,MN 56381	FAMILY PRACTICE CLINIC
2	SCMC SPECIALTY CLINIC 7900 CHAPIN DRIVE NE NEW LONDON,MN 56273	SPECIALTY CLINIC
3	COURAGE COTTAGE 409 EAST 1ST STREET MORRIS,MN 56267	ADULT FOSTER CARE FACILITY
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Provide the following information

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

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

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

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

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

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

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

Form and Line Reference	Explanation
PART I, LINE 3C	THE ORGANIZATION PROVIDES A 20% TO 80% DISCOUNT WHEN INCOME LEVELS MEET 190% DOWN TO 101% OF THE FEDERAL POVERTY GUIDELINES (FPG) FOR EXAMPLE, AN 80% DISCOUNT IS GIVEN FOR INCOME RANGES FROM 101% TO 120% OF THE FPG

Form and Line Reference	Explanation
PART I, LINE 6A	THE COMMUNITY BENEFIT REPORT IS AVAILABLE TO THE PUBLIC UPON REQUEST

Form and Line Reference	Explanation
PART I, LINE 7	CHARITY CARE, MEDICAID AND OTHER MEAN'S TESTED WAS CONVERTED TO COST USING THE COST-CHARGE-RATIO DERIVED FROM WORKSHEET 2 COMMUNITY HEALTH IMPROVEMENT SERVICES, HEALTH PROFESSIONS EDUCATION, AND CASH AND IN-KIND CONTRIBUTIONS ARE REPORTED BASED ON ACTUAL EXPENSES RECORDED TO THE GENERAL LEDGER

Form and Line Reference	Explanation
PART I, LINE 7G	N/A

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	THE AMOUNT OF BAD DEBT EXPENSE REMOVED FROM THE DENOMINATOR OF THE CALCULATION WAS $809,580

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	IN 2014, SCMC SUPPORTED SEVERAL SIGNIFICANT HEALTH RELATED COMMUNITY INITIATIVES SUCH AS THE REGIONAL FITNESS CENTER, HABITAT FOR HUMANITY, AND THE LOCAL CHAPTER OF THE AMERICAN CANCER SOCIETY TO NAME JUST A FEW WE ALSO PAID OVER $71,000 IN LOCAL REAL ESTATE TAXES FOR OUR THREE MEDICAL CLINICS, WHICH WOULD CERTAINLY HAVE A POSITIVE IMPACT ON THE HEALTH OF THE COMMUNITIES WE SERVE

Form and Line Reference	Explanation
PART III, LINE 4	BAD DEBT EXPENSE IS REPORTED AT CHARGES AS RECORDED BY THE ORGANIZATION THE ESTIMATED AMOUNT OF BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY IS 17% BECAUSE THAT IS THE AMOUNT OF APPLICATIONS THAT WERE DENIED DUE TO LACK OF INFORMATION OR NO RESPONSE TO CHARITY CARE APPLICATION PROCESS THE FULL AMOUNT OF THIS IS NOT REFLECTED IN PART I, LINE 7 AND IS CONSIDERED COMMUNITY BENEFIT HAD THE APPROPRIATE INFORMATION BEEN PROVIDED AND APPLICATIONS COMPLETED, THIS AMOUNT WOULD HAVE BEEN CONSIDERED CHARITY CARE BAD DEBT EXPENSE IS REPORTED NET OF DISCOUNTS AND CONTRACTUAL ALLOWANCES A PAYMENT ON AN ACCOUNT PREVIOUSLY WRITTEN OFF REDUCES BAD DEBT EXPENSE IN THE CURRENT YEAR THE FOOTNOTE TO THE ORGANIZATION'S FINANCIAL STATEMENTS THAT DESCRIBES BAD DEBT EXPENSES IS LOCATED IN FOOTNOTE 1 ON PAGE 7 OF THE ATTACHED FINANCIAL STATEMENTS

Form and Line Reference	Explanation
PART III, LINE 8	MEDICARE ALLOWABLE COST IS BASED ON THE MEDICARE COST REPORT THE MEDICARE COST REPORT IS COMPLETED BASED ON THE RULES & REGULATIONS SET FORTH BY CENTERS FOR MEDICAID AND MEDICARE SERVICES STEVENS COMMUNITY MEDICAL CENTER IS AN ACUTE CARE HOSPITAL THERE WAS A SHORTFALL FOR 2014 DUE TO SEQUESTRATION EVEN THOUGH MEDICARE WAS AT A LOSS, THE HOSPITAL PROVIDES SERVICES TO THESE PATIENTS BECAUSE ACCESS TO HEALTHCARE AND INDIVIDUAL'S HEALTH IS IMPORTANT TO THE HOSPITAL THEREFORE, THE MEDICARE SHORTFALL IS CONSIDERED A COMMUNITY BENEFIT

Form and Line Reference	Explanation
PART III, LINE 9B	WE FOLLOW THE "MN ATTORNEY GENERAL AGREEMENT" GUIDELINES REGARDING DEBT COLLECTION

Form and Line Reference	Explanation
PART VI, LINE 2	MANY OF OUR DEPARTMENT HEADS ARE MEMBERS OF OTHER BOARDS OR ORGANIZATIONS THROUGHOUT THE COMMUNITY THESE INCLUDE THE CHAMBER OF COMMERCE, THE MORRIS AREA COMMUNITY DEVELOPMENT COMMITTEE, AND MORRIS AREA CHILD CARE CENTER IN ADDITION TO OTHERS THE INFORMATION OBTAINED FROM PARTICIPATING IN THESE COMMITTEES IS UTILIZED TO CONTINUALLY ASSESS THE APPROPRIATENESS OF EXISTING SERVICES AND THE NEED FOR POTENTIAL NEW AREAS OF HEALTH RELATED OPPORTUNITIES CONFERENCE COMMITTEE MEETINGS ARE ALSO USED TO GET INPUT FROM ALL EMPLOYEES, WHO ARE ALSO CONSUMERS OF OUR SERVICES, REGARDING AREAS OF POTENTIAL GROWTH A COMMUNITY NEEDS ASSESSMENT WAS COMPLETED IN 2013

Form and Line Reference	Explanation
PART VI, LINE 3	STEVENS COMMUNITY MEDICAL CENTER PROVIDES A COPY OF OUR CHARITY GUIDELINES AND FINANCIAL ASSISTANCE CONTACT INFORMATION TO INTERESTED PATIENTS AS PART OF OUR INTAKE/SCREENING PROCESS, SELF-PAY PATIENTS (PARTICULARLY INPATIENTS) ARE ASKED IF THEY HAVE FINANCIAL CONCERNS AND ARE REFERRED TO A FINANCIAL COUNSELOR THEREAFTER IF A NEED IS DISCOVERED A VARIETY OF TOOLS ARE USED TO DETERMINE POTENTIAL NEEDS THROUGH THE REGISTRATION, PRIOR AUTHORIZATION, AND BILLING PROCESSES - SOCIAL WORKER'S REFERRAL, IDENTIFICATION OF UNINSURED OR UNDERINSURED STATUS, AND/OR A PREVIOUS HISTORY OF INABILITY TO PAY WE ALSO POST FINANCIAL ASSISTANCE CONTACT INFORMATION FOR PERSONS INTERESTED IN APPLYING FOR CHARITY CARE AND/OR MEDICAID IN PATIENT COMMON AREAS SUCH AS REGISTRATION, WAITING AREAS, PHYSICIAN ROOMS AND THE CASHIER'S OFFICE IN ADDITION, IF PAYMENTS ARE NOT BEING MADE AFTER 2-3 STATEMENTS HAVE BEEN SENT, A FINANCIAL COUNSELOR WILL CALL TO INFORM THE PATIENT OF THEIR OPTIONS AT THAT TIME, WE WOULD SEND OUT AN APPLICATION FOR CHARITY CARE, DISCUSS WITH THE PATIENT THE AVAILABILITY OF VARIOUS GOVERNMENT BENEFITS, SUCH AS MEDICAID OR STATE PROGRAMS, AND ASSIST THE PATIENT WITH QUALIFICATION FOR SUCH PROGRAMS, WHERE APPLICABLE

Form and Line Reference	Explanation
PART VI, LINE 4	STEVENS COMMUNITY MEDICAL CENTER SERVES THE COUNTY OF STEVENS INCLUDING THE TOWNS OF MORRIS, DONNELLY, HANCOCK, CHOKIO AND ALBERTA WE ALSO SERVE AREAS OF POPE, SWIFT, TRAVERSE, GRANT, BIG STONE AND, WITH OUR DERMATOLOGY, ALLERGY, AND THERAPY CLINIC IN NEW LONDON, KANDIYOHI COUNTY WE ANTICIPATE THE TOTAL PRIMARY SERVICE AREA TO BE APPROXIMATELY 15,000, WITH A SECONDARY MARKET OF AN ADDITIONAL 20,000 THE SERVICE AREA IS PRIMARILY RURAL, WITH A STRONG AGRICULTURAL BASE WE ARE ALSO FORTUNATE TO HAVE A UNIVERSITY PRESENCE WITH THE UNIVERSITY OF MINNESOTA, MORRIS APPROXIMATELY 64% OF OUR INPATIENTS ARE MEDICARE AND/OR MEDICARE HMO AND ANOTHER 12% ARE MEDICAID AND/OR MN CARE THERE ARE THREE HOSPITALS IN THE AREA THAT ARE LARGER THAN SCMC LOCATED IN TOWNS 50 MILES FROM MORRIS IN DIFFERENT DIRECTIONS THERE ARE ALSO HOSPITALS IN BENSON, WHEATON, GRACEVILLE, GLENWOOD, ELBOW LAKE AND APPLETON, ALL OF WHICH ARE WITHIN A 30 MILE RADIUS OF MORRIS WE ARE CONSIDERED A FEDERALLY DESIGNATED MEDICALLY UNDERSERVED AREA FOR MENTAL HEALTH SERVICES

Form and Line Reference	Explanation
PART VI, LINE 5	AS DESCRIBED EARLIER, SCMC HAS A COMMUNITY BOARD OF DIRECTORS MEDICAL STAFF PRIVILEGES ARE EXTENDED TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY WE ALSO OWN AND OPERATE AN ADULT FOSTER CARE FACILITY WHICH SPECIALIZES IN THE TERMINALLY ILL THIS IS CURRENTLY SUBSIDIZED BY COMMUNITY DONATIONS ALL OUR EMPLOYED PHYSICIANS ATTEND SEVERAL EDUCATIONAL OPPORTUNITIES, AS DO THE BALANCE OF OUR LICENSED AND PROFESSIONAL STAFF EVERY DOLLAR GENERATED IN EXCESS OF EXPENSES AT SCMC IS REINVESTED IN THE ORGANIZATION TO IMPROVE THE SERVICES OFFERED TO THE COMMUNITIES WE SERVE THIS INCLUDES EFFECTIVELY FUNDING THE DEPRECIATION OF OUR BUILDING AND EQUIPMENT THE COMMUNITY HEALTH SERVICE ACTIVITIES ARE DESIGNED TO COMPLEMENT THE IDENTIFIED HEALTH NEEDS IN OUR AREA SOME OF THE SPECIFIC REPORTED SERVICES, SUCH AS MEN'S AND WOMEN'S HEALTH NIGHTS, HAVE EDUCATED THE PUBLIC ON PREVENTATIVE HEALTH INITIATIVES AND HAVE ALSO IDENTIFIED PREVIOUSLY UNDETECTED HEALTH RISK FACTORS FOR PARTICIPANTS THIS IS ALSO TRUE OF THE DIABETES PRESENTATIONS TO LOCAL SERVICE GROUPS AND OUR ANNUAL DIABETES HEALTH AWARENESS NIGHT MUCH OF THE EMPHASIS ASSOCIATED WITH THESE EVENTS IS TOWARD PREVENTION AND EARLY DETECTION WE ARE ALSO ACUTELY AWARE OF THE FACT THAT A LARGE PERCENTAGE OF THE POPULATION WE SERVE ARE SENIOR CITIZENS AND VALUE THE BENEFIT OF THE FREE TRANSIT SERVICES WE PROVIDE FOR CLINIC APPOINTMENTS CHARITY CARE IS ALSO PROVIDED THROUGH MANY REDUCED PRICE SERVICES AND FREE SCMC PROGRAMS AND INFORMATION OFFERED THROUGHOUT THE YEAR BASED ON ACTIVITIES AND SERVICES WHICH SCMC BELIEVES WILL SERVE A BONA FIDE COMMUNITY NEED THESE INCLUDE VARIOUS BROCHURES TO EDUCATE PATIENTS, STAFF SPEAKING FOR A VARIETY OF COMMUNITY EVENTS INCLUDING SCMC SPONSORED "HEALTH NIGHTS", ELDERLY AND ADULT EDUCATION, SPONSORING A SMOKING CESSATION PROGRAM AND A VARIETY OF OTHER "WELLNESS" TYPE PROGRAMS AT SUBSIDIZED COST, PROVIDING MEETING FACILITIES FOR VARIOUS COMMUNITY GROUPS, OFFERING SUPPORT GROUPS, AND PROVIDING ASSISTANCE TO EDUCATORS THROUGH OUR WORK WITH STUDENT NURSES

Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	MN

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.**

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
STEVENS COMMUNITY MEDICAL CENTER

Employer identification number
36-3311936

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☐ Compensation committee	☑ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**	Yes	
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

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

Part III Supplemental Information

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

Return Reference	Explanation
PART I, LINE 5	THE PHYSICIANS ARE ELIGIBLE TO RECEIVE QUARTERLY INCENTIVE COMPENSATION BASED ON THEIR PERSONAL GROSS REVENUE PRODUCTION FOR NON-ANCILLARY SERVICES, ACCORDING TO THE TERMS OF THEIR CONTRACTS THE CRNA ALSO RECEIVES QUARTERLY BONUSES CONTINGENT ON THE SERVICES HE PROVIDES TO PATIENTS OF SCMC

Additional Data

Software ID:
Software Version:
EIN: 36-3311936
Name: STEVENS COMMUNITY MEDICAL CENTER

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

(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 in column (B) reported as deferred in prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 OLYN WERNSING MD, DIRECTOR / PHYSICIAN	(I)	70,674	0	98,862	12,019	7,803	189,358	0
	(II)	0	0	0	0	0	0	0
1 KIM TATSUMI MD, DIRECTOR / PHYSICIAN	(I)	145,078	101	921	11,753	17,296	175,149	0
	(II)	0	0	0	0	0	0	0
2 GREG ABLER MD, DIRECTOR/PHYSICIAN	(I)	151,713	65,166	20,922	14,643	23,490	275,934	0
	(II)	0	0	0	0	0	0	0
3 JOAN LUNZER MD, DIRECTOR/PHYSICIAN	(I)	211,921	102	5,752	17,088	12,784	247,647	0
	(II)	0	0	0	0	0	0	0
4 JOHN RAU, PRESIDENT / CEO	(I)	279,510	0	29,435	20,150	24,791	353,886	0
	(II)	0	0	0	0	0	0	0
5 KERRIE ERICKSON, DIRECTOR OF FINANCE/IS	(I)	136,322	10,101	254	11,752	18,582	177,011	0
	(II)	0	0	0	0	0	0	0
6 ANDREA GIAMBI DO, RADIOLOGIST	(I)	145,849	348,179	19,866	20,150	3,966	538,010	0
	(II)	0	0	0	0	0	0	0
7 MICHAEL HOLTE MD, ORTHOPEDIC SURGEON	(I)	590,051	29,852	23,375	18,850	24,718	686,846	0
	(II)	0	0	0	0	0	0	0
8 RANDELL LUSSENDEN, CRNA	(I)	123,233	345,566	6,858	20,150	11,932	507,739	0
	(II)	0	0	0	0	0	0	0
9 JACK MUTNICK MD, ALLERGIST	(I)	307,392	239,739	29,524	15,600	30,177	622,432	0
	(II)	0	0	0	0	0	0	0
10 SOMKIAT VIRATYOSIN MD, GENERAL SURGEON	(I)	164,755	118,601	25,776	20,150	23,502	352,784	0
	(II)	0	0	0	0	0	0	0

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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 990-EZ 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

2014

Open to Public Inspection

Name of the organization	Employer identification number
STEVENS COMMUNITY MEDICAL CENTER	36-3311936

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 8B	THE ORGANIZATION DOES NOT HAVE ANY COMMITTEES WITH AUTHORITY TO ACT ON BEHALF OF THE GOVERNING BOARD
FORM 990, PART VI, SECTION B, LINE 11	PRIOR TO FILING, THE 990 IS REVIEWED IN DETAIL BY THE FINANCE DIRECTOR AND PRESIDENT/CEO THE BOARD OF DIRECTORS IS GIVEN THE OPPORTUNITY TO REVIEW A COPY PRIOR TO FILING A COPY O F THE FORM 990 IS ATTACHED TO THE STATE FILING THE STATE FILING REQUIRES A BOARD RESOLUTI ON APPROVING THE FILING DURING THAT TIME THE BOARD IS BRIEFED ON INFORMATION CONTAINED WI THIN THE FORM 990
FORM 990, PART VI, SECTION B, LINE 12C	THE ORGANIZATION HAS TWO CONFLICT OF INTEREST POLICIES - ONE THAT COVERS OFFICERS AND DIRE CTORS AND ONE THAT COVERS OTHER MANAGEMENT STAFF (INCLUDING OTHER KEY EMPLOYEES, IF APPLIC ABLE) POTENTIAL CONFLICTS IDENTIFIED BY OFFICERS AND DIRECTORS ARE REVIEWED BY THE REMAIN ING BOARD MEMBERS, THOSE IDENTIFIED BY MANAGEMENT ARE REVIEWED BY THE PRESIDENT/CEO OFFIC ERS AND DIRECTORS ARE TO ABSTAIN FROM VOTING ON ANY SUCH MATTER WHERE THEY HAVE A POTENTIA L CONFLICT OF INTEREST THE PRESIDENT/CEO EVALUATES EACH POTENTIAL CONFLICT IDENTIFIED BY MANAGEMENT ON AN INDIVIDUAL BASIS IN ORDER TO DETERMINE THE APPROPRIATE RESTRICTIONS TO PU T IN PLACE
FORM 990, PART VI, SECTION B, LINE 15A	SCMC PARTICIPATES IN THE MN HOSPITAL ASSOCIATION COMPENSATION SURVEY AS WELL AS REFERS TO A COMPENSATION REVIEW THAT INCLUDES 49 HOSPITALS IN MN IN ADDITION, SCMC HAS HIRED A COMP ENSATION CONSULTANT TO REVIEW THE CEO SALARY ON OCCASION THE BOARD ENTERED INTO A 5-YEAR COMPENSATION CONTRACT WITH THE CEO AT THE BEGINNING OF 2010, WHICH FIXED HIS SALARY FOR TH AT LENGTH OF TIME, BASED ON MARKET ANALYSIS THE PRESIDENT/CEO REVIEWS SALARY RANGES FOR O FFICERS AND KEY EMPLOYEES OF THE ORGANIZATION ON AN ANNUAL BASIS SCMC RECEIVES AN ANNUAL ASSESSMENT FROM MERRITT-HAWKINS (A RECRUITING FIRM) REGARDING COMPENSATION RANGES FOR PRIM ARY CARE AND SPECIALTY PHYSICIANS THIS INFORMATION IS SPECIFIC TO DIFFERENT GEOGRAPHIC RE GIONS, AS WELL AS FOR GROUPS VERSUS PRIVATE PRACTICES THE PRESIDENT/CEO ALSO REVIEWS THE AMGA (AMERICAN MEDICAL GROUP ASSOCIATION) COMPENSATION SURVEY FOR PHYSICIAN COMPENSATION A ND THE MHA (MINNESOTA HOSPITAL ASSOCIATION) COMPENSATION SURVEY FOR THE DIRECTOR OF FINANC E COMPENSATION ANNUALLY
FORM 990, PART VI, SECTION C, LINE 19	THE AUDITED FINANCIAL STATEMENTS, GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE MADE AVAILABLE TO THE GENERAL PUBLIC UPON REQUEST THE AUDITED FINANCIAL STATEMENTS ARE AL SO ATTACHED TO THE FORM 990
FORM 990, PART IX, LINE 11G	REPAIRS AND MAINTENANCE PROGRAM SERVICE EXPENSES 382,721 MANAGEMENT AND GENERAL EXPENSES 171,723 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 554,444 PURCHASED SERVICES PROGRAM SERV ICE EXPENSES 3,192,706 MANAGEMENT AND GENERAL EXPENSES 271,285 FUNDRAISING EXPENSES 0 T OTAL EXPENSES 3,463,991
FORM 990, PART XI, LINE 9	AUXILIARY ACTIVITY INCLUDED FOR TAX -1,863 AUXILIARY CONTRIBUTION ELIMINATED FOR TAX 1,085

Financial Statements
December 31, 2014 and 2013

Stevens Community Medical Center

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Stevens Community Medical Center
Morris, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of Stevens Community Medical Center (the Medical Center), which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of operations and 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the Medical Center'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 Medical Center'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 Stevens Community Medical Center as of December 31, 2014 and 2013, and the results of its operations and changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Minneapolis, Minnesota
May 15, 2015

	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	$ 12,117,810	$ 7,819,489
Receivables		
Patient, net of estimated uncollectibles of $2,980,000 in 2014 and $3,000,000 in 2013	6,117,966	5,797,292
Other	158,308	247,584
Supplies	1,172,537	1,310,391
Prepaid expenses	405,101	348,010
Total current assets	19,971,722	15,522,766
Assets Limited as to Use		
By Board for capital improvements	10,340,803	11,107,696
By donors	370,079	213,158
Total assets limited as to use	10,710,882	11,320,854
Property and Equipment, Net	15,800,034	15,872,928
Total assets	$ 46,482,638	$ 42,716,548

See Notes to Financial Statements

	2014	2013
Liabilities and Net Assets		
Current Liabilities		
Current maturities of long-term debt	$ 262,500	$ 350,000
Accounts payable		
Trade	732,474	632,834
Estimated third-party payor settlements	88,500	400,000
Accrued expenses		
Paid time-off	1,548,824	1,486,560
Salaries and wages	1,156,477	1,260,019
Pension	897,778	916,674
Payroll taxes and other	124,071	131,761
Reserve for self-funded health insurance	245,000	200,000
Total current liabilities	5,055,624	5,377,848
Long-Term Debt, Less Current Maturities	-	262,500
Total liabilities	5,055,624	5,640,348
Net Assets		
Unrestricted	41,056,935	36,863,042
Temporarily restricted	370,079	213,158
Total net assets	41,427,014	37,076,200
Total liabilities and net assets	$ 46,482,638	$ 42,716,548

Stevens Community Medical Center
Statements of Operations and Changes in Net Assets
Years Ended December 31, 2014 and 2013

	2014	2013
Unrestricted Revenues, Gains, and Other Support		
Net patient service revenue	$ 39,047,035	$ 38,695,244
Provision for bad debts	(809,580)	(673,303)
Net patient service revenue less provision for bad debts	38,237,455	38,021,941
Other revenue	148,339	151,188
Net assets released from restrictions for operations	117,551	63,216
Total revenues, gains, and other support	38,503,345	38,236,345
Expenses		
Salaries	16,622,874	17,611,780
Professional fees	3,385,338	3,500,899
Supplies	4,955,049	4,683,723
Employee benefits	3,948,981	3,615,838
Depreciation and amortization	1,939,800	1,916,591
Interest	-	145,669
Utilities	412,951	383,934
Repairs and maintenance	646,641	581,371
Minnesota Care tax	613,088	621,761
Purchased services	543,337	473,324
Insurance	365,633	373,705
Rent	170,446	351,503
Other	853,120	782,468
Total expenses	34,457,258	35,042,566
Operating Income	4,046,087	3,193,779
Other Income (Losses)		
Investment income	149,815	149,044
Gain (loss) on disposal of equipment	(2,009)	21,631
Unrestricted gifts	-	220
Loss from write off of deferred financing costs	-	136,777
Other income, net	147,806	34,118
Revenues in Excess of Expenses and Increase in Unrestricted Net Assets	4,193,893	3,227,897
Temporarily Restricted Net Assets		
Contributions for specific purposes	274,472	115,239
Net assets released from restrictions	(117,551)	(63,216)
Increase in temporarily restricted net assets	156,921	52,023

Stevens Community Medical Center
Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	2014	2013
Operating Activities		
Change in net assets	$ 4,350,814	$ 3,279,920
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	1,939,800	1,906,818
Amortization	-	9,773
Loss from write off of deferred financing costs	-	136,777
Provision for bad debts	809,580	673,303
Contributions for specific purposes	(274,472)	(115,239)
Loss (gain) on disposal of equipment	2,009	(21,631)
Changes in assets and liabilities		
Receivables	(1,040,978)	(313,284)
Supplies	137,854	(91,661)
Prepaid expenses	(57,091)	(59,073)
Accounts payable	(211,860)	372,238
Accrued expenses	(22,864)	104,594
Net Cash from Operating Activities	5,632,792	5,882,535
Investing Activities		
Purchase of investments	(5,515,136)	(4,984,155)
Proceeds from sale of investments	6,125,108	5,173,327
Proceeds from sale of property and equipment	3,510	42,675
Purchase of property and equipment	(1,872,425)	(2,674,523)
Net Cash used for Investing Activities	(1,258,943)	(2,442,676)
Financing Activities		
Repayment of long-term debt	(350,000)	(3,798,218)
Contributions for specific purposes	274,472	115,239
Net Cash used for Financing Activities	(75,528)	(3,682,979)
Net Increase (Decrease) in Cash and Cash Equivalents	4,298,321	(243,120)
Cash and Cash Equivalents, Beginning of Year	7,819,489	8,062,609
Cash and Cash Equivalents, End of Year	$ 12,117,810	$ 7,819,489
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	$ -	$ 147,524

Note 1 - Organization and Significant Accounting Policies

Organization

Stevens Community Medical Center (the Medical Center) operates a 25-bed acute-care hospital and clinics located in Morris, New London, and Starbuck, Minnesota

Income Taxes

The Medical Center is organized as a Minnesota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) The Medical Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS In addition, the Medical Center is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose The Medical Center has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990T) with the IRS

The Medical Center believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements The Medical Center would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred

Use of Estimates

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

Fair Value Measurements

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

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

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

Cash and Cash Equivalents

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

Patient Receivables

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

Patient accounts receivable are reduced by an allowance for doubtful accounts In evaluating the collectability of accounts receivable, the Medical Center 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 Medical Center 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 Medical Center 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 the bill for which they are financially responsible The difference between the standard rates (or the discounted rates, if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts

The Medical Center`s process for calculating the allowance for doubtful accounts for self-pay patients has not significantly changed from December 31, 2013 to December 31, 2014 The Medical Center does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors The Medical Center has not significantly changed its charity care or uninsured discount policies during fiscal years 2014 or 2013

Supplies

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

Assets Limited as to Use

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

Property and Equipment

Property and equipment acquisitions in excess of $1,000 are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each depreciable asset and is computed using the straight-line method. The estimated useful lives of property and equipment are as follows:

Land improvements	5-25 years
Building	5-50 years
Fixed equipment	10-33 years
Major movable equipment	3-20 years

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

Investment Income

Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in revenues in excess of expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from revenues in excess of expenses unless the investments are trading securities.

Self-Insurance Reserves

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

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Medical Center has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Medical Center in perpetuity. At December 31, 2014 and 2013, the Medical Center did not have any permanently restricted net assets.

Net Patient Service Revenue

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

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

Net patient service revenue, but before the provision for bad debts, recognized for the years ended December 31, 2014 and 2013 from these major payor sources is as follows

	2014	2013
Net patient service revenue		
Third-party payors	$ 37,298,352	$ 36,739,297
Self-pay	1,748,683	1,955,947
Total all payors	$ 39,047,035	$ 38,695,244

Revenues in Excess of Expenses

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

Donor-Restricted Gifts

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

Advertising Costs

The Medical Center expenses advertising costs as incurred

Charity Care

The Medical Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates Since the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue The amount of charges foregone for services provided under the Medical Center's charity care policy were approximately $610,000 and $815,000 for the years ended December 31, 2014 and 2013 The estimated cost of providing charity care was calculated by multiplying the ratio of cost to charges for the Medical Center by the gross uncompensated charges associated with providing charity care to its patients

The Medical Center also provides services to the community free of charge or at cost Management has estimated the total cost of these programs, net of any applicable revenue (unaudited) as follows at December 31, 2014 and 2013

	2014	2013
Charity care (at cost)	$ 327,000	$ 455,000
Other care provided without compensation (bad debts)	809,580	673,303
Community benefits (unaudited)		
Cost in excess of Medicaid payments	821,518	855,669
Cost in excess of other means tested government program payments	651,251	853,744
Education and workforce development and research	75,820	7,404
Community support	31,113	21,839
Community building and other community benefit costs	10,903	12,364
Community health services costs	113,646	120,669
Taxes and fees	71,482	73,836
Total value of community contributions	$ 2,912,313	$ 3,073,828

Note 2 - Net Patient Service Revenue

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

Medicare The Medical Center is licensed as a Critical Access Hospital (CAH) The Medical Center is reimbursed for most acute care services at cost plus 1%, less sequestration adjustment, with final settlement determined after submission of annual cost reports by the Medical Center and is subject to audits thereof by the Medicare intermediary The Medical Center's Medicare cost reports have been audited by the Medicare Administrative Contractor through the year ended December 31, 2011 Clinical services are paid on a fixed fee schedule

Medicaid Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors Outpatient services related to Medicaid program beneficiaries are paid based on allowable cost as determined through the Medical Center's Medicare cost report, less adjustments for legislative reductions, or rates as established by the Medicaid program The Medical Center is reimbursed at a tentative rate with final settlement determined by the program based on the Medical Center's final Medicare cost report Clinical services are paid on a fixed fee schedule

Blue Cross Inpatient services rendered to Blue Cross subscribers are paid at prospectively determined rates per disclosure and/or at a discount from established charges Outpatient services are reimbursed at outpatient payment fee screens or at charges less a prospectively determined discount The prospectively determined discount is not subject to retroactive adjustment Clinical services are paid on a fixed fee schedule

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

Revenue from the Medicare and Medicaid programs accounted for approximately 33% and 9% of the Medical Center's net patient service revenue for the year ended December 31, 2014, and 34% and 8% for the year ended December 31, 2013 Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term The net patient service revenue for the years ended December 31, 2014 and 2013 increased approximately $257,000 and $225,000 due to removal of allowances previously estimated that are no longer necessary as a result of final settlements and years that are no longer likely subject to audits, reviews, and investigations

A summary of patient service revenue and contractual adjustments for the years ended December 31, 2014 and 2013 is as follows

	2014	2013
Total patient service revenue	$ 61,659,695	$ 60,855,399
Contractual adjustments		
Medicare	(9,980,598)	(10,473,447)
Medicaid	(4,698,475)	(4,220,165)
Blue Cross	(2,725,681)	(2,306,971)
Other commercial insurances	(5,207,906)	(5,159,572)
Total contractual adjustments	(22,612,660)	(22,160,155)
Net patient service revenue	39,047,035	38,695,244
Less provision for bad debts	(809,580)	(673,303)
Net patient service revenue less provision for bad debts	$ 38,237,455	$ 38,021,941

Note 3 - Investments and Investment Income

Assets Limited as to Use

The composition of assets limited as to use at December 31, 2014 and 2013 is shown in the following table Repurchase agreements are recorded at cost plus accrued interest and government obligations are recorded at cost which is a reasonable estimate of fair value

	2014	2013
By Board for capital improvements		
Cash and cash equivalents	$ 6,648,323	$ 7,664,153
Government obligations	3,692,480	2,666,776
Repurchase agreements	-	776,767
	$ 10,340,803	$ 11,107,696
By donors		
Cash and cash equivalents	$ 370,079	$ 213,158

Note 4 - Property and Equipment

A summary of property and equipment at December 31, 2014 and 2013 follows

	2014		2013	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	$ 262,917	$ -	$ 262,917	$ -
Land improvements	304,908	241,327	293,768	230,673
Building	21,884,802	10,324,571	21,181,768	9,461,056
Fixed equipment	711,573	409,900	682,253	374,141
Major movable equipment	13,734,352	10,706,543	13,089,553	9,882,314
Construction in progress	583,823	-	310,853	-
	$ 37,482,375	$ 21,682,341	$ 35,821,112	$ 19,948,184
Net property and equipment		$ 15,800,034		$ 15,872,928

Construction in progress at December 31, 2014, represents costs of approximately $156,000 relating to the new operating room project and $427,000 relating to the implementation of clinic electronic health records The estimated cost to complete the operating room is $8,100,000, with construction commitments of $6,700,000 as of December 31, 2014, which will be financed with facility funds The estimated cost to complete the clinic electronic health records project is $300,000 with no commitments as of December 31, 2014

Note 5 - Leases

The Medical Center leases certain equipment under noncancelable long-term lease agreements which are recorded as operating leases Total lease expense for the years ended December 31, 2014 and 2013 for all operating leases was $170,446 and $351,503

Note 6 - Long-Term Debt

Long-term debt consists of the following at December 31, 2014 and 2013

	2014	2013
Note payable to Minnesota Department of Health, for the purpose of implementing an Electronic Health Record system, noninterest bearing, payable in quarterly installments of $87,500 to October 2015, unsecured	$ 262,500	$ 612,500
Less current maturities	(262,500)	(350,000)
Long-term debt, less current maturities	$ -	$ 262,500

On October 22, 2014, the Medical Center entered into a line of credit agreement with a bank The line of credit allows for borrowings up to $2,000,000 with a maturity date of October 22, 2016, and bears interest at 3 25% There was no outstanding balance at December 31, 2014

Note 7 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31, 2014 and 2013

	2014	2013
Capital improvements	$ 22,789	$ 22,789
Other	347,290	190,369
	$ 370,079	$ 213,158

In 2014 and 2013, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of $117,551 and $63,216 These amounts are included in net assets released from restrictions in the accompanying financial statements

Note 8 - Retirement Plans

The Medical Center has a money purchase pension plan covering all employees with one year of service, over 21 years old, and working more than 1,000 hours during the plan year The Medical Center contributes from 3 25% to 5 75% of employee compensation depending on length of service The Medical Center also has a 403(b) matched savings plan Employee contributions are matched 50% by the Medical Center up to 4% of employee compensation Total retirement plan expense was $923,206 and $948,274 for the years ended December 31, 2014 and 2013

Note 9 - Concentration of Credit Risk

The Medical Center grants credit without collateral to its patients, most of whom are insured under third-party payor agreements The mix of receivables from third-party payors and patients at December 31, 2014 and 2013 was as follows

	2014	2013
Medicare	25%	28%
Commercial insurance	36%	32%
Medicaid	7%	6%
Other third-party payors and patients	32%	34%
	100%	100%

Note 10 - Functional Expenses

The Medical Center provides health care services to residents within its geographical location Expenses related to providing these services by functional class for the years ended December 31, 2014 and 2013 are as follows

	2014	2013
Patient health care services	$ 28,566,512	$ 29,498,014
General and administrative	5,890,746	5,544,552
	$ 34,457,258	$ 35,042,566

Note 11 - Contingencies

Malpractice Insurance

The Medical Center has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of $1 million per claim and an aggregate limit of $3 million The Medical Center also has a $10 million umbrella policy Should the claims made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, will be uninsured

Litigations, Claims, and Other Disputes

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

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

Collective Bargaining Agreements

The Medical Center is subject to collective bargaining agreements for approximately 12% of its labor force The agreement for the Minnesota Nurses Association union will expire December 31, 2017 The agreement for the AFSCME/Minnesota Licensed Practical Nurses Association union will expire May 31, 2016

Note 12 - Subsequent Events

On January 22, 2015, the Medical Center sold its New London clinic building for $610,300

The Medical Center has evaluated subsequent events through May 15, 2015, the date which the financial statements were available to be issued